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## **THE CREATION OF SPA ASSOCIATION AS A WAY OF SPA-RESORT TOURISM DEVELOPMENT IN THE REPUBLIC OF ARMENIA**

### **Abstract:**

This research paper discusses the idea of creating a spa association as a way of spa-resort tourism development in the Republic of Armenia. As we now, nowadays tourism is developing worldwide rapidly. In the Republic of Armenia tourism is announced as the main sector of economy. In the recent years the number of tourists has increased. In 2013 1084188 tourists visited Armenia, but in 2012 only 963000 tourists did. Spa-resort tourism is one of the main types of tourism. Armenia has a great potential for spa-resort tourism development, however there are still lots of problems for that. This paper discusses and offers a new way of the development of spa-resort tourism in Armenia by forming a spa association which will contribute to the development of the sphere by its main functions which are processed in the article.

### **Keywords:**

Spa-resort tourism, sanatorium, spa association, resort zone, management structure, function.

**JEL Classification:** D00, L83, M00

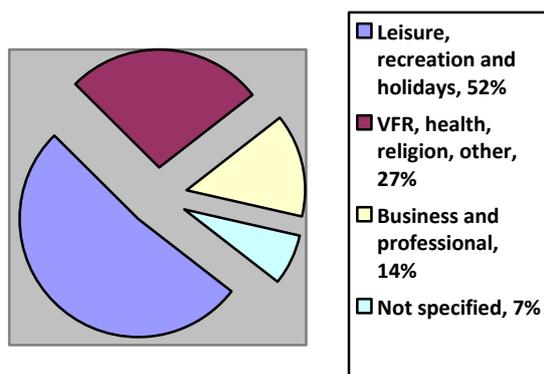
## Introduction

Nowadays tourism is one of the main branches of the world economy. It develops very fast throughout the world.

International tourist arrivals reached 1,138 million in 2014, a 4.7% increase over the previous year, according to the latest UNWTO World Tourism Barometer. For 2015, UNWTO forecasts international tourist arrivals to grow between 3% and 4% (UNWTO, 2015).

In 2013, travel for holidays, recreation and other forms of leisure accounted for just over half of all international tourist arrivals (52% or 568 million). Some 14% of international tourists reported travelling for business and professional purposes and another 27% travelled for other reasons, such as visiting friends and relatives (VFR), religious reasons and pilgrimages, health treatment, etc. The purpose of visit for the remaining 7% of arrivals was not specified (see figure 1) (UNWTO Tourism highlights, 2014, p. 5).

**Figure 1: Inbound tourism by purpose of visit, 2013**



Source: World Tourism Organization (UNWTO)

The total contribution of Travel & Tourism to GDP was USD 6,990.3bn (9.5% of GDP) in 2013, and is forecast to rise by USD 10,965.1bn (10.3% of GDP) in 2024.

In 2013, the total contribution of Travel & Tourism to employment, including jobs indirectly supported by the industry, was 8.9% of total employment (265,855,000 jobs). This is expected to rise by 346,901,000 jobs in 2024 (10.2% of total).

Visitor exports generated USD 1,295.9 bn (5.4% of total exports) in 2013. This is forecast to grow by USD 2,052.4bn in 2024 (5.2% of total).

Travel & Tourism investment in 2013 was USD 754.6 bn, or 4.4% of total investment. It should rise by USD 1,310.9 bn in 2024 (4.9% of total) (Travel & Tourism World Economic Impact, 2014, p. 1).

In 2013 1084188 tourists visited Armenia, while in 2012 only 963000 tourists (Ministry of Economy of the Republic of Armenia, 2015). In 2012 the number of resort tourists was 18032 (in 2011 only 14916), 3.3% of which were international resort tourists (592 people) (International and internal tourism report, 2013).

Spa-resort tourism occupies a very important place in the tourism system due to its social and medicinal signification. Spa-resort tourism comprises leisure, rest with recovery.

So in this case people visit sanatoriums not only for having a rest, but also for health treatment. Armenia has many potential resources to organize and develop spa-resort tourism. However there are still many problems: the number of spa-resort tourists is low, not all sanatoriums are in good conditions, there are not as many sanatoriums as needed in Armenia and so on. This article discusses some problems and finds solutions for spa-resort tourism development in the RA.

## Body

Spa-resort tourism is one of the main types of tourism which has a very old development history. Greeks and Romans used mineral springs and went to the places with good climate for their health recovery. Later in the 17<sup>th</sup> century resort association was created in France which aimed to control the usage of sanatoriums and spa resources. In the 18-19<sup>th</sup> centuries the intensive development of European resorts began (Babkin, 2008, p. 42). Now spa-resort tourism is developed in many European countries.

Goodrich J. and Goodrich G. have defined health tourism as follows: „The attempt on the part of a tourist facility or destination to attract tourists by deliberately promoting its healthcare services and facilities, in addition to its regular tourist amenities”. Some researchers provide much broader definition of the health tourism, as for example: „(...) each kind of journey, which makes a person to feel healthier”. Provision of such a kind of service requires the employment of qualified medical personnel, maintenance of the diagnostic and therapeutic equipment, as well as a know-how relating to the food and nutrition, and traditional and modern medical techniques. The English Tourism Council adapts the North American definition of health tourism, which describes it as products and services that are designed to encourage and enable their consumers to improve and maintain health by leisure activities and education relating to distortions at work and at home (Szromek, Januszewska, Romaniuk, 2012, p. 11).

*Sanatorium* is an institution for the treatment of chronic disorders and a place for recuperation under medical supervision (Academic, 2011).

*Spas* are defined as establishments that promote wellness through the provision of therapeutic and other professional services aimed at renewing the body, mind, and spirit (Global Wellness Summit, 2015).

Armenia has great possibilities for spa-resort tourism development. There are 10 resort zones in the country which all have natural curable resources such as mineral water, curable mud and good conditions for climate therapy. These 10 resorts are Arzni, Tsakhkadzor, Jermuk, Hanqavan, Bjni, Dilijan, Sevan, Stepanavan, Syuniq, Lori (Harutyunyan, 2010, p. 124-133). However the potential is not fully used. There are only 14 sanatoriums in the country. Besides, we should mention that there are not sanatoriums in every resort zone and not all sanatoriums are in good conditions.

There are many difficulties for spa-resort tourism development in Armenia: marketing performance, statistical recording, legislation base and management system of the sphere require improvements. Though the sanatoriums are private, they are the part

of the spa-resort system of the country which requires integrated approach to the solution to the problems.

During the Soviet years there was a resort board which dealt with the marketing and development issues of sanatoriums. But after the collapse of the Soviet Union the board stopped functioning and was moved out of the arena.

Nowadays there is a great need to form such an association, which will find solutions to the existing drawbacks. Today there are spa associations in many countries which promote the development of spa-industry, deal with marketing performances and personnel management issues, provide high quality of spa-services (Global Wellness Summit, 2015).

Besides that, the ISPA and ESPA also deal with the spa industry development issues.

Since 1991, the International SPA Association has been recognized worldwide as the professional organization and voice of the spa industry, representing health and wellness facilities and providers in more than 70 countries.

ISPA's mission is: ISPA advances the spa industry by providing invaluable educational and networking opportunities, promoting the value of the spa experience and speaking as the authoritative voice to foster professionalism and growth.

ISPA's vision is: To be the leader in promoting and enhancing the well-being of the spa industry and the people it serves (ISPA, 2008).

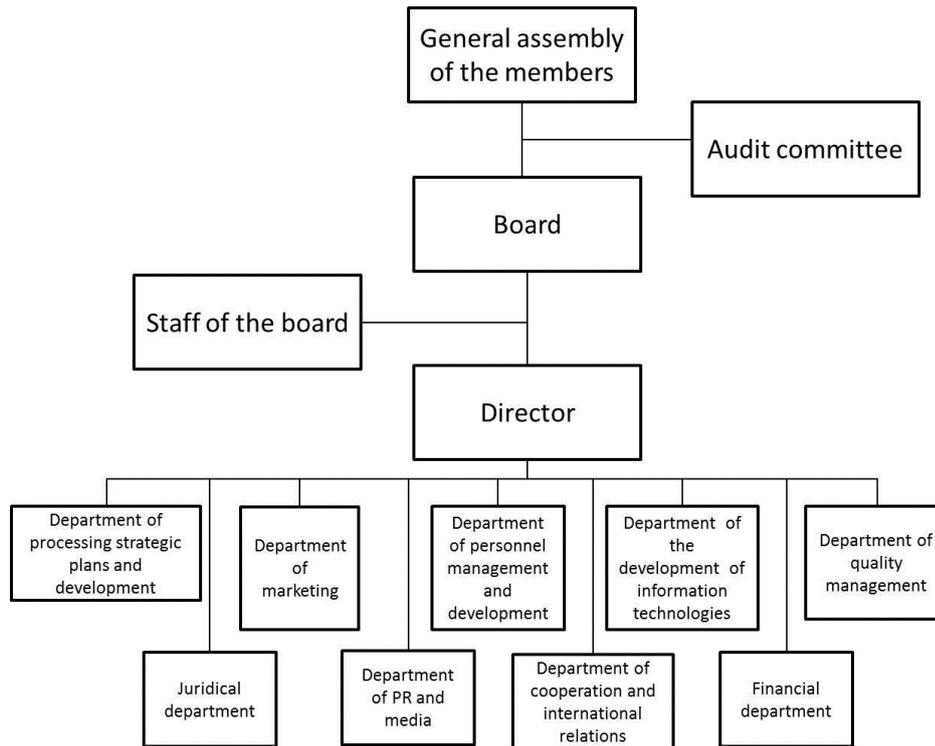
The European Spas Association is an umbrella industry organisation representing 20 members from 19 European countries. The European Spa Association's global objective is to promote spas and balneology in Europe and to take care that the natural remedies based on mineral water, landscape and climate will be available to as great a number of citizens and visitors as possible (ESPA, 2015).

We offer to create such an organization in Armenia as well. This will be an „Armenian spa association” non-profit organization. Its mission will be to contribute to the increasement of the quality of spa-resort services and the competitiveness of sanatoriums in the international and national markets and to assist to the strengthening of the relations between sanatoriums.

The association's main objectives will be:

- to provide the advancement of sanatoriums in national and international level,
- to contribute to spa-resort tourism development,
- to improve the professional skills of the specialists of the sphere,
- to provide the development of the Information Technologies of the sphere,
- to implement the marketing performance of the development of the sphere,
- to contribute to the increasement of the quality of spa services.

We offer the following structure of the association management (Figure 2).

**Figure 2: The offered management structure of spa association**

Source: Processed and offered by the author

The functions of the main departments will be:

- ✚ The department of processing strategic plans and development will process and implement long term development programs for sanatoriums, contribute to the strengthening of relations between sanatoriums, participate in the legislation and normative acts processing, contribute to the implementation of statistical recording of the sphere.
- ✚ The department of marketing will contribute to the improvement of marketing activities of the sanatoriums, implement marketing activities for spa-resort tourism development, such as to form a positive image of the sphere, perform advertising and other promotional activities, provide comprehensive information about Armenia's resort zones and spas, their prices in its website and to represent Armenia's resort tourism industry in international tourism exhibitions.
- ✚ The department of personnel management and development will participate in developing and implementing training programs of spa-resort tourism management staff, will organize courses, seminars and conferences for enhancing the professional qualification of the staff.
- ✚ The department of the development of information technologies will support the investment of advanced technologies and methods (also new medical equipment) in order to increase the efficiency and to improve customer services.

✚ The department of quality management will contribute to the increase of the quality of spa-resort tourism services and their adjustment to the international standards.

✚ The department of cooperation and international relations will provide the cooperation with the state organs of tourism management, other organizations and associations of the sphere, international organizations and contribute to the integration of Armenia's spa industry to the international spa industry.

✚ The Financial department will implement the management and distribution of financial flows between relevant departments in order to exercise the functions.

✚ The Juridical department will present and support the interests of Armenian spas at national and international levels.

✚ The department of PR and media should provide a link to the stakeholders and the public and accomplish informational functions.

The funding sources will be membership fees, entrance fees, donations and revenues from other sources.

The members of the association can be sanatoriums on the volunteer basis. In this case they will understand the necessity of the union as it will contribute to their development, will increase their competitiveness and the efficiency of their activities. We have also done a survey in sanatoriums and it is obvious that the management staff of the sanatoriums accept this idea and its necessity and mention the importance and role for the development of the sphere.

We can surely state that the union will provide the effect of synergy for sanatoriums.

The Armenian spa association will help to gather statistical information from sanatoriums, will introduce Armenia as a resort country in the world and present Armenian resorts, their resources, spas and their services, prices in its website. It will also cooperate with the state organs to process and implement development programs of the sphere.

Thus we can conclude that this association will contribute to the development of spa-resort tourism in Armenia by implementing many important functions to develop that sphere according to the international practice.

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