The Process of Developing an Innovative Medical Tourism Business in Iran

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Abstract
The aim of this paper was to investigate the processes of organizational innovation in medical tourism businesses. Specifically, this research aimed to answer: “What is the process of developing medical tourism businesses in a developing country like Iran?” For this purpose, a grounded theory approach was used. In-depth interviews were conducted with fifteen medical tourism entrepreneurs who had experienced the above mentioned process. Analyzing the structure of values and interactions of entrepreneurs with others through their interviews led to the formation of an intermediate theory. The pattern obtained from this study shows that the main category that led to innovations among the studied medical tourism businesses was entrepreneurs’ tendency to create entrepreneurial activities, that is an innovative initiative. Based on our findings, should an innovative entrepreneur be affected by intermediate and environmental conditions, he or she introduces specific strategies to effectively carry out entrepreneurial activities that are discussed in this paper.

Keywords:
Medical Tourism Business
Innovation
Grounded Theory
Iran

1. Introduction
Today, medical tourism is a lucrative industry due to the travel of people abroad to receive medical services (Johnston et al., 2010). There is a thriving competition among countries to capitalize on this growing global industry, trying to attract and accommodate as many medical travelers as they can support (Sandberg, 2017). In such a competitive environment, innovation becomes an important managerial tool (Hilami et al., 2010).

Innovation can be defined in different views. Joseph Schumpeter (1883-1950), states that innovation is the destruction of existing conditions and the creation of new services, products and processes. In fact, Schumpeter equates entrepreneurship with the creation of new combinations that are introduced by the entrepreneur. (Decelle, 2004). In this paper innovation defined as (Rothwell, 1992), as a process that is driven by market needs.

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Developing an innovative business is a phenomenon that depends on the context in which it is studied. To create an innovative business, you need to know certain processes, mechanisms and elements. This phenomenon is also unknown in the field of medical tourism in the country. Therefore, the main issue in this research is a theoretical gap about the process of developing innovative businesses in the field of medical tourism in Iran. The aim of the study was basically to show the developing process of innovative firms in medical tourism by applying a Grounded Theory Method- GTM (i.e., is a method that uses techniques and procedures to prepare a researcher to achieve a theory based on qualitative data. (Corbin and Strauss, 2008). More specifically, GTM seeks to explain people's behavior in terms of the context (Charmaz, 2006). Thus, GTM was used to explain when there is a need to create and generate an explanation and meaning for the phenomenon to be studied, and when the existing theories do not address the subject problem or the people involved (Creswell, 2008).

About 5,000 patients from foreign countries went to Iranian hospitals in 2018 and received medical services (IRNA, 2018, see: https://en.irna.ir/news/83638397/More-than-600-000-health-tourists-visit-Iran-every-year). The foreign exchange capacity of foreign patient recruitment in the country is more than five times what it is today, and Iran can easily account for up to 2.5 million foreign patients, especially in the outpatient area (IRNA, 2018, see: https://en.irna.ir/news/83638397/More-than-600-000-health-tourists-visit-Iran-every-year). Iran's neighbors travel to Iran to receive medical services and spend the holidays at the same time. In addition, treatment costs in Iran are lower than in other countries (Lajevardi, 2016). The head of the Health Tourism Department of the Ministry of Health has recently emphasized (IRNA, 2018, see: https://en.irna.ir/news/83675163/Mashad-Iran-s-second-Health-Tourism-destination) that 70 percent of health tourists' visiting Iran seek treatments mainly in the following areas: gynecology, ophthalmology, orthopedics, cosmetics and cardiology, and two percent seek other medical services. Lately, 30,000 patients from neighboring countries travel to Iran to receive medical services (Lajevardi, 2016).

Many medical tourism businesses have developed in recent years (Iranmanesh et al., 2018). This development leads to increase foreign revenue and the use of local people and resources.

Innovation can drive businesses forward, and the innovation process creates a competitive advantage for both manufacturing and service organizations. (Dooley & Sullivan, 2007). The improving and innovation in health tourism helps to maintain currency and labor force in country (Izadi et al., 2012).

In the following, after reviewing the literature, we will present the research method and refer to the results of analysis then the results will be discussed, and finally suggestions offer for future research.
2. Literature Review
2.1 Understanding and Defining Innovation

Many scholars have proposed a definition of innovation like Tidd and Bessant (2009), Hamel (2006), and Pedersen and Dalum (2004). Innovation is in a range from completely destructive to completely incremental (Robertson, 1967). Afuah (1998) emphasis innovation output can be seen in products, services and processes. Schumpeter (1934) stated, that the new combinations of resources indicate innovation. Schumpeter defines entrepreneurship as the introduction of a new product, a new production process, new raw materials and a new industry. Schumpeter's approach can be used in tourism innovation, but it has some limitations. In fact, Schumpeter's definition focuses more on the economic performance of the entrepreneur rather than the entrepreneur decision-making process (Endres & Wood, 2010). Most innovation research focuses more to compare the input and output of innovation, and less consider the innovation process. (Edwards et al., 2005). The present study uses this approach and deals mainly with the process between input and output in innovation and innovation process.

2.2 Medical Tourism as a Research Area

“Medical tourism” refers to the activities that a person performs to improve his health during traveling (Spisto, 2011). Medical tourism has recently grown significantly and has become a global industry (Connell, 2013, Caballero-Danell & Mugomba, 2007)

Medical tourism is not new, for centuries, people have traveled for treatment for are several reasons. Some do not have health care in their own countries; others cannot wait to receive treatment in their national system; some treatments are not available in certain countries and/or they prefer treatments in foreign countries (Muzaffär & Hussain, 2007).

Several papers (e.g., Veerasoontorn & Beise-Ze, 2010; Alsharif et al., 2010; Hall, 2011; Sharma, 2013) have been studied the medical tourism industries and tried to summarize the literature in this field. Base on Connell (2006), the medical tourism industry will grow significantly in the future because many countries want to enter the industry, and several Asian countries are currently very active in this field. Crooks et al. (2010) identified various issues in the field of medical tourism that need to be studied by studying the experiences of tourists.

Most researches emphasis on determinants and deterrents factors which affects the patient's intention for traveling (Lunt et al., 2016, Gan & Frederick, 2011). According to Alsharif et al. (2010), Most medical travelers to Asian countries such as China and India have reasons such as low cost, good facilities and quality medical staff in destination.

We want to study the entrepreneurial process in medical tourism businesses in a country where this industry is new and growing. We used Grounded Theory Method and that is the novelty of present research.
2.3 Innovation in Medical Tourism

The tourism industry is growing rapidly (Alsos et al., 2014). Tourism companies can gain competitiveness through innovation (Sundbo et al., 2007). Most research in the tourism industry has focused on specific issues. However, this depends on the context in which the research was conducted. Many studies have examined the supply and demand in this market (Cormany and Baloglu, 2011; Tajeddini, 2011). Although, many scholars have studied the innovation process but there is still no consensus about this process in service businesses (Thakur & Hale, 2013). Understanding innovation in health services has its limitations. The studies in this field limited methodologically. There is no in-depth research and most is cross-sectional research (Salge, 2012). Jończyk (2014) expressed, innovation in healthcare businesses depends on a number of variables, including strategy, resources, a support system that rewards employees for their innovations, close collaboration between employees, appropriate rules, ready for changing and, learning from mistakes. Innovation plays an important role in providing health services. It introduces ways to reduce costs and increase quality. This requires a complex interaction between several effective factors, including patients, suppliers, and businesses. The current literature needs to examine the innovation in tourism businesses more accurately (Ciasullo et al., 2017), as the subject of this study.

A few researches have studied the innovation process through GTM. Most of the research focusing more on influential factors and outputs. However, the present research has filled this gap by using a qualitative approach for studying the process of innovation in the field of medical tourism.

3. Methodology

The present study aimed to describe the innovation process in medical tourism businesses in Iran through a qualitative technique, and to introduce a theoretical model. In order to understand the process of innovation, in-depth interviews (Eves & Dervisi, 2005) were used to clarify all aspects of the phenomenon instead of a simple research and the use of a questionnaire. In fact, innovation is a dynamic process that requires understanding this phenomenon in its context and according to the views of key actors (Cheng & Van de Ven, 1996). Therefore, the present study aimed to understand the process of this phenomenon deeply instead of a superficial view to this issue.

The Grounded Theory (GT) used by Bouwen and Van Looy (1996) to study the role of key actors in an event and understand the process of it. In the present study, we seek to gain a deeper understanding of the innovation process in the context in which it occurs, so we used the GT approach and fifteen interviews were conducted.

A GT approach is a qualitative method that uses a set of steps to understand a phenomenon (Charmaz, 2006). According to Mehmetoglu and Levent (2006), GT is a suitable approach to categorize and interpret data and to achieve a suitable theoretical model in the field of tourism.
Entrepreneur who had innovations in medical tourism were selected through snowball technique. In this technique, everyone who is interviewed introduces the next person for interviewing. (Breakwell et al., 2000). In fact, People who run a medical tourism business in Iran, they were top entrepreneurs in medical tourism and have over 10 years’ rich experience in medical tourism industry. Most interviews were conducted face to face in Tehran.

3.1 Data Analysis
In the present study, three semi-structured interviews were conducted with three people as pilot interview in October 2017. These interviews lasted between 40 and 90 minutes, during which we wanted to find out why the person run a business in the field of tourism. Interviewers were assured that their conversations would remain confidential. A total of fifteen people were interviewed. The interview questions were related to entrepreneur experience in running their businesses for example, what reasons influenced them to choose medical tourism? What is the interviews opinion about their strategies for innovation? what made them go to new ideas in their business? and what environmental factors affect their activities?

A semi-structure interview was organized. Firstly, the interviewees asked about their business. The second part of interview were about their entrepreneurship experience; reasons influencing medical tourism choices; and their satisfaction with the experience in medical tourism business. The demographics characteristics like age, gender and education were asked finally.

Data analyzed through three steps according to Strauss and Corbin (1990) approach in grounded theory. The first step was a general review of the all data collected. All statements (short sentences) were extracted in second step. Finally, the data were coded manually (i.e., open and axial coding) (Table1).
Table 1: Examples of respondent opinion about factor affecting medical tourism
(Author, 2018)

<table>
<thead>
<tr>
<th>Construct</th>
<th>Dimension</th>
<th>Opinion Source</th>
<th>Respondent comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tendency to entrepreneurial activities in medical tourism</td>
<td>New opportunities for entrepreneurs in this field</td>
<td>1. New ideas for entrepreneurs in this field 2. Identify new opportunities because of the familiarity with the language and culture of tourists</td>
<td>1. Entrepreneurs are constantly looking to change service delivery 2. Most entrepreneurs are familiar with the language and culture of tourists because they are mostly from neighboring countries</td>
</tr>
</tbody>
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| Low cost of medical tourism | Low travel expenses and treatment | 1. Reduce the cost of treatment for patients relative to the country of origin 2. Low cost of entry visa to Iran | 1. Treatment costs for patients are much lower than their place of residence 2. The visa fee for entering Iran is 140 thousand tomans |

As a first step in the coding process (i.e., open coding), the short statements were analyzed. In fact, all the interview was coded. Some questions were asked to avoid misconception: What is the main phenomenon? Who has the main role? How are the interactions between persons? What is the main motivation? Where did the main phenomenon occur? Is it revealed correctly?

For axial coding step, the main phenomenon was in center and other categories were developed around it. This leads to theory formation. In fact, the coding paradigm of Strauss was used to show the relationships between categories in the model. The short statements were applied in open and axial coding.

In the final step of coding (selective coding), the relationships between the categories were developed in a narrative manner, which were based on technical notes, interviews, and memos. Accordingly, the intermediate theory of research was introduced.

Our colleagues at the university reviewed the detailed steps of this research in order to determine the validity of the research.

3.2 Demographic Profile of Participants

Among 15 interviewees, 10 of them were male, and 5 were female. The interviewees aged from 35 to 55. 12 of them were married. Most of participants had a master degree. All interviewees had extensive experience running a medical tourism business.

4. Findings and Discussion

As shown in Figure 1 (Author, 2018), following the model of Strauss and Corbin (1990), were found to be as follows.
4.1 Main Phenomenon: Tendency for Entrepreneurial Activities

Through in-depth interview, we found evidence of positive attitude towards entrepreneurial activities. The core category of the research was found to be the tendency of interviewed businesses to undertake entrepreneurial activities.

The tourism industry includes a lot of entrepreneurs. These entrepreneurs are able to adapt themselves with changing environment and to discover new entrepreneurial opportunities (Barnett, 2000).

In the studied medical tourism industry, there were numerous entrepreneurial opportunities that the participants referred to:

*I feel good when I offer a service to tourists. In addition to earning money, I think I can be useful to my country (B1).*

Behavioral characteristics such as internal locus of control, risk taking and tendency to high achievement lead to a person's desire for entrepreneurial activities (Okudan & Rzasa). Interviewees discussed the causes and outcomes of this tendency.

4.2 Causal Conditions

Causal conditions have impacts on main phenomenon and a main motivation to start it. In this study, the following three causal conditions emerged from the interviews:

**“low cost of medical treatments in Iran”**

Interviews revealed that the cost of medical services in Iran is lower than developed countries and quite competitive compared to less developed countries. The most important reason for these prices is the weakness of the Iranian currency against the dollar.

**“increased demand for health tourism services from neighboring countries”**

There was a great deal of evidence that, given the high quality of medical services in Iran, on one hand and, the low treatment costs on the other, there is always a demand for health tourism services from neighboring countries around the Persian Gulf.

**“expectant customers”**

The evidence from the interviews show nowadays, medical tourists are well aware of the quality of the services provided and the costs of medical tourism, given the availability of the internet and various websites. Therefore, they look for countries or healthcare centers to receive their treatment needs of the highest quality, with the lowest price. Expectant customers make health centers strive to provide high quality services.

4.3 Context Conditions

Innovation process happens in a context that affected it. The following contextual conditions were identified based on the conducted interviews.
“proficient doctors in Iran”
   The presence of specialized physicians in various fields in Iran has led to the attraction of medical tourists in different areas (e.g., cosmetic surgery, infertility). This was evident from almost all study participants.

“providing qualified medical services”
   Participants stated that the quality of health services provided in Iran is at the level of the world's advanced centers. Iran’s high-quality hospitals that use high-tech equipment and high-quality medical services were mentioned in several interviews. For example, on interviewee mentioned "the cost of surgery in Iran is higher than Iraq", but "patients prefer to travel to Iran due to their advanced and up-to-date technology."

4.4 Intervening Conditions
   Intervening conditions are factors that facilitates or hinders the activates of innovation processes. Here, two categories were identified.

“easy entry of newcomers (entrepreneurs) to this industry”
   The survey data from the interviews showed that entrepreneurs of the medical tourism field in Iran enter this area based on different needs. There is no apparent specific instruction on how to best enter in the medical tourism field in Iran as entrepreneurs, and entry to this industry is fairly easy and this is an advantage. One participant said: “easy to enter in this industry leads the sources of competitive advantage tend to wane quickly. Therefore, the firms need to develop greater innovation because of the pressure of competition”.

“existence of specialized fields of medical tourism including ophthalmology, neurology, infertility, and beauty”
   There is evidence in the data review that the majority of medical tourists come to Iran for ophthalmology, neurology, infertility, hair transplantation and/or beauty. The percentage of patients referred in the field of ophthalmology was 10%, 20% neurology, 40% infertility, and the rest of them for hair transplantation, nose surgery, lipoma and injection for treatment.

“government and Health Ministry and Medical Education support from entrepreneurs”
   It seems like the government sponsors private and cooperative sectors to create entrepreneurial health business in Iran. One participant mentioned: "the government introduces the various sector of health tourism to entrepreneurs in this field.

4.5 Action Strategies Condition
   The following four categories were identified for strategies and actions.
“attract medical tourists through social media”
Today, the potential of social networks is more than other methods for attracting medical tourists. In social networks, “the patient or medical traveler receives necessary information about all the services he needs online”.

“provide free advice by the entrepreneur”
Most entrepreneurs offer free advice to medical tourists. “Free counseling results in patients having a complete understanding of their treatment process and better cooperate with doctors and hospital staff in the delivery of services”.

“attract medical tourists by using mouth-to-mouth advertising”
Mouth-to-mouth advertising has an important role in attracting tourists. Most tourists, especially medical tourists, get their information about hospitals and specialists in the destination countries through friends and acquaintances. Therefore, “mouth-to-mouth advertising was found to be an important role in attracting tourists”.

“entrepreneur contract with doctors for providing fast services to medical tourists”
Many entrepreneurs have contracts with doctors to provide fast medical services for medical tourists. Entrepreneurs gain a competitive advantage than competitors through this strategy.

4.6 Consequence of the Process
With regard to this field of medical and health tourism, there is a vast and broad field of medicine that covers various fields of entrepreneurship. Certainly, new innovative activities in medical tourism can create wide-ranging jobs and entrepreneurship in Iran.

“creating loyal customers in health tourism”
The existence of loyal customers in this area will also lead to the use of medical services in Iran in the form of mouth-to-mouth marketing of relatives.

“good financial revenues for entrepreneurs”
Evidence showed in general, tourists and patients who use Iran’s health care for treatment have a high average income level. Certainly, the attraction of more medical tourists will bring good foreign income for entrepreneurs in this industry in Iran.
5. Conclusion

This research aimed to address the process of developing an innovative medical tourism business in the context of Iran. A GT technique was used and fifteen experts were interview for introducing the model. The process of innovation was in a final model. This model can be tested and utilized by other businesses in Iran, or other industries in the world especially those developing countries which their conditions are close to Iran. The result of this study revealed all the factors influencing the innovation of medical tourism businesses from the beginning to the end.

The results show that the low price of medical services in Iran, the increasing need of neighboring countries for these services, and the tourists with high expectations of medical services cause many people to be interested in entrepreneurial activities in this field. This trend is reinforced by other factors like the quality of medical services in Iran and the presence of qualified doctors. On
the other hand, the support of the government and easily entering to this industry will leads tight competition among entrepreneurs in this industry. Therefore, each entrepreneur tries to provide better services. Entrepreneurial tendencies of entrepreneur through certain activities, such as mouth-to-mouth marketing, communication with medical staff, and communication through the social network with tourists, strengthen the social network of entrepreneurs. There are opportunities for innovation in this network.

In order to operate and continue in such a growing industry, it is necessary to create new ideas to attract tourists and reinforce the tourist loyalty and through which a good income is earned by the entrepreneur.

One of the main contributions of this research was its focus on destination factors for attracting medical tourists in the developing process of innovative medical tourism businesses in Iran as a developing country.

In addition, this research, unlike previous research, points to more detailed factors (Sarasvathy, 2006; Sefiani 2013) and it more accurately expresses the relationships between these factors. For example, contrary to Tehseen et al. (2015), that emphasis the entrepreneurial traits lead to innovation in business, the present study also mentions entrepreneurial strategies as a factor in entrepreneurial success. Ireland et al. (2003) suggest, the entrepreneurial thinking leads innovation in a business and Timmons (1978) argue that the business development depends on different entrepreneur’s traits. However, the model of this study shows that a person's tendency to engage in entrepreneurial activities is the main predictor of business innovation.

In previous research, the focus has been more on tourism, but one of the research gaps that this study has filled is the focus on entrepreneurs and entrepreneurial opportunities.

A few researches have studied the innovation process through GTM. Most of them focusing more on influential factors and outputs, but using a qualitative approach in the present study for studying the process of innovation is one of the research achievement in the field of medical tourism.

Based on Steyaert et al. (1996), Innovation must be studied from an interpretive view so that its dynamic nature can be considered. Therefore, a longitudinal and deep research is needed in order to gather data in the context of interactions between the main actors (Slappendel, 1996). The use of GT allowed to understand the organizational innovation with a comprehensive approach.

It is suggested that future research test the suitability and feasibility of the proposed model in current paper. With the rise of medical tourism, this is a timely research topic of need of great attention.
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