

WellSpaV4 Project Report

Opportunities and Challenges for V4 Spas



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1. Executive Summary

This project focuses on spa development in the V4 region and analyses the extent to which traditional medical spas can be adapted to attract and accommodate commercial (non-state-funded) guests and international tourists. This includes the development of infrastructure, the upgrading and regeneration of facilities, the improvement of service quality and the enhancement of visitor experiences within specific destinations and facilities. The report highlights the main challenges and opportunities for spas in the Czech Republic, Hungary, Poland and Slovakia. The data was derived from a Delphi Study that was undertaken with 28 expert respondents who were asked two rounds of questions about the following themes: main challenges for spas in the post-Socialist era; government support and funding; factors affecting spa development; customer profiles and satisfaction; definition and role of wellness activities; growth of tourism; importance of spa networks and collaborations; and the impacts of COVID-19.

The results show that spas mainly need to focus on improving their infrastructure further and creating higher quality services for specific target segments. This can require the development of new products, staff education and training, as well as better marketing. It is clear that leisure, recreation and wellness services are growing in popularity and might be combined with future developments in medical wellness to increase preventative approaches, healthy lifestyle awareness and practice. Government support, EU funding, private investment and membership of spa networks can help in these developments. Ongoing monitoring and online measurements of quality and satisfaction can also feed into this process of continuous improvement. This will be especially important in the post-COVID-19 period.

2. Overview of Spa Development in the V4 Countries

During the Socialist period (1945-1989) the emphasis in spa development was mainly on providing health-enhancing facilities for residents and domestic tourists. These spas were offered both as a reward for workers as well as a way of increasing productivity. Balneotherapy (the use of medical waters in spa treatments) typically consisted of a range of therapeutic treatments administered over three or four weeks. Such therapies were often used for easing the symptoms of chronic conditions or rehabilitation. Although some intra-regional tourism existed at that time, especially to spa towns, the emphasis was much more on the domestic markets.

After 1989, the situation started to change and tourism development accelerated once the V4 countries joined the EU in 2004. This meant the arrival of more and more foreign tourists who were curious about the post-socialist countries and wanted to take advantage of the relatively cheaper prices, especially if they were from the West. Their expectations of spas were sometimes different from those of the previous domestic and inter-regional tourists and it implied the need to upgrade and invest in spa development to improve quality and services. However, funding was often lacking despite ongoing government support for balneotherapy.

The V4 countries show some similarities to other countries in the region. For example, research on spa development was undertaken in eleven Balkan countries (several of which are post-socialist including Albania, Bosnia and Hercegovina, Bulgaria, Croatia, Romania, Serbia and Slovenia. (Smith and Kiss, 2015). A lack of funding for renovations and the much-needed upgrading of infrastructure was highlighted in this study, as well as the need for better quality and friendlier service. Although many staff are medically educated, they are not trained enough in customer service. More effective marketing would also be required.

The following sections provide an overview of past and present spa development in each of the V4 countries.

Czech Republic

Mineral waters have been used for therapeutic purposes since the beginning of the 12th century and traditionally Czech spa facilities offered balneotherapy, which involves complex drinking and bathing therapies based on the use of mineral spring waters, peloids and natural gases. In the second half of the 12th century, the monastery in Teplice used thermal spring for spa purposes. During the Renaissance period (14th-16th century), there was an increased interest in health and nature connected to the spas and in the first half of the 17th century, community centres and pilgrimages sites were established nearby. Between the 18th century and the beginning of the 20th century, the greatest expansion took place which was connected to scientific research into the properties of the waters as well as efforts to popularize treatments by increasing accessibility through transport developments. During the 19th and the beginning of the 20th century most of the well-known spas and spa towns were built (e.g. Františkovy Lázně, Mariánské Lázně, Karlovy Vary). By the turn of the 19th century, the first legal regulations were introduced. The 1940s saw the protection of the healing resources come into

force and by 1948, the Czech State nationalized the spas. After 1991, a privatization process started to take place. Some spas were forced to cease their activities in the post-War years either due to low interest or because of economic problems. This was also true in the immediate post-socialist period.

There are three main ways of funding spas treatments. These include complex balneotherapy, which is fully funded by national insurance; balneotherapy which is partly funded by health insurance; and self-payment.

Figure 1: Czech Natural Healing Resources

Number of Resources	Type of Resource or Facility
25	thermal spring spas – hot mineral springs
24	mineral water spas
-	wellness spas
189	wellness/spa hotels
94	qualified medical destinations
2	medical caves
10	therapeutic muds
6	moffetas
115	aquaparks

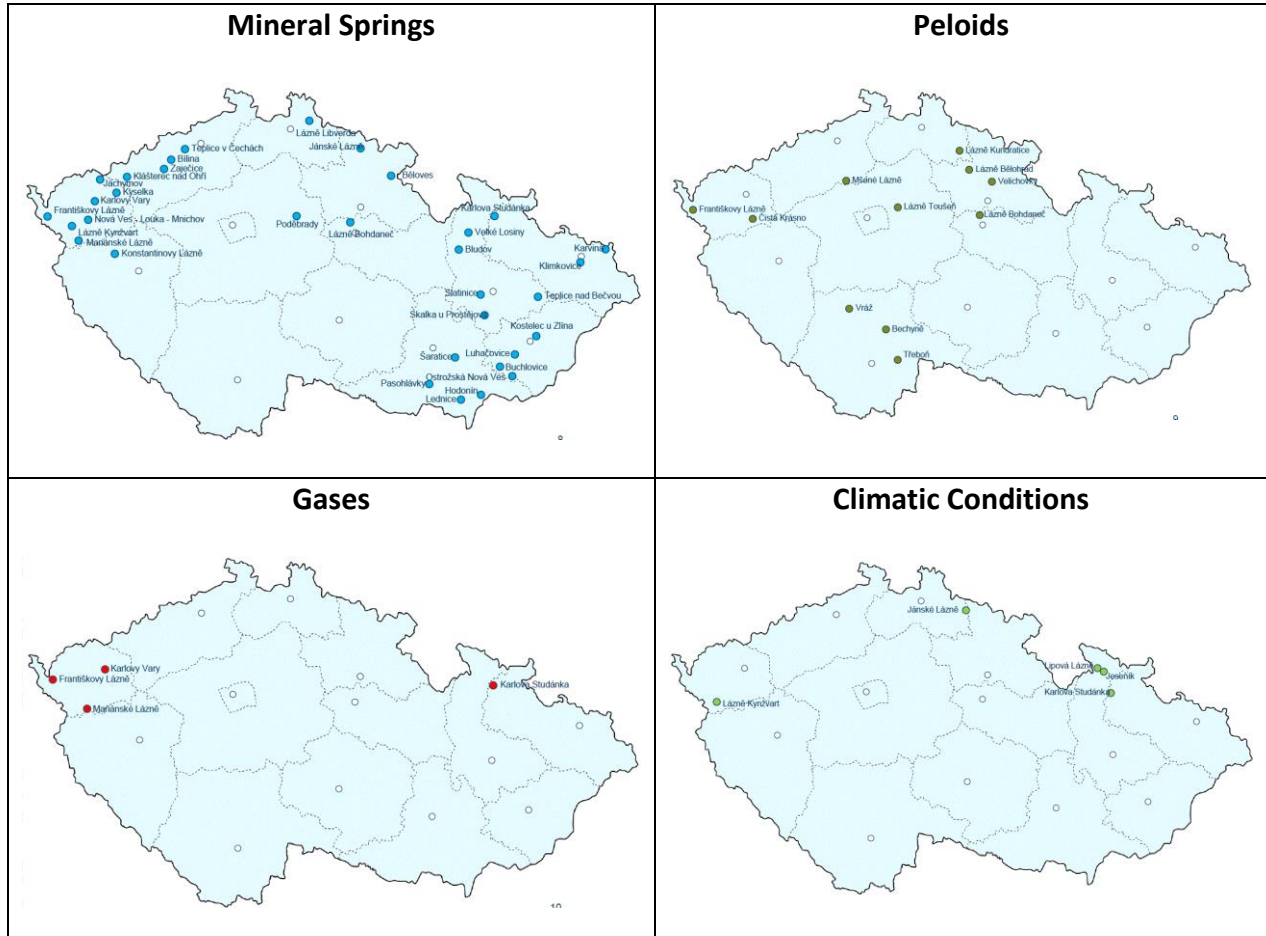
Source: own construction, according to Spa.cz (2020), Svaz léčebných lázní (2020), Vzp.cz (2020), Rain.cz (2020), Google (2020), Uzis.cz (2020)

In 2012, the Czech government shortened the length of stay and reduced the list of diseases for which treatments could be sought under the national insurance funding system. Legislative amendments from 2013 shortened the length of a stay from 4 to 3 weeks for certain diseases, restricted repeated stays and excluded certain diseases so that they are no longer reimbursed by health insurance companies. These changes resulted in lower visitation rates and revenues (Derco and Pavlisinova (2017). Trnka (2017) described how some spas responded by raising prices and letting go of staff. Others were forced to close down. Since 2015, however, the length of a stay has again been extended to four weeks in the case of certain diseases, and the regulatory charges have been cancelled. Spas are recovering and their economic results are almost the same as before, though the policyholder visitation rate has not returned to the level reached in 2010 or 2011 before the restrictive measures were implemented. Spas have again gained the trust of banks, which makes it possible for them to borrow money for investments.

Speier (2011) undertook one year of ethnographic research on health tourism in Mariánské Lázně, one of the major medical spas or spa resorts in the Czech Republic. She noted that in the past, tourists used to visit Czech spas for an average of three weeks and undergo various treatments that were prescribed by the spa doctor. Today, packages are being shortened and also include wellness and beauty treatments as well as medical procedures. Many doctors are concerned about this sudden shift from a public health system to a health tourism industry.

However, Trnka (2017) noted that in 2014 Czech courts affirmed every Czech citizen’s right to spa treatments if their health status merits it.

Figures 2: Locations of Natural Healing Resources in the Czech Republic



Source: Polák (2012)

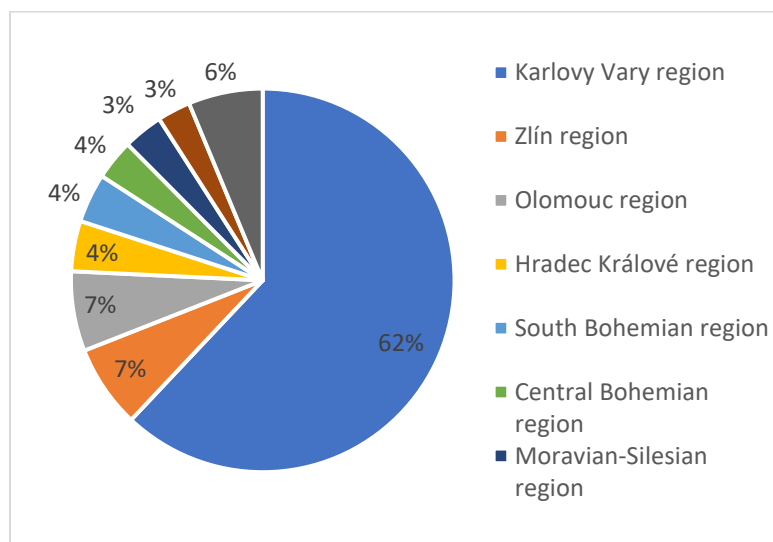
Kraftova et al. (2013) stated that after 2000, there was a greater diversification of services provided at medical spa facilities to include wellness procedures as well as traditional bathing and rehabilitation. They note that these are influenced by legislation and public funding. Officially recognized spas within the Czech Republic (Kiralova, 2014) are developing more and more health and wellness promotions as a second business platform alongside more traditional medical stays. In the Czech Republic, there are currently approximately 150 therapeutic spa facilities in 35 spa towns (Association of spa places, 2021). According to Kraftová et al. (2013):

- the number of clients using the completely- or partially- covered spa care has been on the decrease;
- the number of self-paying clients has been growing;
- the number of clients from abroad has been growing;
- seniors are a key market, and this also includes retired foreigners;

- an important segment of clients includes managers requiring anti-stress treatments;
- the offer of stays for recuperation, especially relaxation, rehabilitation and wellness stays, are on the rise.

Since 2011 the number of tourists has been increasing, especially from Germany and Russia, the majority of whom stay in spa hotels. As a result, many new spa hotels opened (Kondrashov, 2013). In terms of wellness developments, the greatest interest is in large hotels, preferably four-star with half board. Many customers are looking for peace (e.g. hotels without children). It was estimated that there are 105 wellness hotels (i.e. hotels with saunas and solariums) evenly distributed across the Czech Republic and 113 spa hotels (i.e. hotels with spa facilities). These are mostly in the Karlovy Vary Region (60) and in the Zlín Region (14) (Kompass, 2020). Indeed, in 2019, two thirds of visitors chose a spa in the Karlovy Vary. This includes Františkovy lázně, Jáchymov, Karlovy Vary, Lázně Kynžvart and Mariánské lázně

Figure 3: Czech Spa Occupancy



Source: CZSO (2020)

In terms of guest or patient profiles, on average, 55% are Czech and 45% are foreign. In the Karlovy Vary region, this number rises to 69% for foreign tourists, but elsewhere 94% are Czech (Machová, 2020). The majority of the foreign tourists come from Germany followed by Russia. Women dominate over men, but the share of men is growing. Men prefer sports massages, saunas and whirlpools and they respond to offers related to health prevention and fitness improvement. Women like relaxing massages, body procedures associated with body shaping and detoxification, manicures, skin care and hairdressing services. Mothers who are on maternity leave but are financially secure, are very happy to look for wellness services.

The number of days spent in the spas depends on the nature of the funding, for example, complex balneotherapy – 25.1 days; balneotherapy partly covered by insurance – 20.1 days; Czech self-payers – 6.4 days; foreign self-payers – 11.2 days. The length of stay increases with the age of clients, but some guests undertaken short stays several times per year. Although there are peak periods, spa visits take place all year round with an occupancy rate of 70-90% (Úzis, 2019).

Hungary

Hungary has one of the richest sources of thermal and medical waters in the world (Bottoni et al., 2013) and the thermal spa culture is nearly 2000 years old. The natural resources include around 1300 thermal springs and 800 of these are used for medical purposes (Bender et al., 2014). There are also five healing caves and four medical mud sources. Research based on clinical trials has produced an evidence-base which suggests that thermal waters in Hungary can alleviate pain caused by different musculoskeletal diseases, reduce pain in degenerative joint and spinal disease, as well as osteoarthritis of the hand and knee, and also alleviate chronic low back pain (Bender et al., 2014).

Figure 4: Hungarian Natural Healing Resources

Number of Resources	Natural Resource	Name of the destination
1289	thermal springs	
17	qualified medical destination	Hévíz, Bükfürdő, Sárvár, Balf, Zalakaros, Harkány, Balatonfüred, Parád, Lillafüred, Kékestető, Eger, Mezőkövesd, Debrecen, Hajdúszoboszló, Gyula, Nyíregyháza-Sóstó- gyógyfürdő, Szigetvár
83	certified medical spa	
36	certified spa hotel	
5	medical cave	Abaliget, lilafüredi István-barlang, Budapesten a Szemlőhegyi-barlang, Tapolcán a Városi Kórház Gyógybarlangja, Jósvafőn a Béke-barlang
224	mineral water	
5	therapeutic-mud	
2	mofetta	Mátraderecske, Parádfürdő

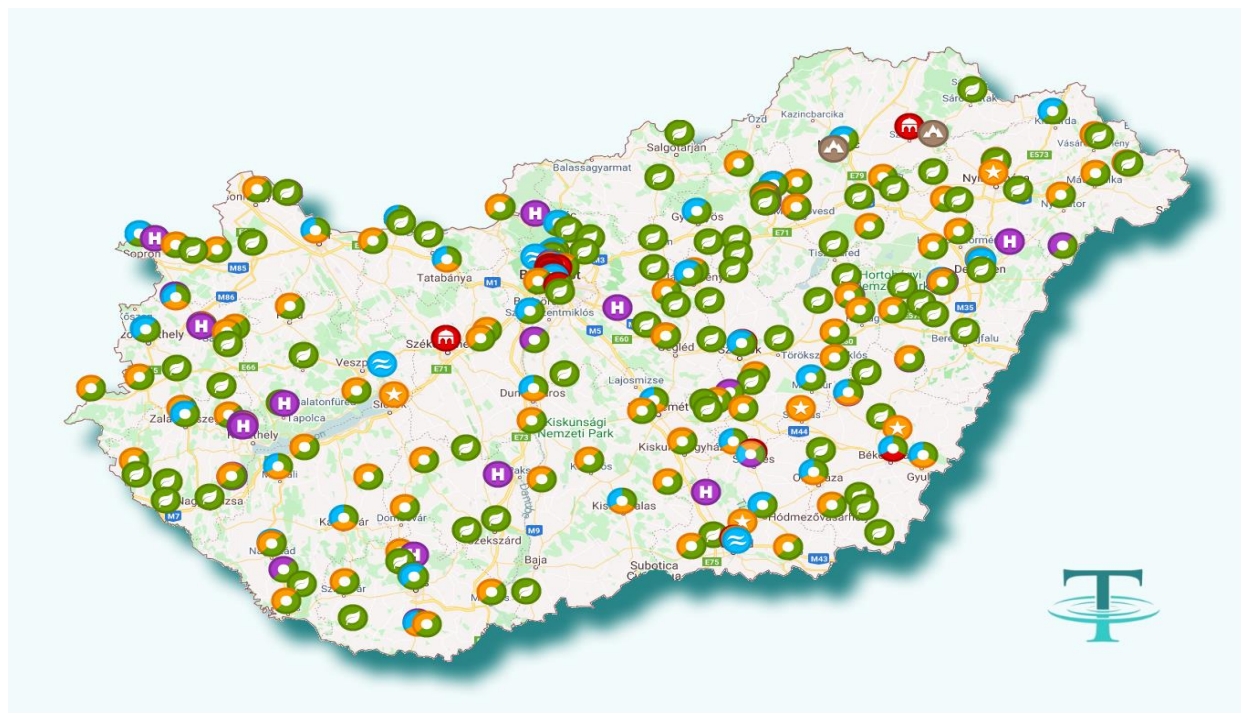
Source: Hungarian Tourism Agency (2014)

During the Socialist period (1945-1989) the emphasis was predominantly on thermal medical tourism for domestic and intra-regional tourists. The thermal facilities (and day hospitals at such facilities) served the healthcare needs of the local population, too. After 1989, governments continued to support domestic thermal medical tourism in the form of holiday vouchers, but by the 2000s and after EU accession in 2004, policy started to focus more on surgical medical tourism such as dentistry for foreign tourists (Smith, Puczkó and Sziva, 2013). Csapó and Marton

(2017) suggest that health tourism only became a priority after the Millennium when European funds also became available. The Széchenyi Plan (2001-2003) also provided national funding for the renovation of spas and the new Széchenyi Plan 2007-2013 focused on enhancing visitor capacity (Csapó and Marton, 2017).

Marton, Hinek, Kiss and Csapó (2019) identified health tourism as the leading tourism product in Hungary citing estimates that 45% of guest nights were registered in rural settlements with spas (increasing to 68% if Budapest is included). At least 7 or 8 spa towns are listed in the Top 10 tourist destinations in Hungary (HCSO, 2018). Hungary has been promoted as the 'Land of Spas' and Budapest (its capital city) as 'The City of Baths'. Marton, Hinek, Kiss and Csapó's (2019) research shows that although visits to spa destinations in Hungary tend to be seasonal, the level of seasonal visitation is lower than for tourism in the country overall. In addition, recent investments and developments in spa destinations have helped to decrease seasonality further.

Figure 5: Map of Spas in Hungary



- Red:** Historical baths and spas (1550-1936)
- Purple:** Hotel spas + indoor thermal wellness
- Blue:** Large swimming pools (50m)
- Green:** Outdoor parks + thermal pools
- Orange:** Modern spas (from 1936) + indoor pool
- Brown:** Thermal baths and spas in caverns

Source: Thermal Hungary (2021)

Smith, Puczkó and Sziva (2013) suggested that international health tourists visit four main types of medical and wellness tourism services in Hungary: medical hotels for typical balneotherapy (water-based medical therapies), dental clinics, wellness hotels and historic baths in Budapest. In the past, Hungarian tourists found wellness spas rather expensive and did not make full use of the facilities. They were also more likely to be motivated by fun and recreation than health-

consciousness (Priszinger and Formádi, 2013). Since then, one of the main initiatives has been to develop family spas and so-called 'three generation' spas with varying degrees of success.

Csapó and Marton (2017) counted 529 spas in Hungary (380 functioning all year and 149 seasonally), many of which provide mixed medical, thermal and experience spa services or serve as swimming pools (lidos). Of these, 103 are medical spas, 220 are experience spas and 234 are lidos. Strack and Raffay-Danyi (2021) showed that the majority are operated by local governments and hospitals, rather than being profit-orientated enterprises. This sometimes makes procuring funding for much-needed investments difficult. Strack and Raffay-Danyi (2021) analysed the success criteria for Hungarian spa operation, as well as the nature of demand, profile and orientation of guests. The findings show that families, senior citizens and empty nesters are the key market for the Hungarian spas and they are also popular with international visitors. The three main generating countries are Germany, Romania and Slovakia. Hungarian visitors prefer medical services financed by social insurance followed by wellness services, whereas international visitors opt for wellness services primarily, followed by self-financed medical services. Visitors are most concerned about value for money, cleanliness of facilities, overcrowding and the staff. Although many positive as well as negative comments were made about staff, labour shortages and lack of a skilled workforce are often cited by managers as being a major challenge in spa development. Some interviewees in their study believed that there are too many spas in Hungary which presents challenges for recruitment as well as creating uniqueness and competitiveness.

Some of the interviewed experts believe that there are too many spas in Hungary, which can be challenging when creating competitiveness and uniqueness. Labour shortage and the lack of a skilled workforce was cited as one of the most serious difficulties partly because of seasonality and partly because of a lack of education and training. The employment of untrained and low paid workers often leads to a reduction in the quality of services.

Research in the Budapest spas in 2016 revealed that foreign visitors mainly come to the spa because of the beautiful architecture and to have fun whereas Hungarian guests visit because of the healing benefits of the waters and to relax (Smith and Puczkó, 2018). This suggests a certain degree of incompatibility between the two groups which could lead to possible conflicts of interest. The same study showed that foreign visitors are very satisfied and described their spa visit as a unique and memorable cultural experience and one of the highlights of their visit to Budapest. However, Smith, Jancsik and Puczkó's (2021) analysis of TripAdvisor guest comments about Gellért spa suggests that several issues relating to service quality still need to be addressed. This includes cleanliness and hygiene, which will be even more imperative post-COVID. It also includes problems of information provision, way-finding and unfriendliness of staff. Nevertheless, the facilities themselves are deemed beautiful, especially the exterior architecture and buildings.

Poland

In Poland, direct use of geothermal waters constitutes only 0.2% (Kępińska, 2015). Heat engineering is the main area of geothermal water use, whereas therapeutic and recreational use

is less common representing around 7% of direct use (Kępińska, 2015). Mineral water is used for healing function, bottling and cosmetic production. The revenues from the sales of bottled water often exceed those generated by medical activity of spa companies, and in many cases constitute their main source of income (Dryglas and Salamaga, 2018).

Figure 6: Polish Natural Healing Resources

Number of Resources	Natural Resource	Name of the Destination
350	Healing and thermal water springs	
470	healing and thermal water <i>intakes</i> (71 of healing waters and 399 of thermal waters)	
133	133 <i>deposits</i> of healing and thermal waters (107 of healing waters and 28 of thermal waters)	
18	therapeutic peat deposits which have been assigned the status of medicinal minerals, 12 of which are located in spa towns and communes (especially in the north and north-east of the country)	Kamień Pomorski, Kołobrzeg, Ustka, Świnoujście, Połczyn-Zdrój, Gołdap, Augustów, Supraśl, Wieniec-Zdrój, Horyniec, Krasnobród, Goczałkowice-Zdrój
5	mofetta - natural healing gas (carbon dioxide), which is used for healing purposes	Krynica-Zdrój, Muszyna, Cieplice-Zdrój, Łądek- Zdrój, Długopole-Zdrój
20	aquaparks	

Source: Polish Geological Institute (2020)

The political and economic period after 1989 (systemic transformation) marked the beginning of a difficult time for spa resorts in Poland. In the 1990s, spa resorts had to adapt to the new setting created by the market economy. This new reality entailed ownership transformation and restructuring of Polish spa resorts. The Healthcare Reform introduced by the Act of 1 January 1999 on public health insurance and the commercialisation and privatisation of state-owned spa (therapeutic) enterprises in 1998 initiated changes in the management of spa enterprises. The revenues of spa enterprises are mainly generated through executing contracts with institutional clients: the National Health Fund (NFZ), the Social Insurance Institution (ZUS), the Agricultural Social Insurance Fund (KRUS), the State Fund for Rehabilitation of People with Disabilities, District Family Assistance Centres, and associations and foundations that help patients. The other

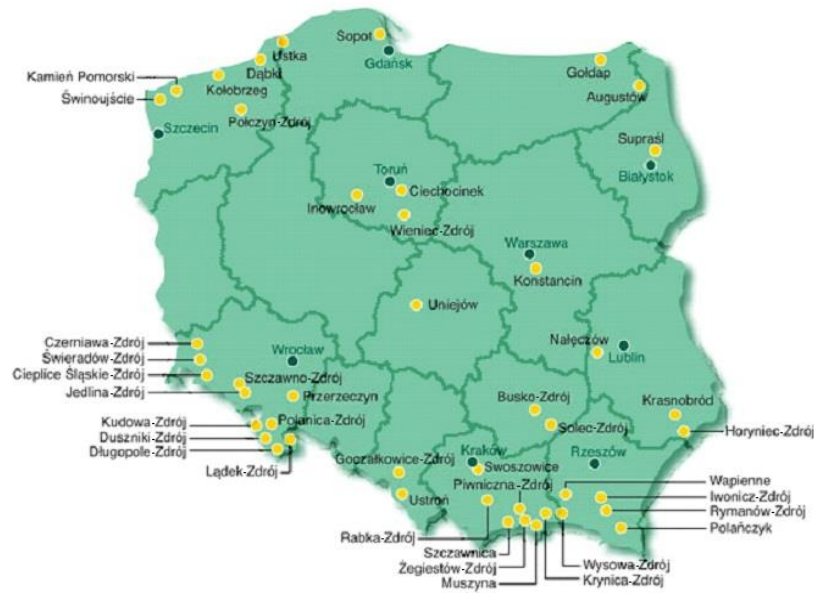
revenues are generated through business activity, i.e. the production and sale of natural healing resources, such as salts, therapeutic peat, and mineral and healing waters. Such a revenue structure proves that spa entrepreneurs are heavily dependent on the insurance-budget system (Dryglas and Różycki, 2017).

From 1998-2019, there was a decrease in the expenditure on spa medicine from 4.5% (1998-1999) to approximately 1% of the annual NFZ budget (Dryglas and Salamaga, 2018). In 2019, the National Health Fund subsidised spa resort stays only for the total amount of PLN 750 million (approx. 160 m EURO). Moreover, absorption capacity of the EU structural funds is limited. This means that therapeutic enterprises have to co-finance the stay of patients together with the public health insurer (National Health Fund – NFZ) or public social insurer (Social Insurance Company – ZUS), which leads to a reduction in their profits. Many Polish spa resorts and therapeutic enterprises therefore face a serious problem of having financial difficulties. This means that they have had to adapt to this new economic reality and the rules of a free market of health services (Dryglas, 2018). Although Szromek et al. (2016) suggest that privatization potentially improved spa infrastructure standards and increases the tourist potential of spa resorts, they also imply that this process has been chaotic and not always beneficial for state-funded Polish patients.

Burzyński, Dryglas, Golba, & Bartosik (2005) suggested that the primary motive for interest in spa resorts was therapy (48.8%), followed by preventive healthcare (36.2%) and tourism (leisure and others) (15.0%). Research conducted from 1999-2013 throughout Poland indicated that in every Polish spa resort there were more non-commercial tourists than commercial ones. However, the percentage of non-commercial tourists visiting spa resorts decreased from 80% to 60% in those 14 years (Dryglas and Salamaga, 2018). Dryglas and Różycki (2017) study estimated that there were 60.4% non-commercial and 39.6% commercial customers in medical (traditional) spa resorts on the basis of the funding source of treatment. This implies the need to adapt facilities and services to the constantly growing group of commercial tourists (Dryglas and Salamaga, 2017). Polish spa resorts are gradually turning into multifunctional health, tourism, recreation, sport and cultural centres (Hadzik, Ujma and Gammon, 2014).

There are currently around 240 sanatoria and spa hospitals in Poland constituting 2% of tourist accommodation facilities. Spa hospitals and sanatoria offer almost 45,000 beds, which comprises 4.9% of the entire tourist accommodation in Poland. Tourist accommodation facilities in spa resorts offer 220,000 beds (Central Statistical Office, 2020).

Figure 7: Spatial distribution of statutory spa resorts in Poland



Source: Dryglas (2018)

Figure 8: Location of statutory spa resorts using geothermal water and thermal centres in Poland



Source: Dryglas & Hadzik (2016)

In terms of wellness developments, the Global Wellness Economy Monitor (2018) data in 2015-2017 estimated that there were approximately 2 million wellness trips to Poland, an increase of 14.7% compared to the same period in 2013-2015. According to the ranking of leading growth markets for wellness tourism trips, Poland ranks 19th (Global Wellness Economy Monitor, 2018, p. 25). This is an increase from the 23rd place since 2007 (Dawidowski, 2014). Spa hotels account for approximately 22% of all hotel facilities in Poland. According to the KPMG report The Luxury Goods Market in Poland 2017, there are over 500 spa hotels in Poland, most of which are located outside the cities. In 2017, the number of hotel facilities in the 3, 4 and 5-star category that most often invest in the creation of spa and wellness zones increased by 7%. Therefore, by the end of 2020, it was expected that the base of Polish facilities with wellness services would increase to around 650-700, however, COVID-19 may have affected these predictions.

The International Wellness, Spa & Travel Monitor, 2018 shows that two-thirds of the demand for wellness services in Poland is created by domestic guests (75%). On the other hand, foreign visitors account for only 5%, and the inhabitants of a given area have a 20% market share. More than half (55%) of the guests in hotels with spa and thermal facilities in Poland are people from Generation X (born between 1965-1975), while in Europe overall, these services are predominantly used (36%) by guests born during the Baby Boom period (1946-1964), which is largely due to the much lower wealth of the Polish pensioner (65+) compared to the wider European one. Hence, the greatest number of visitors are people aged 43–53, and in second place aged 23–42 (Generation Y born between 1976–1995). Taking into account other socio-demographic features that characterize the segments of wellness services recipients, it can be concluded that the vast majority of them are used by couples and families with children (a trend that can be observed elsewhere in Europe too). Tourists using wellness services are premium category guests, requiring additional services, spending more than the average domestic or foreign tourist.

In 2017, foreign wellness tourists spent an average of USD 1.528 per trip, 53% more than the typical foreign tourist. By contrast, domestic wellness tourists spend USD 609 per trip (Global Wellness Economy Monitor, 2018, p. 27). Wellness services are available in most cases for the middle-class market in Poland (50%) and for the so-called exclusive/luxury guests (45%). The level of income of wellness consumers is reflected in the expenses, which in the case of foreign and domestic tourists using Polish wellness facilities are at the level of EUR 150/person, and in the case of residents of a given town, at the level of EUR 80/person.

Slovakia

The documented history of the Slovak spa industry goes back to the 16th century including several works published by the Balneological Museum in Piešťany and the Balneological Bulletin. Spa locations are defined as “the areas of municipalities or parts thereof in which natural healing

resources, natural medical spas, spa treatment facilities and other facilities necessary for the provision of spa care are located” (Section 2, Subsection 9 of Act No. 538/2005). Section 35 of the said Act sets forth the requirements for a spa location and a spa area including requirements for the recognition of natural healing waters, natural mineral waters, and the recognition of climatic conditions suitable for treatment. After World War I and World War II. Act No. 125/1948 on the nationalization of natural healing springs and on the incorporation and management of confiscated property of 1948 was crucial for the fate of Slovak spas. The State acquired the exclusive right to make use of the healing springs and the title to the property of the spas. After the Slovak Republic was established in 1993, the National Insurance Company created a special account for spa allowance payments funded by the Ministry of Finance. By 1995, the General Health Insurance Company (responsible for health insurance) was set up as a separate entity and private health insurance companies were subsequently allowed. The privatization of spas was expected to help restore buildings, improve services, invest in the renewal of healing springs and bring an influx of foreign clients. For most of the spas, this process took place in the period of 1995–1997.

Figure 9: Slovak Natural Healing Resources

Number of Resources	Type of Resource or Facility
125	natural healing springs and natural mineral springs
30	spas based on natural healing springs and climates (11 spas use thermal water)
28	companies running natural medical spas or spa treatment facilities that operate on the Slovak market
27	wellness hotels
17	spa hotels
21	locations with the status of a spa facility
29	aquaparks
1	cave steam bath in Sklené Teplice: a naturally created cave with mineral water (42°C) and a high content of magnesium and calcium
3	caves and speleotherapy in Bystrianska, Belianska and Jasovská caves
4	therapeutic mud treatments in spas: Slovak Medical Spa Piešťany (spas in Piešťany and Smrdáky), Trenčianske Teplice Spa, Lúčky Spa

Source: processed according to the data of the Inspectorate of Spas and Springs, the Ministry of Health of the Slovak Republic and the Slovak Tourism Agency

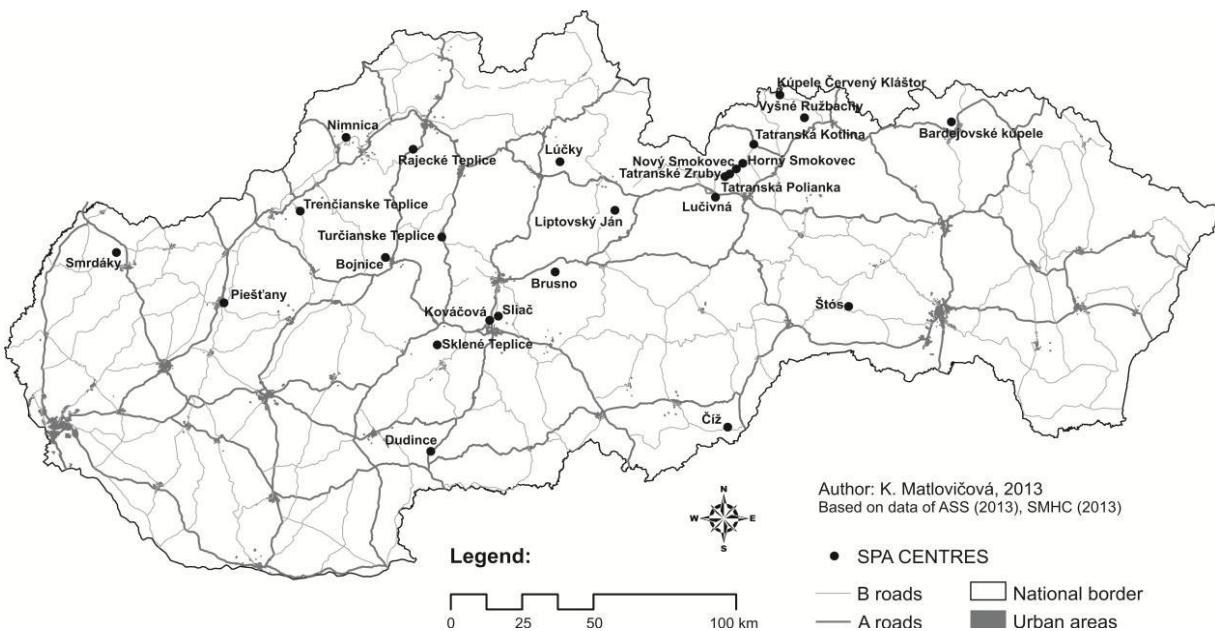
After 2004 (EU accession), spa care was reimbursed by the General Health Insurance Company and private health insurance companies from compulsory health insurance funds and from special-purpose state funds. Spa care is still considered to be health care provided in natural medical spas and spa treatment facilities however, clients have the option to pay for a higher standard of these services. Over the past decade, Derco and Pavlisinova (2017) describe how the Slovak healthcare system has been under increasing pressure due to escalating healthcare costs

and the 2008 financial crisis. Derco (2017) noted that the number of spa stays reimbursed by the Slovak health insurance companies showed a stagnating trend.

Between 2005 and 2013, the percentage of medical stays covered by public health insurance in the total number of domestic visitors was 29.14% (Derco and Pavlisinova, 2017). The percentage of spa tourism compared to the total number of overnights in accommodation facilities in Slovakia reached 24% in 2014. According to Kasagranda and Gurňák (2017) in the ten-year period of 2006–2015, spa and wellness tourism made up on average a share of 7.3% of the total visit rate of tourism and up to 22.3% of the total share of the overnight stays.

According to the data of the Statistical Office of the Slovak Republic for 2019, spa companies operated 78 accommodation facilities (of which 17 are spa hotels), with a total of 6,292 rooms and 12,275 beds. They accommodated a total of 345,329 clients (277,999 domestic and 67,330 foreign ones). The number of overnight stays reached 2,924,573, of which the number of overnight stays of domestic clients was 2,476,973 and that of foreign clients was 447,600. The main source markets for spa tourism in 2019 were, according to the number of accommodated clients, not only Slovak citizens (277,999), but also clients from the Czech Republic (37,690), Germany (5,066), Israel (4,022), Poland (2,917), Russia (2,795) and Austria (2,499). The rate of occupancy of permanent beds was 69.2%. The average length of stay of domestic clients was 8.91 days and of foreigners 6.65 days. The most famous aqua parks and thermal swimming pools are Aquacity Poprad, Water Park Bešeňová, Aquapark Tatralandia (in Liptov and near the High Tatras with the possibility of hiking, skiing, etc.), Thermal swimming pool Podhájska and Vadaš Thermal Resort. The average length of stay of domestic clients was 2.36 days and of foreigners 2.82 days.

Figure 10: Map of Spa Locations in Slovakia



Source: Matlovičová, Kolesarová and Židová (2013)

Kasagranda and Gurňák (2017) stated that Slovak spas functionality is gradually transforming from the original healing-sanitation function to a recreational-leisure one. They describe how spa and wellness was one of the strategic priorities of the development in the programming statement of the Slovak Council under the Program of the Development of Slovak tourism until 2020. However, Derco and Pavlisinova (2017) noted that wellness products are being shifted to the hotel industry and are not necessarily linked to natural healing resources. Derco and Pavlisinova (2017) also note that according the President of the Association of Slovak Spas:

Wellness products in medical spas are, more or less, a supplementary activity and mostly used by domestic clients. The advantage is that those products also have a medical history – they are referred to as medical wellness products, in contrast to wellness products that are offered by common hotel facilities. The Slovak Republic has superior-quality medical spa products, and, therefore, this segment can be expected to be increasingly sought-after among both domestic and foreign clients.

Figure 11: Selected indicators of wellness hotels in the Slovak Republic for 2015-2019

	2015	2016	2017	2018	2019
Number of accommodation facilities	22	24	27	26	27
Number of visitors	126,027	152,250	173,620	186,194	188,820
of which foreign clients	29,399	36,629	45,442	47,581	39,216
Number of overnights	298,088	367,271	413,151	446,998	464,376
of which foreign clients	85,782	107,598	132,032	134,187	110,576
Average length of stay of domestic clients	2.20	2.25	2.19	2.26	2.36
Average length of stay of foreign clients	2.92	2.94	2.91	2.82	2.82
Number of rooms	992	1,184	1,313	1,244	1,274
Number of beds	2,530	3,018	3,306	3,307	3,421
of which permanent beds	2,131	2,526	2,803	2,683	2,756
Total revenues incl. VAT (in EUR)	10,442,666	12,892,256	14,274,812	16,932,258	18,140,677
of which revenues from foreign clients incl. VAT (in EUR)	2,647,760	3,557,468	4,253,997	4,987,556	4,419,129

Source: prepared by the Statistical Office of the Slovak Republic for the purposes of this document

Marcekova et al. (2016:109) undertook research in Slovakia which suggested that health tourism can enrich active ageing for middle age (45+) and senior visitors “by creating complex innovative products which may combine health, anti-age and social aspects”. The uncertainty of legislation

regarding the provision of spa services and financing products with strong medical backgrounds have forced businesses to look for new products to be offered in this sector, the financing of which would not be bound only to public finances. Short stays marketed as medical wellness include activities aimed at improving mental and physical conditions as they are not specific for the treatment of concrete diseases. These stays are supported through recreational vouchers and prices reflect actual costs.

In terms of recent developments, since 1 January 2018, it is possible for spa buildings to choose a depreciation period ranging from 20 to 40 years (in order to increase investments in these buildings). To foster the development of Slovak tourism, since 1 January 2019, the VAT rate on accommodation services was reduced from the original 20% to 10% and a system has been introduced to support domestic tourism through recreational vouchers. If measures aimed at compensating for the loss of income during the COVID-19 pandemic are not taken into account, targeted tools to support domestic tourism include a system of recreational vouchers and tax measures aimed at supporting natural medical spas (Derco, Romaniuk & Cehlár 2020; Derco, 2020). It should also be noted that in Slovakia, employee wage costs have grown recently (increase in the minimum wage, extra pay for work during weekends, at night and on holidays). There was a significant increase in the number of domestic clients who paid for all medical care themselves in the previous years.

The most significant challenges for Slovakia include the following:

- Investments in spa facilities are necessary, taking into account the possibilities of financing and profits. In 2019, a significant number of spa businesses were making a loss.
- Location of facilities - especially facilities in eastern and central Slovakia,
- Unknown or poor image,
- The amount of reimbursements by the health insurance companies per treatment day,
- The spa tourism support in the Czech Republic (COVID - Spa Program)- spas may also lose a significant segment represented by Czech clients.

3. Research Methods and Data Collection

The preparations for the research took into consideration the issues that had been raised in the Balkan countries study mentioned earlier, which highlighted the need for more funding, the upgrading of infrastructure, better quality customer service and improved marketing (Smith and Kiss, 2015). This study also made use of the research by Dimitrovski and Todorović (2015:264) in Serbian spas, who suggested that “wellness tourism is an effective strategy for revitalizing spas which have been facing serious structural and economic problems in order to survive on the limited market where global competition depends on the accurate strategies for spa tourism development”. They argue that those strategies must be based on the desires and demands of customers who are nowadays more oriented towards prevention than healing.

Trnka (2017:43) had suggested that more research should be done on “the *integrated nature* of spa stays, examining how therapeutic remedies, bodily discipline, and pleasure combine to create the ‘total experience’ of spa care”. Dryglas and Różycki (2017:301) also highlighted the need to adapt facilities and services to the constantly growing group of commercial tourists, which could benefit domestic and state-funded guests too. They argued that this might include improving the thermal infrastructure, creating healthy food centres, cultural and entertainment facilities, and new spa and wellness services.

The chosen method for collecting data was a Delphi Study, which was undertaken in 2020-2021. Hsu and Sandford (2007, p. 1) describe a Delphi study as “a group communication process that aims at conducting detailed examinations and discussions of a specific issue for the purpose of goal setting, policy investigation, or predicting the occurrence of future events”. It is undertaken with a group of carefully selected experts in a specific field. Delphi studies are used when addressing complex issues (Donohoe and Needham, 2009). They have been used successfully in other health and wellness research studies (e.g. Lee and King, 2009; Smith, 2015). Experts receive a first round of questions based on specific issues which the researchers then analyse. They send a second round of questions to the same respondents based on the analysis of their first round responses. Best practice for the method includes using a minimum of 10 expert participants and at least two rounds of questions (Gordon, 1994), however, it is most common for Delphi studies to use Panels of 15-35 (Miller, 2001). The aim is to reach a consensus of opinion, so a third round of questions might be needed if adequate consensus is not reached. However, it is common for respondents to drop out of subsequent rounds known as an ‘attrition rate’. An acceptable attrition rate would be between 20% and 25%, but can be as high as 45–50% (Miller, 2001).

In this case, the Delphi Study was designed with the purpose of identifying the main challenges for spas in the V4 countries as well as making recommendations for future developments. The four main partners in the V4 project identified expert respondents who were spa managers and directors from their own country with the aim of balancing the sample between the four countries as far as possible. Opinions were gathered from 28 interviewees: 9 from Hungary, 7 from Poland, 6 from the Czech Republic and 5 from Slovakia plus one geothermal expert from Bulgaria. In the second round, 22 participants responded, an acceptable attrition rate of 21%. A third round was not included because it was realized that it was not possible to reach further consensus on some of the issues raised (i.e. some points could not easily be ranked by respondents and differences of opinion were expected, especially as they work in contexts with different priorities). Respondents were asked questions about main challenges for spas in the post-Socialist era; government support and funding; factors affecting spa development; role of wellness activities; customer profiles and satisfaction; growth of tourism; importance of spa networks and collaborations; and the impacts of COVID-19.

Appendix 1 shows the questions that were asked in the two rounds of the Delphi Study.

4. Analysis of Findings

This section provides an analysis of the interview responses from Round 1 of the Delphi Study as well as the consensus that was reached on the main issues discussed by the respondents in Round 2.

The data from the V4 countries contained many similarities. This included the problems of meeting quality standards for paying and international guests, but not being able to fund this through state or health insurance funds; low salaries and lack of education for employees and the difficulties of recruiting a qualified workforce; as well as addressing special needs of different segments of guests. There was a consensus that the main priorities should be infrastructural improvements followed by creating quality services for new, often self-paying or international guests. In all countries, state funding has been reduced since 1990 and the number of self-paying guests is slowly rising. EU funds have mainly helped with renovation and infrastructural developments. Wellness treatments are growing in popularity especially among younger and foreign guests, but emphasis is still placed firstly on physical health restoration. Medical wellness, preventative care and healthy lifestyle advice is growing but is not yet well established. The main future challenges are connected to further infrastructure, service and quality improvements, for which constant monitoring is required, better segmentation as well as increasing digitalisation.

In terms of differences between datasets, more emphasis was placed on balneology in the Czech interviews, especially the need for continuing with education, research and evidence-based approaches to treatment. There was a fear that the leisure and recreation focus of the spa guests was leading to a loss of the balneological traditions. Overall, the Czech responses appeared to reflect a concern that wellness was replacing traditional treatments with an imperative to achieve profitability. With the exception of the "West Bohemian Triangle" spas (Karlovy Vary, Mariánské Lázně, Františkovy Lázně), only around 20% of spa-goers are self-funded. However, the high number of heritage buildings (including World Heritage Sites) requires more investment for renovation or maintenance of buildings.

In Hungary, even though respondents agree that wellness is mainly about leisure and recreation, future developments might focus on improving knowledge of preventative healthcare and healthy lifestyles among Hungarians, possibly using a medical wellness approach. Interviewees also suggest that future developments should take into consideration the needs of different user groups and separate spaces better or target specific groups rather than 'everyone' or 'three generations'. This might help to address issues of overcrowding at peak times too. In addition to recruiting and training staff with sufficient customer service and language skills, spa managers and directors might be needed who have greater expertise and knowledge (for example, not only of balneology or tourism).

Similar to the Czech Republic, in Slovakia, a clearer distinction is made between those spas offering medical treatment and those offering leisure or wellness services than in Hungary and Poland. However, unfortunately, the funding from health insurance has not been sufficient to

maintain or improve many of the spas. Tourists from abroad are using both medical and wellness spas in Slovakia and around 19% of clients are foreign, but their stays tend to be much shorter than those of Czech guests. New investments are being made in wellness, but these visits are considerably shorter (2-5 days versus an average of 16 days for medical spas). Preventative programmes for lifestyle-related problems are envisaged for the future.

The Polish data mainly emphasizes the challenges of adapting to the needs of the changing market in terms of customer service, but dealing with facilities which require further investment. However, the benefits of EU funding were mentioned quite frequently. Many Polish spas have already diversified their offer beyond medical treatments towards leisure, recreation and wellness. The embracing of healthy lifestyle trends appears to be more common in Poland than in either Hungary or Czech Republic. Few or no conflicts between guest groups were mentioned.

Challenges facing thermal baths and spas after the period of socialism (post-1990)

Some of the main challenges identified in Round 1 included developing the obsolete infrastructure to an acceptable international level and reducing public funding by finding new guest segments from different countries. More concern was expressed in the Czech Republic about the decline of education and training in balneotherapy and the lack of evidence-based medicine. The attraction of paying guests also required the creation of new products, higher quality experiences, hospitality and accommodation services and the separation of public and private spa treatments in space and time. This necessitated addressing shortcomings in the area of human resources and to train the unprepared workforce. Language skills are deemed especially important. Marketing and changing image were also a major focus of discussion. Overall, the business environment and funding structures were thought to be relatively unstable at certain points. However, improvements had been made in all countries, partly due to national funding schemes as well as EU funding post-accession in 2004. This included renovation of buildings as well as wellness product development and service quality enhancement.

In Round 2 of the Delphi Study, respondents almost all agreed that the following three priorities were the most important ones.

1. The need for infrastructure improvements
2. Targeting and creating services for new (often self-paying) markets
3. Meeting the quality levels required for international guests

A small number questioned the order of priorities, for example, two Hungarian respondents suggested that the biggest challenge is to reach existing and new target groups and to create differentiated products for them. It was thought that there is not enough segmentation of the market and that spas are being developed or promoted to 'everyone'. Another suggested that there is not enough expertise and innovation in new service design and development. One Polish respondent highlighted that it depends on whether the situation is considered from the point of view of spa facilities (e.g. sanatoria) or municipalities and their individual strategies.

Funding and finance

In all countries, the amount of state funding has been decreasing steadily since 1990. Sometimes this meant cutting down the number of weeks or days of treatment funded or reducing the list of diseases or conditions that are covered. This means that spas are trying to attract more fully-funded patients and the number of self-financing and private insurers is growing. EU funds have played a really important role in the renovation and development of spas including buildings, infrastructure and upgrading services. UNESCO support also helped in some heritage spas. However, this did not always compensate for lack of investment from other sources and did not necessarily help to support self-paying guests.

In Round 2 of the Delphi Study, there were mixed responses about whether the majority (60%+) of guests are now self-funded, however, most agreed that the number of self-paying clients is increasing even though they are not the majority yet. They also do not agree that foreign tourists are outnumbering domestic guests. There were variations in the responses to the question about whether domestic tourists can afford to self-fund. It seems that services in Poland may be relatively more expensive than those in Hungary, for example. Everyone agrees unanimously that EU funds led to major improvements in V4 spas.

Demand for thermal and spa facilities

Interviewees mainly highlighted the need to improve quality of services, especially for paying customers. Over the years, customers have become more experienced and therefore more demanding and seek high quality services, especially in wellness. Nevertheless, this might not yet mean a shift towards medical wellness or healthy lifestyle orientation. Emphasis is still mainly placed on the restoration of physical health. Self-funding guests may expect separate spaces from the public or health insurance-funded guests. However, salaries and low levels of disposable income mean that many domestic tourists will not be able afford to fund their own stays. Nevertheless, domestic demand seems to be increasing in the V4 countries with younger guests becoming attracted to spas. Wellness starts to become popular especially with the 35+ age group compared to the average age for medical spas which is more like 55+. In the Czech Republic, there appears to be more tension between traditional balneotherapy and newer wellness treatments.

In Round 2 of the Delphi Study, respondents mainly agree that the spa services have improved somewhat and that wellness and leisure services are growing. A marginal majority believe that customers are demanding more, but they do not all agree that customers are getting younger, that medical use of spas is declining or that domestic demand is decreasing. The results were varied about whether self-paying domestic guests can afford the facilities, but overall, it was thought that spas are affordable enough. In terms of the location and experience, it was agreed by most that people want to go to spas which are in a peaceful and clean natural environment and that they are demanding more wellness packages.

Impacts of international tourism

Many of the international tourists in the V4 countries come from the neighbouring countries and have a similarly modest income. The exceptions are Austrian, German, Russian and Slovenian guests who also sometimes visit for longer periods (1-2 weeks). Guests are also coming increasingly from the Middle East or Israel. In Hungary, neighbouring country tourists tend to visit spas in rural areas, whereas the spas in Budapest have become a 'must-see' attraction for most foreign tourists. In the Czech Republic, the majority of foreign tourists visit spas in the West Bohemian region. There is an increasing need to assure the quality of the spas to meet the demands of higher income and more experienced tourists. It is important to employ colleagues who speak foreign languages. Sometimes this is lacking, especially in medical spas.

In Round 2 of the Delphi Study, most respondents did not agree that the majority of guests are now foreigners, but they agree that the majority of foreign guests come from the neighbouring countries and tend to visit the largest or best-known spas. They noted that the majority of foreign tourists travel independently (rather than with organised groups). Results are mixed about whether foreign guests prefer wellness or medical services. Almost all agree that the quality is not yet high enough for foreign guests and that better marketing is needed. However, they disagree that tourism is the main cause of price increases.

Conflicts Between User-Groups

It was noted that there are some conflicts between user-groups in spas where the facilities are not well-separated. This is mainly true of the health insurance-funded guests versus those who are self-paying (the latter may expect superior facilities and experiences). The same quality expectation issue may affect Western compared to Eastern tourists. There may also be conflicts between older and younger guests. Those arriving alone may also have different needs to those arriving with a small child. Local 'loyal' customers may feel disturbed by all other visitors. One interviewee referred to "congestion of demand, e.g. on weekends, holidays, school holidays, when the spas reach their maximum capacity and cannot serve the guests properly". This includes not having enough chairs and resting spaces, crowded saunas and limited treatment capacity in time and space. In Slovakia, it was stated that the potential conflicts are managed relatively well with separate areas for men and women, spaces for intimate procedures or different times for children and adults. In Poland, fewer conflicts were noted than elsewhere.

In Round 2 of the Delphi Study, this question generated some interesting comments. One respondent stated that there may be fundamental conflicts between each segment, as each segment has different needs. The spas therefore have to decide which segment to target and to focus on that selected target group to avoid conflict between guest types. It was stated that wellness activities tend to be "noisier" than medical ones and that young children should definitely be separated from adults. There were mixed opinions about whether there is any conflict between state-funded and self-financing guests and whether they needed separate

spaces. However, it was thought that self-financed visitors may have higher expectations of their stay. Very few mentioned separating nationalities, although some minor conflicts were mentioned (e.g. Germans/Russians and Czech/Arabic guests)

Meaning of Wellness

The given definitions and descriptions of wellness in Round 1 mainly refer to beauty services, leisure, massage and saunas/steam rooms. This is especially true in the case of hotel spas. Relaxation and recreation are the most important motivations or benefits, although pampering also plays a role and so does having fun for some markets (e.g. families). Improving lifestyle, fitness, self-development and spirituality were mentioned less frequently and fewer services are offered for these activities. Medical wellness is starting to be offered in some spas. It is thought that women are still more interested in wellness services and younger people, although they are used by all generations.

In Round 2 of the Delphi Study, different definitions of wellness were suggested based on the Round 1 responses. The most popular chosen definition varied from country to country, but more respondents chose a definition that related to relaxation and recreation than to medical wellness. This often included massage, saunas and beauty. However, they agreed that medical wellness is growing.

Monitoring and Measuring Guest Satisfaction

It was stated that measurement of guest satisfaction does not really take place in many spas. In some cases, the exact number of guests is not known. It is also difficult to separate the experiences of the paying guests versus the health insurance-funded ones. Often, only the most negative situations are highlighted. Some of these are related to situations where the spa managers do not have enough expertise or the funding for marketing came from tourism or destination agencies. In some spas, online questionnaires are used or guest opinions are collected from an outsourced agency (e.g. a monthly evaluation). Electronic panels in guest spaces and social media were mentioned by others. However, it was thought that guest satisfaction surveys are one-sided and not always representative.

In the second Round of the Delphi Study, results were very mixed in terms of first place responses about which forms of guest satisfaction measurements work best. Online questionnaires and social media were the most popular choices. Constant monitoring was selected more often than monthly evaluations. The need for mixed measurements is summarized well by one respondent "For detailed feedback guest satisfaction on paper. Online for quick short feedback. Social media for general feedback, constant monitoring is a must!".

Collaborations Between Spas

It seems that European and V4 networks are relatively limited with the exception of the European Spa Association (ESPA), which was mentioned by many respondents, especially in the

Czech Republic. However, sometimes funding is gained from a V4 or other European source. Most networks are national or domestic and keep spas informed about new trends, quality control and new state regulations. The members exchange good practice in the field of operation, joint marketing campaigns and joint research. Some exchanges take place between Hungarian spas and those in other countries, for example, Mariánské Lázně in the Czech Republic and Harkány in Hungary exchange holidays among employees. Collaborations were also mentioned between Polish and Czech spas, especially exchanging good practice and promoting tourism.

In Round 2 of the Delphi Study, the results were rather mixed about what type of network or collaboration works best. Polish and Slovak respondents were most positive about a national spa network. According to experts from the commercial sector, the advantages lie, for example in the promotion of spas or in negotiating better conditions for locations where a uniform procedure is needed. In Slovakia, for example, the national spa association negotiates prices with insurance companies on behalf of its members (spas) and publishes articles in economic and professional magazines. It also helps with tax and legal regulations in the case of medical spas. In Hungary, no one answer emerged strongly, although sub-regional networks were not chosen by many respondents. The point was made that some of these networks are closely inter-connected and could not work so easily without the support of each other, e.g. national networks and sub-regional ones should work together.

Future Challenges

Infrastructure and quality product and service development are highlighted as major concerns. The renewal of the basic technical infrastructure is still needed in some spas in order to ensure uniform quality for all services and to develop capacities towards greener or more sustainable operations. Differentiation of products and services for domestic and international markets as well as different guest segments is needed. In some cases, it is thought that guests are still being offered the same treatments as 30 or 40 years ago rather than being tailored towards guests' problems today. The transformation from a single use spa or spa town (i.e. medical) to becoming a multifunctional spa offering a rich package of various services is challenging. There is also an identified need to switch over to more digitalised approaches and the online presence of spas. In the case of medical waters, more research may be needed to supply the evidence for use for certain conditions. In terms of wellness, the comment was made by one interviewee that "At the moment the product is essentially relaxation and leisure with little demand for prevention and lifestyle programs". This may need to change in line with international demand and expectations as well as national public health initiatives.

In Round 2 of the Delphi Study, for most respondents, the most important priority (ranked Very Important) was infrastructural developments and quality improvements. The other results varied, but it was agreed that creating a hygienic environment for guests was especially important. Preventative care and medical wellness were deemed potentially more interesting in the future by many respondents in order to improve lifestyles. Sustainability was not ranked

as highly as some other issues, but digitalization was highlighted especially in Poland and Slovakia. Of course, the major challenge for 2020-2021 is to survive COVID-19. It therefore warranted a separate question and response.

The Effects of COVID-19

Unfortunately, the whole spa sector (like others) was totally unprepared for the scale and implications of COVID. As stated by one interviewee “Governments were completely unprepared and haphazard in their message. There is a total lack of direction in what measures to carry out, when and how”. It was also mentioned that government support was lacking or could not prevent bankruptcies and unemployment. On the other hand, many spas were offered some support, without which they could not have survived. However, the decline in traffic was around 70% (especially from foreign guests who could not cross the borders) and hundreds of employees were fired. Other cost reduction strategies included decreasing the marketing. It was also noted that not only spas suffered, but also the hotels, restaurants, shops and cafes in towns that relied on spa guests, but these were not always compensated by governments. In the summer season of 2020, it was thought that COVID may be coming to an end and many spas opened up and offered vouchers to domestic guests. New cleaning schemes, disinfection and employee and guest protocols were introduced. In some cases, only state-funded medical tourists were permitted and were treated in individual spaces.

5. Conclusion and Recommendations for Spas

The results from this research are somewhat similar to those that have emerged in previous studies about spas in the V4 countries and the wider region, e.g. the Balkan countries (Smith and Kiss, 2015), namely the need to upgrade infrastructure and create higher quality services. Smith, Jancsik and Puczkó (2021) summarized literature about customer service in spas and highlighted the importance of quality of environment and facilities, staff attitude, as well as hygiene and cleanliness. Smith and Wallace’s (2020) interviews with spa managers also emphasized the need for staff training and for continual monitoring of quality. Strack and Raffay-Danyi’s (2021) research in Hungary also confirmed that cleanliness and staff were important aspects in customer satisfaction along with value for money and a quality experience. They highlighted the common challenge of spas being unable to employ a properly trained workforce.

Other common issues include the reduction in state funding which has affected length of stay (Derco and Pavlisinova, 2017) and retention of staff (Trnka, 2017). One positive development is that spa visits do not seem to be affected too negatively by seasonality, even though there are peak periods (Marton, Hinek, Kiss and Csapó, 2019). The shift to wellness treatments has also affected the length of stay with wellness stays being considerably shorter than medical ones (Speier, 2011). Many of these treatments are being undertaken in spa hotels rather than traditional sanatoria, especially in the case of foreign tourists (Kondrashov, 2013). It is often the case that wellness tourists are premium category guests who spend more than the average

domestic or foreign tourist even if they do not stay as long (International Wellness, Spa & Travel Monitor, 2018). This might have negative implications in some countries where pensioners or other social groups do not have enough income to afford such services. However, Marcekova et al. (2016) suggests that short medical wellness or active ageing packages could be offered to guests aged 45+ for which recreational vouchers could be used.

The most important challenges for spas according to the Delphi Study include improving infrastructure and creating high enough quality services for the target segments. This might include product development, staff training and improved marketing. Interviewee responses suggest that the demand for leisure and wellness services are growing, including among domestic tourists who are starting to be able to afford such services. Belonging to spa networks at all levels, but especially national level, can be beneficial for spas to exchange good practice, receive support and guidelines and undertake joint research, training or marketing.

Even though respondents agree that wellness is mainly about leisure and recreation, future developments might focus on improving knowledge of preventative healthcare and healthy lifestyles possibly using a medical wellness or active ageing approach. Interviewees also suggest that future developments should take into consideration the needs of different user groups and consider separating spaces or targeting specific groups rather than 'everyone' or 'three generations'. Monitoring of quality and customer satisfaction should be undertaken on an ongoing basis and ideally through online questionnaires or social media. Recommendations for the post-COVID-19 period should be based on international examples of good practice and it is hoped that most of the V4 spas will survive this most challenging of times.

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Appendix

Interview Questions for the Delphi Study

Round 1 Questions

1. Please identify what you think have been the main challenges for thermal baths and medical spas in your country in the post-Socialist era (1990 onwards)?
2. What is the share of government support (health insurance) in your thermal baths or medical spas compared to self-funding? Has this changed over time? Do EU or other subsidy programs play a role?
3. Has there been a growth or decline in the popularity of thermal bath and medical spa visits among local residents and/or domestic tourists? Which factors have affected this situation?
4. What impacts (if any) has international tourism development had on your country's thermal baths and spas?
5. What does wellness mean in your country (e.g. prevention, lifestyle, balance, relaxation, pampering, spirituality?) Have any kinds of wellness activities been introduced in the thermal baths and medical spas in your country? If so, what and who uses them currently (e.g. paying guests; international tourists; women; younger people; specific nationalities?)
6. Have there been any conflicts between user groups in your thermal baths and spas (e.g. medical and wellness guests; older and younger generations; men and women; international tourists and local residents; different nationality guests)? If so, please specify.
7. Do you use a client satisfaction evaluation system in your institution? Do you know whether the quality and service levels of your thermal baths and medical spas satisfy patients or guests (e.g. from reviews or other feedback)? Do you know which problems need to be addressed?
8. Are there any collaborations or networks between thermal baths and medical spas in your country or between the V4 countries? If so, what is their focus? (e.g. quality control, marketing, research, education, exchange of good practice). If not, would you find collaboration useful and if so, in which form and for what purpose?
9. Can you identify any future challenges, opportunities or development options for your country's thermal baths and medical spas (e.g. wellness developments; sustainability; technological innovation; customer service improvement)?
10. How did the COVID-19 situation affect your thermal baths and medical spas? How is the situation being handled (e.g. government support; new hygiene regulations)?

Round 2 Questions

1. In the first round, respondents were asked to summarise the main challenges for spas since 1990. Do you agree that the Top 3 challenges (in order of importance) are the following?

- a) The need for infrastructure improvements
- b) Targeting and creating services for new (often self-paying) markets
- c) Meeting the quality levels required for international guests

IF NOT, PLEASE ADD YOUR COMMENTS HERE

2. In round 1, respondents commented on changes in demand. Below is a summary of the responses. Which of these statements do you agree with the most for the past 5 years? (1. Totally agree, 2. Somewhat agree, 3. Neither agree nor disagree, 4. Somewhat disagree, 5. Totally disagree)

- a) The quality of spa services has improved
- b) Customers have become more demanding
- c) Medical use of the spas has declined
- d) Wellness services and recreational experiences have increased
- e) Customers are unwilling or unable to pay more for higher quality services
- f) Domestic demand has increased
- g) The average age of customers is getting younger
- h) Paying customers want separate spaces from state-funded guests
- i) People want to go to spas which are in a peaceful and clean natural environment
- j) Paying customers are demanding more and more service packages (e.g. including treatments and wellness activities)
- k) Post-COVID, people are more likely to visit spas for recovery, prevention and to boost their immune system

3. In round 1, the effects of international tourism (pre-COVID-19) were listed by respondents. Based on these ideas, which of the following statements do you agree or disagree with?

- a) The majority of the spa guests in my country (60% or more) are foreign now
- b) Most of our foreign guests (60% or more) come from neighbouring countries
- c) The majority of international tourists are independent travellers
- d) Foreign tourists use medical services more than wellness ones
- e) Tourism affects price increases more than any other factor
- f) The quality of our spas is high enough for foreign tourists
- g) Foreign clients prefer larger (more well-known) spa facilities to other small and lesser-known spas
- h) Although the interest of foreign guests is growing, marketing communication with this target group is still insufficient

4. Respondents were asked to define wellness in Round 1. Please select the definition(s) below that come closest to the meaning of wellness in spas in your country (Top 3 only in order of preference where 1 is the closest).

- a) Wellness means beauty services, massage and saunas mainly
- b) Wellness means relaxation and recreation (pampering is less important)
- c) Wellness is more about leisure and recreation than improving lifestyle, balance or self-development
- d) Wellness includes sauna, massage and fitness
- e) Medical wellness (e.g. healthy lifestyle recommendations by a doctor) is not popular
- f) Medical wellness is on the rise because of healthy lifestyle promotion and increased care for one's health
- g) Wellness functions more as a short experience than a lifestyle
- h) Wellness is about having fun!

5. In Round 1, respondents were asked about funding and financing of spas. Which of the following statements do you agree or disagree with:

- a) The majority of guests are now self-funded (over 60%)
- b) The majority of guests are still supported by state health insurance (over 60%)
- c) The share of self-paying guests is not dominant but it is growing
- d) EU funding has led to major improvements in spas in my country
- e) The role of self-financing and private insurers is growing
- f) The majority of domestic tourists in my country cannot afford to self-fund

6. Respondents were asked about conflicts between user groups in Round 1 and it emerged that there can be some conflicts. Do you agree that separate spaces, facilities or time slots should be created for the following groups? If so, please select which group(s) and explain your choice(s):

- a) State-funded and self-financing guests
- b) Medical and wellness guests
- c) Domestic and international tourists
- d) Eastern European and Western tourists
- e) Generations (i.e. older and younger guests)
- f) Different nationalities
- g) Men and women
- h) Families and individuals or couples

7. Based on the responses about measuring spa guest satisfaction, which of the following tools work best, in your opinion? Please select maximum 3 and rank them 1-3 where 1 is the most useful.

- a) Online questionnaires
- b) Monthly evaluation
- c) Constant monitoring
- d) Visitor management strategy
- e) Guest satisfaction surveys (on paper)
- f) Social media feedback

8. According to the round 1 responses, it seems that collaborations and networks bring some benefits. Which of the following interests you most and why?

- a) An international spa association with regular newsletters, meetings and events
- b) A European spa association which offers guidelines and good practice case studies, as well as events and meetings.
- c) A regional (multi-country) network which has meetings, shares good practice and includes some joint promotion
- d) A national spa network which has an annual conference and regular meetings. It offers training, certification and optional audits, as well as negotiating conditions with health insurance companies.
- e) A regional (sub-national) spa network which shares resources and marketing budgets, as well as examples of good practice.
- f) A local network like a Tourism Destination Management Organisation or similar where spas are part of a wider strategy. One main role is to lobby for government support and appropriate regulations.

9. Based on the Round 1 responses about future developments and challenges, which of the following do you think are the most important priorities in the next 5 years (please rank them where 1 -5 where 1 is most important)

- a) Infrastructural developments and quality improvements
- b) Developing services for new markets
- c) Creating a hygienic environment for guests (Post-COVID)
- d) Sustainable developments and greener energy sources
- e) More research on and education for balneology
- f) Developing more medical wellness treatments connected to lifestyle improvements
- g) Digitalization and improving the online presence of spas
- h) Improving the marketing communication to potential clients
- i) Increasing the emphasis on providing preventive care and counselling in the field of healthy lifestyles