

Advancing the Economies through SPA Industry

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Abstract

This paper is an attempt to present a clear picture of how spa industry can aid in boosting the economies by promoting tourism and the ways in which it can be made instrumental in drawing tourists from various places to a destination. People have been visiting places famous for their spas since ancient times. They would visit places famous for their healing waters and stay there for days. Romans and Greeks were known for their luxurious baths devoted to relaxation and rejuvenation. Recently, spas are witnessing a revival of interest in them and they are becoming a force to reckon with in the hospitality sector. This research is an attempt to understand the role spas are playing in stimulating tourism of the place. A survey of 200 people was conducted and the responses were taken on a Likert like scale for the purpose of percentage analysis. It was found that Spas and Tourism of a destination have very symbiotic relationship and if harnessed well, spas can substantially add to the tourism of the place.

Key words: *Global Economy, India, Promotion, Spas, Tourism, USA.*

JEL classification: *M19, M29*

INTRODUCTION

Spa Industry has become a big part of global economy and is doing really well in the developed nations like USA while in the developing nations it is trying to replicate the same success story along with handling the teething troubles. There are plenty of studies conducted by spa and hospitality associations worldwide that have given quite impressive growth predictions for the spa industry. A study 'Global Spa Summit, Spas and the Global Wellness Market: Synergies and Opportunities' by SRI International, May 2010 (n.d.) and Global Wellness Tourism Congress (GWTC) estimated that wellness tourism accounts for fourteen percent of the overall revenues from global tourism, growing at an annual rate of 9.9 percent. It gave it a projected figure of half a trillion dollar, estimated to reach at \$678.5 billion by 2017. The most striking observation of this report is that more than fifty percent of this growth would come from Asian, Eastern and Latin American markets and in the next five years, India is projected to be number one globally with a twenty percent growth. These projections clearly support the assumptions that spa industry is going to play a major role in the coming years in the promotion of tourism of a place. Moreover, since the wellness tourists spend much more than the normal tourists, they add a big margin to the overall revenues. This paper is an attempt towards understanding the role that spas are playing in enhancing the tourism of a place since this trend of keeping oneself healthy and rejuvenated during the vacation has gained momentum. More people are taking vacation to destinations primarily known for either their spas or their healthy climate. This sentiment

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has found a supporter in Jean-Claude Baumgarten, former president and CEO of the World Travel and Tourism Council. There has been an exceptional change in the notion of vacation in today's stressful times. Now more and more people are looking for destinations for their physical, mental and spiritual overhaul making the previous definitions of tourism obsolete. An analysis of responses of 200 spa users, in USA and India, corroborates the fact that there is a strong relation between the spa industry and the tourism of a particular destination. One of the important observations that have emerged from this research is the colossal need for the industry and governments to collect and maintain information on the spa industry. It is the hope of the researcher that this small step is a productive one for the industry and future researchers and that the competitive advantage brought in by the spas to a destination would be harnessed well by the tourism and hospitality industry.

For the purpose of understanding the relationship between spas and the tourism of a place, a thorough review of the available literature was done and it was observed that no particular study has been done specifically on finding the competitive advantage that the spas provide to the tourism of a destination.

UNIPRO Spa Industry Research (2008) stated that 96 million people go to spas regularly worldwide and global number of spas 71600. It reported that North America has 20,662 spas and their revenue is 10.5 billion euros. International SPA Association in its US Spa Industry Study (ISPA, 2009a; 2009b) asserted that the spa revenues in the US have witnessed a 4.5 percent growth, taking it to 13.4 billion dollars. All the researches regarding the US spa industry strengthen the fact that this is a well-developed industry attracting tourists and can certainly guide its counterparts in the developing nations, thus, supporting the context of the present research work.

The Indian spa industry too is becoming a strong magnet for the tourists and the indigenous treatments, Ayurveda therapies and Yoga make the Indian spa experience a rage worldwide. Yet, there are no major studies and researches in the field freely available to aid the industry and the stakeholders. There are spa journals and few associations that are trying to establish themselves in the field. Majorly, online articles are taken up as references or the occasional ones published in reputed business journals or newspapers. Indian government has now started taking interest in this field and is taking encouraging initiatives like introducing AYUSH scheme. Finniwin & Zeiger (1996) mentioned that wellness can be incorporated into typical tourist activities; thus adding to the significant role that spas can play in promoting tourism. To capitalize on this, major hotel chains in India have commenced major renovations to update their spas to meet the needs of their customers like additions of hydrotherapy tubs, steam, sauna, and multipurpose rooms for massage and facials. Also, the term 'spa' today encompasses resorts, hotels, mineral springs, cruise ship, club and day spas and its service providers like physicians, wellness instructors, nutritionists, massage therapists and product suppliers. Lehto et al. (2006) in their article placed Yoga Tourism as a niche within the wellness tourism and provided empirical evidences that yoga and physical as well as mental health contribute to the propensity to travel for yoga hence giving a strong boost to the potential of Indian spas.

Spa Wellness Association of India's Report (2006) gives its tourism promotion as one of its five core competencies and claims to serve the industry through them. The presence of such associations is a good indicator of robust health of the spa industry in India. Vashi (2007) of SVAASA group of companies observed that the spa industry actually started 10 years

ago but has come into prominence in India for the past five years or so. The Indian spa industry has only just initiated its journey. Authentic and world-class spas such as Ananda in the Himalayas and Indus Valley Ayurvedic Centre in the South are very few. This means there is a tremendous scope for the growth of the spa industry in India. This sector is turning promising as a career option too. But since there is a dearth of dedicated spa training institutes in India, except the ones attached to good resorts, there are plans to fill in the gap. One such Institute is coming up in Hyderabad exclusively for spa training to train people on the job. In the near future, such institutes would certainly be in high demand as more and more spas would come up attracting more people towards them. Laing and Weiler (2008) noted that there is a considerable rise in health and wellness tourism and cite various reasons for it like stress relief and good quality surgical interventions and claim that Asia is well positioned to be a global leader in this area and needs to capitalize its market. Panchal (2012) in his thesis highlights the positive psychology and tourism correlation and mentions that tourists in India accepted their push factors to the spas to be the novelty, escape and relation; thus directing towards the high potential of spas in attracting tourists. Travelshanti (2013) applauds that the setting up of National accreditation Board for Hospitals and Healthcare Providers by Indian Government as it would look after the spas and wellness centers which according to the portal are poised for a robust growth in the coming years.

Researches and surveys in this field all are pointing towards a robust growth of this \$ 25.4 million industry in the future. This is true especially in the context of India where despite a rich legacy of spa treatments and the saleable 'exotic' tag attached to them, the industry has just crossed the nascent stage and has a lot to achieve to come at par with its counterpart in developed nations. Thus, the present research stands a good chance of being advantageous in estimating the competitive advantage that the spa industry provides to the tourism of a destination.

1. RESEARCH METHODOLOGY

This paper utilizes both the descriptive and exploratory research design as it is making use of the existing knowledge on the topic and is trying to explore the unknown dimensions of the relationship between the two factors too. For understanding the role of spa industry in promoting tourism of a place, various indicators were chosen. The reasons for visiting a particular destination, reasons for preferring a hotel and destination were also taken to understand the psyche of the tourist. Then specific indicators were selected to find ways of enhancing the contribution of the spas in promoting tourism. Using non purposive sampling technique, a survey of 200 respondents (100 each from USA and India) was undertaken. The two nations were chosen because of the difference in the level of development of their spa industry and economy for a more comprehensive evaluation of the role that this industry plays in the promotion of the tourism.

2. FINDINGS

Following table provides us with an item wise percentage analysis of various indicators that relate spa with tourism:

Table1. Reasons of visiting a destination (an item wise percentage analysis)

S. No.	Description of the indicators and the items of each indicator	Obtained Score N=500		Percentage Score	
		India	USA	India	USA
1	Frequency of travel:	366	424	73	85
2	Primary purpose of travel :				
a	Entertainment	461	479	92	96
b	Recreation	447	483	89	97
c	Leisure	459	482	67	96
d	Health improvement	336	382	67	76
e	Medical remedy for existing conditions	315	358	63	72
Total	n = 2500	2018	2184	81	87
3	Travelling is usually combined with spa visits	330	444	66	89
4	Duration of stay at a particular destination				
a	Less than 24 hours	326	467	65	93
b	1 day to 7 days	453	467	91	93
c	More than 7 days	307	408	61	82
Total	n = 1500	1086	1342	72	89
5	Preference for particular destinations specifically for the availability of the spas				
a	Delhi, India	283	132	57	26
b	Goa , India	272	122	54	24
c	Kerala, India	354	152	71	30
d	Bangalore, India	272	124	54	25
e	Los Angeles, USA	250	156	50	31
f	San Francisco, USA	246	150	49	30
g	Dallas, USA	233	128	47	26
h	New York, USA	367	130	73	26
i	Others	393	143	79	29
Total	n = 4500	2670	1237	59	27
Preference for selecting a particular destination:					
1	Preference for a hotel with spa facility only	280	365	56	73
2	Preference for a hotel, near spa facility if the accommodation does not have a spa	212	245	42	49
3	Selection of destinations with popular spas since it combines leisure with wellness	383	416	77	83

Source: author

The above table highlights the reasons why people visit a particular destination. The data indicates that 85 percent people in USA and 73 percent in India travel frequently to various destinations for different reasons. In USA, people mainly travel for recreation (97), entertainment and leisure (96 per cent). Other reasons include health improvement (76 percent) and medical remedy for existing conditions (72 per cent). While in India, the

reasons of travelling in the order of their acceptance level are: entertainment (92 percent), leisure (67 percent), recreation (89 percent), health improvement (67 percent) and improvement in the existing medical conditions (63 percent). There is clear gap in the responses from the two countries emphasizing the fact that spas are more accepted in the USA than India as a place for leisure and healing both.

The study reveals that people usually combine their travel with spa visits strengthening the notion that the concept of vacation has imbibed the wellness aspect. The above table also indicates that people have started accepting that destinations with good spa facilities should be in their list with their itinerary including spa visits. This awareness is more in India rightly projecting it as a leader for wellness tourism in the next five years. Kerala has topped the list of destinations visited India and Los Angeles has emerged as the leader in this regard in USA.

Another finding that has come up is that people have started opting for hotels with the spa facilities (56 percent in USA and 73 percent in India) making it one of the dimensions of selecting accommodation while travelling as more and more travelers are dedicating their vacations to a time for rejuvenation of the mind, body and soul. Also, it also shows that this wave of wellness tourism is high in USA while in India it is picking up momentum. Moreover, in case the spa facility is not available at the hotel, 42 percent people in USA and 49 percent in India prefer an accommodation near the spa facility.

The study also throws light on the fact that 77 percent people in India and 83 percent in USA prefer a destination with popular spas because it combines leisure with wellness. All these findings support the fact that today spa industry has merged well with the tourism industry as tourists have added spa visits to their itinerary and destinations with good spa facilities are emerging as the top tourist destination.

The spa industry's influence on the global economy comprises of both the direct and indirect and multiplier or ripple effects on the overall economy. Overall, in 2009, the \$60.3 billion core spa industry made a total economic impact of \$374 billion for the world economy. It is anticipated that the spa industry will continue to develop at both ends of the market, luxury and holiday segment and the regular treatment sector. Spas in hotels are now almost imperative as a major pulling factor for the guests. As visiting spas becomes a more vital part of peoples' routines, an increasing number of spa goers will look to syndicate the sporadic luxury spa experience with an abroad visit. The prospects for this part of travel market, therefore, look positive.

Further analysis was done on the ways spa industry can improve its situation and here are the findings:

**Table 2. Ways to enhance the contribution of spas in promoting tourism
(an item wise percentage analysis)**

S.NO	Description of the indicators and items of each indicator:	Obtained Score N = 500		Percentage Score	
1	Aspects valued by the customer in the spas				
a	Hygiene	490	497	98	99
b	Therapist's skills	486	493	97	99
c	Visible benefits	482	495	96	99

S.NO	Description of the indicators and items of each indicator:	Obtained Score		Percentage Score	
		N = 500			
d	Prices of the services	482	487	96	97
e	Ambience of the spa	467	489	93	98
Total	n = 2500	2407	2461	96	98
2	The services, techniques, benefits and side effects of the therapy should be explained before it begins	462	488	92	98
3	Quality spas should have accreditation				
a	The spa unit	469	495	94	99
b	The spa therapists	470	493	94	99
c	The products used	470	488	94	98
Total	n = 1500	1409	1476	94	98
4	Places to market spas :				
a	Official destination sites	449	492	90	98
b	In collaboration with the travel agents	460	490	92	98
c	Trade fairs	432	452	86	90
Total	n = 1500	1341	1434	96	90
5	To emerge as a strong independent industry, spas need backing from:				
a	Government	461	487	92	97
b	Hospitality	472	494	94	99
c	Tourism	466	494	93	99
d	Medical	450	430	90	86
e	Real Estate	424	413	85	83
f	Media	455	482	91	96
Total	n = 3000	2610	2460	94	91
6	Spas need to improve upon these aspects:				
a	Products	445	472	89	94
b	Services	460	470	92	94
c	Promotional packages	470	495	94	99
d	Ambience	439	477	88	95
e	Marketing	463	493	93	99
f	Awareness creation	463	491	93	98
g	Hygiene standards	460	467	92	93
Total	n =3500	3200	3365	91	96

Source: author

These findings provide a clear picture of how big a part of tourism the spas are. Facts valued the most in the Indian market of spas are the hygiene, therapist's skills, visible benefits from the services, prices of the services and the ambience of the spa, in that order. While in the USA, people consider hygiene of the spa, therapist's skills and the visible benefits equally important. The ambience of the spa and the prices of the services are also considered highly significant by them. The data illuminates us on the fact that to bring in more people to the spas, it is considered important that the therapists or the spa officials clearly explain the technique, benefits and the side effects to the client availing of the services and the products. Another interesting observation that has come up in this research is that the Indian consumers give equal importance to the accreditation of the spa unit, the spa therapies and the products used in the spas. While in the American spa market, more

than the products, it is the spa unit and the therapies that need to be standardized for more credibility.

The research also brings out the fact that the spas need to be marketed in collaboration with the travel agents so that people travelling to different places are offered the spa visits combined in their travel package. Moreover, the official destination websites are the best places to promote the spas as more and more travelers are planning their trips after going through the online official website of the place and for the industry people, the best exposure of their business to the clients and the suppliers is at the trade fairs. Apart from this, the data clearly points towards the importance of the backing of the spa industry by the Government to be more credible and to set standards. Other sectors that need to support the spa industry to emerge as a strong independent industry are hospitality, tourism, media, medical and real estate.

One of the most important observations is that the spa industry needs to improve upon various factors. In India, it is the promotional packages that the spas need to work on (94 percent) followed by proper marketing and awareness creation (93 percent). Finally, it is the services and hygiene standards (92 percent) and the products (89 percent) that should be the focus of the spas to bring in more consumers. In the USA also people feel spas can work a lot more on their promotional packages and marketing (99 percent), awareness creation (98 percent), proper ambience (95 percent), products and services (94 percent) and the hygiene factor (93 percent). Clearly, marketing and promotional techniques are the major areas requiring improvement in both the countries while it is the USA consumer who thinks products and the services need more importance than the hygiene standards as the latter factor is an obvious feature in the spas for them while in India, hygiene factors are as important as the improvement in the services provided by the spas. These factors, if worked on properly, can boost the spa industry income and a robust spa industry means more clients, domestic and international.

Since competitiveness is defined as the ability of a firm, sub sector or country to sell and supply goods or services in a market with respect to its competitors in the same market and competitive advantage is defined as the benefits gained over the competitors by a firm, sub sector or a country by providing goods or services with better value for money; this study provides ample evidence of spas bringing a competitive advantage to the destination. The above research clearly indicates that a destination with well marketed and regulated spas holds better chances of attracting tourists than a destination with no spas. The findings evidently point towards the fact that the clients are ready to put in more money and days at a destination that offers good quality spas. Not just this, spas are also hailed as one of the major push to the medical tourism of a place and add to the overall revenue of local industries.

CONCLUSIONS

In the light of above discussions, it can be specifically stated that the spa industry is playing a major role in the promotion of tourism of a particular destination and if it is smartly marketed, it would draw people looking for the rejuvenation of mind, body and soul to that destination. As the spas become popular, they would promote all kind of tourism of the area. The religious, cultural and historic tourism of the destination would get a boost and the increase in the employment, hotel occupancy, local products' sale and overall revenue

will provide a platform for the allied industries to add to the aggregate positive contribution to the economy ; thus bringing a definite advantage to the destination. This is hence suggested that governments and the allied industries should work in tandem with the local spa industry so as to harness the benefits of enhanced tourism brought in by them.

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