DENTAL TOURISM – AN OPPORTUNITY FOR CROATIAN TOURISM

Eva Jurišić, mag. oec.1, Tihana Cegur Radović, univ. spec. oec.2
1 Ph. D. Candidate, Faculty of tourism and hospitality management, Opatija, Republic of Croatia, eevajurisic@gmail.com
2 Ph. D. Candidate, University of Applied Sciences, Karlovac, Republic of Croatia, tcradovic@vuka.hr

Abstract

Acknowledging a growing demand in the sector of medical tourism as well as a growing demand for dental care from developed countries, this paper discusses the possibilities of successful and sustainable use of dental tourism potential and its marketing activities on a national level. The purpose of this article is to emphasize dental tourism development as an opportunity for Croatian tourism more than just „sea and sun” seasonal tourism products. Research results show that Croatia has the necessary preconditions and key resources for dental tourism development, recognized in the strategic documents of the Republic of Croatia, such include outstanding natural and qualified human resources, but also competitive prices and proximity to the large source markets, however this form of tourism in Croatia has not used its development possibilities due to the lack of systematic national promotion and the absence of a strong sales network in Croatia. The existing market position of dental tourism in Croatia is still insufficiently diversified, relatively unorganized and poorly recognized, and it’s determined mainly by the individual efforts of private clinics so the special focus is given to marketing initiatives which influence the international recognisability of Croatia as a popular destination of dental tourism.

The methods used in the research include description, compilation and classification of scientific and professional papers. The primary research was conducted in February 2017 by quota sampling of 15 dental clinics in Primorsko - Goranska County, selected from the Croatian Dental Chamber’s list. Selection criteria was made in base of location and the number of employees. The study was focused on gathering qualitative data, focused on the analysis of their websites and an online survey was send to above mentioned dental clinics. The online survey was consisted of 18 questions and structured in a way to meet all research objectives. The sample included employees and managers of dental clinics. The study tested the following hypotheses:

H1 Croatia has developed dental tourism as a health tourism sub-segment.
H2 Dental clinics use marketing activities to promote dental tourism.
H3 Croatia government doesn’t offer subventions for the marketing activities of dental tourism.

Dental tourism offers Croatia an opportunity to prolong the tourist season throughout the year, as dental patients have teeth problems all year long, which leads to an increasing percentage of capacity utilization, but it can also influence development of tourist facilities and infrastructure (hotels, restaurants, travel agencies) and raise overall employment. Marketing activities in Croatia's dental tourism are insufficiently diversified. Dental clinics should enhance their strategic marketing to lure international clients. Croatia’s government should support and evaluate dental tourism development as an economic process and an opportunity for tourism.

Contribution of this study is in assessment of Croatia’s dental clinics marketing initiatives and government efforts towards increasing performance and quality of the dental tourism offer. Following global trends and observing the practice and promotional techniques of neighboring countries who are active in the dental tourism market we can find the most appropriate way of implementing such marketing and tourism activity’s which can serve as basis for further development with the aim of enhancing Croatia’s position on the global dental market. Limitation
of the study is that research results couldn’t be compared as there is no primer conducted related study in Croatia best to our knowledge. Future research should focus on the number, profile, motives, satisfaction and movements of dental tourists because there is a general lack of research on those subjects.

JAL Classification: M31, I10, Z32

**Key words:** Medical tourism, Dental tourism, Marketing, Primorsko – Goranska County

### 1. INTRODUCTION

Acknowledging the fact that dental tourism is a subdivision of medical tourism, it is important to understand and to investigate development of medical tourism and tourism in general. Medical tourism should be considered from the standpoint of its two fundamental elements; health and tourism (Bašan et al. 2014, 9), since it’s essentially a combination of medical treatment, hotel accommodation and other services in the tourist destination (Babic et al. 2013, 17). Health is one of the oldest motives to travel (Hitrec, 1998, 2), while tourism is one of the leading activities in Croatia’s economy (Breslauter, 2012, 10). In the past, people generally travelled from less developed to more developed countries in order to receive the medical care they could not receive in their own countries (Horowitz et al. 2007, 24). Recent trends indicate an opposite process in which tourists from developed countries are travelling abroad for significantly lower treatment costs.

Connel (2006, 1094) defines medical tourism as a new form of niche tourism “where people travel often long distances overseas to obtain medical, dental and surgical care while simultaneously being holidaymakers”. Document of the Croatian Tourist Board defines medical tourism as a "collective term that encompasses travel primarily motivated by the use of medical services (greater or lesser degree of complexity) - dental, surgical, rehabilitation, etc.” (Medical tourism -International Trends and Prospects, 2013, 5)

This research is based on the understanding that despite the recession, which has slowed down the global tourism movements (Breslauter, 2012, 11), medical tourism is a product which is globally recognized and has an above-average annual growth rate between 15% and 20% (Development Strategy of Croatian tourism until 2020, 8). Krajnović et al. (2013, 17) also confirm a continued annual growth of medical tourism industry and emphasize its global annual value at $60 billion. Although, due to non-compliance of international terminology and statistics it is difficult to estimate the overall market size of medical tourism. Available data is mainly an assessment of various interest groups and associations, and for a significant number of countries there are no indicators. Understanding medical tourism is still limited (Smith, Álvarez, Chanda 2011, 281; Ruggeri et al. 2015, 787), most studies deal with the topic in conceptual terms rather than the empirical studies and there is generally a lack of research on the number, profile, motivation, satisfaction and movements of the patients. Development of new technologies, availability of online information and more accessible transportation facilitate the development of medical tourism (Horsfall, Lunt, 2015; Lunt, Carrera, 2011; Chen, Wilson, 2015), and also facilitate the process of decision making for the patient that is often complex and dynamic. This topic is investigated by a few authors in Croatia (Kesar, Rimac, 2011, Persic, Jankovic, 2012; Krajnović, et al. 2013), who
analysed the possibilities and limitations for Croatia’s medical tourism development and concluded that Croatia still does not use its comparative advantages.

As a branch of medical tourism, dental tourism is a relatively new phenomenon and is considered as an example of globalization (Condrea et al. 2014, 588-590). With an increased rate of unemployed people in developed countries and limited medical insurance (Guay, 2004, 1602), dental services tend to be extremely expensive; therefore, they have raised the population’s mobility, creating new forms of medical tourism, including dental tourism. Specific forms of tourism like dental tourism can reduce seasonality and could have a positive impact on economy (Krce, Miocic, 2014, 156), as distribution of tourist movements throughout the year is more even, because patient’s problems with oral health can occur at any time of year. Low-cost air transport in less developed countries can also contribute to the growth dental tourism (Lunt et al. 2011, 6, Olipra, 2012, 55). Dental services are one of the most common procedures sought out by medical travellers (Lunt, 2011, 7; Kelley, 2013, 3). Dental tourism has reached its popularity due to the fact that dental care is one of the least invasive treatments and recovery time is fast, allowing the international patient to have a lot of free time and energy for a vacation (Loubeau, 2013, 194). Moreover, technological discoveries are now spreading much faster, so the specialists in less developed countries can ensure equal quality of services as developed countries but within a significantly lower price range.

Croatia as a country highly oriented on tourism has the necessary preconditions for the development of dental tourism which are recognized in the Croatian strategic documents and include outstanding natural and qualified human resources, but also competitive prices and proximity to the large source markets, but this form of tourism in Croatia has not used its development opportunities, and it’s not competitive on foreign markets (Geić, 2010, 32; Milinovic 2012, 59). Croatia’s present position, as one of the world's travel destinations, requires further expansion of its tourist opportunities within the overall tourism industry. Croatia attracts tourists with a rich cultural and historical heritage who appreciate its natural beauty, but it’s necessary to include more than just “sea and sun” seasonal tourism products.

Croatia’s promotional techniques must be upgraded in order to encourage individuals to travel for dental care. Dental tourism is a lucrative segment of Poland’s and Hungary’s economy, therefore by observing Croatia’s neighbors who are active in the dental tourism market we can find the most appropriate way of implementing such marketing which can promote Croatia as one of the leading countries in dental tourism.

2. DENTAL TOURISM WORLDWIDE

The global medical market shows great possibilities for the expansion of dental tourism. Every year, destinations all around the world increasingly join the ranks of promoting health, medical and wellness tourism (Bristow, Yang, 2015, 118). According to Peršić and Janković (2012, 3), types of medical tourism depend on where patients as tourists seek medical care therefore they can be categorised into three groups:

1. Outbound patients traveling to other countries to receive medical treatments
2. Inbound patients from other countries traveling to a host country to receive medical treatments
3. Intrabound patients travelling domestically for medical treatments

More and more countries engage in medical tourism industry as importers, exporters or both. The leading importing countries (where medical tourists come from) are in Western Europe and North
America. The main exporting countries (providers of medical services) are based across all continents, including Latin America, Eastern Europe, Africa, and Asia (Smith et al. 2011, 277).

The growth of medical travel has opened up global options and developed into different selective types of tourism. Many countries in Central and South America market inexpensive cosmetic surgery while Eastern Europe countries advertise low cost dental treatments. Asian countries opened many different medical centres for international patients and have emphasized medical tourism as their national industry (Turner 2008, 391, Sharma et al. 2016, 278). Most medical tourism destinations also offer dental treatments, but there are some countries which specialise in this particular branch. India's dental tourism industry grows approximately 30% annually, due to their marketing initiatives that focus on all-inclusive package tours (Saravana, Krishna, 2015, 286-288). Costa Rica (Warf, 2010, 55) and Mexico also became well-known destinations for dental treatments (Turner 2008, 553). The main advantage of these developing countries is that they offer high quality dental care for more affordable prices including the costs of flight and accommodation (Barrowman et al. 2010, 441). Treatments such as dental implants; which are often perceived as being very expensive and ‘out of reach’ have been made more affordable.

For the development of dental tourism in Europe, there is an important directive on patients' rights in cross-border healthcare (2011/24/ EU), which gives the possibility to harmonize health systems and reduce the difference in cost of health services of the EU countries (Quinn, De Hert, 2011, 502). Approximately 1 percent of the total cost of health care in Europe takes place in cross-border healthcare, but this amount is variable and is growing (Carrera, Lunt, 2010, 475).

The leading dental tourism destination in Europe is Hungary (Dhama et al. 2016, 4). Terry (2007, 419), refers to Hungary as the dental capital of the world and just by observing their medical tourism websites we can see a wide range of procedures that are being actively marketed to tourists. The origin of dental tourism dates to the late 1980s, when Austrian citizens travelled to obtain dental care in Hungary, due to a considerable difference in prices of dental treatments in these two countries, Hungarian dental clinics also provided travel and accommodation packages to attract incoming patients from neighbouring countries (Zoltan, Maggi 2012, 2).

Österle, Balazs and Delgado (2009) in their research concluded that the price-quality ratio is the main motivation for dental tourism in developing/nonindustrialized countries, above helps the fact that the treatment and the recovery time is relatively quick, so it allows the international patient to enjoy the tourist destination (Kovacs, Szocska, 2013, 417).

The demographic profile of the dental tourist coming to Hungary is from between 45 to 60 years old, mostly from countries such as Austria, Great Britain, Ireland, Germany, Switzerland, Italy, the USA, France, Norway, Denmark, and the Netherlands. On average, they spend between 3.000 to 4.000 Euros which is 50-70 % cost saving (Zoltan, Maggi 2012, 5). Most Hungarian agencies and clinics have agreements with 3-star partner hotels or apartments where they usually accommodate dental tourists (Zoltan, Maggi 2012, 4).

Dental tourism is a growing branch, and in Croatia, unfortunately, we are worse off than our Eastern neighbours. In comparison, according to Croatian national tourist board, the Hungarian government offers subventions as part of the development of dental tourism through state funding, Hungarian dentists also use various EU supports. According to the Ministry of tourism’s strategic document for the development of Croatian health tourism, potential competitors on the market of dental tourism are Romania, Bulgaria and Serbia.
3. DENTAL TOURISM IN CROATIA

The process of choosing a country for dental tourism involves more factors than choosing an ordinary touristic destination for a vacation. From that perspective, Croatia’s geographical position in Europe and within the Mediterranean region is considered an advantage due to its easy accessibility and direct flights all around Europe. Croatia joined the European Union as its 28th member state on July 1st 2013, which allowed greater mobility for foreign tourists from EU countries to travel to Croatia for health and dental treatments. Due to a long history of medical scientific research and education, medical staff in Croatia has been recognized as one of the most respective in Europe. Croatian medical schools have traditionally had a good reputation and internationally accredited study programs as those graduated from these schools become top specialists through further practice and education (Kesar and Rimac 2011, p. 107). According to Croatian institute of public health a significant number of practices without a contract with Croatian Health Insurance Institute were registered in Croatia. More than half of those private practices are in Zagreb, Kvarner and Istria (Sečan, 2015, 29). Most of these clinics were opened to attract Italian patients which can save up a significant amount of money comparing to the Italian prices. This kind of private clinics can generate substantial profits this way, and have the possibility to invest in infrastructure, which is not the case for dentists in public sector, whose budgets depend on frequent revisions and cuts.

As already mentioned, the prices for the treatments are one of the main reasons for the development of dental tourism. The potential patients come from developed markets looking for lower prices, which is especially important to millions of uninsured people who cannot afford simple surgical procedures in their own country as they are not covered by health insurance (Horton, Cole, 2011, 1848). So, if a price for a dental implant costs up to €585 in the UK, while the price for the same implant is about 160 € in Croatia, potential patients in most cases prefer to save their money. Moreover, prices for dental implants are also very competitive from one dental clinic to another. Analysing the estimated prices of dental treatments by country, we find that, the prices in Croatia are very affordable. To support that fact, we present comparatively costs for some of the dental treatments used in healthcare systems in Table 1.

Table 1: Average cost for dental treatments in different EU countries

<table>
<thead>
<tr>
<th>Country</th>
<th>CERAMIC CROWN</th>
<th>ZIRCONIA - CERAMIC CROWN</th>
<th>IMPLANTS</th>
<th>VENEERS</th>
<th>PROTHESIS</th>
<th>TEETH WHITENING</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK</td>
<td>585€</td>
<td>850€</td>
<td>1800€</td>
<td>530€</td>
<td>680€</td>
<td>590€</td>
</tr>
<tr>
<td>ITALY</td>
<td>600€</td>
<td>750€</td>
<td>1300€</td>
<td>410€</td>
<td>720€</td>
<td>430€</td>
</tr>
<tr>
<td>SLOVENIA</td>
<td>350€</td>
<td>450€</td>
<td>1300€</td>
<td>420€</td>
<td>780€</td>
<td>450€</td>
</tr>
<tr>
<td>GERMANY</td>
<td>320€</td>
<td>581€</td>
<td>1000€</td>
<td>510€</td>
<td>519€</td>
<td>348€</td>
</tr>
<tr>
<td>CROATIA</td>
<td>160€</td>
<td>333€</td>
<td>800€</td>
<td>250€</td>
<td>360€</td>
<td>267€</td>
</tr>
</tbody>
</table>

4. POSSIBILITIES FOR CROATIA’S DENTAL TOURISM DEVELOPMENT

4.1. Research topic

This study provides an overview of current business activities in dental practice, services offered, communication skills of employees, use of modern equipment, marketing activities, level of knowledge about dental tourism and possibilities for its growth.

4.2. Methodology

The research was conducted in February 2017, in Primorsko – Goranska County, by quota sampling of 15 significant dental clinics selected from the Croatian Dental Chamber’s list. Selection criteria were made in base of location and the number of employees. The methods used in the research include description, compilation and classification of scientific and professional papers. The online survey, consisted of 18 questions, was structured in a way to meet all research objectives and was sent to above mentioned dental clinics with the purpose of providing quantitative and qualitative information about dental tourism development in Primorsko – Goranska County, which has a long tradition in health tourism. The sample included employees and managers of dental clinics. The study tested the following hypotheses:

H1 Croatia has developed dental tourism as a health tourism sub-segment.
H2 Dental clinics use marketing activities to promote dental tourism.
H3 Croatia government doesn’t offer subventions for the marketing activities of dental tourism.

4.3. Findings

Nine dental clinics participated in the study, which accounts for 60% of surveyed dental clinics. Research results show that the majority of clinics who participated in the study are in private ownership (89%), furthermore, a minor part of them (11%) have a contract with Croatian Health Insurance Fundation. More than a half of dental clinics have over 40 employees (56%), there is a lower percentage of clinics with 10 to 20 employees (22%), 21 to 30 employees (11%) and 5 to 10 employees (11%). Based on the analysis of the research results, it can be concluded that majority of responders (56%) are neither satisfied nor dissatisfied with the engagement of local public authorities in the sector of dental tourism and its development, fewer respondents are dissatisfied (22%) or distinctly dissatisfied (11%). Only 11% of respondents are satisfied with the abovementioned. Regarding the efforts of private clinics in promoting dental services to foreign markets, a significant percentage of the clinics are dissatisfied (33%) or indecisive (33%). Fewer respondents are extremely dissatisfied (11%), while only 23% of them are satisfied with overall promotion activities of dental clinics. A significant number of the clinics are extremely dissatisfied (45%) or dissatisfied (11%) with marketing activities subsidized by government bodies, fewer percentage of surveyed clinics are neither satisfied nor dissatisfied (33%) while only 11% of them are satisfied. The surveyed clinics in majority responded that of the clinics are content (22 %), or extremely content (78%), with their customer satisfaction with dental treatments in clinics.

In all surveyed clinics foreign patients come in organized group visits. Majority of the clinics (78%) have contracts with foreign travel agencies that procure patients for them. In a large percentage (89%), respondents believe that their prices are competitive in the market and that their prices rates are in accordance with the Croatian Chamber of Dental Medicine regulations. All of the clinics attract new patients with additional marketing activities. Nearly half of the clinics (45%) admit to
not having adequate knowledge on the development of dental tourism. Surveyed clinics (89%) consider that the introduction of additional taxes would have a negative impact on their business. All of the surveyed clinics have multilingual websites and all of their doctors speak English and Italian, additionally they can communicate in Slovenian and German language (44%). All front desk staff speak English and Italian, 78% of them speak German, 33% speak Slovenian, while 22% of the employees speak French.

The most commonly used dental services in clinics are in 100% of the clinics ceramic crowns, dental implants (89%), dental prostheses (56%), treatment of dental root channels (45%), composite tooth fillings, dental scaling, extractions (33%), inlays / onlays (22%), and ceramic veneers (11%). Majority of the clinics use high quality materials for dental services (78%), while fewer of them use new materials with a good cost-quality balance (22%). The last significant investment in dental equipment was in most cases a new dental unit or a CAD / CAM device.

In addition to dental medicine service, clinics offer their patients accommodation (89%), organization of transport (78%), a tourist guide (33%), and sometimes package of free accommodation and transport (11%). More then a half of mentioned clinics dentists (56%) continuously educate themselves up to four times a year, and the rest of clinics (44%) educate their dentists regularly, 2-3 times a year. We can conclude form the research results that the core market for incoming patients for surveyd clinics is Italy (89%) and the significantly lower percent (11%) come from Slovenia. Foreign patients mostly visit due to an excellent price-quality ratio, in 67% of clinics, and due to cheaper dental service when compared to their domicile country, in 33% of the cases. The extent to which marketing activities affect the decision of patients on the use of dental service clinics is 67%, and a marked influence was recorded in 11% of the cases. As for promotional activities, all the clinics use leaflets, brochures, stickers, and other promotional materials. Most of the clinics (89%) use newspaper advertising, promotion through the Internet and their own websites as their promotional techniques, furthermore, in most cases (78%), they use SEO (Search engine optimization). Advertising through social networks is used by 67% of the clinics, they also advertise by search engines (56%), on the radio (44%), TV advertising (33%), and newsletter or email marketing campaigns (22%). For the promotion of their services most clinics hire a marketing manager (56%), or use the services of marketing agencies (33%), and only 11% of the clinics design their own ads.

4.4. Contribution

The expected contribution of the study is to raise awareness of regional authorities about the opportunities offered by the development of dental tourism, also in assessment of Croatia’s dental clinics marketing initiatives and government efforts towards increasing performance and quality of the dental tourism offer.

Limitation of the study is that research results couldn’t be compared as there is no primer conducted related study in Croatia best to our knowledge. Future research should focus on the number, profile, motives, satisfaction and movements of dental tourists because there is a general lack of research on those subjects.
5. CONCLUSION

The results of this research indicate that there are many previously identified competitive advantages (natural and qualified human resources, but also competitive prices and proximity to the large source markets) for dental tourism development in Croatia which are not yet sufficiently recognized or utilized. The above mentioned confirms the fact that nearly half of the surveyed clinics admit they don’t have adequate knowledge on the development of dental tourism and a significantly low percentage of them are satisfied with the engagement of local public authorities in the sector of dental tourism and its development. We can conclude that the most important factors for choosing Croatia as a dental tourism destination are affordable prices, high quality of materials used for dental services, trained medical staff, state-of-the-art technology and the attractiveness as a touristic destination. Such touristic potentials combined with growing demand for dental treatments from developed countries, could give a big contribution to the country’s image and to help prolong seasonality. We can conclude that dental tourism in Croatia can be highly cost-effective for citizens of West European countries and also that for Primorsko-Goranska County the core market is Italy. Majority of the surveyed clinics have contracts with foreign travel agencies that procure patients for them and can generate substantial profits this way, also have the possibility to increase the percentage of capacity utilization, influence the development of tourist facilities and infrastructure (hotels, restaurants, travel agencies) and raise overall employment. Marketing activities in Croatia's dental tourism are insufficiently diversified and should be strategically enhanced to lure international clients. Croatia can significantly profit from its position which gives an excellent access point to the dental tourism market niche and its economic advantages. To be able to use all of these benefits, all the efforts should be supported by the government, especially through the strategies of the Ministries of health and tourism. Hungarian government offers subventions as part of the development of dental tourism through state funding, but that is not the case in Croatia where marketing activities are not subsidized by government bodies. These strategies should be an important part of the countries development and economic growth as Croatia has all the necessary preconditions to become the market leader in dental tourism in Eastern Europe.

From this study, we can identify factors that are necessary for further development of dental tourism:

➢ build awareness and improve knowledge of dental tourism development through marketing activities
➢ enhance strategic marketing of dental clinics instead of relying on traditional advertising channels (which are often one-size-fits-all) using uniquely customized dental newsletters, dental postcards, brochures and social media content
➢ highlight what sets dental practices in Croatia apart and brand dental tourism destinations
➢ upgrade the dental tourism offer by expanding services to improve value and strengthen competitive position
➢ connect dental offices in a way they could appear in the market as a cluster,
➢ work on networking accommodation and tourist capacities so they can offer a wide range of service packages, therefore increase percentage of capacity utilization
➢ developing new dental tourism destinations, outside the coastal areas
➢ benchmarking with competitive countries like Hungary and Poland
➢ provide an all year-round business by prolonging the season

To achieve the before mentioned goals, it is necessary to adequately position dental tourism in strategic development documents, considering global best practices, therefore developing sustainable and competitive Croatian dental tourism and strategic marketing planning of dental clinics.
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