

UNWTO BUDVA 2015

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**SOME NOTES TO SUPPORT THE
PRESENTATION AND Q&A
Session 2**

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> **Brief information about the Association (structure, objectives, activities)**

The European Spas Association is an umbrella organization representing the national spa associations of 20 european countries, from Iceland to Turkey, from Portugal to the baltic countries. With headquarters in Brussels in total we represent more than 1.400 european spas and health resorts for cure, rehabilitation, prevention, healthy lifestyle promotion and wellbeing.

Our **members from the mediterranean region** are: Spain, France, Italy, Bulgaria and Turkey and a close neighbour, Portugal.

The **industry employs** directly and indirectly 750.000 people and has an annual turnover of 45 billion euro. The 3 main product categories are:

MEDICAL SPA STAYS - Rehabilitation, Therapy for chronic diseases, therapy and secondary prevention (aims to reduce the impact of a disease or injury that as already occurred. Includes e.g. diet and exercise)

REGENERATION SPA STAYS - PREVENTION AND HEALTHY LIFESTYLES PROMOTION - Regeneration, Detox, Anti-Stress, Primary Prevention programmes (aims to prevent disease or injury, education qbout healthy and safe habits e.g. Eating well, exercising regularly, not smoking - anti-obesity programmes, anti-stress, anti-burnout, etc.

RELAXATION STAYS - WELLBEING OR WEELLNESS - Relax, Weekend Breaks...

The **AIM** of the European Spas Association is to promote and develop the long standing european spa & health resort culture, based in natural and local healing resources, such as thermal water, the climate, peloids and muds and other, combined with medial expertise and to align it with the european health policy, national health policies and the European Union.

We can **summarize our activities in 3 different and yet related areas**
HEALTH, QUALITY AND INNOVATION

Health - to develop health strategies for prevention, healthy lifestyle promotion and rehabilitation for the european citizens.

Quality - to promote and to improve quality standards in all spas and health resorts in Europe. Certification of health resorts and spa facilities using our quality label **EUROPE SPA**

Innovation - to stimulate and resource spa research in Europe in order to find new uses for the thermal water and other natural healing resources. To stimulate exchange of experience, know how and best practice. To reward innovation.

➤ What is the potential of health and spa tourism in the Med. Region? in terms of supply and demand (including some figures)

The Mediterranean Region has a long tradition when it comes of the use of healing waters and other local natural resources for healing purposes and for tourism as well. Mainly since the times of the roman empire.

It's commonly accepted that Spa Tourism is one of the oldest forms of organized tourism if we talk about the organisation and promotion of tourism destinations and products.

Regarding the Spa Tourism potential, first some figures of the Spa Industry in the Mediterranean Region:

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...HEALING WATER UNITES US!

ESPA
EUROPEAN SPA ASSOCIATION
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MEDITERRANEAN REGION IN (SOME) FIGURES

EUROPE
1.400 Spa & Health Resort Destinations
Approx. 10.000 facilities
750.000 jobs
Annual turnover of 45 billion euro
More than 200 million overnights
(Source: ESPA 2014)

Country	Spas	Facilities	Jobs	Turnover (€)	Overnights
FRANCE	89	540,000	0,84%		
ITALY	180	1.400,00	2,33%		
SPAIN	106	300,000	0,56%		
PORTUGAL	40	90,000	0,90%		
ALGERIA	80	300,000	0,75%		
SLOVENIA	21	43,000	2,15%		
BULGARIA	86	200,000	2,62%		
GREECE	27	100,000	0,90%		
TURKEY	81	2.000,000	2,67%		

BUSINESS FORECAST (EUROPE)
Spa & Wellness tourism is projected to grow by more than 9% per year through 2017, nearly 50% faster than overall global tourism
(Source: SPA For The Global Wellness Tourism Economy 2013)

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FACT: Health systems in Europe are in crisis

- Investment to prevention to an average of 3%
- Budgets spent for healthcare and treatment 97% (on average 20%-30%) are for medicaments
- High number of inactive people through ill-health chronic condition. Healthy population is prerequisite for economic productivity and prosperity
- Medical reimbursements are diminishing every year

Source: OECD

OPPORTUNITIES

EU HEALTH 2020

Keyword is Prevention

The Road to Prevention (labelled by John Dalli (former EU Commissioner for Health and Consumer Policy)

- We must have wellbeing as the overarching objective of our health policies
- We must keep our people out of hospital beds
- We must push more resources and more political commitment towards prevention
- Our aim is to add 2 healthy life years to the average lifespan of Europeans

EU Directive on Crossborder Healthcare

Agenda 2020 of the EU - Prevention as the keyword of the strategy. Both political and financial support could benefit the spa sector

Demographics

THE VISION

HEALTH is a cumulative state to be promoted throughout life in order to ensure that the full benefits are enjoyed in later years (WHO)

What are the competitive advantages of the Mediterranean Region ?

Climate, Price, Cultural and historical tradition.

Evidence based spa medicine (balneotherapy), mainly in France and Italy. On the health tourism competition this is a key driver of the market.

But also more related with tourism, people are more willing to travel abroad looking for authenticity, nature and healthy lifestyle while on holidays. And we all know the Mediterranean region is famous for its healthy lifestyle, healthy and rich gastronomy, roman spa heritage, cultural and historical traditions, landscape, nature, warm weather etc.

> What are the prerequisites of developing spa destinations and/or spa resorts? Are there any systems for standardization or quality management?

In my opinion there are 5 key success factors to develop competitive Spa Destinations / Spa Resorts

#1 PARTNERSHIPS AND COLLABORATION

It's absolutely critical to build collaborative relationships with key players in both sectors, health and tourism, including government entities, trade associations, and private business players, Spa facilities, Hotels, travel agents, tour operators, transport providers, other touristic attractions on destination etc.

Why ? Because according to the Model of Destination Attractiveness (from the Medical Tourism Marketing) Destination Image, Destination Infrastructure (accommodation, support services etc.) and Destination Environment (tourism attractions, facilities, nature etc.) are 3 key factors to attract tourists to a Health Tourism Destination.

#2 DIFFERENTIATION AND BRANDING (remember the 1.400 Spa Destinations in Europe?)

It's crucial to develop a strong and unique brand for the Spa Destination offerings by emphasizing authentic, location based, and signature services, treatments and experiences that draw directly from unique local history, culture, traditions, and natural assets.

It's important to provide more eco-friendly, organic, natural and locally-sourced products, services and treatments.

Focus on the areas in which the Spa Destination have a well-developed and recognized specialization or strength

#3 PRODUCT DEVELOPMENT

Build integrated packages that cater to tourists who want to "change their lives" on holiday, including offerings such as: body-mind-spirit, healthy eating, detoxification, anti-aging skin care, stress management, work-life balance, life coaching and so on.

I mean, not only the traditional thermal water treatments and muds, and massages and so on which are fantastic. But we must take in consideration that people is looking for more meaningful experiences so it's wise to combine traditional techniques with a more holistic approach when setting up the full menu of the Spa Destination offers.

Capture the borderline - those who may pursue one or two spa/wellness related offerings as part of a leisure or business trip - by partnering with other tourism providers to build packaged spa/wellness offerings with other kinds of tourism experiences (e.g. Culture, Nature, Sports, Adventure, Business, Gastronomy etc.

Recognize that are opportunities for the Spa Industry in Medical Tourism, and pursue these opportunities carefully and collaboratively. Build packages of pre-op, post-op, rehabilitation, and therapeutic services for different profiles of medical tourists.

And of course create relaxation and stress relief packages for the family members of the medical tourists.

#4. HEALTH PROMOTION

Use existing data from research to market relevant and unique spa services

Explore ways for individual spas to get involved and support specific research studies

Evidence based therapies is a key success factor in the marketplace

#5. QUALITY STANDARDS

International travelers typically prefer to visit historic facilities as well as spa hotels for balneotherapy.

A Key Attraction for international travellers is the high quality of services and medical personnel, as well as the good price/quality ratio as compared to prices in central and north Europe.

Quality is another decisive key success factor when we talk about to develop international Spa Destinations on international level.

Why ? Because guests have never been as critical and demanding as they are today. Of course Spa providers do their best to provide a good spa experience. But guests can only see the exterior and thus are not able to realise what happens behind the scenes.

For guests it's difficult to assess if a sauna or swimming pool is professionally managed or if they meet safety standards. The star classification for hotels does not take these aspects into account.

So the Quality Criteria, Quality Standards and Quality Management are becoming more and more important in this business.

That's why the ISO TC228 started working on the definition of International Standards for the Health Tourism Services. So the ISO TC228 WG2 is working on 3 different standards - Medical Spa Services, Wellness Spa Services, Thalasso Services. Quality when it comes to hygiene, security infrastructure, service and staff.

Also the EUROPEAN SPAS ASSOCIATION created his own Quality Seal - EUROPESPA - for Medical Spas and for Wellness Spas - EUROPESPA Med and EUROPESPA Wellness under a comprehensive list of criteria. So far there are over 40 Spa Facilities and Spa hotels certified with the EuropeSpa seals.

Why ? To become successful in the market we need to work very closely with our partners, and they have to trust in our offers and recommendations. So Tour Operators and Health Insurances, for example, can be sure that their guests and insurants stay in a hotel or clinic that has been assessed on the basis of comprehensive criteria standardised within the whole Europe.

➤ What is the economic and social impact of health/ spa tourism on the local community? Any examples from the Med. Region?

PORTUGAL - Economic impact

For each 100€ spent in the Spa Destination the economic impact on economy of the region is 70€/80€ Gross Value Added (value of goods and services produced in an area) (Source: IPI)

For each 1€ spent by the state/social security supporting the Spa treatments, the state gets 1,749 € (direct and indirect tax revenues). (Source: Universidade de Aveiro)

SPAIN - Economic impact

For each 1€ spent in the Social Spa Tourism Program the state gets 1,7€ (direct and indirect tax revenues)

FRANCE - Social impact

According to a recent study conducted by the Institut Xerfi for the French Thermal Federation, for every 100 new clients, the local and regional economy generates 4 new permanent jobs and 6 new seasonal jobs. (Source: Institut Xerfi)

OTHER FIGURES IN EUROPE

90% of the Spa Destinations are located in regions with less than 10.000 inhabitants

75% of the Spa Destinations are located in regions with less than 5.000 inhabitants