

WellSpaV4 Project Report

**Opportunities and Challenges for V4 Spas:
The Czech Republic**



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Table of contents

1. Executive Summary	p. 3
2. Overview of Spa Development in the Czech Republic	p. 4 - 7
3. Summary of Recent Research Studies on Spas	p. 7 - 9
4. Research Methods and Data Collection	p. 9 - 10
5. Analysis of Findings	p. 10 - 14
6. Summary of Main Challenges and Opportunities	p. 14 - 15
7. Recommendations for Spas	p. 15 - 16
8. References	p. 17 - 18
9. Appendices	p. 19 - 22

1. Executive Summary

The WellSpaV4 project aims to capture opportunities for the development of spas in the V4 countries and at the same time identify the challenges that spas will have to face. The survey was based on a questionnaire survey, which was conducted based on the Delphi method. Standardized questionnaires were developed and submitted to spa professionals. In the case of the Czech Republic, these were leading managerial and medical staff of selected spa entities, a scientific research body in the field of spas and the academic sphere. Two rounds of interviews were conducted to capture the experts' consensus of opinion on a number of important issues. The basic trends in the development of the Czech medical spa after 1990 were identified, which relate not only to the operation of spa medical rehabilitation care but also to the introduction of wellness products and services. The development of demand for the services of these spa facilities was also analysed. The study focused on demand from clients whose care and stays are covered by health insurance, as well as self-payers (domestic and foreign). The conclusion is then devoted to the possibilities of further development in the spa field and ways to support future development.

2. Overview of Spa Development in the Czech Republic

a. History

Medical spas belong to the so-called "family silver" in the Czech Republic. Their history dates back to the 4th century BC, when occasional healing baths and drinking cures were recorded. However, credible written sources on the use of the spa were available from the 14th century. In this context, we can find, for example, a mention of Teplice in the "Chronicle of the Czech Republic" by Přebík Pulkava. (Budinská, Zerjatke, 2006)

The greatest prosperity of Czech spas occurred in the 18th century and lasted until the 20th century. In many places, real spa facilities were created and new treatments were developed. At the turn of the 19th and 20th centuries (during the Austrian-Hungarian alliance), the first legal regulations governing Czech and Moravian spas were issued, which were de facto taken over by Czechoslovakia in 1918. In 1948, natural healing resources and spas were nationalized. The nationalization of the spa was completed in the 1950s by subordinating all spa facilities to a single operator, the Czechoslovak State Spa. In the period of the centrally planned economy, the spa became a part of public health care. It became financially accessible to the general public so that the interest in spa care exceeded the spa's capacity. However, foreign clients' interest, which was discouraged by the unified standard of accommodation, meals, and services provided, did not increase. In 1991, the privatization process was started in Czechoslovakia and subsequently in the Czech Republic, which also significantly affected the Czech spa sector. Various methods were applied during its privatization. These processes also involved the number of spa entities, when the situation in 1990 (88 entities) fell below 50 entities in three years. It did not return to baseline numbers until 2008.

b. Geography and location of spas

At present, medical spas in the Czech Republic are defined as providers of medical rehabilitation care (i.e., exclusively follow-up inpatient care), which use natural healing resources or favorable climatic conditions. Medical spas are established by a decree of the Ministry of Health.

The spas are unevenly distributed regionally in the Czech Republic as their location depends on the occurrence of individual natural healing resources. However, in addition to the capital city of Prague and the Vysočina Region, they can be found in each of the remaining 12 regions.

Czech spa care has an extraordinary reputation in Europe and abroad, thanks to the high quality of natural healing resources and Czech spas' historical development. Due to its geological structure, the Czech Republic is extremely rich in mineral, thermal, and radioactive waters, gas discharges, and peloid deposits, which can positively affect the human body.

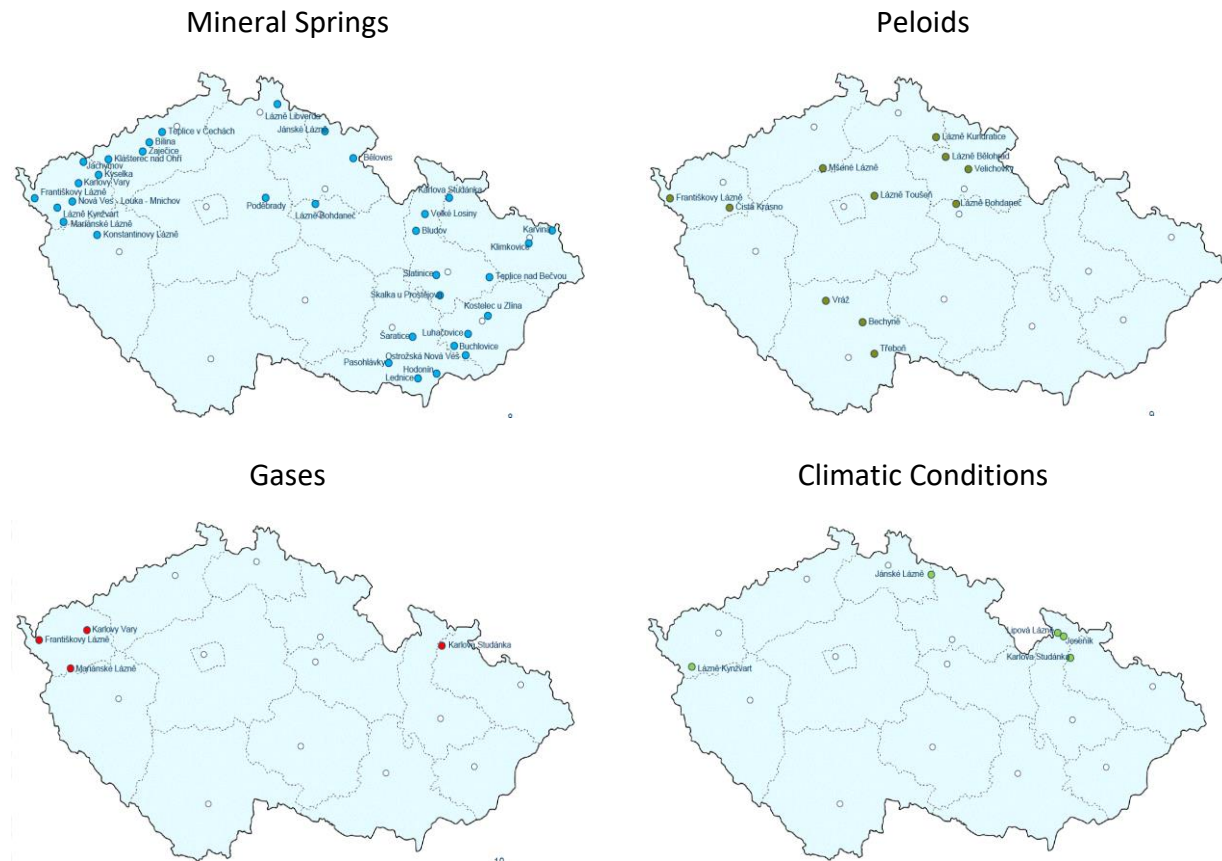
Natural healing resources in the Czech Republic are understood as a "public good", the use and protection regulated by the state (the Czech Republic, 2001; Ministry of Health, 2020). These include:

- mineral, thermal, and radioactive springs (32 places)
- healing mud / peloids / peat (11 places)

- gases (4 places)
- climatic conditions (5 places)

The most frequently represented in the Czech Republic are healing springs. It is possible to distinguish between mineral, thermal, and radioactive waters, which are located mainly near the northwestern border of the country and in the Moravian region. In frequency, they are followed by medicinal peloids. Gases are less common and favorable climatic conditions for treatment - see Fig. 1.

Figure 1: Locations of Natural Healing Resources in the Czech Republic



Source: Polák (2012)

The establishment of spas by a government decree is of specific importance for medical spas in the Czech Republic according to the municipality's cadastral territory where the medical spas are located. There are currently 35 of these spas. (SLM, 2021)

The environment in which the spa is located is also included in the treatment process. Therefore, spa care is not perceived only as the provided treatment procedures and related accommodation and catering of the patient. The care provided incorporates the therapeutic effects of the local landscape or environment. Providing spa services includes the public environment (infrastructure), transport, ecological conditions, etc.

c. Political support and funding

One of the most important actors in spa management is the local government, which helps to shape the local environment. Investments in the infrastructure of a spa help to create a "genius loci" of a place. In this context, we can mention four spa towns on the UNESCO World Heritage Site list, namely Karlovy Vary, Mariánské Lázně, Františkovy Lázně, and Luhačovice. These are also part of the Great Spas of Europe list. Their registration is primarily related to the architectural character of these cities and their connection with the surrounding landscape.

As noted, spa rehabilitation care is provided as part of the treatment process. Its provision is recommended by the attending physician and confirmed by the reviewing physician. The financing of spa care is thus part of the public health insurance. From this perspective, it is possible to distinguish according to the source and scope of financing both complex balneal care (or fully funded) and balneal care partly covered by insurance (or partially funded). In both cases, the source of funding is the health insurance company.

Fully funded spa care is provided for the purpose of treating, stopping or alleviating the disease. This care is provided as inpatient care, and its time range is determined at the same time. According to the so-called Indication list for the balneal curative rehabilitation care of adults, children, and adolescents, this care is provided for 21 or 28 calendar days. In this case, the standard range of treatment, accommodation and food is paid, in some cases also transport and other services.

Partially funded spa care is provided if the parameters for the provision of fully funded spa care are not fully met. In this case, the public health insurance only covers the patient's examination and the following services associated with his treatment. The length of stay can be shorter (e.g. 14 days).

A separate group consists of so-called self-payers who pay for their stay and procedures from their own resources.

Spa funding is considerably influenced by government policy. The new Indication list had a significant impact on the number of visitors to the spas in 2012. The number of diseases for the treatment of which spa care was provided was reduced. The number of treatment days was also reduced. The situation did not stabilize until 2015 when the conditions for sending patients to the spa were leveled out.

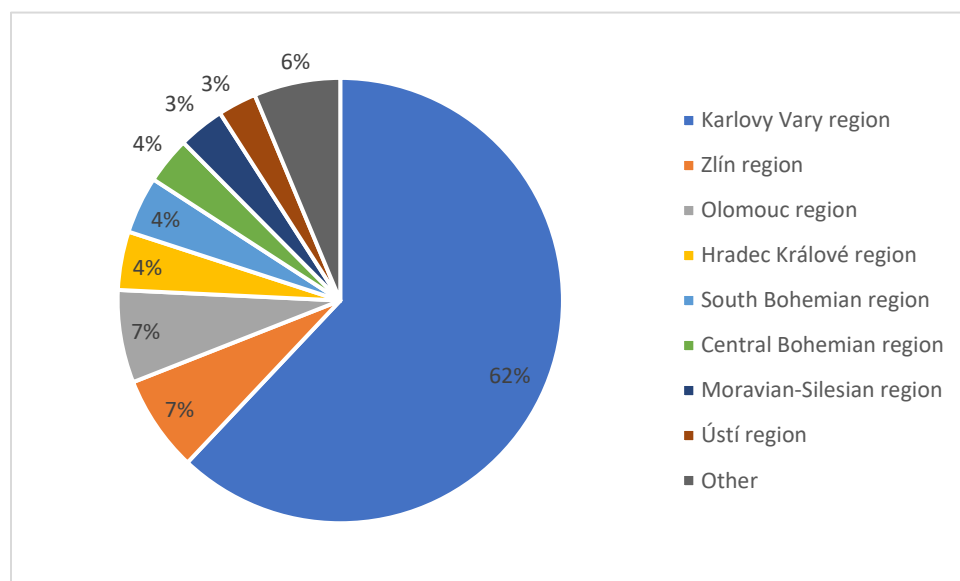
On the other hand, the failure of public funds accelerated the process of adjusting the services offered. In 2013 and 2014, the spa had to focus much more on obtaining self-payers. In those years, most spa entities began to expand their services more significantly towards relaxation, wellness or anti-stress stays, etc. In those years, the effort to invest in equipment and improve services became more apparent.

In terms of political support for spas, there are two essential associations in the Czech Republic: the Czech Healing Spa Association (hereinafter also CHSA) and the Association of Spas of the Czech Republic (hereinafter also ASCR). The CHSA was established as a professional interest association of medical spas in 1995 to maintain and guarantee these spa companies' therapeutic standards. The mission of CHSA is to cultivate the environment and create conditions for the

maintenance and development of medical spas in the Czech Republic and to defend the common and individual interests of its members. At home, CHSA is a valid partner and opponent of the Ministry of Health. CHSA is a member of the European Spa Association (ESPA) and further a member of the Tourism Forum (SLL, 2020). Besides, the Association of Spas of the Czech Republic (ASCR) is a voluntary, non-governmental interest organization of spa communities in the Czech Republic (SLM, 2021).

Information about the spas should be supplemented with information about their visitors. The attendance of individual spas within the regions is shown in the following figure 2.

Figure 2: The total number of guests in 2019



Source: CZSO (2020)

Figure 2 shows that approximately two-thirds of visitors chose a spa in the Karlovy Vary region. This region is, therefore, key to Czech spas. These include spas (alphabetically) Františkovy Lázně, Jáchymov, Karlovy Vary, Lázně Kynžvart, Mariánské Lázně.

According to the ÚZIS (2019), there was a total of 358 thousand clients, of which 91 thousand people used the stay as a fully funded spa care and less than 8 thousand persons were treated under the regime of partially funded spa care. Self-payers constituted a significant majority here, with approximately 99 thousand persons who were domestic self-payers and 160 thousand persons who were foreign guests. Foreign self-payers thus represented 44.7% of all visitors.

3. Summary of Recent Research Studies on Spas

Among the fundamental indicators based on which the occupancy of a spa can be assessed is the attendance indicator. Its application may be broader than simply capturing the popularity of individual spa facilities. A questionnaire survey (Mlejnková, 2019) evaluated the fundamental groups of spa clients, consisting of clients using the payment of health insurance companies, Czech self-payers, and foreign clients. Different consumer behavior of the members of these groups could be identified. In addition to the different lengths of stay, which is mainly due to the

nature of the treatment process, they also differ in the repetition of stays. In the case of patients covered by the health insurance company, repeated visits are associated with chronic diseases. Self-payers also show their appreciation for the quality of services provided by spa facilities in repeated stays. However, a more fundamental finding is that changes in financing under health insurance would have a significant impact on the consumer behavior of spa clients. Up to 70% of patients would significantly reduce their stays in the spa or almost a third of them would stop going to the spa at all. This could then have a negative impact on the economy of individual spa facilities. In particular, small spas, which depend only on insurance clients, could be threatened by this fact. Another finding of this study is the method of selecting the destination. Clients are most affected by the availability and attractiveness of the locality. Only for clients with higher incomes does the offer of services win in decision-making. Thus, these findings confirm the basic motive for visiting the spa, i.e., the desire to relax in a pleasant natural environment.

Vystoupil, Šauer, and Bobková (2017) focus on connecting medical spas with wellness activities. First, they draw attention to the lack of anchorage of the definition of wellness in the Czech Republic. In comparison, medical spa care provision is tied to the given locality (see the connection of the spa with natural mineral springs or other natural healing resources, or in several cases with suitable climatic conditions). Wellness activities can also be provided outside the spa. In this respect, there is significant competition, which is located, for example, in Prague or other large cities (see the note above that in the capital city of Prague there are no facilities such as spas). Important mountain resorts (e.g., Špindlerův Mlýn in the Krkonoše mountains) or resorts associated with summer recreation are also oriented in this direction. In this situation, it is also necessary to mention support from EU funds. While wellness activities were supported in recent programming periods (e.g. support for the construction of modern aqua parks and aqua centers with a wider impact on tourism), it was more about supporting local projects in the case of spas. Mostly it was a question of completing the essential additional equipment of spas.

From the point of view of financing the medical spas, it is also necessary to state the implemented restrictions between 2012 and 2015. Vavrečková, Stuchlíková, Dluhošová (2017) analyze the effects of the introduction of a new Indication list for the balneal curative rehabilitation care of adults, children, and adolescents. As previously mentioned, the regulation affected public health insurance revenues. This situation was exacerbated by the crisis period, which also reduced the number of clients in the spas. To compensate for the losses, the spa facilities were forced to introduce stay packages or accompanying programs. Another negative was the shortening of the treatment time in the spa. On the other hand, this step also had a significant impact on the health of clients. The positive effect of spa care is manifested after an appropriately long treatment stay. Besides, it is advisable to repeat this care after a particular period of time.

Research activities in spas also concern the relationship between spa facilities and municipalities (spas places). The coexistence of both subjects is evident, especially in care for the outdoor environment of spas. In many cases, spa parks and other public spaces that illustrate the spirit of the place belong to the municipalities' property. Municipalities should manage this type of civic amenities. This raises the issue of financing, which also requires addressing the revenue side of municipal budgets. This brings us to the issue of local fees and their role in financing the activities of municipalities. Ulrych (2020) discusses several issues on this topic that relate to determining the sufficient amount of these fees and, at the same time, their adequacy. It is necessary to note

the principle of mutual benefit. Failure to do so may lead to a reduction in the collection of local fees for spa and recreational stays (for more, see below) by accommodation facilities on the one hand or limited investments by municipalities in local infrastructure and facilities on the other. The discussion also revolves around the changes made in 2020, when the Czech government merged the two original local fees (fee for spa and recreational stay and fee for accommodation capacity) into one new fee. The issues leading to this step have been discussed for a long time, for example, in addition to the issues mentioned above of financing spas and tourism in general through local fees, Plzáková, Studnička, and Tittelbachová (2018) also deal with another essence of the problem. This is the phenomenon of the sharing economy, which is reflected worldwide in, among other areas, the field of accommodation. This factor was also the impetus for a change in the legislative regulation of local fees in the Czech Republic.

The environment as a factor supporting medical tourism is analyzed, for example, by Plzáková and Crespo Stupková (2019). Medical services are one of the main products of destination management, and these services are the main stimulating factor to visit the place. Then follows the local environment's quality (which includes local climate conditions, available natural remedies, and natural attractions). Accommodation and wellness services, gastronomy, and local culture are placed only as another ranking in the stimulating factors.

Another aspect of Czech spas is foreign tourists who go to the spas. Pelešová and Kostková (2015) document this issue using the example of Russian tourists in Czech spas. In this case, the government's international policy at the central level is discussed, where the effects of restrictions related to the visa policy on the number of visitors to Czech spas are analyzed.

The spa area is also addressed from the point of view of economics and management of these facilities, e.g. Vildová, Martinčík, Tluchoř, and Jakubíková (2015) focused on a partial problem of the management of these facilities, which is the analysis of the method of evaluating clients' satisfaction with spa care and their loyalty. While satisfaction is reflected in current economic results, loyalty can be understood as a type of prediction of future business results. For the evaluation to be valid, they recommend, for example, creating evaluation questionnaires according to individual segments of spa customers. The questionnaire survey results will then better reflect the consumption behavior of the relevant groups of spa clients.

4. Research Methods and Data Collection

The research was based on applying the Delphi method when two rounds of questionnaire surveys took place in 2020 and 2021. The research took place within the V4 countries (Czech Republic, Hungary, Poland, Slovakia).

The survey was based on a standardized questionnaire developed to identify the main challenges for spas in the V4 countries and the subsequent drafting of recommendations for future development. This questionnaire was distributed to spa professionals. In the case of the Czech Republic, these were leading managerial and medical staff of selected spa entities (four respondents), a scientific research entity in the field of the spa (one respondent), and the academic sphere (one respondent). The first standardized questionnaire was followed by the

second, which led to the order of development priorities of the spa. In the second round, the three respondents from the institutions mentioned above participated.

5. Analysis of Findings

a. Summary of the overall dataset

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 health insurance funds; low salaries for employees and the difficulties in recruiting a qualified workforce; as well as addressing a few conflicts between groups of guests who ideally need to be offered separate spaces.

b. Summary of data from the Czech Republic

This section presents an analysis of the results of the Delphi Study. The main findings of the first round of the survey were aggregated for all participating countries. After evaluating these outputs, a new questionnaire was created, which was forwarded to the respondents in the second round.

An overview of the challenges of Czech spas after 1990

The period after 1989 was associated with the privatization of most spa institutions. At the same time, it represented a period of searching for a way to succeed in the emerging competitive market. During this period, development challenges began to emerge, some of which have persisted to this day.

In the first round of the Delphi study, respondents tried to name the Czech spas' main long-standing problems. Respondents agreed that the persisting problem is the development of scientific knowledge in the field of balneology. This field is often not sufficiently perceived as an independent scientific discipline. Besides, natural resources for healing are not an area that is implicitly associated with innovative practices. At the same time, the introduction of wellness was met with a negative attitude among professionals. The problem is also related to financing the Czech healthcare system, which is financed according to performance. However, spas are an area where qualitative measures are more applicable.

This is followed by another area, which is the remuneration of physicians and support for their professional growth in balneology. The absence of continuing education and limited personal growth opportunities make the spas less attractive to young doctors.

There are also other related problems, mainly concerning the provision of services to foreign clients. Language skills or knowledge of foreign markets limit the ability to succeed in this market.

Another problem area mentioned is the equipment of spa facilities and the surrounding environment with sufficient infrastructure. The buildings' condition, quality of accommodation, or related facilities require considerable investment to improve them as needed.

For the second round of the Delphi study, based on a comparison with the problems in other V4 countries, three basic priorities were formulated, on which it would be appropriate to focus attention:

- the need for infrastructure improvements,
- targeting and creating services for new (often self-paying) markets,
- meeting the quality levels required for international guests.

Respondents unanimously agreed that the Czech spas also face these problems. They also agree with the order in terms of the importance.

Funding and finance

As noted above, the Czech spa sector mainly belongs to health services and the issue of financing is also connected with this. In 80% of cases, the treatment processes are financed by the health insurance company. The remaining 20% are self-paying clients. Gradually, however, the motivation to become a self-payer is changing, and at the same time, the portfolio of services used is changing. Although wellness services make spa care more attractive, interest in medical treatment stays is also slowly growing, despite the required length of stay associated with treatment procedures. In this context, it is still necessary to state that self-payer distribution is not uniform across the Czech Republic. While their interest is mainly in the spas of the "Western Bohemian Triangle" (Karlovy Vary, Mariánské Lázně, Františkovy Lázně), other (smaller) spa facilities are associated with stays paid for by public health insurance.

Other support programs (including support from European funds) are used minimally. However, these additional resources are linked mainly to investments in buildings and outdoor infrastructure. Therefore, the question can be asked whether and how other private sources could be involved in financing spas.

The responses of the second round of the Delphi Study underlined the conclusions of the first round. Respondents conclude that the share of self-payers who use their resources or pay for their private health insurance stay is gradually increasing. Nevertheless, there are still obvious social influences when many clients cannot afford to pay for care and stay from their own resources.

Demand for spa facilities

The structure of customers visiting the spa has remained unchanged for a long time. Nevertheless, there is a specific trend in strengthening the segment of self-payers in the age group 55+. Factors that would support an increase in traffic, especially for domestic clients, are related to the external environment (i.e. natural conditions). In addition, strategies can be put in place to create software service packages that combine treatment with wellness. It is also possible to use cultural and sports activities. This developing trend responds to a slow but increasingly visible change in clients' consumer behavior, reflecting the growing interest in their health.

In the second round of the Delphi Study, respondents sought to assess the underlying trends in the development of demand for spa services. The increase in this demand supports the trend in

the increasing quality of services provided. Spa facilities try to respond to the demand from clients (especially self-payers) who require service packages. In these cases, wellness activities are being applied. Nevertheless, respondents agree that interest in medical care is not declining. In terms of the clientele structure, the interest in spa care among domestic customers has been growing in recent years. Respondents confirm the decrease in the average age of clients, thus, younger customers also go to the spa, which is perhaps related to a greater emphasis on health care within the current lifestyle.

Impact of international tourism

The influence of foreign demand for spa care is evident especially in Western Bohemia (see the triangle of Karlovy Vary, Mariánské Lázně, Františkovy Lázně). It can even be stated that the offer of spa facilities was in many cases directly targeted at this market. This step was in many cases reflected in the increased price, whereby domestic clients ceased to be interested in the care provided here. However, this situation is not reflected in smaller spas, where foreign customers rarely go.

Foreign clients are mainly visitors from the surrounding countries. The Netherlands, the countries of the former Soviet Union, and the Middle East are also represented. Clients from Arab countries visit Czech spas more and more often.

The above findings were confirmed by the respondents in the second round of interviews. The level of Czech spas meets the high demands of foreign customers and the growing foreign interest is reflected in the increase in wellness services in medical spas. This is because foreign guests prefer this type of service to long-term medical procedures.

Conflicts between user-groups

In the case of Czech spas, the expressed conflicts occur rather sporadically. It would be possible to talk about different approaches, e.g. eating (diet prescribed by a doctor vs. the gastronomic experience of wellness tourists) or implementing some procedures (e.g., sauna in a swimsuit or without a swimsuit).

Conflicts tend to appear in the relationship between foreign guests vs. the local population. This situation can be found, for example, in Karlovy Vary, where clients from Russia in particular are heading. Adapting the city center to these clients has meant that locals prefer not to visit the center.

In the second round, respondents confirmed the uniqueness of conflicts. If they already occur, then respondents' perceptions of their causes differ. In addition to the possible conflict between clients with stays paid for by health insurance and self-payers, respondents mentioned possible conflicts arising from different cultures, ages, or conflicts between families and individual clients.

Meaning of wellness in the Czech Republic

The approach to wellness is not uniform in the Czech Republic, and there is a particular embarrassment around this concept. Wellness is often associated with relaxation and the effort to achieve mental and physical balance. A significant part of this perception is that wellness is is

often offered in facilities that do not have medical spas. In the spa, wellness is perceived as a specific supplement, which only expands the offer of local accommodation facilities. However, it is also possible to meet with the opinion that this element does not belong to medical spas' repertoire at all.

However, clients often expect and require wellness services. These activities are mainly associated with massages. Recently, however, there has also been medical wellness development, which refers to prevention and a healthy lifestyle.

In the second round, the respondents tried to choose appropriate definitions to express the essence of wellness. However, the dissent of the opinion of the respondents manifested itself here. The most common choices were:

- wellness means relaxation and recreation (pampering is less critical),
- medical wellness is on the rise because of healthy lifestyle promotion and increased care for one's health,
- wellness includes a sauna, massage, and fitness,
- wellness functions more as a short experience than a lifestyle.

Monitoring and measuring guest satisfaction

Determining client satisfaction is already standard in spas. Clients usually have a questionnaire available at the reception in electronic and printed form. The electronic version is mainly supported, which significantly speeds up managers' reaction time to any comments. Thanks to this, it is possible to address these comments while the client is staying in the spa. In addition to this option, some guests use correspondence (electronic and classic) to contact the spa. When it comes to client dissatisfaction, the problems usually concern accommodation, room cleaning, linen or catering.

Here, too, the second round of questioning confirmed the conclusions of the previous round. In particular, online questionnaires and the possibility of using social media were highlighted. At the same time, respondents preferred online questionnaires to communication via social networks.

Collaborations between spas

In the case of Czech spas, cooperation works more at the level of spa facilities and interest groups. In the Czech Republic, as mentioned above, the Czech Healing Spa Association (a professional association that unites medical spas of the private and public spheres, focuses on marketing or ensures cooperation with the Ministry of Health) and the Association of Spas of the Czech Republic (brings together municipalities in the Czech Republic that have the status of a spa, and focuses on issues of local government, marketing and promotion of spas). The MEDISPA (an association of private spa care providers aimed at the certification of spa facilities in the Karlovy Vary region) can also be included here. At the European level, the European Association of Medical Spas (ESPA) and the Association of European Historic Thermal Cities (EHTTA) operate.

In the second round, respondents commented on the preferred forms of possible cooperation. In their opinion, it is mainly the use of the following collaborations:

- a European spa association to publish recommendations and various case studies of good practice, or to organize events and meetings,
- a national spa network based on conferences and regular meetings; offer training, certification, optional audits or support the negotiation of conditions with health insurance companies,
- a local network, e.g., based on a tourist destination management organization, where spas will be part of a more comprehensive strategy. One of the leading roles will be lobbying for government support and the necessary legal norms or adjustments to existing ones.

The Effects of COVID-19

In 2020, the SARS-CoV-2 pandemic hit the Czech Republic. The government's restrictions had a significant negative impact on the spa sector. Even spas caring for foreign clients have felt the limitations of tourism. In the spring of 2020, spas were closed entirely by a government decree.

To mitigate the impacts, support programs "COVID accommodation" and "COVID spa" have been created. After partial release, spa support was provided in the form of vouchers. This support was focused on self-payers, who thus received a CZK 4,000 contribution from the state for a stay in a spa. As a result, interest in stays has increased in spas that have accepted vouchers. However, this was only a temporary form of compensation. In the winter of 2020/21, the spa was again banned from accepting self-payers. The number of clients with treatment covered by health insurance was limited by the accommodation capacity (1 client = 1 room).

Spa operations were further affected by strict hygiene measures, which affected meals, isolation of foreign guests at the beginning of the pandemic, etc. Employees must also be protected. All this significantly increases the cost of the spa for its operation.

However, non-economic impacts are also worth mentioning. An additional benefit of the introduced measures is reducing seasonal morbidity (diarrhea, respiratory diseases). A partial benefit was also a change in clients' behavior (more significant consideration, a higher degree of cooperation with a doctor, etc.).

6. Summary of main challenges and opportunities

It would be a significant benefit for the Czech spa sector to support research in the field of spa and balneology. The results of this research could be applied, for example, in the development of new procedures. Related to this is the need to train staff (especially doctors and specialized medical staff) in this area.

Another challenge is to introduce staff education concerning clients, e.g. it would be possible to focus on moving prevention to spas. In addition to the essential examination, a suitable program for the client would be determined. This program could be focused on lifestyle or occupational wellness, for example.

In terms of financing spa care, it would be necessary to focus on the measurability of improving clients' health. However, promoting an appropriate form of raising awareness about the spa itself is also an indispensable element.

To develop the offer of spa care concerning foreign clients, it would be necessary to ensure sufficient language competencies of the staff and focus on other appropriate training programs for spa staff. Related to this is the connection between the education of employees and the system of their remuneration.

Healing spas are associated with the use of natural resources. The issue of proper management of natural resources and ensuring its sustainability in the spa sector is not yet sufficiently addressed. Once again, we come to the issue of financing and the possibilities of involving other entities in financing spa care.

The second round of interviews further expanded this area with other challenges that Czech spas may face. It was unanimously stated that it is necessary to pay increased attention to infrastructure development and increase the quality of services provided (accommodation, catering). Other development options were also preferred (in order of priority):

- creating a hygienic environment for guests (Post-COVID)
- more research on and education for balneology
- digitalization and improving the online presence of spas
- developing more medical wellness treatments connected to lifestyle improvements
- increasing the emphasis on providing preventive care and counseling in the field of healthy lifestyles

7. Recommendations for Spas

Based on the performed analysis, the following activities can be recommended for spas in the Czech Republic.

In the field of research and development:

- to support research in the field of balneology, to support research cooperation with universities and other appropriate entities
- use the results of research in spa practice and try to innovate procedures according to them

In the field of investment:

- support investments in the equipment of spa facilities
- support investment in local infrastructure
- to support communication between spa facilities and relevant municipalities (spas) and to support cooperation
- monitor the collection and amount of local residence fees and discuss how to use these funds

In the field of financing:

- to support negotiations between spa entities, the government, and health insurance companies
- emphasize the stabilization of the financing system
- discuss the diseases included in the Indicative List and propose extensions to new possibilities (see complications of post-COVID patients)
- discuss compensation (post-COVID) programs in terms of their possibilities of using and evaluating their effectiveness for spa facilities

In the field of marketing and communication:

- to support marketing communication towards domestic and foreign customers
- use for the uniqueness of Czech spas (tradition, genius loci, etc.)
- continuously evaluate the effectiveness of the feedback used to clients, promote IT for these purposes and ensure flexible evaluation of suggestions from clients

In the field of internal activities and human resources management:

- launch a debate on the remuneration of spa staff
- to support continuing education in the field of language and professional knowledge and skills
- introduce employee motivation programs and try to make the relevant professions more attractive
- launch a discussion on recognizing the qualifications of foreign professionals (doctors and specialized medical staff)

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9. Appendices

Delphi Study: Opportunities and Challenges for V4 Spas

Questions in the first round:

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 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, 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)?

Questions in the second round:

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?
 1. 1. The need for infrastructure improvements
 2. 2. Targeting and creating services for new (often self-paying) markets
 3. 3. Meeting the quality levels required for international guestsIF 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 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 travelers
 - 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). You only need to write the letter a), b), c) etc. and not the whole sentence.

- 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 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 any of the following groups? If yes, please explain your choice below:
- 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? You only need to write the letter a), b), c) etc. and not the whole sentence.
- 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