



Developing a Competitive Health and Well-being Destination

Edited by

Donna Dvorak, Susanna Saari, Telle Tuominen

Authors

Telle Tuominen, Daniel Binder, Donna Dvorak, Christian Husak, Kai Illing, Steffen Lange, Lucie PlzÁková, Susanna Saari, Robert Schmidt

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Preface

Recent years have seen vast development in the wellness industry, including growth in the number of spas and wellness hotels around the globe. It seems that words like “downshifting,” “mindfulness,” “well-being,” and “wellness” fill the media, while stressed out people seek new ways of living healthy and full lives. Well-being has become a megatrend” (Extracted from Chapter 2).

This is already the second time that Turku University of Applied Sciences has been involved in research related to the health and well-being tourism megatrend. The previous EU-funded research project, “ILIS” (Innovations and Learning in Spa Management), focused on the more narrow business area of managing spas. During ILIS, three of the present project partners identified a common area of interest that was yet to be covered in the research literature: developing health and well-being tourism destinations. This electronic publication, “**Developing a Competitive Health and Well-being Destination**,” tries to help in filling this gap which was recognised some five years ago.

This publication was produced as part of the WelDest project (Health and Well-being in a Tourism Destination, 2012-2014), which was financed by the European Union’s Erasmus/Lifelong Learning Programme, involving co-operation between higher education and industry. The WelDest consortium consisted of five higher education institutions, ten industry partners and fifteen associate partners from five European countries: Austria, the Czech Republic, Finland, Germany, and the UK. These countries represent different stages of development in health and well-being tourism.

During the past two years, the core team conducted stakeholder interviews and customer surveys, benchmarked partner destinations across Europe, and read thousands of pages of related articles and books, as well as browsed websites. The team deliberated over many definitions and points of view, but luckily a solution was always found in the end. I would like to take this opportunity to thank all the research team members for their commitment and dedication during WelDest. An especially big thank-you goes to my co-editors: Donna Dvorak and Telle Tuominen, and to Daniel Binder, whose team worked on the final layout. Finally, I want to thank the ten industry partners, who dedicated their time and knowledge during the interviews, local focus groups, Open Space session, and throughout the project. Their insights into the health and well-being tourism industry were invaluable. Finally, I wish you — the reader — enjoyable moments while diving into the world of health and well-being tourism.

Turku, November 2014

Susanna Saari
Project manager
Turku University of Applied Sciences



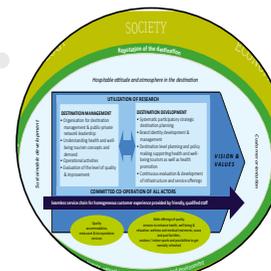
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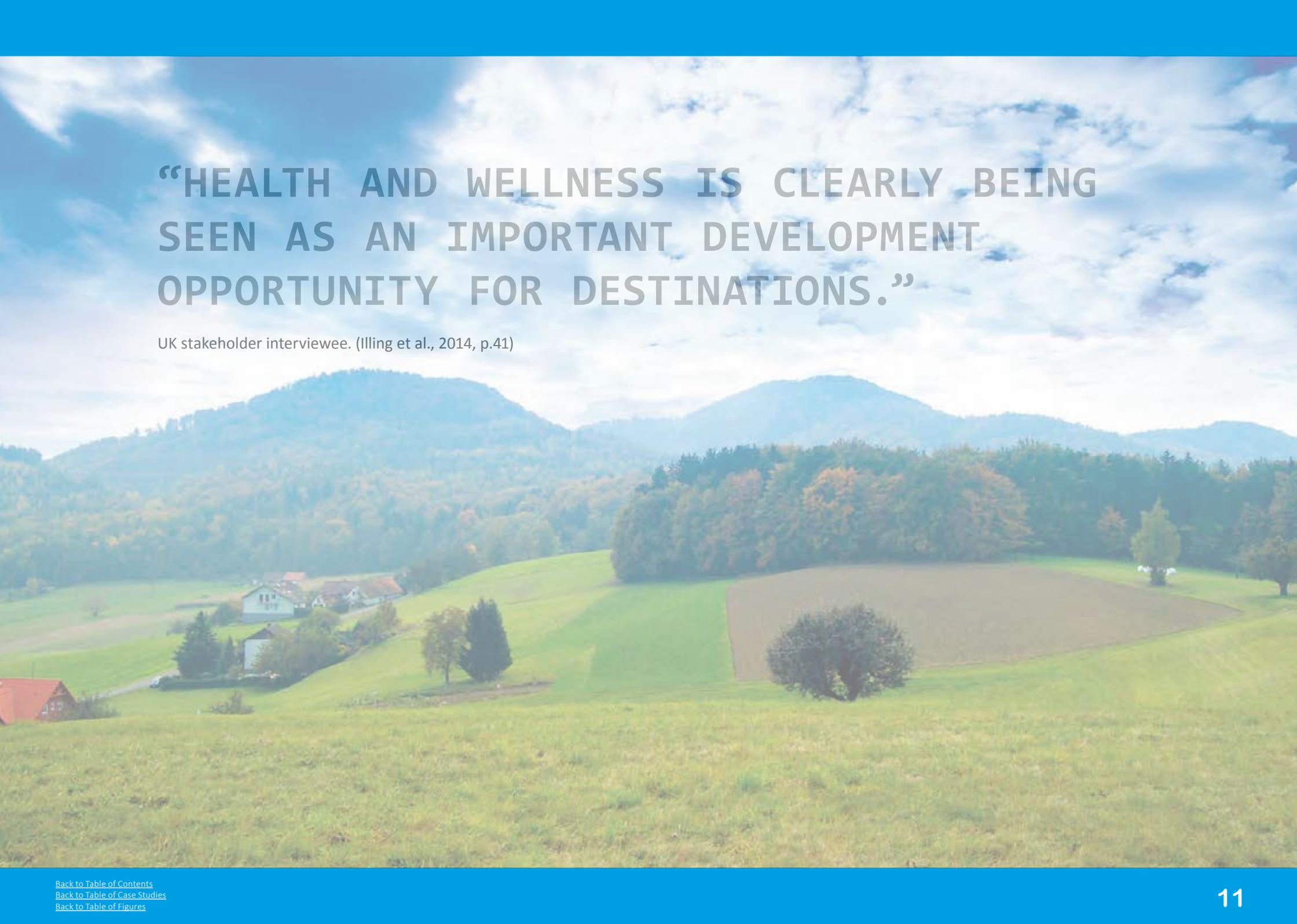
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CHAPTER 1: INTRODUCTION





“HEALTH AND WELLNESS IS CLEARLY BEING SEEN AS AN IMPORTANT DEVELOPMENT OPPORTUNITY FOR DESTINATIONS.”

UK stakeholder interviewee. (Illing et al., 2014, p.41)



The WelDest project, funded by the EACEA, was undertaken to explore and research health and well-being in tourism destinations. Based on these findings, the aim was to create a development framework to be used by public bodies, destination management organizations (DMOs) and private companies at tourism destinations willing to strengthen the elements influencing the well-being level of tourists and locals alike, and willing to develop towards becoming a more holistic and sustainable health and well-being destination. Research was conducted in both electronic and paper form in 5 countries across Europe (Austria, the Czech Republic, Finland, Germany and the UK) with the participation of representatives from both the supply and demand sides in health and well-being destinations, including visitors and tourists, managers of local health and well-being tourism companies, managers / experts of for example, destination development organizations, environmental administration, and health care administration and policy makers.

FOLLOW ME:

[The WelDest research report, including a full description of the methodology and the complete results, can be found here.](#)

In addition to being beneficial for those in the industry looking for instructional material on health and well-being destination development, the e-handbook can also be used for academic purposes, and when accompanied by the course design and educator instructions, can provide material for undergraduate or graduate courses at institutions with various types and levels of study. It can also, of course, serve as educational material for the general public, or anyone interested in health and well-being.

This e-handbook has been created around the framework that was produced as part of the project, and it is structured according to the different components in the framework model, with each chapter and sub-chapter examining one of the components in detail. The framework model itself, along with its summary, is presented in chapter 3 of this e-handbook.

This book has been designed so that you, as the reader, can read the chapters that are most relevant and useful to you, and in the order that is most appropriate for your situation.

Most chapters are comprised of several parts, beginning with the theoretical. Readers are taken through the most important aspects of the topic and familiarized with the theory behind each of the concepts discussed in the chapter, from broad concepts such as wellness, to specifics such as the details of destination management.



The research sections show how the theory is supported by or compares to WelDest research findings. These new results are discussed in the light of existing theory and acquaint the reader with how the framework model itself was created. Case studies illustrate the concepts in a real-world context and provide opportunities for considering solutions implemented in health and well-being destinations around Europe and the world, as well as examples of benchmarking and best practices.



The practical suggestions sections provide concrete ideas especially for those in the industry looking for guidance or direction in the development of their health and well-being destination.

The final chapter of the e-handbook (chapter 6) contains the Self-Assessment and Development Tool. Used in conjunction with the e-handbook, this interactive tool, using a detailed set of indicators, each requiring discussion and evaluation, can provide a description of a destination's current situation in the context of its development toward becoming a health and well-being destination. It also shows how far the destination is from becoming the perfect or ideal health and well-being destination by identifying the key gaps in its development.

The authors of this e-handbook, and all members of the WelDest project team, hope that this project,

and especially this publication, will facilitate the stakeholders and the service suppliers in tourism destinations in developing their offering and marketing. A more detailed recognition and a better understanding of health and well-being elements, especially nature-based resources, can help development or to (re)vitalize development also in places like rural areas. A well-defined destination profile helps attract the desired tourist segments whose needs can be better met. This increases customer satisfaction and leads to a holistic destination experience. And, as students' and the general public's knowledge about the importance and possibilities of preventative health activities grow, the amount and range of health and well-being services offered by the private sector will increase. This will create job opportunities, for which WelDest research has also defined the key competencies and skills needed. Health and well-being appears to be a megatrend, and it is one that can bring benefits not to a few, but to many with its emphasis on quality, and on the healthy, sustainable and holistic aspects of tourism.



CHAPTER 2: THE MEGATREND OF HEALTH AND WELL-BEING IN A TOURISM CONTEXT

- 2.1 Determinants of the Health and Well-being Megatrend**
- 2.2 Definitions of Health and Well-being Destination**
- 2.3 Health and Well-being Consumers – Defining the Segment**





2.1 Determinants of the Health and Well-being Megatrend

Recent years have seen vast development in the wellness industry, including growth in the number of spas and wellness hotels around the globe. It seems that words like “downshifting,” “mindfulness,” “well-being” and “wellness” fill the media, while stressed out people seek new ways of living healthy and full lives. Well-being has become a megatrend.

According to Lindqvist and Rehn (2013, pp.10-14) the development of trends can be divided into micro, macro, mega and giga trends. Microtrends are, for example, the little things from the clothes we wear to what we eat, and how we work. Macrotrends are either aggregated microtrends or more sweeping changes that are affecting society and those things we can already see and sense. This means that we all see how major changes affect both our daily lives and society as a whole. Megatrends are grown up macrotrends. They are so big they affect the lives of the human race. If a trend is general enough to go ‘mega’, it has become to be generally known. German Zukunftsinstitut, a leading European institute for future studies, defines a megatrend as a phenomenon expanding for at least 50 years, and has consequences that are reflected globally at many levels of society, for example, economy, culture and politics (Huber, Steinle, Steinle and Armellini, 2013, p.16). A gigatrend is bigger than a megatrend, but it is difficult to know exactly what ‘bigger’ means (Lindqvist and Rehn, 2014, p.4).

According to the World Travel & Tourism Council (2014), the total contribution of tourism to global GDP grew by

3.0% in 2013, faster than overall economic growth for the third consecutive year and outperforming other global sectors such as manufacturing, retail and distribution, public services and financial and business services. The European travel market has been boosted by strong demand from long-haul markets that have exceeded expectations (WTTC, 2014). The rise of a global middle class and the basic contemporary human need to rest, de-stress, and experience other places and cultures also continues to fuel tourism industries (SRI International, 2010, p.1). Many consumers are fighting back, seeking better ways to take care of themselves, making life style changes, and taking a greater responsibility toward maintaining good health. This trend is driving the emergence of a wellness industry that, according to the Global Wellness Institute (2014, pp.3-4), broadly includes complementary and alternative medicine, nutrition and weight-loss, spa, fitness and mind-body activities, beauty and anti-aging, preventive and personalized health, and wellness tourism. As the chairman and CEO of the Global Wellness Institute, Ms Susie Ellis, puts it: “Wellness tourism may be one of the most important megatrends our world has ever seen” (Global Wellness Institute, 2014, preface).

The German Zukunftsinstitut publishes several megatrend, trend and microtrend reports yearly. The megatrends introduced at “Die Zukunft des Konsums,” a book about overall future consumerism, and “Tourismusreport,” the future of tourism, can easily be thought to also influence well-being tourism. According

to Zukunftsinstitut, meta-services will change the service society as we know it. The development of meta-services goes hand in hand with the development of technology and the megatrend of individualisation. By utilizing digital, two-way data distribution, we can produce customer services that are personalized and depend on circumstances (Huber, Steinle, Steinle and Armellini, 2013, pp.6 – 7). Meta-services are based on intellectual knowledge management, i.e. “big data,” which has been applied in tourism for a while when offering the traveller knowledge about nearby services to his smartphone utilizing for example, QR-codes, mobile tagging, Bluetooth, and augmented-reality-applications (Kirigs, 2013, p.39). Big data could be defined as a collection of data from traditional and digital sources inside and outside a company that represents a source for ongoing discovery and analysis (Arthur, 2013).

With the use of big data, companies have new ways of targeting their marketing communications and utilizing customer data in their service development. For example, Disney gives its customers a “Magic Band” bracelet which offers visitors surprises, price deals and recommendations, but at the same time collects valuable customer data about their interests, behaviour, length of stay, etc. Data protection of course becomes an issue to consider here.



Being transparent and having customer consent are keys to success when using big data (Huber, Steinle, Steinle and Armellini, 2013, p.87 and Kirigs, 2013, pp.40–41).

The Internet is a source of health-related information to us all. Applications related to health enable a fascinating journey to one's own health. Over two thirds of Americans already follow their personal health status with different self-tracking applications. A growing number of “basically healthy” persons have realised that they can reach for an even better personal level of well-being instead of settling for the traditional sickness – healthiness dichotomy (Huber, Steinle, Steinle and Armellini, 2013, pp.80, 82 – 84).

We already have several examples of combining meta-services with concrete products: An Oral toothbrush will tell you if you are brushing for too short a time; the container of Vitality will remind you of the correct time to take your medication; Daiwan toilet seat will analyse your urine, among other things, and measure your blood pressure; Nestlé innovation will heat the right amount of milk for the right time with given “baby-specific” details (Huber, Steinle, Steinle and Armellini, 2013, pp.82, 84, 85, 89).

Increasing one's life energy and quality are ever growing goals for more and more people (Huber,

Steinle, Steinle and Armellini, 2013, p.78). Many customers are disappointed with traditional Western medicine as they feel it only concentrates on one organ, limb, etc. at a time instead of looking at a human as a psychophysical entity. Studies also show that in Western countries, medication and surgery are used too often instead of activating one's own body to heal itself or correcting one's lifestyle and habits. The growing interest towards for example, homeopathy reflects the disappointment in traditional Western medicine (Huber, Steinle, Steinle and Armellini, 2013, pp.78, 80).

In tourism, the choice of destination is decreasingly dictated by the destination and its sights, while more emphasis is given to emotions, i.e. the notions a tourist has about how the destination can offer emotions to enhance life quality, for example, relaxation, euphoria and empowerment. This will challenge marketing communication at a destination level (Huber, Steinle, Steinle and Armellini, 2013, p.88). Kirigs (2013, pp.58, 62) argues that atmosphere, experience, conception and ethics will rise to the core of marketing messages.

At the destination the tourist will appreciate the local touch: local handicrafts, local knowhow and local food are increasingly being found via local

electronic word of mouth (eWOM)* — i.e. spotted by locals. Tourists really want to investigate this “locality” and it can very well mean a local neighbourhood (part of a city or town), village or at the company level (e.g., urban-farming). An increasing number of travellers find it interesting to participate in destination-level voluntary tourism projects as an ethical and “local-centered” choice of travel. The significance of locals in tourism will increase: residents happy with their locality are a prerequisite for a flourishing tourism economy (Kirigs, 2013, pp.22–23, 28, 64).

The “green everywhere” megatrend requires tourism services to also be ecological, organic, ethical, and energy saving, as well as be accessible by public transportation. Even those mass-tourism-era destinations can brighten their image by investing in sustainability, accessibility, nature preservation and by highlighting the fact that concentrated tourism (at the destination level) can be a way of alternative travel that actually spare other areas from tourism use (Kirigs, 2013, pp.25, 87).

Status that relies on material and ownership will lose its importance. Nature, peacefulness or

* Any positive or negative statement made by potential, actual, or former customers about a product or company, which is made available to a multitude of people and institutions via the Internet (Hennig-Thurau et al. 2004).

exercise can bring status in tourism (Huber, Steinle, Steinle and Armellini, 2013, p.23 and Kirigs, 2013, p.79). "Shareconomy" can be seen for example in, the growing range of accommodation services that challenge the traditional hotel industry (Kirigs, 2013, p.12). The future well-being tourist might well be a home-changer who will utilize tips from a local home owner as to where to find his/her favourite well-being services and places.

In summary, it can be said that we are currently living in a world that encourages healthy lifestyles in a sustainable environment. However, this megatrend has to date reached the well-educated people with higher income levels and it remains to be seen how all the levels of the society will be reached in years to come.

FOLLOW ME:

More about global spa and wellness trends can be found in the following article:

[Spafinder Wellness365: 2014 Trends Report](#)



2.2 Definitions of Health and Well-being Destination

The definitions around health tourism, wellness tourism or even words like “wellness” and “well-being” are not yet carved in stone. There are clearly different historic, cultural, and linguistic understandings of health and wellness as has been discovered during the WelDest project; for example, in Finland using the word well-being is preferred over wellness*, and in English the word “health tourism” has been troublesome as they are most familiar with the terms “spa tourism” or “feel good” tourism.

Research of subjective well-being has been conducted since the 1970s. In psychology there are two accepted concepts of well-being:

hedonic well-being (pleasure, subjective happiness, satisfaction with life)

eudemonic well-being (realization of one’s true potential, a meaningful and fulfilling life).

Voigt states that according to positive psychologists, both forms of well-being can be regarded equally important in order to achieve optimal psychological well-being. She concludes that both types of wellness offerings (pleasure and relaxation as well as self-realisation and self-actualisation) are equally worthy and essential in wellness tourism (Voigt, 2014, p.30).

* “Well-being tourism” was recommended in the Finnish health and well-being tourism strategy 2009 – 2013 as an umbrella term, and “wellness” as a sub-term for services with especially high quality and personal service, such as 4 – 5 star hotels and spas.

The World Health Organisation (2006) defines health as “a state of complete physical, mental, and social well-being”. As can be seen in the figure below, Smith and Puczkó (2009, p.7) have tried to demonstrate the spectrum of health tourism where the tourism types are first divided into “wellness” and “medical” and then further into a wide range of products and facilities that have emerged in recent years.



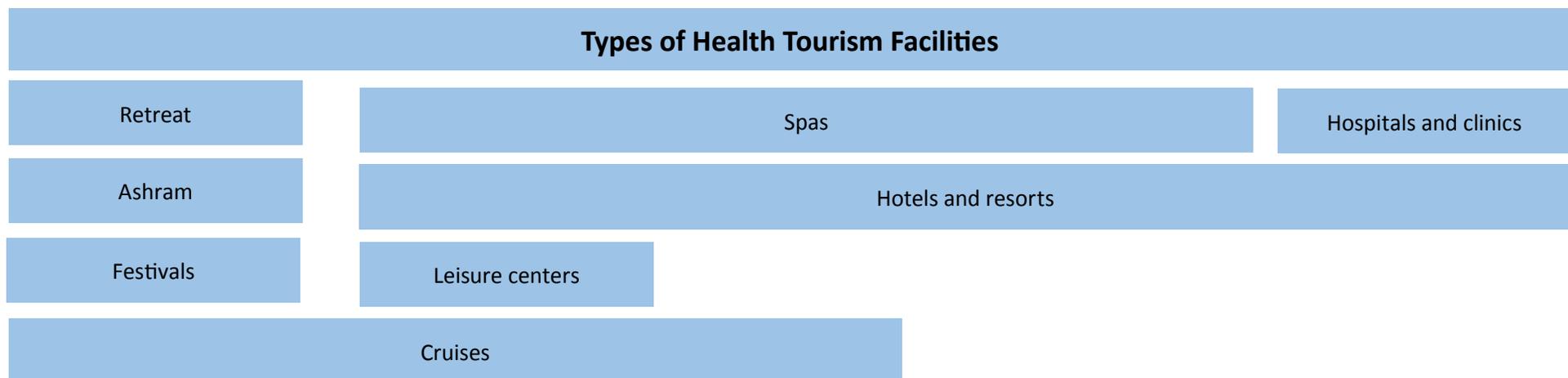
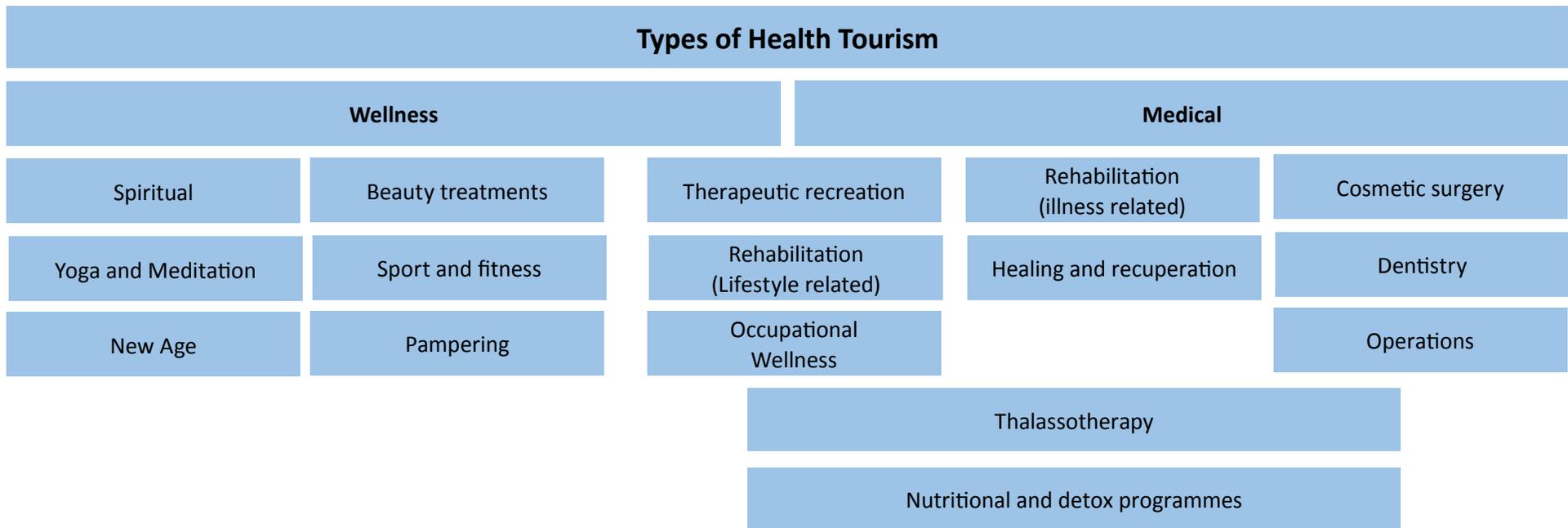


Figure 1. Spectrum of health tourism (Smith and Puczkó 2009, p.7)

According to Smith and Puczkó (2009, p.4), German, Austrian and Swiss academics and practitioners have made some useful distinctions between health and wellness. For example, Müller and Kaufmann (2000) regard wellness tourism as being a subset of health tourism, and distinguish between “cure” (in German “Kur”) tourists and those who seek more general wellness. They discuss how wellness is pursued by “healthy” people with the prime aim of prevention, whereas “cure” tourists want to be healed, recover or recuperate from illness. For

example in Germany, the term “medical wellness” has previously been used. Medical wellness tried to combine the idea of health (cure) and wellness (Smith and Puczkó, 2009, p.5). Smith and Puczko (2014, p.208) define wellness tourism as: “Trips aiming at a state of health featuring the harmony of the body, mind and spirit, self-responsibility, physical fitness, beauty care, healthy nutrition, relaxation, meditation, mental activity, education, environmental sensitivity and social contacts as fundamental elements”.

Wellness is best understood on a continuum, which stretches from poor health at one end to a state of optimal well-being at the other end as featured in The Global Wellness Tourism Economy report (2014, p.4).

Wellness tourism can be seen as a niche segment within the global travel and tourism industry. Tourists can be divided into two segments that both represent unique and important opportunities for businesses, tourism destinations, regions and countries that want to attract

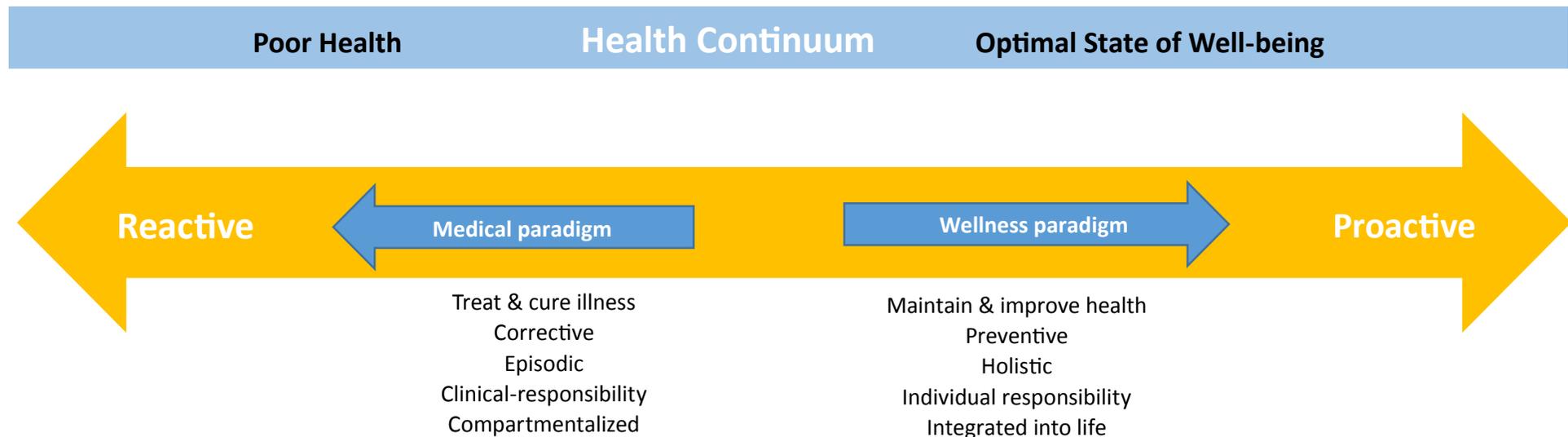


Figure 2. Health continuum concept (The Global Wellness Institute, 2014, p.4)

this high-yield customer market segment. The first are the “primary purpose wellness tourists” whose sole purpose or motivating factor for their trip and destination choice is wellness. Then there is the group of “secondary purpose wellness tourists” who seek to maintain their wellness or participate in wellness experiences while taking any type of trip.

According to Buhalis (2000, p.97), destinations are amalgams of tourism products, offering an integrated experience to consumers, and Gunn (1994 as cited in Haugland, Ness, Grønseth and Aarstad, 2010, p.268) argues that tourism destinations can be considered as complex networks that involve a large number of co-producing actors delivering a variety of products and services.

To set wellness tourism destinations apart from other types of destinations, in other words to define wellness tourism destinations, Voigt and Pforr (2014, pp.292-296) identify the following core resources and competencies:

1. Natural resources (for example, geothermal and mineral waters, therapeutic climate, natural assets like muds, clays and plants, geographical features and landscapes contributing to mental well-being or physical activities)
2. Cultural, historical and spiritual resources (for example, place-specific well-being architecture/heritage like hammam, sauna, rituals like cleansing, and purification ceremonies or traditional spiritual practices such as yoga)
3. Complementary and alternative medicine offerings

- (for example, homeopathy, naturopathy, massage, cupping, transcendental meditation, balneology)
4. Community mind set and wellness-related lifestyle (for example, local communities with wellness-related values and health-conscious lifestyles)
5. Human resources and competencies (a qualified labour force to deliver wellness services)
6. Wellness-specific superstructure (for example, beauty spa resorts/hotels, lifestyle resorts or spiritual retreats)
7. Wellness-related events (for example, events showcasing various facets of health, community health events)
8. Crossover of wellness with other activities/offerings (for example, wellness services combined with nature-based services or medical offerings, or with other interests like local food and beverages).

The European Tourism Indicator System Toolkit, commissioned by the European Commission, sees tourism destinations as the focal point of tourism activity. The toolkit defines tourism destination as follows:

- A geographic area** that is currently or potentially attractive to visitors/tourists
- A place or area which is recognised and can easily be defined as a visitor destination and has a range of facilities and products in place for tourism purposes
- A place or area which is promoted as a destination
- A place or area where it is possible to measure the

** *The size of the destination is not defined. It can be on any scale from a country, to a region or a small island or a village (UNWTO, 2007, p. 1). Voigt and Pforr (2014, p.9) also include self-contained resort complexes in the definitions of destinations.*

- supply of and demand for tourism services i.e. the visitor economy
- A place or area where the visitor management process usually includes a range of public and private sector stakeholders together with the host community (European Commission ,2013, p.10).

WELDEST RESULTS

Based on WelDest research results, a health and well-being destination is defined as: “a health and well-being destination is an area chosen by customers (guests, with either preventive or curative motives) as a travel destination to improve their state of health and/or well-being. The destination includes necessary infrastructure and services such as accommodation, restaurants, and other facilities, with a systematically developed offer for health and well-being. The destination is managed and marketed professionally as a unit” (Illing et al., 2013, p.82).

2.3 Health and Well-being Consumers – Defining the Segment

Development of a tourism destination into a health and well-being destination represents a wealth of opportunities, and in order for a destination to make full use of those opportunities, it is essential that it understands who its consumers are. This means knowing what the different demand segments are and how the needs of these segments differ.

Such an obvious assertion, however, is difficult to corroborate as previous research is scarce and fails to clearly define what exactly a health and well-being destination is, and therefore who the consumers are in these destinations. The Spas and the Global Wellness Market Report (SRI, 2010) regards the wellness industry as a continuum ranging from reactive to proactive approaches to health and wellness (see Figure 2). The reactive end of the continuum focuses on “mechanisms to treat or address existing illnesses or conditions,” while the proactive end of the continuum involves things that “enhance quality of life, improve health, and bring a person to increasingly optimum levels of well-being” (SRI, 2010, p.19). Therefore, according to this same reasoning, the consumers who patronize this industry, and the destinations offering such services, also lie on a continuum. There is no one profile for a consumer in this industry as there are many different sub-sectors along the continuum and various types of clientele for each of the sub-sectors. The report therefore takes a broad approach, categorizing consumers into either “wellness-focused, moderate to active spa-goers,” who want to live a healthy

lifestyle and place great importance on maintaining or improving their level of health and wellness (in other words, those closer to the proactive end of the continuum), or into the category of “sickness reactors, not active spa-goers” (those closer to the reactive end of the continuum). What the report found is that the proactive consumers have relatively high incomes and high levels of education, and do not necessarily see these health and wellness products and services as luxuries. On the other hand, the reactive consumers are those who are often already suffering from a condition or illness and are looking for alternatives for treatment as they may not have been satisfied with the standard medical approach. These people are likely not regular spa-goers, but are significant as they may represent a larger portion of the population than the proactive consumers.

This same report points to research done in 2009 by the Global Market Development Center as they also view consumers as lying on a continuum ranging from reactive to proactive. Going a step further, GMDC defines three segments along this continuum, from calling those on the reactive end the “periphery” consumers – self-focused consumers, concentrating on their own health problems, and not necessarily understanding or acknowledging other various elements of well-being and how they are connected – to the “core” consumers – those taking care to have a holistic approach and clearly recognizing the links between the elements of well-being. Those in

the middle are referred to as “mid-level” consumers. Interestingly, the GMDC report claims that consumers “evolve” along this continuum (from periphery to core), indicating that over time their needs and priorities will change.

It is important to understand who, demographically, falls into these categories. In the U.S. the Baby Boomers represent a large part of the base for the wellness industry. This means aging consumers, with higher levels of income. Laesser (2011, p.86) finds that health travellers are usually female, middle-aged and medium to well-educated. This fact is supported by research presented in the Global Wellness Tourism Economy Report (2013, p.18), which also adds that this demographic is rapidly changing, with interest shifting toward younger generations. The Spas and the Global Wellness Market Report refers to the 2007 National Health Interview Survey which asserts that Baby Boomers use complementary and alternative medicine more than any other demographic, but those belonging to the generations following the Baby Boomers are also very significant consumers, and their interest in wellness services and products is growing (SRI, 2010, p.28).

Another extremely important finding to note from the GMDC report (2009) is that there is great overlap between the consumer base for the narrower spa sector and the wellness industry, which represents a wider field. These both fit nicely under the umbrella

of health and well-being and should lead to such destinations reworking themselves to gain these segments of consumers.

The International Spa Wellness and Spa Tourism Monitor (Puzcko, 2013) affirms that just as the supply is extremely varied in the spa and wellness industries, so is the demand, and it would be an error to assume that it is or can be uniform. The three broad demand segments in this regard are local customers, domestic tourists and international tourists, each with their own needs and specificities. And while some of these may overlap, there will be difficulties in trying to meet the expectations of all three of these segments simultaneously.

As described earlier in chapter 2, in some of the most recent research, the Global Wellness Tourism Economy Report outlines two segments of consumers based on their travel behaviour. Wellness tourists are divided into “primary purpose”, where wellness is the sole motivating factor for the trip, and “secondary purpose,” where wellness products or services may be enjoyed regardless of the type of trip. These segments are seen as compatible with the periphery, mid-level, and core segments of consumers mentioned earlier. The primary purpose wellness tourists are the proactive consumers who generally fall into the core segment, while the secondary purpose wellness tourists are usually the reactive consumers, falling into the mid-level or periphery segments. As in the SRI report, this

report also presumes that these secondary purpose tourists will “evolve” or move, with time, as they enjoy more wellness experiences, toward becoming primary purpose wellness tourists.

So although health and well-being is apparently well on its way to becoming a megatrend, this movement towards people actively seeking out ways to lead healthy, full and balanced lives seems to be so far restricted to particular segments of society. It is these segments that destinations should be focusing on at the moment. However, to expand their customer base, and to develop as the health and well-being movement itself develops, destinations will need to appeal to a wider segment and strive to evolve along with their customers, as they move along the continuum.

these consumers are, what they need and what they expect. What was found is not inconsistent with previous research, but instead may serve to augment previous findings and provide more and deeper insight into this important segment.

The research reveals that the typical guest of a health and well-being destination is a woman aged 21 to 30 years old with a bachelor’s level education, and the main word that comes to mind for this group when thinking about a health and well-being destination is “relaxation.” This group is closely followed by women in their 50s, which is consistent with findings in other research (see the section above). In order for the destination to attract such a guest, it must have good services — particularly related to wellness, and a friendly staff.

Most often the destination is recommended to the woman by her friends, or she has read information about the destination on the Internet. The main reason for visiting the health and well-being destination is so she can do something for her health and she chooses it because it has a good reputation or image. For the typical guest, the term “do something for your health” means relaxing and enjoying pampering spa services. The services, activities and elements these women appreciate most are saunas, pools and steam baths, while an attractive environment plays a very important role too. The most common need when selecting a health and well-being holiday is an escape

WELDEST RESEARCH RESULTS

WelDest research delves deeper into the question of consumer segments in health and well-being destinations. And, as health and well-being is a broadly defined term, those travelling to and consuming the products and services in these broadly defined destinations cannot make up a uniform demand segment. One of the limitations of the primary research was that all the countries participating were not represented equally. The sample of consumers cannot be said to be representative, but the data collected can help us make some observations on who

from everyday stress, including the need for mental refreshment.

Regarding the destinations themselves, they fulfil the expectations of the typical guest “WELL”. Other needs or expectations related to the destination in general were also met with the evaluation “WELL.” These are services related to information before and during the holiday, services for the booking and reservation process, services related to health promotion and medical issues, and services in accommodation and related to food and beverages. Services related to well-being, relaxation and pampering fulfil the expectations of the typical guest “EXTREMELY WELL”, and also receive the highest average rating of 3.32 (on the scale of 1-4). Of the above mentioned services, the typical guest gives the lowest rating to services related to health promotion and medical issues.

The extent to which the guest uses the services in the destination is very balanced. The typical guest mainly uses the services only in the hotel where she is accommodated and does not take advantage of the destination’s other offerings. However, a large percentage these guests use both services in the hotel and in the destination to improve their health, but do not check the influence of the holiday on their health. In

terms of price level, the typical guest expects a health and well-being holiday to be slightly more expensive than the regular type of holiday. If there is too much disturbing industry or lack of natural environment, it prevents the typical guest from recognizing the destination as a health and well-being destination. According to these findings, the typical health and well-being consumer would, therefore, be closer to the proactive end of the spectrum, as described in the Spas and the Global Wellness Market report (SRI, 2010). They are not necessarily only reacting to a sickness (as evidenced by the frequent failure to check the impact on their health afterwards), and they are expecting to pay a slightly higher price for these services. They are not viewing them as a luxury but something enhancing their quality of life and making their overall health or level of well-being better.

If we compare the evaluation of health and well-being destinations from the perspective of men and women, there are no more significant deviations either between the sexes or compared to the typical guest, i.e. a 21-30 year old woman.

In terms of age, however, differences arise between the various age categories. Older people (over 60 years) select health and well-being destinations on the basis of previous experience. For them, word of mouth plays an important role, but the Internet definitely does not. Regardless of age, the reason to visit a health and well-being destination is to do something for one’s

health, and this means mainly relaxation. In relation to the destination, older people appreciate medical procedures more. And though they do not have such a need to escape from everyday stress, they do seek to improve their physical and mental condition. These people frequently use services outside the hotel (the services offered in the destination and in the region), but a large percentage of them spend their time mostly in the establishment. The responses are thus balanced as in other age groups. Older people do not differ much even in that they also tend not to check the effects of the health and well-being holiday on their health.

In terms of the level of education, there is no significant deviation in the evaluation of a health and well-being destination.

As we get a better understanding; and as research continues and more and more data is collected, consumer demand segments will become clearer and easier to define. There will always be, however, shifts due to evolution of the consumers themselves in their own needs and their views toward the industry, as well as shifts in external forces (for example, technology) that will also directly or indirectly influence consumer demand. This necessitates its frequent monitoring followed by careful adaptation of the service offerings to ensure the demand can and will be successfully met by the destination.

* A four-point Likert scale with the following options was used for these questions in the WelDest consumer surveys: DID NOT MEET my needs (expectations), met my needs (expectations) TO SOME EXTENT, met my needs (expectations) WELL, met my needs (expectations) EXTREMELY WELL.

CHAPTER 3: FRAMEWORK FOR HEALTH AND WELL-BEING DESTINATION DEVELOPMENT

This chapter will introduce the WelDest framework model for understanding and developing a health and well-being tourism destination. The model is also used to organise this e-handbook. The model ([see Figure 3](#)), together with the text below, summarizes the WelDest project research work package consisting of primary research activities (stakeholder interviews, customer surveys, national and international focus groups) and a review of existing earlier research on the topic (secondary research). This framework model will be elaborated further in chapters 4 and 5.

The WelDest model and its summary will answer the following questions:

- 1. What are the key service supply, resources, staff competencies and elements of health and well-being at tourism destinations appreciated by both tourists and locals?**
- 2. How can a tourism destination be developed into a health and well-being destination?**

SOCIETY

TECHNOLOGY

ECONOMY

Reputation of the destination

Hospitable attitude and atmosphere in the destination

UTILIZATION OF RESEARCH

DESTINATION MANAGEMENT

- Organisation for destination management & public-private network leadership
- Understanding health and well-being tourism concepts and demand
- Operational activities
- Evaluation of the level of quality & improvement



DESTINATION DEVELOPMENT

- Systematic participatory strategic destination planning
- Brand identity development & management
- Destination level planning and policy making supporting health and well-being tourism as well as health promotion
- Continuous evaluation & development of infrastructure and service offerings

VISION & VALUES

Customer orientation

Authenticity

Sustainable development

Culture

COMMITTED CO-OPERATION OF ALL ACTORS

Seamless service chain for homogeneous customer experience provided by friendly, qualified staff

Quality accommodation, restaurant & transportation services

Wide offerings of quality services to enhance health, well-being & relaxation: wellness and medical treatments, sauna and pool facilities, outdoor / indoor sports and possibilities to get mentally refreshed

Nature, natural assets, attractive scenery and environment

ECOLOGY

POLITICS

Figure 3. Framework for developing a health and well-being tourism destination (Saari and Tuominen, 2014)

ENDOWED RESOURCES AND QUALITY SERVICES ENHANCING WELL-BEING

Together, these endowed resources (the outermost circle of the model) and the quality services enhancing health and well-being (ellipse on the right side, below the arrow) create the core product at the health and well-being destination level. The reputation of the destination rests mainly on these endowed resources and on the quality of the services enhancing health and well-being.

According to WelDest research, the following are the key endowed resources for a health and well-being tourism destination:

- **Nature, natural assets, attractive scenery and environment**
- **Local culture**
- **Authenticity**
- **Reputation of the destination**

These endowed resources are the core pull factors, and thus the comparative advantage, of a health and well-being destination. They create the basis for health and well-being destination competitiveness. The key question is the recognition of these resources at the destination level and the subsequent utilisation of them for the creation of health and well-being services. Customers increasingly value local culture, heritage and authenticity — in other words, genuine, unique, local resources and traditions that are utilized for example,

in food and beverage, indigenous treatments, nature activities and the built environment. All actors in the destination should be responsible for the long-term sustainable deployment of these authentic resources. ([See the framework model](#))

The core health and well-being destination product has to include the following:

- **Wide offerings of quality services to enhance health, well-being and relaxation: wellness and medical treatments, sauna and pool facilities, outdoor/indoor sports and possibilities to get mentally refreshed**

When choosing a health and well-being destination, customers highly value a modern, holistic, and wide service supply for doing something for their health. Most customers seem to have a broad definition of health: they are choosing a health and well-being holiday which can offer them relaxation, mental refreshment and an escape from everyday pressures. They especially appreciate diverse pool and sauna facilities, treatments, and outdoor activities, as well as beautiful nature, whereas the demand for medical services is clearly smaller. In any case, medical service offerings seem to strengthen the image of a destination as a real health and well-being destination to some extent. For diversification of service offerings, the target groups and their needs should be identified. Furthermore, a destination can be marketed as a health and well-being destination only after a critical mass of

special services has been reached. For example, spas can often be leading service providers in the health and well-being destination, but service volume can also be built with a pool of smaller actors. A public sector offering is also often an essential part of the critical mass of services. In any case the aim should be a holistic health and well-being tourism service supply i.e., a balanced offering for body, mind, and soul. ([See the framework model](#))

SUPPORTING TOURISM SERVICES

Standard tourism services are normally not the reason to choose a health and well-being destination, and therefore they are considered here as supporting tourism services:

- **Quality accommodation, restaurant and transportation services and other supporting services**

Most of the services include both tangible (for example, food and interior in a restaurant) and intangible elements (for example, friendly customer service). From a customer satisfaction point of view, both elements must meet customer expectations. To enhance customer satisfaction, an infusion of well-being aspects into supporting services is advisable. This also applies to healthy food, which does not seem to be a service which attracts the visitor to the destination, but is nevertheless appreciated by many on the spot;

this is true for the accommodation experience as well. Accessibility to the destination and within the destination is a factor slightly influencing the choice of destination and, to a wider extent, the usage of offerings in the destination. In accessibility issues, public–private cooperation is vital. ([See the framework model](#))

SEAMLESS SERVICE CHAIN FOR HOMOGENOUS CUSTOMER EXPERIENCE PROVIDED BY FRIENDLY, QUALIFIED STAFF

General hospitality skills and specific professional skills in health and in the provision of well-being services form the basis for customer satisfaction. However, customers especially expect staff to have outstanding social skills. This is especially important in the health, wellness and well-being industry, which offers high-contact services such as treatments, as well as guidance in one's personal well-being development needs. The recognition of customer expectations and service gaps, communication skills, and overall destination knowledge are among the competencies which should be emphasized. All these skills need to be updated by constant training both at the company and at the destination level.

Many health, well-being and wellness guests make use of services and infrastructure offered by several

companies, organisations and the public sector as co-producing actors within the destination. They value a seamless service chain which offers a homogenous overall health and well-being tourism product. Cooperation between different actors and a destination mind-set, are imperative. The service chain aspect in the framework model is in the shape of an arrow to illustrate the ongoing development process towards the vision and values of the health and well-being destination. ([See the framework model](#))

ESSENTIAL REQUIREMENTS GUIDING DESTINATION AND COMPANY LEVEL DEVELOPMENT

The following development areas are constantly relevant for any tourism destination to succeed in a competitive environment:

- **Sustainable development**
- **Hospitable attitude and atmosphere in the destination**
- **Customer orientation**

Sustainable development includes three dimensions: socio-cultural, ecological and economic, which are pre-requisites for the long-term success of tourism destinations and the companies located there. Local residents' positive attitude towards guests is vital in creating a welcoming atmosphere. Customer orientation should be a guiding principle affecting all staff levels,

management, service development and service provision, at both a destination and company level. This involves measuring and understanding customer expectations and satisfaction as part of customer orientation. ([See the framework model](#))

THE DESTINATION MANAGEMENT AND DESTINATION DEVELOPMENT PROCESS

From the strategic destination development and management point of view, the need to maintain, develop and communicate the competitive advantage, in other words the meaningful assets, services and competencies for destination competitiveness in the macro environment, dominate. In the framework, destination development interlinks with destination management because there is a clear need for the committed cooperation of all actors, or at least a need for a flow of information between the actors responsible for policy making, destination development and management, and service offerings. Research should be utilized on the destination management and development level. The destination vision, mission and values should be created collaboratively, and they should guide the choice of priorities as well as the key performance indicators in the long-term strategy for destination development. Destination development is an ongoing process, hence the arrow shape in the framework.

Destination management covers the following dimensions:

- **Organisation for destination management and public-private network leadership**
- **Understanding health and well-being tourism concepts and demand**
- **Operational activities**
- **Evaluation of the level of quality and improvement**

A coordinating tourism body, such as a destination management organisation, association, or similar that is responsible for destination management seems to be vital for any destination to succeed. There are various options for organizing the destination management governance. However, its main role within the destination is to coordinate planning activities, as well as to communicate and network actively between private and public actors, in other words, to provide leadership in destination management.

There are several concepts, and the demand profiles connected to them, such as wellness, fitness, alternative medicine, or holistic retreat, which the destination tourism body has to know to be successful in differentiation, targeting and destination product development. Operational activities such as managing and evaluating joint sales and marketing activities, the evaluation of the level of overall service quality and its improvement at destination level are important tasks for the tourism body responsible for destination management. ([See the framework model](#))

Destination development covers the following dimensions:

- **Systematic participatory strategic destination planning**
- **Brand identity development and management**
- **Destination level planning and policy making supporting health and well-being tourism as well as health promotion**
- **Continuous evaluation and development of infrastructure and service offerings**

The commitment and cooperation of all essential private and public actors is important in strategic destination planning. This strategy process needs to have an owner. However, a destination-wide collaborative structure should be created for example, in the form of a so-called “stake-holder working group.” This group can consist of organisations and individuals in the destination with an involvement and interest in the development of the health and well-being destination in question. To support the strategic planning, systematic collection and utilization of destination-level data, monitoring of trends, participating actively in various networks, and observing the changes in the macro environment are needed.

Differentiation, positioning and destination branding are cornerstones of the destination tourism strategy. The health and well-being destination’s brand identity

needs to be built bottom-up, then strengthened and communicated with the brand values instilled within all actors at the destination level. Community residents’ support of the brand essence is important; they should believe in it and live it. A destination needs a joint-strategy for communicating the brand identity to external audiences. The service delivery systems, physical settings and their quality level also need to coincide with this brand identity. However, recent developments in the Internet have fundamentally changed branding and marketing and increased the role of customers. They are co-creators of the destination brand, and the aim should be to get them to become ambassadors of the destination brand.

When developing a destination, upper-level strategies, plans and decisions also have to be taken into consideration. The long-term development of the destination requires planning and policy making which supports the sustainable development of the health and well-being destination. This entails both internal and external expertise as well as the involvement of policy makers and locals in the decision making process in order to create better prerequisites for health promotion and to enhance the quality of life for tourists and locals alike.

The implementation of the priorities defined in the tourism strategy need to be monitored. The outlining of the responsibilities, performance indicators and time frames is the key to continuous improvement

of infrastructure and service offerings to retain the competitiveness of the health and well-being destination. The strategy needs to be updated on a regular basis, and the seeking of funding (private, public or a mix of these) for various development activities also requires planning. ([See the framework model](#))

MACRO ENVIRONMENT

The following external factors influence the success of the tourism destination:

- **Society**
- **Economy**
- **Politics**
- **Ecology**
- **Technology**

The macro level shows the bi-lateral interaction of the health and well-being destination with its local/regional/national/international environment, dominated by societal, economic, political, ecological and technological aspects. Changes in the macro environment need systematic monitoring and proactive measures at the destination level. ([See the framework model](#))



CHAPTER 4: GAINING COMPETITIVE ADVANTAGE AT HEALTH AND WELL-BEING DESTINATIONS

4.1 Endowed Resources: Nature, Culture, Authenticity and Reputation

4.2 Provision of Quality Services Enhancing Health and Well-being

4.3 The Role of Staff: Managerial and Operational Level

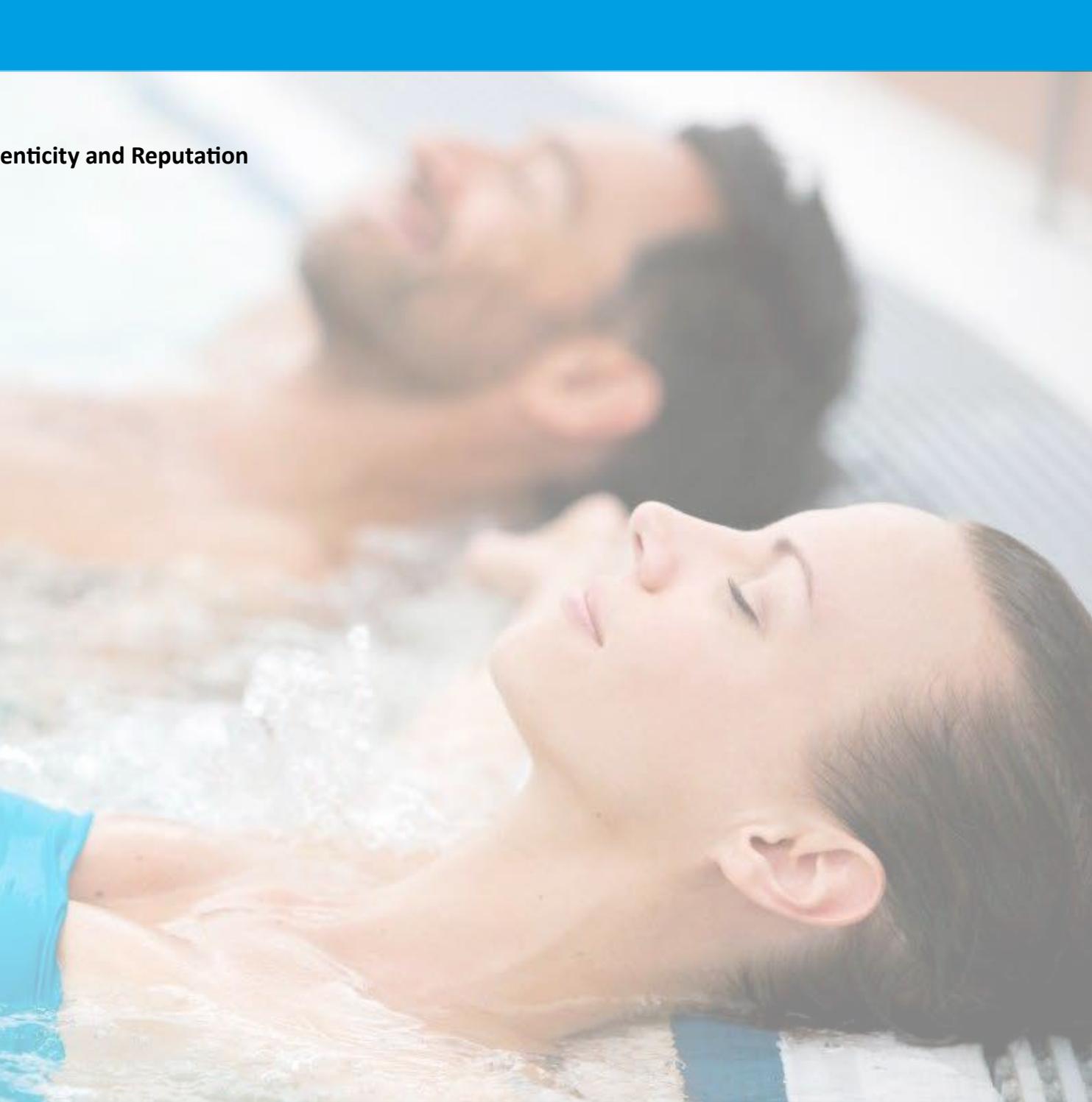
4.4 Seamless Service Chain

4.5 Essentials in Tourism Business: Customer Orientation, Hospitality and Sustainability



4.1 Endowed Resources: Nature, Culture, Authenticity and Reputation

The competition between tourism destinations is growing (Crouch, 2007, p.24). Destination competitiveness is a complex concept and many factors account for it (Dwyer and Kim, 2003, p.373). The term comparative advantage in a tourism context refers to supply-side resources valued by tourists, for example, physical resources like scenery or wildlife, historical, cultural and heritage resources or human resources such as knowledge resources and workforce competencies (Crouch, 2007, p.3). In wellness tourism for example, mineral springs, thermal waters and trained staff can comprise a comparative advantage. The more valued, rare and difficult to imitate the resources are, the better is the comparative advantage. The term competitive advantage describes how the destination uses its resources in the production of tourism products and experiences. If the destination succeeds in utilising its resources in a way which better meets the expectations of the customers than the offerings of rival destinations, it has a competitive advantage. Scarcity of endowed resources like lack of indigenous healing traditions or mineral waters limits possibilities of a destination in health and well-being tourism business. However more generic services like beauty and pampering spa services may be successfully developed (Prideaux, Berbigier and Thompson, 2014, pp.47, 58; Pike and Page 2014, p.209).



Endowed resources are, according to Dwyer and Kim (2003, p.377), inherited resources such as natural, cultural or heritage resources, and therefore separable from created resources like accommodation services or events. Several studies include nature, culture and heritage in the core resources in the health and well-being industry. Sheldon and Park (2009, p.105), for example, mention indigenous cultures and nature experience, whereas Voigt and Pforr (2014, pp.292 – 293) focus on the words natural resources and cultural, historical and spiritual resources. The mentioned resources often build the comparative advantage for the destination.

We shall begin with “nature”. There are different ways this endowed resource can be used in a health and well-being context; it can be made use of in recreational activities and sporting activities such as mountain biking, hiking or simply wandering around. The important thing to note in this context is that nature is available and accessible, and is not being destroyed or crossed by freeways or buildings, for example.

The effect of nature on human health is described in numerous different scientific studies. A study in Sweden by Grahn and Stigsdotter (2003, cited in Konijnendijk et al., 2005, p.86) demonstrated that the more often one visits green areas, the less often one reports sickness from stress. An epidemiological study performed in the Netherlands by Maas et al. (2006, p.592) showed that residents of neighbourhoods with abundant green

space tend, on average, to enjoy better general health. This positive link was found to be most apparent among the elderly, housewives, and people from lower socioeconomic groups. Similar studies have been done in the UK and Finland. All studies show similar results: positive emotions increase and negative emotions decrease. U.S. studies, conducted by Kweon et al. (1998, cited in Konijnendijk et al, 2005, p.87), suggest that green space, especially trees, may facilitate social interaction and therefore reduce personal depression or feelings of social isolation.

According to Smith and Puczkó (2014, p.209) authenticity is a complex and controversial term. The authenticity of a tourist destination refers to the nature, originality and credibility of the place and the services offered in tourism and which are based on history and local culture. Authenticity becomes the subject of cultural consumption for the visitor to the destination. Authenticity of the destination is reflected in the services offered, the life of the local population and the environment in terms of local and cultural affiliations. The attractiveness of a tourist destination is based on the degree of authenticity and the specifics of the place (Hargrove 2003; PGAV Destination 2014; Terziyska 2012; Zukin 2010). In a wellness context for example, treatments can be marketed as authentic if they are offered in the home location or country of that treatment and they are delivered following traditional procedures (Smith and Puczkó, 2014, p.209).



Authenticity is closely connected to the term heritage, which covers natural as well as cultural items. According to UNESCO World Heritage Center; “Heritage is our legacy from the past, what we live with today, and what we pass on to future generations. Our cultural and natural heritage are both irreplaceable sources of life and inspiration” (UNWTO, 2007, p.98). The problem with heritage – as well as with nature and culture – is that it is not specifically developed for tourism purposes. So it has to be managed in a different manner and very carefully. Heritage has to be protected from touristic overuse and misuse. This might sometimes be a very difficult task, and it has to be decided from case to case how this can be done. On the other hand, developing heritage sites for tourism can bring benefits for both tourism and heritage itself. UNWTO (2007) expresses in this way: “It can raise awareness of the value and significance of the site and increase local pride and protection of the area. Visitors may also provide some income for the maintenance of the site and make further economic contributions by purchasing gifts, food and drink, transport and accommodation. Developing indigenous heritage for tourism can also promote pride in traditional ways and tourist interest in aspects of indigenous lifestyle can ensure that certain practices do not die out” (UNWTO, 2007, p.99).

Referring to reputation, it could be said that tourism is a business which is very communication-intensive (Inversini, Marchiori, Dedekind and Cantoni, 2010). In the Internet age, the use of social media (so-called web.2.0 websites) as well as Internet homepages (so called web1.0 websites) has therefore become a very important medium for destination management organizations (DMOs) to communicate with providers, customers and public authorities. Especially with web2.0, customers are able to share information about the quality of accommodation and destinations. Therefore web1.0 and web2.0 have become very important instruments for the whole tourism industry.

Concerning reputation in general, it could be argued that there exist several definitions of the meaning of the word “reputation”. In summary, it could be said that reputation is continuously being created in every person’s own mind and is the result of experienced outcomes, behaviours and the quality of the products that companies produce and perform. The problem with reputation is that it is — as is being explained — produced in every person’s own head. This means there is no direct influential possibility of managers to “manipulate” others’ perception of a reputation. In the context of tourism, this means, according to Inversini, Marchiori, Dedekind, and Cantoni (2010, p.3): “The tourism

PRACTICAL SUGGESTIONS



As stated above, endowed resources — nature, culture, authenticity and reputation — are important factors for a health and well-being destination.

Therefore, special attention should be given to the following suggestions to ensure that:

- intact (not polluted or destroyed) nature is easily accessible for your guests and that it is being regularly monitored by authorized people so that damage or other changes can be recognized in time.
- natural resources are incorporated into the product offered in the destination.
- the destination offers treatments based on indigenous health and/or well-being traditions.
- food and beverages used in the destination’s health and well-being product are organic and/or sourced locally.
- the destination offers cultural offerings such as events, museums, sites that highlight the local culture.
- visits live up to the expectations created by the image being marketed.
- the destination’s reputation is based on health and well-being.

industry, as any other service industry, sells intangible products characterized mainly by being inseparable (production and consumption occurring at the same time), perishable (services cannot be stored and consumed at a later point in time) and heterogeneous (substantial differences in the services due to the human factors as production inputs).” Consequently standardisation of the service level is difficult to achieve, and represents a risk for reputation. In the web 2.0 era it is especially important to follow and to react to the online reputation of the destination or company.

The nature and the physical attributes of the environment have impact on health and well-being but also on the aesthetic and visual appeal of the destination. Culture and heritage can enrich the health and well-being service supply and strengthen the experience. Crouch (2007, p.31) states that resource stewardship, in other words a caring manner with respect to nature, heritage and reputation, is in particular the obligation of the destination management.

WELDEST RESEARCH RESULTS



It is commonly accepted that nature plays a significant role in health and well-being in many countries. Therefore a health and well-being destination should be developed with high regard to the natural environment. Without nature, most health and well-being destinations would not be what they are. Each health and well-being destination has to focus on the resources in the natural environment and the specific characteristics for example, lakes, hills, wood, the ocean, mineral springs etc. Tourists often come to a destination because of the unique natural environment. This link between the natural environment and health and well-being, therefore, means that all players in a health and well-being destination have to take responsibility for sustaining the natural environment. This also means that some of the revenue generated in different wellness and spa hotels or other institutions within the destination need to be reinvested in the natural environment, as for example, the case of a dedicated visitor tax for this purpose. This money can be invested into different projects related to sustainable initiatives and/or special offers for the guests.

The Weldest research team concluded that nature and sustainability are very important aspects for health and well-being destinations. According to WelDest research results, nature (including also attractive scenery as well as natural assets and the environment) earned the highest ranking among these aspects (Illing et al 2013., pp.54, 59, 74). Hence, the protection of this environment is crucial. Health and well-being destinations should use their local natural resources, such as thermal water and marshlands, for swimming pools and spa treatments. Nature can also be used for outdoor activities like hiking, biking and so on. An unpolluted environment is one of the core reasons to travel to health and well-being destinations and should feature as a unique selling proposition (USP).

A strong consensus exists in the belief that measures to promote sustainability are very important for health and well-being destinations in order to maintain the scenery and natural resources, although it was found that there is mostly no sustainability codex applied in these destinations so far (Illing et al. 2013, p.38).

Regarding the significance of local culture, the WelDest customer surveys revealed that this is seldom the main reason to choose a specific

health and well-being destination, but the stakeholders interviewed representing the supply side seem to think that culture, history and traditions can be a strength for the destination which enriches the customer experience and which can be used to differentiate the destination from competitors (Illing et al., 2013, pp.54–55, 38).

WelDest customer questionnaires did not have a specific question about endowed resources. However, when asked in an open question what kind of services, staff competencies and elements attract / did attract the customer to a destination, the aspects below in Figure 4 were mentioned, representing services, services attributes and nature as an important endowed resource.

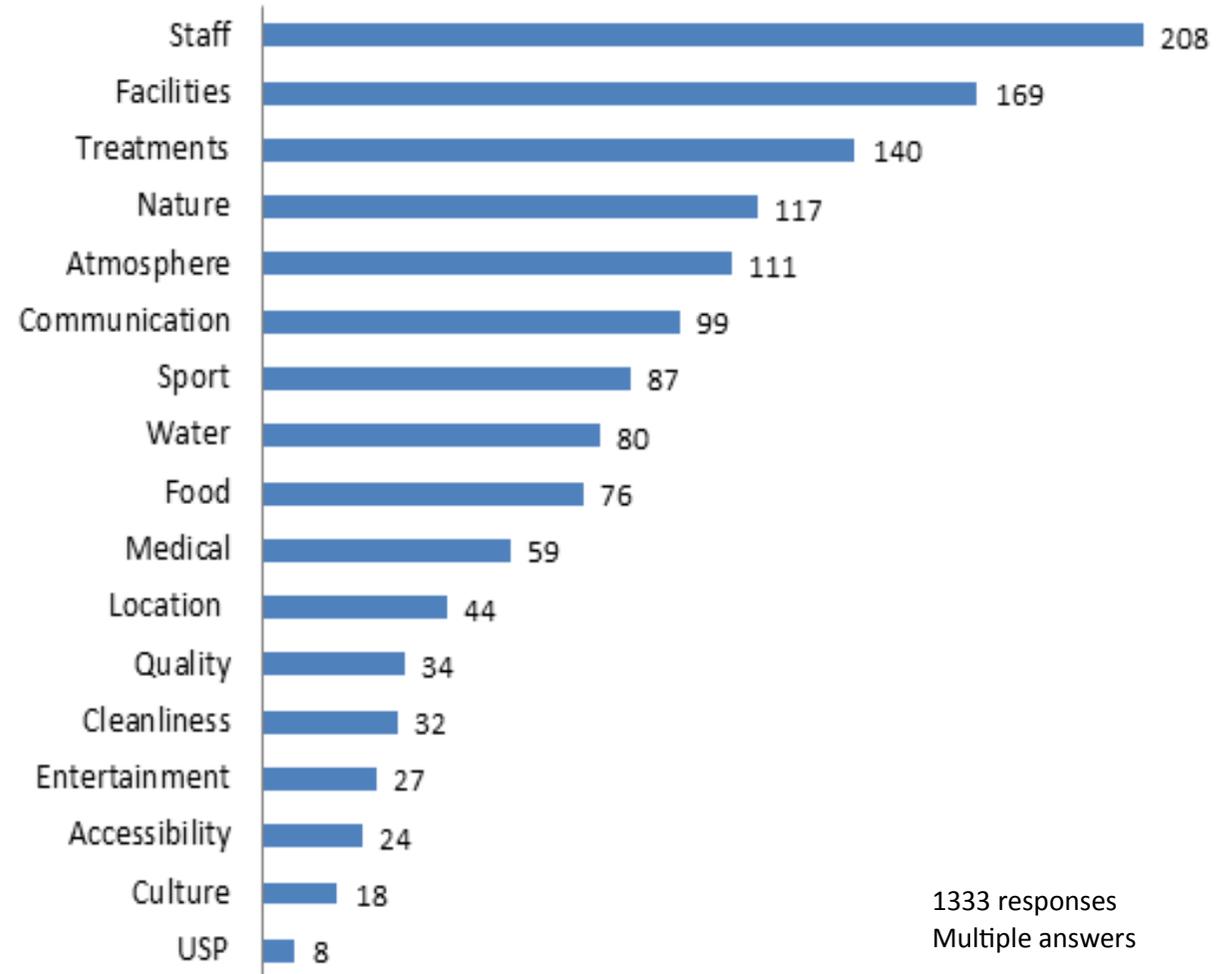


Figure 4. What attracts you to come to this destination? (Illing et al., 2013, p.55)

WELDEST CASE STUDY 1

Destination Reputation — An Influencing Factor on Visitor Numbers

Karlovy VARY°

Author(s): Jitka Štěpánková, Director, INFOCENTRUM, town of Karlovy Vary, o.p.s.

Introduction

Reputation is something that significantly influences client arrivals at the destination. This case study looks at Karlovy Vary, one of the best known spa towns in the Czech Republic, and examines how reputation can both help destination management and at the same time harm it.

Karlovy Vary Past and Present

The town of Karlovy Vary is the largest and best known spa in the Czech Republic and belongs among the most important spa centres in Europe. The current population of Karlovy Vary is 50,000 inhabitants, and according to the Czech Statistical Office, it also has 10,600 beds. From these data, it is evident that tourism and the spa industry are extremely important for the town itself.

Annual visitor turnout reaches about 260,000 tourists, 80% of whom are foreigners. The largest group comes from the Russian Federation, followed by visitors from the Federal Republic of Germany, then by citizens of the Czech Republic and by a group of “other Asian and Arabic countries.” Over a period of more than six hundred years, the town’s history and its visitor turnout have significantly changed – while in the 18th and 19th centuries Karlovy Vary was called “the parlour of Europe,” and was a venue for many important personalities of political, cultural and social life, after the second world war it was a destination for mostly Czech guests. After 1990, there was once again a shift towards foreign clientele.

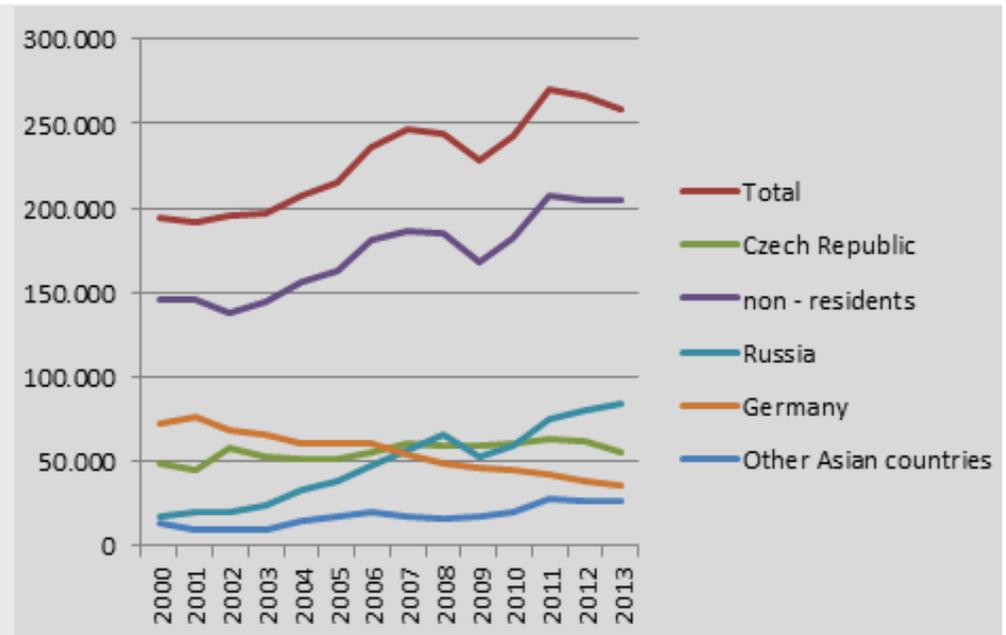


Figure 1. Town of Karlovy Vary, Visitor Turnout from 2000 – 2013 Collective Accommodation Establishments. Source: Czech Statistical Office – data compiled for INFOCENTRUM of Karlovy Vary, o.p.s.

The foundation of the classic Karlovy Vary spa treatment tradition is its unique natural resource – mineral water whose effects have been proven through centuries of practice. The quality of the mineral water has remained the same for centuries. Karlovy Vary springs contain a majority of the elements in the periodic table, 40 of them considered to be necessary for the human organism. Karlovy Vary mineral water springs from a depth of 2,500 meters under the Earth’s crust. 15 springs are accessible to the public. Each spring has its own temperature and content of dissolved carbon dioxide and gas as well as its own effects. Apart from positive effects on the whole digestive tract and locomotive organs, the drinking cure supports purification of the organism. While in the past the town was considered purely a spa destination, at present time other products are being developed such as excursions connected

with the architecture and culture of the destination (negotiations are ongoing concerning registration into the UNESCO List of Heritage – unique spa architecture), as well as different active forms of holiday (trekking, cyclo-tourism, golf, paddling sports, etc.), and also convention and incentive tourism.

After 1990 there was an influx of foreign capital into the town of Karlovy Vary, primarily from Russian-speaking countries. After the Velvet Revolution, thanks to these financial means, the town itself has changed into a prestigious destination with high quality accommodation infrastructure which, according to the Czech Statistical Office, represents 95 collective accommodation establishments with about 5,500 rooms, most of them 4-star.

Reputation — Helpful or Harmful?

Karlovy Vary has always held a high position among European spa destinations. Over the centuries the town has been visited by outstanding personalities from society, with many formal and informal meetings between European statesmen taking place here. Karlovy Vary has always been considered a destination where different religions and cultures have met without conflict.

A visit from the Russian Emperor Peter the Great significantly influenced Russian-speaking people to perceive this destination as an ideal spa place. Russian-speaking clientele consider Karlovy Vary to

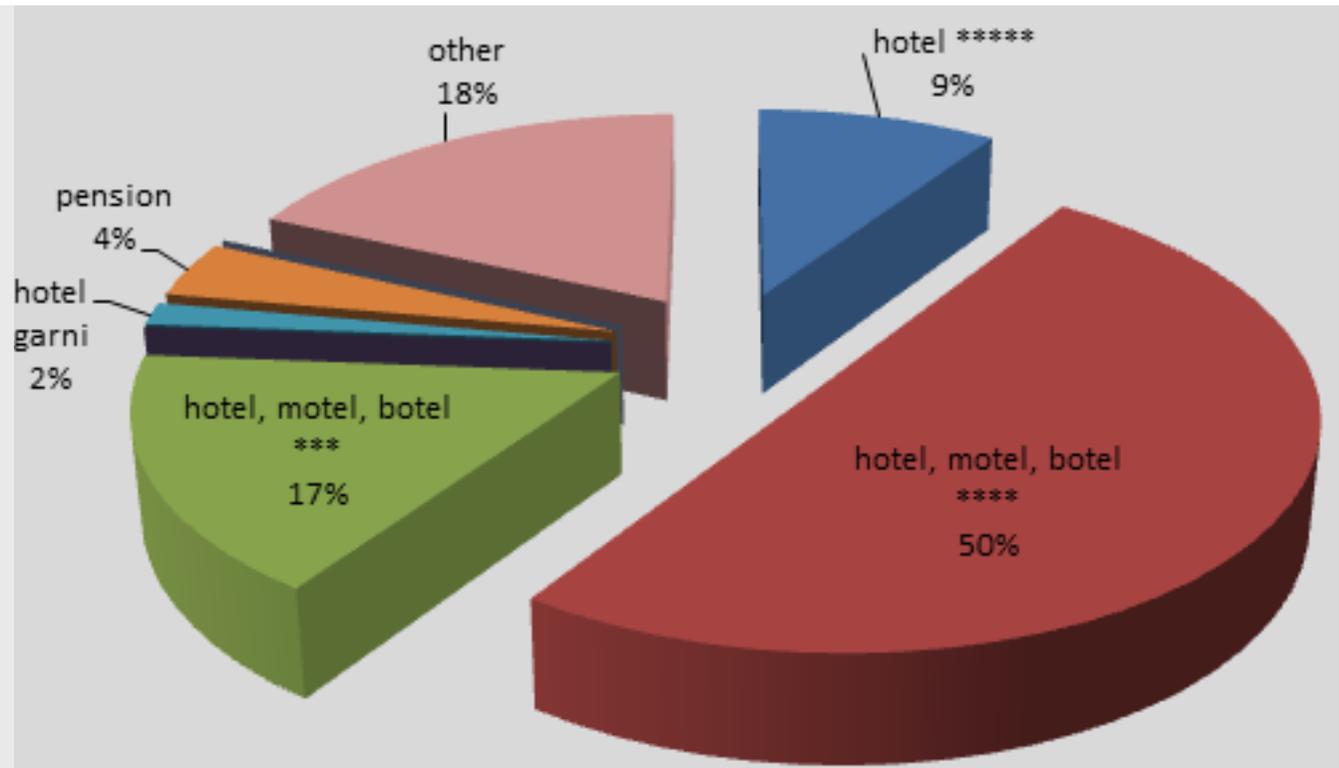


Figure 2. Beds according to hotel category as of December 31, 2012 Source: Czech Statistical Office

be a destination providing unique medicinal cures composed of special procedures based on natural curative resources and modern therapeutic methods. They also consider the town to be a place with a unique ionized atmosphere in its spa quarter. On the other hand, increasing interest in services in these areas by Russians caused a drop in demand from German and Czech clientele.

As a result of significant investment activities in this spa town, Karlovy Vary experienced a very negative media campaign that significantly changed the opinions of the Czech citizens regarding the town. A destination that used to be a favourite place, often visited by VIPs, is at present considered by its potential clients from the Czech Republic as “an expensive Russian town.” The response of the INFOCENTRUM, o.p.s. (as an institution responsible for destination promotion) has of course been to develop its PR based on positive activities, offer

a broad range of services rating from the lowest priced up to luxury alternatives, and compare it with other destinations. It is true that many signs in the spa part of the town are written in the Cyrillic alphabet; however, one can see them in other places too – tourists from Russia and other Russian-speaking guests are often very well off, and many destinations compete for these clients. As evident from the above statistical data, Russian visitors represent about 32% of all guests who come to Karlovy Vary. At the time of writing (April 2014), impacts have already been felt from the Ukrainian-Russian crisis, reflected in about a 20% decrease in clients compared with the same period last year. This will certainly have a heavy impact on the economy of the town's accommodation establishments.

The INFOCENTRUM strives above all to work in markets where the town of Karlovy Vary is known and where we can restore its reputation as a multicultural destination



that is friendly and welcoming for all its visitors. We try to differentiate among our guests and their arrivals to the town, so that similar changes do not have a fatal impact on the entrepreneurs of Karlovy Vary. We use our positive reputation on the Russian market, and strengthen the linkage with Russian history and the popularity of spa stays among clients. The national tourism authority, CzechTourism, when working on Russian speaking markets recalls the visit of Peter the Great to Karlovy Vary, using images of the town to promote it in TV campaigns. In our marketing for other countries also we use stories of prominent figures for that particular market (in addition to Peter the Great and Goethe for the German market). At present we are preparing campaigns based on “famous personalities” that are significantly connected with Karlovy Vary and, based on these, are launching special products that will enrich the destination's offering. On-line communication is used mostly in the forms of marketing on and off our webpage, and we also actively work with the website www.karlovyvary.cz and social networks. We still use printed materials for promotion, such as PR articles and ads (according the type of media). We communicate with experts – travel agencies and journalists (excursions and material support) — but on the other hand, we are abandoning trade fairs. Since 2012 we have been using a unified visual style for the destination.

In 2013 the Balneology Institute was founded in Karlovy Vary. Its aim is, apart from education and research, to

strengthen marketing activities related to knowledge about spa treatment effects. Transparent results from medical research can also help the Czech spa industry, which is currently experiencing quite a difficult period due to legislative changes. The Czech spa industry is losing its position within the health care system in the Czech Republic, which could cause a decrease in clients of classic spa treatments, and begs the question from potential clients: “Are your medical treatment methods really beneficial – if your administrative bodies do not consider them to be...?”

Citizen Pride, or “My Vary”

Karlovy Vary has natural wealth which attracts clients from over 80 countries of the world. And what about its own residents? Unfortunately the town is divided into two parts now – spa and non-spa. While in the “non-spa” part people live their daily lives as in other towns, its “spa part” is not often visited by the residents themselves, except for those who work there. There are not many of them who go there regularly to spend their free time, not to mention use the natural medicinal resources as prevention against various diseases.

What is missing in Karlovy Vary today? It is harmony within the town, a full understanding of the importance of the spa, and the support of its residents. The INFOCENTRUM tries to encourage these things and raise awareness of the uniqueness of the town. We organize lectures about the town history, its natural medicinal resources and their effects, and other topics

as well. We have also begun to work with children at basic schools. In cooperation with teachers we are implementing a project called “Discover your Town.” Through various games, the pupils get to know more about the history and present of the town, its natural curative resources, famous visitors, the spa forests and the town architecture. If they fulfil their tasks they get a reward which can be collected at the INFOCENTRUM office.

The aim of the project is to educate Karlovy Vary residents who will proudly call the town “My Vary” and not “Their Vary.” Word-of-mouth with their friends and acquaintances will spread their pride which will reach the clients who they serve. The visitors will then say ...“KV people, they really have it made.”

Key Learning Points

As described above, the destination’s reputation, being positive or negative, plays a significant role in influencing clients’ decisions when making their choice of holiday. The aim of Karlovy Vary destination management is full support of arrivals in Karlovy Vary from places where the town has a positive image. On the other hand, a substantial portion of the activities are also aimed at rectifying the destination’s reputation. This includes garnering the support of local residents through actively engaging them in projects and ensuring that they understand the importance of the spas. As in many other fields, the way from a positive image to a negative one is steep and rapid. On the other hand, the way back moves along a gentle, gradual hill and requires persistence and small steps toward changing the perspective of potential clients towards the destination.



WELDEST CASE STUDY 2

Nature Destinations in Health and Well-being Tourism

Author(s): Telle Tuominen (Interviewer), Turku University of Applied Sciences, Anne Murto (Interviewee), Rukapalvelut, Public Relations

Setting the Scene – Real Arctic Wilderness at the Finnish-Russian Border

Kuusamo is situated in the north-eastern part of Finland, almost at the Arctic Circle, 800 kilometres from Helsinki, the capital of Finland. Kuusamo is known for its natural beauty. Fells and forests reach as far as the eye can see, a wilderness split by lakes, rivers and

rapids – also over the Finnish-Russian border. Kuusamo has about 16,000 inhabitants, which means only 3.2 residents per square kilometre.

Visitors can get to Kuusamo by car, by using daily flights to its airport, or by taking a bus to and from the nearest railway station situated at a distance of two hours' transfer. Kuusamo offers a total of around 40,000 visitor beds in hotels, apartments, chalets, cottages as well as wilderness lodges, and 15,000 restaurant seats.

The main locus of hospitality services is around the Ruka fell. The Ruka area markets itself as “Nature’s own amusement park.” Ruka is best known as a ski destination with 34 runs, the biggest vertical being 201 m and the longest run 1300 m. In addition, it offers splendid cross-country tracks, snowmobiling routes

and a great variety of guided winter activities like husky sled rides, reindeer safaris, ice fishing and snow shoeing.

The winter season goes on from the end of October until the beginning May. An abundance of snow is guaranteed, normally at least a metre. The winter night sky is often lit up with northern lights. Summer weeks with the midnight sun and the colourful autumn foliage in September create two shoulder seasons with excellent possibilities for Nordic walking, hiking, fishing, biking, rafting, canoeing, and bird watching. Oulanka National Park as well as its sister park Paanajärvi on the Russian side have collaborated for over two decades.

Purpose of the Case Study

The remote wilderness location of Kuusamo is a pull factor for tourism but also a challenge for the hospitality industry. Kuusamo is too far away for day excursions or weekend holidays from its main markets. Around 80 % of the tourists come from Finland. Tour operators from Russia, the Netherlands and the UK bring most of the foreign tourists, whereas for example, Japan and China represent the emerging markets. During the Christmas, winter and Easter holidays, the utilization rate of the accommodation capacity is high, but during the rest of the year there is a need to boost the demand.

The purpose of this case study is to:

- Describe the bid of some companies in Kuusamo to broaden the use of endowed resources, meaning





nature but also heritage and other authentic elements, in order to feed the year-round tourism and to reach new segments.

- Illustrate how the service offerings meet the health and well-being megatrend.
- Exemplify how the network of actors is organized to manage and develop the Ruka destination and the whole Kuusamo tourism and the service supply there.

This case study is mainly written from one company's perspective, Rukapalvelu's, to illustrate how this DMC (Destination Management Company) links to the destination development aspects given above.

Rukapalvelu, a DMC, developing well-being offerings

Rukapalvelu started 1988 with five snowmobiles offering safaris to one big Finnish company, which brought its staff members and partners to Kuusamo. Soon the supply covered other winter activities like husky and reindeer safaris as well as ice fishing; some years later also summer activities like rafting, hiking, bird watching, fishing excursions, canoeing, nature photography, and wilderness and culture tours over the Russian border were added to its product range. In the course of time the company specialised in incentive tourism. Big incentive groups from France, Germany, the Netherlands and the UK came to experience exotic adventures in the northern nature. The global economic decline 2008 reduced the number of incentive groups – it was again time to develop new services and find new segments.



During the development process of recent years, the company has carefully listened to the wishes of its clients, followed trend reports and tourism studies, as well as participated in tourism export projects coordinated by the Finnish Tourist Board and Finpro, the national trade, internationalization and investment development organization. Authenticity and well-being are examples of megatrends followed in service development. "Modern humanists" is a segment identified in central European countries in surveys financed by the Finnish Tourist Board and now it is a target group also for several companies in Kuusamo. According to research results, these modern humanists have already seen the metropolises of the world. They are open to new experiences and self-development. They appreciate the quality of life and taking responsibility for nature and purity.

The service development of Rukapalvelu over the last three years is mainly based on:

- Authenticity, which refers firstly to the traditional, sustainable, local way of living and well-being

in coexistence with nature, and, secondly, to appreciating the heritage mix of Finnish, Sámi, Viena Karelian and Russian cultural traditions in the region.

- Co-operation, which means that this destination management company has subcontracted over 90 companies with special offerings on both sides of the Finnish-Russian border in order to create tailor-made service packages for groups, but in recent years to also offer some online bookable services for individual tourists.

Examples of the well-being offerings are for example, traditional cupping, herbal treatments, energy treatments, traditional bone setting treatments as well as beauty treatments with ingredients from the plants of the Nordic nature, such as peat. These experiences are enriched with facilities and staff embodying the northern nature and ancient wisdom. The Northern people feel they belong to nature, not that nature belongs to them. For hundreds of years shamans had the ability to maintain balance between humans





and nature. The Kalevala, Finnish national epic, is translated into about 70 languages. These originally prehistoric poems were collected at the beginning of the 19th century near Kuusamo in eastern Finland and in Viena Karelia. Kalevala includes also mythological incantations to cure illnesses and the magic verses recount for example, the healing effects of sauna and using birch whisks there – these verses are now in use in the Seita Forest Spa run by the company.

Nature adventure services traditionally formed the core offering of Rukapalvelu. Along with the health and well-being megatrend some of the services have been modified. For example, instead of emphasising speed and winning in white water rafting, this nature experience is now carried out more as a nature well-being activity including relaxing stops at the river, which enable enjoyment of the peace and tranquillity of nature, as well as its assets like wild berries or making a campfire.

Evidence of Nature as Vital Health Resource

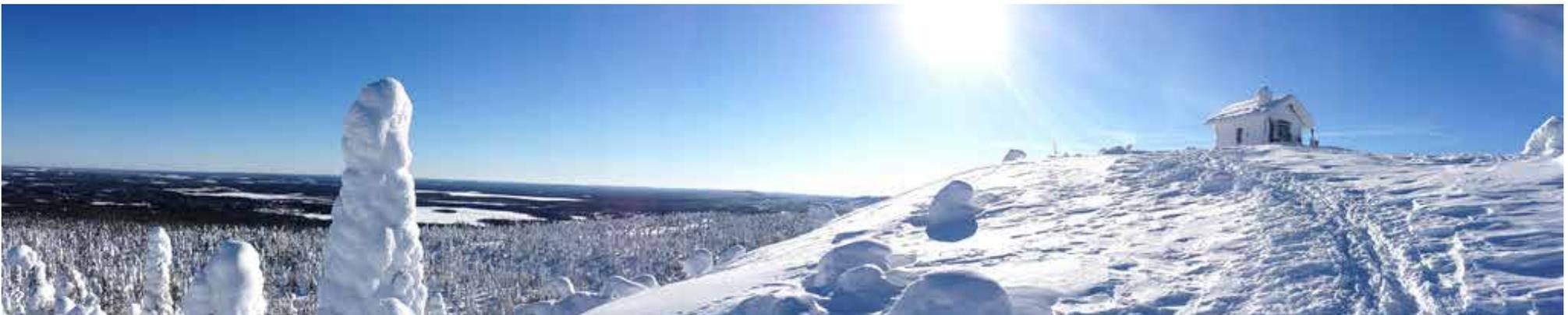
There is a lot of empirical evidence for human health benefits resulting from contact with nature. After stressful periods, people recover faster in natural environments than in urban areas. Blood pressure and heart rate decrease in natural settings. Forest visits improve moods and strengthen the immune system. Sounds of nature, like birdsong or the sound of waterfalls, calm one down. Japanese empirical research shows that just one day in nature has almost three weeks positive effect on resistance. Forest therapy in certified healthy forests is highly valued in a country of big cities.

According to several studies there are additional benefits for the mental and physical well-being from taking physical exercise in the natural environment. For instance, the ability to concentrate and the quality of sleep and physical endurance improve benefitting the cardiovascular and skeletal system health.

Lessons Learned

Tourism demand is highly influenced by many factors outside the control of a single hospitality company, for example, by international economic situations or public transport connections to the destination. Rukapalvelu as well as many other companies in Kuusamo see that it is advisable to have several target markets, and not only trust one segment or have too narrow a specialisation in the services or destination brand. Taking this into consideration, Rukapalvelu considers that, in the future, it is also reasonable for the destination to profile itself differently to different segments: for example, as a health and well-being destination for those valuing holistic well-being experiences in nature, or as a ski resort for those appreciating this winter activity.

Because of constant changes in the macro environment and demand, it is also prudent to continuously monitor customer satisfaction, trends and devote oneself to service development. Cooperation with



other companies is a flexible and cost-effective way of creating new packaged services.

Cooperation between actors at the destination is also very important in destination marketing, infrastructure development, improving flight, bus and other connections as well as destination-level quality. The most important actor in destination marketing and development is the Ruka-Kuusamo Tourist Association with about 140 member companies. This association was founded in 2002 and it is responsible for the common marketing of Kuusamo both in Finland and abroad. The association is active also in development projects. The town of Kuusamo is represented in the board of this association. The town is mainly responsible for some visitor information services as well as planning and building common infrastructure like snowmobile and hiking trails.

In marketing activities abroad, even broader cooperation is needed. Kuusamo or Ruka as a destination might be unfamiliar in many countries. This is the reason why Kuusamo actively participates in the joint marketing campaigns of Finland or Lapland. For instance, 2011–2014 Kuusamo participates in the image marketing project “Lapland – The North of Finland,” which is carried out in the UK, the Netherlands, Germany and Russia and financed by the European Regional Development Fund, by two regional councils in northern Finland, municipalities there and the Finnish Tourist Board.

Conclusion

At the moment, some 75 per cent of the European population lives in urban environments. Traffic, noise, heavy workload, disregard for other people, immobility, etc. are typical factors causing health problems especially in urban areas. According to many studies, nature plays a vital role in human health and well-being. Contact with nature may provide an effective strategy in health promotion.

Nature-based tourism destinations might play a more significant role in health and well-being tourism and in public health in the future. The authentic nature and services linked to it already exist in Kuusamo. Addressing the needs of health and well-being tourists doesn't require big investments, but rather rethinking the existing nature-based service supply and seeking evidence for its impact on health and well-being.

FOLLOW ME

INTERNET LINKS about health benefits of the nature:

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WELDEST CASE STUDY 3

SPA Heritage Tourism in Malvern Hills

Author(s): Malcolm Salisbury, Economic Development Officer, Malvern Hills District Council

Summary

This case study highlights initiatives set out by Malvern Hills District Council and community partners to expand and develop spa heritage tourism in Malvern. These initiatives come in response to agreed outcomes, highlighted in the Visitor Economy Action Plan 2013-15, to twinning developments with the spa town Marienbad in the Czech Republic, and also around the preservation and promotion of many natural wells in the area.

Setting the Scene — A Breath of Fresh Air

The Malvern Hills provide some of the best walking and panoramic views in the UK with around a million people coming to walk the hills every year. It was this landscape that provided the inspiration to many great writers such as C.S Lewis, Lord of The Rings author JRR Tolkien, and the composer Sir Edward Elgar.

Malvern's key tourism offers are a combination of natural wellness through its walking, its historical connection to spa wellness through Victorian Hydrotherapy water cures, and also the cultural benefit from having a leading regional theatre located within the town centre.



The overall population of Malvern is 75,000 and the visitor economy is an important element in the district's economic base. Tourism accounts for over £80 million of income to the area and supports close to 2,000 jobs. Malvern and the surrounding area are seen as a key tourist attracter within the wider overall Destination Worcestershire (Worcestershire Destination Management Organisation) tourism strategy.

Malvern's Spa Heritage

Great Malvern originated as a spa village with therapeutic qualities attributed to its springs. Local legend has it that the curative benefit of the spring water was known in medieval times.

Later during the Victorian period, Malvern was transformed when in 1842 doctors Gully and Wilson imported the hydrotherapy water cure developed by Vincent Priessnitz from Austria. They then went on to build the first UK water cure house in 1845. Many eminent Victorians visited The Malverns during the heyday of the Water Cure including the likes of Charles Darwin and Florence Nightingale.

Dr. Gully's patients at Malvern were woken at 5 am, undressed and wrapped in wet sheets then covered with blankets. An hour later, buckets of water were thrown upon the patients who then went on a five mile walk. They returned to the Malvern for a breakfast of dry biscuits and water. Dinner, which was always

boiled mutton and fish, was followed by a few hours in a dry bed. The exercise, plain food and absence of alcohol, together with the congenial company of other wealthy patrons, proved generally beneficial.

Wells, Spouts – Water, Water Everywhere....

There are over 100 springs and spouts remaining around the hills where residents regularly fill containers free of charge, including the St Ann’s Well, which is housed in a building dating from 1815.

The Malvern Hills are amongst the oldest and hardest pre-Cambrian granite and limestone rocks found in the UK. This geology is responsible for the quality and purity of the water that filters through.

The Malvern Spa Association promotes the legacy of the water by annually organising a themed Well Dressing competition with awards presented to local community groups. The Malvern Well Dressing week-long event is recognised as the largest of its kind in the UK, and there are now plans to extend activities to also include wellness tours and walks.

The remit of the Malvern Spa Association is to protect, preserve and renovate the springs and wells and promote Malvern’s water heritage. It has received funding through the Heritage Lottery Fund, which is managed by the Malvern Hills Area of Outstanding Natural Beauty (AONB). The Malvern Hills AONB also provides grants via such mechanisms as the Sustainable Development Fund.

The water was bottled on an industrial scale under the Schweppes brand from 1850 until 2010, and bottled by a family-owned company starting in s 2009 as Holywell Malvern Spring Water. In 2012, the Holywell Water Co Ltd was granted permission to use the world famous “Malvern” name in its branding, thus becoming Holywell Malvern Spring Water. It has been drunk by several British monarchs. Elizabeth I drank it in public in the 16th century; Queen Victoria refused to travel without it, and until recently, was the only bottled water used by Elizabeth II on her travels around the world.



Approach

The approach to all economic development within town centres is one of partnership. With growing pressures

on local authority budgets it is important that all tourism based activities can show economic benefit to the wider community. It helps to reinforce positive opinion, and hopefully provide some sector protection against future service cuts.

This approach also fits well within the MHDC overall Economic Development Strategy, Destination Worcestershire Management Plan (local DMO) and Visit England’s approach to sustainable tourism.

Partnership Working

Malvern Hills District Council meet regularly with local organisations such as High Street Malvern, Malvern Town Council, Malvern Civic Society, Malvern Spa Association and local tourism businesses, all of which contribute to the tourism offer in the town. All of these groups are actively involved in the on-going development of the town’s historical and cultural heritage, and were recently involved in the updating of the Visitor Economy Action Plan that provides a road map for tourism in the district up to 2015.

The plan highlighted two key areas relating to spa heritage and cultural tourism:

- Develop town twinning links to attract more visitors and to share best practices
- Smart targeting of markets such as group travel, walking and supporting cultural heritage and promotion of spa and well-being visits



The plan also highlighted that Malvern is a popular day visitor destination, but that it still has scope to improve its extended weekend stay market. “Turning days into stays” is seen as a key economic priority.

Twining

These findings have contributed to Malvern’s wider ambition to strengthen links with European towns that have a similar historical spa heritage. Over the past two years, Malvern Hills District Council, High Street Malvern, Malvern Town Council and Malvern Civic Society have worked hard to establish links with Marienbad in the Czech Republic. Marienbad was declared a public spa in 1818 and held a similar history to Malvern, as it was popular in its day with notable political, scientific and artistic personages. Its waters are used in many treatments for heart, respiratory and skin conditions. Both Marienbad and Malvern signed up to a twinning agreement in 2013. The remit was that both towns seek to achieve future cultural, educational and economic benefits.

Learning from Partnerships

Delegations from both towns have visited their respective areas and looked at potential support programmes. Some key considerations are listed below:

Marienbad has identified a need to strengthen its approach to English language provision for young



people. Institutions such as Malvern College are exploring how they can provide summer holiday language training exchange trips.

Malvern will be using its involvement within the WelDest programme to strengthen its future partnership with Marienbad in its approach to spa heritage tourism and also spa development.

Currently Malvern only has two main spa centres in the area. The 23 room Elms Hotel & Spa at Abberley and 32 room The Malvern Hotel & Spa in Malvern. The Malvern Spa has recently introduced a new hydrotherapy pool alongside a Kelo sauna and salt grotto. In contrast, the Olympia Hotel in Marienbad has 80 rooms with multi wellness packages covering joint and prostate therapies as well as a rehab exercise suite. It has been suggested that Malvern could give greater promotion

to its existing number of holistic practitioners which could be included in the overall wellness brand.

Although wellness and spa therapy is still a large income generator for Marienbad, it has suffered substantial cutbacks in government subsidy for water cure treatments in recent years, due to the European wide recession. This has forced the town to review its economic base and to research other income streams to support its main economy. The Marienbad Chamber of Trade have identified the need to develop a business park to support SME’s and other businesses. Malvern Hills District Council provided advice and support to a business delegation from Marienbad and also provided visits to key companies such as QinetiQ and Morgan Cars.

A debate has started in Malvern about access to the hills and the future economic prosperity of the town. It has been suggested that a cable car or land train could be developed in the future which could provide future economic benefit and address the access needs of an ageing population. There is some environmental opposition to this move. However, there could be an opportunity to learn from the European approach which tends to be more pragmatic. The cable car company in Marienbad has developed a good balance between tourism and the natural environment. All of the above initiatives are positive signs that this partnership is providing both towns with economic advantages. This is further highlighted by the fact that

Malvern businesses such as Morgan Cars and Malvern Geo Centre will be represented at the opening of the spa season event in Marienbad. The event which takes place in May is one of the largest events of its kind in Europe.

Additional Examples of Related Partnership Work

In recent years the town of Malvern has been criticised for inadequate and confusing signage. This is being addressed through a new multi-partnership project called Route to the Hills, which is currently seeking £427,000 from the Heritage Lottery Fund. The aims are to strengthen the links between the town, the hills and the transport infrastructure, to promote the distinctiveness of the local area and highlight the importance of Great Malvern over the past 1000 years, including its spa heritage.

A hierarchy of quality and innovative interpretive provision will help to peel back the layers of history in

an accessible way and stimulate people's understanding and appreciation of Malvern's outstanding natural, built and cultural heritage. By linking the key 'gateways' into the town with the key heritage sites, visitors will be guided to take one of several routes to and from the Malvern Hills and around the town centre, enhancing the overall visitor experience and stimulating lasting benefit to the local economy.

Conclusion

Partnerships now play a major role in Malvern's tourism development. The public sector recognises the need to work alongside a number of volunteer local groups and organisations to make its offer as effective as possible. This is particularly relevant around spa wellness heritage.

The WelDest project and especially the Open Space Event provided a welcomed opportunity to discuss and

evaluate the current position around wellness tourism. A key message that came through from the visit is that WELLNESS should be at the core of tourism initiatives.

The term wellness is not as well used in the UK as in the rest of Europe. The UK market is more segmented around sports and leisure, with a weaker holistic approach to spa than Germany and the Czech Republic. However, based on the advice and knowledge gained from WelDest partners, there are opportunities to exploit much more from our natural environment and existing resources to expand Malvern's short stay market.

Themed water heritage tours / Making closer links between holistic practitioners and tourism / A water festival and exhibition to celebrate Malvern's water-cure history. All of these initiatives will be introduced during the three years of our existing Economic Strategic Action Plan.

There is a certain irony in that wellness was at the heart of putting Malvern on the map as a water cure capital. 150 years ago it was impossible to get a room for the night as was the popularity of the Victorian water cure. It would be fitting if the spirit of Victorian endeavour could somehow be brought back in a modern twist, giving Malvern the economic boost to take its heritage forward into the new technological age.



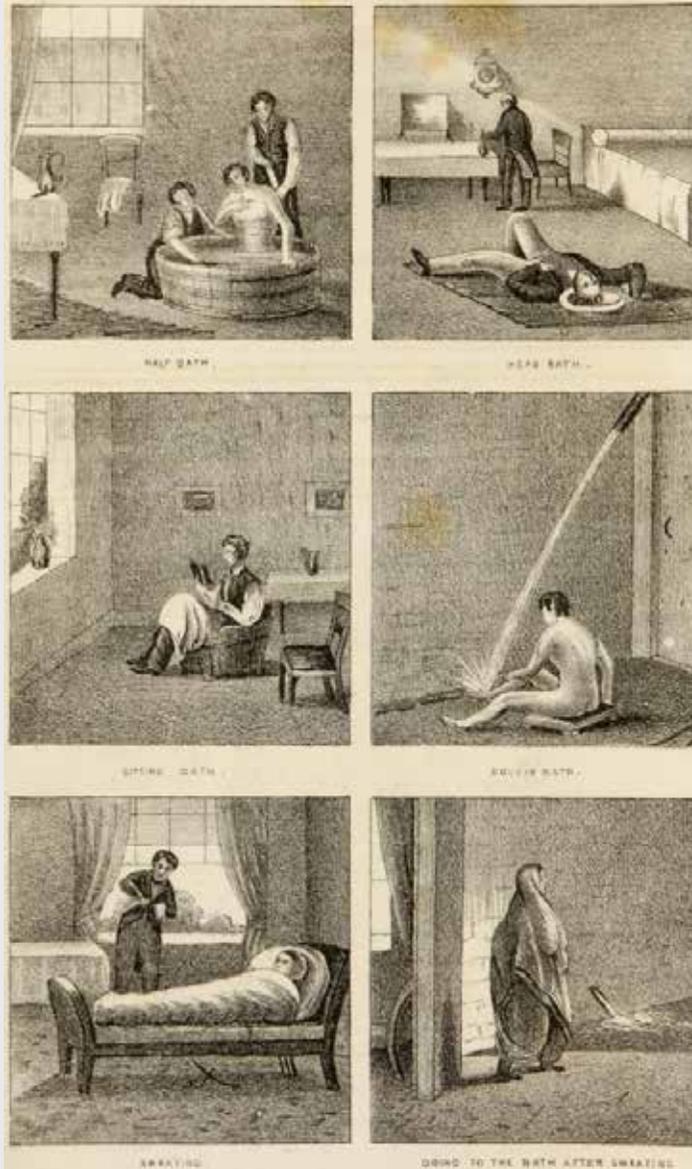


Summary

The case study highlights initiatives set out by Malvern Hills District Council and community partners to expand and develop spa heritage tourism in Malvern. These initiatives came in response to agreed outcomes highlighted in the Visitor Economy Action Plan 2013-15, to twinning developments with spa town Marienbad in the Czech Republic and also around the preservation and promotion of many natural wells in the area.

The study highlights the importance of partnership working in targeting new tourism markets and creating a stronger extended stay culture. An example of this is a future promotion that will see Malvern developing a wider programme around the existing annual well dressing week. Plans are being drawn up to create The Malvern Water Festival which will be piloted in 2015.

The study concludes by drawing together Malvern's rich historical association with spa therapy with a vision of how this could be re developed around the modern term of wellness culture in a technological age.



WELDEST CASE STUDY 4

Indonesia — Spices and Well-being in the Archipelago of Wonder

Author(s): Lourda Hutagalung Budidharma, Gaya Spa and Wellness, Indonesia



Introduction

Indonesian people have long combined tradition and genius loci to live in harmony and well-being through herbs, water, thermal resources, music, dance, meditation, prayer, and the magical touch of Indonesian golden hands. The Indonesia Wellness Masters Association, a team of professors, doctors, medical anthropologists and traditional medicine men have come together, eager to share Indonesia's ancient wellness system to the world and to explore and share their research on the 9 Indonesia ancient wellness systems : Betawi, Java, Madura, Bali, Batak, Minang, Banjar, Bugis and Minahasa.

This case study outlines these different wellness systems, and shows how a combination of local culture, traditions and authenticity can work to make a health and well-being destination more attractive to clients and better able to fulfil their needs.

Wellness Systems

In the Betawi rituals, all treatments start with praying. As the melting pot of the nation, the Betawi' health culture is very influenced by Chinese and Arab cultures. The colours of the bride and groom, the pre-wedding ceremony, the healthy rujak juhi salad with dried squid, bir pletok, all show how the local ethnics mixed with traders from the continents in the past. Dr. Husniah HP, SpAk, a complementary specialist medical doctor of Betawi origin is responsible for analysing and applying scientific methods to Tangas, the Betawi wellness tradition. Her team includes an anthropologist, wellness practitioners and a pharmacist.

Javanese ethnics are rich in understanding and practicing being clean and balanced. Mutih, no salt and no sugar fasting, is common practice for the Javanese. Meditation provides mental exercise for the mind and soul. During pregnancy, a mother is already paying close attention to how the baby will grow, and participates in a seven month long ceremony to pray for the baby's health through the baby's delivery, post natal care, forty days of dos & don'ts, the teenage years, and all the way back to pre-natal care. Ginger, rice, galangal, and many roots, herbs, fruits and flowers (lulur, jamu, bedak dingin, etc.) are meaningful to Javanese health culture and have recently been proven effective as active ingredients for skin care, cough, flu, detoxification, etc.





The old kingdom of Madura, as with other races of Indonesia, is a centre of Indonesian old world health care. They even understand how the protein in an egg shell can help skin conditions. As with other Indonesia ethnic beauty care, scrubbing dead skin cells is a basic step of being clean and healthy. Madura is famous with its long stroke massage movements that require a lot of power and energy. So'oso is their famous egg skin body scrub. There is also an herbal recipe on men's wellness and clinically proven men wellness herbs.

In both Javanese and Maduranese, wellness culture explorations and scientific studies are led by Prof. Mangestuti Agil, Apt. She serves Dr. Ariyanto Yonosewoyo, SpPD, who together with many other medical professors and doctors are applying a holistic approach to their patients. Their last International Symposium on Traditional Herbal Medicine in Surabaya shows how the real east-meets-west medical approaches are influenced by Indonesia.

Bali is the spa capital of the world. Hindu influences on oils, eye drops, and other medications for ailments are full of philosophies of life. The University of Hindu Bali focuses on traditional Balinese medicine studies. They produce Balian, which are traditional Balinese medicine men. Prof. Dr. Nyoman Adiputra, a medical professor, and his team are the brains responsible for Bali natural wellness care. They are not commercial. They are scientists, who are happily dedicating their

lives to promoting boreh, loloh, and other treatments of Bali origin.

Batak is a place of traditional medicine men where 362 medicine men studied under Prof. Rusmin Tumanggor. An unbelievable commitment of curiosity has led to an amazing list of treatments and practices in the Batak region. This is the largest number of anthropological medicine studies ever done. Body, soul and spirit are truly connected in the wellness and health system here. Symptoms are detailed, and treatments all pay great attention to the mind, soul and spirit to determine the reason behind the ailment. However, those six to seven senses, and the knowledge and skill in curing are secrets passed down only within families. The old medicine man only teaches the son. The son only teaches the grandson. As decades go by, the skill of seeing the unseen remains only within the family tree. Prof. DR. Rusmin Tumanggor, MA is only studying the seen.

Minang is the land of beautiful panoramas. Prof. Amri Yahya a pharmacist who is both exploring and studying, has teamed up with Dr. Wanarani Aries, SpRM a geriatric rehab-medical specialist, to present the magical Batangeh, which is clinically proven for detoxification and helps promote rehabilitation after a long illness. Mandi jeruk and mandi bunga are the magical ends of Batangeh.

Banjar is where Batimung was born. A people-supported tradition for the bride and groom. Women from the whole village prepare the pre-wedding ceremony for free. Jasmine, rose, pandanus, and other herbs of the rain forest are used for steams and body masks. Scrubs are proven to prevent body odour, and help slimming and circulation, which automatically promotes general health. Dra. Ida Widayani SP FRS, Apt leads the studies with her team.

There are three components of living in harmony: Tellu sulapa eppa, the wellness tradition of Bugis. There are four basic points for humans: land, water, fire and wind; four points of nature: heat, cold, dry and humidity; and four types of body fluids: red, white, yellow and black substances. Prof. Pawenari Hijjang, a medicine anthropologist, and Dr. Tronny Astriningdiah, a medical aesthetic specialist, are working together with Gaya Spa Wellness to promote Bedda Lotong, Bugis beauty treatment to the next level of wellness care.

Bakera Minahasa is North Sulawesi post-natal care. Minahasa people believe in a hot and cold composition of the human body, which has to be balanced. Once one of the component declines, it has to be cured. Dr. Henny Pratiknyo, MA is working with local practitioners to promote Bakera. There are several plants used to deal with suffering from coldness after birth, and steam baths are the method. Bakera in pure traditions is practiced only between the hours of 6 to 7 in the morning.

Integrating Heritage and Traditions

The importance of exploring and preserving the traditions of the country is clearly recognized. Sharing this research and furthering the knowledge about the various Indonesian wellness systems helps to strengthen Indonesia as a destination.

In addition, combined with the integration of local culture and authenticity into wellness traditions and health tourism, numerous attributes have led to Indonesia becoming one of the most popular destinations in the world for health and well-being: Indonesia features standardized internationally accredited medical facilities and its medical professionals and therapists are highly qualified. The care is extremely cost effective, with the added value of excellent service and superb hospitality. There is a wide range of spa and health resorts which offer a choice of standardized, integrated medical and complimentary health treatments where responsible herbal products are used. The 9 different Indonesia ethno-medicine or wellness traditions are applied holistically along with modern western care. And just as the traditions and cultures vary in the country, there is also a wide choice of tourist destinations throughout the archipelago. Along with this is a broad range of accommodation with many 3-4 star hotels at reasonable prices. Eco-tourism is a fundamental part of the industry and authentic Indonesian cuisine is an integral part of tourism.

Key Learning Points

Overall, it can be stated that high standards of care, attention to detail, excellence and authenticity combined with Indonesia's 9 traditional wellness systems have made the country a health and well-being destination that can satisfy even the most demanding of clients. Knowledge of the numerous wellness systems is being actively deepened through research involving not only academics, but also including anthropologists, pharmacists, medical personnel and practitioners. Implementing the results of this research allows these traditions and this heritage to be preserved, but also to be shared with tourists and to shape the offering of the country as a destination.





4.2 Provision of Quality Services Enhancing Health and Well-being

Core health and well-being services supported by other tourism services

Superstructure is a term used in tourism literature as an umbrella term for facilities and services created especially for tourists, for example, hotels, restaurants, transportation facilities, recreation facilities, and built attractions (for example Crouch, 2007, p.29; Sheldon and Park, 2009, p.104). A critical mass of special health and well-being services and facilities seem to be relevant for a destination in order the destination to be called a health and well-being destination (Illing et al., 2013, 82; Voigt and Pforr, 2014, pp.292 – 295). In addition to these core health and well-being services and facilities, the customers often also use other tourism services like normal tourist accommodation, food and beverage as well as transportation services. These are called the supporting tourism services in the WelDest model (see the WelDest model with two ellipses covering these two types of services, [chapter 3](#)).

According to Voigt (2014, p.28), services enhancing health and well-being include treatments and therapies such as body wraps and massages, and also range from offering healthy nutrition and diet all the way to educational activities.

Voigt (2014, p.28) classifies typical wellness tourism services as follows:

- Body and facial beauty treatments (facials, body wraps, hair removal, etc.)

- Water-based and sweat-bathing treatments and facilities (sauna, Vichy showers, ice grottos, etc.)
- Manual-pressure based and manipulative body-based therapies (massages, acupressure, cupping, etc.)
- Herbal medicine and natural remedies (aromatherapy, fangotherapy, natural cosmetics, etc.)
- Healthy nutrition and diet (specific diets, detoxing, fasting, etc.)
- Exercise and fitness (indoor and outdoor activities, personal trainer, self-guided activities, etc.)
- Mind/body interventions (yoga, tai chi, Pilates, etc.)
- Meditation and relaxation techniques (transcendental meditation, Vipassana, prayer, etc.)
- Expressive therapies and creative arts (dance therapy, drumming, poetry, etc.)
- Energy therapies and New Age (Reiki, healing touch, crystals, etc.)
- Educational activities (counselling, workshops and seminars in stress management, work-life balance, etc.).

Medical tourism is defined as travel across international borders with the intention of receiving some form of medical treatment. However it is often difficult to differentiate which procedures are medical and which wellness. According to several studies, medical tourism encompasses a wide range of services, including surgical, clinical, rehabilitation and therapeutic services, e.g., heart bypass, angioplasty, knee replacement, hip resurfacing, spinal fusion, breast implants and physiotherapy. The most common medical treatments

seem to be dental care, cosmetic surgery, elective surgery, and fertility treatment (Lunt, et al., 2011, pp. 7, 12).

It is important to mention that most wellness tourism providers have offerings for individuals whilst a few also offer corporate wellness programmes for companies and their employees. The idea behind this is to foster teambuilding and increase a common attitude to health and well-being services.

Also of importance is that mainly from a western point of view wellness is, in many cases, strongly connected with the existence of water and the development of spas. But this is only a western stance. In a worldwide comparison of health and well-being services it can be seen that health and well-being establishments do not all offer water based treatments as such; “The importance of the spiritual dimension has been emphasized by several recent conceptualisations of wellness tourism ...” (Voigt and Pforr, 2014, p.29).

Quality of the services

Providing good quality services is vital for any destination or individual business to succeed. A useful model for assessing service quality has been described by Zeithaml, Bitner and Gremler (2013) and can be seen in the following figure (5). The idea behind the model is the “gaps” and how to close them.

WELDEST RESEARCH RESULTS

The WelDest primary research report comprises of the following results concerning the provision of services enhancing health and well-being. When the customers were asked: “What was the overall reason for you to come to this destination?” the following answers were given (see figure 6):

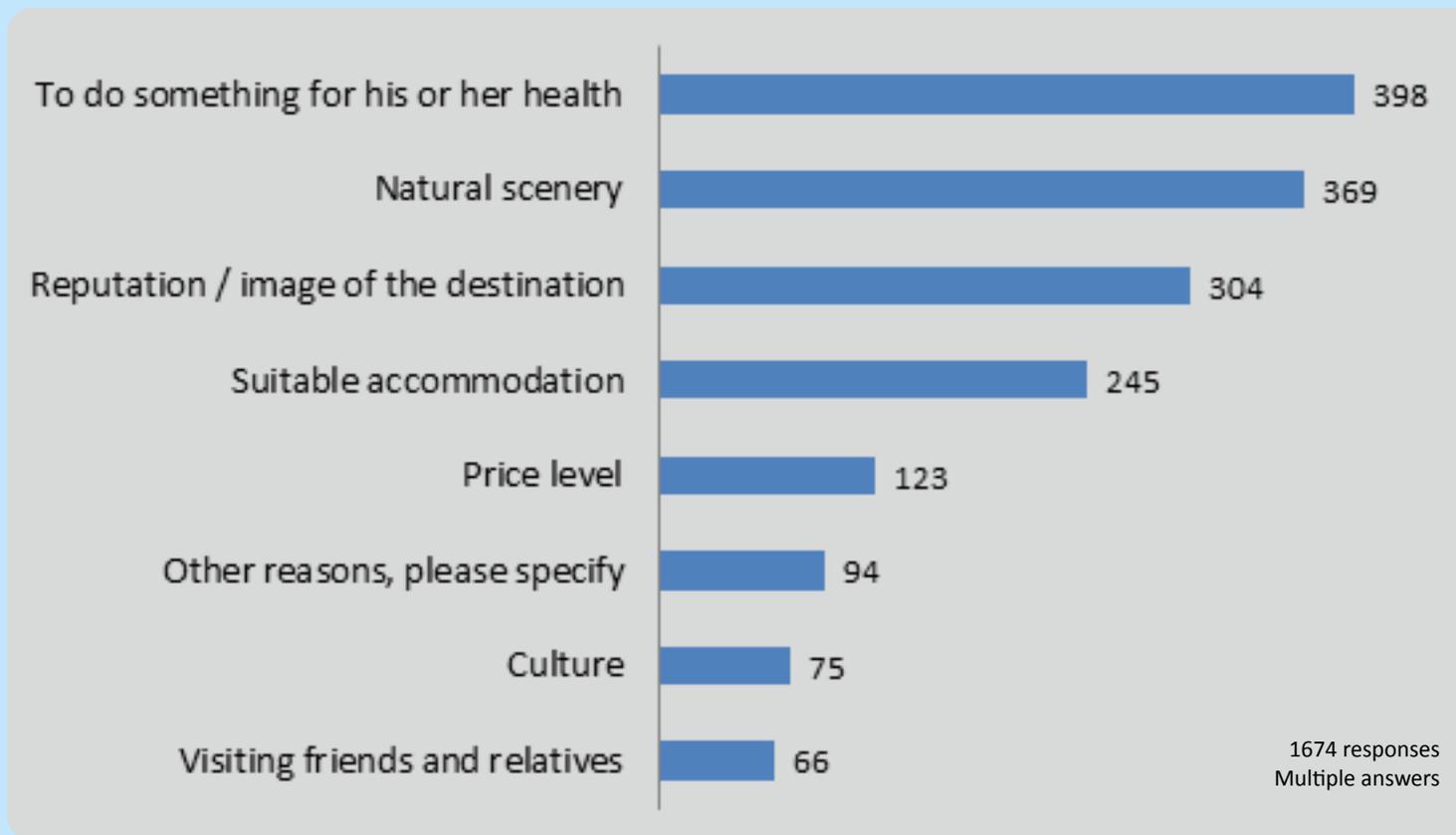


Figure 6. The overall reason to come to this destination (Illing, et al., 2013, p.58)

The most important reasons were: “to do something for his or her health” and “natural scenery.”



When asked in more detail what “doing something for health” entails (see figure 7), “relaxation” and “pampering spa services” were cited as the services which seem to be most important.



Figure 7. What clients want to do for their health (Illing, et al., 2013, p.59)

WelDest primary research concludes that: “all these items mentioned by the respondents are aspects of health leading to a quite broad definition of what health actually is. It comprises different approaches such as relaxation, pampering spa experiences, natural healing resources, sport, and the natural scenery. Thus, health in a health and well-being destination is much more than only clinical services in a nice region” (Illing, et al., 2013, p.59).



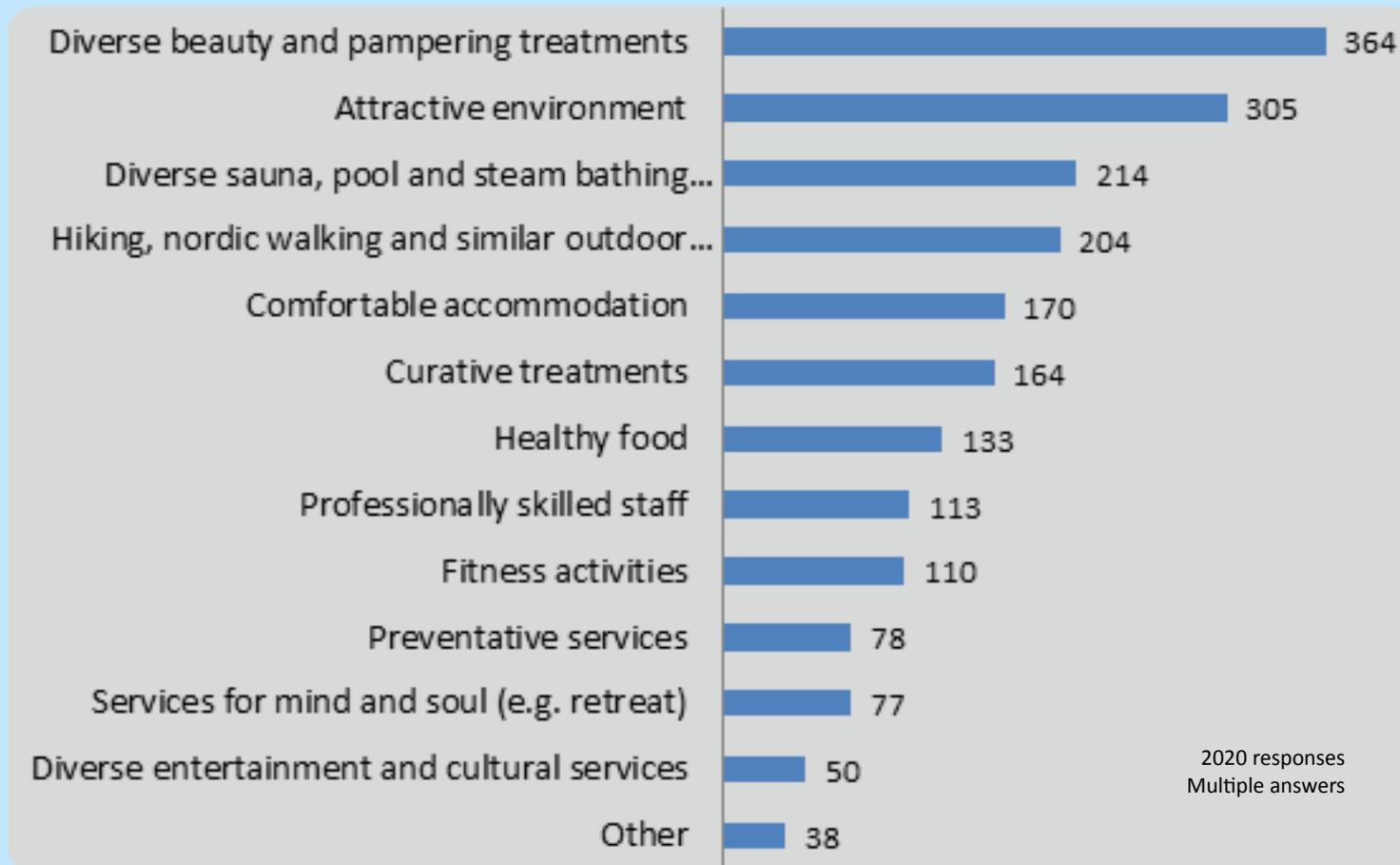


Figure 8. The most valued services and activities (Illing, et al., 2013, p.60)

Another interesting question to consumers was which services, activities and elements they value most in their destination, as can be seen in Figure 8.

The figure illustrates that among the most important attributes regarding a destination's services, guests appreciate diverse beauty and pampering and outdoor sports in an attractive environment accompanied by various spa services (Illing, et al. 2013, p.60).



PRACTICAL SUGGESTIONS

Those health and well-being tourism services that seek to improve the quality of their services might find the quality criteria and quality seals of ESPA interesting and useful. The European Spas Association (ESPA) is an umbrella industry organisation representing 20 members from 19 European countries.

Their objective is to promote spas and balneology in Europe and to take care that the natural remedies based on mineral water, landscape and climate will be available to as great a number of citizens and visitors as possible. In 2006, ESPA unanimously adopted quality criteria which they promote to their members and a wider audience.

This criteria is available at the ESPA website as a downloadable PDF document (see <http://www.espa-ehv.eu/qualitycriteria/>). The criteria include local natural remedies (for example, healing waters and healing gases), Thalassotherapy, bio-climate and air quality, other certified traditional local therapy techniques (for example, Kneipp), and other types of therapy in detail. ESPA has also launched international quality seals called “EuropeSpa med” and “EuropeSpa wellness” (see <http://europespa.eu>) to boost international transparency and fairness in competition.

The criteria focus on safety, hygiene and therapy infrastructure (EuropeSpa med – for medical spas) and safety, hygiene and wellness infrastructure plus service quality (EuropeSpa wellness – for wellness hotels, hotel spas, thermal spas or day spas). Read more about ESPA at <http://www.espa-ehv.eu>



PRACTICAL SUGGESTIONS



In the provision of services in tourism, human resources represent a critical point of success and the least stable component of the whole system. At the same time, guest satisfaction, guest reviews, and guests' possible return to the health and well-being destination in the future depend most on human resources. Good quality and stable provision of human resources must meet the needs of all the basic groups, including stakeholders, customers (guests), employees and the public. There must also be constant communication between these groups in the destination.

Human resource management is most affected by:

- labour law (regulatory compliance)
- working relationships
- business ethics

The common interest of all the people working in a health and well-being destination should be to provide quality in all areas to support the perception of the destination as a health and well-being destination. Employees at the DMO itself, as well as managers and employees of companies providing services in the destination, need to contribute to this. Below are recommendations for actions regarding human

4.3 The Role of Staff: Managerial and Operational Level

Staff at the Managerial Level

According to Morrison (2013, p.64), people are such a crucial element to all tourism destinations it is hard to imagine any destination planning process without giving emphasis to human resources development. Specialized terms for destination planning include workforce development plans or strategies. These plans have a focus on tourism human resources with special emphasis on supply and quality in the future to meet the destination's needs. Such plans cover tourism workforce needs and availability, attitudes towards careers in tourism, recruitment and motivation strategies, training and education requirements, and other relevant topics. A plan is especially needed in destinations that have shortages of human resources for tourism and where tourism growth is very rapid.

When talking about high-contact services like health and well-being, one really has to think about employees. Staff at the managerial and operational levels play a key role when implementing, for example, the health and well-being concept chosen at a company, and fulfilling or exceeding customer expectations.

Every company should have a strategic plan for how it will match its internal strengths and weaknesses with external opportunities and threats in order to maintain a competitive advantage. There may be different types of strategy at each company level

starting from the corporate-level — “what business are we in?” down to competitive strategy — “how will we compete?” and finally towards more functional strategies like sales strategy, production strategy and human resources strategy, all answering the question: “how do we support the business's competitive strategy?” Strategic human resource management means formulating and executing human resource policies and practices that produce the employee competencies and behaviours the company needs in order to achieve its strategic aims. Human resources management also includes using quantitative metrics like employee turnover, hours of training per employee, or qualified applicants per position (Dessler, 2013, pp.99, 102, 106-107,119).

On the company (organization) level, people who work together, to achieve the organisation's goals have formally assigned roles. Managing here involves five functions: planning, organizing, staffing, leading, and controlling. These functions represent the management process. Staffing or personnel management, also known as human resource management (HRM), is one of the main functions as it is the process of acquiring, training, appraising, and compensating employees, and of taking care of their labour relations, health and safety, and fairness concerns. This process of talent management can be defined as a goal-oriented and integrated process of planning, recruiting, developing, managing, and compensating employees (Dessler, 2013, pp.30, 131).



Another managerial point of view important here is service operations management, which covers the activities, decisions and responsibilities of operations managers in service operations like spas, hotels and restaurants. These managers will have



to understand the needs of the customers, manage the service process to meet the company objectives, and also pay continuous attention to improvement of the services offered. They also manage most of the costs as well as the staff delivering the services (Johnston, Clark and Shulver, 2012, p.12).

Services are managed at two levels: at the “front office” level – these are parts of the process that a customer might see, or at the “back office” level – operations invisible to the customer. Both of these operations are vital as they complement one another. For example, a spa hotel front office would not have a room to sell unless the housekeeping department has first cleaned it and the laundry services had delivered clean bed linen and towels. Good service operations management should lead to enhanced

services and experiences that are better for the customer, the staff and the organisation – the “triple bottom line” (Johnston, Clark and Shulver, 2012, pp.12, 15).

In delivering “better” service for the customer, the aim should be to provide them with the right services, a memorable experience and the desired outcomes. A challenge here is that the customer’s idea of what represents value may vary from customer to customer and shift over time. The manager level must be aware of the full range of influences on the customer’s assessment of value. According to Johnston, Clark and Shulver (2012, p.15), the key element in this understanding is the relationship between the brand values as communicated to the customer and the potential mismatch in terms of customer experience. One way of measuring these mismatches is through the service gap analyses proposed by Zeithaml, Bitner and Gremler (2013, p.45). In this case the gap exists between the “expected service” and “perceived service.” If management has problems in recruiting, orientation and empowerment for example, it may also result in a gap between “service delivery” and “customer driven service designs and standards” (gap number 3 in the model of Service Quality, as explained in more detail earlier in chapter 4.2).

resources that should be taken by individual groups.

Recommendations at the destination level

- Support the employment of people from the given destination.
- Communicate with the locals and stakeholders particularly about the product focus of the destination in the new season, and get feedback from them.
- Provide educational activities aimed at the professionals involved in creating a quality destination in terms of services offered.
- Conduct customer satisfaction surveys across the destination.
- Initiate the establishment of methods used to improve the quality of services in the destination.

Recommendations for companies providing health and well-being services in the destination

- Employees at the managerial level should:
 - take into account the experience and qualifications needed in the area of health and well-being when recruiting and selecting new staff.
 - ensure motivating and fair remuneration of subordinates.

- provide the necessary training for staff in relation to the quality of health and well-being services offered.
 - be in regular personal contact with their employees.
 - communicate with their partners and representatives of the DMO about the products offered and the destination's marketing activities, and strive to create a synergetic effect.
 - support the brand and reputation of the destination with their quality services.
- Employees at the operational level should:
 - uphold the ethical codex of their employer.
 - be interested in continuing education in all areas of the activities entrusted to them.
 - contribute to the reputation of the health and well-being destination to guests with their behaviour and the quality of the services they provide.
 - spread the good name of the business and the destination.
 - proactively respond to the wishes of guests.

Staff at the Operational Level

According to Johnston, Clark and Shulver (2012, p.61), a service concept is a shared and articulated understanding of the nature of the service provided and received, which should capture information about the organising idea, the service provided and the service received, the experience and outcomes. The service concept is an important way of capturing the nature of a service so that customers know what they are getting (for example, a description of what the service is all about), and very importantly, the staff understands what they are providing (for example, service design and performance standards exist). Hence the staff that provide the health and well-being services at the destination are in the key role in the delivery of the chosen concept.

Having a sufficient number of staff with the right skills, knowledge and attitude is essential for any tourism company and for the proper functioning of a health and well-being destination. Baum (2002, p.345) states that hospitality work and thus the skills that are required for its delivery exhibits diversity in both horizontal and vertical terms. Horizontal diversity reflects the breadth of the sector from fast food outlets and bed and breakfast establishments to elite resorts, and 'style' hotels and clubs. Vertical diversity is reflected in the range of technical, service and managerial tasks that are undertaken 'under one roof.'

Baum and Lockstone-Binney (2014, pp.133, 135, 140) claim that classifying work and workers in wellness tourism is a complex task. Work in wellness includes areas like delivery of specific health and well-being services (for example, therapeutic, fitness, dietary and spiritual services) and is partly overlapping with related fields of supporting tourism services (for example, in hotels), general business support roles and general management functions for which no specific wellness attributes are essential. Key issues to be considered include ethical standards and practice, professional roles, aesthetic and emotional dimensions to work, skills, training and qualifications, cultural considerations, diversity issues, duty of care beyond the fun zone, and personal health and safety for both employees and customers. A final statement could be that health and well-being tourism is a very labour intensive industry that demands the management of a wide range of employees with skills across tourism, hospitality, health, healing, fitness, sport and spirituality.



WELDEST RESEARCH RESULTS

According to Illing et al., (2013, p.18) the six most relevant competencies on managerial level, in order of importance, are:

- Recognition of customer expectations
- Recognition of service gaps
- Rhetoric/presentation/communication skills
- Sales and marketing know how
- Networking skills to contribute to destination development
- Human resources management

During the stakeholder interviews the following staff competencies on an operational level were highlighted (Illing et al., 2013, pp.18, 20, 33, 47, 49, 54):

- Comprehensive knowledge about the destination and its range of services
- Knowledge of foreign languages
- Rhetoric and presentation skills
- Communication skills (both internal and external)
- Networking skills
- Having a passion/enthusiasm for the field
- Professional skills related to the services/treatments offered in the destination (for example, massages, beauty treatments, fitness classes, nutrition advice, sports, physical therapy) and, health procedures (for example, oxygen therapy)



WELDEST CASE STUDY 5

Six Senses Hotels, Resorts, Spas – “How vision and values drive the role of staff”

Author(s): Saari, S. (interviewer) Turku University of Applied Sciences, Finland & Galletti, M. (interviewee) Six Senses, Vice President Human Resources

Introduction

The role of staff is essential when it comes to providing health and well-being tourism services of any kind. WelDest research stresses high quality service experiences. An example of the role of staff in providing such high class services is a company called the Six Senses.



Six Senses Hotels Resorts Spas are the creator of award-winning and exceptional guest experiences in places of incredible natural beauty in Asia & the Pacific, Europe, Africa & Middle-East and the Americas. The crafted experiences at Six Senses are delivered by a wealth of experts from diverse backgrounds, from visiting spa practitioners and celebrity chefs, to star gazers, marine biologists and even the company’s own paragliding professional. These folk complement their dedicated hosts and help to establish the Six Senses’ uniqueness.

The Six Senses brands are authentic, personal and sustainable, and in harmony with individual surroundings. They adapt seamlessly to host cultures in an environment that evokes well-being, supported by anticipative service and attention to detail. From its very beginnings in 1995, Six Senses has been committed to sustainability and obligation to the environment, and the community. In fact, Six Senses is widely recognized as having established the initial benchmarks for the hospitality industry, showing that a leisure lifestyle could be successfully embraced by the very top tier of resorts, and actually enhance the experience by showing respect to nature. The mission of Six Senses is to help people reconnect with themselves, others and the world around them.

This case study introduces in detail how the acquisition of the company has affected the human

resources function. It explains how the company vision and values have a leading role in the management, training and empowerment of the members of the staff – or hosts, as the customer front line employees are called at Six Senses. The solutions include a completely new training and education program and a strong emphasis on the belief in the vision and values of the company as a guiding principle.

The Management Style of Six Senses

The fast changing world has led to a rapid evolution of customer demands and consumer trends. At Six Senses they are acutely perceptive as to what the market wants. Not only do they anticipate client demand, they very often go to the next level and actually create demand through innovation. The better part of the last two years (since 2012) has been focused on creating organizational and cultural alignment as a result of the sale of the company to Pegasus Capital Advisors in June of 2012. Therefore, the catalyst for change and innovative thought has been the introduction of a new vision and values that represents the way in which Six Senses view their guests, hosts, stakeholders and philosophy of being. This introduction has been a participative one – so much so that the Vice President of HR and Training has introduced these onsite at each property, and at several key spas, to senior leadership in a workshop format. This has created ownership and



has fed the growth of the culture which the vision and values represent. They anticipate the next phase to be about innovation within that culture, and this will likely be introduced as a key focus and message for 2015.

People

At Six Senses they seek individuals who share their values as a means of reinforcing and furthering the group's successful philosophy. They strive to meet the needs of each employee because their success depends on the satisfaction, effort and commitment of each host. To this end, they support and energize all employees to continuously improve productivity and exceed guest expectations. Six Senses strives to create a unique environment of care, trust, respect, fairness and teamwork through training, education and empowerment, participation, recognition, rewards and career opportunities.

Through hiring practices and training programs, Six Senses has built a culture of openness which encourages staff to empathize and anticipate guest's needs with subtlety and consistency. They sustain and grow this approach through their personal development and enrichment programs. People are at the heart of the business. The experiences they craft, the service they deliver, and the connections they build are only possible based on a deep commitment to nurturing the staff and becoming positive participants in the communities in and around Six Senses locations.

Training and Education

The transition has required the development of the HR and Training discipline from a "blank piece of paper," driven fully by the vision and values. Six Senses has internally developed new training programs as introduced by Meg Galletti, Vice President Human Resources:

- Orientation/Induction (4 days in total) designed as a participative, engaged process. We don't like to sit down in our industry – we are active in the delivery of our craft, and training must be designed to celebrate that. Thus, this program is designed to encourage active participation throughout the initial three days and is unusual in that regard. We focus the morning of the second day on vision and values, in a workshop format, and focus the full journey on story telling – what makes us as a company, and the

host as an individual, "out of the ordinary" and how to translate that to "out of the ordinary" service delivery to our guests and to one another.

- Position-specific Functional training, designed to identify the tasks associated with the role and the breakdown of each of those tasks from a learning perspective, not only explaining the how, but the why – increasing ownership of the process. This follows the first three days of the orientation/welcome process and is designed to integrate with the job description, the performance evaluation process, and feeds internal development and succession planning.
- Leadership Orientation, which is focused on reconnection, echoing our vision. We begin with a team-building exercise focused on unveiling our strengths and weaknesses as a team and then investigate our individual styles through use of the Keirsey profile*. Following that we investigate how those styles integrate to form our behaviour as a team. We believe that, until we honestly understand ourselves, we cannot be good leaders of others, or participate most effectively as a member of a leadership team.
- Change Management, which is designed to

* *The Keirsey Temperament Sorter (KTS) is a self-assessed personality questionnaire designed to help people better understand themselves and others. See more at <http://www.keirsey.com/>*

focus on the process of change and our comfort level in participating in, and accepting, change that is both designed and inherent in the transition of a company.

- Performance Management, as, until the company is able to assess performance consistently against vision and values and general and job-specific technical competencies, the company is unable to fuel appropriate internal development to meet the demands of growth.
- Cultural Diversity, designed to support our value of “local sensitivity/global sensibility” and to create a platform of respect for the diversity of our workforce and our guest mix.

The training activities are designed to encourage ownership, of which empowerment is a natural derivative. At Six Senses they believe that all that they do from a learning and development standpoint must be participative. Without real participation and belonging, there is no ownership and, therefore, any effort to grow the culture of the company in a positive direction is thwarted. There is a defined internal host relations program, which celebrates performance, length of service, commitment to vision and values and recognition by both guests and hosts. This is expanded through the implementation of an incentive program designed to reflect collective goals in the areas which define the Six Senses philosophy.

When asked about the career opportunities Galletti says: “The development of the infrastructure is all based on the internal development of our hosts. Our growth projection is such that, without a specific focus on identification of internal talent, individual development plans that support the potential of our hosts to do more and grow further, and the commitment by our senior leaders to embody a culture of development, we will be unable to meet that growth with a host mix that can embody and transfer our culture. We are equally committed to the early identification of markets in which we will develop and recruitment of hosts native to those environments early so that they can be integrated into the company and function, also, as culture carriers at the point of transfer to that location.”

How are the Results Measured?

According to Galletti success is measured by the acceptance of the vision and values as this is a direct indication of the positive growth of the culture of the company. Leading Quality Assurance (LQA)** is used to assess company performance against the operational standards, emotional intelligence, and against the ability to articulate and “live” the vision and values. As the first results came in, Six Senses saw scores in many locations of 100%. The second phase is the introduction of a

** *Read more about LQA at <https://www.leadingquality.com/services.aspx>*



Host Opinion Survey in 2015 where Six Senses will measure host satisfaction in the areas of culture (i.e. vision and values), company identification, career growth, expression of appreciation, training and development, and compensation and benefits. Galletti highlights that the best measure is based on their committed and honest interaction with the teams.

Galletti argues that the main challenge for Six Senses thus far has been the evolution of the company and the strategic approach to the definition of a discipline that represents the needs of the company and positions it to support the intended growth. There has been a need to identify and communicate who they are and what they believe in (i.e. the vision and the values).



Furthermore, they have ensured that there is an organizational realignment that supports the anticipated growth. They have also created a structure of the function moving forward (i.e. the development of guidelines and learning programs to define the discipline philosophically and through tangible initiatives).

When asked about the highlights as the key to success in HRM, Galletti says that it is not about the newest trend or keeping pace with their competitors, but, rather, the ability to connect and inspire their hosts at all levels to take ownership in the business of what Six Senses does. Galletti argues that when they do that effectively, innovation is a natural by-product of the curiosity and willingness to do better: “to reinvent ourselves when we have to because we understand our business and are willing to assess others, in a real way, in order to deliver the same.”

Learnings from the Six Senses Case

The largest obstacle for Six Senses in the past several years has been managing the acquisition of the company, celebrating the history of what Six Senses was, as well as what maintained the brand value throughout the sale, and creating/inspiring support for the philosophical move forward to support culture and growth. If they could do it again as a company, they would have emphasised the need for a bit more focus on a

strategic plan for the acquisition, for being able to support one another at an executive level more openly. However, the future of the HRM function at Six Senses looks bright as it reflects a real level of support at an executive level, and a willingness at the property leadership level, to participate actively and fully in the implementation and ongoing assessment of the new infrastructure. Galletti ends the interview by emphasizing that anything worth implementing must be done with the buy-in and commitment of the team as a whole, and that one should lead any transition with the definition of the culture that one wishes to create. “Make sure to lead with the articulation of that (in our case the vision and the values) and ensure that everything that is developed is done so in accordance with that culture.”



4.4 Seamless Service Chain

Customers “consume” destinations as comprehensive experiences (Buhalis, 2000, p.99). They use numerous services delivered by different service providers, for example, taxi driver, hotelier, waiter and therapist. If the experience is positive and the service chain seamless, the customer doesn’t even think about how many different service providers and staff members are involved in the process. Middleton, Fyall and Morgan (2009) talk about the interdependence of tourism products both from the customer’s point of view, but also from the service provider’s point of view — the latter aspect necessitates cooperation, joint marketing activities and co-branding on the destination level. It is important to remember that not only commercial operators, but also public actors (for example, most of the common infrastructure and many services are run by the public sector) as well as the so-called public realm (for example, public spaces such as parks and the ambience of the destination) influence the quality of the customer experience. The authors also use the term ‘overall tourism product,’ emphasizing that the tourist’s experience is an amalgam of many components. The overall tourism product actually covers everything from the beginning of the trip back to home. Inseparability is a main characteristic for tourism services. In other words, the customer is consuming the service (for example, a treatment) simultaneously with the production of it (while the therapist is delivering it). This means that services cannot be tested in advance and the quality of the services is difficult to standardise, which means challenges for the seamless service chain (Middleton, Fyall and Morgan, 2009, pp.47, 51–52, 120, 484).

The prevailing approach to service development today is called ‘service design.’ It is a holistic, interdisciplinary pursuit to ensure that service interfaces are useful, usable and desirable from the customer’s point of view, and effective, efficient, and distinctive from the supplier’s point of view (Mager, 2008 as cited in Miettinen and Koivisto, 2009, p.15). Service design approach and tools are normally used when services of a single service provider are developed, but they could also be used to develop the so-called customer journey of the visitor on the destination level.

Customer journey is a helpful approach to understanding the experiences of the customer through the whole customer process. Consistent quality throughout this overall tourism product is essential for destination success. The customer journey consists of several stages with one or more service providers. To be customer oriented, each provider has to streamline its processes to better serve the customer’s needs and expectations.



The following table (Table 1) illustrates the main stages in the customer journey; dreaming, planning, booking, experiencing and remembering. Additionally, the table describes communication and actions needed to assist the

customer through the journey. The communication life cycle and action is illustrated here from the viewpoint of the organization responsible for visitor services management such as a destination management company (DMO), but the role of other service providers can also be very important in different stages.

Customer journey	Communications Life Cycle	Destination action
DREAM	Create awareness, emotional interest, specific ideas	Destination promotion
PLAN	Provide “hard” information	Visitor services
BOOK	Enable booking	Visitor services
EXPERIENCE	Ensure quality of experience – facilities, services, “public realm,” information, booking	Management of the destination, visitor services
REMEMBER	Maintain the relationship through research (behaviour, and follow-up action)	Customer Relationship Management (CRM)

Table 1. Customer journey, communications life cycle and destination action (UNWTO, 2007, pp.18 – 20).

Voudouris, Owusu, Dorne and Lesaint (2008, pp.2, 5, 11) speak about service chain management. According to them, the success factors in improving customer satisfaction, and at the same time reducing operational costs, are:



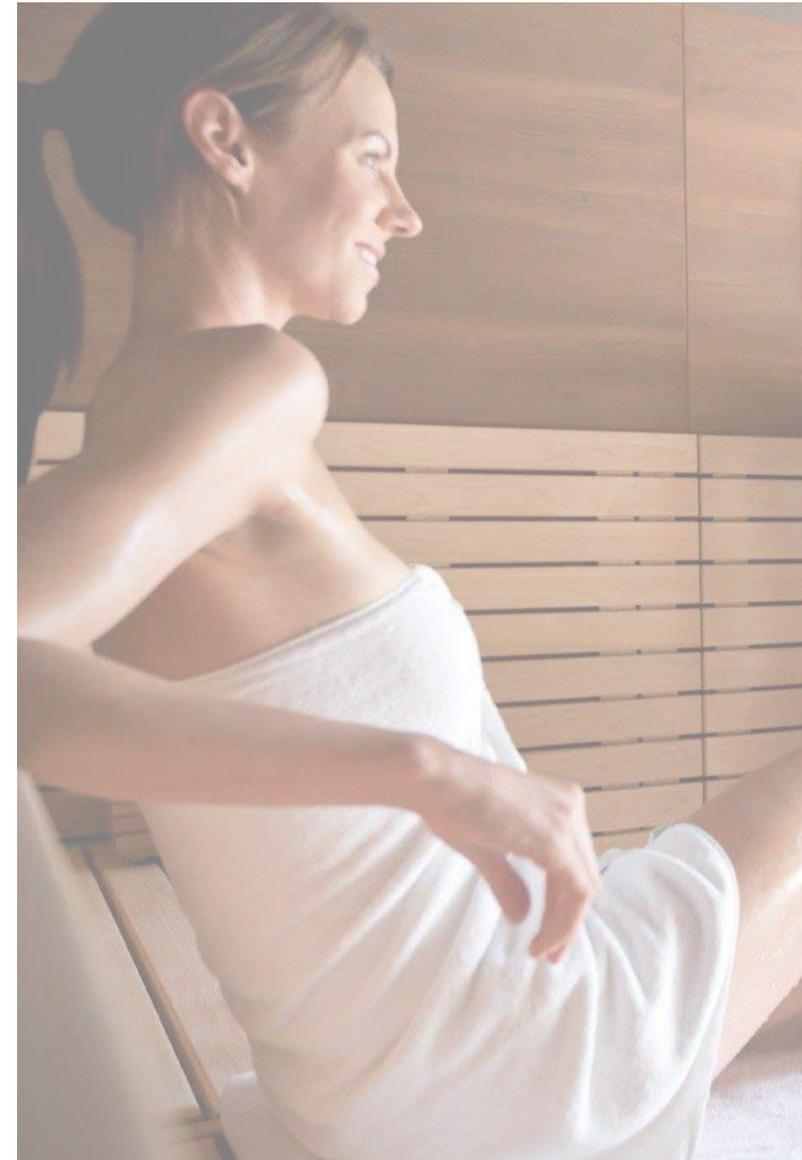
- Minimizing waiting time for customers
- Minimizing idle time for resources / maximizing utilization (for example, staff, facilities and equipment)
- Maximizing performance for employees and other resources
- Maximizing the experience for customers

Success in the above mentioned goals necessitates a lot of scheduling, planning, collaboration and co-ordination on both the company level as well as the destination level.

When discussing the seamless service chain, one point of view is accessibility to and within the destination. Infrastructure and technology are discussed from this point of view in the report on macro-trends in tourism that was published by Oxford Economics (2014). An ideal example could be a door-to-door service with a seamless combination of transport (for example, car, train, and airplane) from home to the health and well-being destination, and back. Technology is utilized throughout the customer process (for example, one-stop shop in booking, making reservations, payment, etc.).

So far not so much effort has been used in combining technologies. The reason might be that a lot of different players exist in the market (for example, airports, airlines, hotels, car rental companies, etc.). Therefore, it is rather difficult to coordinate all the

different interests. In principal, there first needs to be customer volume to the destination (economies of scale) followed by cooperation between the different actors (economies of scope). As Oxford Economics (2014, pp.32-33) puts it: "... it also requires the appropriate 'mind-set' to take on the challenge of seamless travel by utilising the benefits of recent technological advances. At present because many providers would appear to be focused on improving their own offerings, seamless travel would effectively appear to be left for 'someone else' to worry about." This "someone else" could be a destination management organization with a responsibility to coordinate tourism and hospitality services at the destination level (see chapter 5.1).



WELDEST CASE STUDY 6

Harrachov Card and the Cooperation of Various Organizations in One Destination

Author(s): Jaroslav Jedlička, GM at OreaVital Hotel Sklář, Harrachov, Czech Republic



Introduction

The OreaVital Hotel Sklář is located in the town of Harrachov, which is a well-known mountainous area situated between the Giant Mountains and the Jizerské Mountains in the Czech Republic. This tourist destination primarily offers year-round sport and fitness activities and has become an ideal destination for sports, relaxation and active recreation in the fresh air. The origin of the town dates from the 17th century. At the beginning of the 18th century the town was named “Harrachov.” It is famous for glassware production, which has been taking place for more than 300 years. The glass factory supported production of the beer “František,” which has become a truly regional speciality. Currently the town of Harrachov is one of the

centres with the highest number of ski jumps in the world. Moreover, the mammoth ski jump for ski flying, of which there are only five in the world, has been built here and the World Cup in ski jumps and flying takes place here regularly. 1,600 permanent residents live in the town of Harrachov, whose main source of income comes from the travel and tourism industry.

Aim of the Case Study

The aim of this case study is to describe the mutual cooperation of various parties in the destination of Harrachov who act under the auspices of the Association for the Development of Travel and Tourism in Harrachov (further SCRH). The aim pursued by this Association is to attract more tourists to this destination and offer them interesting experiences for an affordable price, while maintaining local traditions, culture and nature.

Association for the Development of Travel and Tourism in Harrachov

SCRH was founded in 2010. Among its founders were Skiareal, a.s. (joint-stock company), the town of Harrachov, five large accommodation establishments, and several sports service providers. Their activities at that point focused primarily on support of the winter season. Currently there are 74 Association members whose activities run the whole year.





SCRH MEMBERS

- Skiareál a.s. (operator of the ski area)
- The town of Harrachov, represented by its vice-mayor
- 16 hotels
- 32 operators of guest houses and chalets
- 19 providers of apartment accommodation
- 7 providers of sports services

SCRH acts as a civic association and any entrepreneur from Harrachov can voluntarily become a member. The town of Harrachov is a SCRH member, which means that particular projects can be resolved in direct cooperation with the town hall. Each member contributes a certain amount of money to the SCRH, which is calculated according to an agreed system. The SCRH finances all activities and projects from its budget. The SCRH bodies are: the general assembly, the board, a chairperson, a revision committee. Each member has a vote (votes) according to the agreed system. The SCRH Statutes are available (in Czech) at www.scrh.cz.

The Association was established in order to help develop year-round tourism in the destination of Harrachov, as opposed to just during the winter season. Its aim is to increase the occupancy rate of accommodation facilities, raise the number of services for clients, prolong visitors' stays, and above all to offer particular advantages to the guests who seek accommodation at the SCRH members' facilities. The Association wants



to motivate visitors to come to Harrachov again, and it aims to create an array of services leading to a stronger position among the competition with other destinations all year round.

The Harrachov Card

The main SCRH product is "The Harrachov Card" (www.harrachovcard.cz). This guest card was first

issued three years ago, and was intended for guests who stay with accommodation providers who are SCRH members. The card offers guests certain benefits and advantages concerning services provided in Harrachov and its surroundings. Providers from Poland and neighbouring regions belong among the partners (places accepting the card). The card offers various advantages depending on the season. Thus

in the summer time, more services are offered in neighbouring regions and guests like to travel around more while staying in Harrachov. On the contrary, in the winter season guests look for advantages in Harrachov itself, which offers more services to skiers.

PROVIDERS OF BENEFITS:

- Ski area operators
- Providers of ski training courses and sports equipment rentals
- Wellness services providers
- Adrenaline experiences
- Operators of sports centres
- Operators of farms and agro-tourism facilities
- Museums (Giant Mountains National Park, glassware and mining industry, jewellery, etc.)

Accommodation providers issue the card to their guests. The benefit providers are connected to the same system. The same software used for printing of the cards enables providers to monitor various data according to the particular season, thus making them capable of assessing the utility of cards in accordance with the guest segment, duration of their stay, types of services, etc.

Winter ski-bus operations in Harrachov are also included among the important SCRH responsibilities, as well as maintenance of ski runs in the western part of the Giant Mountains, and organization of activities such as the “Opening of the Ski Season,” which welcomes several

thousand visitors every year and which has become a tradition in the month of December.

Last year the SCRH began changing the signage system on cross-country ski routes, and was successful in the creation, description and signage of trailheads suitable for cross-country skiers.

All activities and products are financed from the SCRH budget, which is approved for the following year at the stakeholders’ general meeting and in accordance with the statutes. The budget must always be balanced. Regarding the structure of the SCRH, the budget is a collection of money from private subjects, and a certain amount is provided by the town of Harrachov. Approximately 15 per cent of the budget comes from sponsors (partners). The SCRH also receives finance from sale of the Harrachov Card, which is sold to visitors of Harrachov who do not stay with members. This concerns mainly individual apartment owners who regularly spend their leisure time here and use the services of the town of Harrachov. The benefits are offered in a different way. The SCRH administers approximately 1.4 million Czech crowns per year. At the beginning of the SCRH existence it was only 0.5 million per year.

A significant increase in the number of cards issued in both seasons is evident.

HARRACHOV CARD	SUMMER SEASON	WINTER SEASON
2011-2012		6 734
2012-2013	12 040	24 858
2013-2014	18 280	28 444

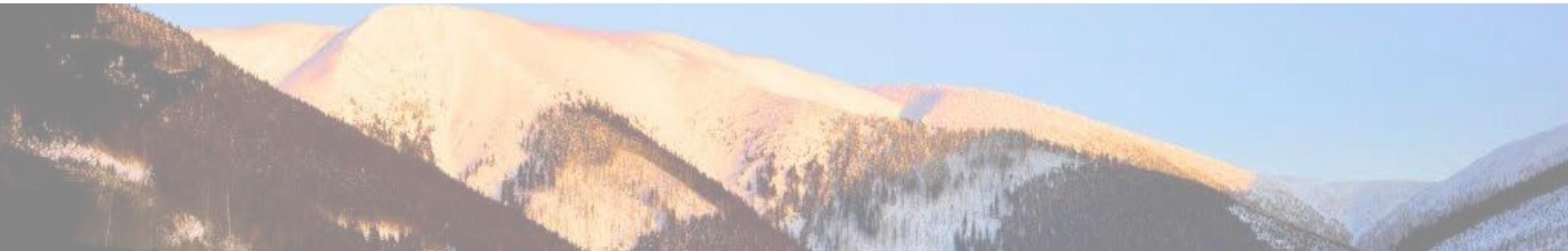
Table1. NUMBER OF ISSUED CARDS (comparison)

Summer season: May 1–November 30

Winter season: December 1–April 30

From the above mentioned facts, it is obvious that the SCRH activities have expanded. The number of members, as well as providers of benefits has risen. Marketing activities have been developed and above all, there has been success in unifying a great number of entrepreneurs in the destination. Currently, the Association cooperates with organizations such as the Union of Towns and Municipalities of the Czech Republic and the Tourism Forum on projects that aim at attracting a higher number of tourists to the destination. These organizations are also interested in the Association’s experience and know-how that might enable them to expand their cooperation with other centres in the region.

Flexibility represents a particular advantage of this cooperation — fast project approvals, diversity of the members and efficient work on projects. It is true that the budget is limited and for the time being the Association can participate only in smaller projects. Thus, some good ideas and their implementation have to be put off.



Guests perceive the project very positively, and the providers of accommodation themselves record great numbers of returning guests within one season. Most of them are guests from the Czech Republic, especially families with children.

Unfortunately, there have also been negative responses from local inhabitants and some entrepreneurs (non-members) who have never believed in this project. The Association is, however, convinced that the focus on guests and an offer of comprehensive services on a corresponding level will bring more guests into Harrachov. These guests will have the same demand for high quality services from all entrepreneurs. That means the guests themselves will persuade Harrachov service providers to cooperate. The Association has increased the offer of benefits to local residents, such as for example, offering use of the ski-bus free of charge. The SCRH is ready to pay more attention to the local community so that they comprehend this project as being to their own advantage.

The SCRH, and its partners, can say that it is possible to do much more for the sake of the region/destination's development than seemed possible from the beginning. Participation from the public sector is not a necessary condition in this case, and quite often it can become a retarding element in the cooperation. Based on the Association's experience, it is convinced that it is possible to implement guidelines thanks to mutual cooperation. It is fulfilling them patiently and

systematically, fully aware of the fact that nobody will do things in its stead to keep the region functional and self-dependent. It is therefore important that SCRH tailor its activities accordingly. Representatives of the town cooperate with the Association now, and there is a strong belief that other state run bodies will join in the project too.

The SCRH would like not only for other members and services providers to join, but also to expand its activities. One of the key plans is operation of an "info-centre," and in cooperation with the town, use the destination potential much more efficiently. Thanks to better coordination, the Association will bring more guests to the region. In the future it wants to monitor the quality of provided services and make meeting these quality requirements a strict condition for membership in the SCRH.

Key Learning Points

Creation of the Association for the Development of Travel and Tourism in Harrachov has led to the mutual cooperation of various parties in the destination. The Association has been quite successful in achieving its aims of attracting more tourists to this destination and to developing more year-round tourism in Harrachov, as opposed to just during the winter season. It has found, however, that the support of the local residents is essential, and despite making special offers and providing benefits specifically for residents, it will still need to pay more attention to the local community in

order that they understand the benefits of the project to themselves as well. The Association has managed to unify many of the entrepreneurs in the destination, and despite operating for some time without support from the public sector; it has gradually integrated them into the project and now enjoys their cooperation to a certain extent. This progress has allowed the Association to move closer to its goals, motivate repeat visits from tourists to the destination, and strengthen its position among the competition.

WELDEST CASE STUDY 7

Living Luhačovice

Author(s): Zdeněk Urbankovský, East Moravia Tourism Organization, Czech Republic



Initial Situation

The town of Luhačovice is a small municipality in the eastern part of the Czech Republic and the location of the largest spa resort in Moravia (the eastern region of the Czech Republic). This spa resort is the second largest in the Czech Republic (the largest being situated in the town of Karlovy Vary in West Bohemia). Spa treatment in Luhačovice is based on the use of natural curative resources (17 mineral springs, mostly hydro-carbonate salts, some of them containing sulphur. The well-known mineral water “Vincentka” is bottled and sold primarily in pharmacies as an effective supportive medicament for respiratory treatments). A range of spa resort entities, as well as wellness hotels, are located in the town of Luhačovice. Dozens of small hotels offer accommodation, and accommodation is also available in private homes

and flats. The total accommodation capacity of the town is approximately 4,000 beds, most provided by the “Lázně Luhačovice, Corp” spa company.

Entrepreneurs dealing in the travel and tourism industry depend on “typical” spa clientele; however, not all hotels have access to the curative resources (mineral springs). Thus they offer wellness visits, benefiting from the reputation of a destination that, thanks to its clean environment, can be designated as a climatic spa.

The town of Luhačovice (local government) collects a “spa tax” from its guests. These fees are transferred to the town budget. The town itself runs the House of Culture (cinema, congress hall and ballroom), the municipal tourism information centre, the public municipal swimming pool (which is open year round), the sports grounds, and a network of cycling paths. The town itself rarely promotes the locale as a tourism destination.

Spa clients are made up of those who have their stays paid from health insurance and those who pay themselves. Due to payment regulations, most Luhačovice subjects (spa or non-spa) try to attract self-paying clients. Thus even typical spas have to offer visits accompanied by wellness or other active holidays for self-paying guests. The profile of clients is changing, and those in the travel and tourism industry have to adapt to this fact.

Impulse for Change

Approximately ten years ago there was almost no close

mutual cooperation among the travel and tourism organizations, or among the businesses dealing in tourism and the municipal government. Lázně Luhačovice, Corp., held the dominant position and together with the municipal bodies more or less determined the “spa season,” and prepared the programs for the spa guests. In those days, typical spa clientele prevailed, and this seasonality ruled Luhačovice life.

However, at the same time, new accommodation and wellness facilities were being built or reconstructed, and the business environment became more diverse. About six years ago the Eastern Moravia Tourism Organization began implementing marketing activities promoting Luhačovice and its surroundings to domestic and foreign clientele more effectively. The organization proposed projects requiring stronger and closer cooperation between the municipal bodies and the local businesses. Concerned subjects, who had not cooperated until then, received broader marketing support; however, this support was bound up with mutual cooperation within the destination only.

Ingrained mistrust and reluctance were overcome step by step, and in quite a short period of a few months a virtual tourism product called “Living Luhačovice” had been developed. Its principle was a concentration of the services offered to guests, ranging from individual Luhačovice subjects into one offer from Luhačovice. Each concerned hotel prepared an accompanying program for its guests and offered it as part of a collective program

for all guests of Luhačovice. This offer was passed to a “neutral” municipal information centre and placed on the website (www.vychodni-morava.cz/en) which is run by the Eastern Moravia Tourism Organization. Hotel guests thus became guests of the destination, the town of Luhačovice. Guests had more opportunities in participating in a whole array of activities compared to the few provided by “their” hotel. Hotels could therefore more easily fill their accommodation capacity (for example, with groups of visitors). Hotels and other accommodation providers were much more motivated to cooperate in the project.

With time, some subjects found even this type of activity insufficient, and decided to unite into one subject called Luhačovice Resort. The members of this association are significant non-spa subjects whose clientele arrive in Luhačovice mostly for active holidays, wellness services, and gastronomic experiences. This association maintained the original way of sharing accompanying services and at the same time its members began creating their own program offers. For example, they share web pages, create accompanying offers for cyclists (including routes, maps, services, bike rental, organizing group biking tours, etc.), and winter sports offers (maintenance of ski routes, skating, etc.). Luhačovice Resort has organized several gastronomy events (Luhačovice pig-slaughtering feast, Luhačovice Food Festival), and even events for children (Luhačovice Resort Children’s Day). One of the joint gastronomy events products includes, for example, the revival of a traditional regional desert (plum cake from dough containing pork cracklings) and offering it in all the

hotels belonging to Luhačovice Resort. The Luhačovice Gastro festival won the jury prize in the Great Tourism Prize Competition at Regiontour Brno trade fair in 2014.

Key Learning Points

The aim of the Eastern Moravia Tourism Organization regarding destination management was the creation of elements of partnership between the private and public sectors (on a municipal level). The aim has been partially implemented, with several Luhačovice entrepreneurial subjects united and mutually sharing accompanying events. Unfortunately, the participation of municipal bodies is still deemed to be insufficient. Relations between “typical spa” subjects and Luhačovice Resort subjects do not yet work in full harmony. However, it seems that mutually competitive subjects that strive for the same type of clientele can unite in order to fulfil Luhačovice guests’ expectations, and can help increase the number of visitors, providing an overall benefit for all parties involved.

The task of destination management is to achieve broader participation from municipal bodies in the promotion of the destination, not only as a seasonal spa locality but as a destination with a year-round offer of spa and wellness visits, as a place suitable for active relaxation, and a venue for young people.

Another task ahead is harmonizing relations between spa and non-spa subjects, for there is only one town of Luhačovice.





4.5 Essentials in Tourism Business: Customer Orientation, Hospitality and Sustainability

Customer orientation — understanding your customers

Understanding one's own customers is a key success factor in every business today. It is important to conduct research to fully identify target markets and to understand the needs, expectations and preferences of the targeted customers. Different data collection methods can be used, for example, questionnaires, interviews, observation, and analysis of social media feedback. A visitor profile study can aim to get information for example, about demographic (gender, age, income), geographic (country, region, language) or psychographic profiles (lifestyle, including interests, activities, values) of the visitors, usage of travel information sources, booking habits, motives for the trip, factors influencing the destination choice, the customer's perception of the company/destination image, spending, preferences and the usage of different services, travel party, expectations and satisfaction levels. It is possible to collect the data both on the company level and on the destination level.

The analysis and interpretation of customer data can help service providers, for example, in choosing sales and marketing channels as well as in content creation for promotional communication, improving service processes, or developing new services and facilities to better meet customer needs and expectations. It is advisable not only to ask what the customer wants

or thinks, but also why he/she wants something. Knowing the factors — including the emotional ones — behind the preferences helps one truly understand the customer.

Upward communication is another way of getting better customer understanding. It can be realized through effective interaction between the management and the employees with customer contacts, as well as by the executives listening to the customers (World Tourism Organization, 2007, p.47, Zeithaml, Bitner and Gremler, 2013, pp.138–139, Morrison 2013, pp.121, 406).

In chapter 2, the main segments of health and well-being customers were introduced (proactive wellness tourists, reactive medical tourists). By conducting research on the destination or on the company level, more detailed customer knowledge can be achieved. For example, in a study of three Australian wellness tourism organisations, it was found that the following benefits were especially important for their wellness customers: transcendence, physical health and appearance, escape and relaxation, time with important family members/friends, novelty, re-establishing self-esteem and indulgence. This type of customer knowledge is valuable both for service providers and for destinations planning their marketing activities and service development (Voigt, Brown & Howat, 2011, p.27).

The aim for the service provider should be to build up a good guest-host relationship and to find out what creates value for the customer. In other words, what is the best solution to meet his/her needs? Services characterised by an intense relationship between the customer and the representatives of the service provider are called high contact or high-touch services. Health and well-being services, for example, mind-body, personal trainer, stress reduction, fitness or weight management services are typical examples of high-contact services. These services often presuppose high input from the customer and flexibility as well as personalisation from the service provider. The customer is a kind of co-producer of the service. The service literature also uses the term “value co-creation.” Customer loyalty and repetitive purchases are indicators of successful service encounters both on the company and on the destination level (Grönroos, 2007, pp.27, 57, 360, 365, Middleton, Fyall and Morgan, 2009, p.131).

Hospitality — providing excellent customer services

The English speaking world has for years used the word “hospitality” to describe a cluster of service sector activities with a provision of food, drink and accommodation (Lashley, 2000, p.4). Indeed hospitality is a very important part of health and well-being destination success, but what exactly is



meant by hospitality? There are many dictionary definitions for this term, such as: “friendly and generous reception and entertainment of guests or strangers” (Oxford Dictionaries, 2014), or: “kindness in welcoming strangers or guests” (Collins Dictionary, 2014). It seems being “hospitable,” i.e. friendly and welcoming to visitors or guests (Oxford Dictionaries, 2014), is the key. However, hospitality is not a one-way process nor is it completely behavioural in

nature. Hospitality requires a guest (“hospitaller”) and a host (those who provide hospitality) and so it is an exchange process (Brotherton and Wood, 2000, p.136). This exchange is characterized by discussions of the role(s) of rules, customs, manners, rituals and habits regulating hospitality (Brotherton and Wood, 2000, p.139). For example, a customer brings his/her own culture into the service encounter when he/she adapts to the custom of nudity when using a sauna

in some Central European wellness destinations. Hospitality also consists of a combination of tangible and intangible elements. Brotherton (1999) has offered the following definition for hospitality: “a contemporaneous human exchange, which is voluntarily entered into, and designed to enhance the mutual well-being of the parties concerned through the provision of accommodation, and/or food, and/or drink” (Brotherton and Wood, 2000, p.142).

According to Lovelock (2005 as cited in Ariffin, 2013, p.171), hospitality hosting behaviour is one of the vital enhancing services where extensive interactions take place between the guest and the host. It has been claimed that a high level of hospitality can even foster stronger emotional ties between the guest and the service provider, for example, a hotel. As an enhancing service, hospitality is also seen to increase the satisfaction of the overall services in a hotel regardless of the star rating (Ariffin 2013, p.171). As Crouch (2007, p.28) puts it: “visitors have a natural human desire for warm acceptance as they seek to enjoy the range of experiences the destination has to offer.” This acceptance and hospitableness comes via professional hospitality management, which is about the management of (essentially, but not exclusively) commercial organizations in the business, providing the three key related services of food, drink and accommodation, and which principally entails the application of management

PRACTICAL SUGGESTIONS

How to achieve the three dimensions of sustainability in tourism?

1. Ecological steps to achieving sustainable development in tourism:

- Use resources only at the rate that they can regenerate.
- Save energy, use renewable energy sources, create material cycles.
- Conserve and protect ecosystems and species.
- Avoid spurring negative consequences in other regions with your own regional or local changes (for example, overuse or pollution of ground water).
- Promote diversity in nature, make an effort to reduce mono-cultures.

2. Social and political steps to achieving sustainable development in tourism

- Create specific solutions for specific regions.
- Develop transparent cause-and-effect chains through various forms of cooperation.
- Adjust to a smaller scale of living and narrower economic contexts.

techniques to the provision of these goods and services (Brotherton and Wood, 2000, p.145). Ariffin (2013, p.173) introduces a five-dimension scale model to hotel hospitality called the “HotHos.”

There are five distinct but inter-related dimensions, in order of importance, which can be used to explain the dimensionality of hosting hospitality behaviour, adapted from Ariffin (2013, p.173):

1. Personalisation; any behaviour occurring in the interaction intended to cater specifically to the client. Customers expect to be treated with full respect, endless smiles, and called by their names. Personalisation is also about fulfilling all the guests’ needs more efficiently.
2. Warm welcoming; refers to the ritual, style, or manner in which the task of welcoming the guests is conducted.
3. Special relationship is about the ability to cater to the special requests of guests above and beyond the normal service delivery. Special relationship is rooted in marketing practices and requires well-maintained customer databases.
4. Straight from the heart describes the sincerity of the service, which is offered from one’s heart, with no expectation of incentive or reward. It is important to show that the host’s

behaviour is based on his sincere desire to please and care for his guest, not a deliberate attempt to impress.

5. Comfort focuses not only on physical comfort, but also on the psychological comfort experienced by the guest throughout his stay. Comfort has been mentioned as the most important factor of service quality and as such, it affects the success of the service delivery.

Sustainability

Sustainable development is more than just a contemporary buzzword. It is a philosophy based on a long-term vision of environmental, economic, employment and social policy, which goes far beyond government periods and national borders. A healthy environment, economic prosperity and social cohesion are common goals of global, national and local policy to ensure the quality of life for all people over the long term. Therefore, it is also the answer to the challenge of controlling social, economic and ecological processes in a responsible way. It is necessary to analyze trade-offs and to develop options to address them (Nutzinger, 1995, p.58; Klauer, 1999, p.47).

Sustainability affects all levels of observation, so it can be implemented locally, regionally, nationally or globally. The environmental

perspective is followed increasingly from a global approach, whereas economic and social sustainability is often focused on from a national perspective.

The principle of sustainability requires a permanent economic handling not only of the production but also of consumption. Much of the progress in environmental technology has been neutralized by the continuously increasing demands of citizens, so that this progress has not led to the expected relief for the environment.

The World Tourism Organization defines sustainable tourism as follows: “Tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities” (UNWTO, 2005).

The three dimensions of sustainability

The term of sustainability consists of three components, which are also referred to as the three-column model of sustainability (Diefenbacher, 2012, p.27).

- Environmental sustainability aims to protect nature and the environment for future generations. This includes the preservation of species diversity, climate protection, the maintenance of cultural and natural areas in

their original form, and in general, a careful treatment of the natural environment. Ensuring the functioning of the biosphere is now one of the most important tasks for the future and thus a compulsory component of the precautions taken by a responsible generation. The decision for intergenerational justice requires a correction in the course of social development, because the current welfare model of industrial societies will make the earth uninhabitable in the long run. It includes well-aligned future ethics for the technological civilization.

- Economic sustainability aims to provide a permanent basis for acquisition and prosperity. The protection of economic resources from exploitation is of particular importance. The currently dominant forms of economic activity that consume a lot of natural resources in a short time are irrational from an economic point of view. A long-term economic model, meaning an economic and efficient economy, must also provide the preservation and optimization of its ecological conditions.
- Social sustainability refers to the development of society as a way of enabling participation for all members of the community. This includes a balance of social forces with the aim to achieve a permanent, sustainable, liveable society.

- Decentralize decision-making powers (compelling decision-makers to experience the consequences of their own actions).
- Create inter- and intra-generational relationships encouraging reciprocity and equal opportunities.
- Improve the participation of local people in policy decisions regarding development.
- Build self-organizing social networks.

3. Economic steps to achieving sustainable development in tourism

- Strive to satisfy the basic needs of the region.
- Strengthen regional product sales in the region.
- Promote ecologically-friendly products and production processes.
- Improve the information flow between businesses, politicians, government, universities, research institutions and citizens.
- Promote local and regional small and medium enterprises.

Sustainable development is a new definition of the conditions, limitations and aims of progress: a progress that is always supported by the conditions of nature. The environmental point of view is integrated into a comprehensive development concept so that it is included into the economic goals of action from the beginning.

With their pursuit of optimization, the dynamics of modern industry can be counted as an essential element of sustainable development. It is not the idea of maximization which is the leading idea, but a development concept that aligns the pressure of rationalization to a gentler, more effective use of resources.

The aim of such development is not a short-term maximization of single parts and performances, but a systemic stabilization of human-environment relationships. The concept of sustainability leads to visions of a culture that learns, based on the protection of nature, to think long term and across generations (Ekaradt, 2011, p.89).

Rules of thumb concerning sustainability

1. Only remove/take what grows again. Bring only things which can be recycled into the material cycle. The capital stock of nature must be preserved.
2. Consider how the proposed measure affects the environmental, social and economic life-conditions of future generations.

3. A measure is sustainable when the social, economic and environmental objectives are alike.
4. My profit must also be your profit. It is important to join forces instead of fight against each other, to fill niches rather than repress — from confrontation to cooperation.
5. Let the people participate. Democracy in the information age is based on possibilities in which the people themselves are involved in the design of their living reality.
6. As globally as necessary, as regionally as possible.
7. The theoretically formulated model requires a practically lived model.

(de Haan et al., 2008, p.114; Rödel, 2013, p.115)

Sustainable tourism development has reallocated all areas of sustainable development (environmental, economic, social and cultural) toward tourism objectives. A one-sided environmentally-oriented tourism policy can therefore not claim to be “sustainable.” It should be a sum of all three dimensions.

Six assumptions can be derived for a sustainable policy in tourism:

- Intact and natural habitats are essential for the tourism of the future (the ecological dimension).
- Tourism must be embedded in a cross-sector, region-specific networked economy (the economic dimension).

- Holiday regions are characterized by self-determined cultural dynamics and social satisfaction (the socio-cultural dimension).
- There is development and application of management systems for intensively-used tourist destinations.
- People, as the designers of tourism policy, are at the center (institutional dimension).
- The responsibility of the source areas and higher-level systems is becoming increasingly important.

The intact natural supply is the basis for a sustainable tourism. Thus, the protection of nature and the environment is of particular importance also from an economic perspective of tourism. A new dimension has been added to the discussion in the wake of the findings on climate change. Road and air traffic are now also included among significant environmental impacts, as increasing numbers of citizens are annoyed by these sources of noise. In addition to effects on the air, climate, water, soil, flora and fauna, tourism also affects the social, cultural and economic fabric in the target areas. Due to the proximity of destinations within the country, emissions can be reduced. In addition, this can be cost-neutral or even reduce costs by the simple means of further significant reductions in emissions.

As a result of the global temperature increase and the rising sea levels, there are more frequent and higher storm surges. Extreme rainfall can also lead to increased water levels when meeting large run-off



from high storm surge water levels in estuaries. Both can also have lasting harmful effects on the tourist supply. For coastal regions from a tourism perspective, this should be a priority field of action in the context of climate change.

Contrary to belief by some, tourism jobs are not displaced by the implementation of sustainability policies. Sustainable tourism contributes both to jobs in the region and ensures the quality of life of the people living there. Sustainable tourism requires a special responsibility for fair working conditions. Compared with business partners and „regions visited,“ fair partnership is considered essential.

Sustainable tourism also requires special consideration for the needs of families, children and young people and disadvantaged groups with lower purchasing power. Attractive offers in sustainable tourism should be created for these groups as well.

For people with a handicap and/or reduced mobility, a holiday must not be a hurdle. About 20% of the population are dependent on barrier-free deals. A sufficient number of accessible travel packages by train, bus or public transport and adequate accommodation deals and recreational facilities should be part of the standard equipment for successful tourist destinations today.

With increasing competitive pressure — also in tourism — quality is especially sought after. Sustainable tourism that is in harmony with nature and the landscape offers the best opportunity to provide this. In promoting regional economically important tourism, developments that reinforce a sustainable regional economy through cooperation and networking with producers and tourist operators must be in the foreground. This also ensures adequate direct or indirect economic benefits for the local population from tourism income. For their activities in environmental management, tourist providers should use appropriate labels, and commercial enterprises in the tourism industry should take part in opportunities for innovation arising from participation in a CSR process (Corporate Social Responsibility). This supports an introduction to sustainable management and operations (Deutscher Tourismusverband e.V., 2013, p.2).



All tourist destinations these days now face various key social and cultural, economic and environmental issues.

The ability to measure and monitor their sustainable performances in these areas can be beneficial for local authorities as well, enabling them to:

- get improved data for informed policy decision making.
- establish an intelligent approach to tourism planning.
- identify areas that need improvement.
- prioritize action projects.
- manage risks effectively.
- create performance benchmarks.

The European Tourism Indicators System (ETIS): for Sustainable Management at Destination Level (2013), developed by the European Commission, can be used by all types of tourism destinations and provides a comprehensive, easy to use system that can be easily adapted to the destination's particular circumstances and situations.

The system is intended for monitoring, managing, measuring and enhancing a destination's sustainability performances. It is based on the principle that responsibility, ownership and decision-making must be shared in the destination, and by doing so will lead to more effective destination management.

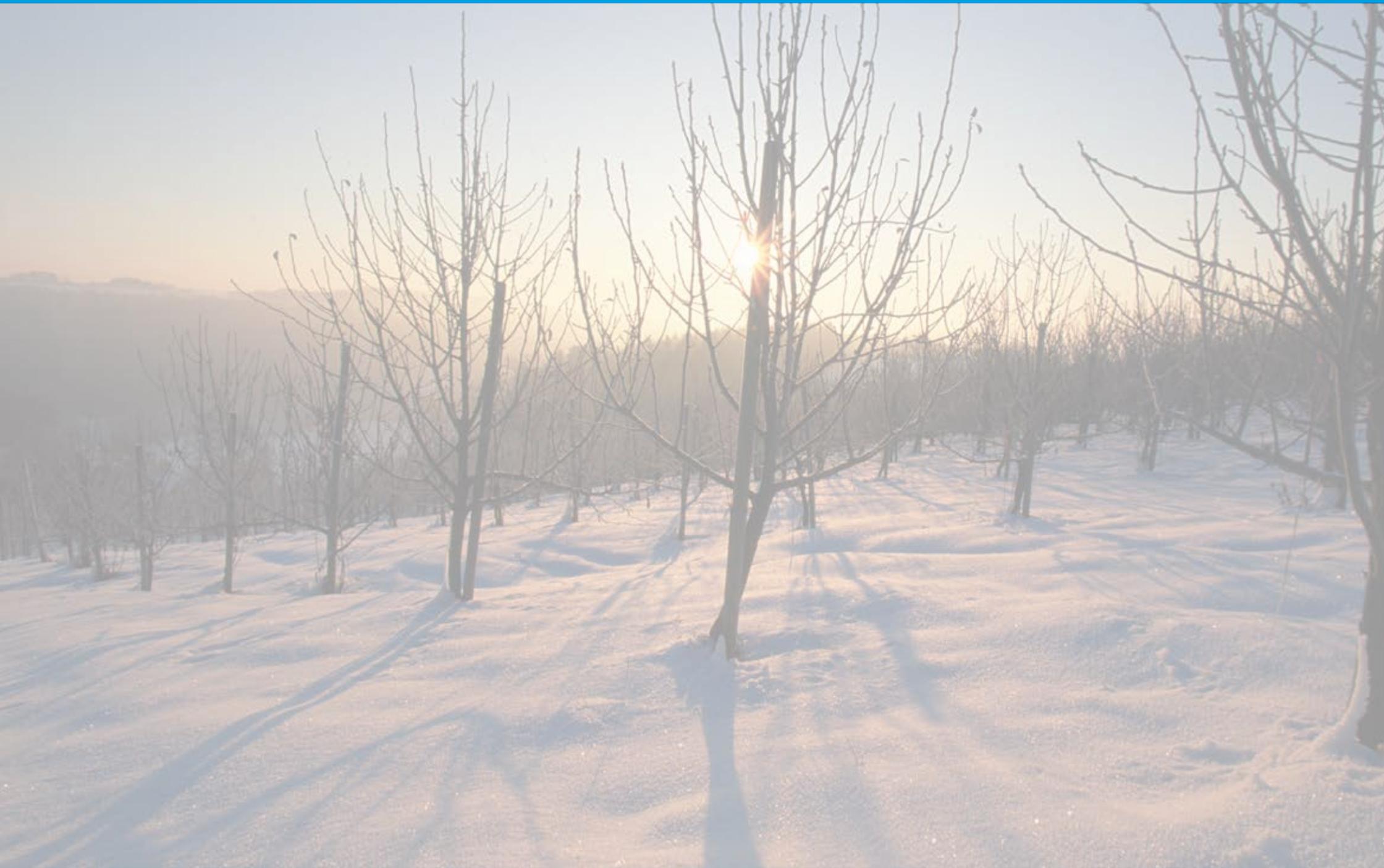
A key benefit of the Indicator System is that no training is necessary to utilize the system. However, guidelines are available in the form of a toolkit in order to facilitate comprehension and use.

The ETIS toolkit includes the following:

- An introductory text to sustainable destination management
 - A step-by-step guide to the implementation of the system
 - A set of core and optional indicators
 - A guide for using the destination dataset
 - A dataset sheet
 - A detailed indicator reference sheet
- (European Commission, 2013)

FOLLOW ME

More can be learned about the European Tourism Indicators System for Sustainable Management at Destination Level at the following link: http://ec.europa.eu/enterprise/sectors/tourism/sustainable-tourism/indicators/index_en.htm.



WELDEST CASE STUDY 8

The @see Region – Many Strengths under One Roof – a Regional Network

Author(s): Tourismusverband Seenland Oder-Spree, Germany & Robert Schmidt, University of Sustainable Development Eberswalde, Germany



Background and Objectives

Social, economic and ecological sustainability is of particular importance for the tourism industry. Sustainable business is becoming increasingly important in order to protect landscapes and natural areas and preserve them for future generations. On the other hand, the demand of travellers continues to increase for ecologically meaningful and socially responsible products and services on holiday. Tourist resources should, therefore, increasingly relate to regional roots, local authenticity and harmony with nature.

In 2010 the cities of Fürstenwalde and Storkow, the municipality of Grünheide and the authorities of Scharmützelsee and Spreenhagen, with the assistance of the Oder-Spree county, combined their strengths in the @see-alliance, in order to market the region externally as an attractive location both for living and for conducting business, and to strengthen and foster cooperation and business relationships internally. Based

on the motto: “We are good, but no one knows it,” the people in charge have made it their business to work together and promote a region that does not follow municipal or regional borders. @see has become an important trademark for this region and stands for high economical potential, a unique environment, excellent infrastructure and an advantageous position within Europe (http://www.atsee.de/de/die_Marke.html). The objectives to strengthen the region’s sustainability and its profile in national and international competition should be brought together. The qualities and potentials of the region in the areas of economy, quality of life, health and tourism should be marketed and communicated together from now on.

Procedure

First, a steering group was set up to achieve the goals and for continuous monitoring of project progress. The members of the steering group are based in the region, hold significant offices (for example, mayor) or have influential positions (for example, management of the Tourist Board).

From a scientific point of view the following procedure is suggested:

- Conducting an analytical survey and systematic treatment of the overall situation in the region
- Exposing particularities and specific regional potential (absent, insufficient or undeveloped potential as well)
- Providing a healthy economic profile for optimal



positioning of the region in view of the competition / market (as a target)

- Developing a strategy to achieve the objectives
- Defining projects and measures to implement the strategy

In practice however, a theoretical approach has been adapted to ensure the sustainable success of the new marketing strategy by integrating all directly and indirectly involved persons.

The following hands-on, two-stage approach was therefore applied:

First stage: A realistic and honest assessment of the maturity and development opportunities was conducted. The results form the basis for the subsequent creation of a strategy and the derivation of recommendations and measures for the possible development strategy.

These are:

- The structure and definition of the subject's economy, quality of life, health and tourism for the region
- A baseline study on economy, quality of life, health and tourism in the region
- A SWOT analysis in the region
- A workshop on the potential of the structure of the region with subsequent derivation of the first development strategies

Second stage: The project work was done in close consultation with the steering committee. Furthermore, relevant stakeholders from business, medicine and tourism were included as part of individual interviews / expert talks and workshops in the development of the concept, which includes the following:

- Integrating strategic approaches in cross-regional vision and strategies
- Deriving the necessary individual measures and packages of measures (projects)
- Summarizing the activities of the Action Concept
- Starting the implementation phase

Project Operations

After defining the organizational responsibility and determining the steering committee, an inventory and potential analysis was performed for each of the four topics (economy, quality of life, health and tourism). The aim was to identify potential development opportunities in order to integrate

them into the new strategic concept. Based on the research, a positioning concept was developed for each of the subjects.

The concepts contain the following:

- Objectives and future positioning
- Target group orientation and source markets
- Supply and product framework
- Approach plan and planning of measures

The results of the studies were discussed both in workshops and with experts. A concrete approach plan was developed and the new region @see was "created" and promoted.

Conclusion

The intense research of the region showed significant potential for development in all four priority subjects. Based on the results and considering current



developments, common objectives and profiles were identified in the region.

The actors in the region, however, are continually asked to develop appropriate services and products for the @see region. After extensive elaborations, the task is now to realize these concepts. The region @see is a joint product and will live in the future from the fact that many actively use this logo. It will not grow on its own, however, and must continue to be promoted by all stakeholders. Therefore, ideas, suggestions and concrete plans from the players are always welcome. @see region should not be a rigid concept; it should expand and grow.

Key Learning Points

- The strategy should relate to regional roots, local authenticity and harmony with nature.
- A more complex, competitive world, as well as more complex client demands, require a more complex regional development strategy. The integration of all regional stakeholders is essential for future success.
- New requirements by visitors concerning ecologically meaningful and socially responsible products and services should be integrated into a successful and holistic regional development strategy.

CHAPTER 5: DESTINATION MANAGEMENT AND DEVELOPMENT

- **5.1 Destination Management**
 - **5.1.1 Organization for Destination Management and Public-Private Network Leadership**
 - **5.1.2 Understanding Health and Well-being Tourism Concepts and Demand**
 - **5.1.3 Operational Activities**
 - **5.1.4 System for Quality Level Evaluation and Improvement**
- **5.2 Destination Development**
 - **5.2.1 Systematic Participatory Strategic Destination Planning**
 - **5.2.2 Brand Identity Development and Management**
 - **5.2.3 Destination and Regional Level Planning and Policy-making Supporting Health and Well-being Tourism as well as Health Promotion**
 - **5.2.4 Continuous Evaluation and Development of Infrastructure and Service Offerings**





Destination management and destination development are two overlapping tasks for destinations. This also applies to both aspiring and existing health and well-being destinations — including also those that need to make improvements. While the tourism literature (Morrison, 2013; UNWTO, 2007) does not strictly distinguish between those two tasks or name them in different ways, Morrison for instance calls them “destination management” and “destination planning” (Morrison 2013), it should be clear that destination management refers mainly to “running objectives” of a destination while destination development mainly refers to strategic, planning activities.

This chapter will first describe the important parts of destination management and afterwards, in chapter 5.2, what has to be done from a developmental point of view to become or improve as a health and well-being destination.

5.1 Destination Management

The practical guide to tourism destination management, published by UNWTO, describes the context of destination management as is revealed in Figure 9. The role of a destination management organisation (DMO) or another similar type of tourism body is to manage, lead and bring together different resources and actors responsible for providing services, facilities and infrastructure to tourists and the elements combined with them. Traditionally, DMOs have been in charge of the joint marketing of the destination, but today they are seen as management organisations responsible also for developing the common conditions for tourism at a destination level, and in that way also the overall satisfaction level of the tourists (UNWTO, 2007, p.2). The components of this model are briefly explained below with references to chapters in this e-handbook where those aspects are discussed in more detail.

In the model there are basic elements shaping the destination's appeal and experiences offered. These elements, briefly described, are:

Attractions

Nature, culture and built attractions offer special experiences. They can motivate the visitor to come to the destination.

Public and Private Amenities

The wide range of services and facilities like public transport as well as touristic services which support the

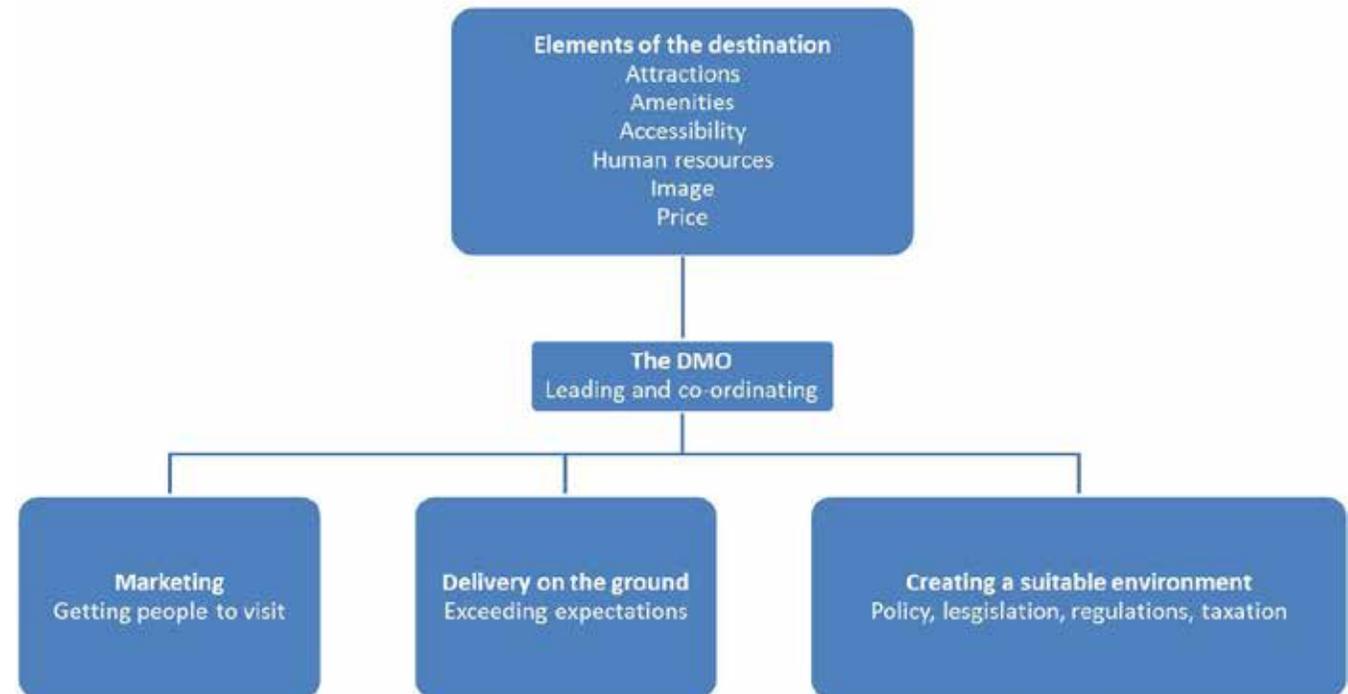


Figure 9. Destination management context (UNWTO, 2007, p.4)

visitors' stay and include basic infrastructure. For more information [see chapter 4.2](#).

Accessibility

Easy accessibility to the destination and within the destination is imperative. [See chapter 4.4](#).

Human Resources

Interaction with the service personnel is an important

aspect of visitor satisfaction. [See chapter 4.3](#).

Image and Character

Positive destination image is the sum of uniqueness, high quality services, sights, scenes, safety, the friendliness of people, etc. The destination brand identity is based on the positive image of the destination ([see chapter 5.2.2](#)).

Price

Price competitiveness is important in order to attract visitors and encourage spending.

The leading and coordinating tasks of a DMO comprise of:

- **Marketing:** Getting people to visit – See the Marketing section in [chapter 5.1.3](#) Operational activities and [chapter 5.2.2](#) Brand identity development and management.
- **Delivery on the ground:** Exceeding expectations – See [chapters 4.4](#) Seamless service chain and [5.1.4](#) System for quality level evaluation and improvement.
- **Creating a suitable environment for tourism development** – See the Product development section in [chapter 5.1.3](#) Operational activities and the destination development in [chapter 5.2](#).

Morrison (2013, pp.10-18) has a slightly different classification when he refers to the Destination Consultancy Group, a US-based tourism consulting company, which has identified the following roles of a DMO:

- Leadership and coordination — strongly connected with destination development activities in the sense of setting and/or developing strategic goals and coordinating all efforts of destination stakeholders to achieve those strategic goals, but is also connected with co-ordination of activities on the operative level, for example, joint marketing and visitor information.

- Planning and research — also strongly connected to destination development activities in guiding and organizing workshops/methods to develop a common strategic vision including tourism goals to be achieved.
- Product development — ensuring an attractive destination product.
- Marketing and promotion — doing market research to focus on target markets/client-groups, positioning of the destination, promoting and branding it.
- Partnership and team-building — fostering cooperation between public and private sectors and building partnership teams in order to reach specific goals, both inside and outside the destination.
- Community relations — involving local community into strategic and management activities as well as monitoring resident attitudes towards tourism.



PRACTICAL SUGGESTIONS

Recommendations for destinations with no existing DMO that are developing into a health and well-being destination

If the destination does not have an existing destination management organization, it is first necessary to examine whether there is any tourism body currently fulfilling the function. This is usually a department, or representatives of the public sphere. If such a tourism body exists, we recommend establishing communication with it and, with their agreement, participating in the network of partners. If you are not an entrepreneur or a business, but a representative of the public sector at the regional or local level, we recommend performing a situational analysis, on the basis of which a decision can be made regarding both whether you have or are able to have the conditions to perform the role of tourism body, whose main task is communication, coordination and networking. If no tourism body exists, and the conditions are not right for one to be established, then it is the right time to proceed to the establishment of a destination management organization, including selection of an appropriate approach, the concept and the legal form (see above).

The choice of approach (top-down, bottom-up, combined) depends on the conditions in the

5.1.1 Organization for Destination Management and Public-Private Network Leadership

As was discussed in chapter 2, tourism destinations can be considered as complex networks that involve a large number of co-producing actors. Several recent studies have focused on attempting to understand the dynamics of these networks, in other words this “destination system” and the meaning of collaboration between actors in this system in the increasingly competitive tourism environment. Collaboration may take place between actors within a single destination, but also between destinations. Collaboration is increasingly being identified as a valuable strategy for destinations. Collaboration between actors may have many benefits like better flow of information, more cost-effective marketing and enhanced market visibility, collaborative destination level learning, information gathering and more innovative product development. It also allows for better preparedness to address shared problems, organize access or control to public goods such as parks or beaches as well as to develop the destination through joint projects, and more equal distribution of power across destination stakeholders. Collaboration can form the competitive advantage of the destination, which can be called collaborative advantage.

Destination management organizations are often introduced as neutral actors to bring

together the interests of various actors. There is no one “best” form of collaboration or leadership. However fundamental ingredients of successful collaboration seem to include common strategic goals, consensus-building practices, trust, commitment and fair dealing, high degree of transparency in decision making as well as formalization of governance arrangements. Possible challenges to be addressed are for example, unequal financial participation and the “free-rider” problem, changing of partners, increased complexity, negative personal relationships, distrust, and difficulties to engage corporate-branded actors such as hotel chains operating in multiple destinations (Fyall, Garrod and Wang, 2012, pp.11-21; Voigt and Laing 2014, pp.64-65). Destination-wide collaboration coordinated by a DMO or for example, a local authority does not exclude other types of collaboration such as cooperation between two companies or sector-specific collaboration like hotel associations.

In general, we distinguish a tourism body as any unit that is responsible for coordinating tourism activities in an area. At the international and regional macro-level, this includes bodies such as the UNWTO, WTTC, ETC, and on the national level, NTOs (National Tourism Organization), which primarily play a role in marketing. At the regional and local level, the tourism body

is frequently referred to as a DMO (destination management organization), which can be created through three possible approaches — a top-down approach, a bottom-up approach, as well as a combined or mixed system.

The first approach is top-down, in other words from top to bottom. This approach to destination management is used when the decision to establish such an organization is made by public administration. The founder is usually the regional government or local government. The advantages of a top-down approach include a clear definition of competencies, quick decision making, and consistency of the destination management with the strategic objectives of regional governments or local authorities in the area, funding and political support for their activities. The disadvantages of this approach, however, can be seen in the initial distrust of the business community regarding the additional “administrative units” driven by politics, and the effect of the size of the budget of the regional government or authority unit (city/town) on the activities of the DMO.

The bottom-up approach is marked by high initiative from the business community and non-profit sector in the establishment of the DMO. Such an approach is often applied in, for example, Switzerland, where service providers

in tourism initiate the formation of the DMO, and when their motive is not only immediate gain arising from the synergistic effect of coordination and cooperation activities, but also the development of the destination in which it operates, and which will provide them income in the future as well. Advantages of this approach lie in establishing cooperation between entrepreneurs and service providers, and then inviting representatives of the public sector. The private sector, on its own and voluntarily, participates in the development of tourism in the area and is led by motives other than simple short-term profit. The disadvantage may be little support from the public sphere, especially if there is no agreement on common objectives regarding the development of the territory.

A very common approach to destination management is the combined (or mixed) approach. The founder of the DMO in most cases is the city, or associations of cities and villages, together with businesses, professional associations, associations and information centres. The advantage of the combined approach is the implementation of the basic principles of “PPP” (public-private partnership) from the moment of establishment of the DMO, which means a common setting of goals and strategies by representatives from all sectors,

destination. If the borders of the destination follow the official borders of a region where there is a regional government which aims to promote the region’s development towards becoming a health and well-being tourism destination, and, moreover, is willing to invest in development and funding, then the top-down approach is preferred. If not, then the initiative falls to the business sector, which should initiate the establishment of a DMO in its territory. The combined approach is appropriate where, for example, there is an important city with concentrated tourism (for example, a spa town).

The choice of approach also entails the choice of legal form and funding. With the top-down approach, NGOs or regional government-funded organizations dominate as the legal form. With the combined approach, it is usually government funded organizations at the municipality level or associations of municipalities. For these two approaches, financing is of course linked to contributions from members and partners of the DMO, but largely funded by the public through direct funding from the budgets of regions and municipalities, subsidies, etc. The bottom-up approach, by contrast, is characterized mainly by financing by businesses with a possible contribution from public sources. The legal form is usually a limited liability company. After selecting the approach and legal form of the DMO, it is necessary to select the basic concept which forms the basis of subsequent communication,

coordination, and in particular the setting up of partnerships between the public and private sector, the voluntary sector and residents. As described above, apart from the classical DMO, the entity may be, for example, a cluster. The establishment of a cluster is recommended only where there is a strong and plentiful business community, and especially where the destination has a research organization, university or secondary school that is capable of bringing innovation in the area of health and well-being. These may be, for example, balneology research institutes or educational institutions focused on health and wellness or spas, and tourism. A Tourism Learning Areas is a concept suitable for experienced and mature destinations that already have a high level of functioning destination management.

Then, when the destination has an established tourism body or destination management organization, including its organizational structure, it is necessary to begin work on a strategic medium-term document, which will set out the objectives and priorities of the destination in the area of health and well-being. The key product of the destination with which the DMO is to work must clearly have a health and well-being component; in other words, the resulting product is aimed at promoting physical and mental health. The DMO then has the task of coordinating the sale of this product using appropriately selected distribution channels

as well as joint funding activities and better coordination. The disadvantage may be more complex communication and coordination between the parties, which places greater demands on quality setting activities and staffing DMO (Petrickova and Tittelbachova, 2012, p.229).

“Destination management calls for a coalition of many organizations and interests working towards a common goal. The DMO’s role should be to lead and coordinate activities under a coherent strategy. They do not control the activities of their partners, but bring together resources and expertise and a degree of independence and objectivity to lead the way forward. It follows that DMOs must develop a high level of skill in developing and managing partnerships. Though DMOs have typically undertaken marketing activities, their remit is becoming far broader, to become a strategic leader in destination development” (UNWTO, 2007, p 14).

Several, mostly conceptual, papers are dedicated to exploring a DMO’s roles and tasks. For instance, based on Ritchie and Crouch (2003), Presenza et al. (2005, in Volgger, M., Pechlaner, H., 2014) identify two core competencies of successful DMOs. The first, marketing, is related to external performance, and the

second, coordinating destination stakeholders, is related to the internal performance of DMOs. As an indicator of DMO success they propose “the quality of the visitor experience” (Volgger, and Pechlaner, 2014, p.65).

Tourist destinations need DMOs to be successful and in order to ensure that success is achieved in the most efficient and effective way possible. Some influential research has tried to approach destination success more indirectly via the construct of destination competitiveness. Ritchie and Crouch (2000, 2003) and Crouch (2011, in Volgger, M., Pechlaner, H., 2014) offer probably the most widely cited framework within this line of research. They identify five main determinants that affect destination competitiveness, namely destination policy, planning and development, destination management, core resources and attractors, and supporting factors and resources. In a similar attempt to be comprehensive, Dwyer and Kim (2003) propose that resources, demand factors, destination management, and situational conditions relating to the socio-cultural and economic environment are key determinants of destination success.

There are several forms a DMO can assume. A destination management organization as such may take on several possible legal forms. Which

form is chosen is then the decisive determinant of its predominant activity. The most commonly occurring forms are limited liability companies and non-profit organizations. The first is more focused on earning a profit and commonly involves organizations established through the bottom-up approach, in other words, from the side of the stakeholders. If it is a non-profit organization, the main founder is usually a public administration body, the city/town, associations of towns and municipalities, or another public body which by law does not make a profit.

Another possible concept is called a “cluster,” which Porter describes in this way: “[clusters] are geographically concentrated interconnected companies and institutions in a particular industry” (Porter, 1998, p.215). The difference from a classical DMO is the need for the presence of an educational or research institution that is able to bring innovation.

Though the most commonly used forms are DMOs and clusters, there are several other types of organization which can be used for managing a tourism destination, for example, tourism network (as in the city of Calgary, Canada), Tourism Learning Destination (Schianetz et al., 2007) or Tourism Learning Area, which was established by the European

Commission. “A Tourism Learning Area is based on the concept of a multi-stakeholder, inter-sectorial, problem-solving approach aimed at improving SME performance and human potential in the tourism sector at the destination level” (EC, 2006, p.14). The simplest way to manage a tourism destination is for the regional government or the municipality to set up a tourism body. The disadvantage of this is the difficulty of drawing in entrepreneurs and businesses to the partnership network, at least during the first phase of developing the destination.



and marketing strategies. Building a network of partners gives the destination a strong position in the competitive environment in the form of unified, single targeted marketing, and a strong brand. From an economic point of view, it brings economies of scale, synergy and increased investment in tourism. The role of public administration is, in particular, the creation of appropriate conditions for the development of a health and well-being destination, communication with higher level in terms of public administration, coordination of the tourism development strategy with other plans, and strategies for the destination (regional development strategies, master plans, sustainability strategies, etc.) The role of the private sector is then to provide quality services that form a seamless chain of services required by the demand, and to balance competition with some degree of cooperation between business entities. Non-profit organizations are also part of the partner network, as well as associations and professional societies, and of course the residents, who are always part of the destination’s product.

The main role of the DMO is defining the key product and setting up cooperation, communication and coordination, creation of the brand, analytical activity and quality assurance in the form of staff training in tourism or even certification of services.

Recommendations for destinations with an already existing DMO that are developing into a health and well-being destination

If you work in a destination which already has an established destination management organization or an existing and functioning tourism body, it is necessary to determine whether the activities of the DMO or TB aim toward its development as a health and well-being destination. If you are a member of the DMO, you surely have access to the strategy for tourism development in the destination, and it should be easy to identify the goals and priorities set by the DMO. If the development of the destination towards becoming a health and well-being destination is a priority, and the DMO is taking further practical steps in marketing activities and building a brand announcing that this is a health and well-being destination, then the basic attributes have been met, and the activities of the DMO must only be supported. In the opposite case, a meeting of the DMO or tourism body members should be called, and you must be the initiator of the idea that your destination has the potential to become a health and well-being destination. If the idea is supported, then you need to start building a key product and a brand, and engage in the other related activities as described above.





WELDEST RESEARCH RESULTS

! From the Stakeholders Analysis follow various interesting findings with regard to destination management. It was determined that “Recognition of customer expectations” is one of the core competencies with respect to the management of a health and well-being destination. The next most important items include “communication in the form of rhetoric and presentation,” and “recognition of service gaps.”

As far as personal needs for further training, the most important is, again, **“recognition of customer expectations,”** followed by **“sales and marketing know-how.”**

Stakeholders were asked to evaluate the present performance of their destinations according to specific characteristics. Regarding “the level of partnership in their destination” the average rating was 2.49 points from a possible 4 points, and 2.76 points on average for “an effective destination management organization.” The most important specific point, with regard to developing a health and well-being destination is, according to stakeholders, a “feeling of togetherness and common goals among the

actors.” However, although the importance of public-private partnerships and cooperation has been demonstrated repeatedly in the research, many of the stakeholders saw this as a critical problem in their destinations. In fact, when asked if there was “committed cooperation of all actors, both public and private” in their destinations, eight of the interviewees “strongly disagreed.” This may show, unfortunately, that the lack of such cooperation remains a major obstacle for many destinations despite it being a key factor in their success.

5.1.2 Understanding Health and Well-being Tourism Concepts and Demand

In chapters 2.2 and 2.3, the two main profiles of health and well-being tourists were introduced — proactive wellness tourists and reactive medical tourists. Regarding wellness tourists, it is also important to notice that over 80% of them are “secondary purpose wellness tourists.” In other words, wellness is not the sole motivating factor for the trip, however, the secondary purpose segment may choose at least some of the services they use during the trip based on a wellness lifestyle (Global Wellness Institute, 2014, p.7). From the destination management point of view, it is essential to know the primary and secondary customer motivations in order to succeed in marketing communication and destination product development (see also the Customer orientation section of chapter 4.5). When the destination is aware of the different concepts, demand profiles and trends in health and well-being tourism, it is easier to see the strengths of one’s own destination and differentiate the supply compared to the competitors’ and promote what is unique.

According to Smith and Puczko (2014, p.211), the health and wellness tourism supply is characterized by five main service groups:

1. Wellness hotels and spas offering especially beauty and water-based services, but often also some other type of services like fitness

2. Leisure and recreation services; the type of the companies vary, but the customers seek especially relaxation, rejuvenation and fun.
3. Medical services with treatments involving surgical or other types of clinical services.
4. Other medical services focusing on the rehabilitation or on other types of therapeutic treatments.
5. Spiritual (based for example, on religion or tradition, such as meditation, shamanism) or holistic services for body, mind and soul (such as yoga).

Categories 3 and 4 above are mainly based on traditional Western medicine, or in other words, on the biomedical health paradigm. Customers can be both self-payers and subsidized. Categories 1, 2 and 5 represent the wellness supply and rest more on the alternative health paradigm. This means that in most countries they are not part of the official healthcare system and, therefore, these services are offered for self-payers (Voigt, 2014, pp.20, 22). Nowadays, actors in wellness tourism also often aim to focus on evidence-based wellness services, because the number of scientific research reports showing the benefits of several lifestyle and alternative therapies is growing (Voigt and Pforr, 2014, p.299). Cooperation with the experts/practitioners in companies offering

wellness and medical services helps the staff of a DMO to understand the strengths and benefits of the health and well-being offerings. The DMO personnel need to understand these concepts for example, when creating marketing messages, meeting potential customers at trade fairs or at visitor information services.

The wellness megatrend has turned into a global movement and the health and well-being supply is advancing rapidly. It is important that both the DMO and the companies in the destination follow the trends in order to make changes in product lines, targeting, etc. In recent years, eco spas, detox spas and expertise in non-Western medical approaches like Indian Ayurveda have been on the increase. The same goes for many types of holistic approaches such as personal development services (for example, counselling, life coaching), esoteric/New Age services (for example, crystals, astrology) or expressive services (for example, singing, drama) (Erfurt-Cooper and Cooper, 2009, pp.45–46; Smith and Puczko, 2009, p.236).

In addition to increasing diversification, new combinations can be seen, especially in the overlap of high quality wellness (offered originally in spa hotels) and medical services (offered originally in clinics). This so-called medical wellness is offered to self-paying guests and combines traditional medicine and alternative medicine competencies

in an atmosphere typical of a high quality wellness hotel (Voigt, 2014, pp.35–36).

Combining different types of services and different segments is, however, a risk from the customer satisfaction point of view – customer needs and benefits taken from those of different segments cannot be too far away from each other. For example, attempts to serve both wellness tourists with leisure and relaxation needs and medical tourists with rehabilitation needs under the same roof may cause dissatisfaction (Global Wellness Institute, 2014, p.42).

Figure 10 illustrates the wide array of health, wellness and well-being offerings combining the two continuums: the range of supply on the continuum “proactive wellness tourism – reactive medical tourism” but, at the same time, classifying the supply on the continuum “standard/generic supply – authentic/location-specific supply” (Global Spa Summit, 2011, p.34). It is imperative for the destination management company to understand in which of the four sectors (authentic medical, authentic wellness, standardized wellness or standardized medical supply) the strengths of the destination lie.

For a destination which has recently started to develop health and well-being services it may be advisable to start with standard, generic services, such as fitness or pampering, unless the destination has indigenous traditions to base the services on. According to Smith and Puczkó (2014, pp.203-205), some health practices have a history of thousands of years (for example, Ayurveda, Chinese medicine, using healing waters) and there is a risk that customers will not perceive these services as “real” or “authentic” if they are “imported” to a destination. There are also other cultural differences people responsible for marketing and service provision have to consider when targeting customers from other cultures. Already the core terms and their cultural understandings vary, which means challenges when translating promotional materials or serving foreign segments. For instance, in some languages there is no native word for wellness, and classifications of services may vary. For example, balneological treatments or Ayurveda can be classified either as medical or wellness services. In addition, feelings about nudity, unisex sauna areas or visiting spas alone or collectively may differ. In some cultures they are “normal,” in others not. Symbolic meanings of colours, preferences in décor and amenities sought may also vary.



Figure 10. The Wellness Tourism and Medical Tourism Market Spectrum (Global Spa Summit, 2011, p.34)

Not only changes in customer motivations and values, but also changes in the macro environment can open new markets for destinations. Patient mobility, in other words the right to seek care outside one's own state, and be reimbursed for it (directive on patients' rights in cross-border health care), has been the norm in the European Union since 2011 (Official Journal of The European Union, 2011, L. 88/45), and is an example of changes which open new prospects for destinations which can offer high quality medical services in several languages at competitive prices and smooth patient flow without long waiting times.

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Wellness Evidence is a portal introducing scientific studies of benefits of alternative and preventive treatments:

<http://www.wellnessevidence.com/wellnessevidence>



WELDEST CASE STUDY 9

Strategic Positioning for Health and Well-being Destination

Author(s): Kai Illing, FH JOANNEUM, Austria

1. Introduction

The tourism industry has begun to understand that health and well-being is an issue worthy of being developed in a regional setting. Germany and Austria especially are successfully developing destinations under the auspices of health, well-being, sport, prevention, adventure-oriented nature experiences and other related themes.

The term “health region” does not always refer to tourism destinations. Regions which focus on biotechnology, pharmacy, clinical services, and the medical equipment industry call themselves health regions. Even more sophisticated, some of those regions might also have a focus on tourism. Nevertheless, the case study in hand looks at tourism destinations exclusively.

1.1 Focus on the Geographical Dimension

A destination is a place to which guests (tourists) travel. Health and well-being destinations can have quite different sizes* as the following picture shows:

Geographical size	Destination Spa	Town / Village	Region / County	Country	Continent
Health tourism examples	Lanserhof in Austria	Bad Kissingen in Germany (“Kurort” in German)	for example, Xundheitswelt (in Austria)	India markets its southern part as an Ayurveda-destination	So far no continent has profiled itself as a H&WB continent

Figure 1. The geographical dimension of a destination adapted from Illing (2009, p.289)

1.2 Destination Development: Strategic Options

Increasing competition among health and well-being tourism destinations puts forward the issue of how such a region can gain a competitive advantage in comparison to other destinations of that kind. There are various strategies that can be applied, such as a clear focus on certain services related to clearly defined diseases, a concentration on quality-related issues or for example, a clear focus on clean and sustainable nature-based tourism. The position and the brand of the destination is communicated using a wide range of

marketing channels. The following picture tries to outline some common strategies destinations use to find their appropriate positioning:

* See definitions for destination in [chapter 2.2](#)

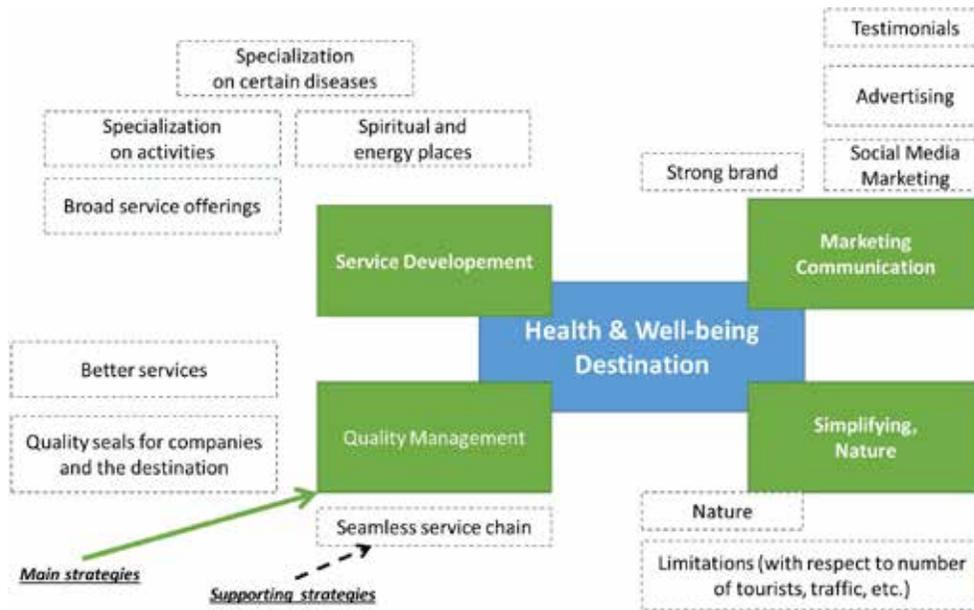


Figure 2. Strategies for destination positioning (Author, 2014)

The figure shows that different strategies can lead to differentiation of health and well-being destinations. The listed strategies are just a short overview, and many others can be chosen.

2. Example “Xundheitswelt”

2.1 Philosophy

The name “Xundheitswelt” (www.xundheitswelt.at) is taken from a dialect spoken in Lower Austria and means “world of health.” It is quite a big destination in a county that lies adjacent to the Czech Republic. The Xundheitswelt uses the slogan: “Von Natur aus, gut für Gesundheit und Wohlbefinden,” which means: “from nature, good for health and well-being,” thus linking the destination directly to nature, health and well-being.

The picture below (see Figure 3) represents the philosophy of the destination. It consists of five circles, with the core one underlining nature, indulgence, and joy of movement. It also shows how the destination tries to combine a) health and well-being, b) services for locals and tourists, and c) indoor and outdoor services.

2.2 Services of the Xundheitswelt

The medical services refer to the musculoskeletal system, cardiovascular system, metabolic disorders, mental health, lifestyle and outdoor sport. The services are offered for locals as well as for tourists.

The preventive services are offered in a public thermal spring spa (Moorheilbad Harbach), which serves both the needs of wellness and relaxation and of preventive health care with the medical services focusing on alternative treatments using natural remedies such as mud wrappings.

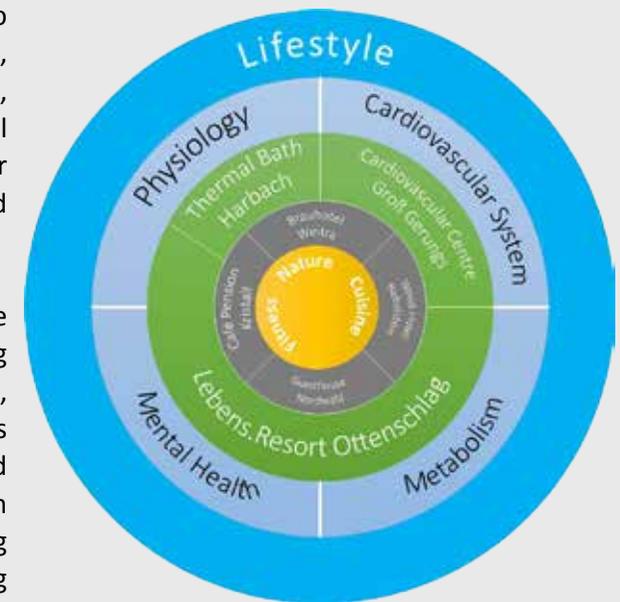


Figure 3. Destination philosophy (adapted from <http://www.xundheitswelt.at/philosophie.html>)

The curative aspect of services in the destination is offered in a cardiovascular clinic (Herz-Kreislauf-Zentrum Groß Gerungs). Both institutions market their services to self-payers as well as to patients sent by the Austrian health insurance.

The purpose of the so-called Lebens Resort Ottenschlag is to modify the life-style of both locals and guests. Lectures, burn-out prevention, gender medicine, mental health, and general information about health-related issues are part of the comprehensive service portfolio.

Sport, gymnastics, and fitness are offered not only in the above mentioned institutions but also in the surrounding nature as the whole destination offers a variety of hiking and biking paths, a park to improve the client's athletic coordination and mobility, and even a centre for professionals.

The destination is host to various hotels and other accommodation facilities, with only those fulfilling certain requirements being marketed by the destination management organization. One of these is "ökologischer Kreislauf Moorbad Harbach" (in English: Eco-cycle Moorbad Harbach), which provides the guests in the accommodations facilities with regional and organic certified food and beverages (www.oeko-kreislauf.at).

3. Summary

Many issues related to Weldest research can be found in the Xundheitswelt, too. In summary: Health and well-being are seen as two sides of a coin, so both are of utmost importance in creating a successful destination. Services target locals as well as tourists (guests), thus guaranteeing that indigenous people



Figure 4. A health and well-being destination may need facilities and services to support both leisure and competitive athletes. In this figure we see a professional system for analyzing one's running style. (Source: www.xundwaerts.at)

identify with the destination as much as they profit from it. The Xundheitswelt does not consist only of numerous facilities in a region, it also capitalizes on its natural richness and offers nature-based facilities of great variety throughout the region. Services in the illness-wellness-continuum are varied, with high quality surgical treatments, preventive treatments, wellness, and relaxation offered. Quality criteria tailor-made to the Xundheitswelt are used to target the regional and organic supply of food and beverage. The Xundheitswelt is one of the health and well-being destinations in Austria with the strongest brand. What comes to a person's mind if he or she talks about

health and well-being destination in Austria is probably the Xundheitswelt or the Steirisches Thermenland. Consumers participating in Weldest research noted that lack of disturbance by too many tourists or industries was important in a health and well-being region. This is exactly the case in the Xundheitswelt as part of the Waldviertel, as it belongs to one of the remotest and most densely wooded regions in Austria. What is missing to a certain degree is a high level spa hotel. Weldest research revealed that customers want those facilities as well as clean nature for opportunities for nature-based activities.

WELDEST CASE STUDY 10

The Härmä concept — A Comprehensive Service Solution for Promoting Health and Well-being for Rehabilitation Customers, Tourists, and Locals



Author(s): Camilla Laaksonen (Interviewer), Turku University of Applied Sciences, Finland and Minna Vienola (Interviewee), Director of Rehabilitation Services, Härmä Spa and Telle Tuominen, TUAS

Introduction

The Härmä tourist region is located in western Finland, about 400 km from the capital, Helsinki. The two most important tourism and leisure actors in the region today are Härmä Spa & Rehabilitation and Powerpark – the latter offers an amusement park, a go-carting track, tourism activities, accommodation, etc. Härmä Spa & Rehabilitation was founded in 1984. This was the time when in Finland the wounded and non-wounded veterans of the 2nd World War started to be of an age they needed more medical care and rehabilitation. Also Härmä originally provided rehabilitation services for these veterans and occupational rehabilitation clients. In the area of occupational rehabilitation there has been seamless

collaboration between Härmä Rehabilitation and occupational health care providers for almost 30 years. The well-being services offered to the working-age population have been included in their service concept since 2009 as an integrated part of the client organizations' occupational health care and rehabilitation actions. As accommodation, restaurant, meeting as well as pool and sauna facilities have been provided since the company's foundation, it also has customers willing to pay for these services by themselves. To better meet the expectations of self-payers and exploit trends such fitness and wellness, the company has invested in a separate sports hall building, a golf course, an extension of the pool area, and an à la carte restaurant. The consortium operates under several independent companies, namely Härmä Rehabilitation, HärmäMedi, and Härmä Golf. Additionally, the brand Härmä Spa is used for marketing purposes especially for self-paying tourism and leisure customers.

The Härmä consortium is an innovative actor providing seamless tourism, leisure, well-being, fitness, and rehabilitation services, as well as comprehensive occupational health care services for their customers. The aim of this case study is especially to present the new HärmäMedi occupational health care services concept, because occupational health care services are not often offered alongside wellness or medical tourism services.



Occupational Health Care as Part of the Health Policy Framework

The European 2020 Health policy framework (Health 2020) states that health is one of the main components for economic and social development in Europe. Three of the main goals are to reduce premature mortality, increase life expectancy, and reduce health inequality in the European region by 2020. The framework outlines that improvement of health requires a whole-of-society and all-generations approach, collaborative models and shared priorities between different sectors and community, as well as individual empowerment, reliance, and partnership. According to Finnish legislation, occupational health care services are fundamentally responsible for the health promotion of employees. Occupational health care services focus on health promotion on individual

employee, work community, and organizational levels. The services are roughly divided into two main areas:

1. Identifying and evaluating risks, workloads, and recourses at work and the work community.
2. Promoting health at work, in work communities, and for individual employees.

Close, seamless collaboration between the organization and the occupational health care service provider is the central feature for high quality occupational health care services. The services are based on a plan and ought to be comprehensive, customer-oriented and easy to approach from several different perspectives such as that of the employees, management and the employers. The aim of the occupational health care services is to promote the health and well-being of the employees, the work community and the organization, and by these actions support the organization in achieving its visions and goals. One of the most important recourses of all organizations is a healthy employee, work environment, and work community.

The work-well-being and rehabilitation services are closely integrated in the customer organizations' occupational health care plan. These three fields (occupational health care, work well-being and rehabilitation) collaborate very closely and within the governance of the client organization plan and

implement interventions related to work capacity, education and know-how, working environment, management, etc. In addition, actors related to occupational safety and trade unions can be involved when needed.

HärmäMedi Occupational Health Care Concept

A separate company HärmäMedi, Ltd. was founded in 2012 by Härmä Rehabilitation, Promedi (a private clinic) and six large companies from the region, all willing to buy occupational health care services. HärmäMedi occupational health care services emphasize moving from traditional, problem-based and curative services to preventive and health promoting services. In moving from the traditionally curative to a more innovative and up-to-date promoting perspective helps to ensure a healthy, safe, and well-being-promoting work environment to employees. Promoting and preventive actions, early detection of risks and warning signs, as well as early intervention and appropriate, customer-oriented support require well organized and close collaboration between client organizations, the occupational health provider (HärmäMedi Oy), and other supporting actors, such as special and other health care services (Promedi Oy, Diacor Terveyspalvelut Oy), as well as different types of well-being and rehabilitation services offered by Härmä Rehabilitation & Spa.

The occupational rehabilitation services are designed according to the need of the customers. One example





is a mobile test station that can be provided to client organizations and their occupational health care service providers to support different types of fitness tests. The mobile solution has been developed in close collaboration between occupational health care and the rehabilitation service providers. According to different measurements and analyses performed in client organizations by occupational health care providers, educational and other types of interventions are designed to meet the needs of the customers.

Results

HärmäMedi occupational health care services are highly professional and employ several occupational health nurses and medical doctors. There is not only close collaboration between the client organizations and occupational health care providers, but also among the other service providers (well-being,

rehabilitation, etc.) from the very beginning, and all actors tend to work towards a common goal: to promote health and well-being and ensure a healthy and well-being work environment for the customer organizations' employees.

The results of the HärmäMedi concept are very promising. The collaborative actions between customers, occupational health care, work well-being and rehabilitation services show promising results on how systematic, continuous, comprehensive work support individual customers as well as the productivity of organizations. This collaborative approach reduces the amount of sick leaves and provides a possibility to start effective interventions that support work ability and work well-being. The actions and the results are systematically evaluated using a comprehensive HärmäMedi report chart.

Conclusion

The collaborative, systematic, continuous, comprehensive work between customers, occupational health care, work well-being and rehabilitation providers very effectively support not only the work ability and work well-being of individual employees, but also the productivity of the organizations. In the future, the HärmäMedi concept will develop individual training for employees needing special support in work management. In the HärmäMedi concept, the centre is the client organization and the occupational health care

provider; the rehabilitation and work-well-being services support these actors.

The Härmä concept as a whole is an innovative approach that offers comprehensive, seamless, customer-oriented occupational health care, well-being, rehabilitation, tourism and leisure services for organizations, work-related and other communities, as well as individual customers. The concept is also effective because professionals and facilities can be utilized optimally. The same personnel and facilities can be used for different health care, well-being, rehabilitation as well as tourism and leisure services. Rehabilitation currently accounts for 65% of the Härmä concern's turnover, tourism and leisure services for 30% and occupational health for 5%. In rapidly changing economic situations, these three target groups seem to somehow bring stability to demand.



5.1.3 Operational Activities

Each tourism destination should have a strategy with a vision, objectives, positioning statement, clear brand identity and defined target markets. This planning process of the destination strategy is discussed in detail in chapter 5.2. Operational activities refers to the tasks the destination management organisation, DMO, or a similar tourism body executes in order to implement the destination's marketing and product strategy in particular. Joint destination marketing is the core operational activity of a DMO. The acronym DMO comes from the words Destination Marketing Organisation and for example, Pike and Page (2014, p.204) state that most of the DMOs actually lack the authority to really control and manage the destination, as many decisions are made by authorities and politicians. However, it is our view that taking a leading role in the collaborative destination-wide structure and including other decision making bodies enables the DMO to have an important role in destination management. In addition to marketing activities, destination product development, visitor services management, and stakeholder as well as community relationship management are also included among the typical operational activities of a DMO.

Marketing activities

DMOs are normally responsible for joint destination promotion, but whether it is systematic and based on strategies (for example, decisions in the destination strategy about destination brand identity or target markets) varies greatly. Middleton, Fyall and Morgan (2009, pp.343 – 345) state that there are two main alternative marketing strategies:



- A promotional strategy/image-creating strategy with planning and implementation of marketing activities at chosen target segments; the objective is mainly to make potential customers aware of the destination and encourage them to explore the possibilities the destination can offer.
- A facilitation strategy that is based on collaborative marketing efforts with the tourism industry.

According to the authors, a promotional/image-creating marketing strategy is nowadays typical for the national tourism organisations of big tourism countries with large marketing budgets, but is also used by quite new, unknown destinations with still fragmented and micro-sized companies. However, for local or regional DMOs of better known destinations, the second, facilitation strategy, is usually more realistic and cost-effective. This means joint decision-making about the marketing activities of the destination with other important stakeholders such as the biggest health and well-being tourism companies. The legal form and the funding structure of the DMO naturally also affect the choice between the above mentioned strategies.

Positioning and defining/strengthening destination brand identity is an essential part of destination strategy (see more detailed in [chapter 5.2.2](#)). Based on positioning and branding decisions the most vital marketing function for a DMO is to make decisions about the marketing communication propositions, in other words, the key messages and symbols which



serve to identify and differentiate the destination in the minds of the chosen target segments (Middleton, Fyall and Morgan, 2009, p.245). The most important marketing decisions should always be based on current research about existing/potential customers and changes in the macro environment.

Market segmentation is essential because of the fact that not all people are interested in all destinations. The marketing budget should be targeted at specific segments. Marketing messages and choice of channels should be also segment specific. There are several ways to segment the market. Traditionally, destinations have used geographic (region, country) and demographic segmentation (age, gender, life-cycle). However, segmentation based on values, beliefs and attitudes is becoming more and more important. Accessibility to the destination, i.e. transport catchments and personal needs, are also advisable segmentation criteria. Based on segmentation, the most promising target markets are chosen using criteria like economic value of the segment, ease of reach from the promotional perspective, how well the destination product meets the needs of the segment, proximity of the segment/transport connections, etc. However, many destinations cannot fully tap the benefits of segmentation and targeting. The reason is scarcity of customer research, i.e. lack of information about the target groups. Understanding their characteristics (for example, lifestyles, benefits sought) and where to reach them (where they live, where they seek information,

where they book) is essential to succeed in marketing activities (UNWTO, 2007, pp.56 – 57).

Most DMOs create an annual marketing plan based on destination strategy, yearly visitor analyses and earlier measures of effectiveness. The DMO is mostly responsible for the tactical marketing plan, which specifies the products, target segments, marketing and sales channels, timetables, objectives, and monitoring for the actions. The DMO should integrate and co-ordinate all types of external promotions so that they are not contradictory, but reflect the positioning and brand identity defined on the strategy level. This is called integrated marketing communications (Kotler et al, 2009, p.109; Morrison, 2013, pp.320 – 321). Effective internal marketing within the destination should support this integrated external marketing so that promises given in advertising or sales are also kept in service delivery.

The main components of the so called promotional mix/marketing communications mix are advertising, sales promotion, public relations and publicity, merchandising, events, direct and word-of-mouth marketing as well as personal selling (Kotler et al., 2009, pp.708 – 711; Morrison, 2013, p.321). The range of alternative ways/channels/media to implement promotional activities today is huge and choices should be based on effectiveness measuring. There is a large body of marketing communication/promotion literature introducing the alternatives in more detail.

We refer here to the “Practical Suggestions” section which illustrates some common promotional activities of a DMO (see Table 2). In addition to integrated marketing communications mentioned above, the need for interactive and inbound marketing must also be emphasized. In contrast to traditional outbound marketing (sending marketing messages to potential buyers), these terms refer to the need for creating remarkable digital content, involving customers in interaction with the destination and other customers and that way in destination branding, and making the destination easy to be found in Web2.0, like Google and social media (Halligan and Shah, 2010, pp.6, 16). Internet-based marketing is cost-effective and it can also be linked with customer relationship management (CRM) and booking systems.

Many destinations still use their marketing budgets mainly to attract new customers. On a company level, CRM is used by most companies, but many DMOs don’t systematically communicate with previous customers or other stakeholders like tour operators, media representatives, etc. In a destination context the term VRM, visitor relationship management, can also be used. The CRM/VRM orientation is, however, recommended because according to the research results, customers in nearby regions/countries show high levels of repeat visits. CRM/VRM seems to be a more cost-effective way of using scarce marketing budgets than concentrating on targeting new potential visitors (Murphy and Pike, 2012, pp.1281 – 1282).



Destination product development

The destination product is a bundle of tangible and intangible components, i.e. the products, services, people, interaction, programmes, infrastructure, environment, etc. the customer experiences while in the destination. A DMO's involvement in destination product development varies. It can be actively involved in destination product development by identifying new opportunities for product development or even packaging new products along with other tourism actors. Some DMOs still concentrate mainly on marketing activities and their role in product development can be passive or facilitative, simply offering information and advice to companies (Morrison, 2013, pp.156 – 159, 162). The role mentioned first is typical for DMOs with profit orientation and with limited liability companies (Ltd.) as a legal form; the latter is a role for DMOs with a public background. Even if the DMO doesn't develop products for sale, it can package experiences, for example, do theme packaging or route packaging within a destination or in co-operation with other destinations, by creating promotional materials for these themes or routes (UNWTO, 2007, p.97).

The destination has at least four main growth strategies linked with the destination's product:

1. Encouraging more use of the existing supply by existing segments
2. Developing new offerings for existing markets

PRACTICAL SUGGESTION 1

The following table illustrates various promotional activities a DMO can undertake when targeting a health and well-being customer from the perspective of different customer journey stages.

Stage in customer journey	Dream	Plan	Book	Experience	Dream again
Communication objective	Awareness	Interest	Demand	Satisfaction	Recollection
Search engine optimization (SEO), paid search, link –building,	✓	✓			
Destination webpage with a separate health and well-being section / pages	✓	✓	✓	✓	✓
Social media representation (e.g. Blog, Facebook, Pinterest, Instagram, Twitter) including mobile apps.	✓	✓		✓	✓
Destination video clips and footage (e.g. You Tube)	✓	✓			✓
Destination brochure including health and well-being section or a separate theme brochure (printed / online), inclusive of a map of services	✓	✓	✓	✓	
International, national, regional level health and well-being related portal representation	✓	✓	✓		
Destination level centralized online booking			✓		
Destination events calendar/ "What's On" guide (printed/online)		✓		✓	
Public Relations	✓	✓			
Travel Guide presence (printed/online), health and well-being related TV program presence	✓	✓		✓	
Health & well-being themed posters, window displays, leaflets, etc.		✓			
Consumer events and tradeshow (e.g. personal sales, giveaways)	✓	✓	✓		
Consumer newsletters (paper/online), news-flashes,	✓	✓			

Table 2. An example of a promotional portfolio of a DMO (adapted from UNWTO, 2007, p.71 and Chaffey & Smith, 2009, p.281)

However, a DMO also has other promotional target groups such as travel trade, where for example, B2B Internet services, workshops, trade shows, familiarization trips, PR materials and giveaways as well as manuals can be used; or other target groups like media, investors, and policy-makers which also need specific promotional actions.

PRACTICAL SUGGESTION 2

The DMO should communicate with members and key stakeholders on a regular basis using the following tools:

- Undertake a quarterly “How’s business?” survey.
- Organise member meetings at least once each quarter. Ensure that there is an annual „special“ meeting with guest speakers and key themes to review the progress of the organisation.
- Send out regular news bulletins and e-newsletters.
- Use Twitter and Facebook as well as other social media to encourage regular discussion and create a sense of being up-to-date with news.
- Set up a LinkedIn group of members to discuss topics of interest.
- Organise an annual tourism awards event to showcase best practices.

3. Finding new markets for the existing supply
4. Developing new products for new segments

Assuming that the DMO has a CRM system and conducts customer analyses regularly, the first two points are not very demanding activities and do not normally require big investments, because new offerings can be created for example, by packaging existing products in a new way and by adding value with new characteristics. Strategies 3 and 4 are more risky and greater investment might be needed. However, creating new events, for example, is an often used strategy in finding new markets, but also to find new customers during the low season for existing services like accommodation (Morrison, 2013, pp.165 – 166; UNWTO, 2007, pp.85, 94). See a practical suggestion in Table 3 at the end of this sub chapter.

Visitor services management

Tourist/visitor information centres are the “showcases” for the destination. Their key role is giving pre-visit and during-visit information. The demand for personal service at a visitor centre has decreased in recent years due to 24/7 Internet access. However, the need for accurate, up-to-date, multilingual and objective destination information still exists, but the trend is that the DMO offers more and more information outside the tourist information centre, for example, web pages, mobile services, apps, leaflets in companies and attractions, information boards, destination information on hotel room TVs. The visitor information has also an essential role in encouraging higher per

capita spending when recommending itineraries and additional services. (UNWTO, pp.120 – 122; Morrison, 2013, pp.178 – 179)

As public funding for DMOs decreases in many countries, an increasing number of DMOs have started to finance their work, at least partly, by sales activities. The DMO can function as an intermediary for the local industry on commission, for example, offer online accommodation and transport booking services for individual tourists, group packages for travel trade, associations, corporations and other groups, or sell destination related publications and local souvenirs (Morrison, 2013, p.179; UNWTO, 2007, p.74).

Community relations

Positive interactions with locals are an essential factor influencing the customer satisfaction with the destination. It is important that the DMO makes the local community aware of the contribution of tourism to the local economy (for example, using local media or their own communication channels) and involves interested community groups in strategic tourism planning. Some of the DMO services also meet the needs of local people, for example, the local events calendar. The DMO and the tourism industry can also organise special offers to use the touristic services and facilities at special prices. Lobbying by policy-makers, different interest groups and other industries may also contribute to tourism development. Development of the destination brand across sectors or co-branding,



for example, the destination logo used by other sectors like locally produced crafts or food supplies, is an example of cross-sector collaboration (Morrison, 2013, p.18; UNWTO, 2007, pp.80, 114).

Other operational activities

Depending on funding, legal form and other resources, the DMO can have additional operational activities. If it is funded by industry members, it has to offer special member benefits such as participation in special promotional activities, access to research results, familiarization tours and other training events, media coverage, etc. If the DMO has public funding, its role is to support especially small and micro-sized enterprises by providing access to information, advice, mentoring and access to markets. Website traffic analyses, social media tracking and analyses, market analyses, customer satisfaction analyses, destination image analyses and competitor analyses are examples of research activities which the DMO can conduct or commission in order to succeed in other activities (Morrison, 2013, pp.115, 241; UNWTO, 2007, pp.89 – 90).

PRACTICAL SUGGESTION 3

A simple tool for scanning the existing supply and identifying the need for destination product development could be a matrix with existing/lacking offerings for each segment (Table 3):

- Columns: characteristics of the products which meet the preferences of the segment in question
- Rows: existing and lacking offerings for each segment

Segment 1:	Accommodation level	Other services (activities/ health and well-being services, food)	Seasons	Other criteria...
couples, 50 +, expect high quality level, personal service, holistic wellness, outdoor activities	Deluxe rooms	Instructed Nordic walking, flexible choice of a beauty treatment, personal trainer, half-board with organic food	Summer	
Wellness hotel X, package 1	Deluxe rooms with possibility for private treatments	Pool area with thermal water, instructed water gymnastics, yoga or TCM lesson, hiking paths, signature treatment in room, full-board with à la carte menu including local organic alternatives	Feast days, bank holidays,	
Spa resort Y, package 2	weekends			
No special packages => need for product development	Free capacity in many accommodation companies	Products based on outdoor winter activities missing	Weekdays during winter	
Segment 2 etc.				

Table 3. An example of a destination product matrix (adapted from UNWTO, 2007, p.87)

WELDEST CASE STUDY 11

GenussCard – Implementation of an Inclusive Corporate Card (“GenussCard”) in the Thermenland Styria and East Styria Regions

Author(s): Marlies Windisch, Thermenland Styria, Austria

Introduction

With almost three million overnight stays in South East and East Styria, these regions have become a very important tourist destination over the last few decades. The regions’ strengths are their clear profiling of orchards, thermal baths and cuisine, and their good business infrastructure. Tourism is evenly spread throughout the year, so it may be defined as efficient year-round tourism.

A potential weakness for positive future development may be the increased concentration on the nearby Austrian, and especially East Austrian, markets. About 90% of the guests to these areas are from Austria, of which 70% come from Vienna, Lower Austria, Upper Austria and Styria. Due to the increase in supply, wellness tourism and the thermal baths have become a saturated market, and the daily visitor market has already turned into a hostile market. To counteract this trend, new regional strategies, such as targeting a new segment of

guests staying for longer periods by establishing a regional supplier network, have become necessary. Strong local competencies already exist regarding the orchards, cuisine, thermals baths, wellness and activities in nature. For the first time, a guest card, based on the model of inclusive cards, will now be launched as a bookable and consumable tourist offer. The East Styria and Thermenland Styria regional tourism organisations are cooperating and are therefore covering the Styrian region east of Graz. The “Thermenland Styria Marketing GmbH” is responsible for the operative implementation of the project.

Approach

The card system is already known to the guest/customer. Different cards are currently on the market, as the following quick analysis shows:

- Prepaid Card: The card is actively paid in advance by the guest (Lower Austria, Styria Card).
- Discount Card: Discounts and deductions are allowed by certain (leisure) facilities, for example, “Salzkammergut” Experience Card.
- Bonus Card: Special offers and advantages are available with repeat consumption, for example, BIPA Card.
- Priority Card: The guest pays a fixed price to get additional services cheaper or free of charge. This is especially interesting for frequent users, for example, airport priority card
- Inclusive Card: The card is provided at no

additional cost by the host, and services can be consumed free of charge. From the guest perspective, this procedure seems to be the most attractive one, for example, Schladming Dachstein summer card.

Guest	Host	Attraction/ excursion site
No pressure to perform / no pressure to use	Extension of supply	Strong and efficient distribution and commercialisation
Does not make the guest feel cheap	No investment costs	Development of new / different target groups
Guest receives a present	No fixed costs (running expenses for assistance and support)	Potential benefit during low occupancy seasons
	No high economic risk	High dividend distribution ratios (in comparison to other card systems)
	All-weather characteristics	High chance for extra revenues (relatively lower pressure to use than prepaid cards)
	Easily implementable into service / product portfolio	Economic stimulation

Table 1. The inclusive model’s advantages for the stakeholders

The inclusive card's model suggests that the host hands out the card to the guest without any extra charge. Invoicing is carried out via the apportionment procedure, whereby a charge is added to the overnight rate per person. Services can be consumed for free by the guest, with 60-70% of the regular entrance price frequently distributed to the place of the excursion/ destination/ service provider. The card will only be available for overnight guests staying for more than one night.

The implementation of the inclusive card pursues the following objectives:

- Extension of the guests' durations of stay
- Acquisition of new guests from further away
- Attractive regional networking activities and products
- Strengthening of the guests' relationship to the region (repetition effect)
- Added frequency adds more value to the partner

Innovative aspects of the project:

- Cooperation extends across two regional tourism organisations.
- A consumable regional product supports Styria's positioning for culinary pleasure.
- The card is a product in progress which becomes part of a permanent development process.
- Represents first-time use in a wellness tourism dominated region.

Start-up activities:

- 2008/ 2009: Development of a concept with the help of external experts.
- 2010/ 2011: Presentation of the concept; contacting operative partners (accommodation, service and activity providers); status in December 2011: 116 hoteliers and 120 attractions or excursion sites had become project partners.
- February 2012: Distribution of the "GenussCard" to project partners and training regarding the issuing of cards, the electronic activation, the acceptance at the excursion site.
- March 2012: Launch of the "GenussCard." The first edition of the card was issued on March 1, 2012.

Stakeholder / partners:

Thermenland Styria Marketing GmbH along with the project partner tourism organisation of East Styria is responsible for the operative realisation of the project. Important implementation partners are the regional tourism organisations which connect with the local as well as the leading businesses.

Financing:

The invoices of the consumed services are carried out via the hoteliers' apportionments. Project overhead costs (e-registrations, e-acceptance at the attraction/ excursion site, staff, marketing, PR) are partly settled with the received apportionments. The hotels which are partners of the GenussCard network pay a fee

(a certain percentage of the overnight price) to Thermenland Styria. Additional budgets in the amount of €30,000 from Thermenland Styria Marketing GmbH and €15,000 from East Styria Tourism are provided. This is pursued to fully finance all the project costs from the hoteliers' apportionments.

Marketing, press and public relations for the 2012 project implementation

- Design of advertising material
 - GenussCard flyer: 200,000
 - Brochures: 60,000
 - Accommodation directory: 5,000
 - Website: www.genusscard.at
- Information about the new GenussCard was added in all the printed advertising material in both regions (for example, guest magazine EchtZeit, prospectus Urlaubsideen)
- Press conferences, editorial tour, trips for press groups
- Mails and letters to the mail distributor of both regions
- Participation in fairs and tourism events
- Online marketing campaign
- Cooperative marketing: Presentation of the GenussCard on NöM Mix packages
- Group marketing: Participation of the partners regarding marketing activities with favourable terms
- Cross marketing: Mutual linking of the GenussCard partners

Results

The success of the project can be measured by different factors:

1. Objective factors

Table 2. In the second year after implementation an increase in all areas can be identified.

	2012	2013
GenussCard hoteliers	116	155 (+33%)
GenussCard overnight stays	200,000	262,000 (+30%)
Cards issued (arrivals)	70,000	91,000 (+31%)
Usage	100,000	147,000 (+47%)

An increase of 33% in the number of businesses indicates their high level of satisfaction. Hosts without the GenussCard felt more pressure to join the project. The increase of businesses had a positive influence on overnight stays, the amount of distributed cards and the usage. Usage increased disproportionately. One of the reasons might be that guests know the system very well by now. Due to the fact that the cards are already established, quite a few guests were able to prepare their GenussCard options in advance, so they were used more intensively. Significant statistics can be taken from the Stubenberg Region. 26 out of 58 businesses had become GenussCard partners by 2012.

The increase in overnight stays in 2011 and 2012 was higher at GenussCard businesses. Those without showed an increase of 2%, GenussCard partners increased their number of nights by 11% against the previous year.

2. Subjective Factors

Partner satisfaction was measured with the help of a survey in 2012.

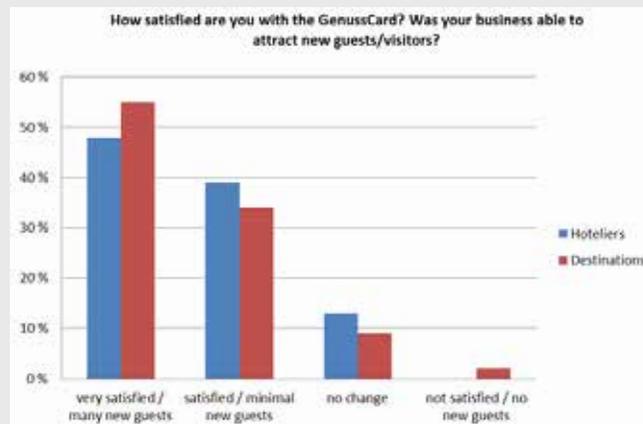


Figure 1. How satisfied are you with the GenussCard? Was your business able to attract new guests/visitors?

The chart shows high satisfaction overall with the GenussCard. More than 80% of the hoteliers and attractions/excursion sites are satisfied with the card project.

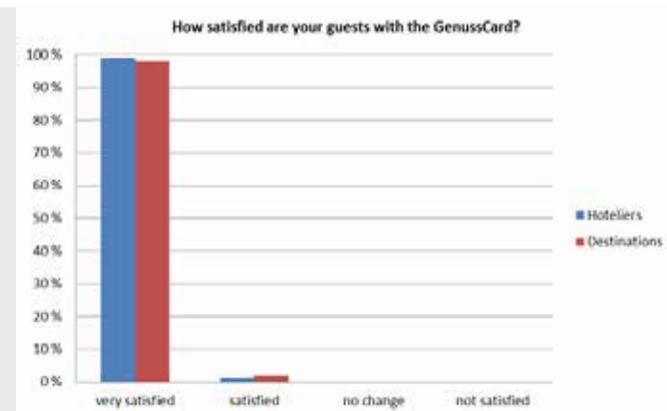


Figure 2. How satisfied are your guests with the GenussCard?

Guest satisfaction data was collected by the GenussCard partners (hoteliers and excursion sites). Both groups report very high satisfaction rates. A direct survey of guests was conducted in March 2014. The findings are not yet available.

Conclusions

The first two successful years, 2012 and 2013, indicate that the product has found its market position, is working well, and is gratefully received by the guests. The product is suitable for the integration in different packages and serves as an important tool for hoteliers. It is an essential product on international markets to attract guests.

The handling of the inclusive cards is working well and has been adopted by guests. The product's

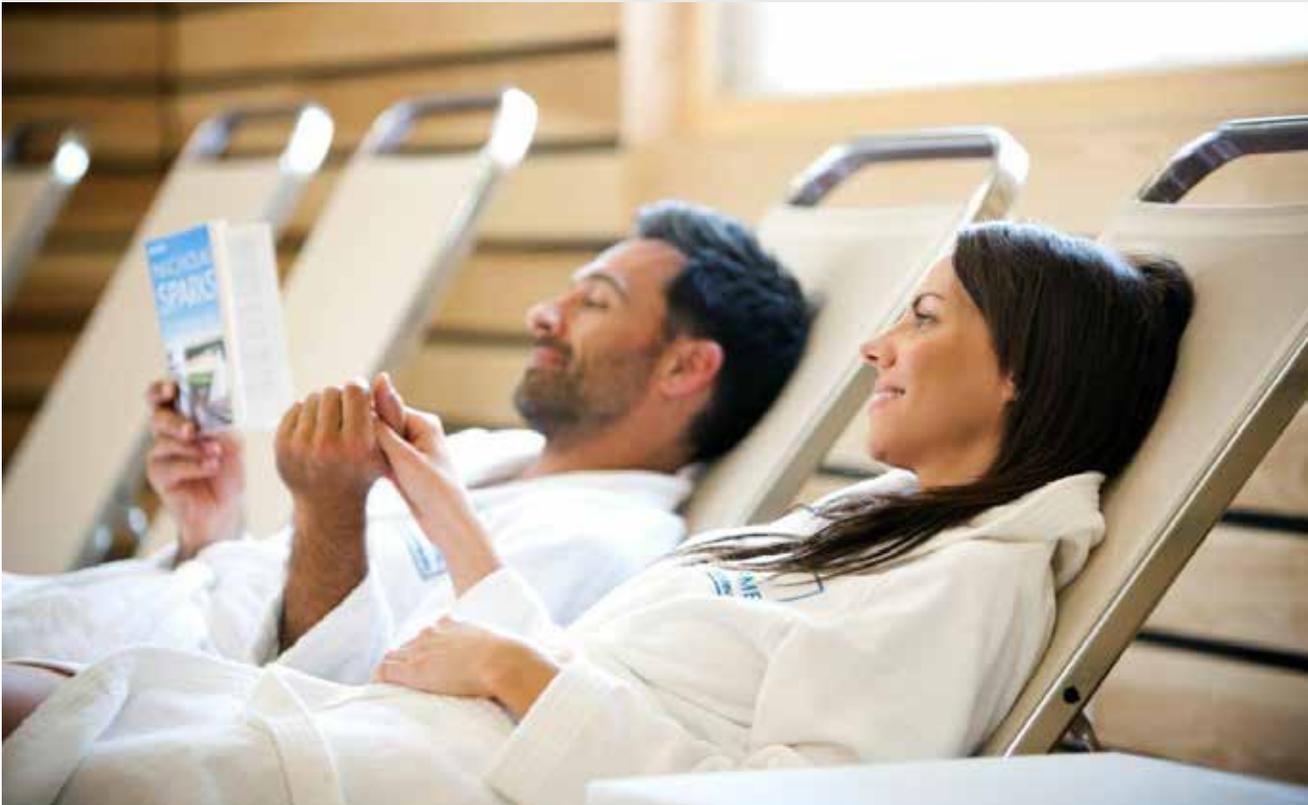
description and its marketing (for example, brochures) focus on the “technical part” and primarily describe the proper handling and use of the card. In the following years, the GenussCard should be emotionalised more strongly, and advertisements should set the focus on culinary pleasure.

The GenussCard’s marketing campaign used the slogans: “120 excursions with no charge” and

“free admission to more than 120 excursion sites.” Experience has demonstrated that most of those 120 places have generally become accepted positively. But this number is not tangible for the guests. Referral marketing strategies have been set and need to be focused more intensely. The hoteliers’ awareness has to be strengthened to direct the guests’ attention to specific attractions or excursion sites (for example, personal conversations, morning post, and email signature).

The message of the 120 destinations needs to be broken down to concrete examples: for example, the GenussCard is your free admission to more than 120 excursion sites for:

- ... Experience time – for example, for animal world & “Gartenschloss Herberstein”
- ... Pleasurable time – for example, at Zotter’s chocolate manufacturer
- ... Discovery time – for example, in the museums at Eggenberg’s castle

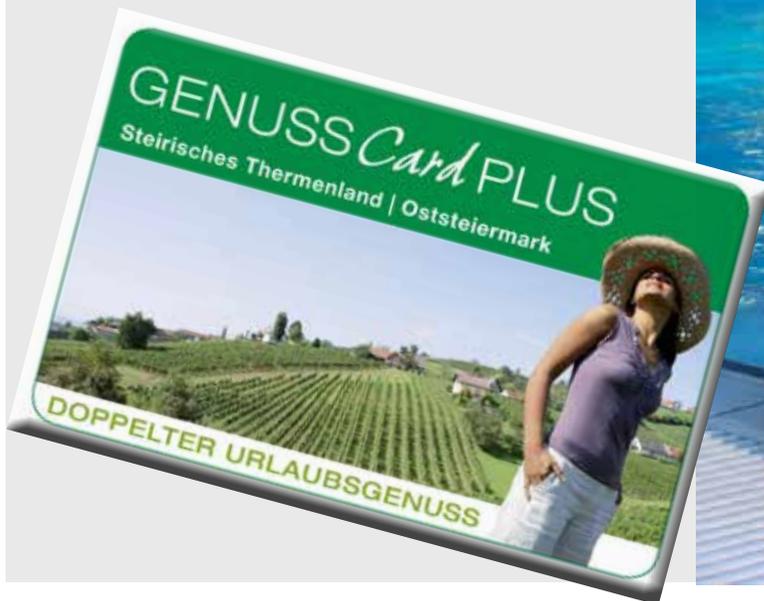


The inclusive services at the attraction/excursion site are very different. A clear service definition is needed in the future. This should include the type of service (and additional services) and the time for redeeming.

The partners’ diversity is an essential factor in the project’s process. Not only do the partners (hoteliers as well as the sites) differ in business size but also in levels of professionalism. Different skills, especially in IT, marketing and human resource capacity, have to be taken into consideration. Regular trainings should be carried out and provide support.

Key Learning Points

- This case is a good example of how to successfully develop a new sustainable tourism product.
- It is important to use language that is easy to understand for both tourists and entrepreneurs in order to make all the benefits and advantages easily accessible and immediately comprehensible.
- In creating a new product, try to connect diverse partners from businesses of various sizes. Try to establish a network providing opportunities for cooperation and creating win-win situations for every partner.



WELDEST CASE STUDY 12

Bath: Spas, Ancient and Modern

Author: Peter Rollins, Thermae Bath Spa, Sales and Marketing Manager

Synopsis

Spas, Ancient and Modern is the name given to a package created by Thermae Bath Spa, Heritage Services of Bath & North East Somerset Council, Searcy's (caterers in the Pump Room) and the destination management organisation, Bath Tourism Plus.

The objective was to develop a package which combined different elements of Bath's rich spa heritage with the facilities which can be enjoyed by visitors today.

The case study presents the rationale to Spas, Ancient and Modern and the development of the package as a bookable product which produces mutual benefits to the destination and each of the partners. Thermae Bath Spa opened in 2006 and the partnership project began in 2011.

Approach

Before the creation of Spas, Ancient and Modern in 2011, there was a good working relationship but no dedicated product / package which linked the following partners:

- Thermae Bath Spa – day spa using Bath's natural thermal waters

- Heritage Services of Bath & North East Somerset Council — responsible for the Roman Baths and museum
- Searcy's — caterers in the historic Pump Room
- Bath Tourism Plus — the destination management organisation

Each partner was successful in managing its own operation, but it was perceived that there were opportunities to gain new business by creating a coherent package which could be jointly promoted and sold.

Stage 1

Initial discussions took place between Thermae Bath Spa and the Roman Baths. The conclusions were:

- There was potential for new business by developing a quality 'product' which was credible and deliverable.
- There was little duplication or conflict of interest.
- The initiative required relatively little investment.
- The package would benefit from a 'food' element.
- It would be more efficient if the package could be booked through a central source.

Stage 2

Two follow-up meetings took place, one with Searcy's, the caterers for the historic Pump Rooms, adjacent to the Roman Baths, and one with Bath Tourism Plus.

Searcy's proposed two similarly priced offers, a 3-course lunch or a Champagne afternoon tea, both of which could be booked in advance.

Bath Tourism Plus had recently installed a Box Office in their Visitor Information Centre and was actively looking for events that they could sell online and in person. It was agreed that based on receiving a 10% commission, Bath Tourism Plus would be the sole outlet for sales of the package. They would handle all bookings and send out the relevant documentation. At a selling price of £59 per person, the package would feature:

A ticket to the Roman Baths, described as follows:

- Start your day at the Roman Baths and discover what the Romans did for Bath. See the source of the thermal waters and explore the monumental remains of the great Roman temple and magnificent bath-house, still flowing with natural hot water.



A voucher for the Pump Room Restaurant, described as follows:

- Visit the Pump Room above the spring. Participate in the age-old tradition of sampling the waters drawn from the famous spa fountain; before you sit down to enjoy a three course lunch served between 12.00 and 2.30pm. It is possible to book for a Champagne afternoon tea instead of lunch, served between 2.30 and 4.00pm.



A voucher for Thermae Bath Spa, described as follows:

- Complete your day with a 2-hour spa session at Thermae Bath Spa, where you can bathe in the warm, mineral-rich waters of the Minerva Bath, relax in the aroma steam rooms and enjoy the wonderful views from the open-air rooftop pool. The Spa is open from 9am – 9.30pm. Spa treatments are available as an optional extra.



Stage 3

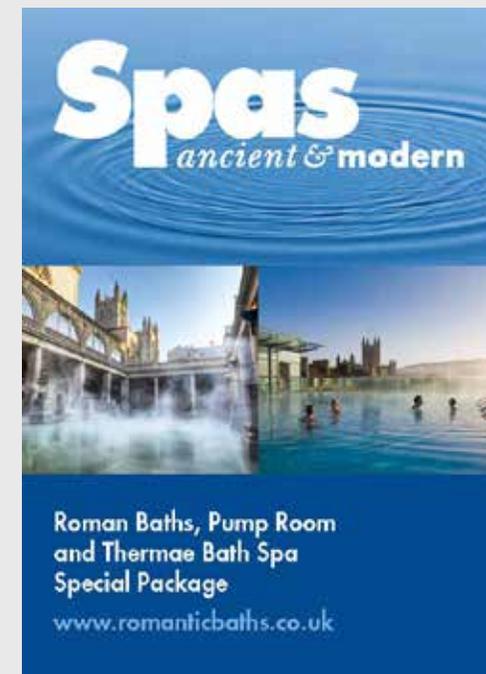
In order to launch Spas, Ancient and Modern, a budget of £1,500 was established which was split between Thermae Bath Spa, Heritage Services and Searcy's.

An initial marketing plan was evolved including:

- Registering a domain name (www.romanticbaths.co.uk) for a website, this would give basic details of the package and 'point' to the websites of the individual partners.
- Featuring and promoting Spas, Ancient & Modern on the websites of the respective partners
- Bath Tourism Plus creating a dedicated section on www.visitbath.co.uk entitled Spas & Wellness, which would feature Spas, Ancient & Modern and include the package in their online shop www.visitbathshop.co.uk.
- Creating an A5 double-sided leaflet containing

details of the package which would be distributed by partners, including the Bath Tourist Information Centre.

- Arranging familiarisation visits for customer facing & reservations staff so that they had better product knowledge of each of the elements.
- Developing a PR & promotional campaign aimed at media within a 90-minute travel time including Bristol, south Wales and the M4 corridor to London.
- Briefing VisitEngland and VisitBritain on the new package.



Results

The take-up of the package in the first six months was encouraging. Of equal importance, the feedback from customers was positive. From 2011 – 2013, the following number of packages were sold:

1. 2450 at a cost per person of £59.00 – This produced a revenue of £144,550.
2. 3893 at a cost per person of £61.50 – This produced a revenue of £239,419.
3. 3852 at a cost per person of £63.50 – This produced a revenue of £244,602.

Additional Benefits

Spas, Ancient & Modern incorporates some of the most important and iconic attractions in Bath. In many respects, the package offers a unique, high quality experience which encapsulates the essence of Bath. This has proven a great ‘hook’ in terms of gaining additional PR and media coverage both in the UK and overseas. For example, when Thermae Bath Spa attended the Visit Europe Media Exchange in 2011 in New York, Toronto and San Francisco, and the Spas, Ancient & Modern package was one of the key messages which were presented to the assembled journalists and travel writers.

Learning

Due to the clear communications between the partners, a centralised booking facility and the relative ease of delivering the three elements of the package, there have been remarkably few problems.

Each year, review meetings have been held to assess business levels, marketing activities and decide on pricing.

All partners have actively sought customer feedback. As a result of feedback, an enhancement was made, for example, which enabled customers to spread the package over 2 – 3 days rather than having to do everything in one day.

In the review meeting which took place at the end of 2013, constructive criticism amongst the partners indicated that a degree of complacency had crept in, which had partially resulted in a small decrease in the number of packages sold in 2013 in comparison with 2012.

Plans were put in place to reinvigorate the marketing activities, including the following:

- Giving greater profile on the respective websites to Spas, Ancient & Modern, especially on www.visitbath.co.uk.
- Featuring the package on e-mail newsletters and social media activities.
- Reinvigorating the PR campaign, including media promotions.
- Based on market analysis and substantial increases in Chinese visitors, agreeing to translate the package into Mandarin and place on the Chinese website for the Roman Baths: http://lvyou168.cn/travel/uk/romanbaths/2014_spas.html and create a link from the home page.

Summary

The Spas Ancient & Modern Package was created to provide a new, bookable product which combined three of Bath’s main spa-related attractions, namely the Roman Baths, Pump Room and Thermae Bath Spa.

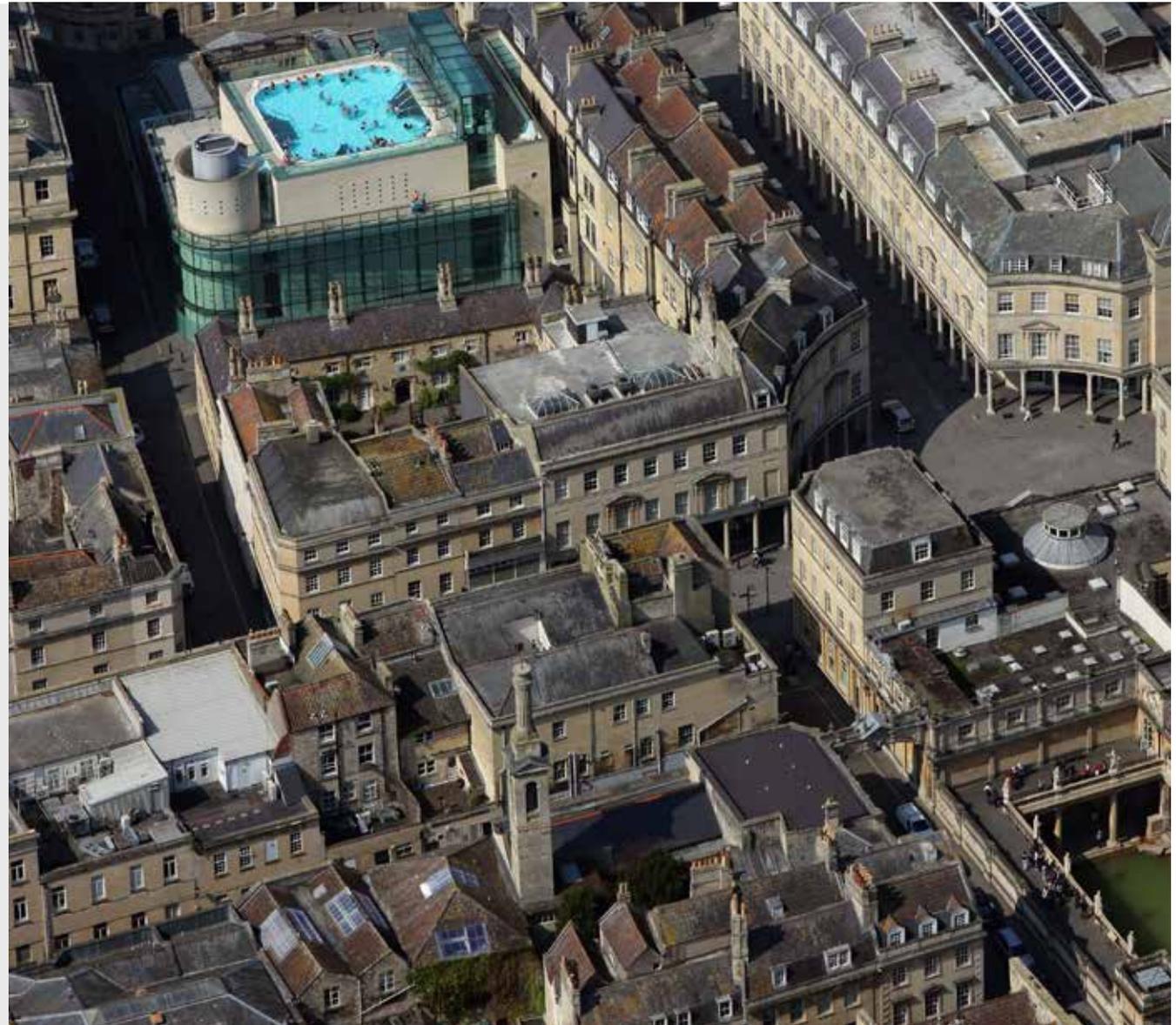
The project involved the pooling of resources and a joint marketing campaign, focusing on PR, website and online activities. In the first three years of operation, this resulted in over 10,000 packages being sold and generating revenue in excess of £600,000.

The project reinforced the need for partners to constantly review and adapt the package to changing market conditions.



Key Learning Points

1. We all get so engrossed in our own operation; we sometimes forget that new business opportunities exist by working with external partners.
2. Joint working is most effective and sustainable when costs are fairly shared and there are mutual benefits to all partners.
3. Keep it simple, easily deliverable and measurable.
4. Constantly review, adapt accordingly and refresh the product.





5.1.4 System for Quality Level Evaluation and Improvement

There are several reasons for quality management at the destination level: it is easier to market and sell quality services, and good quality contributes to customer satisfaction, which often leads to more profit and higher customer loyalty. This implies a stable tourism industry and positive development of the local economy. Monitoring quality also provides valuable information for management decisions (European Communities, 2003, p.1). The destination management organization doesn't normally own or operate health and well-being tourism services, but destination-level customer satisfaction should be a common concern for it. Word of mouth and today especially electronic word of mouth can cause great harm, but also great success, for a destination. (UNWTO, 2007, p.109; Morrison, 2013, p.21).

According to Grönroos (2007, p.73), the quality of services has two dimensions: the technical dimension (outcome dimension: Did the customer get what he/she wanted?) and the functional dimension (process-related dimension: How did the customer get the outcome?) If for instance the customer did not get the treatment he had booked and he had to wait a long time for check-out at hotel reception, the overall quality experience is probably not what he expected. The integrated quality management concept highlights, in addition to customer satisfaction, also the local tourism industry satisfaction, local resident's quality of life and environmental quality (European Communities, 2003, p.4). It is noteworthy that destination quality is

not only the sum of the quality of services the customer uses, but also other factors influencing the destination quality experience, for example, the quality of the public realm as well as common safety and aesthetics (Morrison, 2013, pp.14, 162).

In the 1990s, Central European countries showed tremendous increases in health and well-being tourism demand and supply. Thermal spring spas, hotel spas, medical spas, and other types of spas were built, and people decided to take wellness holidays. This kind of privately-paid pampering, relaxing, and sometimes health-promoting leisure time did not develop at the same pace in all European countries.

Booming markets often react in the same way; some new suppliers imitate successful services, offering them at a bad price-quality ratio. The quality erodes, clients get upset, and those who are the defenders of high quality try to install instruments which help push back the latecomers. Instruments of that kind include, for example, quality seals which can be obtained from various organisations. If a certain set of criteria is fulfilled, a certificate is given. The certificate has to be renewed after a given period of time.

The health and well-being tourism industry in Central Europe has created a large number of quality seals; therefore hotels that want to have a quality seal have to bear in mind that very different quality seals can be obtained, some with less or more challenging

criteria. Some focus on health (see for example, BHA, Best Health Austria, http://www.besthealthaustria.com/intranet_english/vision/vision.asp) and others on pampering, while some quality seals are only for hotels and others for clinics. Among others, the so-called Qualitest has been applied in the tourism industry to evaluate the quality of services in destinations (European Communities, 2003). Many certifiable quality seals such as ISO 9001:2008 or EFQM have found their way to quality management in tourism, too.

Health and well-being as a developing strategy on a destination level is quite new, the market is not yet driven by tough competition, and consequently not characterized by quality seals and other instruments needed in hard fought markets. Compared to other countries, Austria tried quite early to open the market up for destinations specializing in health and well-being. The "Austria well-being destination of Europe" initiative, funded by the government, started around ten years ago and showed early insight into the fact that health and well-being might be an opportunity for destinations, too. Since then, some destinations have tried quite successfully develop their services.

For larger regional entities there have been only a few efforts made up to now which altogether use different methods to assess the destination. "Alpine Wellness" (www.alpinewellness.com), for example, claims that a given percentage of beds in health and well-being hotels of that region have to be certified according

to the Alpine Wellness quality seal. In this case the approach to certifying a larger regional unit depends on the number of beds certified. In other words: Alpine Wellness did not create special regional criteria, but it still measures itself against quality criteria designed for hotels with (medical) spas.

Another initiative called RegioSana (www.regiosana.eu) has chosen a completely different approach by definitely creating regional criteria. These criteria, for example, comprise the ecological quality of the natural resources of the defined region, the quality of air (healing climate), the number of health and spa hotels, the efforts to foster green mobility, the regional waste management, the offered infrastructure for tourist activities such as walking trails, or the destination's management and its efforts to sustainably develop the region.

The reaction of the (tourist) markets show that regions (destinations with a larger geographical size) have not made many efforts to be certified according to health and well-being quality seals. There are probably many reasons to be mentioned. Firstly, regions are managed by different players such as tourism boards, industry associations and policy makers. The number of participants in the decision-making processes slows the speed with which decisions are made. Secondly, quality management is still seen as the duty of individual companies such as hotels or public baths, and not of regional bodies. Thirdly, the lack of proper

quality seals and/or the lacking knowledge of regional stakeholders about already existing regional quality seals play an important role, too. Fourthly, the regional budget of often very limited money is preferably spent on new touristic infrastructure.

In general, the issue of quality level evaluation and improvement on a destination level is an issue which is currently not very widely applied. Despite this, we will explain here a common principle of quality management which is used in tourism as well as in other branches – the so called “Deming-circle” or “Shewhard-cycle.”



The “Deming-Circle” is very well known in practice as the “PDCA-Cycle”. PDCA means Plan-Do-Check-Act. The roots of this model lay with Francis Bacon and Galileo Galilei. PDCA is an iterative four-step quality approach used in quality management for the assessment of services and physical goods.

“**PLAN**” means to define standards and strategies necessary to deliver services in accordance with the expectations of all involved stakeholders such as customers, the government, the society, and legislative bodies.

“**DO**” means to implement standards and strategies and to produce and deliver products in accordance with what has been done in “plan.”

“**CHECK**” is to assess if the products were able to meet the needs of all stakeholders by methods which are appropriate to the situation using polls, questionnaires, mystery checks and many other methods well-defined for that purpose.

“**ACT**” is to detect differences between the planned and actual results and their root causes. Furthermore, steps have to be defined and implemented with aid of which measures weaknesses can be improved.

This approach in business and quality management should also be implemented in destination management, with the regional dimension not easing

this approach at all. The example in Figure 11 clarifies this point:

The PDCA-circle could be done one time but is normally used on a more frequent basis. This means the procedure is carried out regularly, or at least as often as needed until the preferred result has been achieved. If cycled regularly, “planning” means the comprehension of results received from former cycles. “Do” means execution of further activities to determine if an improvement could be achieved. “Check” means assessing the latest results. “Act” means to decide if more planning and executive activities are necessary, or if in last cycle a satisfying result had been achieved.

A newer improvement of the PDCA-Cycle-model is the so called “PDSA-cycle”. This means “plan-do-study-act”. “Study” means the interpretation of results achieved from the former step and gaining new insights based upon this. Deming himself presented the “PDSA-cycle” (1989) in his book *Out of the Crisis*. Wolf (2009) refined the 4th step to “learn.” Although learning is part of this step and of utmost importance, in this case activities are executed based on learned results.

The destination plans for further development. Small change: The destination is already a nordic walking destination and plans to have one more nordic walking trail. Big change: The destination so far stands for nice landscape and some hiking paths and wants to become a nordic walking destination with one of Europe’s biggest nordic walking parks and supporting facilities such as sport hotels, and a clinic of orthopaedic injuries. The destination votes for the big change.

The results of the analyses are used to further improve the services of the destination. It would be best practice if this PDCA approach is being used by all relevant companies regularly in a way that the destination as a whole can steadily improve. It becomes clear that this approach is quite easily being applied in a singular company, whereas a destination turns out to be a major organizational challenge.

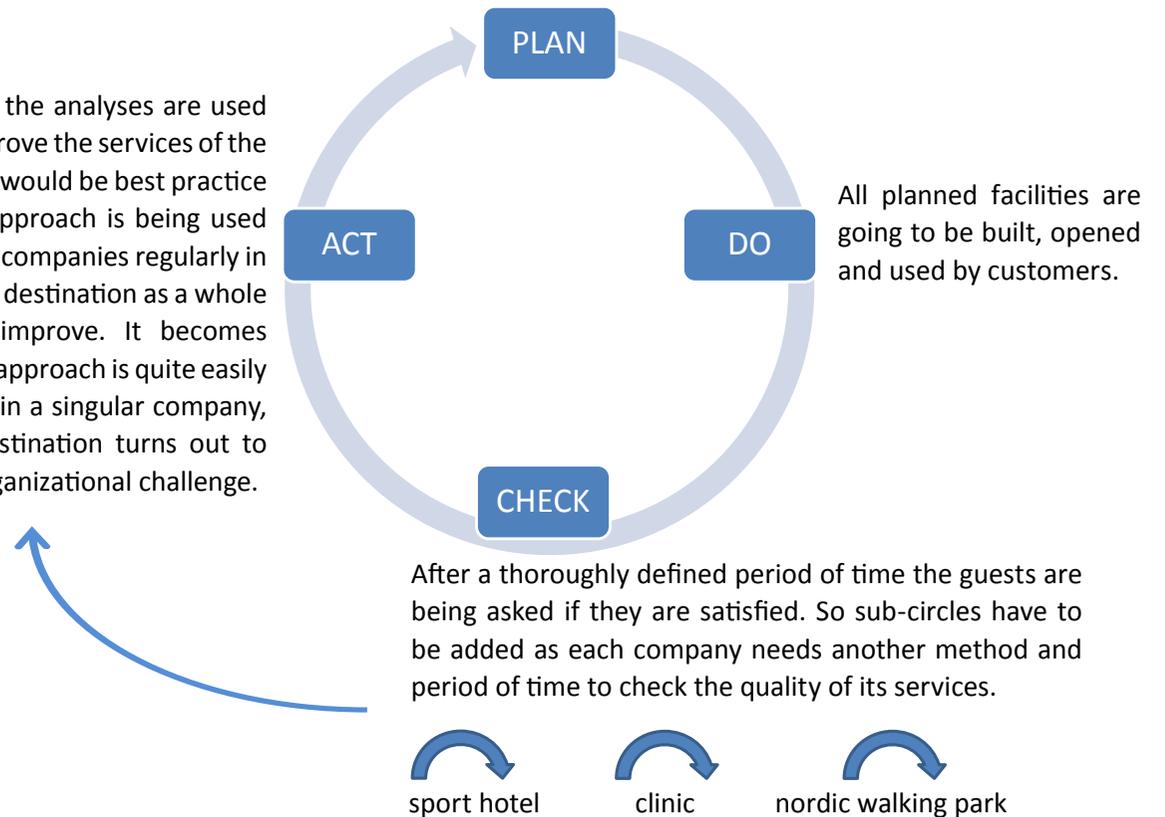


Figure 11. Example of using the PDCA circle (Author, 2014)



PRACTICAL SUGGESTIONS

One of the results of the WelDest research report is that people want to have somewhat homogenous services in the destination. This means that guests might be disappointed if the quality of certain services is weaker than that of others. Perfect hotel service does not harmonize with bad service at the bike rental station. The guests expect to have all the destination's services perfect and seamless.

How can a DMO contribute to such a challenging goal? A tool to systematically evaluate and improve the destination's infrastructures and services does exist even with respect to health and well-being destinations. The RegioSana group (www.regiosana.eu) was funded in 2009 to develop a set of criteria to be applied to health and well-being destinations. One result of the working group was to create a tool to evaluate a destination according to the criteria mentioned. The following table (see Table 4) shows one criterion on how RegioSana is approaching these goals:

Criteria	Meaning	Proof	Evaluation		
			Indicator	Time frame	Points
1	2	3	4	5	6
The DMO develops and/or sustains a vision/mission/philosophy/ mission statement for the destination. Health and well-being play an important role.	A statement of the purpose of the destination, of its long-term strategy, and of future goals	Documents created by the DMO and/or the destination.	1. At hand 2. Comprising (the whole destination) 3. Adhered to	1. Past: The realisation was done systematically on the basis of an appropriate method and led to good results. 2. The results are appropriate for the present situation. 3. Future: There is evidence of systematic future planning.	Evidence: <input type="checkbox"/> = 4 very clear <input type="checkbox"/> = 3 clear <input type="checkbox"/> = 2 some <input type="checkbox"/> = 1 hardly <input type="checkbox"/> = 0 none

Explanations:

- Column 1: The table illustrates just one criterion in a set of criteria which are part of the DMO's duties. RegioSana system also includes criteria that a DMO can influence only indirectly (for example, the guest's perception of nature is not disturbed by tall structures, too much traffic or industrial buildings or there is a strategy for how to decrease the noise pollution.)
- Column 2 explains column 1.
- Column 3 examines the question: What kind of documents can be taken to get proof that the DMO really did what it was supposed to do?
- Column 4 lists a number of attributes which can aid in checking the implementation.
- Column 5 says something about the time-dimensions (past, present, and future).
- Column 6 gives a mark for what has been done so far.

5.2 Destination Development

Destination development is a crucial, never ending task for destination management authorities. Strategic destination planning, development of a brand identity, cooperation and networking with public and political authorities as well as continuous evaluation and development of the destination's infrastructure are some of the main tasks of regional development (Stimson, Stough & Roberts, 2006, p.86). Development toward becoming a health and well-being destination requires taking pro-active steps. Health and well-being means higher quality and a specific tourism context; it needs an integrated strategy and demands the cooperation of all involved stakeholders. Therefore, we will focus in this subsection on the main items in destination development.



5.2.1 Systematic Participatory Strategic Destination Planning

New systems of territorial economic development have displaced the old vision of integrated national spatial management. “In this vision, the region is more the subject than the object of policy and the context is provided not just by the state but also by the international marketplace and the demands of inter-regional competition. The new literature on regional development is large and complex and it would be a mistake to take it as a single school, but there are common elements. [...] The behaviour of economic actors is moulded by institutional incentives, learned behaviours and routines and, in some versions, cultural values and norms” (Keating, Loughlin & Deschouwer, 2003, p.14).

Globalization, the Internet revolution and increasing societal diversity force places to compete on a new level for capital, resources and goods. This new level is dominated by growing international and multicultural environments (Jamal and Jamroz, 2006, p.164) with tremendous consequences for natural and social environments. The challenge for places, therefore, is how to achieve and manage social equity and cultural diversity. This is also one task for destination management organisations (DMOs). The challenge is increased by when there is a lack of experience regarding how to do this and when there are almost no instruments. As a result of these challenges, a new framework for destination development is needed. The older ones, without any efforts to balance society, economy and space are no longer usable. As Jamal

and Jamroz (2006, p.166) write in this context: “The framework moves tourism management into a new future characterized by the integration of marketing and planning in a diverse destination system that facilitates social, economic and cultural equity” This means that one of the main challenges for a DMO is to find a way of integrating different influences/interests from different stakeholders in a way that enables them to develop a common preferred, future-oriented destination development plan.

Based on the current literature and on the practical knowledge of the authors, the following process will be one option to systematically develop a destination (see Table 5). Please note that the premise for what follows is the presence of a stable policy framework, and the control or moderation of the entire development process by an impartial third party, as well as the voluntary participation of regional leaders and decision-makers (Lindloff and Schneider, 2001, p.22).



Process of regional development		
Phases	Goals and contents	Examples for possible measures
Phase 1	Conviction of politics and administration, setting objectives and organization	<ul style="list-style-type: none"> • attending meetings • informal meetings • trade fairs, etc.
Phase 2	Research and analysis of the baseline situation to get a current picture of the region	<ul style="list-style-type: none"> • cooperation with universities • hiring of consultants • public materials
Phase 3	Contacting regional actors (stakeholders)	<ul style="list-style-type: none"> • personal calls • visiting events • use of existing networks
Phase 4	Networking of all regional actors	<ul style="list-style-type: none"> • organization of network meetings • creation of associations and organizations
Phase 5	Common ideas for future development of the region and definition of concrete targets (vision and mission)	<ul style="list-style-type: none"> • large group events • creative techniques, etc. • thinking out of the box • recombination of existing structures
Phase 6	Win public support for future plans	<ul style="list-style-type: none"> • press releases, public appearances, establishing brands, etc.
Phase 7	Control of existing measures and definition of further steps	<ul style="list-style-type: none"> • presentation of recent results and comparison with targets
Phase 8	Definition of the strategic objectives and their political stabilization	<ul style="list-style-type: none"> • developing/writing a mission statement
Phase 9	Development of measures to implement mission statement including appropriate indicators	<ul style="list-style-type: none"> • concentrated actions to regional development • incorporating new actors
Phase 10	Implementation of measures and monitoring	<ul style="list-style-type: none"> • various measures

Table 5: Process of regional development in phases, based on Lindloff and Schneider, 2001, p.13.

Due to the fact that there are usually different organizations, interest groups, legal documents and cultural backgrounds, it is difficult to determine how long each single phase should last. Overall, phases 1-9 should be completed within 24-36 months. The activities in phase 10 should be institutionalized and implemented soon after the completion of the previous phases. Finally, it is important to mention that the complete process of regional development is

continuously repeated. Therefore, the measures are monitored by using appropriate indicators and then consequently adapted. The results should be used for continuous improvement (Siegrist, Boesch & Renner, 2009, p.103).

During the development process of a region, decisions about the future positioning, customer segmentation and customer targeting are taken. Due to the numerous democratic processes in the individual phases, the definition of segments and objectives can take place sooner or later in the development process. With the constitution of the mission statement, all decision-making must be completed. In the following, several useful practical approaches to the development of a region are described. All these approaches can be applied within the described process of regional development.

It is useful to consider what the influences on destination development work are. The main influences come – in addition to trends in the economy, society or politics — from the diverse stakeholders of a DMO. To be able to develop a common preferred strategy, it is necessary to seek the cooperation of all stakeholders. First we will explain why stakeholders are so important for destination development activities. Stakeholders represent different interest groups in a tourism context. For instance, hoteliers are interested in

having as much business as possible; ecologists on the other hand are interested in protecting local nature. Politicians are interested in being well-known (for future elections), private financiers are interested in the quite the opposite. Therefore it can be seen that many different — in many cases contradictory — interests exist and are spread over a destination management organization (UN Habitat, 2005, p.15).

From a destination development point of view, it is therefore of the utmost importance, that:

1. all stakeholders are identified.
2. a representative group of stakeholders (in quality and quantity) are integrated and engage themselves in the destination development processes.

It is of particular importance that the decision-makers of each interest group in a region are involved and engaged (AFRL, 2001, p.6). In general, it could be said that all these stakeholders are different players in the society; they represent local society. They are politicians, companies, public authorities as well as local residents and municipalities or communities. Large group intervention techniques such as a future search conference or open space technology, are very useful to engage all these different stakeholders in common decision and development processes. These large group intervention techniques are helpful to develop a

common vision and mission for a destination as well as for a destination management organization itself.

A vision (statement) explains what an organization wants to achieve in a certain future time period. It explains the organization's targets and goals. It is the "inner" picture of a perception for the future. What goals do we want to achieve within next "x"-years?

A mission is necessary because it expresses the reason for existence, the purpose of a company or destination. It gives answers to questions such as: "Why we are here? What is our contribution to society?" It should guide the actions of the organization and provides: "the framework or context within which the company's strategies are formulated" (Hill, 2008).

A strategy is an answer to the question regarding what needs to be done to achieve the vision. From a tourism destination development point of view, the strategy to develop into a health and well-being destination must be based on a vision statement which includes exactly this strategic target.

There is a 3-item chain which is of great importance in the context of health and well-being destination development as can be seen in the following Figure 12.

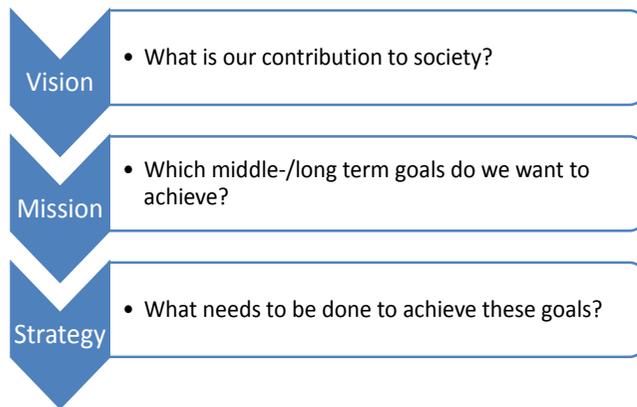


Figure 12. Vision, mission and strategy (Author, 2014)

For the destination-wide tourism strategy process a so called stakeholder working group could be built. It remains to explain how a stakeholder working group is created. There are two different approaches – top-down or bottom-up. In the case of top-down, a local/regional government forces stakeholders to build a stakeholder working group. The advantage is that normally all relevant stakeholders are included; the disadvantage is that it might be an “artificial” construction based on external (governmental/political) forces. If a stakeholder working group is established on a voluntary basis, we call this a bottom-up approach. The advantage is that normally all stakeholders are engaged based on their own freewill; the disadvantage might be that not all relevant stakeholders are represented.

In summary, the systematic participatory strategic destination planning process should be structured. Regardless of which approach to regional development is applied, it must be ensured that all regional stakeholders are actively involved in the process of regional development. During the development of a regional development strategy, clear statements on the future direction of the region are met (positioning, customer segmentation and targeting). The awareness of the long-term nature of the decisions made must be awakened among stakeholders and the public due to the fact that regional planning is not short term. Therefore, a written mission statement, including a way to check it (Keim and Kühn, 2002, p.3), and its effective public presentation is important for regional development.

FOLLOW ME

There are several toolkits that can be used to assist in developing the destination including plans for working with the tourism industry:

- Tourism Planning toolkit for Local Government, New Zealand <http://www.med.govt.nz/sectors-industries/tourism/pdf-docs-library/Tourism%20policy/tourismplanningtoolkit.pdf>
- Good Practice Guide on Planning for Tourism, UK https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/7725/151753.pdf
- Developing a Tourism Plan, British Columbia, Canada <http://www.destinationbc.ca/Resources/Developing-a-Tourism-Plan.aspx>



WELDEST CASE STUDY 13

The Styrian Thermenland becomes Thermenland Styria

Author(s): Franz Rauchenberger (CEO Thermenland Steiermark Marketing GmbH)



Introduction

As one of the youngest tourism regions in Styria, the Styrian Thermenland is looking back at a 30-year-old story of success. The region, which was stamped for its small-structured agriculture and forestry and a high rate of commuters, has continuously developed into a tourist destination with 15,000 guest beds, 2.1 million overnight stays and more than 6,000 year-round jobs. The six thermal baths and the surrounding four and five stars hotels were the most important factors for this development. The 2.1 million overnight stays make up 20% of all the nights in Styria. The Styrian Thermenland has been known as the cradle and most important provider for modern wellness tourism for decades. Since the Austrian market is the most important one, 90% of the guests are from Austria, with 70% of those from the eastern provinces. The tourism supply is dominated by the classic short stay and nearby market

businesses. More providers are streaming in on the wellness market, not only the thermal baths, but also hospitality tourism, so that the daily thermal baths market has become saturated since 2003 and has partly become a competitive market. Providers have recognized this development, too. One of the leading thermal baths has lost about 20% of its daily visitors. At the same time, a dynamic supply in pleasure and cuisine has developed in the region.

Time for Clear Positioning

During this phase, the thermal baths' managers demanded a new positioning, or the implementation of a brand or profiling process. At the same time, such a brand process was implemented by the province's tourism organisation "Styria Tourism."

Main statements:

- The promise of performance of Styria Tourism: Pleasurable holidays in the heart of nature.
- We put this promise into the statement: The green heart of Austria
- We are now assuming: If we are an important part of Styria's tourism and we understand its market process, not only will the development of an own brand be important, but also the brand's translation into the regional supply as well. It is all about brand alignment.



Forms	Topic	Target	Resources	Time frame
Alignment in content	Thematic coordination	Consistency, independence, congruence	Clear messages, arguments, pictures	Long-term
Alignment in form	Compliance to formal principles	Presence, concision, clarity	Standard logos, fonts, sizes, colours	Medium — to long-term
Alignment in time	Coordination between planning periods	Consistency, continuity	Event planning, “timing”	Short — to medium-term

Table 1. Forms of brand alignment

Meaning for Styria’s Thermenland:

Formulation of positioning

- a. Market segment: Source for well-being/holiday destination
 - Thermal baths
 - Health
 - General well-being – businesses which are not located within immediate distance to the thermal baths
- b. Market segment: Expedition to Styrian culinary pleasure
 - Attractions/ infrastructure
 - Brand lands
 - Highlights
 - Best practice businesses
 - Eat and sleep well
 - Touristic shopping
 - Expedition tours
- c. Additional offer: Movement in the landscape

Change of the company’s name

The Styrian Thermenland becomes the Thermenland Styria



Development of an alignment contract between thermal baths, tourism organisations, Styria Tourism and Thermenland Styria with central contents (extract from the agreement):

...improvement of the external image on the defined markets by concentrating funds.

To generate the best possible efficiency of those performances, the Styrian Thermenland:

- Will change its name to Thermenland Styria.



- Will adopt the brand Styria in its contents.
- Will adjust the wording, the logos as well as the graphic layout according to the Corporate Design of Styria Tourism. The usage rights of the brand Styria will be fixed between Styria Tourism and Thermenland Styria in a specified licensing agreement.

By integrating the brand Thermenland Styria under the umbrella Styria Tourism, the region aims to achieve the following goals:

- Increasing attractiveness due to the self-similarity of brands – the Styrian regions and their services as integrated and strengthening parts of the brand “Styria” = improved brand presence; especially abroad.
- Carrying the promise of service together: “pleasurable holidays in the heart of nature” refers to the brand claim “Austria’s green heart” – adoption of wording and graphic layout = higher recognition factor.
- Providing consistent brand identity by maximal content cooperation and consistency = efficient concentration of funds.

By cooperating closely with Styria Tourism in the future, Thermenland Styria and the thermal baths destinations can work together in the following areas:

- Planning of marketing activities.
- Coordinating joint tourism and marketing projects.
- Preferred partnership concerning joint activities in

comparison with other partners.

- Collective research of new tourism approaches in specific target markets, focusing on wellness and health.
- Promotion of the exchange of experiences and information between the organisations.
- Best possible efficiency regarding human resources, as far as reasonable and practical; reciprocal representations at events outside of Styria in terms of time and place of press activities, trade fairs etc.
- High commitment of the thermal baths destinations to a corporate marketing and brand strategy, which will fully be managed by the thermal baths destinations.
- Acceptance of the concentration of funds between regions to strengthen the brand presence, and therefore the tourist destination Styria, especially abroad.
- Supporting the brand “Thermenland Styria” not only in the texts but also in the graphic layout (brand Thermenland Styria) of the tourism organisations and thermal baths.

Summary

A large number of tourism organisations can be found at various levels of Austrian places from regions up to province tourism organisations and Austrian advertisement campaigns. When it comes down to the local and regional organisations, tasks and targets are only rarely defined, which is why members

are often unsatisfied with a lot of areas. A brand alignment targeted toward higher efficiency, regarding the usage and effects of tools, as well as toward a clearer definition of the partners’ tasks and roles is necessary. This surely relativizes the importance of the organisation in the national and international tourism market. However, the described activities are only the beginning of a brand alignment. Partners have to live and further develop this alignment day by day. It will only be possible to evaluate the success of the project and the achievement of goals in a few years’ time.

Key Learning Points

- The process of repositioning existing destinations can include co-branding and be part of the strategy of bigger tourism organizations in the context of strategic brand alignments.
- Bigger or superordinate organizations or destinations (for example, countries) should not be seen only as competitors to smaller destinations. It is clear that they can also provide opportunities to open new markets or expand existing ones.

WELDEST CASE STUDY 14

Approach to Developing a Market Positioning Strategy for the “Ferienregion Attergau”

Author: Petra Gangl, Manager, St. Georgen im Attergau / Austria

Summary

The history of the “Ferienregion (holiday region) Attergau” is filled with a touristic past, and there has been a local tourism association for more than 120 years. Time has changed and so have the guests of the Attergau. The easy way the providers were used to is gone, and now it is time to create a unique selling proposition from the leftovers. Therefore, nine experts from the region were invited to join a focus group working out a strategy for the future. Due to the great diversity and individual needs of the group, the outcome was not very satisfactory. Health was the only topic where they could see a possible positioning.

The Ferienregion Attergau lies in the South-East of Austria and belongs to the so-called 10th state of Austria, the Salzkammergut. The Salzkammergut is one of the strongest tourism areas in Austria.

The Attergau embraces four villages, whereby three of them are part of the touristic resort. The



Picture 1. Initial Situation of the Ferienregion Attergau

main village is St. Georgen with more than 4,000 inhabitants, followed by Straß and Berg, which have about 1,200 inhabitants. The region changes often, with two exceptions – the Kronberg and the Lichtenberg.

The Attergau can look back on 5000 years of settlement. The most important records of finds were made in 2006, when Celtic tumuli were found in the village of Berg. Since then, the Celtic Tree Path, a theme walk, has existed and has become one of the most important attractions of the Attergau. There are many activities one can do in this area.

The Ferienregion Attergau offers hiking and biking tours (including E-Bikes), horseback riding, a spa and medical care, a cultural festival during the summer and cross-country skiing during the winter.

Accommodation Facilities	Number
Hotel****	2
Hotel***	11
Inn** or ***	12
Apartments	16
Farms	9
Bed & Breakfast	7
Private Rooms	11

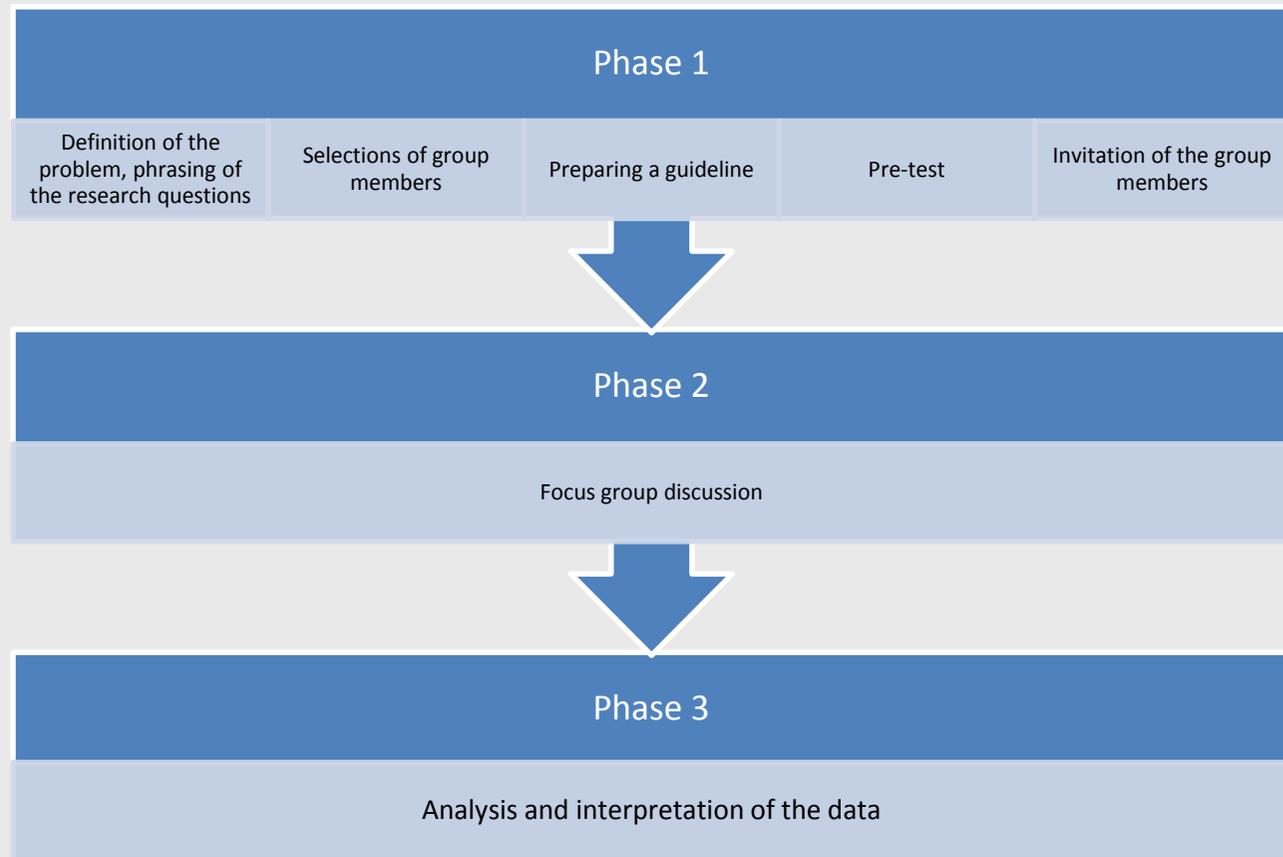
Gastronomy	Number
Inns with local cuisine	16
Restaurants – international cuisine	3
Snack Bar	5
Coffee Houses	3
Pubs	6

Figure 1. Touristic supra-structure of the Attergau

There are many activities for visitors, but the region is not specialised, and is therefore easily replaced with other destinations. Capacity is not fully utilised, and there should be an emphasis on the low season, because at this time the destination suffers from a lack of overnight stays.

1. Research Method

Figure 2. Focus group with experts



- 1. Where do you see the strength of the Ferienregion Attergau? What makes it special to the guests? Where do you see potential to create a USP?
- 2. Where do you see the biggest potential for improvement concerning the current offer of the destination?
- 3. Which regions/destinations do you think are the leading market competitors?
- Which strategic goals should Attergau have and follow?
- Where do you see a real challenge for successful development of the destination?

2. Evaluation of Provided Data

a) Current strengths of the destination:

- Price-quality ratio
- Salzkammergut as a brand
- Geographic position
- Culture

b) Current weaknesses of the destination:

- Cooperation
- Replacement
- Touristic seasons
- Inconsistent climate
- Marketing

c) Potential for improvement was seen in:

- appropriate offers for the low season; one target group could be schools.
- bad weather facilities such as an indoor swimming pool, using the Celtic theme.
- fine gastronomy and evening entertainment for guests.
- horseback riding and theme walks.
- focus on the topic of health – proper eating and activities — in addition to medical care.
- all-inclusive guest card – like at the lake Neusiedlersee.

Figure 3. According to the current situation in the region, the following questions were formulated for the focus group to answer

Group member/name	Professional tasks
Alexander Jungwirth	Online marketing
Günther Matern	Graphic designer
Günther Hauser	Hotel keeper
Franz Schmoller	Guest house owner
Gerhard Muss	Farmer
Irmgard Soriat	Hotel keeper
Franz Hauser	Head of the club of ancient customs
Martin Plackner	Wooden toy producer
Petra Gangl	Destination manager

Figure 4. The group consisted of nine participants. The participants came from touristic and non-touristic fields to bring both sides of the story.

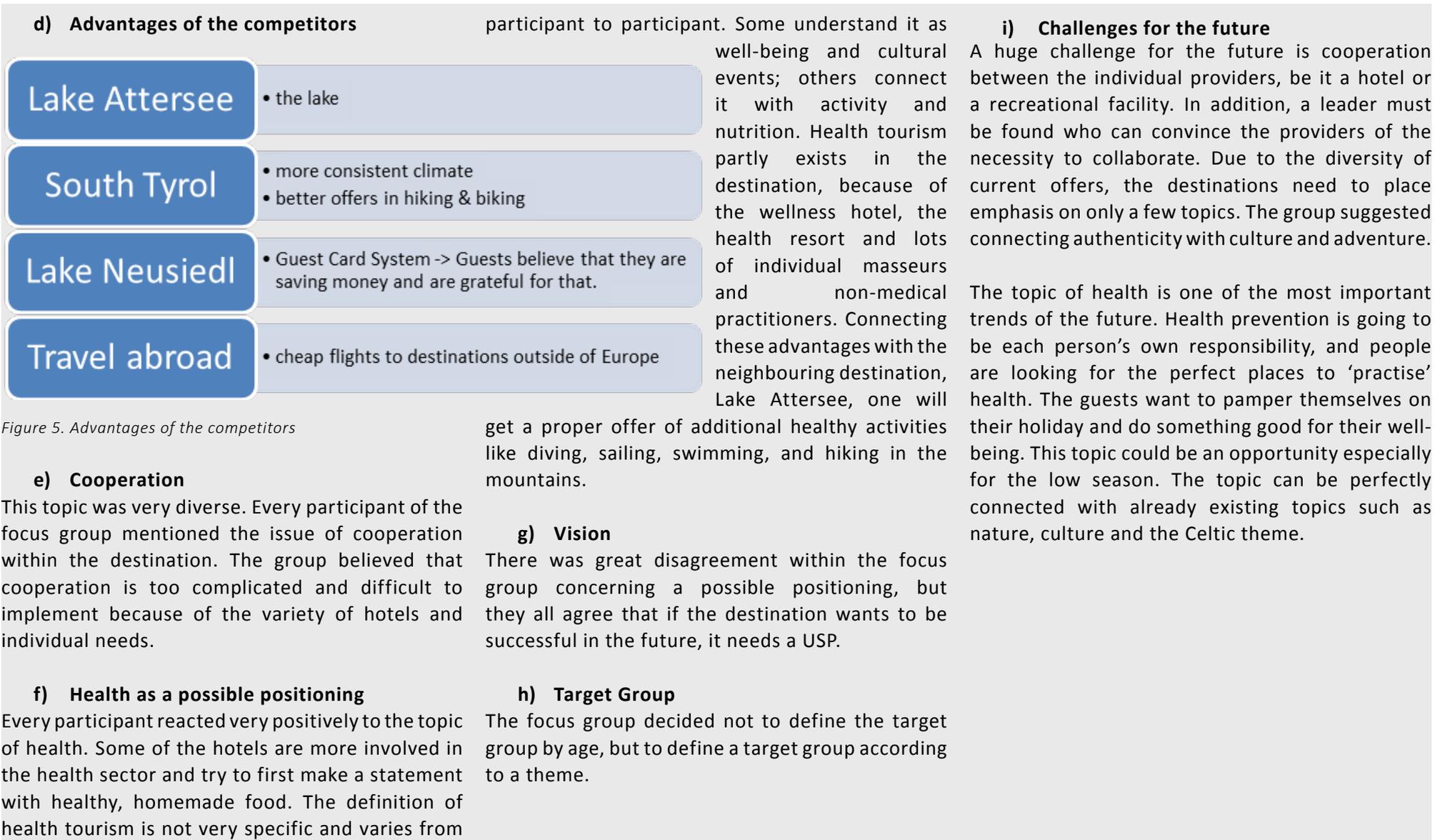


Figure 5. Advantages of the competitors

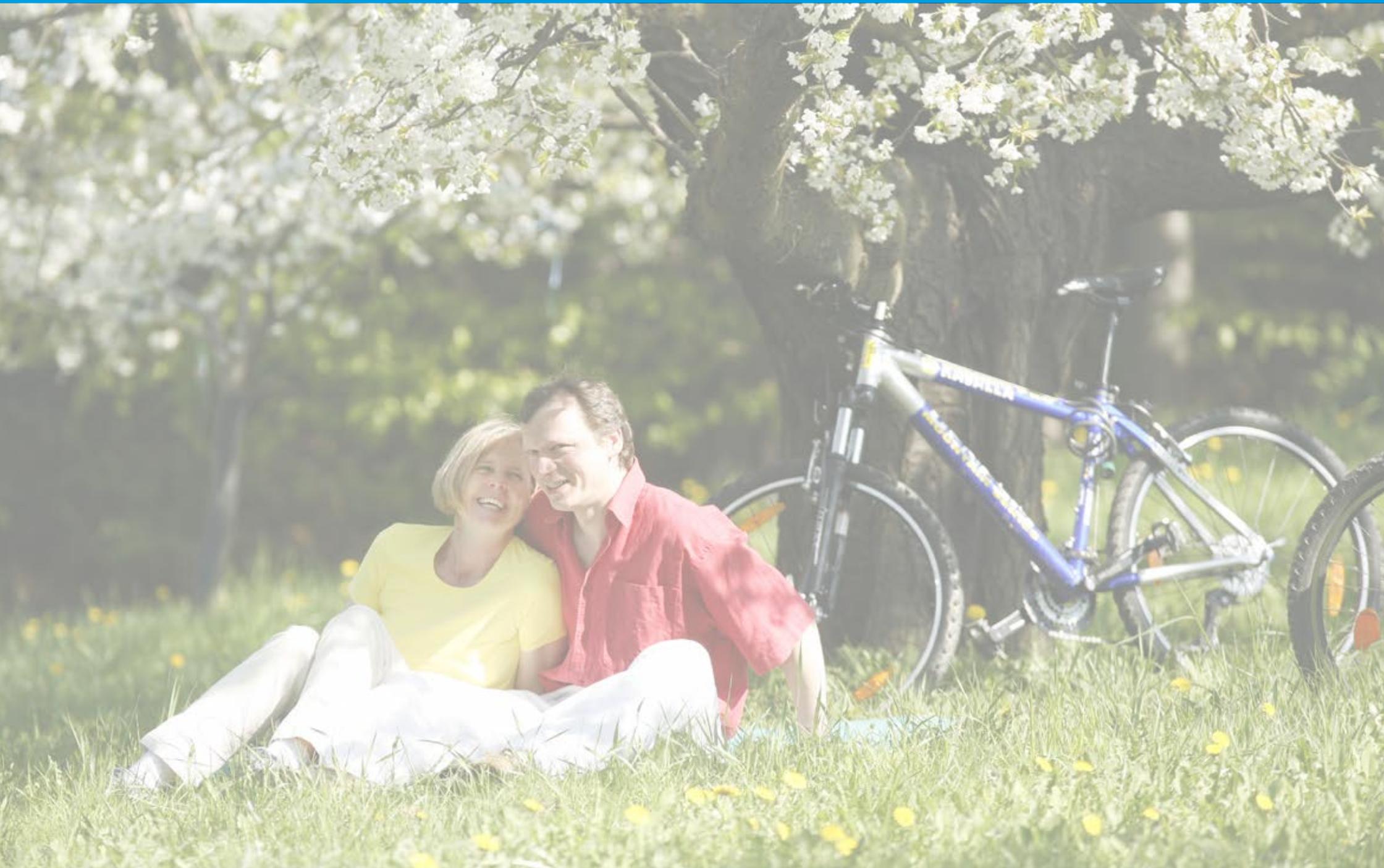
3. Outlook and Outcome

The destination of Attergau is aware that a beautiful landscape alone is not the key to tourism success anymore. The first step towards change has been taken by recognizing problems and sitting together within a focus group consisting of the main stakeholders in the region. There is a lot of hidden potential which needs to be strengthened and developed. The stakeholders recognized that it is crucial to go through a destination development process which is professionally supported and organized. Attergau should specialise in only a few themes, but with higher quality. One of these themes can be “Health” as a main focus. The specialisation promises a competitive advantage and a better usage of resources and know-how.

In this case study it can be clearly seen that a strong focus on a certain theme and the willingness of a majority of stakeholders is crucial to develop a destination. Every destination offers a variety of tourism infrastructure, natural sights or other cultural heritage treasures which can be marketed. A sustainable development process depends on whether the authorities and also individual entrepreneurs are willing to invest both time and money.

Key Learning Points

- This approach to developing a market position shows the importance of using different methods of information gathering.
- It can also be seen that in order to be successful it is crucial to involve all important stakeholders (for example, politicians, entrepreneurs, regional developers, farmers, etc.) from the beginning of the process until the end.
- A consensus regarding the main message to the market (for example, vision, mission, aims, strengths, weaknesses, opportunities and threats) is essential for developing a market position for a destination or any other business unit.



5.2.2 Brand Identity Development and Management

Many health and well-being destinations offer quality accommodation, tempting treatments and friendly staff. To succeed in this competition, the destination needs to be unique in some way to be considered a possible destination and a superior one in some respects to be selected by the customer as the final choice. The core of destination branding is to build a positive destination brand identity that potential customers will identify with, and which differentiates the destination from its competitors. This unique destination identity is the essence of positioning the destination (Qu, Kim & Im, 2011, p.466). Differentiation, positioning and destination branding are interconnected concepts as well as being the cornerstones of the destination strategy.

Two basic concepts are to be understood separately: the brand identity and the brand image. The destination brand identity is created by the sender (for example, the DMO in cooperation with other stakeholders and with the help of an advertising agency), whereas the destination brand image is built in the minds of (potential) customers. The destination brand identity should be based on the most important features and services that differentiate the destination from its competitors in the minds of the current and potential customers. The customer's perceived image of a destination is influenced by cognitive/rational thinking (the knowledge about the services, attractions, activities, environment and infrastructure that the destination offers) and affective (the feelings which the destination evokes) evaluations. (Qu, Kim & Im, 2011, pp.466, 467).

Finding a Unique Selling Proposition (USP)/Unique Local Proposition (ULP) based on cognitive evaluations, or a Unique Emotional Proposition (UEP) based on affective evaluations of the target markets – or a mixture of them – is the key to differentiating a destination from its competitors. Identifying and understanding the primary target markets through market research is a prerequisite for successful branding (UNWTO, 2007, pp.42, 47).

According to the WelDest research results, most customers seem to seek a homogenous, overall health and well-being destination product. A consistent brand experience for the customer arises if the destination succeeds in the alignment of independent service providers under a common destination brand. The DMO or a similar coordinating tourism body is normally responsible for leading the destination branding process. Burman and Zeplin (2005, p.279) note that if the brand promise made in the destination marketing is not consistently kept during the whole customer journey, the trustworthiness and the strength of the destination brand will suffer.

Cox, Gyrd-Jones & Gardiner (2014, pp.85-86) call the destination brand a network brand. Creating a network brand is much more challenging than creating a company or a product brand due to the abundance of actors and services they offer to customers in a destination. The stakeholders, such as spas, hotels and restaurants, are often dedicated to their own business and their own brand rather than to destination branding or harmonizing

the company brand with the destination brand. This is the reason why DMOs often find it difficult to develop a destination brand that meets the values of all players. The term 'stakeholder buy-in' in a branding context refers to the actors' "understanding and acceptance of the brand and their willingness to operate in a way that supports and delivers the destination brand vision and values."

The form of the stakeholder network structure seems to be relevant in creating a consistent destination brand. A dense, co-ordinated destination level network, which succeeds in knowledge sharing and avoiding inertia, seems to have a better opportunity to succeed in destination branding than a destination with actors showing less cooperation and coordination. Transparency in the brand development process is vital. Normally, it is the DMO's task to align at least the most powerful actors first to the branding process and then to the destination brand. This, in turn, inspires smaller players to follow. The objective of internal brand management on the destination level is to orientate different actors' and their staff's attitudes, values and service processes towards a consistent brand experience. The DMO should offer brand tool kits, trainings and informal communication to the stakeholders in order to enhance their brand commitment. According to research results, a very centralized, top-down brand development does not particularly contribute to the brand commitment of different stakeholders – instead it often creates tensions between the DMO and the different actors. A bottom-

PRACTICAL SUGGESTIONS

The following Figure 13 combines the most important concepts in the branding theory with practical questions and outputs relevant to each step in the branding process. In steps 1 to 3, strategic, creative and research skills are especially needed, whereas in steps 4 and 5 it is relevant to incorporate special skills in brand design and advertising to the process.

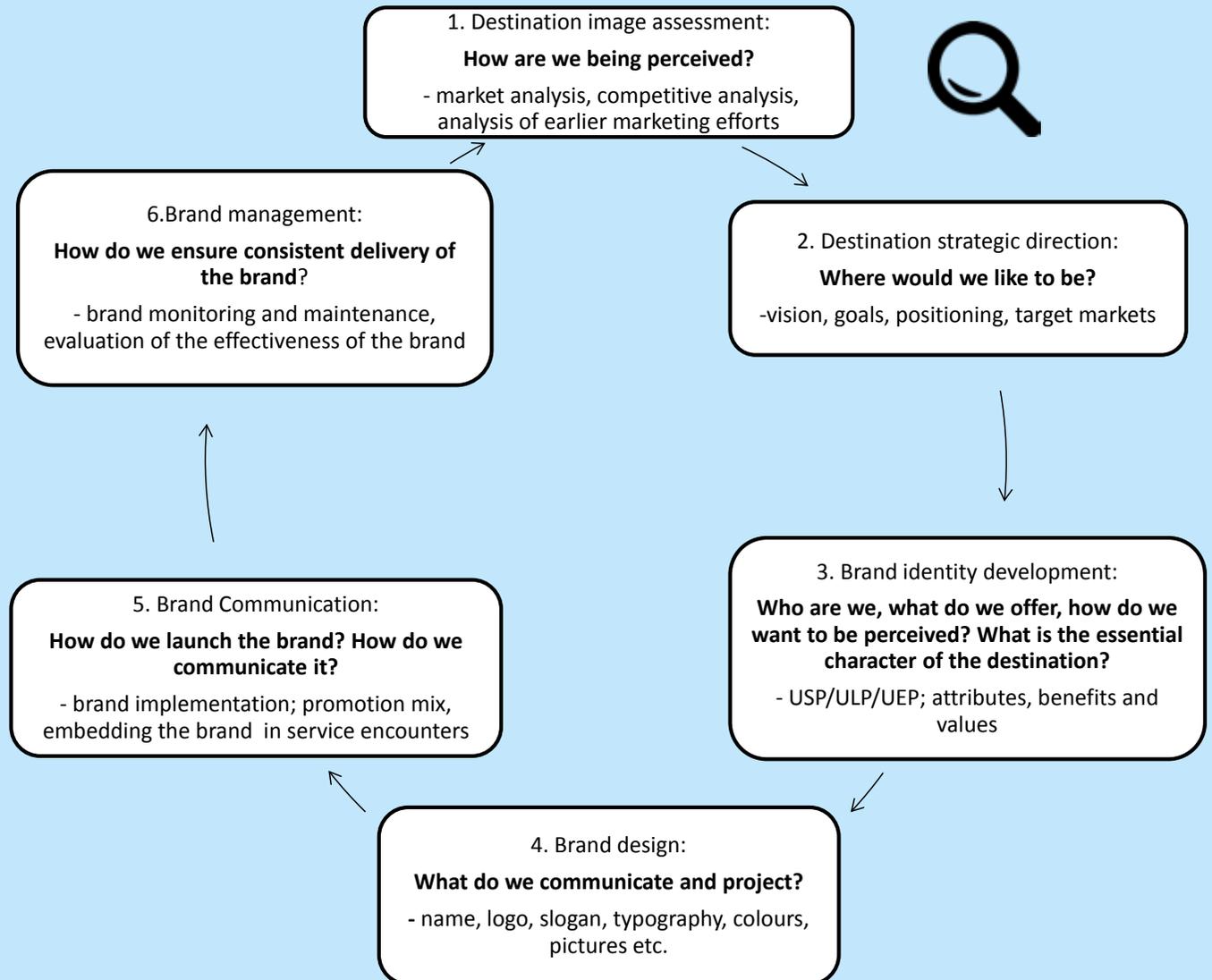


Figure 13. The destination branding process (modified from UNWTO, 2007, p.48)

up approach and a leadership style which whets the actors' interest in destination branding can also wheedle the stakeholders into the branding process and brand commitment (Cox, Gyrd-Jones&Gardiner, 2014, pp.86 – 88, 93). For the brand to be authentic and sustainable it is also important to make sure that the local community subscribe to the brand essence (UNWTO, 2007, p.51).

A destination brand is much more than just a slogan and logo created by an advertising agency. That all essential actors understand the need for a long term commitment is essential in internal brand management. When developing a tourism destination brand identity, a consideration of existing related supra-brands (for example, a national brand is a supra-brand when developing a regional brand) or sub-brands (for example, existing local brands in the region have to be considered when the regional brand identity is created/reworked) is also imperative. Successful branding is the key to differentiation, but also to improved recognition, loyalty and renown. In this way it increases business and, if this growth is sustainable, it adds to the community's advocacy of tourism development. A good destination brand is unique and communicates a destination's quality, experiences and values. The visual elements of the brand design should be attractive, memorable and simple (Morrison, 2013, pp.292, 293, 298, 299, UNWTO, 2007, p.50).



WELDEST CASE STUDY 15

The Mandarin Oriental Group: Providing a Strong Brand Experience for Health and well-being Consumers

Author: Chris Weatherill, University College Birmingham, U.K.



Introduction

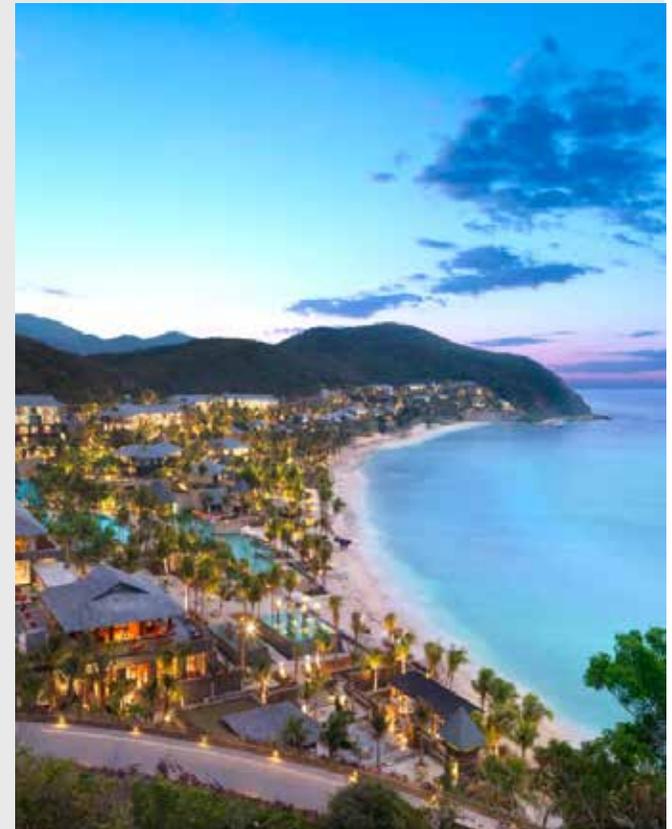
Most health and well-being businesses and destinations have a budget for marketing their product and services, but few tourism professionals know the subtle differences between branding and marketing (Morrison, 2013, p.288). The traditional concept is that brand identity is built through marketing channels such as communications and advertising (Srivastava & Thomas, 2010, p.465). However, the most successful brands are delivered through brand alignment, in which these communication channels are only a small component. This case study, based on the Mandarin Oriental Hotel Group and their successful brand identity, explores the concept and execution of brand alignment, so that a health and well-being business

or destination can deliver a strong brand experience to the consumers of their products and services.

Subtle Differences between Branding and Marketing

Marketing is classed as the activities done by businesses and destinations to promote their tourism product and services. The marketing strategies created are mostly limited in time and contain a message aimed at attracting new consumers or re-engaging existing ones, as well as increasing sales results (Bowie & Buttle, 2011, P.5). However these marketing activities are not necessarily branding. Creation of a brand identity precedes the formation of any marketing strategy and provides the foundation of any marketing campaign (Morrison 2013, p.288). Whilst marketing campaigns evolve, it is the destination's or business's brand which is constant, and if the brand identity is built effectively, it should be incorporated into everything the health and well-being destination and business does. This can be achieved through brand alignment (Srivastava & Thomas, 2010, p.465). Essentially marketing is a part of branding, with the brand becoming the cornerstone which allows the business or destination to effectively communicate to the consumers and aid them in identifying the product and the business's or destination's core values. Creating a good brand can immediately distinguish one's destination's or company's health and well-being offerings from their competitors (Bowie & Buttle 2011, p.127, Morrison 2013, p.289). By communicating the core values and what the product and services are for, a destination or business can enhance their profile and

ultimately profits — as the consumer buys into the brand, perceiving one brand to be superior to another. Consumers will not only purchase that brand, they may also be prepared to pay more for it if they perceive the offer is of superior service and value, leading to brand loyalty (Bowie & Buttle, 2011, p.86). The key to any successful health and well-being branding is the careful positioning, segmentation and targeting of the market that differentiates your product and services from your



competitors (Smith & Puczko, 2009, p139-140; Bowie & Buttle, 2011, p103-104; Morgan, Pritchard & Pride, 2011, p255-256). For example, a competitor may offer modern health and well-being techniques and methods; so the best choice could be to offer the opposite: traditional, indigenous products, services and techniques with the brand mirroring this differentiation. Alternatively, a combination of traditional and modern methods can be branded and marketed to deliver a strong brand experience to the consumer (Smith & Puczko, 2009, p.221).

The Need for Brand Alignment

To effectively deliver a strong brand experience to the consumer, the business or destination needs to develop a strong internal alignment of the brand amongst the management and employees, by creating a brand which internal stakeholders have an affinity with. The business or destination also needs to align the brand externally with external stakeholders; partners and consumers, as illustrated in the framework below (see Figure 1) (Srivastava & Thomas, 2010, p.465).

The 'Brand Visionaries' are the directors of the health and well-being business, or destination managers, whose main concern is the creation of a brand identity and vision, as well as management of the brand. The management also ensure that all operational activities reflect these core values with the brand providers to ensure that the brand experience is delivered

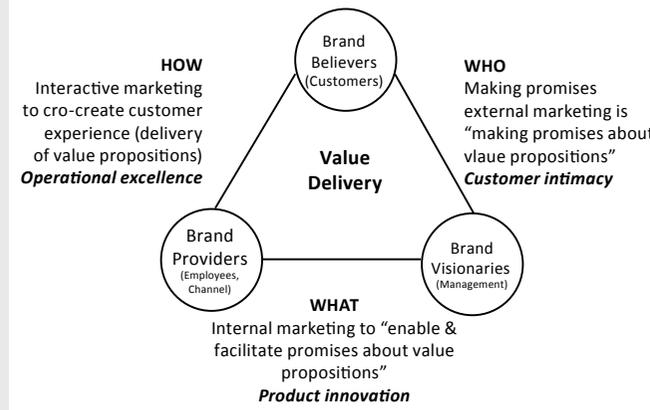


Figure 1: Brand Alignment Framework (Srivastava & Thomas 2010).

effectively to the consumers (Srivastava & Thomas, 2010, p.466). The frontline employees (brand providers) become brand ambassadors who represent the brand and ensure the core values, vision and promises of the marketing communication become reality for the consumer (brand believer) through personal touches which make the brand experience special. A successful health and well-being business which has achieved brand alignment through a strong brand identity is the Mandarin Oriental Hotel Group.

Creation of Mandarin Oriental's Brand Identity and Vision

Mandarin Oriental Hotel Group is the award-winning owner and operator of some of the world's most prestigious health and well-being hotels, resorts and residences, which operate from South East Asia. The Group began with the opening of its flagship property,

The Mandarin, in Hong Kong in 1963, which soon built up a reputation for luxurious service.

Mandarin Oriental now operates with 44 hotels representing close to 11,000 rooms in 25 countries, with 20 hotels in Asia, 10 in The Americas and 14 in Europe, Middle East and North Africa. Each hotel, resort and residence reflects the culture of the destination where they are located, with touches of oriental charm (Mandarin Oriental, 2013, p.8). The group has developed their spa facilities by combining traditional Asian methods and treatments with modern Western facilities, technology and techniques to create a product designed to offer guests a complete holistic experience. Even though each hotel and resort offers a slightly different consumer experience reflecting the cultural influence of each destination, it is the strong brand identity of Mandarin Oriental that keeps them all connected.

Mandarin Oriental has developed its brand identity through a series of tools that provide symbolic representation of their brand. The first being the design of the company logo, a symbol that embodies the hotel group's luxurious and elegant image yet still reflects oriental charm. One that has a certain oriental essence without being overly ethnic in design, the trademark logo decided upon being a gold eleven-bladed fan, which immediately conveys the essence and colours that are associated with the brand (Mandarin Oriental, 2014).



Figure 2. Logo (Mandarin Oriental 2014)

The second tool is the development of a range of brand-defining services which reflect the company's vision through the core mission statement. "Our Mission is to completely delight and satisfy our guests. We are committed to making a difference every day," said MOHG Chief Executive Edouard Ettegui, "and we design and deliver our services and products to address their needs" (ibid) (Mandarin Oriental, 2014). This simple mission statement is an easily understood concept for the internal stakeholders from board room level down to the frontline service and treatment provider, by ensuring that all staff buy into the brand and the company ethos.

How does Mandarin Oriental Align the Brand?

Key to the Group's success is the way the business has incorporated the brand and company ethos through brand alignment with 360-degree branding, where all aspects of the business are aligned with the brand

vision, touching all key points where the consumer interacts with the brand (Srivastava & Thomas, 2010, p.470). Mandarin Oriental Hotel Group, as a luxurious high-end health and well-being tourism business, ensures that everything associated with the company communicates 'high-end luxury' to the consumer through its external marketing communication (Bowie & Buttle, 2011, p256). The first point of contact for most health and well-being consumers will be online, through the company's website. The Mandarin Oriental website is elegant and modern, with all the promotional photographs and video content being of a professional quality and giving the company an opportunity to convey the brand concept and marketing campaign to the consumer to whet their appetite. A recent trend within luxury brand communication is the use of public figures to endorse the brand. Mandarin Oriental uses public figure endorsement throughout its website with the simple strapline: 'He's a fan' or 'She's a fan,' with the campaign re-enforcing the Group's brand and logo 'the fan', with international celebrities like Morgan Freeman, Kevin Spacey, Dame Helen Mirren and Liam Neeson, who have regularly stayed at the hotels and spas. The simple campaign's core message focusses on the brand as a whole rather than individual hotel properties (Bowie & Buttle, 2011, p256; Mandarin Oriental, 2014).

Mandarin Oriental also maintains a comprehensive, global social media branding strategy using on-line social media channels to engage directly with consumers, monitoring on-line activities to pursue each market,

while still maintaining a consistent brand presence globally (Mandarin Oriental, 2014). The Group has also created an application for mobile devices, with state-of-the-art booking technology that allow consumers to quickly and easily discover prices and packages most appropriate to their needs, and then to reserve their accommodation of choice with immediate confirmation. All of these branding tools are the first touch points that engage the consumer with the brand and the company, and can lead to the purchase of the product and services (Srivastava & Thomas, 2010, p.470).

The second key touch point for brand alignment for the business or destination is within the resort itself. This is where the internal marketing of the brand to all frontline staff ensures that the brand vision and company ethos is aligned with all points of contact the consumer engages with in the resort, the front desk, reservations, housekeeping, restaurants and the spa facilities (Srivastava & Thomas, 2010, p.470; Bowie & Buttle, 2011, p130). Paramount to the success of Mandarin Oriental as a health and well-being business is the complete holistic experience it offers its consumers. The Group's spa experience is focussed upon the "Time Ritual" which encourages guests to book time rather than specific treatments, so that services can be tailor-made to meet specific needs. Mandarin Oriental also offers the unique service of a spa concierge to provide guests with a resource that understands their health issues and how best to address them therapeutically. Mandarin Oriental has highly trained therapists and

staff that are thoroughly educated to the Group's own exacting standards. To achieve this standard of service, Mandarin Oriental conducts extensive learning and development programmes for all its staff on the products and services, as well as the brand vision and company ethos, to ensure delivery of the top quality service that defines the brand. So when presented by staff members who have been fully trained on the company's products and services as well as its brand vision, the business can yield a higher number of services per consumer for each individual booking (Mandarin Oriental, 2014).

Extending the Brand

A growing trend amongst spa goers is the desire to take the spa experience home, which gives health and well-being businesses an opportunity to extend their brand further (Smith & Puczko, 2009, p264). Mandarin Oriental has developed a series of bespoke signature spa therapies, together with a product and homecare range. The product range incorporates body and bath oils as well as generic body scrub, body wash and body lotion — all of which have therapeutic benefits of custom-blended essential oils, created uniquely for Mandarin Oriental (Mandarin Oriental, 2014). All of these branded products are available for purchase at Mandarin Oriental spas and can lead to increased customer satisfaction and loyalty when using products that are exclusive and are aligned with the company brand (Smith & Puczko, 2009, p264).

Key Learning Points

What has been learnt from the Mandarin Oriental Hotel Group's example on brand identity and brand alignment? The on-going growth of the Mandarin Oriental Hotel Group is proof that branding of a health and well-being business or destination need not be complicated. Key to its success is the simplicity of the brand identity, through the design of its logo and the core message of their mission statement, to the way the Group has effectively aligned the brand through the internal branding of the company, with the alignment of its employees, resources and operations to every aspect of the organisation through the training of the staff and the delivery of services. The Group recognises that the most important asset for the company is its employees who are fully engaged with the brand core values to deliver on the brand promise. Mandarin Oriental Hotel Group has also paid attention to aligning the external marketing strategy through its online and social media campaigns to communicate its brand vision to consumers, enhancing its profile as a health and well-being provider, as well as maintaining brand loyalty. To become a thriving health and well-being destination or business, it is essential that you are able to find your position within the market and focus on the strengths that differentiate you from your competitors and create a simple brand identity and core value message that can be easily be communicated to your target consumers. Align the brand to maximise the effectiveness of your marketing and branding efforts. By using brand alignment through a strong brand identity, your consumers will experience your brand in a way

that is consistent with the core message and image that your organisation want to project. This process in many ways can be easier to achieve for a health and well-being business, and can be more challenging for a destination, where the process could take longer to achieve due to the greater number of external stakeholders, partners and actors, however it is not impossible, as proven by the relative success of the 100% Pure New Zealand branding campaign as a health and well-being destination (Smith & Puczko, 2009, p213, Morgan; Pritchard & Pride, 2011, p174).



5.2.3 Destination and Regional Level Planning and Policy-making Supporting Health and Well-being Tourism as well as Health Promotion

Regional planning and policy-making have a direct influence on tourism destinations such as those focusing on health and well-being. The decisions made in regional planning and policy-making are therefore very important and provide long-term direction for regions and destinations such as health and well-being destinations. Additionally, one of the major tasks of a destination management organization (DMO) is to encourage and engage in strategic regional planning activities. It should be noted that different levels of development and different socio-economic backgrounds lead to different planning cultures in each country (Knieling and Othengrafen, 2009, p.43). The factors which affect the planning culture of a country are shown in Figure 14:

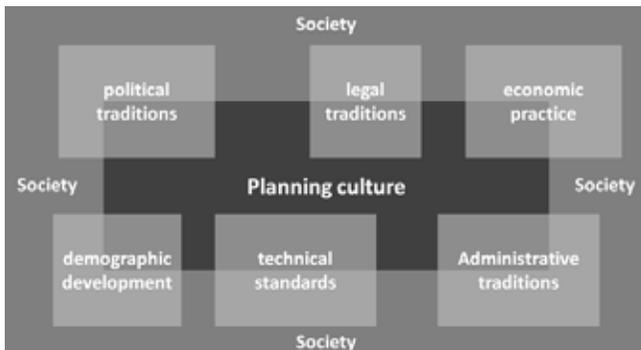


Figure 14. The embeddedness of planning culture (Knieling and Othengrafen, 2009, p.44)

Each country has a different planning culture and there are, therefore, differences in regional planning and policy-making. One reason for this are different

political decision hierarchies. Some countries have for example, a three-level system and other countries a four- or five-level system. Regardless of how many political decision levels each country has, it might first be useful to describe how regional policy, regional development and regional planning are generally interconnected.

Regional planning and regional policy-making are determined by national laws and influenced by political decisions on lower political levels. The guidelines are successively spread top-down to lower political levels (for example, from the country level to the 2nd level to the 3rd level and the 4th level) until they are executed on the lowest level and thus, have a significant impact on the regional planning design. Each political level has influence on the guidelines in order to represent their own interests sufficiently. There is a constituted authority at the highest level to determine regional planning. The decisions made at this level are spread at lower political levels for further specification. At this level, the requirements are specified considering the relevant national and local policy guidance, but not before the lowest political decision level, does it come to the actual implementation of the requirements (Biela, Kaiser and Hennl, 2013, p.48).

It is advantageous, on the one hand, that local conditions are taken into consideration and, on the other hand, that the existing potential can be fully exploited

(Stark, 2009, p.44). The concrete implementation of the requirements can be accomplished by a variety of design and implementation options and moreover creates room for manoeuvring for further regional development.

As described, regional policy and planning provides a statement of general guidelines as well as activities. Based on the regional policy, regional development, whose goal it is to develop the region concerning social, ecological and economical aspects, is followed in order to develop the region for the benefit of all concerned (Lindloff and Schneider 2001, p.162).

Regional planning could be understood as the basis for regional development activities. In other words, no regional development is possible without regional planning and regional policy efforts. Figure 15 shows the difference between the two frequently used terms, regional development and regional planning.

Regional development deals with the question: “In which direction should the region proceed?” The direction hereby defines a broad range of activities. These are:

- Economic development – for example, a stronger focus on tourism and health promotion, or more on industry development
- Social development – for example, towards a more “intercultural” society
- Infrastructure development – for example, towards a better developed infrastructure with more highways, or a less developed infrastructure with more emphasis on nature protection
- Ecological development – for example, towards an enhanced protection of the environment (for example, banning plastic bags) or a less enhanced protection of the environment (for example, allowing industrial activities)

(Stimson, Stough and Roberts, 2006, p.86)

Regional development is then the outcome of regional planning activities. Regional development

occurs after deciding in which direction a region should proceed. It should be not forgotten that in discussing regional planning and development, in most cases there are “superior” plans from superior geographical entities like provinces and/or state governments. This means that regional planning activities have to coordinate with those “superior” plans.

Decisions about which direction a region (one could also say a local destination) should move in have to be made from the area affected. How to make those decisions is one of the core tasks of regional development activities. Regional development therefore means preparing strategic decisions.

The regional planning level determines the political framework and the room for manoeuvring. Regional development fills this room with concrete measures (development plans). The regional management in turn organizes the implementation of the development concepts which are autonomously established by economic and social partners in the region.

The regional management supports the cooperation between local actors (stakeholders) regarding the development and promotion of projects and thus, contributes to positioning the region better in the global market and against competitors (Friedel and Spindler, 2008, p.470).



Figure 15. Structure of regional planning and development (Author, 2014)

Functions of regional management are (see Figure 16):

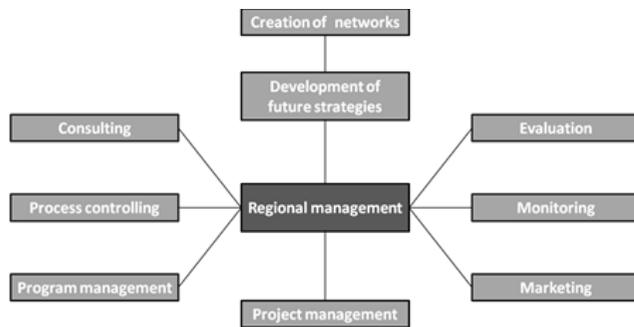


Figure 16. Functions of regional management. Based on Friedel and Spindler (2008, p.471)

It is of major importance that the decision to become a health and well-being destination is made on the regional planning level. If a region decides to focus on health and well-being as well as health promotion, it normally excludes opportunities to engage in industrial development. The reason why is simple: industrial development brings, in many cases, a lot of traffic and air pollution into the region. This contradicts the efforts to become a health and well-being destination. Therefore, the decision to become a health and well-being region/destination means that local projects and development plans are embedded in a wider, regional context (Mundt, 2011, p.15). There are several reasons why it is necessary to talk here about a region instead of a destination.

These reasons are:

- A region is much better able to focus and concentrate its power (financial means, know-how and infrastructure) on a certain mission and vision than a local destination. A health and well-being destination will hardly work if a neighbouring municipality focuses on heavy industry.
- Based upon a regional development plan, there is less intra-regional competition. This means that different destinations inside a region can negotiate what focus on health and well-being they will have.
- In the case of necessary funding, a region is better able to attract/gain funding than a local destination. This is due to better intra-regional decision-making processes.
- In the case of consumer-attractive offerings, a region, because of its diversity, is better able to meet customer requirements than a local destination.

Of course it is also possible that a (local) destination can move towards becoming a health and well-being destination. But it requires, at least, coordination with supra-destinational institutions such as regional government to ensure that other planned activities, like developing into an industrial area do not contradict those efforts.

In conclusion, the connection between regional planning activities, regional development activities and tourism development towards becoming a health

and well-being destination is that a DMO has to fulfil the following tasks:

- Preparing strategies for how to develop into a health and well-being destination
- Supporting political authorities with frequent information about health and well-being tourism and health promotion
- Applying for funds
- Supporting local/regional companies/institutions, etc. in project development
- Networking with different institutions, companies, organizations, community groups, etc. in the health and well-being context (for example, relevant stakeholders can be involved in large group intervention techniques such as Open Space Technology, Future Search Conference, World Café, etc.)
- Developing strategic marketing plans

Summing up, it is important to mention that regional planning and regional policy-making are interconnected. In many cases, separating these two is not possible. Regional planning and regional policy-making create a framework that is individually and concretely filled with measures for regional development. This also applies to the development of a health and well-being destination. Additionally, the individual social, ecological and economic requirements, as well as the country-specific requirements, must be considered.



WELDEST CASE STUDY 16

Regional Development as a bottom-up approach in Austria

Author(s): Christian Husak, CHC Austria

Context for the Case Study:

Regional development in Austria was, until EU membership, in most cases “centrally directed”. Bureaucrats in district-government offices developed strategic plans which had very seldom been accepted by regions (counties). This caused a lot of problems because there was a lack of regional commitment to diverse development plans. With entry into the EU, the situation changed completely. Brussels no longer accepted centrally developed strategic plans, and regions had to develop their own.

This caused new problems and raised questions such as:

- What is the “region”?
- Who has “legal power” to decide what kind of projects should be developed in a region?
- How can a “region” be organized?
- Purpose and Findings of this Case Study:
- The purpose of this case study is to show:
- How modern regional development works?
- What kinds of methods are being applied to find answers to the above mentioned questions?

- What kind of organization is necessary?
- What kind of results can be achieved?

These findings will then be linked to the management/development of a health and well-being destination. The implemented solutions in regional development could be a guideline for developing a health and well-being destination.

Regional Development as a Bottom-up Approach

Based on the situation mentioned above, after EU entry, Austria’s main problem was how to organize a region and how to develop a strategic plan for these regions in order to receive EU-funds.

To be able to answer these questions, we have to post two more questions:

1. Who inside a region defines who is a stakeholder?
2. How can stakeholders be involved in the regional planning and development process (as a bottom-up approach)?

The first question can be answered easily by implementing so called “Regional Management Offices” (RMO). RMOs are public companies with a CEO, staff and a political governing body. This body is composed based on the latest district-election results. The main job of an RMO is to support the region in almost every case of regional development.

PRACTICAL SUGGESTIONS



WHO (2014, World Health Organization) defines health promotion as follows: “Health promotion is the process of enabling people to increase control over, and to improve, their health. It moves beyond a focus on individual behaviour towards a wide range of social and environmental interventions.” In recent decades, health promotion has been connected closely with terms such as health promotion capacity building, empowerment and health literacy. With regards to these, a health and well-being tourism destination should develop a strategy and application on how the local people as well can improve their health in general. For example, health related lectures offered at hotels and spas, courses about weight-loss, and outdoor activities such as Nordic walking, could be available for locals too. In return, locals who run a health and well-being related business (for example, a medicinal herb store, a local yoga studio) could be promoted by the tourism sector. It is advisable that health promotion covering both tourists and locals be included in regional plans. Also, Voigt and Pforr (2014, p.294) emphasize the relevance of the health-conscious mind-set of the local community.

One example of community level health promotion, based in Switzerland, is called “gesundheits-stadt” (www.gesundheits-stadt.ch).

This is a public association with the main aim of supporting sustainable conditions and processes that

are relevant to health, on a community level. The association has primary and secondary goals. The primary goals include maintaining and improving the physical, psychological and social health of the urban population, as well as maintaining, encouraging and improving cooperation between public and private stakeholders. Another primary goal relates to fostering the responsibility of the urban population concerning their own health. The secondary goals include improving quality for residents as well as for public and private organizations, improving coordination between agencies and departments from public authorities, and creating positive side effects for other administrative departments. There are various issues which have to be considered when applying for the “gesundheits-stadt” certificate.

These issues are:

- Medical provisioning
- Social health
- Traffic and living space
- Security and protection
- Education
- Economics
- Public health
- Politics
- Culture

To be able to answer the second question, who exactly a stakeholder is (in a regional context) must first be established.

Stakeholders are normally:

- Companies / entrepreneurs
- Politicians
- “Interested” residents
- Training & education sectors (for example, universities, high schools, training institutions, etc.)
- Social sectors (for example, labour market service)
- Major regional economic sectors (for example, tourism, manufacturing)
- Divisional chambers (for example, chamber of commerce, chamber of agriculture, chamber of labour)
- Public authorities (for example, municipalities, funding authorities)

In general, stakeholders are every person/company/institution, etc. with a major impact on a region/destination. They affect their region/destination in an economic (and based upon that societal) way with their every-day projects, work, etc. Therefore, it is of great importance to include these stakeholders in the regional planning processes.

Stakeholders can be involved by using large-group-intervention techniques such as Future Search Conference (according to Weisbord/Janoff), Open Space Technology (according to Owen), Whole Scale Change (according to Dannemiller/Tyson), World Café (according to Brown/Isaacs), etc. After Austria’s EU entry, Brussels’ requirements to develop regionally based strategy plans in most cases could be achieved by using these techniques.

What was done?

First, RMOs were established in almost each (Austrian) region based on political decision-making processes. The governing body of the RMOs is based on political election results.

RMOs main jobs are:

- To support their region in any cases of strategic development questions
- Project development
- Getting EU funds from Brussels for different regional approved projects
- External representation of the region (for example, to state government, etc.)

After establishing RMOs, one of the first jobs was to get an overview of the current economic situation inside the region. This meant asking questions such as: What kind of major companies are there in the region? What is the unemployment rate? Who needs support in project development

to get EU funds? In doing this, the RMOs obtained an excellent overview of who the most important stakeholders inside the region were.

The next step was to organize a future search conference (in some cases an open space) to develop a common agreed strategy plan for the region. The main question was: “In what direction should our region proceed?” A major part of this work was financed by EU funded programs (EFRE).

Results

The result was a commonly agreed upon, bottom-up strategy plan developed for – in most cases – the next EC-funding period, where a lot of project ideas had been created. Because of this bottom-up process, several advantages arose for the regions:

- There was a commitment to different projects applying for EU funds.
- Identification with one’s own region rose considerably.
- Projects were developed which were based on each region’s specific strengths and opportunities.
- Jobs were created and resulted in less commuting.
- The overall economic situation improved within a few years.
- Through gaining more and more experience, RMOs’ staff were better able to deal with specific regional problems (for example,

attract direct foreign investment, creating future-oriented jobs, etc.)

Conclusions

There are several potential lessons to be learned in developing a health and well-being destination based upon a bottom-up approach:

1. First of all, and of major importance, is that this development needs an institution like an RMO, which acts as a kind of networker and strategic developer. According to this case, one might argue that this was not a bottom-up but more of a top-down approach. This is correct because the “go-signal” came from politicians. However, nobody is hindering health and well-being institutions/companies/etc. in a destination from establishing such a “destination management organization” with the same major tasks: acting as networker inside and outside the destination and acting as strategic developer and project developer. While RMOs have been financed with public money (each municipality pays a per capita amount to finance salaries, etc. from an RMO), DMOs could be financed by sharing the affordable amount with all health and well-being institutions. This may also be on a per-capita basis, or if not manageable, then based on revenues, etc. If all institutions agree to finance a DMO, it would be a bottom-up approach.

To earn the different labels for the “gesundheits-stadt” quality certificate, it is necessary to fulfil certain quality criteria. For instance, to receive the certificate in bronze, a municipality / town has to fulfil the following criteria:

- Declaration of intent for a health-supporting policy
- Assessment of the status quo with regard to the targeted certification label
- Development and resource plan to get the preferred label
- Project-organization for the certification process

2. The major advantage of the bottom-up approach includes the main stakeholders of a health and well-being destination in strategic development and operational management processes. By using large group intervention techniques, stakeholders are able to participate directly, and can therefore discuss, check, explain and decide on their own project ideas. This raises commitment to short-, middle- and long-term strategies and action plans.
3. From a long-term perspective, health and well-being destinations are therefore better able to cope with different economic challenges. Especially in “modern times,” it is absolutely necessary for a health and well-being destination to possess an agreed supply for clients and guests.



WELDEST CASE STUDY 17

Preparation, Principles and the Process of Implementation in Planning Tourism Development

Author(s): E. Hávová, Karlovy Vary Region, Czech Republic



Planning for spa and tourism development in the Karlovy Vary Region stems from its basic strategic document, the Development Plan for the Karlovy Vary Region, and its subsequent action plans. Based on these documents, the region defines, approximately half a year in advance, its yearly plans. This case study of a region in the Czech Republic illustrates how the top-down process can work for regional planning and policy-making related to destination management.

The development plan and action plans for the Karlovy Vary Region are based on the National Tourism Policy for the Czech Republic, created by the Department of Tourism, and based on their knowledge and experience, trends in tourism development, the strategy of the

national tourism authority CzechTourism, and the demands of professional associations and regional organizations such as AHR (Association of Hotels and Restaurants), SLL (Czech Healing Spa Association), CCB (Carlsbad Convention Bureau, Medispa, MAS (Local Action Groups) and several other locally active destination management organizations. Our planners also take into consideration our obligations towards international bodies that we belong to, for example, E.H.T.T.A. (European Historical Thermal Towns Association), as well as towards our cross-border partners. While planning, the efforts to succeed in Karlovy Vary being added to the UNESCO list are also considered, along with the activities associated with that. These aims have to be approved by the Commission for Tourism of the Karlovy Vary Regional Office, and the financing is included and approved as a part of the regional budget.

After this comes the selection of essential specific activities planned for a particular period of time. The Commission for Tourism of the Karlovy Vary Region makes recommendations and submits materials to the Karlovy Vary Council, and in particular cases they are reviewed by the Karlovy Vary Regional Assembly, too.

Plans for trade fairs, presentations, workshops and other targeted forms of activity for the Karlovy Vary Region are included in the above mentioned documents. For example, for 2014 the region has preliminary plans for 12 international trade fairs and participation in three



domestic fairs. An effort is made to give presentations in destinations that most visitors come from, such as in the Russian Federation, the countries of the former Soviet Union and in Germany, as well as in new territories where awareness of the region needs to be raised to professionals and the general public to motivate them to come. Other segments are included in the presentations as well, namely spas, winter and summer sports, leisure activities, culture and education, convention tourism, classical tourism, as well as new adrenaline sports, etc. Planners also take into consideration the age groups of the potential clients.

Targeted presentations include press-trips, familiarization-trips organized by the region itself or by CzechTourism, with the help of foreign representations, embassies, V4 (the Visegrad group), and sometimes by TV documentary crews, etc. These press-trips and primarily familiarization -trips are organized for foreign

subjects in the Karlovy Vary Region, and sometimes abroad for a group of the region's businesses operating in the field of tourism. In 2013, 27 familiarization-trips were held, with participants from Europe, Asia, North and South America. The number of events for 2014 is not yet known because many of them occur in the course of the year according to newly arisen requirements of travel agencies, journalists, TV crews, etc.

Every year the Karlovy Vary Region allocates financial contributions for tourism activities provided by regional subjects that deal in tourism, and organize activities beneficial for the whole region. They help increase the number of visitors or improve the quality of information for them concerning tourism possibilities in the region. This point is an inseparable part of the planning process for the Karlovy Vary Region.

While planning, cooperation and the mutual provision of information to colleagues in the regional development



section and the education section are extremely important because of the overlap of activities, for example, the planning, creation, signing and promotion of bike paths along the Ohře River, and the signing and maintenance of tourism routes together with activities of the Czech Tourist Club. Local historical sites are also used for educational activities for school children. In addition, the coordination of activities and cooperation between the three departments – The Department of the Preservation of Monuments, the Department of Culture and the Department of Tourism and Spas – are very important in the process of planning.

Every year new promotional materials are issued, as this is also considered a part of planning and implementation of the support of the development of tourism. These materials are used and presented at trade fairs, and supplied to “info-centres” in spa towns and tourism resorts in the region. The selection of suitable topics for these new materials is based on the assessment of previous trade fairs, contacts with clients from various countries, their requirements, the demand from info-centres, as well as from spa houses.

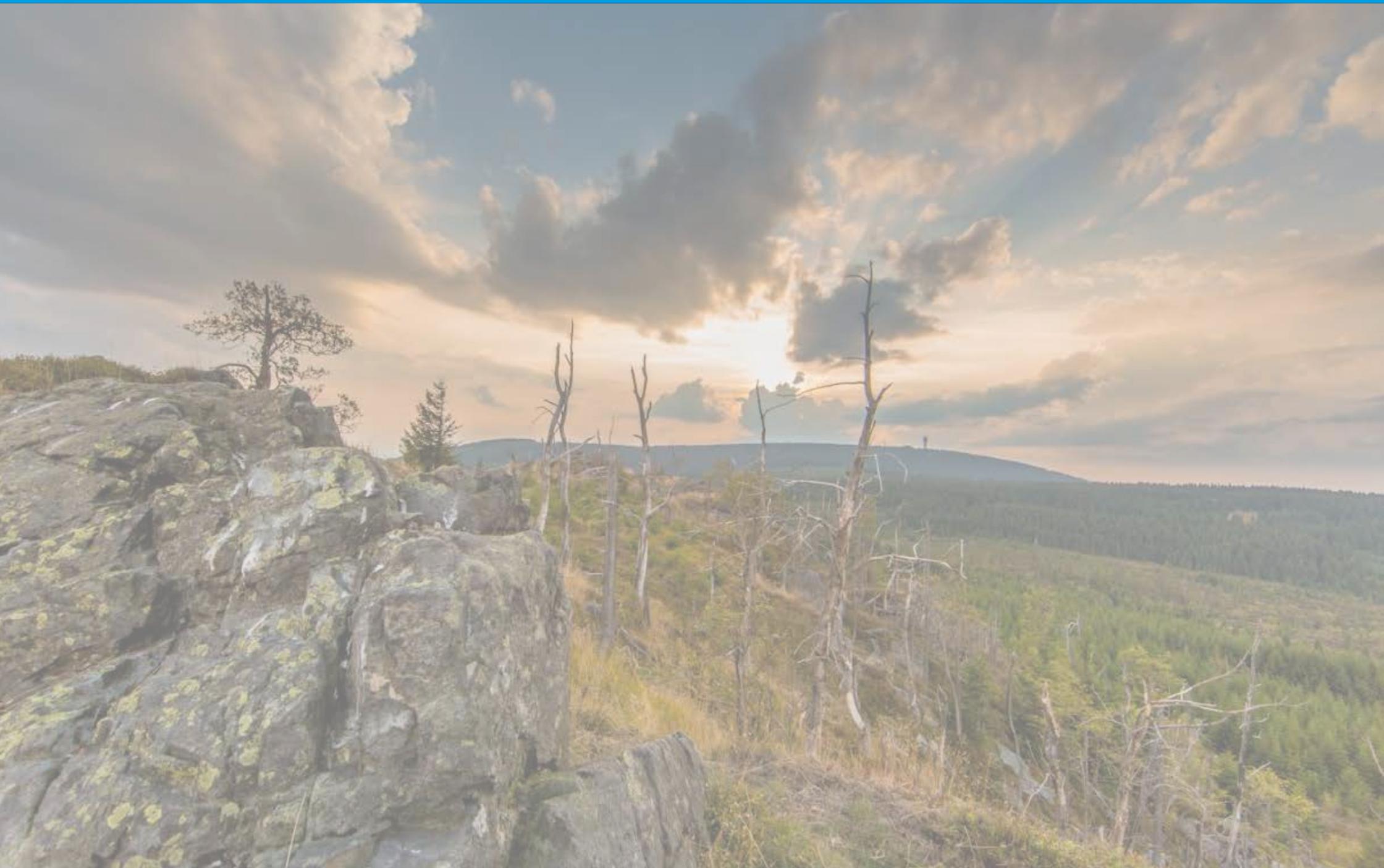
In its plans, the Karlovy Vary Region also takes into account expenditures on targeted advertising activities in the form of articles about tourism, news and spa offers. The tourism portal www.zivykraj.cz, with its different language versions, is regularly promoted through ads in professional magazines. There is no fixed plan concerning this issue, as it is never clear in advance in

which magazine the spot might be published, and in the past this has not been effective. The Karlovy Vary Region has to react flexibly according to the media market, and thus uses particular campaigns and so called “specials.” Within the financial framework, relevant and specific topics are planned in advance, which are consequently linked with the activities of individual organizations in the region on the one hand, and current offers of the media on the other.

The final element of the regional planning is its reserve, which is roughly defined. This reserve covers unexpected expenditures for events which could not be planned for in advance, or that occur in the course of the planning (the reserve represents about 5–10% of the budget). This allows a flexible reaction to interesting and favourable offers, for example, promotional campaigns, urgent needs, etc., and has proven very successful in practice.

Key Learning Points

Karlovy Vary uses a top-down process for planning and policy-making related to destination management. Key to this approach is the careful coordination with a wide range of policies and entities, including the National Tourism Policy for the Czech Republic, the national tourism authority, professional associations, regional organizations and other locally active destination management organizations. Because of this coordination planning can be complex, but it ensures that implementation of measures and activities are aligned at every level.



5.2.4 Continuous Evaluation and Development of Infrastructure and Service Offerings

According to Prideaux et al., a health and well-being destination has two main elements, the supply-side and the demand-side (Voigt, 2014, p.46). When speaking from the perspective of quality management and continuous development of a health and well-being destination, this therefore leads to the conclusion that both these sides have to be considered and evaluated. Every destination has to face the essential question: “How to become and remain competitive with other destinations?” Dwyer et al. state that competitiveness is a key element of success and they divide the concept into a relative (in comparison with other destinations) and a multi-dimensional (regarding many different elements, such as facilities, water, etc.) perspective (Dwyer and Kim, 2003, p.373). Nowadays a destination cannot be competitive without implementing the concept of “sustainability” (Richie and Crouch, 2000, p.5). This section outlines the main elements and future drivers of the competitiveness of a health and well-being destination.

It seems that the most important element of being competitive as a destination is an attractive environment. Both Pike & Page (2014), and also Crouch (2007), state that physiography and climate are essential. Crouch sees market ties (= the depth of cultural and economic links with origin markets), culture and the so-called tourism superstructure (hotels, restaurants, transport services, attractions) as the next most important elements (Crouch, 2007, p.14), whereas Pike and Page (2014, p.209) found in their

literature study that for a profitable industry, a positive visitor experience and on-going investments in new product development are the main elements of being competitive as a destination.

Finally, it is very important to point out that the consumer perspective regarding competitiveness is in most cases relative to other destinations, as they compare, for example, prices and special offers (Prideaux et al, 2014, p.58). But with a professional DMO it is possible to be competitive over the long term, provided that the following ten elements of competitiveness are monitored and evaluated in the regular processes:

1. Physiography and Climate
 2. Culture and History
 3. Mix of Activities
 4. Tourism Superstructure
 5. Awareness/Image
 6. Special Events
 7. Entertainment
 8. Infrastructure
 9. Accessibility
 10. Positioning/Branding
- (Crouch, 2007, p.14)

According to empirical research, the above mentioned list of the ten most determining elements is valid for all types of destinations. However, competitiveness in the tourism industry is very multi-dimensional and

complex, and there are many conditions which are outside the destination’s power. Hong (2009, pp.117 – 118) distinguishes between domestic environmental conditions and global environment conditions. Spread of disease, depletion of natural resources, changes in financial markets, ethnic tensions, political climate changes, as well as changes in laws and regulations are examples of domestic environmental conditions which can affect the competitiveness of tourism destinations. However many of these conditions can link to changes at the global level. The role of the macro environment for destination competitiveness is summarized in the WelDest model (see chapter 3) by the terms society, economy, politics, ecology and technology.

New technology especially, in both hardware and software, forces all market members to rethink their business concepts. There are general changes in tourism, such as the reservation of seats in an airplane or at home check-in possibilities (Prideaux, 2014, p.50). For a health and well-being destination, new technologies find use, for example, in the booking process for treatments in hotels but also in online content strategy processes for whole destinations. In the future, DMOs have to build brand awareness and all marketing activities have to take into consideration the challenges and also the possibilities of social media marketing (Lanneret et al., 2010, p.92).

Tourism statistics for China, India and Latin America should be monitored by DMOs in order to be prepared for when those tourists come (Prideaux et al., 2014, p.50). Another point of view, and not less important, includes the dynamics and trends, or future drivers, which cannot or can hardly be influenced by a destination itself. The WelDest model presented in this publication ([summarized in chapter 3](#)) and the self-assessment tool ([see chapter 6](#)) are aimed at helping existing or potential health and well-being destinations evaluate their resources and performance and identify development needs in order to remain competitive in the health and well-being tourism business.



PRACTICAL SUGGESTIONS



A destination should implement a plan to evaluate its own performance. The Self-Assessment-Tool (see chapter 6) can be a suitable instrument for this evaluation and should be used at least once a year if the destination decides to go ahead with development as a health and well-being destination. According to Morrison (2013, pp.103), two questions have to be considered during the evaluation process of the destination development.

They are:

1. **How do we make sure to reach our goals?**
2. **How we know if we got there?**

To answer these questions, local surveys of both inhabitants and stakeholders, as well as stakeholder focus groups, external audits and other instruments should be used on a regular basis.

WELDEST CASE STUDY 18

Spa Management System in the Czech Republic

Author(s): Ing. Pavel Attl, Ph.D., Institute of Hospitality Management in Prague



Introduction

The spa industry is one of three pillars of the health care system in the Czech Republic, which also includes hospital care and emergency care. The position of the spa industry is defined in a series of legislative norms. The most relevant of them is the Constitution of the Czech Republic (Law No 1/1993, Collection of laws). Other norms are based on the Charter of Fundamental Rights and Freedoms (Law No 2/1993, Coll.), as well as on Law No 20/1966, Coll., on public health care, Law No 48/1997, Coll., on public health insurance and Law No 164/2001, Coll., the so-called “Spa law.”

It is obvious that the spa industry is a significant part of the Czech health care system. Its society-wide importance, however, has been on the decline. This is illustrated by the current situation. In 2012 the costs of spa health care represented 1.15% of the total expenditures on health care, while in 2000 it was 2.5%.

The relationship of the state towards the spa industry has not been very responsive, and the so-called Indication List approved in 2012 clearly confirms this. The list was reduced and the volume of spa care covered from public financial means decreased. The situation culminated in the bankruptcy of two spa companies. In 2014 the state had to adopt certain regulations to partly improve it, and along with other certain changes, it seems to be once again on the upswing.

The aim of this case study is to illustrate, using the case of the Czech Republic, the influence that legislation and the political environment can have on the development of health and well-being destinations.

State Administration

The Ministry of Health Care of the Czech Republic is the top body managing spa care. It nominates the Czech Inspectorate of Spa and Medicinal Springs, which is directly responsible for state administration and management of the spa industry. The reference laboratories are a segment of the Inspectorate.

The Inspectorate is the central body of state administration which defines conditions for the search, protection, utility and further development of the natural medicinal resources and mineral water resources that are primarily used for dietary care. It is also responsible for spa health care and spa resorts. The Inspectorate issues the Indication List, which shows which diseases can be treated in a spa. The Indication



List is the fundamental document for comprehensive spa care covered by health insurance companies. It is also used in cases of contributory spa treatment – spa clients who cover their stay in a spa, while their insurance company finances the medical treatment. Reference

laboratories of natural health care resources are a state body that takes care of mineral water resources, gas, peat, boggy soil, etc. The laboratories analyse them, assess and inspect their features. They also pursue the impact of human activities on their quality and stability. The Institute of Health Care Information and Statistics of the Czech Republic, established in 1960, is an organizational state segment established by the Ministry of Health Care which tracks statistical facts about health care, including spas. The Institute is also a part of the state statistical service.

Health insurance companies are an important part of the spa management system in the Czech Republic. They form specialized health and financial institutions whose main task is to provide general health care insurance. They collect fees from their clients, employers and from the state. The companies finance health care according to contracts concluded with health care treatment providers and cover urgent treatment of their clients on the territory of the Czech Republic as well as abroad. From the point of financing, the insurance companies cover comprehensive and contributory spa care.

Apart from direct management, the spa industry is supervised by the Ministry for Local Development, which is also responsible for tourism management. The fundamental tool for this management is the National Tourism Policy of the Czech Republic for 2014-2020. This document derives from a SWOT analysis that

defines the spa industry as one of strengths of tourism in the Czech Republic. The national tourism authority, Czech Tourism, is another organization that supports the spa industry and its promotion. It advertises Czech spas, participates in exhibitions and fairs on tourism, and publishes promotional materials, etc.

Branch organizations

Apart from the state bodies, there are two branch organizations in the Czech Republic. The Czech Association of Spa Municipalities is a voluntary non-party and non-governmental organization of spa towns and municipalities in the Czech Republic where there are spa establishments and which have the status of a spa. The mission of this association is to actively participate in the creation of conditions and tools for the renovation and development of the spa industry and spa resorts, namely their infrastructure, the restoration of spa historical sights, and for the general development of the Czech spa industry, spa towns and municipalities.

The Czech Healing Spa Association was established as a professional organization of spa resorts in 1995 with the aim of providing sustainable and guaranteed



health care quality. It is a member of the EU Healing Spa Association with headquarters in Brussels. The mission of the Czech Association is to cultivate the environment and create conditions for the sustainable development of spa health treatment and protect both the common and individual interests of its members.

Research Organizations

The long-lasting absence of research in balneology and spas has been a weakness of the Czech spa industry. Two research organizations have been trying to change the situation in recent years. The Balneology Institute in Karlovy Vary is a public benefit corporation established by the town of Karlovy Vary, the most significant Czech spa town. The main goal of this institute is to ensure an increase of know-how, quality, and education in

the field of spas, as well as practical use of scientific knowledge including marketing support for spa care providers in the town of Karlovy Vary and its region.

The Research Institute of Balneology in the spa town of Mšeno-lázně is another research workplace. It was established in 2011 as a public research institution for specialized activities in balneology. Both these research institutes partly follow up on the activities of the former Research Institute of Balneology in Mariánské Lázně, which was abolished in 1990.

Change in the Structure of Visitors to Czech Spas

During the period 2003-2012, the observed indicators of costs, revenues and profits in Czech treatment spas developed very evenly, and as a whole even positively. Spas saw weaker profits in 2003. One exception was in 2010, when there was a decrease in revenues of 156 million CZK. There are clear reasons for this, which have no direct connection with financing of the health insurance companies.

These results were not achieved by themselves. On the contrary – they are the result of a new marketing strategy for Czech spas, which prefers the ‘customer-based’ approach and focuses on new programs and new customer segments. This of course has been reflected in the structure of visits, which over the past 12 years has changed significantly. This refers, in particular, to changes affecting the number of patients whose stay is covered by societal resources, or which are covered

by the patient’s own means. In Figure 1, trends can be seen in the structure of Czech spa visitors in terms of method of payment for their stay.

- The proportion of patients with partially subsidized spa stays decreased by 10,002 (-40.25%).

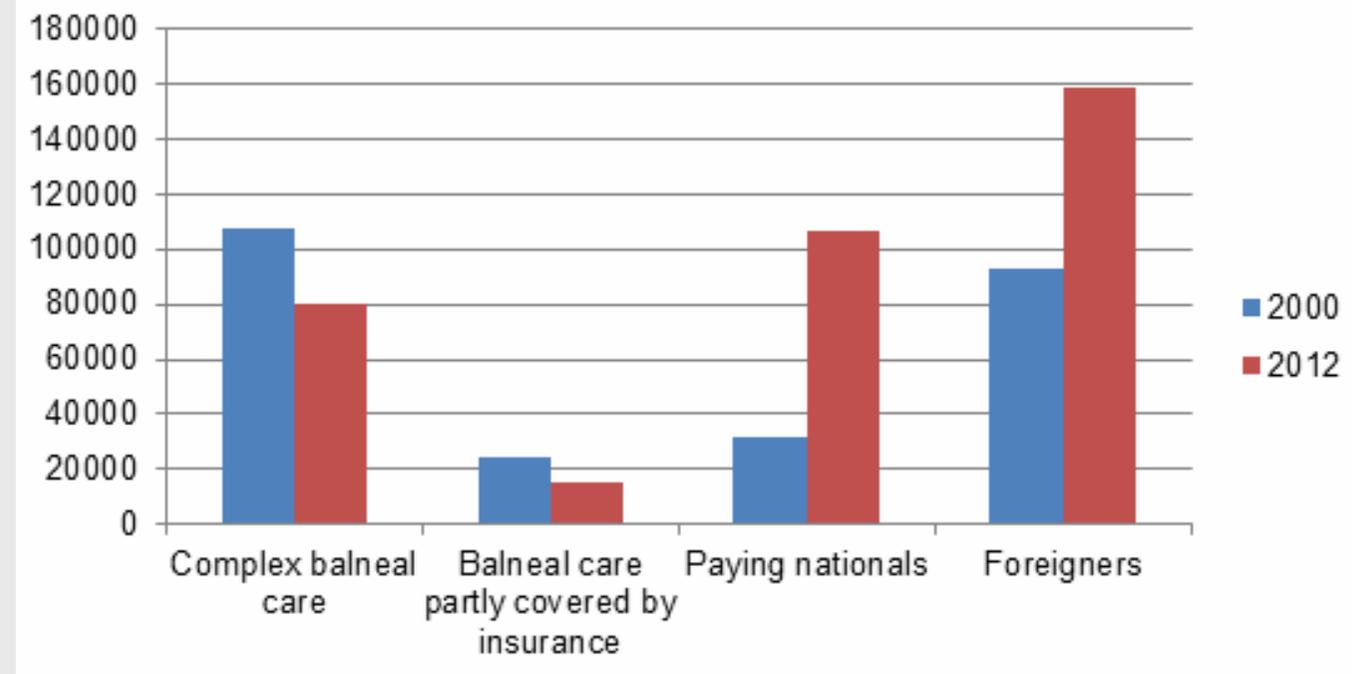


Figure 1. The structure of spa patients in the years 2000 and 2012

Source: Author, based on data from the Czech Institute for Healthcare Information and Statistics

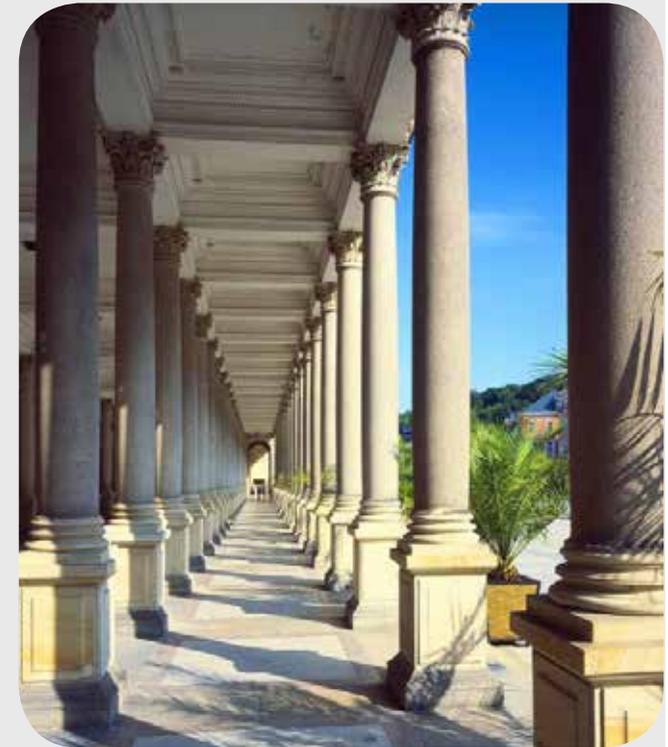
During the period 2000-2012 there were these major changes in the structure of Czech spa patients:

- The total number of visitors increased by 103,082 (40.04%).
- The proportion of patients with comprehensive spa stays decreased by 27,422 (-25.50%).

- The share of domestic self-paying patients increased by 74,528 (233.97%).
- The proportion of foreign self-paying patients increased by 66,080 (71.20%).

Conclusion

Some changes in the composition of tourists who visit Czech spas were and are caused by the market, in particular the development of demand for spa, health and wellness services. Some of the changes in recent years (and there has been a drastic change in the orientation of spas toward other market segments) are caused by changes in the health policy. The state, through the Ministry of Health, changed the Indication List and the minimum duration of treatment (shortened by one week), which meant a loss of up to 30% of traditional clients for the Czech spa industry. Two spas have closed completely since these changes were enacted, and the others have had to try to offer new services and products that also attract visitors and tourists (whether domestic or foreign) willing to stay in the spa destination and pay for the services themselves. The Czech spa industry, therefore, seem to be very stable as a whole, and well able to handle the impact of adverse external influences. Its ability to adapt is related to its focus on the ever-increasing segment of domestic and foreign self-payers, and on strengthening commercially-oriented short-term health and well-being, wellness and similar types of stays, as well as being able to connect to other, economically interesting forms of tourism (congress, incentive, etc.)



WELDEST CASE STUDY 19

NAANTALI & KULTARANTA RESORT, FINLAND

The Development of Spa and Wellness Services and Tourism in Naantali

Author(s): Tarja Rautiainen, Managing Director, Naantali Tourism (Naantali Tourist Information, Ltd), Finland and Siiri Kärkkäinen, Trainee in communications, Kultaranta Resort, Ltd. Finland



The history of Naantali, a town on the south-west coast of Finland

The fourth oldest town in Finland, Naantali, was founded around the medieval Brigittine convent “Vallis Gratiae,” the church of which still dominates the town’s skyline. The charter was signed by King Christopher of Sweden, then ruler of Finland, in 1443. The year 1863 saw the founding

of the spa at Cape Kalevanniemi, which raised the town’s status as a holiday venue. In 1922, the “Kultaranta Estate” on Luonnonmaa Island was made the official summer residence of the President of the Republic, after Finland had gained its independence five years earlier in 1917.

Tourism and points of interest in Naantali

This interesting combination of urban and rural is perhaps one reason why the city has been named the most popular tourist centre in the country in numerous surveys. Another factor affecting this is the proximity of Turku, the administrative centre and largest city in the region, and of the Finnish archipelago.

In Naantali there are one million travelling days and 600,000 visitors per year. There are many important points of interest in the city; the biggest is the Moominworld theme park on the island of Kailo. Also the old wooden town and the church together form a unique and idyllic area which attracts visitors from all around the world. Approximately 20% of visitors come from abroad. In addition to the Moomins, the Naantali Spa Hotel, the largest spa in the Nordic countries, is one of the main attractions. The town’s popularity as a tourist venue is highlighted by the fact that the official summer residence of the President of Finland, the “Kultaranta Estate,” is located on Luonnonmaa Island, just a few kilometres from the Naantali town center.

The traffic by sea through the Turku archipelago is handled by S/S Ukkopekka which provides an old steamship cruise trip Naantali-Turku-Naantali. The evening dinner cruises

with Ukkopekka and many other smaller cruise boats are very popular. Naantali also hosts an international music festival every June and the traditional Sleepyhead Day carnival in July.

This case study will give insight into developing a wellness business in the Naantali area. At the moment, the main operator in this field is Naantali Spa Hotel, which was founded in 1984. It is part of Royal Spas of Europe and is operated by Sunborn Saga, Ltd. Naantali Spa Hotel offers a wide range of spa treatments and the hotel has saunas and pools. It has been listed as one of the best 100 spas in the world.

Kultaranta Resort, Ltd. (named after the president’s summer residence located nearby) started from a different area of business, namely golf. It was founded in 2007 and is located on the Luonnonmaa Island, just 5km from the Naantali town centre, on the lands of an old farm house. It was the first full length 18-hole premium golf course in continental Finland. Just a year later, in 2008, Kultaranta Resort, Ltd. started to expand to become a year-round business with conference and event facilities, accommodation, spa and wellness treatments, nature trails, and other leisure activities. The company also offers versatile leisure spending options for permanent and seasonal residents. Kultaranta Resort, Ltd. is not yet a strong operator in the spa and wellness business, but if it executes all the future plans and visions as explained below, it will be one of the main attractions in Naantali by the year 2020.

The Aim of the Case Study

The aim of this case study is to illustrate the development work in Naantali at two levels: at the destination level represented by the DMO, Naantali Tourist Information,



Ltd, and at the company level represented by Kultaranta Resort, Ltd. and its “West End” development project 2020.

Destination Management and Development in Naantali
Naantali Tourist Information, Ltd. is an operator who collects local travel venues together and develops the service chain in order to provide its customers full service from one place as a “one stop shop”; it maintains for example, a website, telephone service, call centre, online shop, and face-to-face service. Its main goal is to improve tourism in the Naantali area with the help of local tourism and other entrepreneurs.

Naantali Tourist Information, Ltd. “Tourism Strategy 2012-2014” emphasizes five main points:

1. Developing business and MICE travel: small meetings in the old town, bigger conferences in Naantali Spa and at Kultaranta Resort, lectures, and conferences and wellness meetings, which offer high quality program during the meetings and utilize the harmony and atmosphere of Naantali
2. Developing year-round events, happenings and service products for FIT market
3. Developing family travel, with more content and services in addition to the already existing Moominworld theme park
4. Developing the group offering: new services based on Naantali history and the spirit of Naantali, new distribution networks, and new wellness services for individual retired people as well as for groups of retired people

5. Benefiting from the Moomin brand more in all services and products offered (in co-operation with Moominworld)

So far in 2014 the demand for smaller meetings has increased by 30%. Groups are looking for new attractions and ideas when gathering together. Interactive activities are very popular and worth further developing. Group travel is the most interesting part of service development; it is easier to produce new service products for 50 persons than for 4 persons. Naantali Tourist Information, Ltd. produces and tailors a very individual program for each group that visits the area.

Year-round events will be planned together with all the entrepreneurs. For example “Lux Gratiae” weekend is the newest event at the end of October when summer is over and it is time to relax and slow down. During this weekend visitors can enjoy interesting lectures, art and peaceful music in Naantali church.

Children have also been taken into consideration and are offered guided tours in the old town (“The Ghost tours”) and Kultaranta Estate gardens. The Ghost Tours are also held during the autumn break, Christmas Holidays and on winter holidays. New services will be created for the 2015 season.

In addition to Tourism Strategy 2012-2014, the main developing objects in the future are:

1. The online system to cover a larger area than Naantali (for example, South-West Finland)

This online system would offer a whole package tour made by the customer him/herself. It would benefit both customers and the local businesses. The customer gets a tailored vacation and a larger variety of activities and, at the same time, will use more money while travelling.

This underlines the fact that the businesses – even from the same field – should not compete, but work together. If every business is promoted, Naantali stands out as a location that has a lot to offer. A place with multiple spas, several restaurants and lots of different activities attracts more tourists and this benefits everyone.

2. Finding the right way to create products based on services for individual visitors year-round

There will be more individual couples and small groups in the future which demand inexpensive but high quality products year-round. In Naantali people can benefit from the Naantali Spa and the surrounding archipelago as well as the atmosphere of historical Naantali. Here a visitor can choose between activities or just to relax.

Naantali Tourist Information, Ltd. will encourage all entrepreneurs to develop services which include relaxation elements, and to offer new well-being alternatives either in Naantali Spa or in the archipelago area.

While Naantali cannot compete with famous metropolises with nightlife, shopping areas or happenings, it can offer



truly unique experiences for international travellers. The biggest archipelago in Europe and clean, beautiful nature are unique and valuable selling points. Naantali is a location with an extraordinary cultural history, peaceful surroundings and a lovely environment. It is a place where one's body and soul can rest and heal, and the destination still has all the services a traveller might need.

A challenge for Naantali is its image as a summer city of Finland. For tourism businesses to improve they need more year-round business ideas. Wellness travel is one of the most convenient and perhaps the best way to make this possible. Naantali can easily offer wellness services for every season.

Destination Development Regarding Health and Well-being Services

Naantali Tourist Information, Ltd's role in the future will be:

- Creating comprehensive product (body, mind and soul) packages, including advice and information about wellness and health travelling, together with all the entrepreneurs in the area
- Highlighting the local traditions and history together with Naantali town guides association
- Marketing of the use of local raw materials more
- Marketing events (especially during winter) in a more effective way
- Utilizing local history and traditions for example, using herbs with real history in wellness packages
- Using and developing mobile services, especially for the FIT markets
- Marketing internally; the service chain is unbreakable only when all the entrepreneurs know each other's services (for example, Facebook, extranet) and want to recommend them to customers. The entrepreneurs should understand that they are not competitors but partners who work together towards the same goal: to succeed in their line of business.
- Taking all these points into account when designing the yearly brochure, renewing the web site, taking part in marketing events and sales trips, and when meeting journalists and travel agencies etc.

Tourist Information, Ltd.'s board of directors is the key actor when the common activities and strategy are renewed during the autumn and winter of 2014-2015. The

strategy will concentrate on the points mentioned above and, in addition, focus on creating products based on high quality group and wellness services, developing Naantali's own supply channels (for example, travel agencies), as well as on strengthening the Naantali brand by choosing the right marketing channels and cooperating with the best professional partners (for example, advertising agencies). The board will approve the budget and the action plan, but the operations will be implemented by the personnel whom the board relies on.

In the survey "Finnish cities as travel destinations," which was conducted in 2013, visitors rated Naantali as one of the most idyllic and attractive towns in Finland. Naantali Tourist Information, Ltd. was rated the best tourist information office with the best web site and the best brochure. The restaurants and the accommodation in Naantali area were rated the second most expensive but also the second best in Finland.



One of the most important tasks in the daily work of Naantali Tourist Information is collecting customer feedback, which is at the moment carried out among group visitors only. The feedback helps in developing the services provided not only by Naantali Tourist Information, Ltd., but also by all other companies and venues the groups have visited. The feedback is forwarded to the entrepreneurs at once, who usually react in a positive way and really improve their services. If an entrepreneur ignores the feedback he/she will be left out of the Naantali brochure and tourism website.

Developing Quality Well-being Services at Kultaranta Resort, Ltd.

Currently Kultaranta Resort, Ltd. is best known as a full golf course and place for quality catering, accommodation and events. The current selection of physical therapy, relaxation and other well-being services is enough for the resort guests, but not enough to attract customers who are especially interested in spa treatments or other wellness services. One of the biggest challenges for the future is to draw international tourists to Luonnonmaa Island and make both Kultaranta Resort and Naantali globally acknowledged tourism and wellness locations. This may be achieved if Kultaranta Resort succeeds in undergoing the changes that will make it a more attractive and versatile location in the future.

To answer the high demands of tourists travelling for wellness services, Kultaranta Resort has started an ambitious project called "Naantali West End." During the

next 6 years, until 2020, Luonnonmaa Island and Kultaranta Resort area will undergo immense changes. The first part of the project is to transform the Marina into a luxurious spot with a restaurant and a floating spa area. This will upgrade the selection of spa treatments Kultaranta Resort can offer, and build a good base for future plans.

The development of wellness services does not end with the floating spa. The most ambitious vision is to build a 16 000 square meter hotel and wellness centre. This glass pyramid complex will consist of three buildings. The first of them, Kultaranta Towers & Spa, will have 16 floors, 124 hotel rooms and a sightseeing bar open for public. The second pyramid will be a spa and wellness centre and will make Kultaranta Resort a high class spa location. The third pyramid is reserved for residential use. One part of this development is also the renewing of the Matalahti Bay and the building of floating housing by the bay.

The Opportunities and Challenges of Project “Naantali West End”

The main challenge is that the Naantali West End plans do not coincide with the major zoning plan of the Luonnonmaa Island area. The development requires lots of lobbying and detailed plans. If anyone opposes the idea and files a complaint, it may delay the development plans too. Kultaranta Resort, Ltd. has been working hard at lobbying the development idea and convincing the local decision-makers why they should approve these ambitious visions.

A positive point is that Kultaranta Resort’s plans work well together with Naantali’s desire to bring 2600 new residents to the Luonnonmaa area. This is not the only reason the decision-makers at Naantali City Hall would give a green light to this project.



The City of Naantali has an important role in drawing new companies to the area by offering facilities and

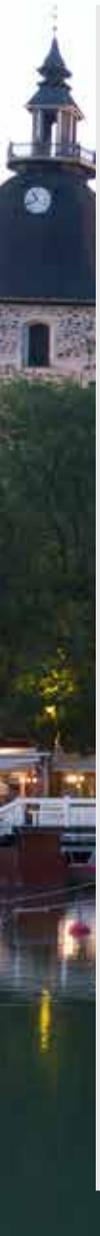
information, and by welcoming them. Cooperating with all parties helps the destination improve its brand and image. If Naantali approves the development of Luonnonmaa Island, it will send a message of being an entrepreneur-friendly, growing city with lots to offer for both its residents and businesses.

Results and Impact

Naantali West End project would not only benefit Kultaranta Resort, Ltd, but other businesses in the area as well. For example, Naantali Spa would benefit if Naantali’s image as a luxurious and versatile spa location becomes stronger, and the increase in tourism volumes would serve the goals of other businesses too. It would push Naantali towards the aims introduced above.

Not all expected outcomes are always satisfactory. For example, the plans with Matalahti Bay were earlier rejected for funding reasons. Sometimes it takes time to





make a profit, but, in addition to the profit, there are other ways to measure success. The Moominworld was in financial troubles a decade ago, but at the same time it was what Naantali was internationally famous for. The Moomins made Naantali known as a tourist destination and today the theme park is a very important tourist attraction in the Naantali area.

Kultaranta Resort, Ltd. has made great plans for the future and sometimes it is hard to find enough investors and partners to actually fund all the visions that have been created. The budget for the Naantali West End project is not yet confirmed, but it does not mean that nothing can be done. It is good to notice that all the plans in the project are not intended to be executed simultaneously, but rather one by one.

Learning

One thing that has been learned is that it is important that businesses, big and small, work together to improve a destination. It will benefit everyone if Naantali stands out as a destination with quality hotels, restaurants and events. If Naantali Spa Hotel and Kultaranta Resort, Ltd. would both offer quality service and luxurious spa treatments, Naantali as a destination would become more attractive for tourists looking for health and well-being services. Naantali has a strong base with its multi-faceted history, pure nature (the woods and the Baltic Sea), peaceful and authentic atmosphere, easy access to a unique archipelago, and the willingness to develop wellness travel with the City Hall and businesses in the

area. The biggest challenge is to find the resources to start developing the wellness tourism. The right services for domestic and international visitors must be found. Once the right services, which can easily be sold, have been tailored to meet the customers' needs, the best distribution channel still must be found, particularly for reaching overseas visitors.

Another important thing is patience. Kultaranta Resort, Ltd. was not built overnight and its development has moved forward one step at a time. The same philosophy will be followed during the new project. Kultaranta Resort, Ltd. will start its marina development, and after that continue with the renovation of Matalahti Bay, the floating housing, and finally move to the spa and wellness towers development. The financial investments are big, but are spread over a long period of time. This also makes it possible to open business in the new "Marina" in 2015 and to reach the break-even point by 2020.



WELDEST CASE STUDY 20

Fläming-Skate – How Leisure Facilities can Change a Region

Author(s): Susann Höft, EIBE e.V.

In-line skating is very important Brandenburg (a federal state of Germany). With Fläming-Skate, Brandenburg has a unique feature with a strong image that was linked and expanded with additional infrastructure. The target groups are, on the one hand, tourists traveling to the region specifically for this offer, and on the other hand, the local population who uses the Fläming-Skate paths nearly every day. All age groups and sections of the population are addressed and included — from children and young people to working people and seniors.

The routes are of high quality and there are a lot of roofed picnic areas. Many interesting sights are accessible with in-line skates. Services (such as rental, repair) complete the wide offer on the weekend. International events and theme days are organized every two years and include this region. Travel packages and self-schedulable skating tours can be booked centrally. Thereby the skate experience can be combined with outdoor activities (climbing, etc.), culinary art and culture. Hosts are aligned to the needs of skaters, uniform quality criteria have been worked out together, and the companies are certified — mostly with the “Service Quality Germany” seal.

1. Starting Point

In 1995, the district of Teltow-Fläming started the project Fläming-Skate about 50 km south of Berlin with the aim of increasing the attractiveness of this region. The south of the district is characterized by a low population density and only a few industrial companies. The landscape is wide, marked by land and forest, as well as by small villages.

The basic idea of the project is to connect the benefits of the region and its idyllic nature experiences as well as villages and towns in Niederen Fläming and Baruther Urstromtal. Thus, a system of different routes between Niederen Fläming and Baruther Urstromtal was established, which are connected on the one hand to a nearly 100 km circuit, and on the other hand, to various connecting routes of the national and international network of cycle routes. The circuit was divided in different routes as well, so that circular routes between 11 and 50 km were created. All these different routes can be combined in any way.

2. Project Implementation

What are the special features of Fläming-Skate? For about 220 kilometres, Fläming-Skate passes through forests, meadows and fields, far away from roads and traffic, and thus, offers the users the possibility to specify the length of the route in the circuit itself. More than 50 locations are connected to the route. Furthermore, all paths were made two to three metres wide with asphalt. The asphalt has a low rolling resistance because of its

small grain size, which is hardly noticeable for the cyclist. Of course, Fläming-Skate is ideal for in-line skaters, but cyclists have also learned to appreciate the benefits of Fläming-Skate; cyclists are the main user group, with a share of more than 50%, and legally recognized; the route of the Fläming-Skate is marked as an official bicycle route.



The district of Teltow-Fläming is the initiator and supporter of the Fläming-Skate project. The network covers the entire south of the district and seven regional parts, which worked together on the planning and execution of this project. Moreover, a variety of companies, which also had a great interest in the project, were included in the planning process. Additionally, these companies have established “round tables” and an association with approximately 50 members. The project received the Tourism Award of the State of Brandenburg in 2005 for its efforts toward the development of tourism in the region.



Fläming-Skate was built in different sections. The financing of EUR 15 million was realized by funding programs of the European Union and the State of Brandenburg, with a share between 70 and 75%. The first presentation of the project was in 2001. A few months after the first project presentation, the first round course was opened with a distance of 11.5 km. The opening of the complete circuit took place in August 2005.

In order to improve the conditions for cyclists, additional inter-regional connections to Fläming-Skate have been made. The first connection is in the south to the Elbe

Cycle Route, which is reached via the Elbe cycle path to Seyda in only 13 km. Furthermore, you can reach it via the Berlin-Leipzig-cycle path, which is currently being expanded with the Elbe Cycle Route in Wittenberg. In the north, more connections to Berlin will be realized. Thus, you can reach Fläming-Skate via the bike path Berlin-Leipzig and also via the Dahme Cycle Route. Currently, a connection to the Glücksburger Heide is being constructed in the south of Fläming-Skate.

Since August 2004, skating fans have been able to enjoy another attraction. In the former horse course stadium in Jüterbog, a speed skate arena was opened, including a race track, a playing field and a training course.



The facility includes a 200-meter oval (5.85 m wide), a 600-meter road course (6.00 m wide) with natural soil and a hockey field (20x40 meters). Central light, a sound system, as well as digital time recording complete the multi-functional equipment. The arena offers 1400 seats with 800 of them covered. In 2005, the 17th Speed Skating European Championships took place in this arena.

3. Forecast

The concept of Fläming-Skate is unique, especially for inline skaters and families, as well as for cyclists

and people with disabilities. It is ideal for day trips, weekend breaks or longer holidays in the countryside. The number of day-trip tourists exceeds the number of overnight visitors by approximately 9-fold. The economic outlook has improved not only for the existing companies. New businesses are developing year by year.

Along this route, which is the largest in Germany, various picnic areas were created. Moreover, numerous tourist offers were developed, for example, gastronomic and accommodation offers as well as a variety of services related to biking and skating. Examples of cultural heritage in the region, such as small villages, stone churches, historic mills, the historic city center Jüterbog, the Museum Glashütte, the Kloster Zinna and many other witnesses of the ancient and recent history, can be found along the way.

The whole region benefits from Fläming-Skate, especially hotels, guesthouses, restaurants and the sports shops that sell and rent



in-line skates. However, the pressure for change is high. Therefore, the development of innovative products is more important than another route expansion. A good opportunity has risen, for example, because the

district has the highest potential in Brandenburg not only for skating, but also for hiking (Fläming-Walk, Nordic walking). The district hopes to benefit from continued growth in this area.

Another project of regional collaboration is the “Open Farms” project, constituting a concentration of 20 owner-operated businesses with the aim of joint marketing of regional products and services. The concept of networking contains mutual marketing, supplementing each other’s product ranges and realizing collaborative actions to strengthen the chances of success for each individual vendor. To offer a unique experience to the guests, the offer is complemented by “transparent production”: the guests can have a look behind the scenes on the “Day of open farms in the Nuthe-Nieplitz-region” – every first Sunday in May and November. A result of this project is a contribution to the increase of the regional value added, as well as the protection or creation of jobs, the access to new customer groups for the farms in the region, and the possibility to increase the awareness of the region and its products.

Conclusion

Fläming -Skate is the name for a system of paths in the Brandenburg district Teltow-Fläming, and is the longest continuous route in Europe of this kind. The project was inaugurated in 2001, built with different funding for the development of tourism in this economically underdeveloped region. Fläming-Skate, with all its hotels, restaurants, museum and other touristic services, has catapulted demand in the region into the top group of travel regions in Brandenburg.





CHAPTER 6: DEVELOPING YOUR DESTINATION

6.1 Introduction to the Self-Assessment Tool

6.2 Self-Assessment Tool





The aim of the WelDest project is to create a development framework to be used by public bodies, destination management organizations (DMOs) and private companies at tourism destinations willing to strengthen the elements influencing the well-being level of tourists and locals alike. The framework, supported by educational material, enables development of the tourism destination towards a more holistic and sustainable health and well-being destination.

This self-assessment-tool (S-A-T) is designed for destinations already focused on health and well-being but still striving to develop further, as well as for destinations looking to develop into health and well-being destinations. Therefore, the S-A-T can be used in the strategy process as well as in the follow-up process while developing the destination.

The self-assessment-tool is intended to be used as a basis for discussion of the indicators by a group or groups of stakeholders within the tourism destination. The results — indicating areas for further work — can then be used to guide and focus discussions among stakeholders to create future plans and strategies; or possibly to decide that in fact, there are not enough resources to make it sensible for a particular place to be a health and well-being destination, and this should therefore not be the primary direction for development, although it may be a useful secondary or even tertiary level to the destination's offering.

It is important to note that the self-assessment-tool can be used before or after the destination team has undertaken any basic audit research of the health and well-being offer in their destination. If used beforehand, it can indicate where such an audit may be needed.

6.1 Introduction to the Self-Assessment Tool

The self-assessment-tool should be used by groups (for example, members of the stakeholder working group, the DMO advisory board) in discussions of the indicators. The groups rate each indicator on the Likert scale by asking each team member about his/her opinion and then noting the result as the weighted average score. It is important that questions are not answered by just one person alone. The intention of the S-A-T is that by answering all questions through a discussion, the process regarding the destination's current situation analysis and potential improvements is enhanced.

The S-A-T has two major functions:

1. The "self-assessment" part of the tool describes the current situation of a destination in the context of developing into a health and well-being destination.
2. The "development" part of the tool shows how far the destination is from becoming a "perfect" health and well-being destination by rating the destination against a set of indicators and identifying key gaps.

The self-assessment and development tool is Excel based and can be easily changed, improved or added to in order to respond to local circumstances. However, one must take into consideration that in different countries there are different attitudes, starting points, standards, laws and legislation, etc. concerning tourism, health and well-being.

The self-assessment-tool consists of the following parts:

a. Endowed Resources

- Natural Resources (nature, natural assets, attractive scenery and environment)
- Local Culture and Authenticity
- Reputation of a destination

The above-mentioned endowed resources are of major importance in tourism. [See chapter 4.1.](#)

b. Provision of Services to enhance health and well-being

This section contains the specific services of health and well-being tourism. For more, [see chapter 4.2.](#)

c. Supporting Services — [See chapter 4.2.](#)

- Healthy food and beverages
- Accessibility of information and accessibility to and within the destination (including accommodation services)

d. Seamless Service Chain — [See explanations in chapter 4.4.](#)

e. Destination Management

- Organizing destination management and public-private network leadership
- Operational activities of the destination management organisation
- Expertise in health and well-being tourism

These are the main tasks a destination management organisation should undertake or be knowledgeable

about. A detailed explanation is written in [chapter 5.1.](#)

f. Destination Development

This section covers participatory strategic destination planning, linking it to wider political decision making including health promotion, brand identity development and management, and continuous monitoring and evaluation processes at the destination level. More information can be seen in [chapter 5.2.](#)

g. Total Results:

This section is the summary of all separate parts and shows:

- The result of the current situation
- Gaps that should be addressed in order to improve the health and well-being destination

Explanations are provided next to select items in the self-assessment tool in order to clarify and improve understanding of specific indicators.

FOLLOW ME:

[The WelDest Self-Assessment Tool can be found here.](#)

6.2. Self-Assessment Tool

Sets of indicators, which should be discussed and responded to according to the degree of agreement, form the base of the S-A-T. Agreement is rated on a 6-point Likert scale.

To give a short example:

Part I – Endowed Resources – Subsection I.1 Natural Resources – Question I.1.1:

“Nature is easily accessible to our guests“:

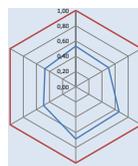
- If the participants totally agree, the column labelled 1.00 (Completely agree) should be marked with an “x.”
- If participants do not agree 100%, but think that existing natural resources can be accessed in a good manner, the column labelled 0.8 (Mostly agree) should be marked with an “x.” This may be the case if some small obstacles exist to having access to nature (for example, laws that not all natural parts can be accessed or natural obstacles in form of long walking-paths, not suitable for everybody, etc.)
- If participants slightly agree to this question, the column labelled 0.6 (Slightly agree) should be marked with an “x.” This may be the case if, for instance, not all natural resources are easily accessible, but the major ones are. The reasons for this may be the same as explained above.
- If participants slightly disagree to this question, the column labelled 0.4 (Slightly disagree) should be marked with an “x.” This may be the case if the majority of the existing natural resources are not easily (or not at all) accessible due to different kinds of obstacles

(long pathways, difficult, dangerous pathways, legal obstacles, etc.)

- If participants mostly disagree with this question, the column labelled 0.2 (Mostly disagree) should be marked with an “x.”
- If natural resources are not at all accessible, and all participants agree with this, the column labelled 0.00 (Completely disagree) should be marked with an “x.”

It may also be that an indicator is not applicable in your destination context. If this is the case, then the column labelled Not applicable (N/A) should be marked with an “x.” Of course, this “x” will not be calculated into the total results.

After answering all questions (indicators) of all parts, the total results will show you the current assessment of the destination’s situation. To give an example:



Two coloured lines, a blue line and a red line, will appear. The blue line shows your actual results.

This means for instance:

- In the Endowed Resources section, you achieved a score of about 55%. This means the destination is far from the target, where all the main criteria for a health and well-being destination are fulfilled.
- The same results appear in the example for the sections Provision of services enhancing health and well-being,

Supporting services and Destination Management.

- The score in the Seamless Service Chain section is considerable higher. Here, the destination achieves almost 80%. This means that there are only a few items to be improved to meet the target.
- The situation in Destination Development is excellent. Here, the destination scores 100%, meaning the destination has fulfilled the criteria, from a destination development point of view, for becoming a health and well-being destination.

For the development part of this tool, it is the red line which is relevant. The red line represents a score of 100%. In other words, this is the target to be achieved. This means that if all questions are answered with 1.00 (Completely agree), the target has been met. Therefore, the difference between the blue-line result and the red-line result illustrates which improvements should be made in. For example, take the difference in the spider-diagram from the example above in the section Endowed Resources. The blue line shows a result of almost 60%, meaning there is about a 40% gap from the target. Now one can go back to the answered questions/indicators in the Endowed Resources section, check which questions had not been answered with 1.00 (Completely agree), and discuss with the other participants what needs to be done in order to get 1.00 (Completely agree). In discussing this, the group gets a list of projects and a concrete list of actions/timeframes/roles to undertake in the destination toward becoming a competitive health and well-being destination.

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List of Authors



Susanna Saari, Senior Lecturer, M.Soc.Sc., Turku University of Applied Sciences | susanna.saari@turkuamk.fi | www.tuas.fi

Telle Tuominen, Senior Lecturer, MA and M.Sc. (Econ.), Turku University of Applied Sciences | telle.tuominen@turkuamk.fi | www.tuas.fi

Donna Dvorak, Lecturer, BA in Cultural Anthropology, MA in TESOL and Applied Linguistics, The Institute of Hospitality Management in Prague | dvorak@vsh.cz | www.vsh.cz/en

Dr. Lucie Plzáková, Lecturer, PhD in System Engineering, The Institute of Hospitality Management in Prague | plzakova@vsh.cz | www.vsh.cz/en

FH-Prof. Dr. Mag. Kai T. Illing, PhD in Classical and Ancient Studies, FH JOANNEUM University of Applied Sciences | kai.illing@fh-joanneum.at | www.fh-joanneum.at/igm/en

Mag.(FH) Daniel Binder, Health Management in Tourism, Research Lecturer, FH JOANNEUM University of Applied Sciences | daniel.binder@fh-joanneum.at | www.fh-joanneum.at/igm/en

Mag. Christian Husak, CEO of CHC, Christian Husak Consulting | office@husak.at | www.husak.at

Dr. Steffen Lange, Head of Bachelor Regional Management, PhD in Marketing, University of Applied Science in Eberswalde (HNEE) | steffen.lange@hnee.de | www.hnee.de/en

Robert Schmidt, Lecturer, MA in Business, University of Applied Science in Eberswalde (HNEE) | robert.schmidt@hnee.de | www.hnee.de/en