GOVERNMENT SUPPORT POLICY FOR THE COSMETIC SURGERY TOURISM IN SOUTH KOREA

Team Members

Panchita Rojpatranan D540031
Porinsuk Niruntasukrat D540044
Puriseth Udomsriirungruang D540046
Sudatip Piyavee D540053
Nisanart Thadabusapa D540068
RESEARCH OBJECTIVE

- This project aims to find out the importance of government support policies for the success of cosmetic surgery tourism in South Korea.
# RESEARCH METHODOLOGY

- **Primary research**

<table>
<thead>
<tr>
<th>Organization / Company</th>
<th>Interviewee</th>
</tr>
</thead>
<tbody>
<tr>
<td>HCK Health Care</td>
<td>Soung Young Lee, CEO</td>
</tr>
</tbody>
</table>
| Medical Tourism Department | • Giny Kho, Medical Tourism Consultant & Interpreter  
|                         | • Jenny Kwak, Medical Tourism Center Manager |
| Won Jin Beauty Medical Group | Eun Ji An, International PR Team |
| theall Medical Center  | Jannings W. Lee, Ph.D., President |
| Yu Jin Plastic Surgery Clinic | Dr. Tae Jo Kang, Representative Director, Member of KSPRS (the Korean Society of Plastic & Reconstructive Surgeons), KSAPS (the Korean Society of Aesthetic Plastic Surgery) and KCPCA (the Korea Cleft Plate-craniofacial Association) |
| School of Management, Kyung Hee University | • Sang-Man Kim, Ph.D., Department Chair of Medical MBA  
|                         | • Sang Chang Park, Ph.D., Professor |
| BK Dong Yang Plastic Surgery | Min Jung Kang, PR / Marketing Assistant Manager |
Sang-Man Kim, Ph.D.,
Department Chair of Medical/ Healthcare MBA
Before and After Procedure at BK DongYang

Silicone for Nose Surgery

Jaw Bones after reduction procedure
RESEARCH METHODOLOGY

- Secondary research
  - Online resources, newspapers, articles, and documents from private and public organizations
WHY STUDY COSMETIC SURGERY TOURISM?

- Plastic surgery is divided into 2 fields: (i) reconstructive surgery for functional reasons and (ii) cosmetic surgery for aesthetic reasons.
- The fad of cosmetic surgery is sweeping across South Korea.
- No longer strictly reserved for the rich and famous nor only women’s issue.
- As the interest to appearance has grown up, the effort to have better appearance becomes one of the main interests of Koreans.
WHY STUDY COSMETIC SURGERY TOURISM? (CON’T)

- Tourism industry is strongly supported by the South Korean government, specifically the medical tourism.
- The success of cosmetic surgery tourism is due to both demand driver (i.e. Korean Wave) & supply driver (i.e. Government support).
- We understand that Korean Wave is, in fact, due to the support of government agencies (e.g. KTO).
- So, whether it is demand or supply drivers – both are from the government.
A CLOSER LOOK AT COSMETIC SURGERY AND TOURISM INDUSTRIES IN SOUTH KOREA

Cosmetic Surgery Tourism Industry
GLOBAL COSMETIC SURGERY INDUSTRY

- Direct and indirect government regulations and support for better surgical and medical standards
- Better standard of living and higher income per capita
- Social values and perceptions of beauty in all aspects of lives
- New technological advances and developments in surgical procedures
TOURISM INDUSTRY

with a focus on the government support policies of medical tourism industry
GOVERNMENT STRUCTURE

- Ministry of Culture, Sports, and Tourism
  - responsible for marketing activities for medical tourism industry

- Ministry for Health and Welfare
  - responsible for finding ways to enhance quality of life, fostering health among children and adults, giving long-term care insurance for the elderly, and enforcing preventive healthcare and treatment programs

- Ministry of Knowledge Economy
  - supporting hospitals and cosmetic surgery clinics with the purchase of new machines through the leasing deals and also allows Korean people to do tax assumption for acquiring cosmetic surgeries to stimulate domestic consumption

- Ministry of Employment and Labor
  - responsible for establishing and coordinating employment and labor policies, employment insurance, vocational skills development training, equal employment, work-family balance, labor standards, workers' welfare, industrial relations adjustment, cooperation between labor and management, occupational safety and health, industrial accident compensation insurance, and other affairs
Collaboration Among Ministries

- South Korean government has adopted the Holistic Approach to support the medical tourism and, therefore, cosmetic surgery tourism industry.
- The collaboration between ministries that involve in this emerging industry is one of the key success factors of the cosmetic surgery industry.
- South Korean government plays an important role to setup the master plan for develop the emerging industry.
- The key authority, responsible for implementing the holistic approach, is the main implementer
- Other authorities under ministries that involved will be the supporting organizations.
- The key authority will report directly to the government for evaluation and further development
COSMETIC SURGERY TOURISM INDUSTRY

Demand, Supply, Competitive Analysis, and Government Support Policies
THE KOREAN PLASTIC SURGERY CRAZE

- Cosmetic surgery - openly accepted among ordinary Koreans
- Common for both women and men
- Openness of celebrities in South Korea
- Korean pop culture & celebs push “Korean Wave” all around the world
Extreme Surgeries
Kim Ah-Joong Plastic Surgery in 200 pound beauty
THE KOREAN PLASTIC SURGERY CRAZE (1)

- Hyper-competitive society
- Employment cosmetic surgery
  - Improve physical appearance for competitive advantages in a workplace
  - Face Feng-Shui
enews World
Korean plastic surgery fever.
THE KOREAN PLASTIC SURGERY CRAZE (2)

- Largest and fastest growing segment since the cost is cheap, compared to Japan and the US.
- High technology equipment and highly skilled surgeons along with strong support from the government
- Medical education was reformed into 2 important aspects
  - The number of medical school intake was cut by over 10%
  - Medical education changed from 2-4 year system to 4-4 year system
- ~ 100 plastic surgeon licenses given out to medical students a year
- Gangnam – over 430 clinics
Advertising for Plastic Surgery in Korea taken from the subway in Seoul
COMPETITIVE ANALYSIS

- South Korea - lower costs than the US and Japan
- Thailand, India, and the Philippines – lower costs than South Korea at comparable quality and service
- Establish companies or enter into a JV agreement with foreign companies in other countries
- New entrants – do not require a lot of capital but strong relationship with travel agencies and hospitals/clinics in foreign countries to bring in customers to Korea
KEY SUCCESS FACTORS

- Effective marketing
- Holistic service
- Government support policies
RESEARCH HYPOTHESIS & RESEARCH RESULTS

Initial Hypotheses

• Korean Wave is just one of many approaches to market South Korea tourism industry. However, without the government supports, the cosmetic surgery tourism industry in South Korea would not be as successful as it is today;

Confirmation/ New Understandings

➔ Korean Wave did not just happen because of the beauty of K-Pop stars and celebrities. It is an intention from the government agencies of South Korea to make it happen in order to market the country to the world.
• Government support policies for medical tourism in South Korea apply for cosmetic surgery tourism in South Korea;

⇒ Although the cosmetic surgery tourism is a subset of the medical tourism, not all the government support policies and regulations apply for the cosmetic surgery tourism business.
RESEARCH HYPOTHESIS & RESEARCH RESULTS

Initial Hypotheses
• Government support is the main factor for the success of cosmetic surgery tourism in South Korea. For example, the government leases equipment to hospitals and clinics to lessen the cost of capital for new entrants – so that there will be enough supplies for more foreign demands in the future.

Confirmation/ New Understandings
⇒ It is true that the government support is the main factor for the success of cosmetic surgery tourism in South Korea. However, most supports are indirect via policies and regulations. Financial support and the leasing of equipment are not available, according to interviews with all the interviewees we visited.
New Findings

- Currently, cosmetic surgery hospitals and clinics in South Korea are starting to attract other foreign customers rather than Chinese and Japanese people. These customers are Russians and Arabs.
- Cosmetic surgeons are the best in class students because only 2 top students in each medical class will be allowed to specialize in the cosmetic surgery and receive license to open clinics.
LESSONS LEARNT AND RECOMMENDATION

- Thai government should increase its role in supporting medical tourism, and increase the collaboration between ministries and with private sectors
- Thailand should develop successful marketing activities and methods for medical tourism
- Thailand’s positive uniqueness should be highlighted to make Thailand a more preferable place
- Differentiate Thailand cosmetic surgery industry from Korea for more sustainable outcome
Q&A

Thank You!!