

From Spa to Wellness: Jirung's Intellectual Capital Strategy

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Abstract

In the modern world, the perspectives on value have evolved from dependence on tangible to more intangible assets. A business could gain competitive advantages from effectively managing and integrating both of them. Thailand's health tourism industry enjoyed intangible assets in mainly the spa sector, which had been growing in numbers of establishments for two decades.

Until 2012, a government think tank, the Office of Knowledge Management and Development (OKMD), had been focusing on finding new service concepts to strengthen the spa sector. Aware of the role of creativity in the services and keen to create new service value from intellectual capital, the OKMD championed the introduction of the concept of "creative services" as a strategic direction for the Thai spa industry that would serve to differentiate Thai spa services from those of neighboring countries. However, to date, many spa business owners and practitioners were still questioning what the phrase, "creative services," meant and how to achieve it.

The case study begins with descriptions of the current status of the Thai spa industry, its economic and employment importance to the Thai economy, its vulnerability in its current form to the ups and downs of

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annual tourist arrivals and spending, and the growing competition from neighboring nations for tourist expenditures on health tourism, especially spa type services. The case then focuses on Jirung Group, a prominent player in the Thai spa sector whose Jirung Health Village establishment had been among the first to pioneer the concept of a “wellness” business with client services focused on treating the whole person and restoring the balance among body, mind, and spirit. Next highlighted are Jirung’s continuing efforts in creating and managing its intellectual capital to inform the conceptualization, design, and delivery of creative wellness services based on its tangible and intangible assets. The reader is given an up-close look at how Jirung Health Village identified, perfected, and combined its intellectual capital in ways that continue to lead to the marketing and delivery of new wellness services for various market segments. As the tale of Jirung’s successful pursuit of the “wellness” paradigm comes to a close, the analyst is left to ponder whether such a transformation is practicable for the Thai spa industry as a whole, and if so, how it can be achieved.

Keywords: Intellectual capital, Business development, Creative services

จากธุรกิจสปาสู่ธุรกิจสุขภาพ: กลยุทธ์ต้นทุนทางปัญญาของจีรัง

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บทคัดย่อ

ในโลกสมัยใหม่ มุ่งมองเกี่ยวกับมูลค่าได้เปลี่ยนไปจากการยึดติดกับทรัพยากรเชิงรูปธรรมมากเกินไปเป็นหันมาให้ความสำคัญกับทรัพยากรเชิงนามธรรมมากขึ้น ธุรกิจหนึ่งๆ สามารถสร้างความได้เปรียบทางการแข่งขันได้โดยการผสมผสานทั้งสองสิ่งเข้าด้วยกัน อุตสาหกรรมการท่องเที่ยว เชิงสุขภาพของประเทศไทยนั้นได้ใช้ประโยชน์จากทรัพยากรเชิงนามธรรมที่อยู่ในธุรกิจสปา ซึ่งเป็นธุรกิจที่กำลังมีจำนวนเพิ่มขึ้นอย่างมากในระยะสั้นที่ผ่านมา

จังหวะทั่งปี ค.ศ. 2012 หน่วยงานซึ่งเป็นดั่งขุมพลังทางความคิดของรัฐบาลอย่างสำนักงานบริหารองค์ความรู้ (สบร.). ได้มุ่งแสวงหาการอบรมแนวคิดด้านการบริการเพื่อที่จะเพิ่มความเข้มแข็งให้กับธุรกิจสปา จากความตระหนักในบทบาทของความคิดสร้างสรรค์ซึ่งอยู่ในการบริการและความต้องการที่จะสร้างสรรค์คุณค่าทางการบริการใหม่ขึ้นจากทรัพย์สินทางปัญญาที่มีอยู่ สบร.ได้นำเสนอกรอบแนวคิด “การบริการเชิงสร้างสรรค์” เพื่อเป็นแนวทางเชิงกลยุทธ์ที่จะช่วยสร้างความแตกต่างให้บริการสปาของไทยจากประเทศเพื่อนบ้าน อย่างไรก็ตาม ยังมีผู้เข้าแข่งขันกิจการและผู้ปฏิบัติงานด้านสปาเป็นจำนวนมากที่ไม่เข้าใจว่า “บริการเชิงสร้างสรรค์” หมายถึงอะไรและจะทำให้สำเร็จอย่างไร

กรณีศึกษาฉบับนี้เริ่มต้นด้วยการอธิบายถึงสถานการณ์ปัจจุบันของอุตสาหกรรมสปา ความสำคัญทางด้านเศรษฐกิจและการจ้างงานของประเทศไทย ความเสี่ยงของธุรกิจจากการขึ้น-ลงของจำนวนและมูลค่าการจับจ่ายของนักท่องเที่ยว รวมทั้งความรุนแรงของการแข่งขันด้านการท่องเที่ยวเชิงสุขภาพที่เพิ่มขึ้นในกลุ่มประเทศเพื่อนบ้าน โดยเฉพาะในโซนของสปา จากนั้นจะเจาะลึกเข้าไปในผู้ประกอบการจีรังกรุ๊ป หนึ่งในผู้เล่นที่โดดเด่นของวงการสปาไทย ซึ่งกิจการจีรังเซล์

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วิลเลจได้กล้ายเป็นหนึ่งในธุรกิจบุกเบิกเชิงสุขภาพซึ่งให้บริการแก่ลูกค้าแบบครบทุกส่วนและช่วยคืนความสมดุลให้ทั้งร่างกาย จิตใจ และจิตวิญญาณ ส่วนสำคัญต่อไปคือความพยายามอย่างต่อเนื่องของจีรังที่จะสร้างสรรค์และบริหารต้นทุนทางปัญญาขององค์กรให้เกิดเป็นกรอบแนวคิด ดีไซน์ และการส่งมอบบริการสุขภาพเชิงสร้างสรรค์บนทรัพย์สินทั้งรูปธรรมและนามธรรมที่มีอยู่ ผู้อาจจะได้เห็นมุมมองแบบใกล้ชิดในวิธีการที่จีรังเอลล์วิลเลจใช้ในการสกัด เจียร์ไน และประกอบทรัพย์สินทางปัญญาเพื่อนำไปสู่การทำการทำตลาดและการส่งมอบบริการด้านสุขภาพใหม่สู่กลุ่มลูกค้าต่างๆ เมื่อเรื่องราวของการพยายามไม่ตามกรอบแนวคิดธุรกิจเชิงสุขภาพของจีรังใกล้จะถึงจุดสิ้นสุด จะเหลือใจที่คำรามสำหรับนักวิเคราะห์ว่าการเปลี่ยนรูปแบบของธุรกิจเช่นนี้จะเป็นสิ่งที่ควรจะนำไปปรับใช้กับธุรกิจสปาทั้งหมดหรือไม่ และถ้าหากว่าควร ควรทำเช่นไร

คำสำคัญ: ต้นทุนทางปัญญา การพัฒนาธุรกิจ บริการเชิงสร้างสรรค์

Introduction

For tourists, merely experiencing a different culture and exotic places might not be wholly fulfilling. Pampering and relaxing themselves to induce a peaceful state of mind, together with engaging in various kinds of leisure activities during their vacations had long been pastimes favored by many tourists. Thailand's ability to deliver such services had by the 1990s made the country famous worldwide.

In particular, Thailand had become one of the top destinations for spa services. Along thoroughfares and even alleyways of every major tourism city, there could be seen spa business establishments of all sizes and offerings – from small foot massage stalls to one-room back massage shops to multi-floor row houses offering a multitude of spa services to tourists and local residents alike.

Over the years, Thai spas had gained a reputation for pre-eminent services and hospitality, for their ability to make tourists feel “at home” due to the welcoming and gentle quality of their surroundings. The overall emphasis on harmony with nature was a defining hallmark of the Thai spa. This was greatly aided by the sagacious use of pampering products such as various aromatic herbs, many with medicinal properties that were carefully selected for quality and their ability to elicit different physical responses and emotional states. The natural and scenic diversity of the settings of many spas further accentuated the sense of well-being and rejuvenation that was a common aim of many Thai spas.

Part of the reason for the spa industry's explosive growth in recent decades could be traced to the Thai government's vision of a thriving industry that could be a source of both employment and foreign exchange. To this end, the government had in recent years devoted increased attention to developing the industry. Though these efforts had borne fruit, as could be seen in the sheer number of spa establishments throughout the country, there had been a growing sense within the relevant government offices that the current business model for spas might not be sustainable over the long run. For example, with their heavy reliance on the tourist trade, many establishments were completely vulnerable to periodic episodes of precipitous drops in the numbers of incoming tourists, due in part to political

instability that had bedeviled the nation for much of the past decade. With each sudden drop in tourist numbers, many smaller establishments found themselves unable to survive and had to close their doors.

Consequently, with little or no job security for therapists and workers, turnover within the spa sector workforce had been worryingly high, as employees either continuously sought local jobs with more assured paychecks, sought more promising opportunities by going abroad, or strove to open their own businesses. However, none of these alternatives had proven an entirely satisfactory response to employment instability in the spa industry. More specifically, in most local communities, there simply were not enough job vacancies to absorb the number of spa workers in search of alternative employment. In addition, going abroad and gaining the permission of the host country to seek and take employment was often an involved and uncertain process. And, finally, few new business startups survived long or generated the level of continuing financial rewards that the owners had hoped for.

Thus, it was decided that if the spa industry was to survive in some form or fashion, a change in its direction, or business model, was needed to better align the services offered with an increasingly dynamic environment. More specifically, efforts would be made to change the concept from "spa" to "wellness" business. Wellness was about the maintenance of a healthy balance of the mind, body and spirit that resulted in an overall feeling of well-being. It was centered on concepts of integrative, holistic treatment of the whole person, not just the physical side. Importantly, in contrast to the spa business, a wellness-centered business had to be knowledge-intensive. Practitioners needed to have an in-depth knowledge of the mind, the body, and the spirit, as well as the knowledge of what philosophies, therapies, and techniques should be employed to establish and maintain harmony among them.

Based on a 2012 recommendation of the Office of Knowledge Management and Development (OKMD), a government agency and think tank, the additional wellness attribute of emotion was added as the focus of the concept and business

model of the spa business. A specific term, “creative services”, was introduced to aid industry repositioning. Being more creative in designing and developing the services, the spa businesses could bring new experiences to their customers, thereby shifting its position along the industry maturation cycle from mature to young.

As it happened, while debates occurred concerning how to achieve the new position (including the addition of an emotion element), Jirung Group, one of the most renowned companies in the Thai spa and wellness industry, was identified as one of few businesses that had already made considerable progress in implementing a creative services paradigm long before it became the new “buzzword” concept. Jirung Health Village’s founder and president, Mr. Luenchay Vongvanij, had been constantly focusing on the importance of creating, exploiting, and improving the intangible assets of the business – including the knowledge, experiences, expertise, and associated soft assets needed to develop the business to the next level. To some industry observers, the success to date of Jirung Health Village was proof of the viability of the strategy of repositioning and shifting the spa business. Based on constructive ways of managing the intangible assets and forming an effective intellectual capital strategy to exploit the intangibles to drive business value, Jirung Health Village seemed to point the way toward a more promising future for the Thai spa business.

Overview of the Thai Spa Industry

By the end of the first decade of the 21st century, the number of Thai spa business establishments had been growing for more than twenty years. While initially offered almost exclusively in luxury hotels as high-end amenities for their well-heeled clientele, the industry had soon expanded as sole proprietorships to diverse settings outside hotels. In fact, Thailand hosted the largest number of spas in the Southeast Asia region, with numbers that had increased 202% since 2002. Further, according to the Ministry of Public Health, which certified spa businesses, from a base year of 469 establishments in 2004, the number of spas had mushroomed to 1,047 within just two years. Intelligent Spas’ fourth spa benchmark report on Thailand found that the 743 spas operating in Thailand in 2009 had

generated approximately \$275 million in revenue. By 2011, the last year for which the Ministry has statistics, there were 1,436 spa businesses scattered throughout the Kingdom, but centered predominantly in the largest cities and the most popular tourist destinations.

As reported by Thai day, hotel, and resort spa establishments, the industry employed more than 10,000 people. Nearly half (46%) of the spa establishments were day spas (i.e., not co-located with accommodation facilities), while the remainder (54%) were destination spas that included hotel, resort, and retreat spas offering overnight accommodation. Almost one-third of visits to hotel spas were by people not staying in the adjoining hotel, highlighting the importance of hotel and resort spas also catering to their local markets in terms of operational policies and procedures and incorporating local day spas in their competitor analysis activities. Starting prices of standard spa treatments were higher at resort spas.

Among the reasons attributed to the recognition and popularity of Thai spa was that it blended so harmoniously with the Thai way of life. The pithy catchphrase, "Land of Smiles," captured perfectly the character of Thai people as being friendly, neighborly and generous of spirit. These exuded a sense of warmth and hospitality. In addition, certain elements of Thailand's intellectual heritage also played a very critical role for the spa customer's value realization. This heritage was rooted in original and unique cultural assets and was perfectly matched to spa elements and what a spa must offer. The four components of intellectual heritage included:

- Thai traditional medicine: For over 3,000 years, Thai traditional medicine had been mainly used to balance the four elements of earth, water, wind and fire, so that the body and soul could live in harmony with nature. The medicine was prescribed to align the individual body and behavior to the particular season. Thailand was the source of many valuable medicinal plant species not found elsewhere in the world, such as the Creat or Kariyat and Pueraria mirifica.

- Movement and exercise: Nuad Boran, an ancient energy-based healing system that combined acupressure, reflexology, and assisted yoga postures -- long commercialized at Wat Pho (Temple of the famous Reclining Buddha) -- was well known to foreign tourists. It consisted of an impressive collection of essential knowledge concerning energy meridians, acupressure points on the body, and yoga-like stretching positions. One was “Rue-si dad ton,” an ascetic self-stretching exercises, that could engender efficient joints movements and pain relief, as well as promote full capacity of the absorbent and eliminating system. Further, it was applied in the traditional martial arts, Muay Thai (a strenuous martial art extensively using the eight limbs of hands, shins, elbows, and knees) and Krabi-krabong (a weapon-based martial art using a curved sword and staff). Nuad Boran was a highlighted component of every Thai spa service and package.
- Buddha teachings: This entailed meditation to calm the mind, which said activity took the person into a place that required leaving all else aside, including family, work, and any responsibility that detracted from the endeavor itself. With these mental and spiritual disciplines, the involved person would appreciate that what was received was far more than expected.
- Leisure activities: These varied, often as a function of the specific time of year. For example, in the sultry midsummer of April during the festivities accompanying Songkran (Thai New Year day), having fun was of the essence. Songkran festival was probably the most recognized in the world. People from all walks of life, including foreign tourists, came out to walk the streets, bringing bowls of water sprinkled with powder and spices to splash on each other as a way of offering good wishes and blessings. Everyone was friendly to each other and filled with a spirit of goodwill. Events such as this were deemed good for the soul. Although Songkran was the most widely known Thai festival, there were many other traditions and cultural events that were part of the Thai intellectual heritage.

Yet, despite the vigor and near-ubiquity of its spa industry, Thailand was not among the top players of the spa industry in Asia as a whole. In addition to domestic competition, they also had to deal with major competitor countries such as China, India, Malaysia and Indonesia, to name a few. Each of these nations with vibrant spa establishments was unique and strong in their own identity, with plans at various stages of development to make their own nation the center of the healthcare and wellness business in the region. Complicating this quest to become the center of gravity of the spa industry was the reality that, by and large, few tourists had as their main travel purpose the enjoyment of spa experience. Rather, more often, it was often the other recreational and cultural activities and resources that attracted them to a particular country such as Thailand. A spa adventure was occasionally tacked on as an added experience, although the concept of a wellness experience had not yet taken hold in the mind of the typical tourist.

The challenge, then, had become one of how to deal with these competitors. Some way had to be found to establish a new identity, a distinguishing feature for Thai spa services, that would effectively differentiate Thailand's offerings from those of other countries in the region. Extension and transformation of traditional spa services via horizontal diversification into the realm of wellness services was under consideration as the means to the desired end. This thrust had been triggered in 2008 by the decision of former Prime Minister Abhisit's government that the nation's long-term economic and social development would be grounded on the foundation of a creative economy. With the support of the Office of Knowledge Management and Development (OKMD), the government agency and think behind the idea, this idea was pondered and debated until, in 2012, it began to gain the attention and interest of groups and members of spa and wellness associations, who found themselves increasingly attracted to the notion of creative services as the path toward a more secure and profitable future for the industry.

Underlying the concept of creative services was the idea that the industry would strive to offer services in which creativity would play a central role in the design and development of new services and business models. This accomplishment

would require a process of thinking through the business' value chain in order to redesign the business value structure and the flow of tangible and intangible resources to enable customers to experience authenticity. Although the creative economy of the Abhisit government was not continued by the new government of Prime Minister Yinglak Shinawatra, a number of industry participants and observers were convinced that the creative services approach was the best way forward for the industry, regardless of political conditions and changes.

The challenge was assuredly a non-trivial one. Turning generic services into creative and authentic services entailed more than just throwing around new ideas or engaging in random creativity. Fundamentally, it entailed the identification, preservation, utilization, and continuous renewal of a business's intellectual capital as a competitive advantage and the route to survival and growth. In this connection, the story of the Jirung Health Village was of particular interest to those enamored of the idea of transforming the spa industry into a wellness industry.

Jirung Health Village: The Beginning

The Jirung Group (jirung meant "eternity" in Thai), was formed in 2002, the same year that the new enterprise founded Jirung Spa, which subsequently came to be regarded as the genesis of the reclamation of the holistic health care business in Thailand. Located on over 50 hectares of forested land in Mae Rim, Chiang Mai province in Northern Thailand, Jirung Spa pioneered the concept of creative services as applied to the spa business. Jirung Spa offered not only pampering and relaxing like the other spa businesses did, but also developed massage positions and spa products specifically for healing purposes (thus the appellation, "healing spa"), customizing these to the health conditions of each customer. In 2004, based on the success of the initial establishment, the company undertook geographical expansion of the spa into the Bangkok metropolitan area at the venue of the Vongvanij Building in downtown. At the same time, the name of Chiang Mai Jirung Spa was changed to Jirung Health Village, which was promoted as a venue for holistic health and authentic wellness. As wellness was not just about rejuvenating a client's health in the short term, Jirung Health Village customers were encouraged to spend

some period of time in the Village for purposes of holistically balancing their health through treatment, including indulging in the beneficial aspects of immersion in nature.

One measure of Jirung Health Village's continuing success could be seen in its 2007 recognition with the Excellence Award as "The Most Recognized Service Retreat" by the Prime Minister's Export Award. Meanwhile, health lovers and therapists from around the world were acknowledging and lauding the facility as a place with strong rehabilitating energy surrounding it.

In 2014, Jirung had three main business lines: Jirung Spa, Jirung Health Village, and Jirung Residences. Jirung Residences accommodated health-oriented people in a residential living arrangement within Jirung Health Village, where their aspirations of complete wellness could be deepened and accelerated by soothing interaction with nature. Figure 1 depicts Jirung Health Village and its scenic surroundings.



Source: www.jirunghealthvillage.com

Figure 1: Jirung Health Village Scenery

The path for Jirung's products and services had begun with founder's own personal experiences. Some years prior to his founding of the establishment, Mr. Vongvanij had been in a precarious health situation. Suffering from heart disease, he began taking numerous kinds of vitamins – which not only failed to have any effect, but also may have contributed to the development of a severe case of liver disease as well as aggravating his heart condition. Eventually, it dawned on him

that what he needed was a change in his behavior not through focusing on the medical effects of his vitamin supplements on the illness per se, but instead by focusing on keeping and sustaining health. At about the same time, he encountered Mr. Buncha Tungwongchair, a master of the Dhamma Retreat at Plan Koi, Ubon Ratchathani province, who introduced Mr. Vongvanij to the concept Emotion Detoxification, a completely different method of healing and revitalizing one's self. At its core, Emotion Detoxification was a way of getting rid of all the negative emotions embedded within the sub-consciousness mind, thereby getting to very root of the problem. Found to be far more effective than normal medical methods, in which 30% improvement was the typical person's experience, Emotion Detoxification therapy utilized Pranic Energy, the Power of the Pyramid and nature to heal and stabilize the body.

Having succeeded in using Emotion Detoxification to heal himself, Mr. Vongvanij lost no time in commencing work to extend his wellness experiences to others. Just as other business products and services were often developed from the personal experiences of the originating entrepreneurs, so it was that the basic concept for Jirung was a direct outcome of the founder's own personal experience in employing the underlying principles of Emotion Detoxification to heal himself. However, Mr. Vongvanij did not stop with a mere replication of the therapy that he had experienced: He added value by incorporating new materials, new designs, and new processes to the business model. For example, most spa treatments were normally focused on physical therapies with only the stress level being soothed. At Jirung Spa, the service was designed for customers to have a range of treatments (such as massage, steam, press and soak) that collectively ensured that bad or negative emotions would be eliminated during the treatment process. He also added a series of health activities -- such as meditation, Qigong (an ancient Chinese health care system that integrates physical postures, breathing techniques and focused intention), yoga, and adventure, and so on -- to achieve the results of total therapy.

Also, as wellness was to some extent intangible and took some time for customers to grasp and understand its tangible value, Mr. Vongvanij undertook to contemplate and scrutinize Jirung's intellectual capital (e.g., knowledge and

knowhow of holistic health balancing from within the person). He also made continuous efforts to identify their interrelated effects, link their value, and finally come up with the products and services whose main feature was their capitalization on a treatment program emphasizing the Jirung trilogy of the physical, the emotional, and the mental.

Jirung's Treatment: The Jirung *Mind Oasis Program*

“Jirung Trilogy”, the foundation of all treatment and therapy at Jirung Health Village encompassed the three dimensions of holistic health – i.e., physical, emotional, and mental—and lay at the core of Jirung’ products and services in healing and restoration. The renowned “Mind Oasis” program was a particularly successful example of how the establishment creatively merged the three holistic health elements. A program aimed at *emotional detoxification*, it sought to help alleviate customers’ emotional tension and anxiety by going to the very root of the problem and re-balancing and restoring all aspects of body, mind and soul back to their “natural” state. The processes by which this occurred made creative use of various Pyramidic and Pranic practices. The result was a highly successful treatment program that had attracted the interest of health lovers from both near and far.

Intellectual properties were the main structural capital of Jirung. The “Jirung Mind Oasis Program” reflected collective know-how (i.e., intellectual capital) and was deemed the most effective tool to cleanse away negativity and mental toxins. Emotion Detoxification was an essential part of the core program. It was considered a revolutionary approach to mind/body healing and rejuvenation, having been invented to enable the customer to experience and learn the method of self-holistic health care amidst a peaceful and health-promoting environment. It was a new route to realize good health and a balanced life style utilizing Jirung’s own health management scheme. It was about finding the root causes of health problems and alternatively healing them through body and mind balancing.

Typical wellness businesses were likely to perform treatment by using alternative medicine right after the symptoms were diagnosed. The customers might

have to come back regularly or as appointed. In addition, it might take a relatively long time to see the curing results from the program. This approach could discourage customers, as they might not feel or see the changes that they had anticipated. Jirung Health Village offered a new approach for emotional and mental therapy, one that aimed to configure the health program to attain effectiveness over a short cycle. This was called the 4R (Reassessment-Release-Relaxation-Rebalance) cycle. There were several phases involved in Emotion Detoxification therapy.

Reassessment

Using the Thai Medical Holistic Analysis, along with an analysis of the five basic indicators of internal and external organ problems that had been formulated by Jirung Health Village (i.e., housing, birth, weaken, attacked, and defective), the first step in the process aimed at assessing different body systems and the detection of elemental imbalances in order to stabilize the body it. Jirung's therapeutic experts would then be able to suggest ways to improve a customer physically, mentally, emotionally and spiritually. After appropriate modification to fit with modern lifestyles, utilization of Traditional Thai Medicine helped ensure that the programs covered all aspects of health. Not only was the aim that of helping the customer achieve and maintain a careful balance for healthy living, but also to afford customers deeper insights into themselves in the process.

Release

Jirung Health Village then utilized three natural forces: Pranic energy (see Figure 2), the Power of the Pyramid (see Figure 3) and the energy of the land on which Jirung was situated to detoxify clients' emotions. Use of these forces was based on the belief that stressors that arise from the very process of living and working in modern society slowly accumulated over time, causing illness and disease within individuals. Left unaddressed, they could become a major obstacle to the enjoyment of a satisfying physical, mental, emotional, and spirit life. Hence, before replenishment could begin, all the stress accumulated in the past had to be released. The notion of release was analogous to the old Thai saying "Get rid of

the old, before bringing in the new". Emotional Detoxification dug out harmful emotional toxins within the customer's mind and body (e.g., stress, frustration, anger, hate, anxiety, fear, and negative feelings) and threw them away. It thus got to the very root of the problem and healed it without using any chemicals. Such cleansing helped restore the body's natural immune system, thereby enabling it to fight against diseases that might enter the body.



Source: www.jirunghealthvillage.com

Figure 2: Practicing Pranic energy

Relaxation

Offering relaxation immersed in nature, accommodations were adorned with Lanna-styled decor and modern amenities and lay amidst lush green mountains, trees and waterfalls. The Thai Lanna-style pavilions, each with its own private sala in front and private garden in back, sat peacefully within its natural surroundings. Such relaxing settings were deemed facilitative of the process of letting go of the illness-generating stressors and the taking on of the new.



Source: www.jirunghealthvillage.com

Figure 3: Pyramid at Jirung Health Village

Rebalance

Jirung Spa also incorporated the basic essentials for a well-balanced body with its Healing Spa program. It utilized customer massages to balance the four elements of earth, water, wind and fire specifically for each individual. It also embraced Thai traditional medicine and Thai Oil Massage to help revitalize the body. Finally, specially formulated fragrant oils were chosen according to diagnosis of each client's elemental needs. After the treatment was finished, the clients felt energetic as the body and mind were realigned into a well-balanced state.

Linking Intangibles for New Jirung's Business Value

Jirung's business had begun with founder's own personal experiences. They were later shaped into successful Jirung trilogy and the Mind Oasis program. Taking about two years, turning idea and concept into a successful business required the company to have far more than program brochures at the front desk and online and offline advertising in place. The necessary processes and structures also had to be in place. Hence, the company undertook two activities of value creation and value extraction, which they referred to as their intellectual capital strategy.

First, not wholly investing in facilities for Jirung Health Village at the outset was a good starting point for Jirung's unique Mind Oasis treatment -- one that was able to develop better customer understanding of the core value of Jirung treatment. Hence, not being only a brick-and-mortar operation, Jirung Spa could serve as a

communication channel for commercializing the business value and services. As the business had good responses from the market, the intention to offer wellness experiences took shape very quickly. In 2002, the value creation process of Mind Oasis was begun and developed from the Jirung Spa business unit. As it were, there were knowledge and competencies residing within Jirung's staffs, as they were trained professionals in the field. They were equipped with sufficient knowledge of health and of the mind to enable them to consistently deliver programs that ensured that customers got the best service. In 2004, when Jirung Health Village began operations, the spa services were leveraged to offer an array of rejuvenating modalities that were designed to work in concert with the complete emotion detoxification program based on 4R.

Nevertheless, the new program value could not be launched by itself without an extraction and delivery process. By means of spa service customization, customers could realize personally tailored experiences from the program and appreciate the value that was individually involved. But, it was clear that value extraction would take a longer time. With Jirung needing a fast return on both tangible and intangible investments, dealing with customers like this and through customer word-of-mouth was thought highly unlikely to achieve the returns expected by the company's array of external parties. But, Jirung had also developed professional collaboration with a number of international property consultancy firms and tour agents. It had also sought foreign marketing partners to help widen its customer base and market the business abroad. Thus, the value of Mind Oasis was effectively built upon the linkages between tangible assets (i.e., facilities, amenities, and surroundings) and intangible assets (i.e., professionalism of therapists, the customized spa process of four elements, the principle of 4R, and a global conversation through networks and partners).

By 2013, a number of customers were praising Jirung's philosophy of treatments. One client's experiences were illustrative of the feedback that the company had begun to generate:

I started to become aware of how to view my sub-consciousness with my consciousness. As a result, I felt a sense of happiness and fulfillment. I would smile sometimes without even knowing it. It was like a direct smile from my heart. I also felt relaxed at Jirung while I was doing therapy, I felt very safe, comfortable and confident.

Given the importance attached to “individual customer experiences,” such customer feedback was considered part of the intellectual capital of the company. Indeed, customer experiences were viewed as a core value to be extracted from Jirung’s intellectual capital.

In time, the realization that the majority of customers were executive and elite, led to the conceptualization, design, and offering of a new service package, the Executive Performance Improvement program, to strengthen the effectiveness of Jirung’s wellness services and reached out prospective customers. The executives would learn more about themselves while revitalizing their mental prowess. To facilitate this process, Jirung utilized a number of health-giving activities focusing on the body, mind and soul with the aim of promoting sustainable happiness and success in the customer’s life and working career.

Wellness was personal, and it was up to the individual to decide which level of wellness he/she would like to achieve. In instances where individual experiences really mattered, Jirung perceived that it could tap its increasing intellectual capital to search for new experiential possibilities to be offered to new potential clients or new segments of society. It was thus critical that the company integrated all tangible and intangible resources and took them to the next level.

Repositioning Spa to Wellness: Is It Necessary for the Spa Sector?

The success of Jirung was deemed to have clarified and further refined the concept of creative services as they applied to the spa businesses. For example, it had underscored the importance of not restricting the creative process to mere physical capital. For many years, spa businesses had developed their new services by focusing principally on the uniqueness of their particular spa. They believed

that uniqueness per se could assure business survival by virtue of its inherent characteristic of differentiation. They had also sought collaboration with experts and universities. With little support from government, most of them ended up adapting the Nuad-Thai (Rue-si dad ton) style and drew upon it for marketing purposes or, alternatively, undertook to upgrade their facilities and environment. However, it was now increasingly clear that these tactics in and of themselves were insufficient to engender new experiences of emotional value to the clientele.

The uniqueness of Jirung was its focus on holistic treatment and authentic wellness experiences, both of which were more difficult for competitors to imitate. To what extent Thai spa businesses in general should endeavor to exploit sources of intellectual capital with which to generate for new service opportunities – this had yet to be determined. The Jirung experience suggested that Thai spas should focus more intently on authentic experiences (Nuad was not the only way). At the same time, as experts of Thai Spa Association cautioned, too much creativity without an intellectual foundation might not assure the industry's long-term viability. Hence, the implications of Jirung's experience for the positioning of the Thai spa business – e.g., whether to remain with the traditional spa focus or migrate toward wellness services -- remained to be sorted out in order for a plan of action to be developed and put into effect.

Endnotes:

1. Spa definition

The word “spa” was initially defined in the West. According to the International Spa Association (ISPA) a “spa” had certain as set forth below.

- Water Spa includes water that must be used as a component of therapy or decorative locations.
- Nourishment is maintained by various methods such as natural foods and health drinks.
- Movement, exercise and fitness -- with movement and exercise to increase strength and vitality.

- Touch and massage using therapeutic touch or massage to relax or relieve pain.
- Body, mind and spirit, with activities that help to balance the body, mind and spirit as well.
- Aesthetics maintenance, with facial features and body skin kept beautiful with natural ways.
- Environment of well-appointed surroundings, offering a sense of relaxation.
- Social and cultural expression and human relationships.
- Time, space and rhythms: modified to conform to the natural cycle behavior.
- Management and operation system to manage the organization effectively.

2. Partial Extraction of National Policies on Health Business (Years 2010-2014)

In connection with the opening of services markets related to health, the government promulgated a policy to develop Thailand into, first, a health center in Asia as of the Years 2004-2008 strategic plan, and then as an international health. In strategic plan for Years 2010-2014, the four major sources of income in the health business were:

- i. Medical Care: focusing on quality to maintain the excellence for foreigners without compromising the health of the people in the country itself.
- ii. Health promotion: focusing on health-related promotion services through both Thai traditional massage and spas for international markets.
- iii. Thai traditional medicine: retrieving the foreigners and using alternative medicine and more herbs. Reducing dependence on imported drugs and gaining recognition of the identity and wisdom of Thai traditional medicine.
- iv. Health products and Thai herbal products: emphasizing on sovereign support of quality herbs and their potential to enter the cosmetics,

pharmaceutical and health supplement markets. Aiming to develop Thailand as the center of the world with the use of health and natural resources.

It was expected that all would generate total income of approximately 4 billion baht during the five fiscal years. Regarding the services relating to the outputs in ii) - iv), the Ministry of Health had developed strategies, including:

- increasing competitiveness in the health business;
- promoting the development of services to the highest international standards;
- marketing and public relations more aggressively.

The Office of International Healthcare Center were established under Ministry of Health Commission to initiate and develop the plans to government by working with all related sectors and network parties and to act as a representative of Thailand in the health services.

Tourism Authority of Thailand was responsible for promoting tourism through value perspectives for balancing social and economic growth. To accelerate market development and public relations, the plan was to attract foreign tourists and to remain strong with brand and identity by collaborating with the private sector in developing strategy marketing and tourism business standards, penetrating niche markets with high purchasing power to increase the cost per visit of tourists, and amending relevant legislation to align with each other.

3. Emotional Detoxification

It was an effective way of emptying out negative emotions that have been buried deep within sub-consciousness. Modern medical studies have shown that there is a link between body, emotions, and the immune system. This field is known as Psychoneuroimmunology. Emotions, feelings and body are all controlled directly through the brain. This connection also affects the immune and cardiovascular systems. When the body is continually under stress, it causes a reaction that sends our hormones out of control. It also weakens the body, making it susceptible to viruses and cancerous tumors. When the mind and the emotions are still, the body

is able to gain back its control and maintain its physical health. The Principles of Emotional Detoxification are to maintain a balance with our emotions in order to be able to fight against both internal and external stimuli, and to practice it so that negative emotions will have no effect on the body. An emotion is like a source of energy, when there is too much, it can cause a lot of pressure within the body. Emotions like anger, hate and worry are the ones that carry the most amount of force, but they can be released with proper methods of breathing.

While breathing, people usually move 30% of their chest area and 70% of the stomach. This ratio varies for those who are under emotional stress. During moments of stress, the chest area ends up working harder than your stomach. In worse cases, it can be noticed that the stomach actually deflates itself as the chest area rises. This reverse condition is a result of the body trying to adjust itself to stress. If it continues for long periods of time, it may cause a damaging effect to the body.

The body is naturally equipped for handling stress, and Emotional Detoxification utilizes this natural gift to release the grief and negative feelings out of the minds. It actually takes a lot of energy to hold onto negative feelings, which in return weakens the body. Emotional Detoxification releases these emotions, so that the body can quickly return to its balanced state and function properly. One who practices it will notice dramatic results that are efficient and gratifying.

This process is like trashing a useless cache memory out of a computer. Everyone has to breathe, but people usually don't pay too much attention to it. Only those who study it will understand that every inhalation of breathe represents "Thinking" and "The Future". Exhaling brings out "Thoughts" or "The Past" to us. Excessive thoughts are scattered wastes that consume too much space, necessitating getting rid of them as soon as possible. It is only when a person's mind is clean that he or she is able to function properly.

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