

POLICIES AND STRATEGIES CONCERNING THE DEVELOPMENT OF BALNEO-TOURISM

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Abstract.

Health-oriented tourism has been assessed as a segment of increasing importance within the scope of the global tourism industry for the last decades. Fast developing processes of segmentation and fragmentation resulted in the establishment of separate categories and subcategories of health tourism such as spa, wellness and spa-oriented tourism. Their wide popularization across the world, and customer satisfaction are a precondition for their differentiation into independent industries going beyond the scope of tourism. This paper analyzes the most important problems related to the strategies of spa, wellness and balneo-oriented industries and their specific features in tourism.

Keywords: *spa tourism, strategy, development, wellness, valorisation.*

1. SPA TOURISM, EVOLUTION AND TRENDS IN THE WORLD

Today, tourism is one of the phenomena that dominate the contemporary world, one of the most profitable segments of the world economy, remarkable through their dynamics, multiple motivations and a great diversity of forms of manifestation.

Health tourism, also known as balneal or curative tourism, can be considered the oldest type of tourism. Health restoration and treatment needs have led people, since ancient times, to seeking and exploiting the healing effects of thermal and mineral waters, sludge and heliomarine treatment. Evidence of an intensive curative practice was found at Herculaneum (Băile Herculane), Germalara (Geoagiu Băi), Aix-les-Thermes, Pamukkale. The need to establish characteristic features of the categories of people practicing this form of tourism is widely debated by Pompei Cocean, Gheorghe Vlăsceanu, Bebe Negoescu¹ and Dinu Mihaela², who considers that this form is addressed to all age groups, most of the people taking part in it being older people who are often accompanied by children.

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¹ Cocean Pompei, Vlăsceanu Gheorghe, Negoescu Bebe, *Geografia Generală a Turismului*, Editura Meteor Press, București, 2005, p. 202-203.

² Dinu Mihaela, *Geografia Turismului*, Editura Didactică și Pedagogică, București, 2006, p. 246.

The spa sector can be defined as the set of medical, social, sanitary and administrative means, created for the therapeutic use of mineral and thermal waters, sludge and thermal gases. The word “balneary” implies the use of water with curative (i.e. chemical, mechanical and thermal) effects recognized by the medical body.³

The word *spa* comes from the name of the Belgian town of Spa, where a 14th-century thermal spring was discovered, whose name was known since the Roman era, when the place was named *Aquae Spadanae*. It is one of the oldest and most famous spa resorts in Europe. The place name *Spa* is the origin of the English word *spa*, meaning spa resort, mineral springs, etc.⁴

It is also believed that the term “spa” is an acronym from various Latin phrases, such as “Salus Per Aquam”, or “Sanitas Per Aquam”, but this explanation is rather unlikely because the derivative does not appear before the beginning of the 21st century.

Another approach, referring to the content of a spa center, states that it is located in a hotel or resort, and consists of: a reception area, dressing rooms and separate facilities for men and women; sauna, jacuzzi, steam room, separate pool, and lounge for women and men; an option could also be a common area for both women and men with the same facilities mentioned above; dry rooms for facial treatments and massage; wet rooms for treatment services such as body wrapping and rubbing; hydrotherapy chambers used for baths and hydro-massage therapies; a fitness studio equipped with practise machines; an area with shops; a beauty salon.⁵

Spa resorts have a long tradition in Europe. They were traditionally visited to derive medical benefits. In recent years, hoteliers have realized the various benefits that a spa can bring with respect to the hotel’s incomes. This has led to a significant increase in the number of spa centers and hotels. Traditional European spa resorts are facing strong competition from Asian spa resorts, which have gained a strong position both in spa hotels in Europe and on the market of spa venues.

Types of spa centers

Most of us know that there is not only one type of spa, and that the end of the 20th century has brought about a large number of spa centers, which have conquered the hospitality industry. These are known as: day spa, spa town, spa destination, spa hotel/resort, health and wellness center, medical spa, country spa, spa cruise line, and, more recently, Premier Class airport lounge spa.⁶ Differences between these spa centers can be significant, for example, a spa day center does not provide accommodation facilities, compared to a spa or spa hotel that offers guests

³ Faza 1- Master Plan pentru dezvoltarea Turismului Balnear final, p. 94.

⁴ http://en.wikipedia.org/wiki/Spa#Origins_of_the_term

⁵ Patricia A Monteson, Judith Singer, *Marketing a resort-based spa*, p. 283, 2005.

⁶ Dr. Axel Brandt, *Spa Success Strategies – Design and Implementation*, 2009.

accommodation facilities, as well as a variety of health services and entertainment. Or differences may be minor, or even non-existent, for example between a spa destination and a country spa – both are destinations for guests and are generally located outside urban centers. Medical resorts are obviously mainly focused on medical procedures, which may include, among other things, botox, anti-aging procedures such as laser treatments, as well as plastic surgery after the care services.

At the basic level, the notion of *wellness* can be equated with “health”, which, according to the World Health Organization (WHO), is a complete state of social, physical and mental well-being, not just the absence of disease or infirmity (WHO, 1992). The notion of *wellness* can be extended to include not only the social, physical and mental dimension, but also the emotional, cultural, spiritual, educational, sexual, professional, financial, environmental, ethnic and existential dimensions. *Wellness* is a holistic concept, so it assumes that, if one of these dimensions is deficient, then the whole concept of wellness is not achieved. These definitions are more descriptive than defining, as they attempt to encompass the essence of the notion of *wellness*, referring to “health”, “harmony of body, mind and spirit”, “quality of life” and “well-being”.⁷

The sector of health recovery and wellness differs from the spa sector through the absence of medical prescriptions.⁸ Therefore, wellness is the best form of preventive medicine, providing the best alternative for fighting stress and illness.

Spa and wellness resorts can be sociologically designed as today’s modern temples, where people can experience rituals and deepen wellness practices, all of which have a beneficial effect on the physical and mental state of individuals.

The evolution of the spa and wellness industry can be understood as a natural consequence of the evolution of human consciousness, through which people become aware of the importance of living healthy on the planet.

2. POLICIES AND STRATEGIES USED BY SPA CENTERS

The concept of *strategy* is very often addressed, both at a macroeconomic and a microeconomic level. Bibliographic sources include general or economic dictionaries. The *Explanatory Dictionary of the Romanian Language (DEX)*⁹ refers to strategy only in the military field: “a component part of military art that deals with the problems of preparing, planning and conducting war and military operations”. In the *British Universal Encyclopedia*¹⁰, *strategy* is: “Coordinated application of all the forces of a nation to achieve their purpose during a war. Unlike tactics, the

⁷ Marc Cohen, Gerard Bodeker, *Understanding the Global Spa Industry: Spa Management*, Editura Elsevier, 2008.

⁸ Faza 1 - Master Plan pentru dezvoltarea Turismului Balnear final, p. 96.

⁹*** *Dicționarul explicative al limbii române*, ediția a II-a, Editura Univers Enciclopedic, București, 1998, p 1024.

¹⁰ ****Enciclopedia Universală Britanică*, Editura Litera, București, 2010, vol. 15, p. 17.

components of a strategy include an overview, resource preparation, and resource planning, before, during, and after the operation. The term has gained another connotation in addition to the strict military one". It extended to other areas of activity to designate a set of coordinated actions to achieve very good results.

The notion of *strategy* has entered economic science through the *Game Theory*. By economic strategy, we understand the set of plans, methods, stratagems and objectives that address a situation in the economy. It can be considered as a model or project that supports decision-makers in choosing solutions to determine the paths to be followed, and in allocating resources. In the literature, there are different views on strategy, but in all definitions there are some common elements: "objectives", "ways to reach them", "time horizon", and so on. Strategies need to target future periods, and therefore they pose a high degree of risk and uncertainty. They define the ways and means through which a society progresses and achieves its goals. Their diversity is due to the multitude of factors of influence.¹¹

The strategic approach is also mentioned in the National Development Plan (NDP), a plan for economic and social development, which is a component of the National Economy Development Strategy¹². It represents a fundamental tool for mitigating the disparities in economic and social development between the European Union (EU) and Romania. According to this plan, "The tourism industry in Romania has the capacity to contribute to this reduction of discrepancies, and includes tourism on the list of public investment priorities"¹³. As an aid instrument, the Master-Plan for the Development of Tourism in Romania proposes a number of references to the strategy that should be applied in this field¹⁴.

A successful plan is a unique plan, and the professional man must have the needed resources to learn as much as possible about business and marketing strategies, vital strategies to own and operate a day spa. The following business concepts are considered important: marketing, finance, technology use, sales promotion, improved communication, and also the development of excellent skills in delivering flawless customer service. The owner of a day spa or its manager must develop the ability of critical thinking, which will lead to the development of solid business practices.

All resorts certainly have in common selecting and offering flawless products and services to customers, and one of the key challenges in this industry is that the right staff must be recruited and managed! Attractive facilities need to

¹¹ Sava Cipriana, *Strategii de dezvoltare a activitatii de turism*, Editura Eurostampa, 2006.

¹² *** Guvernul României (2005), *Strategia de dezvoltare economic a României între 2007-2013*, Bucureşti.

¹³ *** Planul naţional de dezvoltare 2007-2013, Bucureşti, 2005, p. 3.

¹⁴ *** WTO, *Master Planul pentru dezvoltarea turismului naţional al României 2007-2026*, Bucureşti, 2007.

be implemented, maintained and expanded, or tailored to the market needs, and, last but not least, each company needs specific promotion and sales policies on that market in order to be profitable. Obviously, without generating consistent visitors traffic, no spa center, or spa business will ever thrive.¹⁵

In order to understand and organize this overwhelming variety of spa offers, the International Spa Association (ISPA) has defined “ten spa areas”, or industry segments, such as: 1. “Waters”; 2. Food (stuffs), Diet and Nutrition 3. Movement, Exercise and Fitness; 4. Touch, Massage, and Bodywork; 5. Mind / Body / Spirit; 6. Aesthetics, skin care, natural beauty agents; 7. Physical Space, Climatology, Global Ecology; 8. Arts and cultural/social values, Spa culture; 9. Management, Marketing, and Operations; 10. Time, Rhythm, and Cycles.¹⁶

Spa centers need to develop compelling strategies that aim to encourage customers and persuade them that spa treatments are a necessary thing to do (a must do), rather than a luxury. The strategies that they can apply include the following:

Undertaking a competitive analysis. Identifying the services, prices and other specific features offered by the competitors. Increasing work schedule if a competitor has a limited schedule. Practicing lower rates than the competitors in order to attract new customers. Implementing a competitive concept to differentiate themselves from the competitors, such as the introduction of unique market procedures or products.

Identifying target customers. The statistics from the Chamber of Commerce or National Institute of Statistics concerning demographic information on average age, income, civil status and others will be analyzed. As a rule, it has been observed that women tend to have the largest share in using spa facilities. In terms of civil status, urban resorts located in the center of cities might focus on single women as a target segment, those who would like to visit a spa after work

Developing creative incentives. Applying significant discounts on spa treatments offered to mothers and daughters, outside peak hours during weekdays, or even on Sundays. Proposing nearby companies to develop a reward programme for employees by offering spa treatments.

Implementing loyalty programs. A major goal is loyalty to customers, and for this it is necessary to develop strategies and programmes to build a sustainable customer base. One way to do that is offering discounts and the ability to accumulate points that customers can turn into free products and services or giving gifts. Each customer will receive additional points for a spa visit. Spa staff should be instructed about the importance of promoting loyalty programmes to each client they serve. Calling on a specialist company to create an attractive

¹⁵ Dr. Axel Brandt, *Spa Success Strategies – Design and Implementation*, 2009.

¹⁶ Xenios Tourism & Business Travel – SPA Destinations February 2010, E-magazine & Guide for the MICE & Tourism Professionals.

brochure describing the services the spa offers and introducing a discount coupon into the brochure for new or potential customers.

“At-home” services. Because of the alert, rapid life styles, there are people who would like to come to a spa, but they do not have the time to do it. Thus, the alternative to provide customer service at home was considered. This type of “at-home” service can represent a way for employees to earn extra income, but will make the spa services more competitive.

Determinating the brands. Creating a specific brand is a very important element. Conceiving the brand and using it in promotional materials, printing it on gift bags and gift cards. A successful branding process includes factors such as creating a logo and a slogan that reflects the lifestyle of the target customer base. A well-chosen logo is one that leads to brand identification. It has to be suggestive, created in close connection with the products and services offered by the spa, to associate the name of the spa center with absolute relaxation.

Making a website. Designing a website using a template that is calm, induces silence, can be incorporated into an audio file with relaxing music. A page will be created that lists all the services offered by the spa, as well as future promotional events. Articles will be posted that show the benefits of spa treatments, and how important it is for people to take care of themselves via massage and relaxation services. It is very important that the site should be updated frequently.

Customer relationship management. Developing programmes that provide vital information to managers about their clients’ names, birthdays, treatments they prefer, the products they use, and the time of day that is most convenient for the customer to provide services. Through these data and feedback, services and products will be evaluated and business strategies, and business opportunities will be formulated.¹⁷

A business strategy can help a spa center to position itself on the market, which in turn can increase revenue and profit. A spa can choose from three basic business strategies: price leader, market leader, and market niche.

Leading in terms of prices. This strategy aims at combating price-based competition. It cannot be the best strategy for a spa, because lowering costs to offer lower prices also has the effect of lowering the degree of luxury that people expect to find in a spa

Market leader. In order to be perceived as a market leader, the spa centre has to offer services, products and facilities at a much higher level in terms of quality than the competitors. “In order to satisfy the consumers’ needs in the best possible conditions, it is necessary to have an efficient and effective collaboration between the marketing and the design compartment, which has the role to put into practice the consumers’ demands. The design compartment transposes the client’s

¹⁷ Spa Marketing Strategy by Cheryl Munson, 4 iulie 2010, http://www.ehow.com/about_6696675_spa-marketing-strategy.html

demands into the technical specifications related to raw materials, products and processes. The specifications and design have to be implemented so that the product can be obtained, verified and kept under control, in the conditions provided by production, installation and functioning.”¹⁸

The niche strategy. It targets a small market segment: such a spa could meet the needs of a specific demographic segment, such as the elderly or the domestic persons.¹⁹

A survey of business strategies during the global economic crisis in the spa sector shows that many of the spa centers are not immune to changes in supply and demand on the market, and the way is analyzed, in which spa centers can take advantage of these market changes during the recession economic. Here is an example: due to the lack of qualified and experienced staff in the sphere of spa and healthcare, in the long-term it can be more cost-effective to maintain staff so that when the market returns the business will not be affected by the recruitment activity, which takes time and involves high costs.

One of the best strategies at a time of economic crisis is to act ahead of competitors by intensifying communication activities and increasing market share. Given the current economic situation, many companies are afraid to invest in advertising or marketing, thinking they are making the right choice by saving funds. Stopping all communication activities, such as PR, advertising, promotions or special events, is one of the worst common mistakes that companies make. At the present time, those who want to stay on the market need to continue their marketing activities, because many competitors allocate an ever smaller budget to the marketing actions, and this is an ideal opportunity to win new customers. Although cost-cutting decisions seem to be a good solution for many spa centers, they ultimately lead to the loss of their customers in the long run.²⁰

Many spa resorts have been too busy during the economic boom to focus on ways to improve business, so that this period of economic downturn can provide the opportunity to make the necessary changes. A complete business reassessment is a difficult task, and to facilitate this process, it is advisable to divide it by key areas.

Management. Revision of financial reports to identify the sectors that could reduce costs and improve profitability within the spa. Industry analysis and identification of areas where the spa has performances above or below the average spa industry. Anticipating activities to improve the weak points of the spa and maintain its strengths.

¹⁸ E.A. Budacia, *Ensuring the Quality of Marketing Activities within a Modern Company*, articol publicat in Romanian Economic and Business Review, Special issue, vol. 11, nr.1 , 2016 ISSN 1842 – 2497, p. 15.

¹⁹ Spa Business Strategy by Mathijs Van de Graaff, 23 august 2010 http://www.ehow.com/facts_6869007_spa-business-strategy.html

²⁰ <http://hotstonecommunications.com/wordpress/?p=3>

Marketing. Ensuring that treatment prices remain competitive as changes occur in the local economic market. In order to establish a competitive level of difference, it is advisable to put in added value in terms of treatments, products and services offered, rather than providing discounts for standard products and treatments.

Operations. Checking and ensuring that employees properly implement service standards so that customers are fully satisfied, and loyal to the spa.²¹

Another very effective and important strategy that a spa center can use is to train staff by offering training programmes so that the services provided are of the highest quality. Likewise, large spa centers can choose to hire a smaller number of staff having considerable experience in training or supervising the other employees.

It seems that many spa centers are confronted with the problem of the customers who have used the center's services for a while but have not returned. This category includes people who are no longer found in the database in the last 3-6 months. One way to solve this problem is getting in touch those customers, by phone, e-mail or mail, and offering significant discounts or promotional packages. In this way, spa owners can use e-mail marketing technology, a very handy and cost-effective tool to communicate with their customers on a continuous basis.²²

No customer should ever leave the spa without being advised to get a new appointment. Customers should be properly informed of the date of the next appointment and these details must be specified during their visit.²³

An essential promotion strategy is establishing collaborative relationships with nearby companies that share the same values and serve the same target audience. For example, the spa centre can work with dental clinics, local gyms or wedding photographer studios by creating an incentive offer. The offer of a wedding photo studio can be: "A peeling treatment from the Dream Spa Center is included when you purchase an image package".

An effective way to get popularity on the market, which spas can make use of, is staging mass-media campaigns through which they can highlight their services and increase their income. Promoting through television, the press or the radio can be expensive, but it allows the spa centres to reach their target customers in the shortest possible time. To begin with, a modest investment will be considered by placing an ad in a specialist magazine. For example, travel and tourism magazines attract readers who may be interested in buying such an offer.²⁴

²¹ http://www.intelligentspas.com/Newsletter/Newsletter_I250811T.asp

²² <http://www.onlinebusinesswatch.com/money-making-strategies/7-key-strategies-for-building-your-day-spa.html>

²³ <http://www.articlesnatch.com/Article/Easy-Rebooking-Strategies-For-Salon-And-Spa-Professionals/866030>

²⁴ http://www.ehow.com/list_6875287_promotional-strategies-health-spa-retreat.html

A study conducted by Ernst & Young Middle East's Hospitality, by Paul Arnold and Nikita Sarkar of the Leisure and Real Estate Services Department on a number of 17 five-star spa hotels in Dubai, shows three strategies that spa resorts/centers should take into account in doing business.

The first line of action concerns the management of spa centers using forward-looking strategies to successfully meet future trends. Given the economic situation and consumer sensitivity to tariffs, to maintain business volume, managers can use discounts or promotions to boost demand by promoting affordable services. Particular importance must be given to treatments and fitness because they make the best contribution to the total income of a spa.

The second line of action is to use the RevPATH (Revenue per Available Treatment Room Hour) parameter, which is conceptually similar to the hotel industry parameter, i.e. RevPAR. Applying this indicator, once a month or day by day, can help managers to identify peak times and declines in demand. The key factor is the research of every element of the spa centre: peak or unused hours, the most popular treatments, the least used treatments, the clientele profile at different moments of the day, and other spa offers on the market. The results of this research will be used as a basis for creating a spa supply that will have different prices and will offer promotions to meet the specific needs of customers. Given its unstockable character, the main objective is the maximum capacity utilization of treatment rooms.

The last line of action is to establish a differentiated position on the market. It is important that spa centre operators make an effort to understand the different needs and value perceptions of their customers because the best value for money consists in the attention paid by staff to their guests. The experience of a spa should be designed to keep guests at the center for as long as possible, including the time spent before or after treatments, in the fitness centre, or having a healthy meal. The longer the time that a customer spends in a spa center, the higher the chances of increasing the amount of money spent there. That is why every contact point of the guest with the hotel is identified and treated as an important point of sales. It is important that spa managers generate a concise, convincing sales and promotional plan that can be easily understood and executed by members of the spa staff. Internally, staff should focus on increasing the number of bookings or increasing the sales of specific products, and incentives given will be based on performance. Externally, brand image consolidation will be promoted through marketing and promotional campaigns.²⁵

²⁵ <http://www.arabianbusiness.com/cash-in-with-new-spa-strategies-12570.html?page=0>

In recent years, the value of prevention, healthy lifestyle and relaxation have been rediscovered, and spa centers are once again seen in modern society as a unique and qualified place to meet those needs. Spa centres no longer have exclusive use to over-average revenue customers, which are instead currently accessible to a larger segment of the population.

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