

Different Attitudes: Medical Tourism in Austria and Germany

Health and wellness tourism is a dynamic field with many countries witnessing exponential growth. Others are trying to catch up. The two German-speaking countries of Austria and Germany are among very popular medical tourism destinations. Yet, there are great differences. For Austria the industry is expected to grow by 11.1% while Germany is likely to see only 2.4% growth according to Euromonitor International. What are the current trends and prospects of the industry in the respective countries?



AUSTRIA

CEE Countries Send Most Patients

With the purpose of extending the tourist season, many Austrian regions and tourism facilities have started to offer health and wellness tourism. Their aim is to attract off-season visitors and reduce the risks caused by unfavorable weather conditions.

Luxury inbound travelers from countries like the United Arab Emirates, Russia, Romania, Switzerland and Kazakhstan are reported to be increasing their use of Austria's medical facilities. But it is mostly patients from CEE countries who visit Austria for medical treatment, due to the low quality of healthcare in their home countries.

People from abroad are estimated to account for around a 10% share of Austria's private medical patients. They mainly come for preventive medical check-ups, re-examination of diagnoses, post-surgery or post-apoplexy rehabilitation and cancer treatment. The overwhelming majority of inbound medical travelers are private, self-paying patients.

Austria Has Great Untapped Potential

In 2012, 8–10% of all patients in Austria's 19 private clinics were inbound medical tourists. Though Austria enjoys an image of excellent health services, it lags behind other European countries, such as Switzerland and Germany. As a result, Austria has huge untapped potential in medical tourism. The main reason is the lack of targeted marketing strategies at the national level to support private clinics in promoting their medical services abroad.

Publicly funded hospitals, which account for the majority of all healthcare facilities in Austria, have not jumped on the medical tourism bandwagon as yet. They consider catering to the needs of Austrian citizens as their priority and, apart from emergency cases, generally refuse to treat self-paying patients from abroad.

2012 witnessed a rush of foreign parents, mainly from Russia and Romania, coming to Austria to give birth in private clinics. With birth costs of at least €6,000, these are mostly well-to-do parents who combine the delivery of their baby at the clinic with sightseeing and shopping for luxury baby accessories.

Successful Spas Have Exceptional Offer

Health and wellness tourism is considered a viable alternative by winter resorts in particular. Winter resorts are expected to suffer from declining numbers of visitors due to the lack or unreliability of snowfall. This potential, however, will remain limited as the category is completely saturated after the surge in new wellness hotels and resorts in these regions in the last 10 years.



With the majority of domestic visitors, but also most outbound visitors, having experience with spas and wellness facilities, spa operators will be confronted with an ever more demanding target consumer group. The most successful spa operators will be the ones that combine classical spa options with innovative health treatments and fitness programmes, exclusive lifestyle and culinary offerings and cultural or other additional leisure activities.

In 2012, Medalp clinic, which specializes in sports treatments, received the Austrian national export award. 70% of Medalp's patients came from abroad. The award clearly demonstrates that inbound medical tourism has considerable growth potential. Medical tourism is predicted to offer the highest long-term potential for retail value sales and growth. Over the forecast period (2012–2017), medical tourism is projected to post an 8% constant value CAGR. The main target consumer group is likely to be wealthy foreign visitors. Their health insurance might not cover the type of treatment they are seeking at home, or they simply believe that Austria offers better quality treatment.

GERMANY

Aging Society in Germany

In Germany health and wellness current value sales increased by 2% in 2012 to reach EUR4.5 billion –

almost a EUR400 million increase from the beginning of the review period (2007–2012). Products and services in this area remained popular among both domestic and international visitors and the area was able to benefit from the increasingly hectic pace of modern life and the fact that many consumers desire to adopt a healthier way of life.

Health and wellness tourism has also benefited from the aging of society in Germany and other European countries. This has resulted in a growing number of people suffering from health problems. With increased health consciousness, general health and wellness trends are encouraging many consumers to adopt healthier lifestyles. Spa and health programmes in resorts are highly attractive to this growing consumer group.

Medical tourism current value sales also increased by 2% in 2012 due to the high quality of products and services offered to patients and their excellent reputation abroad. German medical tourism is particularly attractive to high-income individuals who are willing to pay more for good quality service. For people with more limited means, other regions such as Asia Pacific are often viewed as more affordable alternatives.

Stable Growth Predicted

Health and wellness tourism constant value sales are projected to increase at a low average annual rate of 1% over the forecast period (2012–2017) to reach EUR4.6 billion by 2017 – almost EUR120 million higher than in 2012. Many of the current trends in favor of the area's development are more likely to intensify than to weaken or even subside. For example, the pace and stress of modern life is set to continue to increase over the coming years.

Growth rates and trends over the forecast period will be broadly in-line with those seen during the review period. None of the primary developments and trends responsible for the area's success or failure will change over the next five years to a significant degree compared to the previous five years.

Niche areas offer the greatest long term potential for sales and value growth as long as they are able to provide consumers with a unique selling proposition at a reasonable price and offer good value-for-money.



The Role of Internet

Online distribution will have an increasing impact on health and wellness sales over the forecast period.

Due to the fact, however, that many of the products and services offered in the area are in need of explanation, the success of online distribution will be limited to generally understandable offers, for which price then becomes the main issue.

Similar considerations are true for mobile travel which, as of the writing of this report, was still negligible in health and wellness tourism in Germany.

Retail Value Growth of Medical Tourism (%)

Countries

2011-12

2012-13 (forecast)

Bulgaria

3.4

3.7

Croatia

14.2

21.7

Czech Republic

0.8

8.3

Hungary

9.5

8.8

Poland

7.4

15.9

Romania

11.6

19.5

Slovakia

5.1

4.9

Slovenia

5.4

-2.2

Austria

9.5

11.1

Belgium

2.2

2.2

France

4.1

8.5

Germany

2.1

2.4

Greece

392.4

-75.1

Ireland

2.8

3.9

Italy

-1.6

0.2

Netherlands

3.8

3.8

Portugal

7.9

12.5

Spain

-1.3

0.5

United Kingdom

9.5

5.6

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