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Thermal spas and their role in wellness tourism: An Italian Overview

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Abstract

Health and wellness tourism is an important and broad sector of the tourism industry, and the one that is growing faster each year. The strong affirmation of the concept of wellness, on the one hand, and the not always clear relationship with the concept of health, on the other hand, is showing strong repercussions on the behavior of companies operating in this field. Interestingly in this regard, we find the situation of the thermal springs, which, for historical, cultural and linguistic reasons, have over time assumed different roles and functions in satisfying the needs and wants of customers in specific geographical areas. These companies have been studied in a fragmented and residual way in the extant tourism and management literature. This document focuses on thermal springs operating in Italy. It aims to explore the main strategic issues of the spas operating in Italy. The stress on these companies derives, not only from the remarkable tradition that they represent in the country, and the richness and quality of the thermal springs that characterize them, but also from the need to shed light on the causes that still slow down the harmonization process with the wellness aspects, thus penalizing the Italian thermal sector. The analysis of the literature on thermal spas revealed the most relevant issues to which scholars are devoting their efforts. The researcher draw on secondary data from inter alia sources such as Federterme (Italian Association of thermal spas) and Federturismo (Italian Association of Tourism Enterprises). It is argued that the contribution of this study is threefold. First, by focusing on thermal springs, it contributes to the development of studies about a sector of health tourism relatively unexplored. Secondly, by highlighting thermal springs operating in Italy, the researcher point out strengths and weaknesses of these enterprises. Finally the study is completed by considering some limitations in analysis and suggestions for further research are proffered.

Keywords: thermal spas, health, wellness tourism, knowledge, Italy.

Introduction

Health tourism is an important sector of the global tourism industry, and is one of the fastest growing sectors (Puczko & Smith, 2009; Erfurt-Cooper, 2010; Perez-Ortis et al., 2015).But what is health tourism? This is a very complex concept, the definition of which is the object of debate in the academic world and among the various involved companies. For some scholars, health is an umbrella concept, within which we distinguish two distinct areas: medical tourism and wellness tourism (Puczko & Smith, 2009); while others, for example Hall (2011), instead, clearly distinguish between: medical tourism and health tourism, and they include wellness in health tourism. The question remains open, with inevitable and important repercussions, not only on the classification criteria of the companies and on the relationships among the various types of tourisms falling within this sector, but above all on the perceptions and, therefore, the behavior both of the specific enterprises (e.g. spas, spa hotels, hospitals / clinics, spiritual retreat centers), and the tourist market they serve.

If medical tourism, which has only recently become a mass phenomenon, has existed for a long time, wellness tourism, on the other hand, is a relatively new phenomenon. The term wellness, was first presented in the second half of the last century by Dr. Halbert Dunn, and it is considered a broad concept of "well being", including the three components, body, spirit and mind, seen in relation to each other and with the environment as a reference point. Many scholars have defined the concept of wellness. Per Ardell (1979) asserts that "Wellness is described as a positive approach not just to the prevention of disease, but the pursuit of a more rewarding lifestyle. This concept refers to physical and mental abilities deriving from knowledge in the nutritional field, in the management of physical form, and in the management of the stress". Mueller and Kaufmann (2010), starting from the definition of Ardell (1979), affirm that:

"Wellness as a state of health featuring the harmony of body, mind and spirit, with self-responsibility, physical fitness/beauty care, healthy nutrition/diet, relaxation (need for destressing)/meditation, mental activity/education and environmental sensitivity/social contacts as fundamental elements" (Mueller & Kaufmann, 2010: 6).

The distinction between health and wellness has deep historical, cultural, and linguistic roots (Puczko & Smith, 2014) and it still remains opaque, and is not definable all over the world, also due to the different normative and statistical classifications adopted in the specific countries. The use of two terms, sometimes interchangeably, involves partial overlaps between health tourism and wellness tourism, even if for some the well-being tourism aspect is associated with aspects of prevention, whereas health tourism refers to illness and, therefore, to medical and care aspects (Puczko & Smith, 2014).

Beyond the different points of view, it is evident that health tourism has always been characterized by multiple types of tourists, who express very different demands, because of the specific experience they wish to live. This aspect, however, has greatly expanded and has become far more complex with the advent of the demand for wellness tourism. The latter is very articulated, multi-faceted and constantly evolving. This phenomenon often makes it very difficult for enterprises to access and to acquire knowledge about the characteristics of specific market segments (Voigt, Brown & Howat, 2011).

The focus of this paper is on thermal springs (thermal hotels, spa resorts, and wellness centers with a thermal springs) operating in Italy. In particular, the objective was to identify the main causes of the lack of development, and the main critical factors to overcome the various critical issues.

The paper is divided into four sections. After the introduction, the second part summarizes the situation of thermalism worldwide. The third, after having reported a brief excursus on the recent history of thermalism in Italy, focuses on the main causes of the lack of development, shedding light on the possible changes of direction. The paper is completed by some final considerations on further developments emanating from the research.

Thermal spas

Thermal springs have existed since the dawn of time. At ancient Roman era they were widespread in European countries of Latin origin, and were frequented above all as a place of care and socialization. They were great use until the 1980s / 1990s. Since the end of the twentieth century, in fact, with the affirmation of the concept of wellness, modern SPAs are mainly proliferating in the West, pivoting on a rich basket of sophisticated treatments (massages, cosmetics, based on multiple essences and raw materials), where the 'thermal water is no longer the essential element, being sometimes used in a residual way (for example for the shower at the end of the path), other physical or intangible elements prevailing. The title of Bastos' contribution (2011) "From sulfur to perfume: spa and SPA at Monchique, Algarve" is very significant in this regard. "France alone has 1 200 springs gushing into more than 100 thermal stations; Italy has that many just in the Euganean Hills, as the Romans well knew. And wasn't it Herodotus who noted that, down south from Ethiopia, it was the lighter waters of Africa that promised eternal life..." (Mail and Guardian, 2019).

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Even in places as far as South Africa, there are thermal springs scattered across the country. The Western Cape, Northern Cape, Limpopo, KwaZulu-Natal and Mpumalanga provinces all boast a fine selection of natural hot springs which are healthy and highly stress relieving (Willbanks, 2016). South Africans love to visit these on cold on winter weekends and stay in the linked resorts, which all offer a full bouquet of amenities and wellness services to enhance health. In China there are many thermal springs and the "... travel market for China's hot springs is one of the fastest growing in the world. Revenues from hot springs trips, which follow the ancient custom of bathing in thermal waters for recuperative effect, more than quadrupled from 22.8 billion yuan (US$3.6 billion) in 2006 to 100 billion yuan in 2016" (O'Meara, 2018). The Chinese love bathing in hot springs is a centuries-old custom in China but it is growing to be very sought after as mainly Chinese get richer and they become more wellness orientated. Today then, the panorama of thermal spas is extremely varied, depending on the specific country (Boekstein, 2014). While in the USA, Western Europe and most of Asia the offer of luxury services for beauty prevails. in central, eastern and southern Europe the offer is aimed at treatment and prevention treatments based on thermal / mineral waters. The presence of thermal waters, however, does not always represent the discriminant of the specific supply, as there are several countries (eg South Korea) which, although equipped with thermal waters, are mainly directed towards well-being. In Japan, then, going to the spa (Onsen bath) is a daily habit, which has little to do with wellness tourism.

With regard to the weight of thermal wellness tourism worldwide, it may be useful to refer to the surveys of the Gobal Wellness Institute, which was the first in 2015 to carry out a survey on the value of wellness worldwide. According to more recent data (2018), wellness tourism covers 14.8% of the global wellness market, while the offer of thermal/mineral springs and economy spas are on much lower levels (1.3%) first and 2.8% the second). According to the Iriss CNR research (2017) the sum of the three sectors, equal to about 19% (elaboration of Iriss Cnr on Global Wellness Economy Monitor data 2018), and this could indicate the incidence of thermal well-being cournts as important in global wellness initiatives.

Thermal Spas in Italy

Italy is among the main thermal nations, due to the qualitative and quantitative richness of the thermal springs, distributed in a capillary way in the regions of the peninsula. At the end of 2017 there were 388 spas, of which 377 are active, located in 194 municipalities that represent 2.44% of the 9,754 municipalities surveyed nationally (Quirino, 2018). It is an extremely complex whole, comprising of large public or ex-public companies, medium-large private companies and small to very small private enterprises. If larger establishments are excluded, they are small businesses.

To understand the evolution of the behavior of these companies, it seems appropriate to draw attention to the development models and management philosophies of the most recent past, up to the present day (see tab.1).

Table 1. The evolution of the models of the thermal spas in Italy. Some distinctive elements

Distinctive elements	Social thermalism (1970s-80s)	Spas open up to wellness	Thermal spa and wellness: a wedding to do
Market target	Patients assisted by the health service, over 65	Patients assisted by the health service, over 55, tourists	Customers: young women and males, children in paediatric age, elderly people active
Supply	Curative and rehabilitative treatments	Curative and rehabilitative treatments wellness treatments	Wellness treatment are growing

Purchasing process	Addressed by national health system	Addressed by national health system and by the market	Addressed by market and by national health system
Touristic intermediation	Absent	It is slowly more present but in a non-systematic and widespread way	Present online, especially through the online tour operators
Management orientation	To operations	To sales	To marketing
Profits	Through the increase in the number of patients and the sale of curative and basic rehabilitation treatments	Through the sale of health and wellness services	Through the sale of services with higher added value
Prices	On average low, influenced by the national health service	Average high price ranges for wellness services	Average high price ranges for welltness services

Source: Researcher's elaboration on Capasso, Migliaccio (2005), Federterme Report (2015)

In the 1970s and 1980s, the years of the so-called 'social thermalism', the supply of these companies was mainly addressed to the satisfaction of needs related to the care of physical health. They were private, public and state-owned companies, whose core offerings consisted of therapeutic, curative, preventive and rehabilitative services. At the end of the eighties, about 65% of them only provided traditional spa services. These companies gravitated in the national health circuit, where they were mostly accredited, and distinguished themselves on the basis of the curative services offered, strictly connected to the quality and physical-chemical composition of the waters, and to the characteristics of the sites where they were located. The development of the leisure sector, which characterizes those years, was experienced by the thermal enterprises with an attitude of sufficient detachment. Consistent with this approach, these companies (apart from a few exceptions, see for example the thermal realities of the island of Ischia and the Euganean areas, Cervia) showed little interest in recruiting patients within the large groups of tourists who gravitated to be in close proximity to the spa resort, and who were mainly attracted by the artistic, historical and natural beauties that often characterize the surrounding areas in Italy.

They had a strong image of companies which were dedicated to the care of physical health (understood as the absence of illness). Their sales depended largely on agreements with local health authorities (ASL); therefore the general doctors were represented only as 'intermediaries' to reach the client/patient.

In the years between the 1980s and 1990s, hedonistic behavioural styles emerged, with an almost obsessive care for the aesthetic aspect of peoples bodies, which lead to the boom in gyms and beauty farms. In the face of this evolution, the thermal spas operating in Italy showed attitudes of closure towards the emerging wellness market, because they were afraid of compromising their image, and this was exacerbated on seeing the contributions of the national health system reduced.

For these companies, therefore, the birth of the wellness sector was initially seen as a threat to be avoided, rather than as an opportunity to be exploited. This behavior, combined with the progressive disengagement of the health system at the beginning of the new decade, produced a strong crisis in the sector. The thermal spas were forced to gradually open up towards the wellness market. The basic offer, in fact, began to expand with the addition of peripheral services, in particular services for aesthetics and fitness, which were the most requested by high-income groups of users.

In the same period, the law of reorganization of the thermal sector (law n ° 323 of 2000), besides the traditional treatment profile, regulated the modern demand for wellness, clarifying the meaning and the role of thermal companies. However, it was not yet clear where the industry wanted to go, what expectations it intended to fulfill. If on the one hand, the number of wellness points and the arrivals

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for wellness services increased and, consequently, their weight in the composition of the turnover; on the other hand, the investment in the Naiade project (on empirical verification about the therapeutic efficacy of the specific thermal waters) and the consequent intensification of investments in R&D, reinforced the brand image closely connected to the satisfaction of a demand for care and rehabilitation, with positive effects on the therapeutic front.

The trend of the sector in the last decade (2007/17) shows ups and downs, light and shadows. Particularly in 2015 Italy, with regard to hydrotherapy plant turnover, ranked only second in Europe behind Germany (Federterme on Global Wellness Institute data-FGWID).World-wide, however, Italy ranks fifth after China, Japan, Germany and Russia (FGWID). On the other hand, focusing on thermal tourism, trends are not really encouraging. Faced with a thermalism in recovery in other European countries (notably Germany, Hungary and the Czech Republic, but also France and Spain), in Italy the sector shows overall signs of weakness, both in relation to tourism in the broad sense, which is growing but at a faster pace, both to the components of the demand for patients assisted by the national health service (New Mercury Tourism Consulting, CNR Iriss, 2018). However, this is a non-generalized phenomenon, which should be read and interpreted in the light of the different components of the system: the "public" and ex-public companies, perched on a traditional vision and in strong crisis, the companies decidedly oriented to wellness and, finally, a large group of smaller, not oriented businesses (see New Mercury Tourism Consulting, CNR Iriss, 2018). All this, however, is accompanied by an awareness, sometimes latent, of a growing demand for health wellness (Federterme, 2015).

The general impression, which emerges from the trend of the last decade, is that not all thermal spas have matured a clear awareness of the change taking place in health and wellness tourism, both in terms of demand for new tourism (particularly well-being) thermal and non-thermal wellness), and of specific dynamics of competitive confrontation with other actors (fitness centers, cosmetics, farms, herbalists, beauty farms), which have always competed in the market. The complex transition from a protected market to a competitive one, in many cases seems to have produced a profound crisis of identity in these companies.

But do the thermal spas operating in Italy invest enough and/or in the right way in the thermal wellness tourism? The most immediate and simple explanation is that in the face of previous investments in traditional thermalism, the investment in thermal wellness could compromise the knowledge and skills gained, as well as the strong brand image of health thermalism. This would explain why, instead, the new entrant, not having supported previous investments in the traditional approach, invests with decisiveness in the new market. This explanation, however, in the face of a market of wellness in strong growth and a generally waning Italian thermalism, does not seem entirely convincing. The continuation of the crisis of the thermal wellness sector in Italy, in contrast with the trend in the European context, in the opinion of the writer, finds a possible explanation in two basic aspects, the one specific to the business world and connected to the knowledge-based perspective, the other relating to the territorial thermal system.

If it is true that the considerable opportunities offered by the thriving wellbeing market call into question the traditional spa product or, at least, the way companies relate to the market, it is true that they are not always interpreted correctly by individual companies through the right lens. The companies, rooted in a traditional thermal culture, have developed a cognitive baggage over time that, not only influences the different management processes, but above all does not facilitate the recognition of new opportunities connected to thermal well-being, it also does not allow the development of the needed knowledge and the skills so as to make the most of them.

In particular, it should be noted that, against a wellness tourism in continuous flux, evolution and growth, companies that have always been oriented mainly towards a certain type of customer (medical, assisted and private customers) have not always developed adequate capacity to learn from the market of wellness customers, limiting itself in some cases to an indiscriminate extension of the range offered, without deepening the characteristics of the target and the relative value proposition. The reasons why above all public companies and small enterprises delay investments in the direction of wellness, sometimes limiting themselves to superficial approaches, are not only financial, but rather have to do with the nature of the capabilities and the cognitive heritage of the specific enterprises involved in this important sector.

However, there is another aspect that undermines the growth of the sector, it refers to the difficulties of creating a system, with the other actors in what manifests as a highly territorial tourist chain. With the law of Reorganization of the thermal system and with the Reform of the national legislation of tourism (March 29, 2001, n. 135), it was intended to emphasize the role of local institutions in the organization and management of spa operations. These intentions of the legislators, however, have partly not been implemented.

Conclusion

This paper does not pretend to exhaust the subject addressed as it is complex and still evolving. Instead it aims to shed light on the main dynamics and problems related to the chosen area of investigation. In this perspective, in this concluding paragraph some reflections are presented also in terms of possible future developments of the research area. In particular, more precise research proposals are defined to be explored later in the work.

The thermal companies operating in Italy need to to successfully operate in the wellness tourism market and should thus develop an in-depth knowledge of the various segments of thermal wellness customers. This means developing the capabilities to identify a new wellness target (Day, 1994), perceiving in depth the specific needs, through the tuning-in and listening to the customer's voice. To this end, an interesting problem to be explored could be formulated in the following terms:

What is the relationship between the expectations of the customers served and the value proposition offered in wellness tourism?

In accordance with the reference framework illustrated in the previous paragraph, the problem can be articulated in the following research purposes:

I. Future research proposal
Empirical verification of the specific types of customers served by thermal spas operating in Italy, who they are and what they want, what are the expected benefits

II. Future research proposal
Verification of the relationship between the customer profiles served and the specific value proposal offered.

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