

OPPORTUNITIES AND CHALLENGES FOR V4 AND BALKAN SPAS

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Abstract:

This paper provides some reflections on the development of spas in the Visegrád 4 (V4) and Balkan countries based on two research projects conducted with spa experts that highlighted a number of opportunities and challenges. These include challenges relating to funding, infrastructural development, delivering quality customer service, lack of staff or the need for employee training. Opportunities include the attraction of international tourists, the transition towards wellness services, sustainable development and increased digitalization. However, it is argued that some international trends are difficult to operationalize or implement in spas within these regions because of the aforementioned challenges. Nevertheless, recommendations will be made for future development especially for improving customer satisfaction and experience.

Keywords:

Spas, balneology, health tourism, wellness, customer satisfaction, customer experience.

INTRODUCTION

This paper introduces data that were collected from two projects in eleven Balkan countries in 2015 and from the four Visegrád 4 (V4) countries in 2020. The studies focused on the opportunities and challenges of developing spas in the context of health tourism. Both projects used a Delphi Study methodology which involved two rounds of interviews with spa, wellness and health tourism experts. Respondents were asked about their views on the changing nature of spas in the post-socialist period, including the decrease in funding for domestic stays. The questions addressed the challenges of transition from domestic tourism to international tourism and from medical rehabilitation to wellness services. Interviewees were asked to reflect on the nature of the markets for spas and health tourism, as well as commenting on issues relating to customer services, satisfaction and experience. A frequently occurring challenge related to employee recruitment, retention and training, especially in countryside spas. Although many Balkan and V4 spas are already transitioning towards wellness services and international tourism, some future developments may be thwarted by a lack of funding, low salaries, inadequate disposable incomes and the COVID-19 pandemic.

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LITERATURE REVIEW

Challenges

Although research studies on spas and health tourism have been relatively few in the Balkan and V4 region, many of those that do exist have focused on some of the challenges identified in this research too, as well as the opportunities that wellness tourism represents. For example, Dimitrovski and Todorović (2015:264) state in their research on Serbian spas that “wellness tourism is an effective strategy for revitalizing spas which have been facing serious structural and economic problems in order to survive on the limited market where global competition depends on the accurate strategies for spa tourism development”. Common challenges include the reduction in state funding which has affected length of stay (Derco and Pavlisinova, 2017) as well as retention of staff (Trnka, 2017). Some studies highlighted the gap between customer expectations and their perceptions, e.g. in Serbian spa hotels (Blešić et al., 2011). Smith et al., 2021., summarized literature about customer service in spas and highlighted the importance of quality of environment and facilities, staff attitude, as well as hygiene and cleanliness. Smith and Wallace’s (2020) interviews with spa managers (many of whom were from the Balkan and V4 regions) also emphasized the need for staff training and for continual monitoring of quality. Strack and Raffay-Danyi’s (2021) research in Hungary confirmed that cleanliness and staff were important aspects in customer satisfaction along with value for money and a quality experience. They highlighted the common challenge of spas being unable to employ a properly trained workforce.

Opportunities

Dryglas and Różycki (2017) advocated adapting services and facilities to the increasing number of commercial tourists, which could benefit domestic and state-funded guests too. They argued that this might include improving the thermal infrastructure, creating healthy food centres, developing entertainment and cultural facilities, as well as new spa and wellness services. It is often the case that wellness tourists are premium category guests who spend more than the average domestic or foreign tourist even if they do not stay as long. This might have negative implications in some countries where pensioners or other social groups do not have enough income to afford such services. Indeed, many wellness treatments are being undertaken in spa hotels rather than traditional balneotherapy facilities, especially in the case of foreign tourists (Derco and Pavlisinova, 2017). Motivations differ too, as noted by Dimitrovski and Todorović (2015) whose research suggested that wellness tourists are primarily motivated by socialization, excitement and relaxation. These motivations clearly differ considerably from medical or health needs. The shift to wellness treatments has already affected the length of stay with wellness stays being considerably shorter than medical ones (Speier, 2011), but Marcekova et al. (2016) suggest that short medical wellness or active ageing packages could be offered to guests aged 45+ for which recreational vouchers could be used. One positive aspect is that spa visits do not seem to be affected too negatively by seasonality, even though there are peak periods (Marton et al., 2019).

Trends

It is important to mention here that there are a number of international trends in health tourism, spa development and wellness that could influence the future direction of spa development in these regions. Although the budgets of the spas and the disposable income of residents may not allow for significant developments, it is certainly important to incorporate principles of sustainability as well as digitalization and these approaches might actually save money in the long term. Digital tools enable spas to promote their services to younger guests as well as to monitor customer satisfaction through reviews and feedback (see e.g. Smith et al., 2020, who analyse customer satisfaction using TripAdvisor reviews of a Budapest spa). The challenge of recruiting and adequately remunerating well-trained staff depends very much on the salary structure in the given country and the availability of workers in a given region. There is no lack of spa and health tourism education in these regions, but unfortunately, many well qualified students migrate or choose alternative professions.



The opportunity of developing wellness services for domestic as well as international tourists can be somewhat challenging, as it is hard to offer customized, personal services within public thermal baths (with the exception of individual massages). There can also be space restrictions, which mean that the spa areas are used by different guest types simultaneously (e.g. wellness and medical guests or elderly health tourists and fun-loving children). However, in wellness hotels and resorts, it might be possible to create separate spaces and to move towards customer journey creation. Good practice suggests that spas should consider every point of the customer experience to create a seamless journey (Lagrosen and Lagrosen, 2016). Ferrari et al. (2014) emphasise the importance of the whole servicescape when developing customer services, including the aesthetics, design and layout (Buxton, 2018) and sensory experiences can contribute to memorability (Loureiro et al., 2013). Many spas in the region have already met some of these standards with recreational pools with coloured lights and water jets, aroma steam rooms and saunas, night-time events and parties and separate rooms for individual or group experiences (e.g. exotic massages or beer spas). However, these experiences can be undermined by basic customer satisfaction issues like lack of information in other languages, unfriendly staff, unclean facilities, unpleasant smells or overcrowding (Smith et al., 2021).

METHODS

The chosen method for collecting data for both research projects was a Delphi Study, which can be described as “a group communication process that aims at conducting detailed examinations and discussions of a specific issue for the purpose of goal setting, policy investigation, or predicting the occurrence of future events” (Hsu and Sandford, 2007, p. 1). It is undertaken with a group of carefully selected experts in a specific field. Delphi studies are used when addressing complex issues (Donohoe and Needham, 2009). Other researchers have successfully used Delphi Studies in health and wellness studies (e.g. Lee and King, 2009; Smith, 2015). Experts receive a first round of questions based on specific issues which the researchers then analyse. They send a second round of questions to the same respondents based on the analysis of their first round responses. Best practice for the method includes using a minimum of 10 expert participants and at least two rounds of questions (Gordon, 1994), however, it is most common for Delphi studies to use Panels of 15-35 (Miller, 2001). The aim is to reach a consensus of opinion, so a third round of questions might be needed if adequate consensus is not reached. However, it is common for respondents to drop out of subsequent rounds known as an ‘attrition rate’. An acceptable attrition rate is ideally between 20% and 25%, but can even be as high as 45–50% (Miller, 2001).

For the Balkan project, a Delphi Study was undertaken with 33 expert researchers and practitioners from seventeen countries who were working within the region (Smith et al., 2016). The aim was to understand their opinions about the main resources, attractions and products which exist in health tourism, as well as some of the opportunities and challenges for development. The second round was answered by twenty two respondents from eleven countries, an attrition rate of 33%, which was somewhat high, but adequate data was still collected. In the V4 project, the Delphi Study was based around 28 interviewees from Hungary, Poland, Czech Republic and Slovakia. In the second round, 22 participants responded, an acceptable attrition rate of 21%. Respondents were asked questions about main challenges for spas in the post-Socialist era; government support and funding; factors affecting spa development; the role of wellness activities; customer profiles and satisfaction; growth of tourism; and the impacts of COVID-19. A third round was not included in either study because it was realized that it was not possible to reach further consensus on some of the issues raised (i.e. some points could not easily be ranked by respondents and differences of opinion were expected, especially as they work in countries and contexts with different priorities).



FINDINGS

It was suggested by the majority of the respondents in the Balkan project that although the region has traditionally served a domestic market with balneology and rehabilitation treatments, the potential for health and wellness tourism is considerable. Much of the use is still predominantly by local residents, but this is declining with the decrease in state subsidies. Disposable income in the region tends to be quite low, therefore residents might be unable to pay for expensive spas and wellness services. As a consequence, most of the Balkan countries are hoping to renovate and promote their thermal baths to foreign tourists as well. However, it was also thought that some countries have more potential than others depending on their resources and the state of their infrastructure. For example, Greece and Croatia are focusing more on seaside tourism, whereas Bulgaria and Romania are continuing with their tradition of geothermal tourism. Serbia has started to develop forest therapy and Turkey has concentrated more efforts on medical tourism. Slovenia is perhaps the most advanced in developing wellness spas for international tourists, although there were some challenges during the transition period (Lebe, 2013).

The main challenges for development in the region were identified as improvements to infrastructure, especially accessibility and transport. Service development is also necessary, as respondents agreed that services could be friendlier and of higher quality. For this, education and training for employees is required in order to understand how to cater for international tourists as well as domestic tourists and local residents. Although many employees in rehabilitation spas are well trained in providing medical services, the delivery of wellness services to foreign guests requires some different skills. The need for stakeholders to work together more closely was also emphasized by respondents, especially governments and the private sector. It was noted that private companies work faster and with more flexibility and innovation. However, many thermal baths or spas are still in the hands of the public sector.

Respondents also highlighted the need for more focus on sustainable tourism development and management in order to create maximum benefits for the Balkan countries and their economies. Research and data are generally lacking on health and wellness tourism markets, as well as the evidence needed to promote the health benefits of thermal waters more widely. Outside the region, such benefits are not always known about or understood, but the potential could be considerable for new international markets. In addition, the infrastructure and facilities need to be upgraded and improved to suit the needs of new markets who are likely to be more demanding and experienced. Although the need for better marketing was also noted, the point was made that the products and services needed to be made more attractive and of higher quality first.

The Visegrád 4 study echoed many of these concerns even though it took place a few years later. The results show that spas mainly need to focus on improving their infrastructure further and creating higher quality services for specific target segments. This included the problems of meeting quality standards for paying and international guests, but not being able to fund this through state or health insurance funds; low salaries and lack of education for employees and the difficulties of recruiting a qualified workforce; as well as addressing special needs of different segments of guests. There was a consensus that the main priorities should be infrastructural improvements followed by creating quality services for new, often self-paying or international guests. In all countries, state funding has been reduced since 1990 and the number of self-paying guests is slowly rising. EU funds have mainly helped with renovation and infrastructural developments rather than operational issues. Wellness treatments are growing in popularity especially among younger and foreign guests, but emphasis is still placed firstly on physical health restoration. Medical wellness, preventative care and healthy lifestyle advice is growing but is not yet well established. The main future challenges are connected to further infrastructure, service and quality improvements, for which constant monitoring is required, better segmentation as well as increasing digitalization. Sustainable development was not cited as a priority by most respondents, but it is also an important area to focus on. This includes making the most of the natural landscapes that often surround spas in the region but which are often under-used, especially for active recreation.



CONCLUSION AND RECOMMENDATIONS

The most important challenges for spas in the region according to the Delphi Studies include improving infrastructure and creating high enough quality services for the target segments. Spas in both regions clearly need to focus on the development of new products, staff education and training, as well as better marketing. Interviewee responses from the V4 study suggest that the demand for leisure and wellness services is growing, including among domestic tourists who are starting to be able to afford such services. Even though respondents agree that wellness is mainly about leisure and recreation, future developments might focus on improving knowledge of preventative healthcare and healthy lifestyles possibly using a medical wellness or active ageing approach. There is arguably scope for creating more innovative products and services that address lifestyle problems like stress and burnout, technology addiction (i.e. digital detox) or post-COVID-19 recovery programs. Younger people might respond well to novelty products like beer or wine treatments or spa parties. Interviewees also suggest that future developments should take into consideration the needs of different user groups and consider separating spaces or targeting specific groups (e.g. younger international wellness tourists compared to older domestic tourists who have medical needs). Segmented packages could be created that are age and lifestage appropriate (e.g. for families or romantic couples). Monitoring of quality and customer satisfaction should be undertaken on an ongoing basis and ideally through online questionnaires or social media. Recommendations for the post-COVID-19 period should be based on international examples of sustainable good practice and it is hoped that most of the spas in these regions will not only survive, but also thrive in this most challenging of times for both business and health.

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