

**Recreational and Medical Tourism & Retirement Living:
Opportunities & Challenges for Tourism Professionals**

By

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Costa Rica is uniquely positioned to become a world-class leader in international Medical Tourism and its close relative, retirement living. A comprehensive plan integrating and linking various sectors with a focus on tourism and health care can fuel economic growth while preserving the environment and health services.

For Costa Rican healthcare providers such as hospitals, surgeons and pharmacists, "healthcare immigrants" are new-found sources of income. In addition to Medical Tourism, Retirement Living is growing, serving a thriving and growing "expat" retiree community. How can recreational tourism professionals work in collaboration with the medical tourism and retirement living markets but avoid the pitfalls? Building a comprehensive "brand" for Costa Rica is more valuable to all business sectors than individual sectors trying to "go it alone."

If you build it, will they come?

The market for inexpensive, effective medical and healthcare treatments in an exotic destination location has fueled Costa Rica's early leadership role in Medical Tourism with 15% of tourists coming for medical care. Costa Rica's wealth of natural assets including beaches, rain forests, as well as its economic assets such as its world-class healthcare professionals and facilities all contribute to its success. Will the market for medical tourism continue to grow? What is the forecast for retirement living market?

The growth of the medical tourism market is buoyed by the basics of supply and demand; there are far too many ageing people in North America and Europe who want or need medical treatments than the systems in their countries can quickly and economically provide. In the United States for example, more than 38 million adults are without health insurance, and many more have insurance that only pays a small percentage of the cost for the procedures they want (such as cosmetic surgery) or need (like joint replacement). In Europe where most citizens have national insurance, the issues are wait times for elective procedures, and denial of services due to costs to the healthcare systems.

In North America and Europe, there are more than 60 million people over 65 years of age today. That number will increase over 50% by 2025. These older populations use more medical services, and desire less expensive options for retirement housing in warmer climates. Just as the rule of supply and demand has created international markets for other services, the growing demand in North America and Europe for healthcare and retirement options will benefit those countries that are forward thinking, innovative and developing a comprehensive and collaborative marketing and business plan.

What is the Role of the Tourism Professional?

Recreational tourism can be both a channel for, and a beneficiary of, Medical Tourism and Retirement Living marketing initiatives. Tourism professionals should weigh the following factors when considering whether to divert time and money into developing Medical Tourism and Retirement Living business:

- Medical Tourism and Retirement Living produce parallel increases in tourism overall, and position Costa Rica as "the place to be" for "the fun, the fix and the follow up" recovery.
- Recreation Tourism professionals are in positions to increase Medical Tourism and Retirement Living among those who visit Costa Rica now (in-country programs) and among those who would consider accessing medical services or retirement housing (outside the country) in the future. The tourism sector can collaborate with the Medical Tourism and Retirement Living sectors about the messages and the channels for delivering them to consumers in North America and Europe. These messages provide tourism marketers with new, interesting content and reasons to interact with current and prospective customers, providing additional sales opportunities.
- Medical Tourism and especially Retirement Living brings additional recreational tourism, since friends and family will also visit Costa Rica *if* these programs are promoted both inside and outside the country.
- Healthcare providers are conducting business- to-business and some direct-to-consumer marketing in North America and Europe, successfully attracting individuals who are familiar with Costa Rica, along with "early adopters" who seek inexpensive (US marketplace) and / or more timely (Canada & Europe) medical procedures. Collaborating with the tourism sector provides medical and retirement providers with additional ways to reach their target audiences, as well as to build credibility and brand awareness.
- Retirement Living prospects are attracted to Costa Rica by the combination of a robust, varied recreational scene, and best-of-class healthcare services. International excellence in medical services is sustainable through a vigorous, reliable flow of current and prospective customers, helped by recreational tourism marketing.
- Retired foreign residents make far greater lifetime contributions to Costa Rica than one-time medical tourists who come for procedures such as cosmetic dentistry. While there will be those visitors who come for one procedure and do not return, by leveraging the interdependence of the Medical Tourism and Retirement Living markets, the tourism profession can create a much larger economic and social contribution to Costa Rica. Retirees who spend 3 – 12 months per year living in Costa Rica spend more over the span of their retirements than those who are one time medical visitors. And because retirees "sink roots" in the communities where they live, they contribute by volunteering, teaching, mentoring and other ways that add to the overall quality of life beyond their direct financial contributions to the economy.

The Challenges

Medical and retirement visitors represent opportunities and distinct challenges. Medical visitors, for example, may need special assistance with transportation and translation as well as other products or services during their trip. Building more retirement housing will necessarily create more demand for trained medical personnel as well as personal care assistance. This increased demand creates growing employment opportunities for which the tourism and health care sectors must be prepared. These and many other challenges to developing Medical Tourism and Retirement Living in Costa Rica can be best met with a comprehensive, integrated approach. A thoughtful, coordinated and comprehensive approach to the parallel development of Medical Tourism and Retirement Living will allow for factors such as manpower planning, land use regulation, capacity management (to prevent hyper-development) and environmental protection. Certain types of services and supplies must be available to meet the expectations of these customers. Planning and coordination will ensure that the Costa Rican people are prepared to meet these needs.

The Next Steps

Tourism professionals can take active leadership roles to assure the robust health of tourism, medical tourism, and retirement living as well as the greater well-being of all Costa Ricans. Stackpole & Associates will help you identify markets and develop messages for Medical Tourism and Retirement Living to place you at the cutting edge of these exciting markets. Carefully coordinating tourism sales with healthcare, wellness and retirement options offer entrepreneurial tourism professionals with competitive advantages. Contact Stackpole & Associates to explore these exciting opportunities!

Irving Stackpole is the President and Elizabeth Ziemba, Senior Associate of Stackpole & Associates, Inc., a Boston based marketing, market research and business development firm specializing in healthcare and retirement living. To learn more about developing Medical Tourism and Retirement Living contact Irving Stackpole at 001-617-739-5900, ext. 11, or by email at istackpole@stackpoleassociates.com.

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- identify the right markets and reach them with the right messages to get results.



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Meet Irving Stackpole, at ExpoTur 2008 where he will present a seminar on marketing medical tourism and retirement living.

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