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Austrian Wellness Report

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1 Introduction

During the course of the spring semester 2016, students of the Institute of Health and Tourism Management at the FH JOANNEUM University of Applied Sciences Bad Gleichenberg completed a survey about the Austrian wellness industry. This survey was commissioned by the Global Wellness Institute. The Global Wellness Institute is a non-profit organisation which supports the wellness industry worldwide. The Global Wellness Institute provided five categories of spas for which the revenue and the size estimates for each country should be developed. The five spa categories are Day Spas, Hotel Spas, Health Resorts, Thermal Spas and Medical Spas. In keeping with this framework, the Austrian wellness industry was analysed by 24 students of the FH JOANNEUM Bad Gleichenberg as part of the course "Rural Tourism Development and Work-Life Balance in Tourism". This report is the first systematic review of wellness businesses in Austria and represents the economic and touristic situation in Austria in 2016 in this industry. The purpose of this review is to provide a systematic overview of the wellness industry in Austria, especially because up to now no such overview has been available, particularly in English. In addition, because the report was completed in a course in which issues of sustainability and rural development play a central role, the report also examines such issues in connection with the Austrian wellness industry.

2 Methodology

In this chapter the research questions and sub questions are listed. Afterwards the methodology for desk research and field research is explained.

2.1 Research Questions and Sub Questions

The research addressed the following research questions and sub questions:

- 1) What are the key data associated with the wellness industry?
 - a) number of spas and wellness hotels
 - b) average number of employees
 - c) average revenue
 - d) average number of visitors and length of stay
 - e) typical infrastructure
 - f) guest demographics

- 2) What significance do issues of sustainability play for the Austrian wellness industry?
- a) Do wellness businesses make sustainability a part of their corporate identity?
 - b) Do they make a point in their marketing of emphasizing the healing qualities of the natural location where they are located?
 - c) How significant is regional networking for them?
 - d) How do they contribute to the local economy generally?
 - e) How does the Austrian wellness industry support the rural tourism providers in their region in particular?

2.2 Methodology employed for the Desk Research

Knowledge acquisition for the theoretical part of the Austrian wellness report was gathered through a thorough literature research. The desk research collected information from reports, legislative texts and journals. Furthermore, research was conducted in:

- Library and online-catalogue of the FH JOANNEUM Bad Gleichenberg
- Online-databases: UNWTO eLibrary, PubMed, Science Direct, Emerald Insight,
- Österreichischer Bibliothekenverbund, Wirtschaftskammer Österreich, Statistik Austria, ISW Institut für Sportwissenschaft, Bundesministerium für Forschung, Wissenschaft und Wirtschaft, Bundesministerium für Wirtschaft, Familie und Jugend, Tourism studies from Austria, Google and Google Books

Criteria of inclusion and exclusion

German and English sources were used. No recent journal literature on the Austrian wellness industry was found in online-databases. Instead the desk research concentrated on web research, particularly websites of Austrian day/club/salon spas, hotel/resort spas, health resorts and destination spas, thermal/mineral spring spas and medical/cosmetic day spas. Additionally, also the websites of the tourism associations of the Austrian federal states were mined for information.

Selected websites

For each of the 5 spa categories, one company from each of the nine Austrian federal states (Styria, Upper Austria, Lower Austria, Salzburg, Tyrol, Carinthia, Vorarlberg, Vienna, Burgenland) was examined in detail. Because in some categories no spas of that type were found in a particular federal state, the total number of companies whose websites were studied was 42 rather than 45.

Category	Number of companies
1. Day/Club/Salon Spa	9
2. Hotel/Resort Spa	9
3. Health Resort or Destination Spa	9
4. Thermal/Mineral Spring Spa	8
5. Medical/Cosmetic Day Spa	7
Total	42

2.3 Methodology employed for the field research

Data collection

According to the description of these categories provided by the Global Wellness Institute, appropriate companies from the nine states of Austria were selected for the survey and data including the company's name, contact person, address of the company, email and telephone numbers were tabulated. Subsequently the team members of the field research were divided into five groups based on the five categories, and these subteams then contacted all of the companies on the list by e-mail and/or phone to invite them to complete a questionnaire.

The questionnaire was constructed on the basis of the sub questions provided by the Global Wellness Institute. Afterwards a cover letter with a short description of the project was written to inform the companies about the goal of the survey they were being invited to take part in. This cover letter also served as a basis to get in contact with the organizations. Follow-up calls or e-mails were made/sent if there was no response to the initial invitation to participate.

One of the main problems encountered by the research team was the unwillingness of companies to participate in the survey. The overwhelming majority of those contacted refused to participate, either with the argument that they had too little time or, which was probably more honest, because they did not wish to share information about their operations. The following table illustrates this serious problem:

Category	Number of companies contacted	Number of interviews conducted	% positive response
1. Day/Club/Salon Spa	86	7	8.1
2. Hotel/Resort Spa	50	7	14.0
3. Health Resort / Destination Spa	23	4	17.3
4. Thermal/Mineral Spring Spa	25	6	24.0
5. Medical/Cosmetic Day Spa	7	0	0
Total	191	24	12.6

The higher willingness on the part of health resorts, destination and thermal spas to participate in the survey is probably the result of the fact that the Institute of Health and Tourism Management is better known among this segment of the industry than is the case with managers of day and cosmetic spas. We are particularly well-connected with thermal and mineral spring spas, and this paid off in the willingness of the staff of this type of spa to talk to us.

The survey was conducted between the 25th of April and the 6th of May 2016. The average time for the interviews was 8-10 minutes. Interviews were only recorded if the contact persons agreed to it beforehand. If a contact person did not want the interview to be recorded, the information was noted by hand by the interviewer. If the responsible persons of the companies had no time to answer the questions by phone, then they were sent the questionnaire via email.

Data analysis

After completing the interviews on the 6th of May, the evaluation of the questionnaires took place. The evaluation of the questionnaires was carried out by the members of the teams for each of the five categories. The questionnaires of each category were compared and averages were calculated. For the qualitative answers similar responses were clustered and unique answers were filtered out.

3 General overview of the wellness industry in Austria

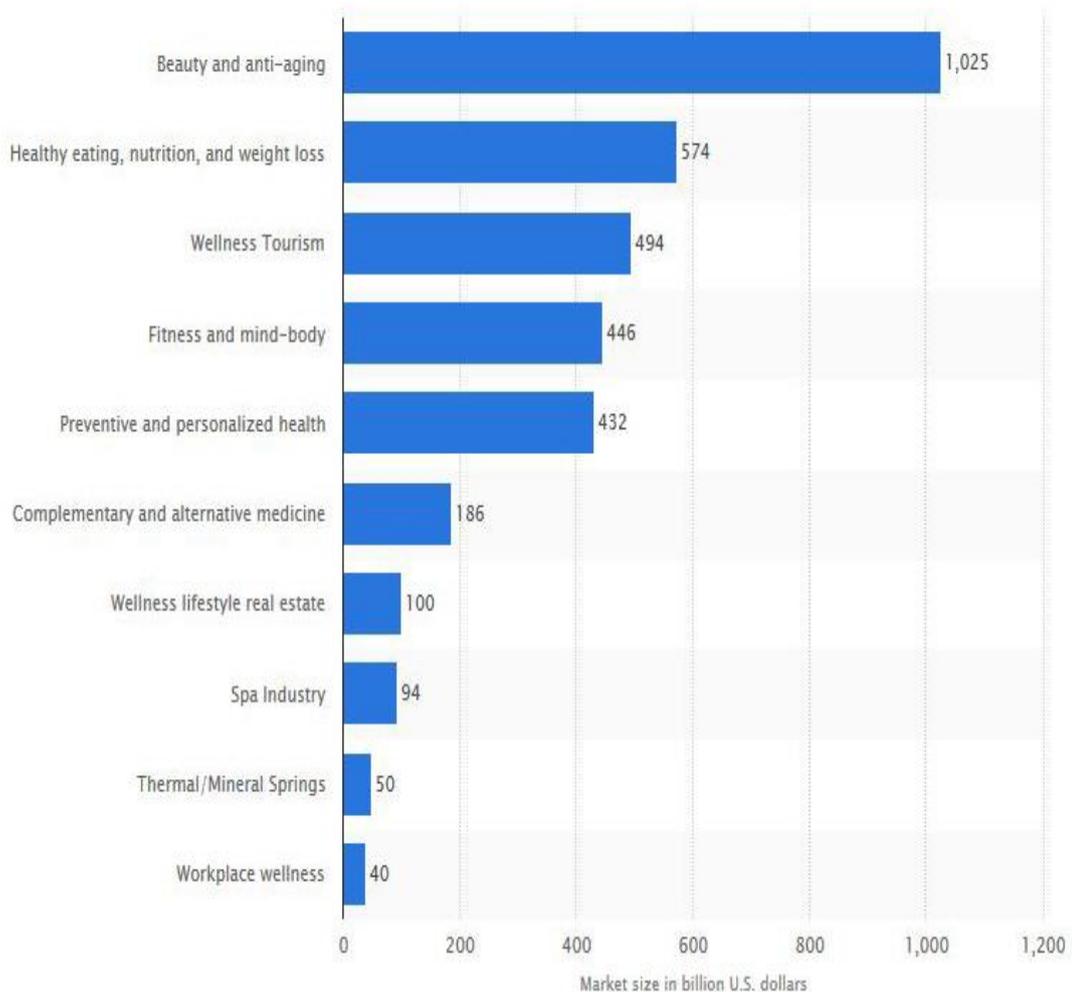
Defining the wellness industry and the health tourism industry

Defining the wellness industry that is the centre of this report involves first defining what one means by wellness. This is more complicated than it sounds, because the word has different meanings within different contexts. While it began at the end of the 1950s as a holistic concept of health with roots in 19th-century religious and health movements and pioneered by people such as Halbert Dunn and John Travis, by the early 1990s it had also come to be applied to a whole range of products directed to feeling and looking good (Miller, 2005).

In central Europe, it was especially the spa industry that was involved in filling the term with this new meaning. There was a huge growth in the number and size of spas in the 1990s, as a drilling boom led to the discovery of many new sources of thermal water. The spas looked for a catchword to centre their marketing efforts on and chose the term wellness for this purpose, which up to that point had been associated in the US mainly with workplace health promotion. Soon, wellness not only came to be associated with relaxing in thermal springs, but also all forms of relaxation, as well as anything designed to make the body look good. These new associations with the term wellness then spread back across the Atlantic, where the spa industry there also picked up on the new meaning (Miller, 2005, p. 100).

As a consequence, the contemporary global wellness industry encompasses a very wide range of things, from anti-aging products to workplace health promotion. An overview of this disparate mix may can be gained by looking at the work of the Global Wellness Institute, which has, for the past eight years, been presenting data on the industry at the annual Global Spa Summit. The Global Wellness Institute divides the industry into ten categories, the market significance of which can be judged by the graph found on the following page. One significant segment of the wellness industry is health and wellness tourism. Distinguishing between the wellness industry as a whole and the health tourism industry is relatively straightforward, since the wellness industry in general may not always involve travel, while health tourism always does (Illing, 2013, pp. 47-49).

Market size of the global wellness industry in 2013, by segment (in billion U.S. dollars)*



Source: Global Spa Summit. (n.d.). Market size of the global wellness industry in 2013, by segment (in billion U.S. dollars)*. In *Statista - The Statistics Portal*. Retrieved May 3, 2016, from <http://www.statista.com/statistics/270720/market-size-of-the-wellness-industry-by-segment/>

For Austria, which despite its small size is the fifth ranking wellness tourism market worldwide, the thermal springs, wellness tourism and spa segments make up a much larger piece of the pie than is the case globally, in part because the country is home to so many spas and thermal springs. Furthermore, the wellness tourism sector generates a significantly larger proportion of Austria's GDP than is the case for the other top 10 wellness markets globally:

Country	Global Wellness Market Rank	Wellness Tourism Expenditures in Billions of US \$	% of GDP generated by wellness tourism
USA	1	180.7	1.1
Germany	2	46.2	1.2
France	3	27.2	1.0
Japan	4	22.2	0.6
Austria	5	15.7	3.7
Canada	6	14.8	0.8
Italy	7	13.3	1.3
Switzerland	8	12.7	0.4
China	9	12.3	0.1
United Kingdom	10	12.0	0.5

Sources: International Monetary Fund. (2013). *World economic outlook database. April 2013*. Retrieved on May 3, 2016 from <https://www.imf.org/>; Global Wellness Institute. (2014). *Global spa and wellness economy monitor*. New York: Global Spa and Wellness Summit. Retrieved on May 3, 2016 from <http://www.globalwellnessinstitute.org/industry-research/>

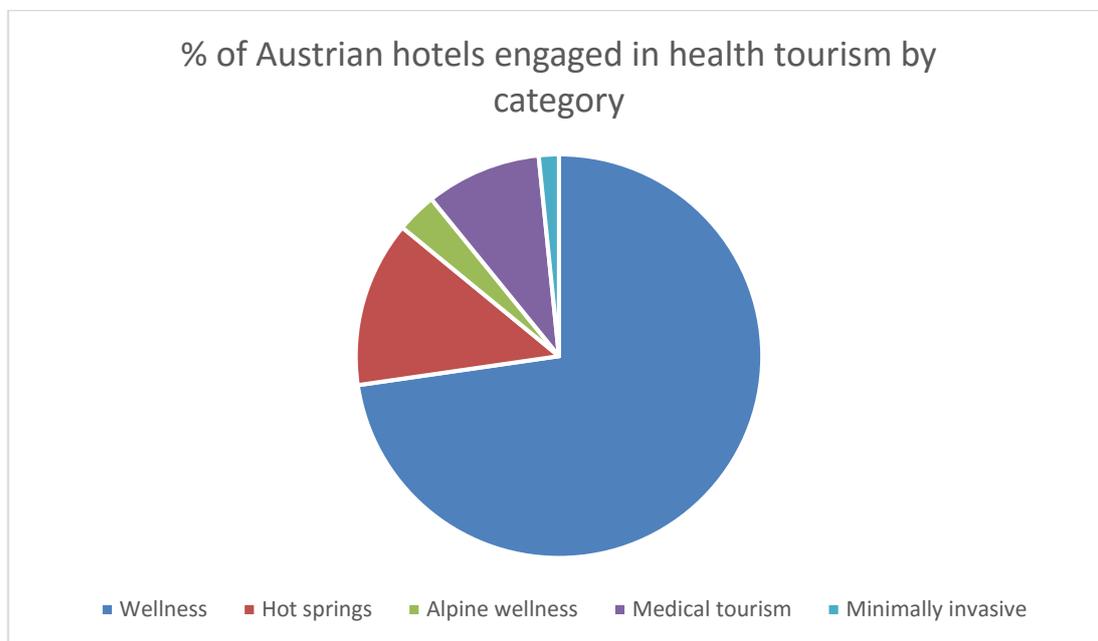
Health and Wellness Tourism in Austria

Given the historical development of wellness, it is not surprising that in Austria the word wellness should be closely connected with health tourism. Indeed, the most thorough recent report on health tourism in the country divides hotels engaged in health tourism into the following categories:

Wellness	Hotels in the 4 and 5-star categories that specialize in various relaxation offers that center around an in-house spa
Hot spring tourism	Thermal mineral spas that specialize not only in relaxation, but also in relief of ailments of the joints and skin, such as psoriasis and rheumatism.
Alpine wellness	Offers, particularly those of hotels, located at altitudes between 1,500 and 2,500 meters focused on the healing power of nature, exercise at high altitudes, the consumption of sustainable, regional foodstuffs and beauty products.
Medical tourism	Hotels that offer treatments based on Traditional Chinese Medicine, the doctrines of Dr. F.X: Mayr, Ayurveda, and/or fasting, as well as burnout prevention
Minimally invasive	Anti-aging and minimally invasive cosmetic treatments involving both apparatus and cosmetics.

Source: Zentrum für Management im Gesundheitswesen, Donauuniversität Krems. (2014). *Gesundheitstourismus in Österreich 2014. Endbericht*. Vienna: Bundesministerium für Wissenschaft, Forschung und Wirtschaft, p. 5.

The distribution of Austrian hotels engaged in health tourism according to these categories is represented in the following pie chart:



Source: Zentrum für Management im Gesundheitswesen, Donauuniversität Krems. (2014). *Gesundheitstourismus in Österreich 2014. Endbericht*. Vienna: Bundesministerium für Wissenschaft, Forschung und Wirtschaft, p. 10.

Health Tourism and Wellness Umbrella Organizations

The importance of the health tourism industry has led to the creation of wellness-related umbrella organizations that serve to both ensure high quality offers on the market and more cost-effective marketing of such offers. “Best Health Austria”, for example, is a public-private association of 18 accommodation providers which offer a range of health-related products in addition to accommodation. Only certified institutions can become members, and to become certified, a wide range of stringent standards must be met (Best Health Austria, n.d.). There is, however, no specifically Austrian umbrella organization for the entire wellness industry in the country. Instead, the Austrian wellness industry is serviced by the Deutscher Wellness Verband (German Wellness Association), which, despite the name also provides the services of a umbrella organization also for the Swiss wellness industry (Deutscher Wellness Verband, n.d.).

The Traditional Austrian (and German) Cure

Both Austria and Germany are well known for their large number of cure establishments. The cure tradition in Austria, Germany and other neighbouring countries such as Hungary, Slovakia, Poland, Slovenia and Switzerland, among others is a long one with roots in the 18th and early 19th century. Health resorts such as Baden, Bad Ischl and Bad Gleichenberg were founded during that period as destinations where the wealthy sought remedies and preventive measures for various ailments, mainly through the healing effects of balneological (water) treatments. In the course of the 19th century both the number of cure facilities and the number of people who could afford to take advantage of them grew. Especially after the Second World War, the expansion of health insurance coverage opened up this form of health vacation for the masses, creating the base for one of the most important aspects of Austrian health tourism (Cassens, 2013, pp. 26-38; Rulle, 2004, pp. 21-27). The Austrian and German health insurance companies have become more restrictive in recent years regarding the frequency with which individuals are granted “cure” vacations, which has led the institutions that serve this population to focus more attention to the self-payer market (Illing & Hamann, 2007).

Every Austrian covered by health insurance (99% of the population) can apply for a cure, the costs of which are then partly covered by the insurance, with the remainder being the responsibility of the individual. The percentage of coverage depends on the individual's income, but the amounts even the wealthiest have to contribute to the costs of a cure are quite low (less than €20 per day for individuals who earn more than €2050 per month after taxes). And those who earn less than €883 per month after taxes pay nothing at all (Jankl, 2014).

The typical Austrian “cure” institution specializes in one or more medical indications, such as joint and back problems, metabolic syndrome, cardiovascular disease or psychological problems such as burnout, for example. The duration of the guests' stay is typically 3 weeks, though it may be more than double that for some indications, such as burnout (Stationäre Behandlung, n.d.). The average number of employees and the infrastructure of the facilities depend on the size of the establishment, the number of ailments that are treated and the particular nature of the treatments—which can range from classic balneological ones to electro-, light- and inhalation therapies, to dietary and relaxation therapies and psychological counselling (Illing, 2009, p.

129). Generally such a facility has 100 or more employees working in several departments.

Financial support for the wellness industry from the state

According to the Austrian Chamber of Commerce, government subsidies in the tourism and leisure industry should serve especially the maintenance of competitiveness of enterprises. In general, depending on the amount of investment, promotion grants up to a certain percentage of the total cost are granted. Through this funding, the tourism and leisure establishments should be driven to improve their touristic offerings and also to create new jobs and secure employment in this industry (WKO, 2014).

Austria also supports projects of spa and health resorts by funds from state governments' budgets. In 2007, to just name one example, two million euros were raised for the construction of diverse indoor swimming pools and spa areas in northern Styria. An additional amount of 1.5 million euros was invested in 2007 in a thermal spring project in the same region. Subventions come not only from the state governor's "growth" budget but also from the EU and from the tourism department of the Federal State of Styria (Landesregierung, 2006).

In addition to such state funding, there is also federal funding that has been made available for tourism projects, including wellness facilities. The funding period for the present initiative is 2014-2020. The maximum financing volume for any given project is five million euros, through various subvention schemes depending on the size of the building project (WKO, 2014). Particularly in areas of the country with a large number of thermal spas and spa hotels, such as Styria, the Chamber of Commerce has pushed for use of these funds to update and expand wellness facilities (Hartl, 2014, p. 14).

The reason for such large state investments in the wellness industry is the perception on the part of Austrian planners and politicians that health and wellness tourism will be a lasting trend and a key to Austria's long-term success in attracting tourists. Thus, it makes sense to invest in facilities now, because they will pay off in macroeconomic advantages in the future (Falb, Neumann & Friedl, 2015, pp. 9-10).

4 Results of the web-based research

4.1 Category 1: Day/Club/Salon Spas

Explanation

Day/Club/Salon Spas offer a variety of spa services, including massages, facials, body treatments, etc., by trained professionals on a day-use basis (no on-site accommodations). Club spas are similar to day spas, but operate out of facilities whose primary purpose is fitness. Salon spas operate out of facilities that provide beauty services (such as hair, make-up, nails, etc.).

Most day, club and salon spas in Austria are small, family-run enterprises. Some of them are even one-person operations. Although the day spa market in Austria is growing, in contrast to the situation in most other developed countries, it is not the most commonly visited segment of the spa market (Glückert, n.d).

Websites consulted for this category

Federal State	Name	Town	Web Address
Burgenland	Seerose Barbara Tuasz	St. Michael	www.seerose-tausz.at/
Carinthia	Beautyfarm Landhaus Servus	Velden	www.landhaus-servus.com
Lower Austria	Liliane Beauty	Pottendorf	www.liliane-beauty.at
Upper Austria	Martinas Beauty Oase	Linz	www.beauty-oase.at
Salzburg	Judith Adam Cosmetic	Straßwalchen	www.cosmetic-judithadam.at
Styria	Istitut Living Beauty	Graz	www.living-beauty.at
Tirol	Kosmetikstudio Carmen	Zams	www.kosmetikstudio-carmen.at/
Vorarlberg	Bella Donna	Götzis	www.bella-donna.at
Vienna	Babor Beauty Spa	Vienna	babor-beautyspa-wien1010.at/

Results

The typical day spa or cosmetic studio in Austria offers a wide range of beauty treatments and beauty products. Classic treatments, such as manicure or pedicure

are offered, as well as waxing, nail design, facials, eye rejuvenating treatments or treatments for the eye brows and lashes. In addition, permanent make-up and different types of beauty consultations are offered by experts. Sometimes even massages and body treatments, such as exfoliators, are available for the guest. Day spas always have a retail shop, where different product lines with all the lotions, mists, oils, cleansers, exfoliators and so on are sold.

Austrian day spa customers are very concerned about the quality of the products used in the operations they patronize. Great emphasis is placed on natural ingredients in the lotions, oils, cleaner or mists that are offered. The raw materials of the products should come from organic agriculture without any chemical additives, because it is assumed that natural products will be better for the health and beauty of human beings. This emphasis on organic products is in keeping with the fact that Austria has the largest percentage of organic agricultural production of any European country—20% (Bundesministerium für Land- und Forstwirtschaft, 2015, p. 24). Because the awareness of the importance of organic agriculture is so high among consumers, it is not surprising that they also expect organic cosmetics when they go to a day spa, or any other kind of spa for that matter.

There are also a number of small firms in Austria that specialize in the production of natural cosmetics, including Vinoble Cosmetics in Fresing in Styria (www.vinoble-cosmetics.at), Sanoll Biocosmetik in Staudach in (www.sanoll.at), Styx Naturcosmetic in Obergrafendorf in Lower Austria (www.styx.at), Ringana in Hartberg in Styria (www.ringana.com) and Sisi and Joe in Graz (www.sisiandjoe.com), which specializes in vegan cosmetics based on extracts from edelweiss. It does not get much more Austrian than that. Many of these firms have arrangements with day spas to promote their product lines.

4.2 Category 2: Hotel/Resort Spas

Explanation

Hotel/resort spas are located within a resort or hotel property and provide spa services on an a la carte basis to hotel guests and outside/local guests. Spa treatments and services generally complement a hotel stay or a wide range of other activities at a resort.

“Austria has some of the best spa and wellness hotels in Europe - and many scored highly in the recent European Health and Spa Awards” (*Austria’s award winning spas*, 2014). In addition to this very high standard, one unusual thing about the hotel market in Austria is the large percentage of family-run hotels, even in the luxury class. In Tyrol, for example, 90% of the hotels are family-owned (Zoidl, 2015). As a consequence, there are also an unusually large numbers of hotel spas that are family-run. While international chains are certainly present on the Austrian market, as the table below can attest, they dominate the market to a lesser extent than in many other countries. Hotel and resort spas represent the most commonly visited spa type in Austria (Glückert, n.d). There are a total of 1,084 hotels in Austria that advertise themselves as offering wellness (Werner, 2016, p. 7).

Websites consulted for this category

Federal State	Name	Town	Web Address
Burgenland	St. Martins Therme & Lodge	Frauenkirchen	www.stmartins.at
Carinthia	Seepark Hotel Congress & Spa	Klagenfurt	www.seeparkhotel.at
Lower Austria	Therme Laa - Hotel & Spa	Laa an der Thaya	www.therme-laa.at
Upper Austria	Falkensteiner Hotel & Spa Bad Leonfelden	Bad Leonfelden	www.falkensteiner.com/de/hotel/bad-leonfelden
Salzburg	Schlosshotel Fuschl	Vorderelsenwang	www.schlossfuschlsalzburg.com
Styria	Falkensteiner Hotel & Asia Spa Leoben	Leoben	www.falkensteiner.com/de/hotel/leoben
Tirol	Dorint Alpin Resort Seefeld	Seefeld	hotel-seefeld-tirol.dorint.com/de/
Vorarlberg	VAL BLU Resort Spa & Sports	Bludenz	www.valblu.at
Vienna	InterContinental Vienna	Vienna	www.vienna.intercontinental.com

Results

When looking at the typical infrastructure of the Austrian hotel- and resort spas more closely, one can see that great importance is put on the spa/thermal areas. Especially striking here is that this area is not only for hotel guests, but at some facilities is also open for so called day guests. Those guests stay usually only for a couple of hours in

the thermal area but are allowed to use the same areas and treatments as the hotel guests. However, often there are also demarcated areas which are only accessible for hotel guests in order to differentiate between hotel guests and day guests and to give the hotel guest more value by providing them a quiet area for themselves.

The Austrian hotel- and resort spas offer differently sized wellness areas, ranging from 500m² up to several thousand m². Nonetheless, there is a commonality which can be found in all wellness areas. These include several types of swimming pools - indoor, outdoor, brine pool and active/sports pool (e.g. for gymnastics units). Furthermore, saunas are also offered in different sizes. Typically, the sauna area is pretty clearly structured with one sauna, a steam room and possibly an infrared chamber. However, there are also spas with many different types of saunas, steam baths and other spa experiences - e.g. Finnish sauna, reed sauna, tepidarium, fog ice grotto, bio sauna and private saunas, as well as additional offers such as various relaxation areas, showers, cooling pool, gardens or barefoot experience trails.

Within these thermal and wellness landscapes, hotel and day guests can take advantage of various treatments, ranging from classic beauty treatments and massage services to unusual and exclusive single or couple treatments and specially tailored treatments for children. Austrian hotel and resort spas are mainly the ones which provide these additional offers. Guests can enjoy guided group fitness sessions, participate in back and aqua gymnastics or use the gym on their own. Many Austrian resort spas also offer special sport courses such as yoga, pilates, Nordic walking, Qi-Gong and Tai-chi. It is also common for them to specialize around a particular theme within their spa and wellness areas. Many hotel and resort spas in Austria also offer restaurants or bistros within the spa area and additionally sometimes a small sales shop with the essentials for the stay - magazines, towels, sunscreen and swimsuits.

Hotel and resort spas in Austria focus mainly on the healing qualities of the natural location where they are located. This on one hand can refer to the healing effects of the thermal water, where especially particular health (e.g. cardiovascular problems, musculoskeletal disorders, skin diseases, etc.) are emphasized. On the other hand, the general healing effects of nature and a natural environment are emphasized.

The locations of hotel and resort spas in Austria are generally unique in some way, such as in the middle of a nature preserve or a vineyard. Therefore, the focus is directed to the relaxing effects of nature in combination with the wellness offers of the spa. Some of the natural resources of the environment are incorporated into the treatments and offers - for example, a salt scrub, which is obtained directly from a nearby natural source, or, if the resort is located in a wine-growing region, grape-seed scrubs.

Regional cooperation and regional networking in Austrian hotel and resort spas is of great importance. Through joint promotion, marketing and regional cooperation the resorts try to not only promote their own hotel or resort, but the region as a whole. Striking is here that competition concerns are of less importance, as the firms recognize the benefits that can result from cooperation among various tourism providers. Resorts are frequently involved in the creation of networks among the individual tourism enterprises, including competing resorts from the same area, to build the reputation of a particular region. Examples are the Salzkammergut (www.salzkammergut.at/en/salzkammergut.html) in the federal state of Salzburg, the Steirisches Thermenland (www.thermenland.at/en) in Styria, the Waldviertel (www.waldviertel.at/en) und the Weinviertel (www.weinviertel.at), both in Lower Austria. The hotel and resort spas try to adapt their offers to umbrella brands to ensure that they can both differentiate themselves, as well as benefit from their competitors.

Not only the regional umbrella brands are key to the effectiveness of these regional networks, the surrounding landscape also is of key importance, because the brand is built upon the particular characteristics of the landscape. The hotel and resort spas in the Salzkammergut, for example, take advantage of their Alpine location, while the resort spas which are members of the Styrian Thermenland frequently claim to be located in the "Austrian Toscana" because of the rolling hills and vineyards there. Also ski and hiking areas represent a suitable umbrella brand for such regional networks. The Austrian hotel and resort spas therefore take advantage of already existing networks and try to grow not only alone, but together with the regions in which they are located. Striking is here that the hotel and resort spas already cooperate with other tourism businesses which fall into a different category. They build the cooperative arrangements with the local communities, tourist boards and providers of tourist attractions, such as museums, ski lifts, wine growers, etc. Such cooperative efforts

benefits not only the regional umbrella brand, but also the regional economy experiences an upswing. The hotel and resort spas are particularly active in promoting regional culinary delights and other local products. They try to use local and regional products in their daily activities, such as breakfast and dinner. Some resorts also make a point of using local wood in appointing their hotel rooms, particularly ones that are thought to have health benefits, such as larch and Swiss stone pine. Especially wine plays a major role. The hotel and resort spas offer their guests wine from Austria. A lot of attention is paid to offering both well-known Austrian labels, while at the same time promoting lesser-known regional wineries. Of course, the hotel and resort spas also offer international wines from all countries, but Austrian wines can be found in abundance on every wine menu. But not only wine is sourced from local suppliers also other products such as jams, honey, bread, cheese and vegetables. Here it can be seen how important the collaboration of local business is to the hotels and resort spas. With their demand they not only support the region but also the farmers and the local fruit- and greengrocers by avoiding sourcing from globalized firms whenever feasible.

The hotel and resort spas also emphasize regionalism in connection with arts and culture. The majority of the hotel and resort spas in Austria also advertise events, museums and attractions in the surrounding region. Often behind such promotions are “win- win situations” for all the tourism businesses involved. Hotel and resort spa visitors for example receive reduced admissions in animal parks, at wine tastings, museums or even discounted ski lift passes and bus tickets. The hotel and resort spas can thereby offer their guests a much broader range of activities and at the same time attract new guests to the region itself. Even regional restaurants and bars and even other accommodations are advertised, despite the competition.

4.3 Category 3: Health Resorts and Destination Spas

Explanation

Health resorts/sanatoria or destination spas offer a full-immersion spa experience in which all guests participate. All-inclusive programs typically include, in addition to spa and body treatments, a myriad of other offerings such as fitness, mind/body activities, special diets and cleansing, personal coaching, nutrition counselling, weight loss, preventive or curative medical services, etc. In Europe, this category includes

traditional/historical establishments such as sanatoria and places that provide Kur treatments, covered by government insurance schemes. Services at these kinds of establishments in Europe may be medical/health-focused and may also include modern spa-related services, such as massage.

Websites consulted for this category

Federal State	Name	Town	Web Address
Burgenland	Kur- und Thermenhotel Bad Tatzmannsdorf	Bad Tatzmannsdorf	www.gesundheitsressort.at
Carinthia	Kurzentrum Thermal-Heilbad	Warmbad-Villach	www.med-warmbad.at/Kurzentrum/
Lower Austria	Kurzentrum Bad Traunstein GmbH & Co. KG	Bad Schönau	www.kurzentrum.com/bad-traunstein/
Upper Austria	Sanatorium St. Georgen	St. Georgen im Attergau	http://sanrupp.at/
Salzburg	Sanatorium Ritzensee	Saalfelden	www.privatklinik-ritzensee.at
Styria	Privatklinik Laßnitzhöhe	Lasnitzhöhe	www.privatklinik-lassnitzhoehe.at
Tirol	Sanatorium Kettenbrücke der Barmherzigen Schwestern GmbH	Innsbruck	www.sanatorium-kettenbruecke.at/
Vorarlberg	Sanatorium Dr. Felbermayer Kur- und Gesundheitszentrum	Gaschurn in Montafon	www.felbermayer.at
Vienna	Sanatorium Hera	Vienna	www.hera.co.at

Results

Austria's thermal baths and cure establishments have a typical infrastructure, which generally differs only based on the size of the facility. Each establishment has its own treatment facilities, where individual therapies are offered. Part of these facilities are treatment rooms for massage therapies and body treatments, rooms for physical therapies, a gym and a consultation room, where doctors do consultations and check-ups. Additionally, there can be a beauty room for manicures, pedicures or facials.

Especially in Styria the cure establishments are often connected with a thermal bath, which has thermal spring water with healing effects on the human body. Furthermore, there are several saunas, like an herbal sauna or an organic sauna, and steam rooms. Generally, it is possible to take part at a cure at different stages of life. There is a great variety of patients in the different facilities. In general, the average age of the cure

guests is between 35 and 75 years in Austria. If the application for a cure is accepted or not, depends on the severity of the disease.

Sustainability is a very important part of a company's corporate identity in Austria. Lots of the products, which are also used for the treatments, are coming from controlled sources. There are treatments using healing mud or hay for detoxing, as well as thermal water with its healing qualities. The resources for these treatments are sustainably used. Significant for the Austrian cure establishments and the thermal baths are certificates for transparency and quality of the health sector. The marketing of these establishments emphasises the healing qualities of the natural location, where several sports and leisure activities like running, Nordic-Walking, hiking, biking or adventure walks in a beautiful panorama are offered. The focus lies on the strength of the nature to provide relaxation and regeneration. Regional networking is also very important for Austrian health resorts and destination spas, as they are linked to many local tourism and leisure providers from the region. Moreover, there are many cooperation with various other health centres, including experts in terms of medicine, from all over Austria.

4.4 Category 4: Thermal/Mineral Spring Spas

Explanation

Thermal/mineral springs spas differ from other kinds of health resorts in the nature of the water available at their facilities. Their revenues are normally generated by providing the same kind of spa- and wellness-related treatments (such as massage, facials, hydrotherapy, etc.) offered at other spas. The key difference is the natural mineral water incorporated into their spa treatments, as well as bathing/recreational springs establishments. In Austria, a large number of such spas are located in areas where there was once volcanic activity, so the mineralized water is also hot. In Europe, this category overlaps with the Health Resorts/Sanatoria category described above. In some European countries, there is a mix of some Health Resorts/Sanatoria that have on-site natural thermal/mineral waters and some that do not. For this category, we are specifically interested in focusing on only the subset of establishments that have on-site thermal/mineral waters incorporated into their treatments/services, as there are an especially large number (41) of such thermal

spas in Austria, given its small size (Zentrum für Management im Gesundheitswesen, 2014, p. 19). The geographic distribution can be seen here:



As can be seen in the graphic, the largest number of thermal spas is located in the Federal State of Styria.

There is extensive data on the economic activity of thermal spring spas in Austria, in part because of the great importance of this sector in the country. There are regularly published reports that include information on revenues by federal state, and in the case of the most important 30 thermal spas, even by individual spa. According to the report for 2015, there were a total of 9.2 million visitors to Austrian thermal spring spas in that year, generating a total revenue of 142.8 million euros from entry fees (Kreutzer, Fischer & Partner., p. 62). This works out to an average of about 225,000 visitors and 3.5 million euros of revenue per thermal spa per year from entry fees. Unfortunately, the publishers of this series do not permit the dissemination of their results in other media such as the present report. This is understandable, given the high price of the reports. Still, the general information provided above does provide a benchmark against which to measure our own results.

Websites consulted for this category

Federal State	Name	Town	Web Address
Burgenland	AVITA Therme Bad Tatzmannsdorf	Bad Tatzmannsdorf	www.avita.at
Carinthia	Kärnten Therme - Warmbad Villach	Warmbad-Villach	http://kaerntentherme.com
Lower Austria	Thermalbad Vöslau	Bad Vöslau	www.thermalbad-voeslau.at
Upper Austria	Eurotherme Bad Ischl	Bad Ischl	www.eurothermen.at/bad-ischl
Salzburg	Tauern Spa Zell am See-Kaprun	Kaprun	www.tauernspakaprun.com
Styria	Parktherme Bad Radkersburg	Bad Radkersburg	www.parktherme.at
Tirol	Therme Aqua Dome	Längenfeld	www.aqua-dome.at
Vorarlberg	There are no thermal spas in Vorarlberg		
Vienna	Therme Wien	Vienna	www.thermewien.at/

Results

When it comes to the typical infrastructure of thermal and mineral spring spas in Austria it is important to mention that all organizations emphasize having a big pool area. It often consists of many different types of pools or pools with integrated massage chairs. Most establishments also provide outdoor pools, as the thermal water provides the possibility to swim year-round outdoors without excessive costs for heating the water. Some also provide unheated pools for those visitors who want to get exercise. A few family-friendly spas also have water slides for the amusement of children, which attracts more families.

Most thermal and mineral spring spas also have a sauna area in what is referred to as a sauna landscape—featuring a wide variety of saunas. Besides various saunas, the infrastructure generally consists of steam and relaxing rooms. The general spa treatment area offers the guests treatments ranging from massages to facial treatments.

At thermal and spring spas guests can also do something for their fitness. Almost all spas have a fitness area in their facility for their customers to use. Some of them even offer supervised classes that are taught individually or for group. Several spas even have athletic fields where visitors can play outdoor sports.

Restaurant or snack bars may be found at any thermal and mineral spa. It is not unusual that external companies have a shop in the facility, where customers can find things such as bath towels, sunscreen or slippers.

Thermal and mineral spring spas in Austria make a point to emphasize the healing qualities of the natural location where they are located. They use this feature as a key element of their marketing. The most important feature for them is the thermal water. Most spas are very proud at their mineral springs and provide a very detailed description of the mineral make-up and the temperature of the water when it comes out of the ground. The different minerals in the water are praised for their healing qualities, especially in connection with specific ailments. Unique treatments are then offered that revolve around the specific makeup of the water at the spa. In some areas of Austria where the water also has a high salt content, the spas emphasize salt and brine pools and treatments. They implement their "salt and brine" concept throughout their marketing campaign.

Another point that thermal spring spas in Austria emphasize is their natural location. Almost all of them are situated in the countryside, away from large cities. Regional networking is essential for thermal spring spas in order to offer their guests a landscape where they can relax and disconnect from their busy everyday lives. That is why thermal spring spas in Austria emphasize nature in their marketing campaigns. Some thermal spas are surrounded by the Austrian alpine hills and offer breath taking views. In many cases the spa is situated next to a public park, where visitors, guests and tourists can enjoy going for a walk. Generally, nature is very highly valued for the tourism in Austria and thermal spring spas offer the perfect combination of relaxation and nature. What is more, the thermal spring spas attract the same type of guest demographic that is also attracted to nature-based leisure activities (Leuthold, 2011, p. 6).

At thermal spring spas visitors can choose between a wide range of nature-based activities, such as hiking, walking, running or mountain biking. A lot of thermal spring spas offer an extended regional network of biking paths, often in cooperation with other tourism organizations/regions. Here it is worth mentioning that most of the areas of Austria where thermal spring spas are located are well known for their culinary and cultural attractions, which is why the stay at the spa is often connected with sampling the food typical of the local region. In Styria, for example, which can boast of one of the heaviest concentrations of thermal springs in the country, it is quite common to combine a visit to a spa with a visit to establishments called "Buschenschanks", vineyard based eateries where you can enjoy traditional food grown on the farm and drink wine and fruit juice produced on the premises. Thus, a close connection is made by the spas between their offerings combined with other types of nature-based activities that guests can take advantage of during a stay at the spa. Furthermore, the promotion goes in the other direction, as well. Various wine-centred promotions also emphasize a visit to a thermal spa as a natural complement to a wine tour, as the following quote from a wine tourism website illustrates:

The spas have generated a whole new genre of tourism in Austria, "wellness tourism" that combines the pleasure of swimming in hot mineral water with saunas, beauty farms, massages and other treatments. They also allow you to do a "compromise" tour between wine vacation and family trip, as some of the spas are very children-friendly" (*Where to go for wine trips in Austria*, n.d.).

The kind of cooperation between culinary offers and spas indicated above are just one aspect of the thorough embeddedness of thermal spring spas in their surroundings in Austria. There are multiple ways thermal and mineral spas contribute to the local and regional economy. Many of the Austrian thermal and mineral spas are part of an umbrella brand, e.g. VAMED Vitality World or Eurothermenresort (Bad Schallerbach, Bad Ischl, Bad Hall). By combining under an umbrella brand, marketing activities can be operated at higher level. Furthermore, these umbrella brands make a significant contribution to the overall economy. By promoting day trips to culinary, cultural and nature-based adventure tourism sites, additional sources of income for regional tourism providers can be created. The cooperation with local partners in the tourism industry as well as tourism organizations is not only beneficial for the spa but also the local economy. Additionally, some of the spas contribute by supporting local tourism events financially, as they see it as an advantage in attracting guests if there is a wide range of activities the guest can participate in while staying at the spa.

4.5 Category 5: Medical Spas/Cosmetic Day Spas

Explanation

Medical/Cosmetic Day Spas operate under the full-time, on-site supervision of a licensed healthcare professional, providing comprehensive medical and/or wellness care in an environment that integrates spa services with traditional, alternative, or cosmetic medical therapies and treatments. In Austria, there are only a handful of such establishments, because most establishments offering medical-type services fall under the Health Resorts/Sanatoria category described above. For this category, we examined establishments that are day-use (no accommodations) and focus on medical cosmetic/beauty/skin treatments (e.g. botox). Only seven such establishments were identified by our web research in all of Austria, five of which are located in Vienna. For sake of clarity in this connection, it should be mentioned that day spas offering cosmetic medical services within the context of a larger facility such as a health resort were not included here. So, for example, the Therme Laa Day Spa in Laa an der Thaya is part of the large spa resort there, so was excluded from the list. Only stand-alone cosmetic day spas that offer cosmetic services under the supervision of a medical professional were included.

Websites consulted for this category

Federal State	Name	Town	Web Address
Lower Austria	Kosmetik im Zentrum ¹	Mistelbach	www.kosmetikpraxis.at
Salzburg	Haus der Schönheit	Kaprun	www.dashausderschoenheit.at
Vienna	Medical & Beauty – Vienna City	Vienna	www.medicalundbeauty.at

Results

¹ Inclusion of this spa in this category is questionable, as the cosmetician who heads the spa has training a medical assistant, and worked for years in a dermatological practice. Arguing that her practice offers services under the supervision of a medical professional is thus a bit of a stretch. But this day spa was included here, nonetheless, because there was so little to choose from in this category. The other two day spas which were examined more closely here either have medical doctors on their staff or are run by doctors.

Typical treatments for medical and cosmetic day spas in Austria are microdermabrasion, ultrasonic, skin analysis, cosmopuncture (mixture between facial and acupuncture), micro-needling, aqua abrasion, medical cosmetic, permanent hair removal, diamond dermabrasion, radiofrequency, permanent make-up, microblading, lipo-massage, coolsculpting, mesotherapy, fruit acid treatments, aesthetic acupuncture, skin tightening treatments, pain management, salicylic acid peeling. Medical and cosmetic day spas in Austria are very small. The number of employees ranges from 1 to 8 people. Most such spas are family-run businesses.

5 Survey Results

The empirical part consists of interviews conducted with companies in the five different categories. The results will be presented separately in greater detail in each category. The questions included in the questionnaires utilized for each category are to be found in the annex. Most of the questions were similar from one category to another, but some questions were category-specific.

5.1 Category 1: Day/Club/Salon Spas

Nine companies were interviewed, eight beauty salons and one day spa. In the following paragraphs, the results and calculations for the beauty salons and the day spas are treated separately.

Key data

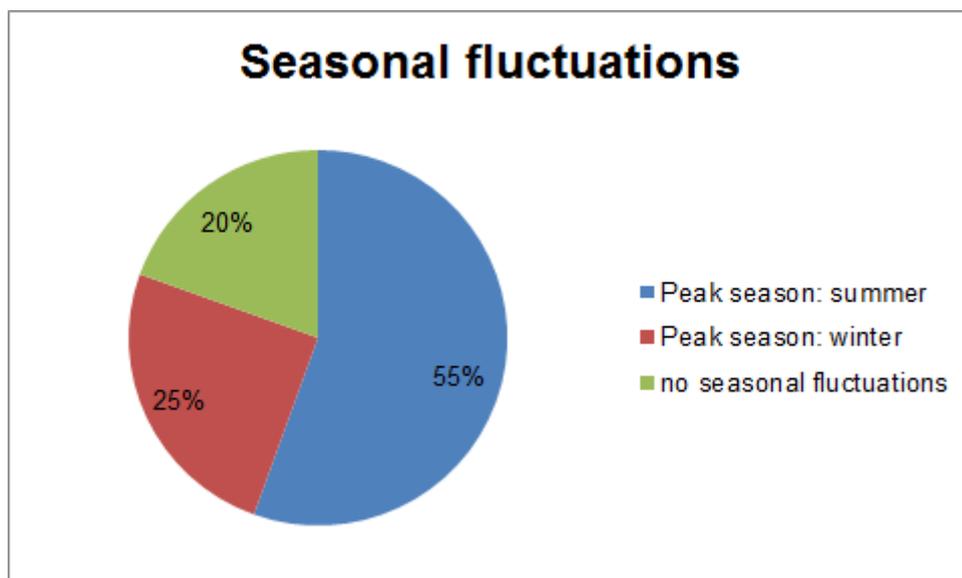
The first paragraphs will concentrate on the key data associated with beauty salons including number of employees, demographics of the guests, average revenue, capacity and number of visitors, as well as length of stay.

The average number of employees in these enterprises is quite small, three on average, ranging from one (only the owner) to six employees. The average revenue was calculated based on the values from the questionnaires. We assumed 5.5 working days per week and 48 working weeks per year are assumed, because in Austria such establishments are typically closed on Saturday afternoons. Blue laws mean that they are never open on Sundays. An employee treats approximately six

customers per day. The range is between four and ten clients per day per employee. The number of clients depends on the treatment because a facial for instance takes a lot more time than a manicure. The average length of stay is about one to three hours. A treatment costs € 73 on average.

This means that the revenue can be calculated by multiplying the average treatment cost multiplied by the average customers multiplied with the working days and the average amount of employees. This leads to an average revenue of about €350.000 per year per beauty salon. As there is a wide spread between the figures of the beauty salons, the revenue is only a roughly estimated value.

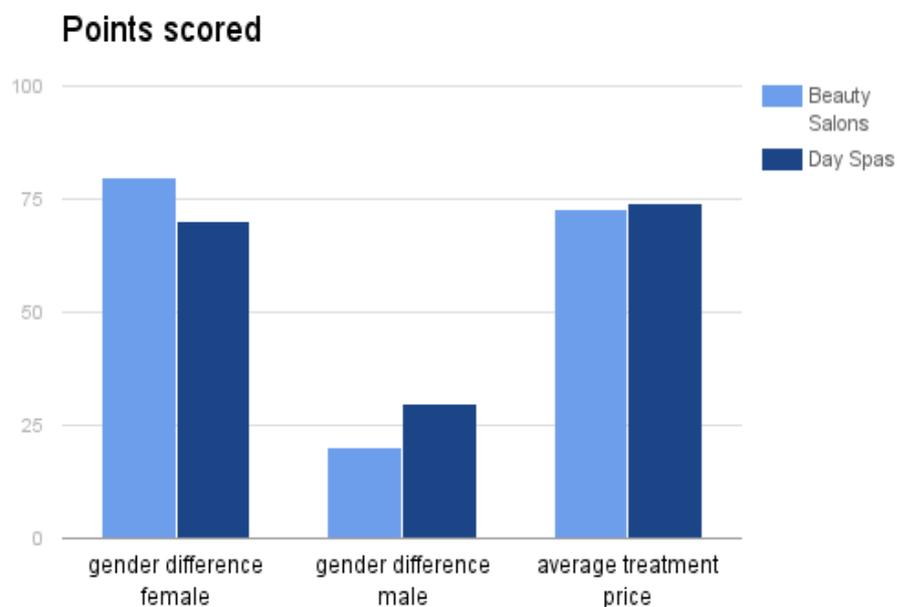
Regarding the seasonal capacities, 55% of the beauty salons state that the peak season is in the summer months, whereas 25% have less clients during summer season and the peak months are from November to January. The rest of the respondents indicated that they have no have seasonal fluctuations.



In connection with guest demographics, approximately 80% of the guests are female and 20% are male. The majority of the guests are employed women who seek to improve their well-being through the services on offer. The average age is 46 years. The range is from adolescents to clients who are as old as 90.

The only day spa that completed a questionnaire had eight employees who served an average of about 35 customers per day altogether and a length of stay of a couple of hours. Concerning the average revenue, the average guest at this day spa spends € 270 per visit, with an indicated average treatment price of about € 74. The estimated spa revenue is calculated based on the average spending per stay multiplied by the guests per day multiplied by a total of 250 days per year. The spa is open five days a week, so the total number of days per year was estimated at 250, allowing for the numerous Austrian legal holidays each year (13). Based on this an annual spa revenue of € 2,400,000 can be estimated. If one can make any generalizations about average day spa revenues in Austria based on one example, is another matter.

Regarding the guest demographics, 70% of the guests are female and 30% are male. The average age is 35. The guests are very concerned about their health, and quality plays a very important role within the service.



Typical infrastructure

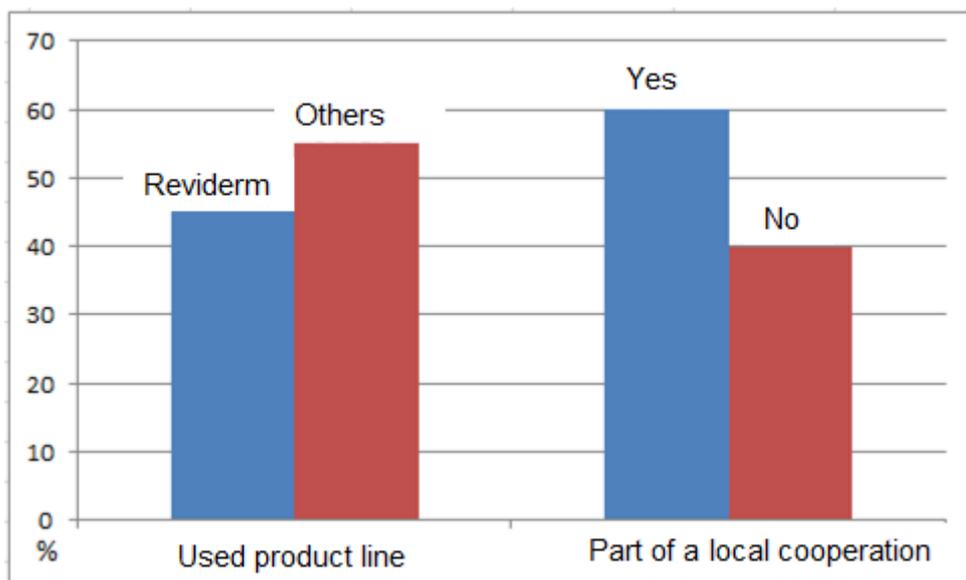
Concerning the beauty salons, the average size is about 107 m², but as might be expected, this is heavily dependent on the number of employees. The range is from 50 - 170 m². The facilities are also dependent on the offers of the different beauty salons. Uniform furnishings and facilities could not be defined. In connection with the

day spa, the question concerning the typical infrastructure is answered earlier in this report, based on website analysis.

Sustainability Issues

The majority of the enterprises answered that sustainability is important for them. They try to use regional product lines, natural cosmetics and try to avoid plastic materials. They prefer glass bottles and recyclable materials for their products. The utilized product lines are different within each company but 45,0 % use Reviderm which is a well-known beauty product brand.

With regard to regional networking, it seems to be important for the majority. They network with physiotherapists or doctors and massage therapists from the region. Sixty percent of the enterprises affirm that they are part of a local cooperation, but unfortunately they did not provide concrete examples.



The day spa indicated that it cooperates with regional vine growers and other regional providers to get raw materials for their cosmetics. It should be said that this day spa belongs to a company whose main business is the production of cosmetics. They offer their guests homemade juices and regional wine during the spa treatment. Additionally, they offer tours for the guests through their own manufacturing facilities where they produce the products for the spa treatments. Regional networking also seems to be quite significant for them, because they also cooperate and network with

three tourism and business organizations. They also make recommendations to their guests for other enterprises nearby. In addition, they support the region's tourism through their marketing efforts.

5.2 Category 2: Hotel/Resort Spas

The second category includes hotel and resort spas. In the course of the survey, seven spa hotels were interviewed.

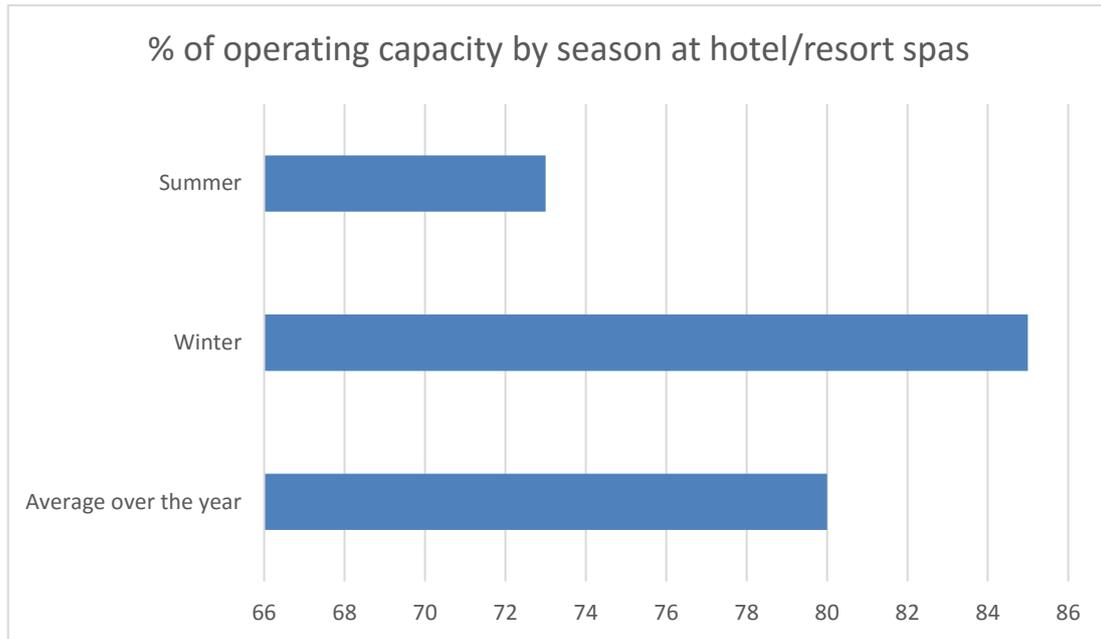
Key data

First the key data associated with hotel and resort spas including number of employees, demographics of the guests, average revenue, capacity and number of visitors as well as length of stay, will be covered. All figures refer to the spa areas within the hotels or spa resorts and not to the hotels as a whole.

The spa areas in the hotels/spa resorts have 17 employees on average (122 employees in 7 hotels/spa resorts). The range is from 6 to 55 employees. During the off-season they have an average of three employees fewer. The number of employees is obviously dependent on the size of the hotel or spa area.

Concerning the average revenue, the customers spend about € 230 on average per visit. The average costs per treatment are about € 97, so multiple treatments per visit are typical. The spending range per person is from € 150 to € 400 per visit. From these figures an average spa revenue of € 1.8 million per year can be estimated (based on the average number of customers per day).

The hotels operate in summer at 73% of capacity and in winter at 85%. Throughout



the year, the average capacity is about 80%. About 30% of the companies stated that the high season is during the summer months, whereas the majority of 70% claimed that winter is the peak season because of the predominant winter tourism in Austria.

The hotel spas report that there are approximately 21 customers who receive treatments per day, and in contrast to day spas this is typically every day of the year—hotel spas do not typically have days when they are not open. The range is between 15 and 30 customers per day. Guests who are using other spa area facilities, for example a pool or a fitness area, for which they do not pay a separate fee, are not included in this estimation of usage.

The average age per customer is about 48 years. An estimated length of stay per guest in the spa area could not be estimated based on the responses to the survey. Similarities of guest demographics could be figured out in the course of the interviews. The typical guest is financially well-off, often international, is stressed-out and his intention is to relax in a special atmosphere. The hotel spas do not have any special target group in terms of gender or family status. Women as well as men, often families with and without children are guests. The average range of the guests' age is from about 35 to 70.

Typical infrastructure

The average size of the spa area for the hotel spas that responded is about 3,500 m², ranging from 1,100 m² – 12,500 m². So the span is quite large, and the median size is actually closer to the smaller end of the range. The facilities depend on the size, such as the number of rooms and the offers of the different spas. Uniform furnishings and facilities could not be defined.

Significance of sustainability

Approximately 70% of the interviewed hotels and spa resorts affirm that sustainability is an important issue within the company. The hotels sell and use self-made, regional and/or natural products and they make sustainable arrangements in connection with water usage, waste and power consumption. About 30% of the companies surveyed use a domestic natural product line from Austria. Regional networking is also significant to the respondents. About 15% of the hotels/spa resorts cooperate with a company in the region, and 85% confirm that they hire local employees or use products from regional farmers. All companies see their contribution in creating more jobs for locals in the region. Another advantage is that the hotels' customers consume and buy things (for example groceries) in regional shops and restaurants.

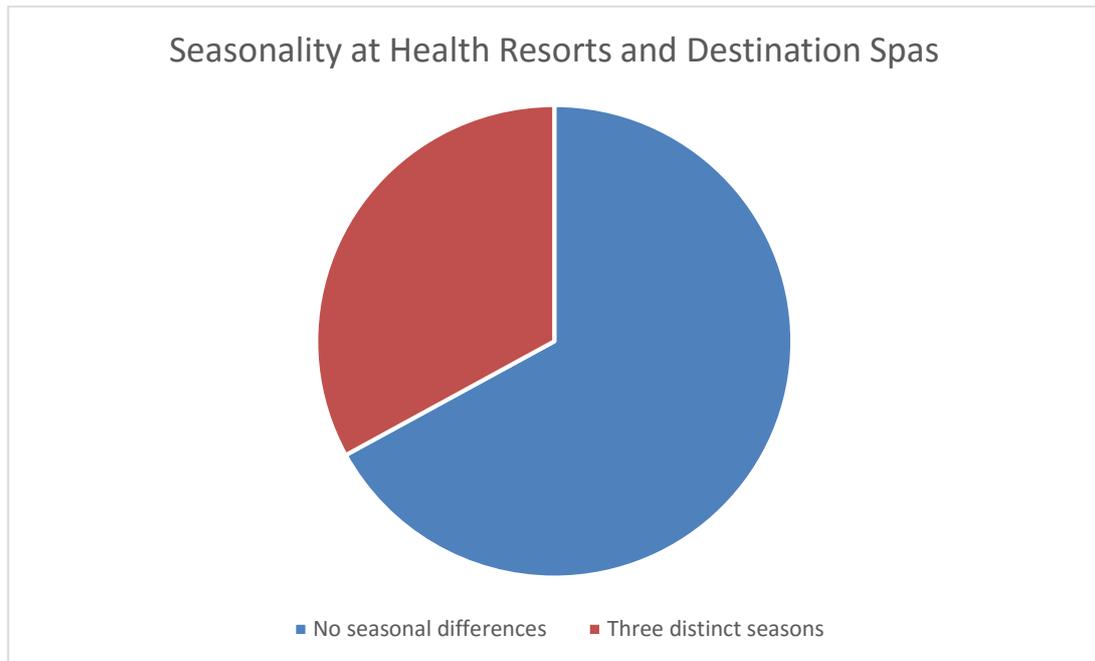
5.3 Category 3: Health Resorts and Destination Spas

The third category includes health resorts and spa facilities. We received responses from four companies.

Key data

The average number of employees in health resorts is about 77, depending on the size of the resort, and ranges from 64 to 87 employees. The occupancy rates at health resorts is very high throughout the year, as the costs of the stay are often covered by health insurance. Therefore, the capacity is almost 90% throughout the year, and many guests are on waiting lists to get a slot for a "cure". As a consequence, even if a guest becomes ill and cannot take advantage of a reservation at the health resort, in most cases, the individual can be replaced and the bed does not remain empty.

Most of the resorts (67%) do not have seasonal fluctuations, because they are destinations where the guests/patients come throughout the whole year. The remaining third state that the year is divided into 3 seasons, but the capacity is good in all of them.



The average costs per guest per week are € 662. Considering that the average length of stay at a health resort lasts for 3 weeks, the total costs per guest per stay are € 1,986. Health resorts also operate day-in, day-out, year round without a break even for holidays. The average revenue per year is calculated by the average number of visitors multiplied by the average costs per guest. Further the average number of visitors is calculated by the capacity multiplied by the average number of rooms a health resort has. Based on these figures Hence the average calculated average number of visitors per day is 140 and this leads to an estimated average revenue of € 4.8 million per year.

Concerning the guest demographics, the average age is 61, although people of all ages are theoretically allowed to take a cure. Nonetheless, the type of ailments that the traditional cure addresses are ones that become more serious with increasing age, and this is reflected in guest demographics for this sector. Although the cure is in theory also directed at prevention, in fact the health insurance companies are more

likely to approve a cure if an individual already has clear symptoms in problem areas such as support/musculoskeletal, circulatory disorders, metabolic disease, HVAC disease, spinal problems, venous diseases etc. Preventive measures thus are generally in the context of recovery and rehabilitation from some disease or injury, at least if they are paid for by insurance.

The self-payer market, on the other hand, is much more focussed on prevention. Individual care and the prevention of the effects of aging are important reasons for people to book a stay at a health resort, which they pay for themselves. Their main aspiration is to search for ways to do wellness, relaxation and to find peace. They want to do something good for their health and body. Many active professionals regularly book weekly packages in health resorts. They seek active holidays with sport activities and they are attracted by the beautiful natural surroundings and various hiking possibilities in those areas.

Typical infrastructure

The question concerning the typical infrastructure in health resorts was answered in the earlier section of this work based on website research.

Significance of sustainability

Sustainability plays an essential role for health resorts as they try to include surrounding shops, businesses and leisure activity programmes in the offers to their guests. For example, they try to use regional and seasonal food in the kitchen by purchasing products from the local bakeries, farmers and butchers. They also try to keep the whole business sustainable by also using, for example, locally produced natural cosmetics and regional heating systems.

Regional networking and cooperation with regional businesses is significant for health resorts, as they generally have long-term cooperative arrangements with regional partners, and these contacts strengthen the bonds within the destination. Even though every business markets itself, the strong cooperation within the tourism sector and the partnerships with the neighbouring towns is very important as they present the destination as a whole and make it more attractive for visitors. Many guests lead to increased purchasing power and ultimately revive the regional economy and its traditional businesses. An example of this kind of intense regional networking is the

“GenussCard” in the Styrian “Themenland” region. Guests at the health resorts and other accommodation facilities in the region get a pass, the cost of which is included in the fee they pay for the accommodation. With the card the guest gets either free admission to 120 of the area’s tourism attractions, and with a minimum stay of three nights, free entry into one of the region’s thermal spas is also included (GenussCard, n.d.).

Also employing people from the region supports the efforts of the health resorts in the area of sustainability by making a clear contribution to the local economy. But not only integrating the local economy and community is important. In terms of marketing the resorts consistently emphasize the natural beauty of the areas where they are located and the healing qualities of that natural environment. They generally provide options for outdoor activities such as hiking, healing trails, natural gardens, etc. By introducing new offers for customers they try to attract them with their ideas and innovations and this leads to a high number of regular guests.

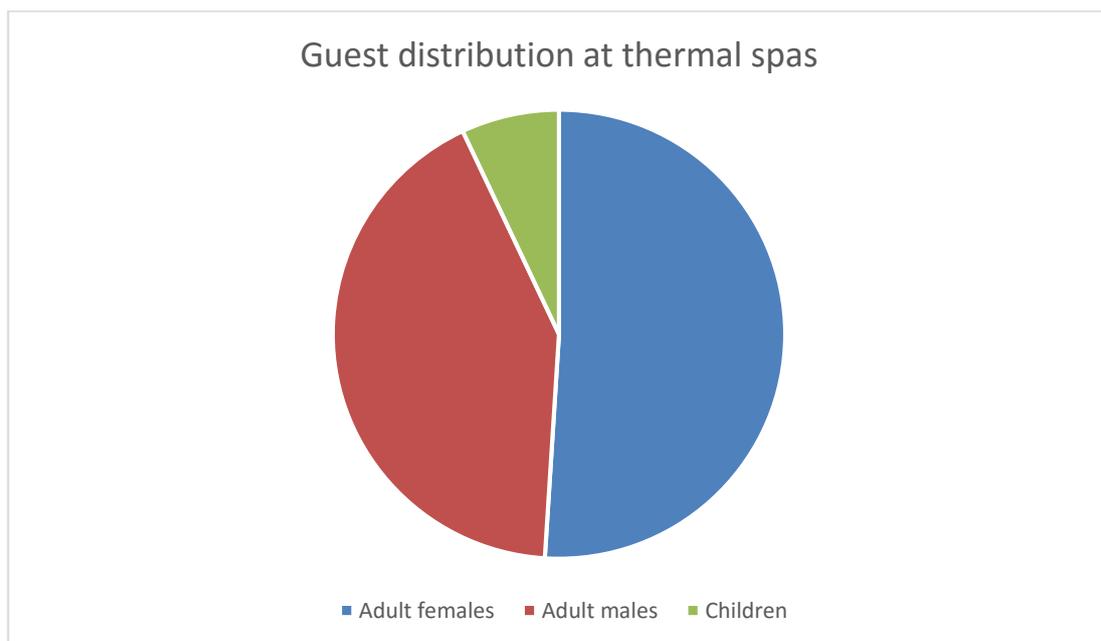
5.4 Category 4: Thermal/Mineral Spring Spas

The fourth category includes thermal and mineral spring spas. A total of six companies participated in the survey.

Key data

According to the responses in the interviews, the thermal and mineral spring spas have 209 employees per establishment on average. To calculate the average revenue, we multiplied with the average daily visitorship times the average entrance fee and then added the average treatment price multiplied by the average number of guests who book an additional treatment. The thermal spring spas average about 1,000 guests per day who pay an average entrance fee of €30. On average, only 10% of the guests book an additional treatment, although here the range between the thermal spring spas is very wide (1% to 33%). But if we take the average of 10% as a guide, this means that about 100 guests book an additional treatment, which on average costs about € 55. The range in treatment prices is from €34 to € 71. So taken together, this means an estimated revenue of €35,500 € per day, not just under €13 million per year.

It was not possible for us to determine the customers' average length of stay. But it can be assumed that in thermal baths, the majority are day guests. The majority of respondents (84%) stated that their seasonality is bimodal (winter and July/August). The other 16% reported that winter is the peak season, while visitorship in the summer months is lower. All of them indicate that visitorship is overall very good and in accordance with their planning, but only two of the six respondents gave concrete numbers--namely that they operate on average at 75% and 63% of capacity respectively. Concerning the guest demographics, the average age of the guests is 41 years, and 51% of the guests are female, 42% are male, while the remaining 7% are children of unspecified gender.



In connection with common characteristics it can be stated that 83% of the guests focus on relaxation and prefer high quality standards. They have quite a high income and put emphasis on regionality. One of the eight respondents (16%) indicated that his thermal bath targets families with kids, and in this facility 40% of all guests are children aged from 0-15 years. Most of the other thermal spas do have special offers for kids, but the majority focus on singles and couples that value high standards and are willing to pay for it.

Typical infrastructure

The question concerning the typical infrastructure in a thermal spring has been answered already previously in the section of this work based on website research.

Significance of sustainability

For 67% of the thermal spring spas, sustainability plays an important role. They focus on using regional and organic products in the spa area as well as in the F&B area. One of them even developed their own product line with ingredients that only grow “in front of their door”. Moreover, they not only focus on using regional products but seasonal products as well. This indicates a high consciousness about the need to support domestic agriculture and regional economy.

The other 33% do not focus on sustainability so clearly or reported that they were uncertain about how important sustainability is for them. This latter response was quite surprising and reflects a rather unexpected lack of consciousness of the importance of this topic.

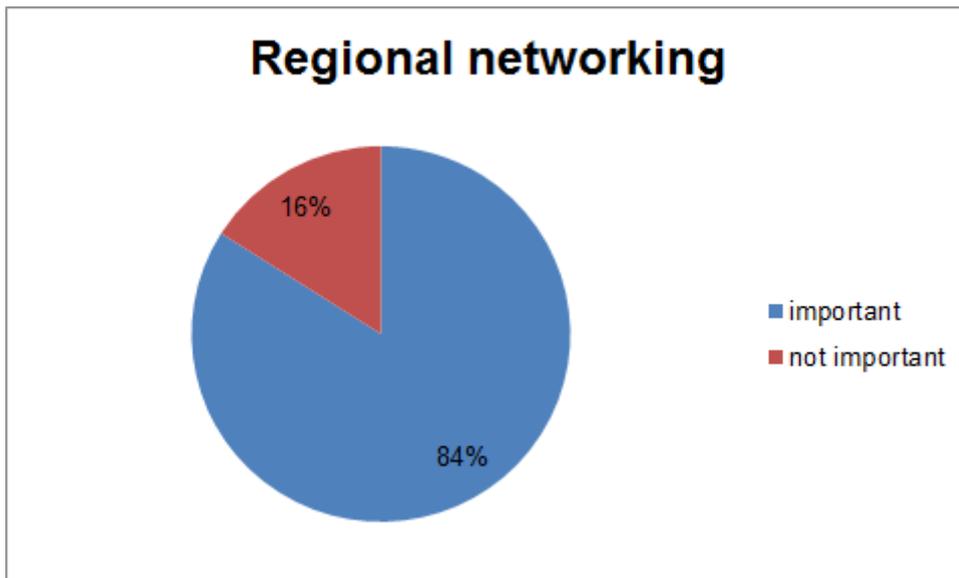
In connection with their emphasis on the company's marketing efforts concerning the healing qualities of their natural location, 50 % of the respondents said they make the thermal water a main focus of their marketing. On the homepage it is easy to find all the necessary information about the healing properties of the thermal water. Most of them emphasize the following effects of the water on the body: muscle relaxation, positive benefits for the skin, improved blood circulation, support for the musculoskeletal system and its relaxing effects, which are important preventative attributes in connection with stress and burnout. They also give information about the spring where the water comes from and the ingredients (mineral substances).

The other 50% of the respondents do not emphasize a deliberate marketing of their thermal water. Either there is an experts' report about the healing qualities hidden on the homepage or there is no information about the healing qualities of the water at all.

With regard to regional networking, 84% of the thermal baths interviewed consider regional networking as very important and vital for their business. They participate in networks with competitors, with partner companies and also with the local tourism

offices. They profit from synergies; so, for example, when they do not provide accommodation themselves, they work together with hotels and guests houses in the region which brings advantages to both of the parties. All of them also mentioned networks with farmers and other local food suppliers.

Only one of the six respondents (16%) did not think that regional networking is very important. For this respondent, local suppliers have insufficient capacity and are too unreliable. This thermal spring spa depends, therefore, on the ability of other (bigger) companies outside of the region to provide delivery guarantees and consistent supply. In keeping with this attitude, this thermal spa does not participate in any regional network.



This leads finally to the companies' contribution to the local economy in general. All the companies surveyed see their contribution in creating more jobs for locals in the region. Another contribution to the local economy is that their customers consume and buy things (for example groceries) in regional shops and restaurants. All thermal baths interviewed also affirmed that they support rural tourism development. Unfortunately, none of them gave particular examples of how they do this.

5.5 Category 5: Medical/Cosmetic Day Spas

No interviews with medical or cosmetic spas were conducted in the course of the empirical research. See the earlier section based on web research for more information on this category.

6 Discussion

Within the following chapter, the results from the web-based research and the survey will be discussed for each category.

6.1 Category 1: Day/Club/Salon Spas

In this category, one main agreement between the desk research and field research could be found in the area of sustainability. The majority of the companies surveyed indicated that sustainability plays an important role within their spa. The utilization of regional and natural cosmetic products can be interpreted as an indicator for sustainability. Moreover, most of the salons surveyed try to avoid plastic as much as possible by prioritizing glass bottles and products which are packaged in cartons and by using recyclable materials.

This result complies with the findings of the desk research. Some companies state their commitment to sustainability quite directly on the homepage. The spas consider the usage of high-quality products as very important. The creams, oils and lotions should be as natural as possible whilst including ingredients from organic cultivation and excluding chemical preservatives, solvents and problematic materials such as formaldehyde, silicone or paraffin. Additionally, the analysed companies place value on the effects of natural products from the region. These are, for example, domestic organic cosmetic products which are free from chemical-artificial fragrances and preservatives.

Some questions could not be answered, neither through field research nor desk research. Considering the marketing of the healing qualities of the location, there are no results for this category. The authors of this report see the reason for that in the fact that day/club/salon spas do not depend on their location or the healing quality of their location like a thermal spring spa does. The healing qualities (for example of the air, soil or thermal water) play a secondary role, as those companies mostly focus on cosmetics. Because beauty salons generally focus on local clientele and not on tourists, it was also not surprising that these businesses do not typically engage in cooperative arrangements with rural tourism providers in their areas. This question is also one that applies more to hotels and thermal spring spas.

6.2 Category 2: Hotel/Resort Spas

In the area of hotel/resort spas, some accordance between desk research and field research can be observed in the infrastructure and the support of the rural tourism operators. In terms of infrastructure, the theoretical results state that the size of the hotel/resort spas ranges from 500 m² to several thousand m². The outcome of the empirical research is similar with an average size of 3,500 m² of the hotels and resort spas investigated, ranging from 1,100 m² up to 12,500 m².

With regard to the support of the rural tourism providers, both desk research and field research conclude that the hotel and resort spas contribute to the creation of workplaces which particularly benefits the local inhabitants (as an employer in the region) and subsequently the economy. Especially international guests rank among the visitors of the companies surveyed.

Desk research and field research show different results in the field of regional networks. Only one out of seven hotel/resort spas investigated cooperates with a company in the region, whereas the theory assumes that hotel and resort spas focus more on regional cooperation and collaboration. Especially types of cooperation with local communities, tourism offices, farmers, winegrowers and providers of touristic attractions (e.g. museums & ski lift operators) are paramount for the support of the region and the economy.

One explanation for the contradictory results for this question could be that the companies investigated have a different definition of the term "regional networking". If they obtain commodities from local and domestic suppliers, they may not define this business relationship as a regional network, but instead think of memberships in different organizations and associations. But for the authors of this report, such connections with local suppliers do constitute regional networking.

Second, neither desk research nor field research was able to determine the average length of stay in this category, which may be related to the very differing target groups in this category. One possible approach to address this could have been to investigate the companies divided according to target group and to separately analyse the average length of the stay for each target group. There was insufficient time for such follow-up research, however.

The third unanswered question refers to the marketing of the healing qualities of the location. The desk research team revealed a slight tendency of the marketing strategy of the companies

investigated to the near surrounding whereas they utilize the existing brands of touristic umbrella associations, but they do not focus on the healing qualities.

6.3 Category 3: Health resorts

For this category the findings of desk and field research diverge slightly regarding the average number of employees and demographical data about the visitors of health resorts in Austria. The survey results suggest in an average number of 77 employees of 77, with a range from 64 to 87 employees depending on the size of the resort. The average number of employees at Austrian health resorts as revealed by desk research was higher (100), but this difference is probably related to the small sample size of the survey. Concerning the guest demographics, the age range of guests spans from 35 to 80 years, whereas it can be said that the average age of the visitors is 61, which is understandable given the nature of the financing of this segment (health insurance)

Another common finding of desk and field research is the average length of stay by guests, which normally is 22 days. In terms of sustainability investigations show that health resorts usually include the principles of sustainability in their corporate identity. Furthermore, they put emphasis on regional networking, contribute to the local economy and cooperate with different tourism organizations, partners and the local community.

The question of the typical infrastructure of health resorts was left open due to the fact that it wasn't mentioned in the questionnaire for this category and couldn't be completely answered by the desk research. Moreover, a problem during the research was to put the terms Health Resorts/Sanatoria or Destination Spas in one category as they have a different meaning in Austria and are not comparable. In Austria the term sanatorium is also used for private clinics, which are more similar to a hospital than to spa facilities because of the medical treatments provided there. Therefore, the authors focused on the term health resorts during the research of this category. Health resorts in Austria are establishments that provide health treatments covered by government insurance schemes.

6.4 Category 4: Thermal/Mineral Spring Spas

The research on thermal and mineral spring spas revealed an average number of employees of either 235 or 209, depending on whether the desk research or the survey results are to be believed. Given the small survey sample size and the relatively small difference in the results, one can assume that something close to the 235 figure is probably correct. Where there is more divergence is in the question of annual revenue.

In addition, the desk research revealed an average revenue of about 3.5 million euro (in the year 2015) from entry fees, whereas the survey shows an average revenue of about 12.5 million euro altogether (including treatments). Two significant differences in these numbers are the average price of admission and the number of visitors per thermal spa. Our research placed the average price of admission at approximately twice as high as that reported by Kreutzer, Fischer & Partner. The only explanation we have for the difference is that there may be rebates included in the entry prices assumed by Kreutzer, Fischer & Partner. Regarding the number of visitors per spa there is also a significant difference in the findings of desk and field research. Average visitorship according to Kreutzer, Fischer & Partner was only 225,000 per year—only a little over 600 per day. The findings of our field survey were significantly higher at 1,046 guests per day. Because the thermal spas we surveyed are actually on the small size compared to the norm for Austrian thermal spas, we cannot explain this difference merely on the basis of the nature of our sample.

The survey shows that the average age of the guests is approximately 41 years, and the majority of spas focuses on singles or pairs with a consciousness and preference for high quality. This is also apparent from our examination of selected websites of thermal spas.

In theory, the thermal spas strongly focus on the healing qualities of the thermal water, but in practice, only 50% of the spas surveyed obviously promote the healing qualities on their homepage. Those thermal spas which emphasize the healing qualities also explain the mineral nutrients and the healing effects on the body throughout their marketing campaigns.

Concerning the infrastructure, both the desk and field research came to the conclusion that all spas have a big pool area (at least 1000 m²) and only a few are family-friendly. All spas included in the research contain a gym or at least a fitness program for the customers. All of the spas

surveyed offer different kinds of saunas, whereas website research suggests that this is normally, but not always the case.

The results of website and field research both support the conclusion that the thermal spas strongly contribute to the local economy. Most of thermal spas have an in-house hotel complex and this alone contributes to the local economy. Another reason is that many thermal spas organize events in cooperation with tourism organizations and local farmers, which generates an additional source of income. The website research suggests that lots of thermal spring spas offer an extended regional network of biking paths as well as nature adventure trips, often in cooperation with other tourism organizations. Moreover, most of the thermal spas belong to an umbrella brand (e.g. VAMED Vitality World) which allows them to engage in more extensive marketing activities due to the higher financial resources. The results of the survey state that thermal spring spas use regional products and therefore support the local farmers and entrepreneurs.

The website research suggests that regional networking is essential in order to offer a natural landscape in connection with authentic culinary delights, cultural attractions and nature activities. In addition, the survey shows that for more than 80% of the thermal spas surveyed regional networking is very important for their business. They focus on the economic aspect and contribute in networks with competitors, partner companies, local tourism offices, hotels, farmers and food suppliers.

One question that could only be answered by field investigation is how the Austrian wellness industry supports the rural tourism providers in their region in particular. The result is that destination management organizations such as the Thermenland Steiermark support rural tourism organizations by providing recommendations for the guests about the local farmers and arranging excursions. Moreover, the region is presented in the daily guest newspaper and there is an active cooperation with tourist offices.

7 Methodological critique and limitations

One advantage of the methodological approach taken in this study was gathering data from a survey, published data and website research. This permitted us to compare the results from various sources. This proved very important, as one of the chief obstacles we faced was the low

response rate to our survey. Without the added information gathered from other sources, we would have had no way to judge how reliable our results were. In some cases, however, our survey results differed significantly from what we were able to find elsewhere. When that happened we were sometimes able to find an explanation in the different ways that estimations were reached. In other cases we were unable to come up with an explanation for the discrepancies. When in doubt, however, we trust our data, as we at least know how it was gathered, which was not always the case with other sources.

Nonetheless, there were some problems with how we gathered information in the survey. The questions were all open without prescribed answer options (e.g. in a Likert scale). The lack of standardized answers within a given frame involved difficulties in the analysis and evaluation process. This fact also implied that the answers were not precise enough to gain explicit results. The questions that included facts and figures were mostly answered within a range of numbers (e.g. the average expense of a guest is between 50 and 100 Euros). Consequently, the calculations and outcome of the field research team is mostly based on estimation and interpretations. Moreover, the calculation of the average revenue does not take into account some important aspects, such as opening hours and capacities.

Despite these difficulties, this report provides the first overview of the Austrian wellness industry in English and can serve as a foundation for further reports of this type in the future.

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