WellSpaV4 Project

Opportunities and Challenges for V4 Spas

HUNGARY

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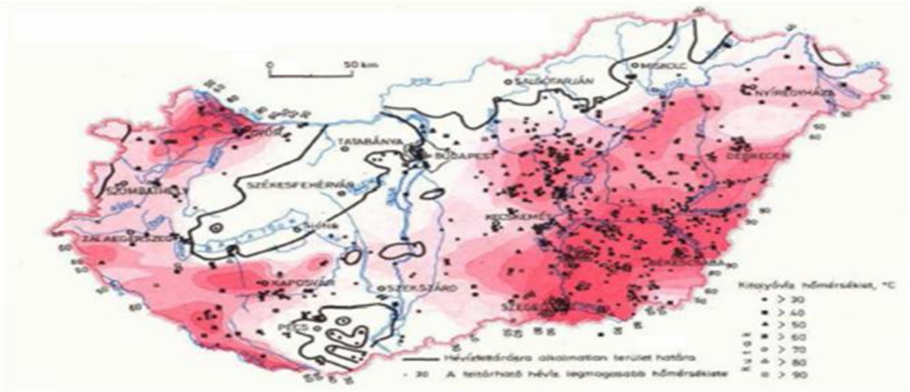
Overview of Spa Developments in Hungary

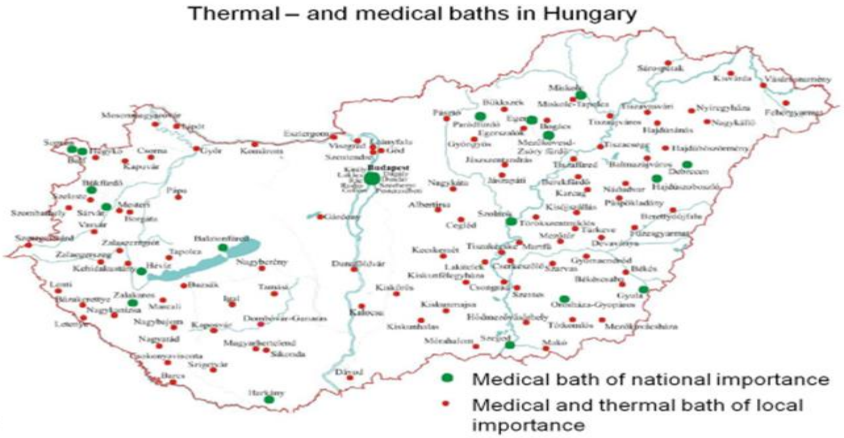
- Hungary has one of the richest sources of thermal and medical waters in the world (Bottoni et al., 2013) and the thermal spa culture is nearly 2000 years old.
- Csapó and Marton (2017) counted 529 spas in Hungary (380 functioning all year and 149 seasonally), many of which provide mixed medical, thermal and experience spa services or serve as swimming pools (lidos).
- 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.
- At least 7 or 8 spa towns are listed in the Top 10 tourist destinations in Hungary (HCSO, 2018).
- 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.

Thermal water reservoirs providing warm water above 30 °C in Hungary



(Béla Ferenc, András Nagy, 1993)

Location of thermal baths in Hungary



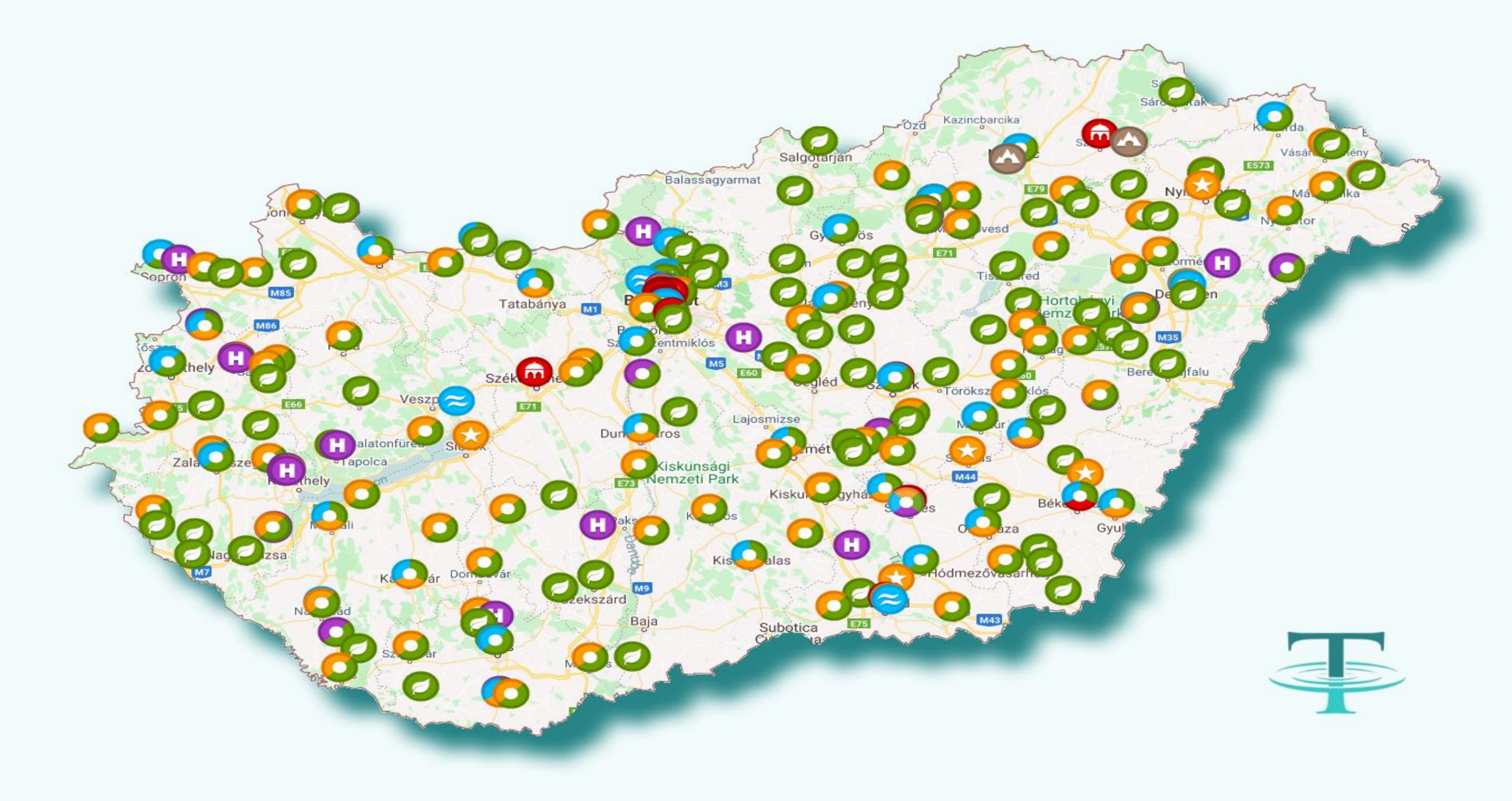
Source: VITUKI-MAFI-Aquaprofit (2006)

Hungarian Natural Healing Resources

(Source: Hungarian Tourism Agency, 2014)

Number of Resources	Natural Resource	Name of the destination
1289		
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

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

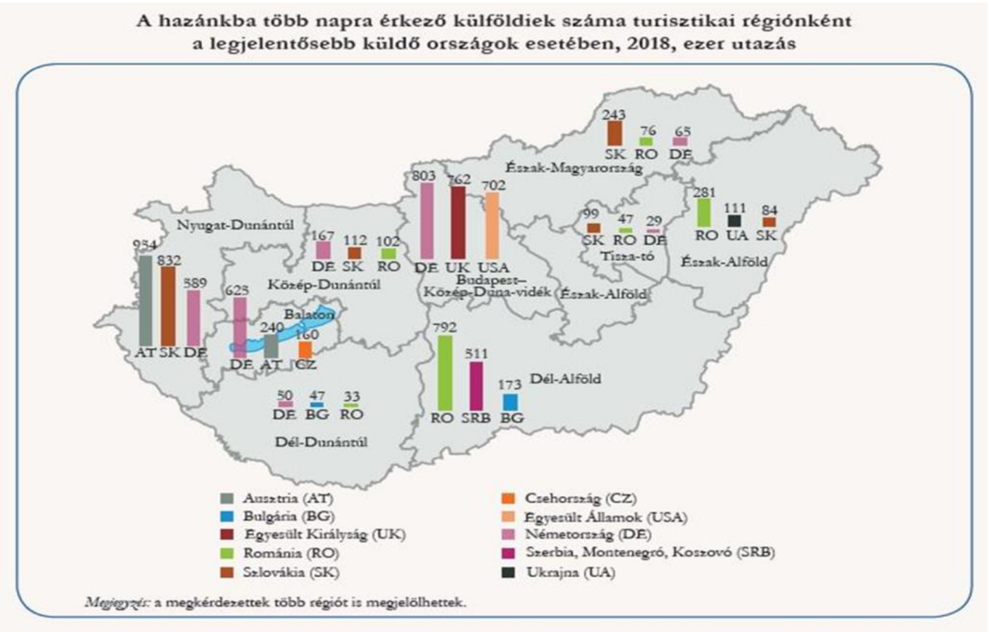
Source: Thermal Hungary (2021)

Main Challenges of Spa Development in Hungary

- The Széchenyi Plan (2001-2003) provided national funding for the renovation of spas, as well as EU funding from 2004. The new Széchenyi Plan 2007-2013 focused on enhancing visitor capacity (Csapó and Marton, 2017).
- However, 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) found that:
    - some 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).

Visitors to Hungarian Spas

- 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.
- Strack and Raffay-Danyi (2021) 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.
- In Budapest, spa traditions are being changed by tourism (e.g. mixed gender bathing, wearing swimsuits, presence of children, spa parties)



Results of the Delphi Study: Round 1 Issues (9 interviewees)

- Some of the main challenges included developing the obsolete infrastructure to an acceptable international level and finding new guest segments from different countries.
- After 1989, there was a decrease in state funding but also national investment from the Széchenyi Plans, plus EU funds led to major improvements in spas.
- Interviewees mainly highlighted the need to improve quality of services, especially for paying customers who are becoming more experienced and who are seeking wellness services. In some facilities, guests are still being offered the same treatments as 30 or 40 years ago rather than being tailored towards today's needs.
- Many of the international tourists in Hungary come from the neighbouring countries and have a similarly modest income to the Hungarian guests (exceptions include Germans, Austrians and some Russians).
- It was noted that there are some conflicts between user-groups in spas where the facilities are not well-separated (e.g. state-funded and self-paying customers; older and younger guests). Conflicts between different nationalities are rare.
- Wellness mainly refers 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.
- National networks and collaboration are thought of as useful to share information, good practice and new trends.
- There is an identified need to switch over to more digitalised approaches and the online presence of spas.
- Measurement of guest satisfaction does not always happen and could be improved.

Round 2 Delphi Study
(6 interviewees)

- It was agreed that the most important priorities are: 1: infrastructure improvements; 2: targeting and creating services for new (often self-paying) markets; 3: meeting the quality levels required for international guests.
- There were mixed responses about whether the majority (60%+) of guests are now self-funded and whether domestic guests can afford wellness services, although the majority agreed.
- Respondents agree that spa services have improved somewhat and that wellness and leisure services are growing.
- They 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.
- They agree 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.
- There is more concern about overcrowding of facilities during peak times than about conflicts between guests.
- The most popular definition of wellness is: “Wellness is more about leisure and recreation than improving lifestyle, balance or self-development”. The second most popular response is that “Medical wellness is on the rise because of healthy lifestyle promotion and increased care for one’s health”. This indicates a growing shift in priorities and needs.
- Measurement of guest satisfaction needs to take place ideally through constant monitoring of quality.
- Apart from COVID-19 measures, the unanimous priority (ranked Very Important) for the future was: Infrastructural developments and quality improvements.

Any questions or comments?

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