

International Marketing Master Thesis E F O 7 0 5

Shailand.

L Beauty Hub

for Everyone?

(Internationalizing Thai Besthetic Surgery)

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#### **ABSTRACT**

Subject / term: Business Studies / VT2008

Title: Thailand a beauty hub for everyone? Internationalizing Thai aesthetic

surgery

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Abstract:

**Introduction**: Aesthetic surgery becomes another option of beauty. Interested Patients

seeking for choices offered outside their homeland for more benefits. Thailand maybe one of those choices people is now interested in. Thai aesthetic industry may prove to be one of the most wanted destinations because of its expertise and relatively low cost with impressive service.

**Problem**: "How should Thailand improve its Aesthetic service attractiveness to

drive its potential to the level of internationalization?"

**Purpose**: This thesis aim to understand Thai aesthetic surgery business and expect

to conduct the idea of how to improve the attractiveness of aesthetic service in Thailand by find out international demand then analyze advantages of Thai aesthetic surgery and what can be improve to serve

international customers' demand.

**Method**: Primary data gathered from interviews with two doctors, two former

patients and eight interested in aesthetic surgery people from different countries. Secondary data mostly came from hospitals and clinics publications, medical articles and Societies of plastic surgeons in many countries. Business Newspaper gives idea about medical care situation and news in medical care field. The theories use to analyze information are

Diamond of national advantage, 7Ps, and Total perceived quality model.

**Analysis and** 

**Conclusion**: International demand of aesthetic surgery is high and people tend to go

have operation abroad. Four factors of diamond national advantage show advantages and 7Ps show the capability of Thai aesthetic surgery service. Explication of Thai Marketing Mix (7Ps) clarified that Thai medical care service operate with qualified doctors and service team, well equipped instruments and luxury hospitals and clinics environment. Thai aesthetic surgery also gains high reputation from foreigners especially about lower cost of surgery. Despite the good image of this industry abroad there still are areas which the customers feel inferior, for example the level of hospitals internationalization does not reach the high standard of international hospitals. The language barrier with hospital staff and difficulties to follow up patients who live in other countries are the main

weaknesses.

## Acknowledgements

"A sailing ship without its campus is closely to a sinking ship." Once someone who is dear to us use to say "Then you should continue do what you usually do - aim for the stars." We have been struggling in the beginning but once we found our star we are on the way to achieve our goal. We may have many people to thanks for but first, we would like to thanks each other to fulfill a strong belief and help pulling each other up in the time of need. With our strong beliefs, small puzzles were put together to create a beautiful picture. We also would like to thanks the person behind the quote, not only you have been a great tutor but also a great friend. You know who you are. Thank you for hard work opponents whom help pointed out mistaken we have made and missed. This thesis would not be possible without all of our interviewees and their insight stories. It was a great experience. Last but not less, we would like to thanks every friends and family who have been right behind us every step on the way. Successful today came from your powerful supportive.

Sincerely,

Jitmanee Pullawan - JJ Kantara Sinhaneti - Kan

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## Preface

Once we agreed to work together we made our pack to do our thesis on the topic we are truly interested in, make it fun and gain some knowledge while we are doing it. Many topic had come to our mind, Ben and Jerry Marketing Plan in Thailand, Gay Market - how to be on top of the industry, Music marketing, etc. After heavy discussion between the authors and our tutor we have come to an idea of the first thesis topic. Our idea for this thesis develop from our curiosity and acknowledgement of first the beauty surgery in Thailand, why it is become so popular among foreigner and second the new launched idea on Medical Tourism. We can see the topic that not only interesting but also relate to our previous study of an International Marketing. Finally we have come to the final topic of "Beauty surgery, How to market in Europe?" thesis process goes on and we developed our framework and method. Later we came to realize that we went on the wrong track. The method we used couldn't give us the result as we hope it to be. So we decided to back up and take a look at the total picture again. Later we understand what we could have done wrong. We have to make some change. It was quite a big turn form our last topic but we would still using a lot of information from our last topic. Though we still be concentrate on the aesthetic surgery in Thailand. Instead of trying to market the surgery to European region we agree on the investigation of attractiveness of Thai aesthetic surgery. We would like to see whether or not Thailand can take aesthetic service to an international level.

Based from our experience of oneself, friends and others we came across of how beauty surgery becomes almost common as going to the grocery. And how interesting out number of foreigners who came to Thailand on the main purpose to get it done in the land of smile. We can see this industry growing in the coming years. Many hospitals see the potential of the new market and open channel for foreign patient to come on board. The reputation of aesthetic surgery or also called cosmetic, beauty surgery does not only exist within the country. The spread of words carries out in the global level. It could not be more surprise when Miss International Queen, Beauty pageant competition of over the world transvestites / transgender, takes place, more than once has Thai transvestites/transgender won the first place. The recent Miss International Queen 2007 once again Thai was crowded. The reputation do not limit to the transvestites / transgender side but a great number of patients who have an interest in doing the surgery such as lipid suction, breast implants and lip injections. If Thailand aesthetic industry can offer such impressive service, maybe this is a new channel to draw foreigners to Thailand.

As we precede with our thesis we have layout the plan as follow; first we gather the rough information on the topic to make sure we will have everything we need further on and that our topic can be develop. Then we collect more information which can be divided in 4 categories. We will matches with the information with our theories to make it as easy to follow as possible. Afterward we will analyze the information according to the theories. Conclude our thought and do the recommendation. Finally we finalize everything and hopefully this thesis will comply with standard of the course and become other source of information for our target audiences which is hospitals and clinics in Thailand.

## 1. Introduction

A great poet philosophy *Khalil Gibran* once said "*Beauty is eternity gazing at itself in a mirror*" (Gibran, 1923). Naturally born beauty is the most desired thing for everyone. First impression is what catches the eyes. And often beauty is the key to attracting others and in many cases beauty as a result leads to good social life. Thought "Ideal beauty" has different definitions from person to person depending on culture, social believes, and personal satisfaction.

Beauty concerns have started thousands of years ago as of archaeologists discovered tweezers in Shahdadian people's grave, naturally colored stone points to first human make up and the first comb was found in a cave in the burnt city of zabol in Iran. (Persian Journal, 2008) In China, children's feet were bound as social foot binding fashion. Many tools and methods to change appearances were created ever after in order to hide recessive and build desire dominant features.

From time to time physicians improve techniques of medical treatments from medicine to surgery to treat disease, body injury or even reconstruct deformities parts. The surgery treatment does not only bring people back to life but develops abnormalities organs and removes body part for example a limb. Surgery techniques are used for aesthetic purposes to reshape, remove or repair to change the appearance.

The aesthetic surgery word includes reconstructive surgery which repairs defect of the body such as lips and palate deformities and cosmetic surgery for satisfaction for example, reshaping the nose (rhinoplasty), making the breast larger (augmentation mammoplasty). Physicians use specific materials to form shape in many surgeries including plastics and silicone derivatives. This made the aesthetic surgery called "plastic surgery". (Making the body beautiful: A cultural history of Aesthetic surgery, 1999,p.3)

The aesthetic surgery trend became a new way of beauty that spread all over the world. It became popular not only among celebrities and famous people due to the advance of technology in this area. New technology has made the process a lot easier and more efficient than before. Plastic and cosmetic surgery services are provided by Physicians in many countries in America, Europe, Asia or even Africa. This industrial tend grows faster than other medical treatments due to many hospitals and clinics participated in this business. (K. Taninpituk, pers commu, 2008, 13 May)

Thai medical is one of the most advanced in the region. Particularly, aesthetic surgery which became new popular trend of the century. (The Society of Plastic and Reconstructive Surgeons of Thailand, 2008) Many physicians undertake special degree abroad especially Europe and the United States. Hospitals and clinics put down large amount of investment in the assets and

equipments to provide luxury services and competing for higher standard. (P. Tiewtranon, 2008, pers comm., 30 April) Thailand is a good option for those seeking medical services. Many varieties of plastic surgery options are available, as is eyes surgery, breast reduction and reshaping. Thailand is also a very popular choice for people requiring sex reassignment surgery. The cost of surgery in Thailand is definitely low compare to many other countries.

Deep investigation on this topic will make a better understanding of Thai aesthetic surgery industry and improve the service to increase attractiveness of service in aesthetic industry in Thailand to match with customer's expectation. This study is going to emphasize a possible leading position of Thailand in aesthetic services on the international level

## 1.1 Problem Statement

A growing number of popularity of aesthetic surgery since year 2000 has been rising according to the American Society for Aesthetic Plastic Surgery statistics. Surgery procedures took place 7 years ago was nearly 6 millions. (Klatsky, 2001). The rapid increase in health care cost in USA and European has accelerated a shift of patients seeking health service in Asia. The growing trend of seeing Thailand as one of the medical destination has also been rise in the past few years. For example, the service from Bumrungrad International Hospital, one of the leading hospitals in Thailand, which aim not only to provide service for Thai patients but also international one. One of the most common services offered is Aesthetic surgery.(Bumrungrad hospital ,2008) More over the reputations of an excellent beauty surgery have been recognizing not only to the population itself in Thailand but also the rest of the world. An obvious evident of Miss International Queen 2007 crown again by Thais and a her remarkable touch of Thai surgeons make us wonder about the potential of Thailand Aesthetic to serve the service on the international level and gain a leading position in a future. (Miss international Queen, 2008) Since the trend of Aesthetic surgery and Thailand reputation on this service are growing in the same way. Maybe Thailand could be another choice when patients want to travel out of country for the Hence we come to our strategic question that "How should Thai aesthetic industry improve its service attractiveness to drive its potential to the level of internationalization?"

In order to answer the strategic question above firstly must come to an understanding of an Aesthetic industry in global level demand and the industry in Thailand including the expectation of international patients who wish for aesthetic surgery. This investigation will aim to answer three sub questions that believe will lead to the strategic answer. Hence "service mix" refers to its service and communication tools. Sub questions are;

What is the capability and advantages of Thai Aesthetic surgery for foreigners?

How do foreigners perceive Thai Aesthetic surgery?

How should Thailand improve its service mix to attract more international patients?

## 1.2 Purpose

Our purposes of this thesis; firstly, to find out the demand of aesthetic surgery on the international level. Then analyze the attractiveness of Thailand aesthetic industry (hospitals and clinics) including the advantages of the country. Afterward find the way to improve the attractiveness of Thailand's aesthetic service to serve the need of an international demand from the customer expectation. The investigation of this paper will help Thailand's aesthetic service providers have a better understanding of the industry within a country itself from the trend on an international level especially the expectation of the market. By the end of our thesis we hope to achieve an idea of how to improve an attractiveness of Thailand's aesthetic service to drive the country's potential to international level. And the recommendation can transfer into practice further on.

## 1.3 Target Audience

Our target audience are Thai hospitals and clinics offered aesthetic practice that have not been aware of this trend to improve their service to match with a new market of international patients in order to create more value to the organization.

#### 1.4 Limitation

Firstly Thai aesthetic institution still lacking of centralize data unit therefore the author need to gather the information about the hospitals that carry aesthetic surgery individually. Also the lack of information cannot provide the overall statistics of surgeons and hospitals in Thailand. Secondly as the result of reason above, authors do not have enough time to gather specific information such as sale and promotion, number of surgeon, etc. from each hospital in Thailand. Instead authors concentrate on few hospitals that already been expose to the international market such as Bumrungrad Hospital and Bangkok Nursing Home as an example. Last, the detail information on the interviewees needs to be use with their privacy concern. Some information is not complete due to this matter.

## 2. Theories

## 2.1 Diamond of National advantage

Michael Porter's Diamond of National advantage model introduces 4 important factors to analyze the nation competitiveness. Hereby will come to a better understanding why some nation are more competitive than the others in some industry. The 4 elements are *Factor condition, Demand condition, Related and Support Industries,* and last *Firm Strategy, Structure, Rivalry.* (Porter, 2004, P.166) The details will be discussed further on.

Each element of the diamond works as a system. Without one another a nation cannot reach to its competitiveness. Moreover each element has crucial effect on one another. Rich resources and excellent skill are essential for any industry because of the information company received works as a guide for the company to shape into the right direction and use the resources to full extent. Individual, owners' goal and management also have an impact to how the company performs. An efficient company is the one that keep innovating, therefore company required to storm a great investment on all resources. Once the companies are fully innovated and invested, they will gain competitive advantage and as a result the industry develops, nation also gains this competitive advantage from the industry.



Figure 1 : Diamond of National Advantage (Porter, 2004, P.167)

#### 2.1.1 Factor Conditions

These national factors often provide significant advantages to the country. A country creates its own important factors such as skilled resources and technological base. The factors can be categorized into human resources (qualification cost of labor, etc.), material resources (natural resources, raw material, etc.), knowledge resources, capital resources, and infrastructure. These factors used in production such as skilled labor, land, raw material, infrastructure, etc. are important for competition in each industries. Factor Conditions are being used to determine the strongest positioning as the core competence of the country. Each country will develop the industries which suit best of the factor conditions. In order for a country to be competitive, each nation cannot reach its goal without a heavy investment on their resources especially knowledge-based. A highly specialized of an industry will eliminate other competitors. Capital resources, an asset of the country, represent nation's financial status. A Reliability of one country many time count on the transaction data. Furthermore country should not be ignored the important of its infrastructure. The more convenient of this supporting asset is to the country, the better industry can be developed. Thus the nation needs to be able to sustain their resources over time. It is important to recognized as Porter pointed out that these factors are not necessary nature-made or inherited. They may or can develop and change. (Porter, 2004, P.172)

#### 2.1.2. Demand Conditions

Home demand conditions influence the factor conditions. As for the start it effects on how the company perceived, understood, and reacted to the buyer needs. Then a nation gained competitive advantage from a rising of the buyer needs. On another hand buyer needs also play an important role of encouraging company to innovate. As a result of satisfying the needs, company achieves a better sophisticated national advantage that difficult to be achieved by the foreign competitors. According to Porter, home demand is determined by three major characteristics: their mixture (the mix of buyer needs and wants), their scope and growth rate, and the mechanisms that transmit domestic preferences to foreign markets. The mixture of the buyer needs often indicate a specialization and more advance in production. For that reason the standard of product is also high. In mechanism, a country can reach national advantages in an industry or market segment if home demand provides outstanding number. Normally, buyer needs in home markets have better influence on a company than foreign markets do. (Porter, 2004, P.174)

Moreover competitive advantage of home demand can lead the country to the globalization level. A widespread of trend that comes from the buyer needs can create

a value among the nation. Although this trend needs to be strong, sophisticated, and well accept by other nations. (Porter, 2004, P.175)

## 2.1.3. Related and Supporting Industries

One internationally successful industry may lead to advantages in other related or supporting industries. Competitive supplying industries will strengthen innovation among them and internationalize each others in industries. For example; first, a company has a better chance of reducing cost. Second, related and supporting industry are formed to support each other in the time of need. An advantage of the joining hand brings many benefits to the company not only in the production line but other such as marketing channel and promotion. Company can explore the resources of the others. Third, the relationship between companies is often strong. It allows constants flow of information that leads to idea of innovation. The influence they have among each other paid a great effect on company's decision. Related industries are as importance as they can use and coordinate certain activities in the value chain together, or consult with complementary products. (Porter, 2004, P.176-178)

Never less Porter also mentioned "Cluster", a geographically group of related, associated, interconnected companies in the identical industry that liked by the common goal and complementary. (Porter, 2004, P. 199) Related and support industry of one nation can develop into a cluster. Each company in a related industry can share the common production facility, distribution, marketing firm, finance service, etc. The advantage of cluster in the nation is the fact that the companies will gain competitive advantage from the bargaining power of the buyer and supplier. Moreover company also innovates by the information and technology flow in the cluster. Cluster is a working force to increase a country export and at the same time draw attractive investment from foreigners. (Porter, 2004, P.197-199)

## 2.1.4. Firm Strategy, Structure, and Rivalry

Cultural aspects play an important role in a business world. Local conditions of a nation have a great influence on the firm strategy, the management of the company, and also the domestic rivalry. Strategy and structure help to determine the types of industries a nation's firms will be best. Moreover factors like management structures, working morale, or interactions between companies are form differently depend on belief and culture aspect. This will provide advantages and disadvantages for certain industries. Individual performance is as important as company strategy. Both can lead to competitiveness. Competitive advantage of specific field arises from the

organization itself and performance of the company that is favored by the nation. On the other hand, country's capital and human resource affect the competitive performance of industry. Porter mentioned in his Five Forces model that low rivalry made industry attractive. While more local rivalry is better since it motivate firms to be innovate and develop. (Porter, 2004, P.178-179)

Government has a significant role to encourage or discourage the industry. Domestic law and influence of the government on country perception affect on a company performance. Government should embrace industries that have high potential to attract investors from both domestic and foreign market. At the same time government should encourage weak industry to develop and stimulate the industry to innovate. Furthermore government should promote the competent of an industry and push the free trade. (Porter, 2004, P.186)

## 2.2 Marketing mix for Service business (7 Ps)

Managing services are more complicated than dealing with products. Many factors involved in satisfying the target market. Booms and Bitner extended the marketing mix or as we so called "4Ps" in to "7Ps" especially target the service industry. This factors according to Boom and Bitner can be controlled by the company and definitely used to influence customer behavior. The original 4Ps include of Product, Price, Place, and Promotion where 7Ps adds factor include People, Physical evidence, and Process. Details are in the Table 1 and will be discuss. (Booms and Bitner, 1981)

- **Product:** Companies need to consider this main factor as one of the first task. Product does not mean only tangible, service is considered product. Products or Services company offered should meet what customer need or want. First market knowledge is an advantage. Developing products with the quality perceived by customer's value which given by customer not the company itself. The importance of the products lies within the perception of customer toward the products. (Marketing and 7Ps, 2005)
- **Price**: Price is the cost in which customers have to give up for products or services. The higher the price is the higher expectation is of the product. Price also marks the position of the product in the market. Company should be able to fulfill this expectation that customer worth paying for. One way of companies positioning is also prices set up. (Marketing and 7Ps, 2005)
- **Place**: Place is where customers can buy the product or use the service. Place should be convenient for the customers and where best performance delivered. Company must

make sure that products are served in the right place at the right time and in the right quantity. (Marketing and 7Ps, 2005)

- **Promotion**: Channels which company communicate with customers are as important as having good products. Company must get attention from the target market through branding, advertising media, sales or special offer, etc. An effective channel of each product may different from others. Company should have the right channel to communicate for the best result. Moreover promotion is also consisting with what service provider can offer extra or doing special for their customer. This channel is used to gain higher sell revenue and brand royalty. (Marketing and 7Ps, 2005)
- **People**: People who involved in service can be divided into 2 types. First, the service provider people such as staff. Company should put the right person to the right jobs. The impression of service often depends on how staff interacts and do their jobs. Especially in high contact service businesses, personnel can easily influence customer perception. The second is customers that use the service. These people can influence the perception of other customers about the service. Their reaction during the same time as other customer can be seen as quality persuade. Customers contact is another way to build or destroy a reputation of the service. (Marketing and 7Ps, 2005)
- **Process**: Process is sequences of step customers spending their time receiving the services or buying products. This includes waiting time, information given to customers, and enthusiastic and manner of the staffs. Companies should make their customer understand the process of the service and arrange convenience process for them. Adjustment of the process can be adapted with different customer though this depends on the company willing and other factors. This may be seen as tailor made for some customer, as a result companies may end up in a favorable position. (Marketing and 7Ps, 2005)
- **Physical evidence:** Tangible factors describe an intangible such as service is an obvious evident for customer to measure the quality of the service. An environment where service is provided delivers as part of the company image. Customers preassumption of the tangible evidence are such as cleanness, decoration, etc. Companies should be careful and not over look this factor. (Marketing and 7Ps, 2005)

	o Ovelity				
	• Quality				
	Brand name				
	Service line				
	Warranty				
Dundeet	Capabilities				
Product	Facilitating goods				
	Tangible clue				
	Price				
	Personnel				
	Physical Environment				
	Process of service delivery				
	• Level				
	<ul> <li>Discount and allowances</li> </ul>				
Price	Payment terms				
11100	<ul> <li>Customer's own perceived value</li> </ul>				
	<ul> <li>Quality/Price interaction</li> </ul>				
	Differentiation				
	Location				
Place	Accessibility				
Place	Distribution channels				
	Distribution coverage				
	Advertising				
	Personal selling				
	Sales promotion				
	Publicity				
Promotion	Personnel				
	Physical Environment				
	Facilitating goods				
	Tangible clues				
	Process of delivery				
	Personnel : Training				
	Discretion				
	Commitment				
	Incentives				
Boonlo	Appearance				
People	Interpersonal behavior				
	Attitude				
	Other customer's: Behavior				
	Degree of involvement				
	Customer/customer contact				
	<ul> <li>Environment : Furnishings</li> </ul>				
	Colors				
Physical Evident	Layout				
i ily sicul Evident	Noise level				
	Facilitating goods				
	Tangible clues				
	• Policies				
	Procedures				
	Mechanization				
	Employee discretion				
	Customer involvement				
	Customer direction				
	Flow activities				

Figure 2: 7Ps (Booms and Bitner, 1981)

## 2.3 Total perceived quality model

Gronroos explains the perception of customer in service industry in Total perceived quality model. Quality of the service and product is one of the essential factors affect customer decision. The quality of a service often recognized to what the customer perceived. How customers perceive is in the matter of marketing communication area. This model is a demonstration of factor which influences the customer on how to perceive the quality of service. The image of the service is the total perception of customer. It is how customers vision about a company and its service or product. As a result of the outcome, company can be on favorable or non-favorable position. This image is very important to the company in order to gain a competitive advantage of the service. (Gronroos, 2007, P.77)

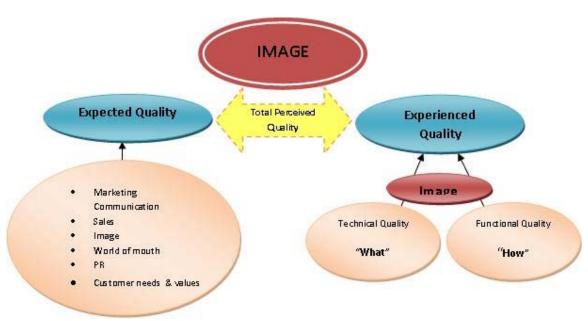


Figure 3 : Total perceived quality model (Gronroos, 2007, P.77)

#### 2.3.1 The expected quality

This quality builds from the expectation of the customer which depends on the individual perception of how service should be. The quality of the service should meet the expectation of customer in order to be on favorable image. The expectations formulate from varieties of factor in traditional marketing activities which are marketing communication, sales, image, word of mouth, public relation, customer needs and values. The message, that passing through the marketing tool, can have different impact on different customers. Companies need to be aware to use these channels wisely to receive the result they expected.

## 2.3.2 The experienced quality

This quality can be gathering through past experience of the customer. The experience will form a certain background image of the quality of the company which can be from the technical quality and functional quality. This image works as a filter for customer. If the image is on favorable side, often customer will perceive the quality of service positively.

#### The technical Quality

The experiences occur after the interaction of service has finished. The impression of quality is depending on the service itself, accessibility, how the service provider performed, and other customer's opinion on the same or similar service. This type of quality is also known as "What". According to 7Ps it included of product, price, place, promotion, people, and physical evidence. (Gronroos, 2007, P.77)

## The functional Quality

The experiences occur during the service. The customer can see quality through how the service provider functions. The process during service is often defining the quality. The influences of the others on the process also have an effect on how customers perceive quality. This type of quality is also known as "How". It included of process in 7Ps Marketing Mix. (Gronroos, 2007, P.77)

## 3. Method

## 3.1 Choice of topic

Aesthetic surgery is a broad topic because of wide range of surgeries from head to toe. This gives a bunch of information about it to study. But study of one or few specific type of aesthetic surgery cannot shows big picture of this whole service business since to reach beauty satisfaction may need more than one kind of surgery.

In general, the word "plastic surgery" is more familiar term which represented mostly popular surgery such as nose surgery, chin surgery and breast surgery. This is one of the most everyday topics in Asian countries. Unilever Thai Trading co., Ltd, One of the biggest cosmetic producers in Thailand has research result collected from 2,100 persons from 9 Asian Countries shows that Japan, Korea, Taiwan and Thailand are the top 4 countries with highest demand for plastic surgery in the region and 38 percent of Thai ladies are interested in plastic surgery because of dissatisfaction with their beauty. (Kom Chad Luek Newspaper, June26, 2005) To be able to get the desired appearance is not a wish for luck but you can choose to be.

Not only movie stars need beauty surgery but the trend of plastic surgery spread to people in every single country no exception for developing countries. Demand created by popularity of plastic surgery and new efficient surgery technologies that shorten the surgery process time and give better results. Even though, the economic crisis has slowed down businesses but beauty surgery is growing industry. (Kom Chad Luek Newspaper, June26, 2005) This might be a result of the borderless communication world where most data flows via World Wide Web. People share information not only nationally but all over the world and compare it. No place is too far to reach especially to search for the special product or service.

This topic came up from 2 facts. Firstly, private health care in many countries are extremely expensive. Common medical care like dentistry are extraordinary priced, while surgery can completely retrieved personal finances. (American Society of Plastic Surgeons, 2008) This made surgery for aesthetic purposes difficult to dream about. Many people have looked out of their native homelands to find cost-effective solutions.

Secondly, Thailand aesthetic surgery services are aiming for patients from all over the world. Thai surgeons have proved themselves as experts in this field especially in sex reassignment. Also varieties of plastic surgeries are available. Thai hospitals and clinics

claimed that their aesthetic surgery patients came from many countries and the number is increasing every year. (The Society of Plastic and Reconstructive Surgeons of Thailand, 2008) Public relations mostly websites have exposed to get attention from worldwide customers. This point is really attractive and challenges our curiosity about internationalization of this business.

This research aim are to investigate attractiveness of Thailand aesthetic surgery services, the world patient demand and factors that promote or prohibit including the expectation of international patients. This study will point out important facts and give an idea on how to improve their service to attract international customer. This paper will be useful for target audiences which are Thai hospitals, clinics and surgeons.

#### 3.2 Choice of Theories

To analyze information gathered for this paper theories have chosen from what we learned in International Marketing program. The important of which theory have used to analyze and answer strategic question is underlying with the scope and connection of each theory allows information to do. Therefore the theories have been adapted to suit with information that authors feel necessary to the topic.

Thailand country was analyzed with **Diamond of National advantage**. (Porter, 2004) It reveals firm strategy and rivalry to demonstrate a competition on the market. The demand condition shows us the needs and specialty may require in this field. Factor condition will investigate the total picture of Thailand aesthetic industry. Last, related and supporting industries give us the support of the industry which can be advantage to Thai industry.

**7Ps or Marketing Mix for Service marketing** (Booms and Bitner, 1981) used for analyze the factor which directly related to service marketing. The outcome of the analysis will be able to give information on what kind of service do Thailand offer and on which level. Analyze with the expectation and perception information gathered from interested patients give us an idea of how to improve the attractiveness of Thailand aesthetic industry.

In addition, the **Total perceived quality** (Gronroos, 2007, P.77) model explained the perception of patients both former patients and interested patients. This model will be analyzed under the factor of 7Ps. As a result comes to a better understanding of how people perceive Thai aesthetic surgery and the awareness of this industry.

#### 3.3 Choice of Information

## **Secondary Data**

Information gathered based on Fisher knowledge of open analysts which looking for common narrative structures were shared by many similar documents (Fisher, 2004, P. 135). Up to date journals, articles and reports gave the recent insight of the topic.

The general information on the case of aesthetic surgery mostly came from medical journals, articles and physicians themselves. Societies of Plastic surgeons in many countries such as America, England, Canada, Australia and Thailand are reliable sources in surgery procedure and lead to related medical journals. Specific information about aesthetic services both on international level and in Thailand gathered through Medical services information which mostly provided only by direct contact to service providers. Luckily, in the world of businesses many websites offered many more information to approach customers. They are rich sources of updated information provided plastic surgery services detail. Moreover, Internet connected us directly to the physicians and other patients all over the world to share information and experienced about our study. Information about Thai aesthetic surgery services came from International hospitals and clinics websites which are Bumrungrad International Hospital as example of one of the hospital, which have already been familiar with internationalizing, Bangkok Hospital another big international hospital in Thailand, BNH hospital, Piyavej Hospital and some other Thai hospitals. This information will explain about the current situation of aesthetic practice with foreign patients and also the strategy they used to be on this level. Important information from hospital websites used as references had verified by direct contact to the hospital.

Business Newspaper is a type of media publication gave idea about medical care business situation, competition, news in this industry and narrow down point of study about aesthetic surgery.

## **Primary Data**

Primary data gathered from interviews and direct contact to hospitals and clinics. The questions are semi-structure meaning that controlled the scope through the type of question we asked. (Fisher, 2004, P 143) Interview questions are form regarding to the

theory concerned with the topic. The list of questions had used in interview related to theory can be seen in Appendix.

- 1) The interview with well known plastic surgeons in Bangkok, Thailand which have performed surgeries for foreign patients.
  - **-Dr. Preecha Tiewtranon**, former Associate Professor Chairman of Plastic Surgery unit of King Chulalongkorn University Medical School, President of Plastic and Reconstructive Surgeons of Thailand, President of the Society of Aesthetic Surgeons of Thailand
  - -Dr. Komkrit Taninpitak Certified board of Plastic and Reconstructive Surgery, Thailand King Chulalongkorn Memorial Hospital, Resident Plastic and Reconstructive surgery (1992) Maharaj Nakorn Chieng-Mai University Memorial Hospital, Resident Plastic and Reconstructive surgery (1992) M.D. Degree, Mahidol University School of Medicine

Two Thai surgeons have chosen by reputation from Thai patients whom have done surgery in Thailand. Internet community on many websites including Thai's used to communicate with Thai and foreign patients in order to find insight information and choose surgeons. Medias are one of the reasons helped choosing Thai surgeons. Dr.Preecha was interviewed by many foreign medias such as Time Magazine, Seattle Times, ABC News. (Nip, Tuck and Frequent-Flier Miles, The New York times, 2001, May)

Interviews was performed in English with *Dr. Preecha Tiewtranon* on April30,2008 via telephone call and with *Dr. Komkrit Taninpitak* on May10,2008 and May13,2008 via electronic mail and telephone call.

Interview questions are based on four factors of Diamond of National advantage and Marketing mix for service business (7Ps). The interview with Thai doctor gave us the basic information on the service and insight information of the advantages of Thai aesthetic surgery from the doctor perspective. Also the interview will give us back ground information on past experiences doctors have conducted including the number of international patients have performed.

Interview questions gave reliable and necessary information according to theories as follow:

#### Diamond of National advantage

- 1. Factor Condition
  - -Explanation about the hospitals potentiality of services
  - -Degree or awarded that Thai surgeons hold

- 2. Demand Condition
  - -Number of aesthetic Surgeons has done approximately in the last 5 years.
  - -Surgery for foreign patients Thai surgeons have done.
- 3. Related and Supporting Industry
  - -Service joins with other company to attract more foreign patients and how to promote services
  - -Opinion about join hand with any industry to help hospitals and clinics provide better service
- 4. Firm strategy, Structure and Rivalry
  - -Destination foreign patients having the surgery done
  - -The advantages of Thailand aesthetic surgery

#### Marketing Mix for service business

- 1. Product
  - -Type of aesthetic surgery perform
  - -Who is the customer?
- 2. Price
  - -Define your price among others (domestic and international)
  - -Where do you work?
  - -Opinion about location of aesthetic surgery in Thailand especially Bangkok
- 4. Promotion
  - -Special offer provide for patients
- 5. People

(Already included in questions above)

- 6. Process
  - Aesthetic surgery process time
- 7. Physical Evidence
  - -Recovery time
  - -Felicities provide for patients in hospital/clinic
- 2) Interview with **former foreign patients** to have information on the surgery they done. Their point of view are useful to analyze the way to improve service at the same time explain why did they choose Thailand as the first place.

The contacts was made from the doctor reference; Jenna Gasson and Olivia H. They kindly gave deep information from their experiences and opinions about aesthetic surgery in Thailand. Jenna Gasson was interviewed on May10, 2008 by instant

communication and electronic mail. Olivia H. replied interview questions on May12, 2008.

Thus, interview questions required information according to Factors in Diamond national of Advantage ,Marketing mix for service business (7Ps) and Total perceived quality model (perceived quality and expect quality)

#### Diamond National of Advantage

- 1. Factor Condition
  - -Your reason to choose aesthetic surgery in Thailand
- 2. Demand Condition
  - How many times have you done the surgery?
- 3. Related and Support Industry
  - -Factors influence decision to come to Thailand?
- 4. Firm Strategy, Structure and Rivalry
  - -Opinion about the hospital/clinic before and during surgery

## Marketing Mix for service business (7Ps)

- 1. Product
  - -Type of aesthetic surgery interviewees have done, where, when
- 2. Price
  - -Do you think hospital/clinic provide service with reasonable price?
  - -Was the lower cost the reasons you came to Thailand for surgery
  - -How much the same procedure cost in your homeland?
- 3. Place
  - -Did you find the hospital/clinic convenient for travel?
- 4. Promotion
  - -Special treatment received and wants to have
- 5. People
  - -Do you feel that you received professional treatment from the doctor and institute?
  - -Describe staff willingness
  - -Language barrier
- 6. Process
  - -Decision time
  - -Explain process of contact, follow up after surgery
- 7. Physical Evidence
  - -Physical evidence of the hospital/clinic interviewees have surgery done

#### Perceived Model

- 1. Expected Quality
  - -Your expectation before surgery
- 2. Experience Quality
  - -How did you know about aesthetic surgery in Thailand?
  - -Did Thailand aesthetic service serve your expectation?
- -Are you satisfied with the result of the surgery and service? Why?
  - -What do you think the hospital/clinic should improve?
  - -Will you recommend Thailand to your friends who interested in surgery?

Another interview was conducted on this matter is the interview with **people who pay an interest in having an aesthetic surgery**. The community of people who have an interest in aesthetic surgery on an internet which people who interested in this matter spend their time searching information is the channel used to communicate with interviewees. The interview was conduct in privacy manner. Anonymous name gave to some cases depend on the interviewees. Eight interviewees from 7 different countries whom participated are;

- 1. Ally Pham, Holland personal interview conducted on April11, 2008
- 2. Serena M, Canada was interviewed by electronic mail and phone interview on May9, 2008
- 3. Elra Lee, Korea was interviewed by electronic mail on May9, 2008.
- 4. Carl, Turkey was conducted personal interview on April 29, 2008.
- 5. Jasmine Huang, Taiwan was interviewed by electronic mail and instant message on May12, 2008.
- 6. Tiko G., Argentina was interviewed by electronic mail on May19, 2008.
- 7. Adam C., England was interviewed by electronic mail on May 20, 2008.
- 8. Avril Tailor, Canadian was interviewed by electronic mail on May21, 2008.

Interviewees represented varieties of people from many nations whom interested in aesthetic surgery abroad. Hence these numbers of interview do not represent the whole population of the world. This interview data gave an idea about critic reasons for choosing aesthetic surgery providers, surgeons and customers expectation for services. Information gathered used to find out countries factor conditions which

affected people decisions (Diamond national advantage) and pointed out important facts to improve marketing mix for service businesses (7Ps).

Interview questions were based on Marketing mix (7Ps) and Total perceived quality model.

## Marketing Mix for service business (7Ps)

- 1. Product
  - -Type of surgery you are interested in
- 2. Price
  - -Budget for the surgery
  - -Would cost be one of your priorities to choose where you will have surgery?
- 3. Place
  - -Where do want to have surgery? Why?
- 4. Promotion
  - -Special treatment require
- 5. People
  - -Opinion about surgeon qualification
- 6. Process
  - -Decision time for interested surgery
  - -How long would you like to spend in your surgery trip?
- 7. Physical Evidence
  - -Important factor (besides the surgery service)
  - -Interviewees t raveling concern

## **Total Perceived Quality**

- 1. Expected Quality
  - Ideal service interviewees wish for
  - -Do you know that Thailand provide this service for foreign patients also? How do you know about Thailand service?
  - -Would you consider Thailand to be one of your options? Why?
- 2. Experience Quality
  - -Where do get the information about the aesthetic surgery?

- -Do you find the sources reliable?
- -What kind of recommendation do you have from friends/relatives who has done surgery before?
- 3) Direct contact with hospitals and clinics in Thailand and other countries to get updated services offered and price.
  - a) Dr. Dirk Lazarus Clinic, South Africa, e-mail sent on May7,2008.
  - b) IAAN Cosmetic Plastic Surgery Clinic 2008, South Korea e-mail sent on May 7, 2008.
  - c) OZ Cosmetic clinic, South Korea, e-mail sent on May 7, 2008.
  - d) Artistic Plastic Surgery 2008, Göteborg, Sweden 2008,e-mail sent on May 9,2008.
  - e) Bangmod hospital, telephone call made on May 6, 2008.

## 3.4 Analysis of Information

Secondary data gathered contains quantitative data about number of aesthetic surgery performed, price of surgery. Qualitative data for example about procedures, Thailand and other countries services, surgeons. (Fisher, 2004)

Number of aesthetic surgery performed and price mostly used in analyzing growth of industry, price among countries were compared to show potential of looking for cheaper aesthetic surgery abroad. Information gathered used to find out potentiality and opportunity of Thai hospitals and clinics to serve services to foreign patients.

Primary data from interviews indicated factors affect people aesthetic surgery decisions, strength and weakness of Thai aesthetic surgery services and customer expectations. This information is in fact help to analyze a current Thai service, emphasize advantages and improve weak point in Thai medical care service.

#### 3.5 Framework

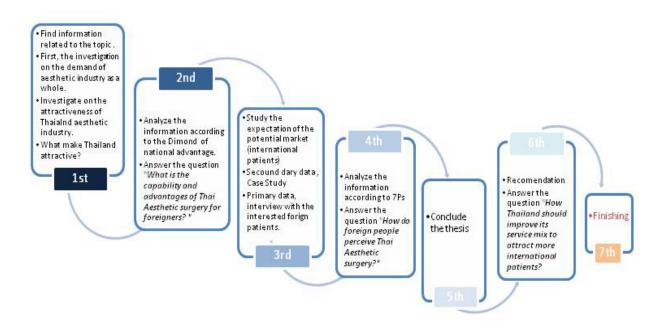


Figure 4: Process Framework

First of all, Information related to the topic had been searching. Then investigated demand of aesthetic surgery worldwide then kept going with further investigation. Deeper information was categorized in to; Thailand Aesthetic industry, World demand on aesthetic surgery, General information about Thailand and Interviews.

Interview method conducted to have an up to date in dept information and better understanding on the subject related to the topic. Questionnaire is not suitable because it is dealing with delicate topic and also target group of this industry is quite specific. Hundreds questionnaire from random people might not give any information for our study but Interview method gives important information from the right person. Therefore the closed interview was chose. After gathered all the information, including the interview conducted. All information is in finding part and separates it according to our theory to make our thesis easier to follow.

Then move on to analyzing the information according to theories. Second step, investigated the attractiveness of Thailand aesthetic industry according to Diamond of national advantage to answer first sub strategic question "What is the capability and advantages of Thai aesthetic surgery for foreigners?"

Third information was used to study the expectation of the potential market from the second diary data and primary data from interviews. Then 7Ps and total perceived quality

model have used to answer another sub strategic question "How do foreigners perceive Thai aesthetic surgery?" All the answers and conclusion from the analysis came after the fifth phase. Then last sub strategic question "How Thailand should improve its service mix to attract more international patients?" was answered in recommendation part.

## 4. Finding

## 4.1 Aesthetic Surgery Demand

In the whole new world people turn to be more focus on object and appearances than good quality inside. Nothing is wrong if right now you are the one who interested in aesthetic surgery. Everyone might have unsatisfied part of the body which showed up every time you looked into the mirror.

These factors urged decision of plastic and cosmetic surgery. When science technology can get rid of body defect and Medias show comparison of pre and post surgery treatments then expectations that aesthetic surgery is the beautiful answer creates.

Aesthetic surgery decision making has much to do with psychological reasons. Aesthetic surgeries patients want to get "better" for their life such as improve self confident and more career opportunity. Dislike appearance have tried to remove or change in order to make impression to others or reach their own satisfaction.

The aesthetic surgery services are the process of repair, reshape, and remove part of the body. Each aesthetic surgery has pattern of operation but tailored made for each patient according to different needs otherwise possibility to get desire appearance is under physicians' advice for safety sake. General range of reconstructive and cosmetic surgery procedures perform by surgeons defined by parts of the body in the table below will clarify detail of the services concerned in our study.

Type of Surgery	Services range
Laser treatment	<ul> <li>Acne Treatments</li> <li>Scar Removal, Tattoo or mole removal</li> <li>Hair Removal</li> <li>Eye Laser Surgery</li> </ul>
<b>Facial Contouring</b>	<ul><li>Forehead Lift</li><li>Mini Face Lift</li><li>Full Face Lift</li></ul>
Eye Surgery	<ul><li>Lower Eyelid Surgery</li><li>Upper Eyelid Surgery or Double Eyelid</li></ul>
Rhinoplasty (Nose Surgery)	<ul> <li>Nose Reconstruction</li> <li>Rhinoplasty</li> <li>Augmentation Rhinoplasty (Silicone)</li> </ul>
<b>Cheek Bone Contouring</b>	<ul><li>Cheek reduction</li><li>Cheek Augmentation ( Silicone)</li></ul>
Lip Surgery	<ul><li>Lip Reduction</li><li>Lip Enhancement by fat injection</li></ul>

Chin Surgery	<ul> <li>Chin Shaving / Bone Contouring</li> <li>Chin Augmentation</li> </ul>
Ear Surgery	Ear Pinning
Hair Transplantation	Hair Grafting
<b>Body Contouring</b>	<ul> <li>Fat Injection</li> <li>Abdominoplasty</li> <li>Lipoplasty</li> <li>Extra point Lipoplasty</li> </ul>
Skin Rejuvenation	Botox Injection
Jaw Contouring	<ul><li> Jaw Contouring</li><li> Orthodontics</li></ul>
Female to Male	Female to Male

Figure 5: General Cosmetic and Reconstructive Surgery

(The Society of plastic and reconstructive surgeons of Thailand, The American Academy of Facial Plastic and Reconstructive Surgery, Australian Society of Plastic Surgeons, British Association of Plastic Reconstructive and Aesthetic Surgeons)

#### Demand for aesthetic surgery

There is no exact number collected from reconstructive and cosmetic surgery performed all over the world. Some aesthetic surgery recorded as medical treatments, some surgery performed by unregistered doctors. Mostly, statistics data for aesthetic surgery have collected by individual physician. Aesthetic surgery statistics data of countries that represented each continent has shown to define worldwide demand of aesthetic surgery. Number of data of each country is different due to growth of plastic surgery in The US and Europe started since 1900 and statistics data gathered by organization otherwise, in other part of the world data collected by physicians or survey.

Aesthetic surgery market information from 2001 showed market share of each part of the world as picture below. Aesthetic surgery market leader is The United States gained more than 30 percent market share. European countries is the second gained more than 20 percent share follow by Japan , Canada , other Asian , South America and Australia. Unfortunately, newer market information available is commercial data. The Global Aesthetic Market Study, September 2007 are available for 6,950 USD at Medical Insight, Inc., visit www.miinews.com

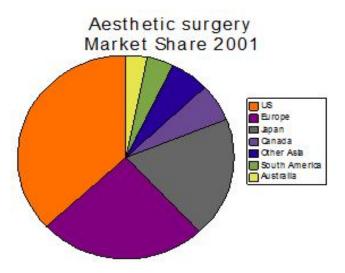


Figure 6: Aesthetic Surgery Market Share 2001 (Medical Insight, Inc., 2002)

In The United States, The American society of plastic surgeons(ASPS) working with research company collected 11 years national data of cosmetic surgery perform in The United States since 1997 to 2007 from registered surgeons.



Figure 7: Cosmetic surgery statistics performed in the US from 1997 - 2007

(The American Society for Aesthetic Plastic Surgery Cosmetic Surgery National Data Bank)

The data stated that number of cosmetic surgery performed in The US is gradually increased since 1997. Number of procedure in 2007 increased 457.41 percent compare to 1997. The most performed procedures for women is breast augmentation.

In United Kingdom, The British Association of Aesthetic Plastic Surgeons (BAAPS) announce data of BAAPS members audit .

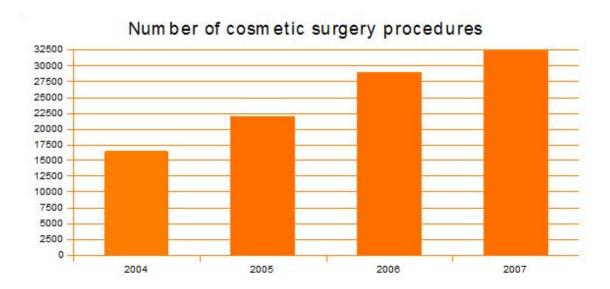


Figure 8: Cosmetic surgery statistics performed in the UK from 2004 - 2007 (The British Association of Aesthetic Plastic Surgeons (BAAPS)

The data shows growth of United Kingdom plastic surgery market in the last 4 years. The top plastic surgery performed for women is breast augmentation. Data from Research and Market website shows value of UK cosmetic surgery market in 1999 at 158.6 million pounds sterling and forecast to grow 10 percent every year. In 2004, overall UK cosmetic surgery market value went up to 255.8 million pound sterling.

In Asia, Plastic and reconstructive surgery techniques had used during the World War II. New reconstructive surgery was developed to treat injuries. The trend of aesthetic surgery came after new surgery techniques work more efficient and cheaper price.

Chosun newspaper, Korea announced plastic surgery survey of 810 women in Gyeonggi and Seoul by Um Hyun shin of Kyung Hee University. The result indicated 61.5 percent had plastic surgery and almost 70 percent are not satisfied with their appearances. (Chosun,22 febuary 2007.)

From statistics data shown demand of aesthetic surgery in many parts of the world tends to grow in the next few years. The number of men and women whom interested in cosmetic surgery is increasing. The interesting point is demand for aesthetic surgery is not require only domestic supply when medical treatments became worldwide service using communication and transportation technology as bridges cross borders.

Many countries offered full range of aesthetic surgery to support high demand of services worldwide. Aesthetic surgery abroad gives many benefits to people whom look for cosmetic and reconstructive surgery outside homeland. The most concerning benefits are

cost of treatment and shorter wait time. More choices of service give opportunities to choose experience physician at the cheaper price. Tourism abroad is also an advantage of having aesthetic surgery abroad.

#### 4.2 Thailand as a Diamond

Information from Dr. Kamol Wattanakrai, secretary of The Society of plastic and Reconstructive surgeons Thailand stated that Aesthetic surgery in Thailand has gotten attention from foreigners around 10 years ago when Thai economy went down made cost of surgery decreased 3-5 times according to changed in Thai currency. Recommendation from a small group of patient who had plastic surgery in Thailand through word of mouth and mostly internet connection about price and quality brought significant numbers of foreign patients to Thai hospitals and clinics every year. (The Society of Plastic and Reconstructive Surgeons of Thailand, 2008)

#### 4.2.1Factor condition

The kingdom of Thailand set in the heart of Southeast Asia. Among the neighbor countries, Cambodia, Myanmar and Malaysia, Thailand is one of famous destinations in Southeast Asia region. Thailand is a tropical country where it is warm and rather humid all year. Thailand divides into four regions: the North Where the geographic is filled with mountains and forests; the modern and rich agriculture of the Central; An interesting semi-arid farm of the Northeast; and the tropical islands and beautiful beaches of the South. The country included of 76 provinces where Bangkok is the capital city. An official national language is Thai but English is also widely spoken and understood.

#### Thai Economic

Real Gross domestic product (real GDP) of Thailand in 2008 is projected to grow 5.0 percent. The general economy has recovered from previous crisis and political instability by thriving in domestic demand and exports performance. Although the growth rate in exports is expected to slow down because of appreciation of Thai baht and high fuel price, tourism continues to positively grow. From tourism statistics in 1998-2007, tourism industry in Thailand generally increases every year. The number of tourist from the entire world and revenue boost sharply, especially in 2006. Tourism has been one of the main industries driving the economy. (Board of investment, Thailand, 2008) Thailand also has low wages comparing to 9 countries represented different parts of the world combine with highly skill labor capacity allow Thailand to offer good quality at competitive price products and services to attract foreign customers. (International Labor Review, 2008) See Figure 9. The countries shown in the figure were chosen accordance to the countries market share (figure 6) and countries nearby Thailand.

Country	Mounthly	GDP	Ratio	
Country	Minimum wage (US\$)	(2002/2004)	Ratio	
Maxico	131.44 (800 SEK)	761.35	0.17	
China	227.50 (1386 SEK)	416.27	0.55	
Thailan d	259.95 (1584 SEK)	631.69	0.41	
Latvia	335.61 (2045 SEK)	831.75	0.4	
Poland	448.86 (2735 SEK)	968.57	0.46	
USA	895.23 (5459 SEK)	112.67	0.29	
United Kingdom	1233.48 (7516 SEK)	2258.85	0.55	
Swed en	1251.09 (7623 SEK)	2221.29	0.56	
France	1395.46 (8500 SEK)	2277.27	0.61	
Australia	1474.50 (8983 SEK)	2428.61	0.61	

Figure 9: Standardized minimum wages and GDP per capital

(International Labor Review, 2008)

## Bangkok and other destinations

While Thailand is the heart of Southeast Asia, Bangkok is set out to be the heart of Thailand. As a capital city, Bangkok is the center of politics, businesses, modern life and one of the top tourist destinations. Bangkok offered full range of excitements and high end service. The modern city of Bangkok not only fills with clubs and shopping plaza but also the richest historical places. Since Bangkok has been the capital of the county for ages. From the temple through the palace and museum, people can be fascinated to what the city can offer. Moreover Bangkok is packed with high standard facilities. Such as transportation- BTS, underground train, and thousand of taxi, top luxury hotels and accommodation at all price range, and full service health care.

Thailand is famous for the beautiful beaches down in the south and natural mountain and forest in the north. According to Tourism Statistics in Thailand, number of tourists has been climbing since the year 1998. In year 2007, Thailand welcomed about 14 millions tourist. (Tourism Authority of Thailand, 2008) "Amazing Thailand" campaign was launch since 1998 and the world "amazing" could not describe Thailand as one of the finest destination. Recently the campaign of amazing Thailand explored more precise themes called "Seven amazing Wonders of Thailand" including the themes of Thainess, Nature, Treasure, Health & Wellness, Beaches, Trendy, and Festivities. Some of the finest destinations are Ayuttaya, Phuket, Samui, Krabi, Chiangmai, Chiangrai for example. Seven options simplify what Thailand can offer. The choice does not limited to the beautiful sceneries but excitement and historical adventure. In the land of Smiles, Thailand share with you one of the most unforgettable attractions and activities, a famous traditional Thai food on top of delicate international cuisines, the world class accommodation and world standard health hospitality.

	International							
Year	Tourist		Avarage Average Expend		enditure Rever		nue	
	Number	Change	Length of Stay	/person/day	Change	Million	Change	
	(Million)	(%)	(Days)	(Baht)	(%)	(Baht)	(%)	
1998	7.76	+ 7.53	8.40	3,712.93	+ 1.12	242,177	+ 9.70	
1999	8.58	+ 10.50	7.96	3,704.54	- 0.23	253,018	+ 4.48	
2000	9.51	+ 10.82	7.77	3,861.19	+ 4.23	285,272	+ 12.75	
2001	10.06	+ 5.82	7.93	3,748.00	- 2.93	299,047	+ 4.83	
2002	10.80	+ 7.33	7.98	3,753.74	+ 0.15	323,484	+ 8.17	
2003	10.00	- 7.36	8.19	3,774.50	+ 0.55	309,269	- 4.39	
2004	11.65	+ 16.46	8.13	4,057.85	+ 7.51	384,360	+ 24.28	
2005	11.52	- 1.51	8.20	3,890.13	- 4.13	367,380	- 4.42	
2006	13.82	+ 20.01	8.62	4,048.22	+ 4.06	482,319	+ 31.29	
2007	14.46	+ 4.65	9.19 <sup>/P</sup>	4,120.95 <sup>/P</sup>	+ 1.80	547,782 <sup>/P</sup>	+ 13.57	

**Figure 10 : Tourism Statistics in Thaialnd** (Tourism Authority of Thailand, 08)

#### Thai Medical Treatments

High competition in medical treatment services in Thailand has pushed many service providers in Thailand to provide the best medical services in the luxury environment. Thai hospitals and Clinics highly invested in facilities, people and high technology equipments raise Thailand to the leader in medical systems in the region. High quality of treatment by highly trained physicians at cheaper price brought many foreign patients from all over the world to Thailand every year.

Ministry of Public health, Thailand is currently promoting Thai medical services and Thai health products to reach high standard quality and turn Thailand into Medical hub of Asia. The ministry strategy is to assist technical information, cooperate research, data publications and support public relations. Medical Hub policy was raised in 2004 by Thailand's prime minister for the reasons of certain number of high skill Thai surgeons.

Hospitals and Clinics in Thailand are now have potentiality to serve foreign patients. Memorandum of Understanding of Samitivej Hospital Group with Global Medical Tour (South Korea ) and Piyavej Hospital Group with N S home shopping is a good sign of internationalization of Thai medical treatment. (Ministry of Public Health Thailand, 2008)

## Aesthetic surgery in Thailand

Surgery for aesthetic purposes brought to Thailand by non physicians from China since 1957. The first two cosmetic surgery places are "Song Hui" and "Sui Tek". Both offered upper eyelid surgery, Nose augmentation and Ear surgery. But lack of physician's skill made many patients had serious infection led to lost of their businesses.

At that moment society of Thai physician did reconstructive surgery only if necessary and denied to do surgery for aesthetic purposes. (108 Questions, 1995)

In 1969, First group of Thai surgeons who hold surgery degree from United Kingdom and The united States started aesthetic surgery in many hospitals and formed Thai Society of Plastic Surgeons in 1972. (108 Questions, 1995) Since then reconstructive and cosmetic surgery have developed and increased in numbers of both physicians and patients from time to time.

Present time, almost every major hospital and many clinics provide reconstructive and cosmetic surgery in Thailand. Many of them get high reputation in quality and price from people worldwide for example Bumrungrad Hospital, Bangkok Hospital, BNH Hospital, Samitivej Hospital, Phyathai Hospital. Target group of medical business expanded to people from every country indicated by investment of hospital groups in tourism city aiming for foreigners such as Bangkok hospital group in Phuket (Bangkok Hospital Phuket) and Pattaya (Bangkok Pattaya Hospital). Public relations especially internet have used to promote hospital services.

According to interview with the doctors, Thailand's human resource is especially trained and well experienced on the field. This enhances the credibility of aesthetic surgery in Thailand. The education doctors received is on the standard of rest of the world so the knowledge within the resource is on a high level. Also the technology of equipments considered as material resource made the industry specialize on aesthetic industry. Price was one of the main reasons former interviewees referred to. Others are skilled surgeon and short wait time. (J. Gasson and O.H., pers commu, 2008, May) Both were patients of GRS (gender reassignment) and claimed that they could never have had the same service and surgery at the same cost in their home land.

#### 4.2.2 Demand conditions

"The most successful Thai medical tourism -- the root of it all -- was sexual reassignment surgery" said Curtis Schroeder, Bumrungrad CEO (Nip, Tuck and Frequent-Flier Miles, The New York times, May 2001) Part of medical tourism success is a growing rate of aesthetic industry which is the result of raising demand both inbound and out bound. Local demand show a better interest as the world perspective of plastic beauty is changing in to a positive side. While private hospitals want to fill their beds and increasing their income by modernize facilities to niche out competitions.

According to interview with the doctors, Dr. Preecha stated that in the last 30 years he has done more than thirty thousand cases. (P. Tiewtranon, 2008, pers comm., 30 April) the number of demand has been increasing. The patients now are more common to seek for aesthetic surgery as an option for beauty. More over the number of foreign patients that came to Thailand have been rising also. Thailand brings many different nationalities in to the practice for example American, European and even Asian. The number could indicate the favorable market for aesthetic industry in Thailand. An evidence in an

interview with the former patients is that they have done aesthetic surgery for couple of times already. (J. Gasson and O.H., pers commu, 2008, May)

## 4.2.3 Related and supporting industries

Medical treatment abroad always seen as medical tourism because of one benefit you can get from treatment in other country is traveling. Each treatment and tourism supporting each other. According to the patients interviewee's information they start with willing to have aesthetic surgery abroad then they took opportunity went travel in the country they chose. A Turkish interviewee who interested to have laser surgery for hair removal want to go traveling and he is going to get laser surgery on his trip as benefit of traveling. (Carl, pers commu,2008, April)

As tourists, people who come for aesthetic surgery also require accommodation and other services such as airport pick up. This requirement had turned tourism industry to a big supporting industry of Thai medical care business to gain advantages among others. Hospitals and clinics are now working with travel agencies in order to provide good service with competitive price for the whole medical tourism package.

Bumrungrad Hospital, one of the biggest international hospital in Bangkok, Thailand cooperating with Diethelm Travel built business network serve medical care, flight ticket, tourism, accommodation and transportation service.

According to doctors' interview, related and supporting industry that plays important role in aesthetic industry is the tourism business. (P. Tiewtranon, 2008, pers comm., 30 April) Tourism agencies became almost necessity to some of the hospitals and clinics because Thailand does not provide only aesthetic service but also a well known as tourist destination. Government is also influent the industry. Its policy can push the reputation of the industry to the foreign market but since the situation in Thailand now are more focusing on other subject, many hospitals and clinics are seeking for their own marketing channel.

## 4.2.4 Strategy, structure and rivalry

Thai medical care market situation has high competition. Private hospitals and clinics dumped money invested in facilities, places, new technology equipments even human resources to build competitive advantages of its hospitals and clinics. Then, supply side of medical care went up. International demand brought in to support growth of hospitals and clinics.

Aesthetic surgery service is a medical option aiming for specific group of customer. Target customer is narrow down from other medical treatments with one or few times service serve per customer. Aesthetic surgery service for foreign patients is new high potential market channel for hospitals and clinics.

Health care service abroad created opportunities for patients who looking for medical services to choose the best services option not only rely on homeland medical offered. Some of the most popular medical treatment destinations are some countries in South America such as Brazil and Costa Rica , Eastern European such as Turkey and Asian country as Thailand.

Aesthetic surgery destinations are competing with cost effective, high skill surgeons, interesting place and activities for tourism and premium service. Some other benefits of each country might raised to gain more attention from customer than competitors.

Besides the low price of the surgery, when it comes to sex reassignment Thai surgeons do not require a documents—such as psychological evaluation like the western countries where the process can take up to six month. Thus, Thai surgeons do not neglect the important of this test instead Thai system established the similar test called "Real life test" which does not take so much time. The test is an indication of male patients living as women for more than six month.

Another reason why Thai aesthetic industry claimed to be one of the specialist is that in Asia the trend of retaining youth look has been in a culture for decade. Doctors and specialists have been continuing developing surgical techniques to serve needs. As a result it led Thai aesthetic industry to be on top of its profession in many G7 countries. (Nip, Tuck and Frequent-Flier Miles, The New York times, May2001)

Fact from doctors interview stated that important factor that make Thailand be one of the most visit destination for aesthetic service is price is rather reasonable compare to others country. Also Thai surgeons are experienced and well educated on this field. Technology of aesthetic surgery in Thailand is one of the best in the world. More over what make Thailand different from other places are the beautiful sceneries, historical places, and rich culture. Patients who come to Thailand combine vacation with beauty surgery. Our former patients also agreed with this fact. When they had surgery done in Thailand couple years ago, medical tourism was not a big boom but they still took time to explore the country.

Despite price and technique that bring Thai aesthetic to the top position, some argued that Thailand may have a problem with the post surgery follow up since the distance is an issue. Ideals of beauty in Thailand maybe different from other countries and it can be cost confusion when dealing with doctors. Most underlying with the issue of credentials and standard of the services

## 4.3 Marketing mix for Service business (7Ps)

#### 4.3.1 Product and Service

Thai medical treatment has high safety standard for full ranges of aesthetic surgery service offered from laser surgery to sex reassignment surgery. Quality of service is depending on service provider which is surgeons. High technology equipments also help process easy and safer. Many Thai surgeons hold degree abroad and took special training in the field. Special surgery might want special skill and highly trained physicians. Number of cosmetic surgery done is the most important factor express physician's experience. Thai surgeons are experts in gender reassignment surgery, Breast enlargement, Nose surgery and Eye surgery due to popularity of procedures in Thailand. For more than 30 years Dr. Preecha Tiewtranon president of the society of plastic and reconstructive surgery Thailand performed at least 3,000 cases of sex reassignment surgery in Thailand. Patients came to him from all over the world for gender reassignment operation. (P. Tiewtranon, 2008, pers comm., 30 April)

Another point that Thailand carries as a benefit can be seen from the statement made by The CEO of Bumrungrad hospital, Curtis Schroeder "Look, you can come here, get a face lift and spend five days vacationing on the beach, and it's still going to cost you 30 or 40 percent less than it would if you had the same procedure in L.A. or New York. And guess what? Nobody at home needs to know what you've been up to. They just say, 'Wow, you look rested.' And you say 'Yeah, Thailand's great!'' (Nip, Tuck and Frequent-Flier Miles, The New York times, 2001, May) This allows patients to have their privacy and excuses without lying.

The other advantages of Thai medical services are short wait time. Plastic surgery average wait time in Canada is 10 weeks. (Source: Canadian Society of Plastic Surgery) For non urgent plastic surgery at The Queen Elizabeth Hospital in Australia median wait time is 304 days. (Department of Health, Government of South Australia) In Thailand cosmetic surgery service operates everyday and offers short to no wait time. In Thailand, appointment can be made online and some small cosmetic surgery such as laser surgery or upper eyelid surgery can be done at the same day with doctors' consultant. (Bangmod Hospital, 2008 and Yanhee hospital, 2008)

Quality of plastic surgery in Thailand spreads through word of mouth from person to person. Jenna Gasson traveled more than ten thousand miles away from home because good reputation of Dr.Preecha's GRS skill. Jenna is really appreciating luxury services from the hospital and quality of the surgery.(J.Gasson,pers commu,2008,May) Another interviewee, Olivia H. came for GRS surgery in Thailand since long wait time in UK. Furthermore, Surgery at the age 66 and heart disease she had in the past are big barriers. Olivia needed the best surgeons for her GRS that is why she came to Piyavej hospital. (O.H., pers commu, 2008, May)

According to interview with the doctors, Thailand aesthetic service offers wild rage of surgery such as nose reconstruction, eyelid surgery, gender reassignment, etc. The service choices cover the demand of customer in this market segment. Customers often have different needs and more likely to have customize service. Majority group of patients still Thai but in recent years hospitals and clinic are welcoming foreign patients better than before. Aesthetic surgery does not limit only for women. From our interviews we would like to show that men are also interested in the surgery. Interviewee Carl would like the get a surgery for hair remover and Adam would like to get hair transplantation.(Carl and A.C., pers commu,2008, April and May) While women are more interested in doing the surgery to assure their beauty. Aesthetic surgery can be used as medical treatment but more common as a way to build up patients' confidence. "I feel that I am already very confident, I would like to add a bit more to enhance what I already have" (A.Pham, pers commu,2008, April)

## 4.3.2 Price

The first and second reasons concerning while choosing medical treatment always affordable price of the treatment and reliable of the physicians. Limited experience physicians in some countries made specific treatment cost sky rocketed. Some reconstructive surgery might declared as necessary treatment which covered by health insurance otherwise mostly aesthetic surgeries require personal expenses. High gap of plastic and cosmetic surgery price different between countries highly affect decision of choosing service provider.

Cost of aesthetic surgery are vary from country to country due to living cost, medical treatment cost, popularities and other relating factors. Table below displays average price of plastic surgery in countries which have high demand of aesthetic surgery according to statistical data.

Price of Plastic surgery in some countries(SEK)	Breast Augmentation	Nose Reconstruction	Full Face Lift	Liposuction (Tummy)	Upper Eyelid Surgery
The United States	30694-39902	30694-36832	42971-55249	36832-49110	24555-33763
United Kingdom	41013-60313	36188-48251	50663-69964	41013-60313	34379-43426
Sweden	30274-45412	328382-42573	56764-89878	22706-33113	13245-25490
South Africa	26538-33775	24125-25935	36188-42220	24125-33776	21206-26538
Korea	36832-39902	14119-24555	30694-58318	27624-38060	11050-13505
Thailand	9830-39320	1966-5898	23985-31849	4975-17694	983-3932

Figure 11 : Price of well known plastic and cosmetic surgery in some countries (Swedish Krona)

Information collected on May5, 2008 (100 SEK=16.29USD=10.57Euro=8.29 Pound Sterling= 508.65Baht)

Sources: The American Society for Aesthetic Plastic Surgery for Statistical data, 2007 National Average Surgeons Fees 2008, Private Healthcare UK, British Association of Plastic Reconstructive and Aesthetic Surgeons 2008, Surgical services International Medical Services Provider, Artistic Plastic Surgery 2008, Göteborg, Sweden 2008, Dr. Dirk Lazarus Clinic, South Africa, IAAN Cosmetic Plastic Surgery Clinic 2008, South Korea, OZ Cosmetic clinic, South Korea, Bumrungrad Hospital, Thailand 2008, Bangkok Hospital, Thailand 2008, Yanhee Hospital, Thailand 2008

Cost of plastic surgery in Thailand is considered relatively low. Cost of medical care in Thailand defined as first rate medical care at the third world prices. Thousands of tourists came to Thailand for this medical attraction, which one of them is surprisingly cheap cosmetic surgery. In Thailand the cost of face life is 2,400 USD (14,200 SEK), 1,200 USD (7,080 SEK) for a nose job which is almost nothing to price at their home land. Moreover an obvious price different can be seen from the sex change surgery perform by Thai surgeon that claim to be the cheapest operation in the world at the price of 5,000 USD (29,500 SEK) according to The New York Time. Where in USA can be upward of 20,000 USD. (118,100 SEK) (Nip, Tuck and Frequent-Flier Miles, The New York times, May 2001) Thai aesthetic surgery allows people from America, Europe and others who cannot afford sex reassignment surgery in their home land.

Information from interview shows importance of aesthetic surgery cost to every interviewee's decision. Cost efficiency is one of the first reasons besides quality of surgery that brought people to Thai surgeons. According to interview with the doctors, cost of aesthetic surgery is incredibly lower than some other country such as America. Thai aesthetic service offers high standard procedures with an excellent service that compared to other, Thailand is quite reasonable. Olivia paid £5,000 (57,960 SEK) for her GRS in Thailand where this price could not exist in UK. Jenna stated that it will be 3 times of what she paid here in USA. (J. Gasson and O.H., pers commu, 2008, May) Price can be an important factor when the patients make decision. 6 out of 8 interviewees stated that price is one of their priorities to choose where they would like to have the surgery done. (Interview, 2008) The other factor is doctors and reputation of hospitals.

## 4.3.3 Place

Thai hospitals and clinics are welcome international patients all year. Many flights offered comfortable transportation from every country to Thailand every day. There are hospitals and clinics on almost every street in Bangkok. Patients can always find medical services wherever they are in the main city of Thailand. Ambulance or other transportation also provided by every hospitals for convenience and life saver. Foreign patients can choose hospital pick up service for their convenience.

However, luxury hospital located in the heart of Bangkok is the first choice for foreigners to have aesthetic surgery services. Easy accessibility moved these hospitals to the top rank international hospitals and turned them into professional in international services.

Bumrungrad hospital, Phrayathai hospital, BNH hospital, Samitivej hospital and are some well known private international hospitals in business area accessible by sky train and/or underground train which is fast and easy. Otherwise, the foreign patient interviewees who did surgery in Thailand prefer to use hospital transportation service to make it easier for them. Jenna Gasson appreciated hospital transportation service the Mercedes van served her comfortable ride to the hospital and traveled in Thailand. (J. Gasson, 2008, pers commu, May)

According to doctors interview Thailand offers many places for aesthetic surgery; it depends on the doctors and specialist patients required. Some of the most popular hospitals are Bumrungrad and Bangkok Nursing home hospitals. convenient city for the aesthetic surgery and set right to the heart of the market industry. Transportation in the city allows people to travel more convenience with public transport such as BTS. Bangkok is filled with many activities and outstanding hospitalities. Former patients comments on the hospitals was impressive. The hospital is above the standard and very professional. Moreover they provided the transportation to the hospitals so it was easy for them to get around. (J. Gasson and O.H., pers commu, 2008, May) Surprisingly 50% of our interviewee may come to Thailand for their aesthetic surgery. The reputation of the service both cost and surgeon's skills convince them that Thailand can satisfy their needs. (Interview, 2008) And also according to our interviews, Private hospital is on the preference side. The atmosphere from the hospital can truly influence the decision making. Patients would like to be in a place where they can receive efficient and expertise service. Also private hospital tends not to be over crowded with the patients.

### 4.3.4 Promotion

Many hospitals aim for both Thai and foreign patients. To support the growing number of people who combine holidays with health care abroad from all over the world full services package combine medical treatments, accommodation both hotel room, hospital room and tourism trip in Thailand by the cooperation of tourism agencies offered. These medical tourism packages highly recommended for cosmetic and reconstructive surgery, dental services and other treatments which are not required long time recovery. Traveling include aesthetic surgery is a good point to attract customers.

Luxurious hospital itself is considered to be a special touch of the service. For example Bumrungrad offer a private room for just 54 USD (320 SEK) a night with 250-thread-count cotton sheets and full facilities. Not only this turns one hospital room into one great hotel but also serve the patients with the finest cuisine from Bangkok's glamorous restaurants. (Nip, Tuck and Frequent-Flier Miles, The New York times, 2001, May)

Unfortunately aesthetic surgery service in their practice does not offer any kind of special offers such as discount or other promotion according to our interview with the doctors. But they normally follow up with the patients as their part of practice.

The tour of city and pampered treatment for the patients we had interviewed was stated to be an extra service they did not expect. Though there was no discount from the hospitals but the patients was grateful. (J. Gasson and O.H., pers commu, 2008 May) High quality treatment is still on the top of the service according to our interview with people who interested in doing the surgery. Recovery place that provide them with peace and good environment is another treatment they would like to have. Since hospital already gives the patient a scary feeling already they would be appreciated with the friendliest atmosphere they can get.

The channel of communication of aesthetic surgery will be discussed under the perception of Thai aesthetic surgery to capture the whole picture of perception.

## *4.3.5 People*

Successful hospital main factors are offer good service, high quality treatment with new technology equipments and service personnel. Main player in aesthetic surgery service is physicians who operate surgery. However, medical services start since patients contacted or arrived at the hospital. The whole services provide by every staff of the hospital even security person. Everyone in the hospital business is important and indicates hospital's customer reputation. For this reason Bangkok hospital group has built personnel training center to set up same high service standard in every hospital in the group. (Bangkok hospital ,2008)

Competition in medical care business is not the real reason in Thailand to serve good service. But hospitality is unique characteristics of Thai people make special care service is common in Thailand which patients cannot find in other places. High reputation and satisfaction of foreign patients to Thai aesthetic surgery service has shown in the interview from every interviewee. Thai staffs helpfulness is an impression in interviewees thought.

According to the interview with the former patients, they were very impressed with the service in Thailand. The staffs were very helpful not just in hospitals but with other subject they required. Though language barrier was a little bit of the problem but it was not an obstacle to the service. Although Olivia suggested that hospital should be more internationalizing. They should prepare for the foreign patients also. (J. Gasson and O.H., pers commu, 2008, May)

Patients are looking for doctors who have experiences and have been in the industry for some time. The reputation of his or her work can truly represent the message of his or her works. Another interesting factor when it comes to a surgeon quality mentioned in Ally's

interview. "I hope he will appear stable and not too eager to perform surgery because it will mean an increase in his pay-check! I guess I am looking for a surgeon who is grounded and can provide the right kind of information and have a sense of assurance." (A. Pham, pers commu, 2008, April)

#### 4.3.6 Process

Thai hospitals served one stop service for customers. Many hospitals we have gathered information such as Bumrungrad hospital, Bangkok hospital, Piyavej hospital give free of charge medical consultant and arrange patients trip. (Bumrungrad, 2008) Internet and telephone connection make service process easy and convenient. Start with choose service provider (hospitals or clinics) all information is available on the internet. Internet is a first way people choose to search for information about their interested also aesthetic surgery besides get information from friends or relatives who have done surgery. Almost every service providers in Thailand have its own website to approach customer. Interviewees feel that internet information is reliable for them. Then contact hospitals or clinics for more information about doctors, treatments and other services such as transportation. Make an appointment with the doctor and/or appointment for operation.

Dr. Preecha's interview stated that attitude toward aesthetic surgery of people had changed in the last few year they willing to accept and think the aesthetic surgery is easy and normal. The process of each surgery depends on which type of surgery and each patient. Some surgery can take only 20 minutes and some can be hours. Recovery time in the hospital can be from no time at all to few days. Most recovery time takes place at patients' own place. For gender reassignment, the whole process can take up to six month until the patient recover. During recovery period patients can do almost regular activities. (P. Tiewtranon, 2008, pers comm., 30 April) Dr. Komkrit also provides surgery operation with no wait time if patient does not have any health problem. These primary data show shorter aesthetic surgery process according to high technology device as internet, high technology medical equipments and easier patients' decision making.

It took only 1 week for Olivia to made decision to come to Thailand for her surgery. On the other hand it took 1 year for Jenna. The process for both of them was similar. First they collected information from internet and friends then they went deeper with the information once they found the doctors they interested in, make an appointment and flew to Bangkok for surgery. (J. Gasson and O.H., pers commu, 2008, May) It looks as if the process was easy, in fact it was once the patients found what they looking for. Almost every patient set their mind on the surgery it only depends on other factors such as cost and doctors. From our interview with both formal and interested patients they take quite some time to collect data and done some study. Aesthetic surgery is a delicate matter and patients want to make sure everything will go on the right track.

It is an interesting information to see that the patients who would like to have the surgery done have been doing information searching for long time, some is up to 3 years. (A. Pham, pers commu, 2008, April) Patients want to be certain on the service before they actually go ahead and be under the knife. Patients who would like to take this surgery trip

to travel can be up to month and they would like to have the surgery done as soon as possible.

## 4.3.7 Physical Evidence

Thai medical has highly competition market. There are luxury private hospitals and clinics spread all over main city in Thailand and they are competing not only quality of aesthetic surgery but the service environment is one factor people concerning and telling others through the word of mouth communication. Elra Lee from Korean mentioned in the interview that beside surgery services good environment and facilities are also important. (E. Lee, pers commu, 2008, May) Yadda Aparaks, business director of Bumrungrad hospital mentioned in her interview with The New York Time that "Some of the patients want pizza, some request a better selection of cable TV, some asked for advice on sightseeing, some don't want to wonder around the city by themselves as they are here for the first time. This is a task we must provide." (Nip, Tuck and Frequent-Flier Miles, The New York times, 2001, May) Thai hospitals realized this fact and provided nicest environment of services. Every detail of physical evidences has decorated and build for the best of customer satisfaction.

An example is Bangkok Hospital which is one of the most luxury hospitals in Thailand. There are 15 hospitals in Bangkok Hospital network in Thailand and many hospitals in Myanmar, Vietnam and Bangladesh. Bangkok hospital had launched new "Royal Suite Room" for patients. This suite has its own registration desk with 2 receptionists plus highly security system. There are a big living room with piano and other facilities, an office room for work and conference, a room with small kitchen for entourage and room equipped by new technology patient bed cost more than 200,000 Swedish Kroner. This also included helicopter pick up from Thai airport to the hospital and catering from five stars hotel chef. (Manager Lite, 2008, March 26)









Figure 12: Royal Suite Room, Bangkok Hospital, Thailand

Bumrungrad hospital also shows its leading position in international medical services with luxury accommodation. Seven restaurants served every customer's need e.g. Mc Donalds, Starbucks coffee, Au Bon Pain, Japanese, Italian, Thai and Indian restaurant.



Figure 13: Suite Room, Bumrungrad Hospital, Thailand

According to our interview with the doctors, some hospitals provide special facilities such as luxurious waiting room, private consulting room, etc to enhance their service. Those are made to make the visits more pleasant. Some special facilities such as traveling trip, limousine can surely impress patients. This is only a complementary on top of an excellent performance of the surgery. Patients enjoyed facilities when they had their surgery in Bangkok and was impressed by the upscale hospital. (J. Gasson and O.H., pers commu, 2008, May)

## 4.4 Perception on Thai aesthetic industry

Successful business for aesthetic surgery relies on customer reputation and perception which spread through media and word of mouth. Medical care market in Thailand has many players. Each of them is competing for high reputation and good perception from customers. Competition is not limit only Thai customers but Thai hospitals new strategies

are international medical services targeting "Medical Hub in Asia". (Nip, Tuck and Frequent-Flier Miles, The New York times, 2001, May)

Aesthetic surgery is a part of both medical care and beauty option. Patients who need aesthetic surgery as a medical treatment often recommended from the other doctors while patients who see it as an option of beauty normally seek the service themselves. This type of service is specific and delicate which often involve privacy issue. Service providers first recognized to be more of an institute providing information and consultant rather than direct selling itself like other type of service.

## 4.4.1 The expected quality

Hospitals and clinics market themselves through certain channels of communication as they see appropriated. Advertising only take place to announce its present and services offered not for encouraging people to use the service. As mention before hospitals and clinics are dealing with delicate issue and more likely not to over expose them to avoid moral and culture confusion.

Hospitals and clinics prefer to market themselves and their service through website. Patients can find Thai aesthetic practice in English language. The websites provide general information that interested patients are looking for. Some website provides deep information to demonstrate their specialties. Inquiry can be made within the websites or other contacts such as email or telephone call.

One channel of marketing that familiar with industry is mouth to mouth reputation. According to the interview with the doctors, many patients have recommendation from the former patients. Hospitals and clinics hardly do advertising for the service, patients who came to the practice either done some searching through websites or heard it from friends. Dr. Komkrit stated that reputation is the key of this business. Once you perform a good service with a satisfy result, words will spread around. (K. Taninpituk, pers commu, 2008, 13 May) Patients feel more comfortable to have reference from previous patients.

Another example from one of the successful hospital in the business is Bumrungrad hospital. One of strategies they used is opening local offices across Asia and one in London to attract patients who interested in medical treatment as well as aesthetic surgery in Bumrungrad hospital. (Nip, Tuck and Frequent-Flier Miles, The New York times, 2001, May) Personal contact can make an effective influence over the patients also it gives confident attitude toward the institution.

Internet still one of the strongest tool that reach the interested. According to our interview, people who pay an interest in aesthetic surgery had done many researches over the time mostly through internet and friends who had experiences. Some joined the community online to communicate with others. Word of mouth considered being a reliable channel of communication. Interested can rely on formers experiences and

credibility of the doctors and institutes. Magazine is another source that catches attention. Reliability of sources is when they make a contact with either former patients or doctors. Both can provide them with the insight information that some websites could not do. Ally pointed out a very interesting comment about the aesthetic services. "Perhaps it would be better if there was a list or consumer group that would find out about the dodgy clinics and report them, so that people will know where to go and where not to go." (A. Pham, pers commu, 2008, April) Some patients have their concern on the credibility of service which can be a great influence once make the decision on where to have surgery.

The overall expectation from interview gathered from people who interested in surgery is excellent performance of the surgeons that will lead to satisfy result. While in the hospital they would like to have a comfortable recovery room with nice environment and friendly atmosphere. (Interview, 2008) The number shows 7 out of 8 interviewees already aware of aesthetic service in Thailand. Some only heard about it or come across from the internet, some have heard from friends who had been to Thailand for surgery. (Interview, 2008) Moreover most of interviewees considering Thailand as a choice according to the relatively low price.

## 4.4.2 The experienced quality

From interview with our former patients learned that they found out about aesthetic in Thailand through the websites or friends who done the surgery before. Internet is an outstanding source for them since they can find information, procedures, and cost including some feedback from the surgery at certain places. There are useful information regarding to someone who never been to Thailand for surgery before. Also nowadays people get in touch and exchange their opinion through the cyber world. Some opinions and discussions can impact the decision maker. Word of mouth is another source that is very important to the patient. Reputations of Thai aesthetic surgery seem to spread in a satisfied level. Both former patient interviewees had been serving with services that meet their expectation. Only a small improvement from Olivia who suggested hospital to considered on foreign patients more. Since they may have a special need and required much more attention. She was happy with the surgery result but not very happy with the meal because it was too much of Thai food. Overall she was satisfied and surly recommended people who interested in surgery to take Thailand for consideration. (O.H., pers commu, 2008, May)

# 5. Analysis

## **5.1** Aesthetic Demand Analysis

Statistical data shows predictable fact about increasing number of aesthetic surgery in many parts of the world. People are now considering cosmetic and reconstructive surgery more and the demand is keep going up. Breast augmentation is top performed aesthetic surgery in many studied countries.

Aesthetic surgery market in 2001, seven years old information shows top countries gained high market share of aesthetic surgery are The United States and Europe. High possibility that these countries still remain holding high market share according to population number, aesthetic surgery topic on every media and information on the internet is easy to access.

The US and European countries have high cost of surgery. Price of procedures indicated that these countries are not aesthetic surgery destination for foreigners. Even some natives cannot afford the price and look for surgery abroad. For this reason this statistical data is not represent the whole aesthetic surgery of its country which seems to be more than recorded. The interesting point of the data is whether cost of aesthetic surgery in top countries is extremely high but number of surgery also highest. The question is what is the reason why people willing to pay more for surgery in those places. Answer of this question will help Thailand fulfill patients need and lead to move demand of aesthetic surgery to the country.

## **5.2** Diamond of National Advantage

Aesthetic surgery service in Thailand has served patients since many years ago. Factor conditions of this service business definitely change from time to time due to advance technology, business situation change and many other factors. Getting attention from foreigners is also a big factor forced Thai hospitals and clinics to improve themselves to gain competitive advantages.

#### 5.2.1 Thailand Factor Condition Analysis

Thai resources have known one of the best and bring tourism in Thailand to a successful industry. Transportation infrastructures as road, public transport -BTS and underground train even taxi are factors support growth of every business. Tourism is a driving force for economic growth. Number of visitor is rising every single year. It could not be more surprise since Thailand has advantage of warm weather which attracts tourists all year round. Thai food, Thai services and Thais smile also tourists' impressions. Thailand has

everything to offer as in the campaign of "Seven amazing Wonders of Thailand" Lower living cost in the country attract people to come to Thailand not only for tourism purpose but business and investment also. The wages rate in Thailand is among the lowest developing country in the region which allows the country to have competitive advantage with cost leadership.

In recent year, Thai government has been pushing Thailand to become the medical hub in Asia. As a result, Thai hospitals and clinics are improving their service to meet the new approach. Many hospitals are providing luxury services with an excellent medical treatment. Many Thai international hospitals such as Bumrungrad hospitals, Bangkok hospital have worked with foreign patients for many years. At the same time, aesthetic industry has been developed. After long history of Thai aesthetic surgery since Thai Society of Plastic Surgeons found in 1972, Thai surgeons are now professional in the service. They have been educated and trained over sea to enhance their ability. High technology equipments also have been using to increase the capability of the service. Along with high standard hospital, they have potentiality to serve excellent quality aesthetic surgery service. Thai aesthetic surgery also other hospitals and clinics are improving themselves to offered international service and competing in medical care market.

## 5.2.2 Demand Conditions Analysis

Demand Conditions of cosmetics and reconstructive surgery in Thailand is not different from the whole world trend. Perception toward aesthetic surgery is shifting to the positive side. It becomes almost normal to have surgery done. Thai hospitals and clinics have the next level of better service. At the same time they developed into the level that attracts foreign customers. Doctors' interview indicated high demand of aesthetic surgery that reached Thai hospitals or in contact with Thai hospitals and Clinics have been rising in a past few years. They have many patients from all over the world. The overall demand included domestic and international patients from The United States, Europe and other Asian countries. Thirty thousand cases in 30 years as a surgeon of Dr. Preecha confirmed a large demand in this medical care. Sex reassignment surgery, Dr. Preecha's specialty is the starter point of bringing demand into the country. Information from the interview indicated that doctors are aware of the growing trend of aesthetic surgery and ready to bring the service to international level.

#### *5.2.3 Related and Supporting Industries*

Support and related industry only help strengthen the industry. Tourism industry is the biggest industry supporting the whole medical care for foreigners not only for aesthetic surgery. Medical tourism becomes a familiar term for Thailand and many other countries. Thus Thailand offered a reputation of tourism industry that hard to compete with. From simple requirement as hotel room to traveling trip offered. Hospitals and tourism companies realize importance of each other in businesses supporting. Cooperation of

them give benefit to hospital to offer full service with competitive price, patients satisfaction in one stop service and tourism agencies create opportunities to approach customers. Moreover, information shared and innovation of specialty in surgery flows in the industry brings Thai industry to the top of its field. Cluster formed within a business helps the industry grow stronger.

This business network affect Thai economic growth since network contains hospitals and clinics, hotel, airlines and all tourism business in Thailand. Thai government saw a great opportunity to bring foreign money into Thai economic systems through medical tourism. The aesthetic industry can be fully developed with the push of Thai government.

## 5.2.4 Strategy, Structure and Rivalry

Strong competition situation of the whole medical care business in Thailand is an important force pushed hospitals and clinics to seek for another channel to survive. Hospitals no longer provide the service for just Thais but also increasing their income by attracting foreign patients from all over the world. New market of customer approach seem to be working well or at least the competition encourage the industry to develop.

Main reason make people decide to leave homeland for aesthetic surgery abroad is extremely low cost of surgery in other country. Other attractive reasons are surgeons' specialty skill and experienced, short waiting time, tourism activities. Among competitors Thai aesthetic surgery is now a leader. Better offered has built competitive strategy of Thai hospitals and clinics. Reputation of Thai aesthetic does not come in second than other countries. Especially, Thai surgeons have known as one of the best in aesthetic surgery. Sex reassignment process before having the surgery done is less complicate than anywhere else. Not surprise why it brought many GRS patients to Thailand. Moreover Thai aesthetic industry has been developed their techniques for a long period of time. It is difficult for other countries in the same region to compete with. International services of Thai hospitals meet standard of high quality and luxury services which ready to serve international patients. Thailand has considered a choice of aesthetic surgery destination.

# 5.3 Marketing mix for Service business (7Ps)

#### 5.3.1 Product and Service

Aesthetic surgery service surely can be seen as an intangible product. In this case aesthetic service refers as a product of Thailand. Aesthetic industry have been growing in the last recently years to accommodate the rising number of demand both within a country and from outside. Thai aesthetic surgery becomes quite popular, attracting many foreigners to visit the country. One of the reasons Thai aesthetic industry is climbing to the leading position is the reputation of excellent services and skilled surgeons. Thai

hospitals and clinics cover surgery options which patients are looking for with many choices of hospitals and clinics to choose from. For example Dr Preecha Tiewtranon is well-known for his Gender Reassignment Surgery (GRS) that performs with less time and less expense. Patients flew from all over the world to be under his blade. Also unlike other countries, Thai services have not such a long waiting list; the industry is filled with hospitals and surgeons who operate surgery everyday. Some surgery can perform within the same day as patients make an inquiry. Waiting time is one of the obstacle patients have to deal with. Rather than waiting for a long time, they would rather have surgery done somewhere else that does not require time taking. Another reason is because of reasonable price. Thai aesthetic surgery service cost 30 or 40 percent less than what patients have to pay at home. While surgeons giving a great influence on the decision making process, cost is also another subject that capture a lot of attention. Many patients are willing to travel across the world for cheaper price. Plus Thailand is one of the finest destinations for tourism. Not only patients can be in Thailand for the surgery, they could also take this opportunity to travel and explore seven amazing wonder of Thailand. This factor creates a niche to the industry as Porter mentioned that differentiation can bring the firm to their competitive advantage. (Porter, 2004) Aesthetic surgery in Thailand is like killing two birds with one stone.

#### 5.3.2 Price

Competitive advantage can be gain from cost leadership or differentiation. (Porter, 2004) Thailand truly gains competitive advantage from both cost leadership and differentiation. To differentiate service from the others, patients can take the opportunity to have surgery in Thailand and traveling at the same time with a low cost in total. Price is the cost in which customer have to bear therefore it is not a surprising fact to see that cost is on top of the decision making list. Thus service providers can set position by setting a higher price. In fact medical treatments cost of top hospitals are considered very high for Thai patients. Otherwise, the same rate apply to those from foreign countries appear to be cheap according to the currency exchange rate and cost in other countries.

As mentioned earlier, price is one of important factors to choose any service. Patients searching for aesthetic surgery are often comparing the price first. Within Asian, Thai aesthetic surgery price is lower than many countries such as Korea. Due to living cost and low labor cost in Thailand, it allows the service to compete with cost leadership. In GRS surgery the cost in Thailand is claimed by New York Times to be the cheapest in the world. Accordance with excellent skill of the surgeon and technology of the equipment, the price that considered being relatively low is even lower comparing to the quality patients could have. Health insurance generally excludes cosmetic and reconstructive surgery. Cost of aesthetic surgery is totally patients' expenses. Thailand provides an option that most could not deny.

#### 5.3.3 Place

Place is where the aesthetic surgery service is perform. Place for aesthetic surgery could not be anything else but hospitals and clinics. In this paper, place is also means Thailand as a country proving the aesthetic services. First, we would like to discuss the significant facts we have learned through study process. Hospitals perceive the image of hygienic clean and decorated places. Anyhow, In Thailand government owns hospitals have the image of being quite slow and lower quality from private hospitals. On the other hand, Private hospitals perceived with the image of more efficiency and fast service. When dealing with aesthetic surgery, patients select hospitals with skill surgeons and expertise of the hospitals. Also cost of service patients required in each hospital. Some of the patients follow the doctor not the hospital. Many hospitals in Bangkok have already been internationalizing to serve this market segment. Patients can expect the full service that would be nothing less than what they can expect at home.

Second, Thailand is in the heart of Asia and Bangkok is the heart of the country. Airlines operate flights to fly to Thailand from anywhere in the world every day. Transportation in Bangkok is fully served with many choices. BTS or Underground train serve quick and right on the spot while patients can choose to travel by taxi which does not cost much compare to some other countries. Hospitals transportation service is an option patients can reserve when come to Thailand. An interviewee was impressed by Mercedes Benz luxurious transportation. Moreover, Bangkok offers varieties of activities for patients' felicity such as shopping, historical sightseeing, relax with spa treatment or relax in Bangkok five stars hotels. Patients can also take this opportunity experience the rich natural resources and ancient places in Thailand.

#### 5.3.4 Promotion

Unfortunately aesthetic surgery is a particular service that does not carry promotion as any other services. Discount is hardly received by the patients. The cost of surgery is quite high and difficult to cut down any prices because of special equipments and high quality of technology. Doctors and hospitals complement service with other matter such as extended follow up which can be useful to many cases of foreign travelers, luxury recovery room to make patients feel most comfortable, or extinguish cuisine to get rid of disgusting hospital food image. These are patients requirement while they recovering period. No places are like home, but the touch of comfort can truly make the difference of patients' stay.

Nowadays, Thailand is not well known only as a tourist destination also becoming popular medical tourism destination. Many hospitals are working closely with organizations such as airlines and tourism agencies to offer medical treatment as a part of traveling. Not only for aesthetic surgery but patient can have any kind of medical treatment from heart operation through regular health check up.

## *5.3.5 People*

Successful service business hangs upon many reasons but one important is putting the right man to the right jobs. Service people come with service mind. In the surgery, risking their body under the responsibility of another person is putting the bet than other service. Mistaken cost more money and risk their life. The most important matter of aesthetic surgery is surgeons. Not only surgeons need to have highly credibility but also the experiences in the field. Most Thai surgeons hold specialties degree from other countries and have spent some time practicing aesthetic surgery. Some surgeons gain his reputation worldwide such the case of Dr. Preecha Tiewtranon and his GRS operation. Not only surgeon is important nurses along with other staff are also a part of successful service. Even in patients decision making process staffs need to be in contact and make good impression. The minute patients walk in to the door, they expecting to be treated the best as they pay for. Everyone who working as service provider are influenced patients' judgmental of the service. Service can be good or bad impact from both the result of the surgery and service environment. Thai people make the service special in the eyes of foreign patients with Thai hospitality and friendly environment right from the start. They make the foreign patients feel less awkward being in foreign country. Doctors and staff work together to serve best service and truly care in their patients. Nonetheless language can be barrier; Thai people try their best to communicate with patients. If hospitals or clinics would like to take their service to international level, they would need to improve this matter.

In aesthetic surgery, former patients have a great influence on the decision making of new patients. Reliability of someone who experienced in the field can truly describe the situation, result, problem or even comment on the doctor. Because they do not have any benefit from the doctors or hospitals influence their comment. Before patients decide to do with the surgery, most of them have done many researches including listen to feedback from former patients. Many patients follow advice from friends and relatives who had done the surgery and many end up with the same doctors or hospitals. This shows power of the former patients to convince decision of others.

#### 5.3.6 Process

There is the same process of getting an aesthetic surgery. First is seeking the information often through websites and internet community or sharing experience with friends and relatives who have been on that road before. Then gather more specific information from doctors or institutes and finally make an appointment. For Thai aesthetic service, the process is pretty much the same as describe above. Patients from other countries can search information about hospitals from websites. Some of them open channel of online discussion and make an appointment online. The internet makes it easy for patients. Patients do not have to face long waiting time in Thailand because many choices of hospitals and doctors. This is one of the reasons why foreigners decided to come to Thailand for aesthetic surgery. No one wants to waste time waiting for the surgery but would rather like to spend their time doing interesting activities in the country. Hospital understands this matter and indeed comprehends the surgery to fit with patients schedule.

Some surgeons can perform within the same day of the inquiry if patients have no health problem.

Surgery process can be short or long depends on type of operation and patient's condition. The recovery time is also depending on the cases and patients. Most surgery procedures do not take longer than one week while some can be finish within few hours. Especially for GRS surgery, Thai surgeons do not require psychological test which can take long period but use the "Real life test" instead. Patients do not have to spend money and time for the test before getting GRS surgery. After surgery process, patients can recover at their own place or hospital place. Some include hotel in the package to allow patients to recover and relax in the nice environment. They can relax on the beach or pampered themselves in a spa, whatever they wish for.

## 5.3.7Physical Evidence

Service as tangible factors is difficult to evaluate therefore the important of physical evidence is the factor emphasizes image of service provider. Environment and atmosphere in the hospitals of those who came for aesthetic surgery are significant to the patients. Some hospitals create niche to differentiate itself from the others by build physical evidence. Bangkok Hospital comes up with idea of "Royal suite room" to serve patients. Bumrungrad Hospital create convenient environment with familiar fast food within the hospital. Make their patient's life in the hospital equal to the hotel with hi-class room and top notch cuisine. Patients are seeking to be surrounded by beautiful environment and friendly atmosphere to make their stay in the hospital less scary. Thai hospital tends to succeed in this category. The impressed feedbacks from former patients show their satisfactions over the hospital.

To complete perfect service, patients mostly need information regarding to how to take care of them. From our information, some hospitals still lack of this matter. Thus the follow up level with patients seem to be on the satisfying side. Thai Hospitals have system to follow up the patients for many years. This develops a strong relationship between patients and institutes. As a result of impressive environment and outstanding service make positive image for Thai hospitals and surgeons.

# 5.4 Perception on Thai aesthetic industry

Image of the service is as significant as the service itself. How people perceive quality of service make an impact on how companies do their businesses. Particularly in aesthetic industry, customer is dealing with risk of their body. It is extremely important to have confident about quality of service. In our study, it shows pattern of thinking by one who interested in aesthetic surgery. First they collect information through internet, friends, or other sources. The reputation of service can make an influence on the decision. Then they

investigate in dept information with the doctors or institutes. This process can take long time to understand doctors, hospitals, services and build confident. Then they would schedule an appointment and proceed with the surgery. Importance of this fact shows how hospitals use their communication and in what factor impact with the image of aesthetic service. Detail will be discussed in topic as follow.

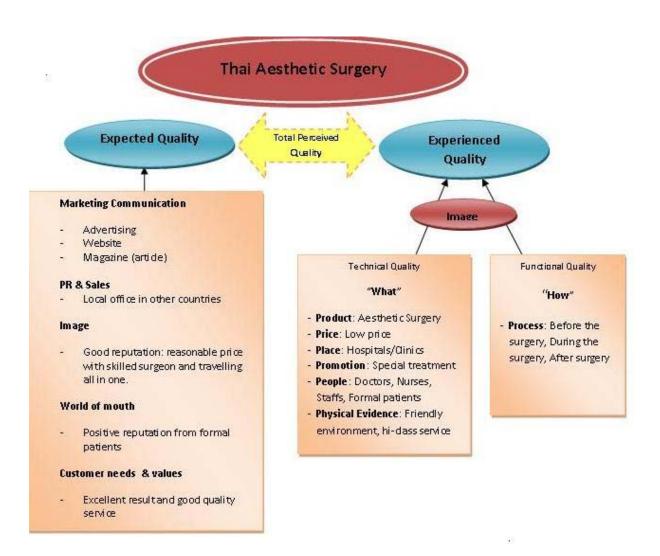


Figure 14: Thai aesthetic Total perception quality (Develop from original model, Gronroos, 2007)

## **5.3.1** The expected quality

Quality patients expected from Thai aesthetic surgery came from variety of sources. Thus expectation of each patient depends on individual perception. Hospitals use different marketing tools to reach their customers. Advertising is mainly used for visibility purpose. The massage is to let customers aware of the hospitals present rather than trying to encouraging them to have the surgery. The decision of having aesthetic surgery falls on individual conception. Therefore hospitals concentrate on marketing themselves on their own websites better than other sources. The websites contain information about the hospital, contact, service offer, gallery, etc which is very useful for people who seek for information. Some hospitals websites allow the interaction between doctors, staffs and the clients such as discussion, sharing experiences, and making appointment. Internet is considered to be the first step of information to most of the patients. Former patients and interested patients we had interviewed indicated the valuable of this source. Magazine is another good source for patients. When article about aesthetic surgery got published, the credibility of the institute also increases. Some hospital such as Bumrungrad opens their office in other countries to attract more customers. Direct contacts can persuade the credibility of the institute. Also customers have the sense of security.

Most of all, Reputation by word of mouth is the most influence marketing tool. They make a different with customer's expectation and perception. People always seek information from former patients and trust in their experiences. They feel more confident with the reference from one who had experienced all in surgery, doctor and hospital. The reputation of Thai aesthetic surgery is on a favorable side. From our study we can see that patients are satisfied with the result of surgery. They are impressed with the surgeons and services in Thailand. Satisfaction experiences have been spread and as a result, the expectations of new patients are high. Patients expect nothing less than what they heard from. Services below their standard can cost bad influence to the future customer. For that reason Thai hospitals and doctors are working hard to keep their good reputation in hand. Thai aesthetic service is not yet perfect. Some issue needs to be improve according to our information. Hospitals need to be more internationalize if they expect more foreign patients. Language barrier is one of the task hospital need to take into consideration. After all, patients deserve the service that meets their expectation.

# **5.3.2** The experienced quality

The image of service occurs while patient is or was in the process of surgery which includes time before the actual surgery, during, and after the surgery. Aesthetic patients formulate a certain image of the service from what they had experiences.

"What" or technical quality of the service is consist of the aesthetic surgery preformed, lower price comparing to other country, high standard hospitals, touch of special treatment at the hospitals or traveling option, experienced doctor, cheerful nurse and helpful staff, and last but not least friendly environment and hi-class service.

Thai aesthetic surgery is well known for its remarkable price, skilled surgeons and impressive services. The patients learn experiences from the other patients which make a great impact of the perception. As we learn that word of mouth in this industry is major tool. Their expectation of the quality is on the positive side as the reputation of Thai aesthetic surgery stand on the impressive image. The result of surgery by Thai doctor meet expectation of the patients moreover they have been impressed with outstanding service by Thai nurses and staff to make their visit more comfortable.

Functional quality has been perceived since patients have been in contact with the institute. That hospitals provide information in their websites and open opportunity for them to directly contact for more information. Some can even plan their surgery on the websites. This process makes it easier for patients who do not have time and saving cost of phone call and transportation. During the surgery, patients have been well taken care of, regular check up from doctors and nurses make patients feel at ease. After surgery process is finished; either patient chose to recover or traveling, hospitals provide services according to their needs. In total, their experience image has been filled with the service of That touch served with full quality.

## 6. Conclusion

Demand in aesthetic surgery has been increasing throughout the population of the world. Positive attitude toward the new option of beauty are now familiar with many cultures and truly drive aesthetic industry grow over the years. Thai aesthetic industry is competing among other competitive countries in this field. Thailand is among the top destinations where people chose to have surgery outside their home land. While aesthetic surgery can be extremely expensive in some countries and surgeons' skill is not recognize from their reputation, Thailand offers a perfect answer to many of the foreign patients. In order to answer the strategic question "How should Thailand improve its Aesthetic service attractiveness to drive its potential to the level of internationalization?" First, we must come to an understanding of the capability and advantages of Thai aesthetic surgery which describe as follow.

## What is the capability and advantages of Thai Aesthetic surgery for foreigners?

Capability and advantages of Thai aesthetic surgery was defined by Diamond national advantage and Marketing mix for service business (7Ps). Thai hospitals are proved to be internationalizing to support the growth of worldwide aesthetic demand. Thai doctors are well known for their specialist skill and years of experiences. High technology equipments have been installed into the top leading hospitals where the service is on an outstanding level. Patients can expect high standard of surgery as one of the luxurious hospitals in the world. They may not feel like they are in the hospital. While in many countries patients have problem waiting too long for the surgery, Thai aesthetic opens a variety of hospitals and clinic with short waiting time to chose from. Cost for aesthetic surgery in Thailand considered cheaper comparing to other countries. Thailand offer incredibly reasonable price for services patients could have. Moreover, Thailand is one of the top destinations for tourism. Patients not only come to Thailand for one specific purpose but also take opportunity to travel at the same time. A strong cluster of tourism allows the medical attraction to take advantage of this opportunity. Many hospital cooperate with other organizations to operate a new channel of tourism, "medical tourism" Thai aesthetic industry create a niche by combining tourism and medical together and take a leading position in cost leadership for this industry.

Secondly, how people perceive Thai aesthetic industry is important information in order to give our recommendation to Thai hospitals. Therefore the information leads us to the next level of understanding.

# How do foreigners perceive Thai Aesthetic surgery?

How foreigner perceive Thai aesthetic surgery was defined by element of marketing mix for service business (7Ps) and analyze with Total perceive quality model. That aesthetic surgery received an excellent reputation from former patients around the world. Hospitals invest on the website as their main marketing tool. Since internet is the first source for search for information. Other additional tools are advertising and open a local office in another country. But one of the most impact tools above all is word of mouth. Former patients' satisfied experience in the result, surgery procedures and services spread through word of mouth to people who have an interest in aesthetic surgery. As a result of satisfying patients, it creates a positive reputation of Thai aesthetic surgery. Such high reputation from foreigners on quality of the surgery, hospitals luxurious services and lower cost of surgery indicated that internationalization of Thai aesthetic surgery service is in good venue creating great opportunity for Thai medical care. Foreign patients are aware of Thai aesthetic surgery and willing to consider Thailand to be one of their options according to a good reputation of the industry. Therefore our conclusion draws only from our information only. There are many patients out there that we could not have their opinions. Thus we believe that the positive reputation will continue to grow over time.

In conclusion, global demand shows the market situation and the good opportunity for Thai aesthetic service to expand business in the growing market. The attractiveness of Thai aesthetic industry which are lower cost, skilled surgeons, upscale hospitals, and tourism can truly drive the potential of the country to an international level. Despite the good image of this industry abroad there still are areas which the customers feel inferior. Interviews give some ideas for improvement of Thai aesthetic surgery industry. Recommendations from interview and information we gathered will help Thai hospitals and clinics improve their services and increase international attractiveness of Thai aesthetic surgery service. Hence "How Thailand should improve its service mix to attract more international patients?" will be answer in the next chapter.

## 7. Recommendation

Our study had concluded that Thai aesthetic surgery have a potential to be in another level of internationalization. Therefore the study shows that in order for Thai aesthetic industry to achieve its goal, some recommendations have been mentioned. The recommendation will answer our question "How Thailand should improve its service mix to attract more international patients?"

## **Product**

Hospitals and clinics should always be innovative. Aesthetic skills and technology will keep developing through time, as a good service provider they should develop their service to meet the innovation. To keep positive reputation for Thai surgeons and institutions, the industry should work together to pull the strength of one another and help each other to develop.

Moreover, Thai aesthetic industry should develop "The Society of plastic and Reconstructive surgeons Thailand" into a centralize institute where patients could have a reliable information regard to aesthetic surgery in Thailand and credibility of Thai surgeons. Since patients always contact the hospital or clinic directly, a centralize institute can work as a filter to eliminate the services that do not meet the standard and on the other hand, encouraging the industry to develop their services to meet these standard. Additionally a centralize institute will increase the credibility of Thai aesthetic industry.

#### **Price**

Price is the strength of Thai aesthetic surgery. Though low price of the surgery attracts foreigners to come to Thailand, they also expect a good quality of service and perfect result. While patients have to bear the cost, hospitals and clinics should provide the service that worth their money.

#### **Place**

Hospital is the face of the service. It should keep the good image and reputation by providing efficient medical treatment and excellent service. Hospitals and clinics should always modernize themselves to impress the patients. No patients would want to go to old scary hospital even though they perform great surgery.

#### **Promotion**

In aesthetic practice, discount may be impossible thus the service provider can include other service to make the patients feel special such as spa, massage, shopping voucher, etc. Not only patients will feel special but it will also drive the economic in other industry.

Now a day, tourism becomes an additional reason for patients to come to Thailand. Hospitals and clinics should be aware of this fact and develop a net work with a tourism industry. They may require working closely with tour agency, airline, hotel and etc. to serve their clients' need. This could also develop to a new unit to some hospitals.

#### **People**

Hospitals and clinics should develop themselves to be more on the international level. This means doctors and nurse need to be train and improve their skills regularly. Thus Thai surgeons have a well reputation in their skills and experience but this do not mean the knowledge can stop. Also broaden knowledge can bring a different perspective of others which can be use to improve their services. Hospitals and clinics that aim for foreign patients have to be aware of the language barrier. English maybe one of the most spoken language but patients are coming from every part of the world. Different languages might need to apply to the patients. Never less the patients will feel more comfortable speaking their own language. Home language could make a very good impression. Hospitals and clinics should encourage their staffs to develop on the language skill.

#### **Process**

Having surgery abroad can be a hassle with the follow up with the patients' condition. It is difficult to have patients travel all the way for their check up although some patients would not mind. Hospitals and clinics should keep track closely with the patients and constantly communicate with the patients. Different surgery require different time and method of recover, they should be able to recognize the important of each cases. Extended follow up with some type of the surgery would be appreciated by the patients.

#### Physical evidence

While hospitals and clinics approaching the international road, it is important not to forget to include the Thai rich culture and characteristic such as Thai decoration, Thai food, or simply as a Thai smile. Different cultures may require a specific service, hospitals and clinic should be able the serve this needs.

## Marketing communication

While demand of aesthetic surgery is on the high level, as a country, Thailand should encourage Thai aesthetic industry to develop and be innovative to attract more foreign customers. Also the government should market aesthetic purpose into the campaign of "Medical tourism" since aesthetic surgery is one among other main attraction why they visit Thailand. While tourism is a driving force behind Thai economic, promoting the attractiveness of Thai aesthetic surgery can definitely push the economic forward.

Hospitals and clinics should find a new channel to promote themselves that do not limit only by website. Co- promotion with other organization such as tour agency might be a way to attract new patients. Establish contacts with other hospitals in other country can both create co-business and at the same time share innovation. Hospitals can also use representative in other countries to promote the service if they cannot afford to set up office in another country yet.

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# 9. Biography

**Dr. Preecha Tiewtranon**, former Associate Professor Chairman of Plastic Surgery unit of King Chulalongkorn University Medical School, President of Plastic and Reconstructive Surgeons of Thailand, President of the Society of Aesthetic Surgeons of Thailand

*Dr. Komkrit Taninpitak* Certified board of Plastic and Reconstructive Surgery, Thailand King Chulalongkorn Memorial Hospital, Resident Plastic and Reconstructive surgery (1992) Maharaj Nakorn Chieng-Mai University Memorial Hospital, Resident Plastic and Reconstructive surgery (1992) M.D. Degree, Mahidol University School of Medicine

Dr. Dirk Lazarus, Plastic Surgeon South Africa.

# 10. Appendix

# I. Interview Question according to theories

#### **Interview questions for Doctors**

- Could you please explain about the potentiality of services
   ( Hospitals & clinics , Equipments, technology, Nurses& co-op -who provide service )
- What kind of degree or awarded do Thai surgeon hold?
- How many aesthetic Surgery you have done approximately in the last 5 years, Is it increased nowadays?
- Have u ever done surgery for foreign patients, How many, and where are they from?
- Do you join any service with other company to attract more foreign patients? And how to do you promote your service?
- Do you think that join hand with any industry you provide better service? How?
- Beside Thailand, Where is the famous destination foreign patient having the surgery done? Why do you think it is so?
- What are the advantages of Thailand aesthetic surgery?
- What type of aesthetic surgery do you perform?
- Who are you customer?
- How do you define your price among others (both in Thailand and developed countries)?
- Where do you work?
- Do you think Thailand especially Bangkok is the best location for aesthetic surgery services? And why?
- What kind of special offer you provide for your patients?
- Normally how long would one surgery be? Small/medium/large surgery?
- What would approximate recovery time be?
- What kind of felicities you provide for your patients in your hospital/clinic?
   (Rooms, TV,Etc.)

#### **Former patients**

- What is your reason to come to Thailand for aesthetic surgery?
- Is this your first time for aesthetic surgery? not. How many times have you done the surgery?
- What other factor have influence on you to make your decision to come to Thailand?
- How do you feel about the hospital/clinic before and during your surgery?
  - Do they organize the service well?
  - Do they make your visit pleasant?
  - Do they provide you with information you needed?

- What type of aesthetic surgery you have done?
- Where and when have you done the surgery?
- Do you think hospital/clinic provide service with reasonable price?
- Was one of the reasons you came to Thailand for surgery is the lower cost?
- How much would you have to pay for the same surgery in your homeland
- Did you find the hospital/clinic convenient for travel?
- Do you find the hospital/clinic reliable
- Did you receive any special treatment? If so. What kind of special treatment?
- What kind of special treatment would you like to have in the future if you decide to come back for surgery?
- Do you feel that you receive professional treatment from the doctor and institute?
- How would you describe the willingness of the staffs?
- Do you find languages become your obstacle?
- How long before you decided to do the surgery in Thailand?
- Could you please tell us about your process of contact before you came to surgery?
- Did you feel comfortable with the process of before, during and after surgery?
- Do you receive and follow up from the doctor after you surgery?
- How long do want the follow up to be? 3 years? 5 years?
- Can you tell us about the hospital/clinic you been to have your surgery done? Cleanness, Transportation, Friendly atmosphere, staffs)
- Do you need the hospital to keep a confidential record of your visit?
- What was your expectation before you came to have the surgery done in Thailand?
- How did you know about aesthetic surgery in Thailand?
- Does Thailand aesthetic service serve your expectation?
- Are you satisfied with the result of the surgery and service? If no, please tell us the reason.
- What do you think the hospital/clinic should improve?
- Would you recommend your friends who interested in surgery to come to Thailand?

#### **Expected foreign patients**

- What kind of surgery are you interested in?
- Do you have a budget for the surgery or how much do you think you would like to spend on the surgery?
- Would cost be one of your priorities to choose where you will have surgery?
- Where do you think you will get this surgery? And why?
- What type of hospital/clinic you are looking for? Small/big? Private/government own?
- What kind of special treatment would you like to have? Ex. Extended follow up, luxury recovery room, etc?
- What quality are you looking for in a surgeon?
- How long have you been searching for the information about your surgery interest?
- How long would you like to spend in your surgery trip?
- What other factor you find important besides the surgery service?

- Would you take the opportunity to take this trip as your traveling also?
- What would be your ideal of service you would like to have?
- Do you know that Thailand provide this service for foreign patients also? If so. How do you know about Thailand service?
- Would you consider Thailand to be one of your options? If not, Why?
- Where do get the information about the aesthetic surgery?
- Do you find the sources reliable?
- Do you have friends/relative who has done some Surgery? If so. What kind of recommendation do they have for you?

### II. Interviews with Doctors

## 1. Interview DR. Preecha Teiwtranon

Date: April 30<sup>th</sup>,2008 By: Telephone

# 1. How many aesthetic Surgery you have done approximately in the last 5 years, Is it increased nowadays?

: I have done more than thirty thousand cases in more than 30 years of practice. I could say the number of patients have been up. More people find the surgery easier to get done and I may say they find it more normal to have beauty surgery. The attitudes toward aesthetic surgery have changed over the last 5-6 years. People are willing to accept it.

#### 2. Where do you work?

: Preecha Aesthetic Institute, my private clinic, Piyavej Hospital, Bangkok nursing home Hospital

## 3. Who are you customer?

: We have many patients. Some are regular. Some travel across the world. Some are here for vacation, heard about it and decided to get it done.

# 4. Have u ever done surgery for foreign patients, How many, and where are they from?

: Yes. Many patients are from all over the world America, Asia, Europe even Africa. The most patient would be from America and Canada.

## 5. What type of aesthetic surgery do you perform?