

**UNIVERSITI TEKNOLOGI MARA**

**DETERMINING THE FACTORS  
AFFECTING MEDICAL TOURISM  
DESTINATION CHOICE: EMPIRICAL  
EVIDENCE FROM MALAYSIA**

HAFIZAH BINTI ARIFIN  
PUTERI ALIZA BINTI MEGAT RAMLI  
NORLIDA BINTI CHE HASSAN

Dissertation submitted in partial fulfilment of the requirements for the degree of  
Master of Business Administration

Arshad Ayub Graduate Business School

February 2022

## AUTHOR'S DECLARATION

We declare that the work in this thesis was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the results of our own work, unless otherwise indicated or acknowledged as referenced work. This thesis has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

We, hereby, acknowledge that we have been supplied with the Academic Rules and Regulations for Post Graduate, Universiti Teknologi MARA, regulating the conduct of our study and research


Name of Student : Hafizah binti Arifin

Student I.D. No. : 2019308511

Signature of Student : 


Name of Student : Puteri Aliza Binti Megat Ramli

Student I.D. No. : 2019973077

Signature of Student : 

Name of Student : Norlida Che Hassan

Student I.D. No. : 2019348051

Signature of Student : 

Program : Master in Business Administration

Code Program : ABP 792

Thesis Title : Determining the Factors Affecting Medical Tourism  
Destination Choice: Empirical Evidence From  
Malaysia

## **ABSTRACT**

Medical tourism is a relatively new market segment that has gained the attention of major health care leaders in a variety of countries over the previous decade. Based on prior literature, there are limited study has been conducted on medical tourism destination selection. This study shall examine Malaysia as a medical tourism destination choice and determining whether the factors of lower cost, facilities, service quality, accessibility, tourist attraction may influence medical tourists to select Malaysia as a destination choice. Purposive sampling technique was applied for the study. Questionnaires were distributed using online platform to the foreigners who stay outside Malaysia particularly to those who know and understand the English. 115 completed questionnaires were collected through Medical Tourism Agency Website and their overseas branch and data has been analyzed using IBM SPSS 20 version. The statistical analysis used in the study are descriptive analysis, reliability analysis, mean score analysis of variables, frequency analysis, multicollinearity and regression analysis. The findings revealed that lower costs, accessibility of information and tourist attraction have significant impact on medical tourism destination selection. This research can be beneficial for the healthcare provider, insurance company and tourism industry to improve and enhance their policies, benefits programs and initiatives inside the organization and industry. Furthermore, the findings can be used to enhance the strategies by the policy maker especially in the context of marketing and strategic partnership.

Key words: medical tourism, low cost, accessibilities, tourist attraction, destination choice

## TABLE OF CONTENT

Author's Declaration	i
Abstract	ii
Table of Content	
CHAPTER 1: INTRODUCTION	
1.1 Background of Study	1
1.2 Situational Analysis - SWOT Analysis	3
1.2.1. Strength	4
1.2.2. Weakness	6
1.2.3. Opportunity	6
1.2.4. Threat	7
1.3 Problem Statement	8
1.4 Research Questions	14
1.5 Research Objectives	14
1.6 Significance of Study	14
1.7 Scope of Study	15
1.8 Limitation of Study	15
1.9 Chapter Summary	16
CHAPTER 2: LITERATURE REVIEW	
2.1 Introduction	17
2.2 Medical Tourism as Destination Choice	17
2.3 Lower Cost	20
2.4 Hospital Facilities	21
2.5 Quality of Service	22
2.6 Accessibility of Information	24
2.7 Tourist Attraction	26
2.8 Conceptual Framework	28
2.9 Hypotheses Development	29
2.10 Chapter Summary	29
CHAPTER 3: RESEARCH METHODOLOGY	
3.1 Research Design	30
3.2 Sampling	30
3.2.1. Population	31
3.2.2. Determining the Sample Size	31
3.2.3. Sampling Technique	31
3.3 Data Collection	31
3.4 Measurement of Variables	32
3.4.1. Operational Definition	32
3.4.2. Scaling	38
3.5 Procedure for Data Analysis	38
3.5.1. Data editing	38
3.5.2. Data coding	39

# CHAPTER 1

## INTRODUCTION

### 1.1. Background of Study

According to the Medical Tourism Association (MTA), medical tourism is a relatively new market segment that has gained the attention of major health care leaders in a variety of countries over the previous decade (Sandberg, 2017). Medical tourism is based on the idea in which individuals travel to foreign nations to acquire healthcare services and facilities while also indulging in the foreign country's tourist attractions (Chandran et al, 2017). It has risen significantly during the 1990s attributing to globalisation, as people from less developed countries go to developed countries for health care such as annual health screenings, cosmetic surgery, coronary bypass surgery, and dental treatment (Isa et al, 2019). However, this tendency has shifted; more and more patients from developed countries are travelling to developing countries for medical care, because of the lower medical care costs, improved quality, and other medical tourism-related amenities (Rahman, 2019). Medical technology, physician training, and health care standards in less developed nations have significantly improved over the previous two decades, and as a result, these governments now aggressively promote medical tourism to enhance tourism revenues and create foreign exchange. The Gulf countries, the United States of America, Canada, and Western Europe are among the most prominent outbound countries for this sort of travel, while the most popular destinations are Korea, India, Thailand, Malaysia, and Singapore (Liang et al, 2019).

Although there are other countries worldwide, Asia is indeed a major medical tourism destination. Asian countries such as Thailand, India, Malaysia, Singapore, and South Korea have aggressively pushed such services, and rivalry to lure more international medical tourists has intensified (Kim et al, 2019). Moreover, the global medical tourism market is valued at approximately USD16.8 billion and is expected to generate USD27.3 billion by 2024 (Narayanan & Wah, 2021). It is self-evident that medical tourism revenue is regarded as a sort of export revenue that has the potential to improve a country's balance of payments. By enhancing medical tourism, job prospects in the health care sector and associated businesses are increased. Medical tourism also