

## Potential of Wellness Spa Business in the Eastern Region of Thailand to Be a Hub of Health Tourism

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### Abstract

This research aims at studying 1) the potential of wellness spa businesses in the Eastern region of Thailand, innovation in the industry, management competency, and government supports to enhance the competitiveness of the wellness spa industry. This is a qualitative research employing in-depth interviews and focus group interviews to collect data. The key informants are 60 people involved in the development and the promotion of wellness spa businesses in 4 provinces of the region. A total number of 60 respondents are selected with purposive selection. They are public officers, entrepreneurs, leading community members, scholars, and tourists who have used wellness spa services. The findings reveal that key success factors of the wellness spa industry in the region are Thainess hospitality, certified professional employees with expertise, menu of a variety of choices, and attractive tourism resources. In order to create competitiveness in the global arena, wellness spa businesses in the region should be positioned as enterprises offering holistic wellness spa services for physical, mental, social, and spiritual health. Other than health services, there should be services in the areas of beauty, nutrition, weight loss, body shaping, and anti-aging. Employees must be trained on massage skills, salesmanship skills, service skills, interactive skills, and language proficiency. The government supports are strongly needed. The supports include 1) training employees, 2) developing management competency, launching aggressive marketing and integrated marketing communication campaigns. Public officers should change their mindset from working with a controlling concept to a supporting concept. They should act like coaches, mentors, and advisors to help enhance competitiveness of the wellness spa industry. In order for Thailand to become an international hub of health tourism, the government must execute brand equity building for Thailand health tourism, while entrepreneurs must build brand equity for their own businesses.

**Key words:** potential, wellness spa industry, health tourism, management competency, brand equity building, Thainess hospitality

### 1 .Introduction

Thailand has a high potential of tourism with a lot of opportunities. Its location is a hub of ASEAN with many tourism resources, including beauty of nature, culture, unique traditions, and Thainess hospitality. In the year 2020, the Readers' Choice Awards ranked the second best for tourism with a score of 92.62.



To well answer to diverse tourist groups, Thailand classifies tourists into two groups: 1) high potential tourists who come to Thailand for cultural tourism, ecotourism, sea-sun-sand experiences, and health tourism, and 2) tourists who come to Thailand to for MICE activities, shopping, gastronomical tourism, and cruise ship experiences. An analysis of socioeconomic status among various groups of tourists reveals that health tourists have higher socioeconomic status than other groups of tourists (Department of Tourism, 2018). With this information, the Cabinet of Thailand decided to make an attempt to establish Thailand as an international hub of health tourism. The goal must be achieved in the year 2025. The scheme has 4 objectives: 1) to be a wellness hub, 2) to be a medical service hub, 3) to be an academic hub, and 4) to be a hub of spa products. There are 7 statements in the formulated strategy: 1) to enhance competitiveness in health tourism, 2) to develop medical care services, 3) to develop health promotion, 4) to develop traditional Thai medicines and alternative medicines, 5) to develop an academic hub, 6) to develop pharmaceutical and health products, and 7) to execute marketing promotion and public relations activities.

Thai spa businesses are high-end businesses with a good reputation to ask for premium prices. The target groups are upper class tourists who can afford premium prices. In terms of health tourism, Thailand has both wellness destinations and day spas. Thai massage services consist of a variety of massages, including massages for relaxation, aromatic massages, and therapeutic massages.

A SWOT analysis reveals that strengths of Thailand's health tourism are world-wide reputation and Thainess hospitality. Opportunities are the expansion of health tourism, tourists being more health conscious, co-operation among ASEAN countries, and government policies and supports. Weaknesses are small premises of the business, a lack of world-class standards, illegal and unethical augmented services, a lack of management competency, and a lack of training on spa management. Threats are a lack of integrated development and promotion work force, strategies not being implemented with expertise, a fierce global competition in health tourism, and a lack of unity among different levels of public policy administration. It is necessary that Thailand come up with an efficient and effective plan to enhance its competitiveness in the health tourism industry. It has been assumed that for Thailand's health tourism to be globally competitive, entrepreneurs in the industry need to embrace all 4 dimensions of innovation, namely 1) product innovation, 2) process innovation, 3) position innovation, and 4) paradigm innovation

The Eastern region of Thailand, with Chonburi, Rayong, Chonburi, and Trad provinces, is a region with many wellness and spa businesses. The region also has many tourism resources to develop many types of tourism as value-added experiences for tourists who came to use wellness and spa services. Therefore, the region was chosen as a site to conduct this research as a case of study on how to enhance Thailand's competitiveness in the health tourism industry.

Another issue to be concerned is being environmental friendly, as it is a part of sustainability required by consumers around the world. This issue is very important for entrepreneurs to comply with the principles of governance. Currently, consumers are more green and they support green businesses; therefore, it is important that spa businesses be green as well.





**Figure 1.** Eastern Economic Corridor (EEC): Thailand 4.0 in Action

Source : <https://thaiembdc.org/eastern-economic-corridor-eeec>

As the provinces in the Eastern region of Thailand are well equipped with all elements of health tourism, it is reasonable to look for strategies to promote spa businesses in the region. This research was conducted by interviewing people involved in the development and the promotion of wellness spa businesses in 4 provinces of the region. A total number of 60 respondents are selected with purposive selection. They are public officers, entrepreneurs who run spa businesses in the region, leading community members, scholars, and tourists who have used wellness spa services. The findings are used to come up with strategies to operate and to promote spa businesses as well as to enhance the potential of the Eastern region of Thailand to be perceived as a hub of health tourism among tourists globally.



**Research Objectives:**

1. To study competitiveness of health tourism
2. To study the management of wellness and spa businesses
3. To study the development of innovation in health tourism
4. To look for approaches to a sustainable success of wellness and spa businesses
5. To find contents to develop a guide book for wellness and spa management

**2. Literature Review****2.1 Health Tourism Defined**

Health Organization (1998) has come up with a definition that to be healthy is not merely being without illnesses and not crippled, but it also includes being physically and mentally happy and secure with spiritual well-being. The definition points out that there are four dimensions of wellness: 1) physical health, 2) mental health, 3) social health, and 4) spiritual health. Frost and Sullivan (Thaemngoen, 2015) describes Global Mega Trends that will change the world up to the year 2025 that health, wellness, and well being will be a great trend world-wide.

Wellness is a result of a search for activities and life styles to attain holistic health. The Global Wellness Institute (GWI) designated 10 categories of health economy as follows: 1) beauty and anti-aging, 2) healthy eating, nutrition, and weight loss, 3) wellness tourism, 4) fitness and mind-body, 5) preventive and personalized medicine, and public health, 6) complementary and alternative medicines, and 7) wellness lifestyle real estate, 8) spa economy, 9) thermal/mineral springs, and 10) workplace wellness

**2.2. Types of Health Tourism**

There are two elements of health tourism, namely tourism and health care. Health tourists can be divided into three groups: 1) healthy tourists who want to be healthier with wellness programs, including exercises, special diets, massages, and meditations, 2) tourists who have recovered from illness and want to be in rehabilitation programs in a nice and natural ambiances, and 3) tourists who want medical and therapeutic treatments with curative and corrective medical measures. All three groups constitute a growth of health and wellness tourism (Erfurt-Cooper and Cooper, 2009). Health tourism is now growing because people want to live longer and to have quality lives. They want to be physically and mentally healthy (Erfurt-Cooper, and Cooper, 2009)

One of the components of health tourism is wellness that goes beyond being physically healthy. It encompasses mental health, social health, spiritual health, and beauty. People want to live longer with good quality of life. People look for programs that will enhance their quality of life in all aspects of health. All of these lead to the growth of wellness spa resorts as integral parts of health tourism around the world.

**2.3 Health Tourism in Thailand**

The pivotal part of Thailand's health tourism is the spa business. It is reputable for Thainess hospitality, traditional massages, and herbal spa products. Thailand also has various tourism resources to add values for health tourists. The spa business in Thailand consists of wellness spa destinations and day spas—standing alone and located in luxury hotels. Most of them



charge premium prices, and their target groups are upper class tourists who can afford and are willing to pay premium prices. Many of them are recommended in the Tripadvisor web. Many masseurs and masseuses in Thailand are well trained and certified by Health Ministry of Thailand.

The information from the Department of Health Service Promotion (2015) reveals that many wellness spas in Thailand offer programs for holistic wellness, including physical health, mental health, social health, spiritual health, beauty enhancement, anti-aging, and weight loss programs. Wellness spa destinations provide accommodations for tourists, while day spas do not. Points of difference of spa in Thailand are friendly services, well trained employees, and products from local medical herbs.

The Spa Service Act issued by the Ministry of Health in 2003 classifies spa businesses in Thailand into 3 types, namely (1) health enhancement spa with massage services, special diet programs, exercise programs, and herbal medical products, (2) therapeutic spa with massage programs to cure muscle pain provided by certified masseurs, and (3) beauty spa with beauty enhancement programs.

International Spa Association (1995) classifies spa businesses into 7 types: (1) club spa for members only, (2) day spa at convenient locations, (3) hotel and resort spa with massage service, special diet programs, and fitness centers for exercise, (4) cruise ship spa on a cruise ship with the same services as offered in hotel, and resort spa, (5) mineral spring spa at areas with hot springs, mineral creeks with aqua therapy, (6) destination spa with holistic wellness programs located in areas with healing natural areas, and (7) medical spa with doctors and other health professionals to perform medical services for holistic wellness. Another way to classify spa businesses is accommodation. Some spa businesses provide hotel rooms for customers, while others do not. Spas with accommodation are likely to be in upper markets with premium prices.

## 2.4 Wellness Spa Management

Hodgetts (1991) states that there are 4 functions of management: 1) planning directions of enterprises, 2) organizing and staffing the structure, 3) leading and influencing the personnel, and 4) controlling organizational operations and resources. When the four functions are applied to wellness spa management, the elements will be as follows: 1) designing a spa menu to provide program choices for tourists, 2) designing services, 3) setting pricing strategies, 4) choosing locations of services, 5) designing marketing communications and roadmaps of employee training, and 6) formulating marketing strategies.





For a marketing strategy, McCarthy (1987) presented a strategy with 4 P's, including: 1) product strategy, 2) pricing strategy, 3) place strategy, and 4) promotion strategy. Sirikit (2016) added 4 more Ps, including 1) packaging strategy, 2) person strategy, 3) public relations strategy, and power strategy. Thus, when managing wellness spa businesses, entrepreneurs should use more than 4 P's to formulating a marketing strategy in order to pay attention to more details comprehensively. As for power strategy, entrepreneurs must have strategic alliances to be able to provide augmented services, including packaged tours and medical services in hospitals. Public relations strategies are important for promotions for their brands to have good images and reputations. They have to tell relevant stories of their spa businesses to create value added, as consumers in these days are content driven. They have to pay attention to the person strategy to make sure that their employees will provide impressive experiences to tourists. Human resources in wellness spa businesses must be trained to be service minded with human skills to create impressive and satisfactory experiences for tourists.

## 2.5. Service Minded Personnel

The wellness spa business is in the labor incentive industry, meaning that human capital is crucial for being successful. Wellness spa businesses need human resources with the following characteristics: 1) having a passion to provide services by being helpful to customers, 2) externally being well-groomed and internally thinking positive, 3) having good interactive and communication skills, and 4) willing to work with friendly smiles. When looking SERVICE MIND as an acronym, one will see what being service-minded means as follows: S = smile, E = enthusiasm, R = responsiveness, V = value, I = impression, C = courtesy, E = endurance, M = make believe, I = insist, N = necessitate, and D = devote (Wisnumahimachai, 2018). Besides having service-minded employees, wellness spa businesses also need to develop various types of innovation, including product innovation, communication innovation, and service innovation, to become highly competitive and stand ahead of competitors (Kaewattana, 2015) studied approaches to the development of sustainable spa businesses in Thailand, service psychology, and obstacles of spa operation. The findings reveal that the obstacles that hinder the development of sustainable spa businesses in Thailand are (1) management, (2) service quality control, (3) investment capital, (4) difficulties to look for good locations, (5) difficulties to build brand images, (6) a lack of employees with specific expertise for the job, (7) dynamic change of customers' expectations, and entrepreneurs' competency. Service quality control are related to five components: (1) well trained employees, (2) competent entrepreneurs for efficient operation and service management, (3) convenient locations with good surroundings, (4) quality products and services, and (5) consumer insights as bases for operation planning to offer relevant products, services, and spa programs.

## 2.6 Innovation and Wellness Spa Management

Entrepreneurs in the wellness spa industry must embrace all 4 types of innovation: product innovation, process innovation, technological innovation, and administrative innovation. Zeithaml, Bitner, and Gremler (2013) elaborates that innovation in the service industry means the innovation to improve services, including process innovation, technological innovation to facilitate and enable efficient and effective services, and operation innovation to enhance customer experiences. Innovations will differentiate businesses to stand out among the crowd. Khaewattana



(2015) studied problems of wellness spa management for a sustainable success, and founded the problems were: 1) inefficient management functions, 2) inefficient service quality controlling, 3) high investment for innovation, 4) difficulties in looking for good locations, 5) difficulties to recruit qualified employees, 6) difficulties in formulating efficient and effective marketing strategies, 7) dynamics of customers' needs, tastes, and expectations, and 8) a lack of business management competency. Entrepreneurs should look for new and improved ways in the following areas: 1) human resource development, 2) business management competency development, 3) attractive and convenient locations, 4) ambience designs, and 5) innovative product and service development. In order to do the right things, entrepreneurs must have big data analytics competency to have customer insights to develop relevant and significant products and services for health tourists.



**Figure 2** Global Wellness Economy

Source: Global Wellness Institute

The Ministry of Tourism and Sports of Thailand (2012) announced strategies to develop Thailand to be an international hub of health tourism. The strategies consist of plans to develop Thailand to be (1) an international wellness hub, (2) an international medical serviced hub with a variety of alternative medicine, (3) an international academic hub of health science, and (4) an



international medical product hub. The products include herbal medicines, herbal supplements, herbal cosmetics, and medical instruments. With all these strategies, spa businesses become an integral part of the development, and the government of Thailand regarding the development and the promotion of spa business as a priority agenda of health tourism of the country.

### **3. Research Methodology**

#### **3.1 Sampling Procedure**

This research is a qualitative research that employed in-depth interviews with 60 key informants consisting of the following groups: 1) wellness spa entrepreneurs in the four provinces in the Eastern region of Thailand, 2) representatives of tourism industry of Thailand in the four provinces, 3) representative of the tourism association of Thailand, 4) representatives of the Ministry of Tourism and Sports in the four provinces, 5) representative of the Ministry of Culture in the four provinces, 6) scholars in the tourism field, 7) representatives of the communities in the four provinces, 8) provincial public officers in the four provinces, and 9) tourists who have used wellness spa services. The key informants were chosen with the method of purposive selection through expert recommendation and snowball selection.

#### **3.2 Research Instrument**

The instruments used in this research were: 1) semi-structured questions, 2) unstructured open-ended in-depth interviews, 3) focus grouped discussions, and 4) participant observation. The topics included in interview questions were: 1) current situations of wellness spa business in the region, 2) supports from various sectors-public, private, and community, 3) obstacles of the industry, ways to get rid of the obstacles, and helps from various sectors, 4) strengths and weaknesses of the industry, 5) the potential of the industry, 6) roadmaps of employee training to enhance the industry competitiveness, 7) innovations incurred in the industry, and 8) approaches to the enhancement of wellness spa industry competitiveness.

### **3.3 Research Findings**

#### **3.3.1 Current Situation**

The economy is in a recession period; thus there is a need to be more offensive by being partners with hotels and create more healthmassage programs. Chinese, Korean, and Japanese tourists prefer health massages to relaxation and aromatic massages. There must be an attempt to get group tours of customers to get big chunks of business. Most tourists are satisfied with Thai spa services; therefore, they are loyal customers who repeat using the services. Tourists who visit wellness spas are upper class tourists who are willing to pay premium prices.

Wellness spa businesses will grow when they offer holistic wellness that includes health and beauty. Designing special massage programs other than relaxation and aromatic messages is a way to differentiate a brand. Therapeutic massages to cure certain health problems become more popular. Facial and body skin care programs are also becoming integral parts of holistic wellness. Body shaping and weight loss programs with exercises and special diets are also gaining popularity. Entrepreneurs must be knowledgeable in anti-aging methods and procedures to offer anti-aging programs to tourists who are now want to be younger and look younger with quality of life.





The Eastern region of Thailand has competitive advantages because it has a lot of attractive tourism resources to create values added for health tourists. Natural beauty in the region includes sun, sand, sea, mountains, and islands. The region also has rich culture and biodiversity of herbs to develop innovative unique spa products. With many competitive elements, big hotels in the Eastern region of Thailand have included wellness spa businesses as integral parts of their holistic businesses.

At present, many day spas in the region are trying to develop the business to become wellness spa destination by joining with five-star hotels and resorts. The reason for this development is many tourists want to have comprehensive holistic wellness programs, and these tourists stay longer and are willing to pay premium prices for prestigious services.

### **3.3.2 Supports from Various Sectors**

Most of wellness spa businesses in the region are SEM's; thus, they do not get adequate supports from the government and provincial officers in their communities. There are few public relations activities in magazines, web sites, and applications by government offices and private tourism associations. Officers from the health department from time to time visit the premises for hygienic checks. Wellness spa businesses with beautiful natural ambiances and excellent services will be publicized in the guide book published by the tourism public office. The wellness spa businesses with 5 star rating are featured as don't-miss tourism attractions of the region. Entrepreneurs with high competitive potential are invited by the provincial health department to be trained on the subjects of wellness spa management, massage techniques and programs, how to develop unique innovative spa products from local herbs and other agricultural produces. However, the training contents are more oriented towards health tourism in general than spa innovation and management. The training is not fruitful for wellness spa development to enhance competitive potential of the industry. The government can help by educate tourists to be aware of massage benefits other than relaxation.. This can be done through exhibitions, road shows, and publications. Therapeutic massages should be intensively promoted to expand customer bases.

### **3.3.3 Obstacles of Wellness Spa Industry Development and Corrective Measures**

The most serious problem is high employee turnovers because the demand for employees in the industry is higher than the supply. Some of them have massage skills, but they are not certified. There are many illegal spas with unqualified and non-certified employees. Some of these illegal spas do not comply with hygienic and service standards, and they jeopardize images of the industry. Government officers should conduct an investigation to enforce the rules and regulations that control wellness spa businesses. All masseurs and masseuses in wellness spa businesses should be well trained before they are legally certified, so that they are skillful and able to provide good services. Entrepreneurs recommend that there be a pool of certified employees, from which entrepreneurs can look for qualified employees. This can alleviate the problem of an insufficient number of certified employees. In addition, the government should have training programs to develop certified skillful masseurs and masseuses, as the industry is growing. Another problem is language proficiency among employees; thus, other than massage skills, they should be trained to be fluent in languages needed to well communicate with tourists of diverse nationalities.

Another problem is a number of spas illegally operated by foreigners who are not permitted to run wellness spa businesses. At present, Korean and Chinese entrepreneurs have built their own hotels, and they run wellness spa businesses in their hotels to serve tourists of their own



nationalities. These illegal businesses are a cause of leakage, which reduces the revenue of Thai wellness spa businesses. The officers should be more serious to get rid of illegal wellness spa businesses.

All the problems cited indicate that the industry does not receive due supports for them to develop competitive potential. As the government has initiated a policy to promote Thailand as a health tourism hub, supports from the government, national public officers, provincial public officers, and community leaders must prevail. An intensive improvement on the public sector is truly needed.

### **3.3.4 SWOT Analysis of the Industry**

**Strengths:** According to the interview responses, the strengths of the wellness spa industry in the Eastern region of Thailand are: 1) unique spa products for health and beauty that are developed from local herbs, fruits, and vegetables, 2) entrepreneurs with customer insights to develop relevant products and services, 3) well-trained masseurs and masseuses with high skills, 4) some employees have language proficiency to be able to communicate with tourists of diverse nationalities, and 5) most of the spas are legally certified with national health standards.

**Weaknesses:** The weaknesses as cited by the key informants are: 1) SME spa locations are in communities which are not easily accessible; it is not convenient for tourists to go to those places, 2) the business is seasonal; there are different numbers of tourists in different seasons; the revenue fluctuates tremendously, 3) prices are high; only upper class tourists can afford to pay the prices; middle class tourists will get services in small day spas with sub-standard services, which may not create impressive and satisfactory experiences for tourists.

**Opportunities:** The Eastern region of Thailand is closed to Bangkok, the capital of the country. Pattaya is a famous city well known by tourists around the world. It is a macro-destination where tourists can visit many tourism attractions and can do many tourism activities. With all these tourism resources, Pattaya is an attractive destination for tourists who come to Thailand for health tourism. Other than the intrinsic elements of the region, the government policy to promote Thailand as an international hub of health tourism, the Eastern region of Thailand with many water front provinces are good locations to be projected as health paradises for tourists who want to enjoy wellness spa services.

**Threats:** The negative image of sex services in some spas are problem of image building. Illegal spa operation by foreigners who are not entitled to run spa businesses is another obstacle for Thai entrepreneurs because some foreign tourists like to do business with entrepreneurs with the same nationality. The problem is that illegal spa businesses by foreign entrepreneurs who are not entitled to run the business has competitive advantages over legal spas run by entitled Thai entrepreneurs. Moreover, this phenomenon causes leakage in tourism revenues.

### **3.3.5 Potential of the Industry**

It is a pity that many wellness spa businesses in the region use spa products produced in Bangkok instead of using herbal products produced locally. Thai customers perceive local herbal products to have low value. While local produced herbal products have low potential, massage services have high potential. The promotion of herbal spa products that are locally produced is needed to enhance their competitive potential. As many wellness spa enterprises in the region offer holistic wellness services, including health, beauty, nutrition, and anti-aging programs, the



publicity of wellness spa services other than massages should be aggressively publicized to create perceived values of the services other than massages.

Marketing communication campaigns on social media by the public officers and private entrepreneurs are needed to enhance potential of the industry. Enterprises' integrated marketing communication campaigns through convergence of media channels and platforms must be employed to enhance competitive potential of Thailand's wellness spa industry; otherwise, Thailand will not attain the status of an international hub of health tourism in the global arena.

As Thailand's government has a policy to promote the Eastern region of the country to become an international hub of health tourism to improve quality of life for residents in the region, it has developed many supportive elements, including the development of infrastructure for convenient accessibility and the development of various types of accommodation for tourists with different tastes, expectations, and socioeconomic statuses. Many tourism attractions have been enhanced with public facilities, restaurants, and souvenir stores. There are marketing communication campaigns to promote tourism attractions in the region to create added values for tourists who visit the region for wellness spa services. Thailand's government also has a policy to support SME growth for sustainable economy of the country, and to promote spa businesses is one of the strategies to achieve the policy. Not only does this development promote Thailand's tourism, but it also enhances the growth of SME's in Thailand, as most of spa businesses are SME businesses.

### **3.3.6 Roadmaps of Employee Training to Enhance the Industry Competitiveness**

In order to develop employees' skills, many entrepreneurs have a roadmap to train their employees regularly. They use mentorship and coaching methods by having experienced employees help train new comers. Sometimes, they send employees to be trained in Bangkok for advanced skills. Skillful supervisors also help employees improve their skills with special types of massage. Other than being trained to be skillful masseurs and masseuses, employees are also trained to do cross selling by trying to recommend new wellness programs on the menu and recommend innovative spa products for beauty enhancement, body shaping, weight loss, nutritional special diet, anti-aging programs. Meditation programs for spiritual health are gaining popularity. Some employees will be trained many times for re-skills and up-skills. Being trained in programs offered by the Ministry of Health is mandatory for employees to be certified. For advanced skills, some of them are trained with Indian therapeutic massages to supplement Thai massages. This is a strategy to differentiate a brand.

Other than massage and salesmanship skills, language skills are also essential. Employees are trained to have language proficiency in many languages, including English, Chinese, Korean, and Japanese. In one year, there will be two training sessions with three months of language training for each session. Some spas hire language teachers to develop employees' language proficiency on a regular basis. In conclusion, well trained employees of wellness spa business must be versatile. They must be excellent masseurs and masseuse, excellent service providers, and excellent salespeople with foreign language proficiency. Training programs for better performance should be provided by the entrepreneurs, and training programs for employees to be certified should be provided by the Ministry of Health. It is believed that tourists prefer services performed by certified masseurs and masseuses.

### **3.3.7 Innovations Incurred in the Industry**



The key informants' key statements on innovation are: 1) offering innovative products and services to increase sales, 2) having innovative technologies for cross selling, 3) using innovative marketing strategies to be more offensive, 4) using innovative digital applications on smart phones for effective marketing communication, 5) using innovative engagement conversations to gain online advocacy, and (6) approaches to be green businesses to adhere to the concept of environmental sustainability, which is a global trend. Other than high technological innovation, innovative services by leveraging Thainess hospitality are also developed and executed. Thainess is embedded in the tangibles, such as architectural designs, decors, spa products, and ambiances. It is also embedded in the intangibles, such as services, manners, interactive skills, and gregariousness. To develop innovations to enhance competitiveness of the wellness spa industry cannot be achieved by a few entrepreneurs' practices, but all entrepreneurs should embrace innovation development as an integral part of their management. Entrepreneurs should realize that innovation is a key factor to project a leading image of Thailand's wellness spa industry. The government should help promote wellness spa businesses with innovations to encourage entrepreneurs in the whole industry to invest in R&D in order to come up with innovations in all dimensions—product, process, positioning, and paradigm. Innovative products are herbal products from local herbs, vegetables, and fruits. Innovative processes are steps and procedures of interaction transactions facilitated and enabled by technologies (high tech) and Thainess hospitality (high touch). Innovative positioning is to position Thailand wellness spa industry as a holistic wellness and spa industry for wellness being that goes beyond physical and mental health. Innovative paradigm is a global mindset to be competitive in the global arena with world class product and service quality.

Innovations that are required to enhance competitiveness of Thailand's wellness spa industry must be developed to differentiate Thailand's wellness spa industry. Innovative products and services must be developed on an on-going basis to expand customer bases and to increase sales. Digital applications on smart phone and contents on social media are mandatory innovations for e-commerce (electronic commerce) and C-commerce (conversation commerce), because tourists in this age are content-driven tourists who need good contents to make purchasing decisions. TripAdvisor is popular among international tourists. Social media platforms, such as Facebook and Instagram, must be employed for engagement marketing.

The government should have training programs to educate wellness spa entrepreneurs on the subject of innovation, so they can develop their innovation in all four dimensions. An innovative paradigm that is very important in this digital era means they should operate their business with the principles of good governance. They should be concerned with customers' safety when offering products and services, as some customers may be allergic to certain chemicals and herbs. With the dynamics of tourists' needs and expectations, all enterprises in the wellness spa industry should not offer only massage services, but they should offer holistic services and programs for physical, mental, social, and spiritual health. Innovative integrated marketing communication is a "must" to promote wellness spa business of Thailand. There must be interesting and compelling contents that are delivered through convergence of communication channels, including on print, on air, on ground, on site, and online. The media to be employed must include paid media, earned media, shared media, and owned media.



There are many innovative marketing strategies for entrepreneurs to learn, including content marketing, engagement marketing, experiential marketing, social media marketing, and viral marketing. Entrepreneurs should be made aware that social media marketing help them get rid of a budget constraint because to run a marketing communication campaign on social media is inexpensive and very effective, as consumers in these days believe contents they get from virtual friends in social networks. Entrepreneurs should learn how to leverage digital technology development as an innovative communication tool.

### **3.3.9 Approaches to Develop Entrepreneur Competence**

Many entrepreneurs in wellness spa business have very little business core competency, therefore, the government must have a project to develop their competence, including business planning, business operation, marketing management, brand building, service management, integrated marketing communication, human resource management, and managerial accounting. As the core strategic concepts of Thailand 4.0 is ICT (Innovation, Creativity, and Technology), the training programs must contain how-to approaches to business operation with these three strategic concepts of Thailand 4.0.

In conclusion, entrepreneurs in wellness spa business must be well -versed in business management, marketing, branding, communication, service control, and human resource management. They must give attention to integrated marketing communication that is needed for brand building. They should understand the role and the important of brand equity. They must have a global mindset to be well aware that they are competing at a global level, and they are helping the government to achieve the goal of making Thailand an international hub of health tourism. In order to gain customer loyalty, they should learn how to use customer experience management (CEM) strategy and customer relationship management (CRM) strategy by learning how to manage and analyze Big Data. They have to learn descriptive analytics, predictive analytics, and prescriptive analytics to run their business with data-driven strategies.

## **4. Approaches to the Enhancement of Wellness Spa Industry Competitiveness**

Approaches to the enhancement of wellness spa industry competitiveness as recommended by the key informants are as follows: 1) using digital applications for marketing promotion with contents to create awareness and appeals, 2) creating contents to tell a variety of services available to show that tourists can have choices that suit their needs and expectations, 3) using market apps for transaction and e-commerce, 5) developing employees to be skillful in all dimensions of services—massages, salesmanship, hospitality, and language proficiency, and 6) enforcing laws, rules, and regulations to get rid of illegal wellness spa businesses.

Innovative products from local herbs, vegetables, and fruit must be promoted to feature uniqueness of Thailand's spa products. The government should educate and subsidize the production of innovative product and innovative technology investment. Thainess hospitality should be accentuated to differentiate Thailand's wellness spa industry. Local tourism resources must be leveraged as supplementary services to add more values to their health tourism.

All of these approaches need an efficient and effective marketing promotion strategy with aggressive marketing communication campaigns. At the same time, all entrepreneurs should adhere to the principles of good governance and good practices to build a good image and reputation for the whole industry of Thailand. They must have a global mindset to realize that they





are competing globally to project an image of international health tourism hub for Thailand. They must understand how their enterprises are related to the whole wellness spa industry of Thailand.

## 5. Discussion

### 5.1 Potential:

The Eastern region of Thailand has a high potential to help promote Thailand's health tourism because the region has many attractive tourism resources. It is well equipped with all tourism elements: accessibility, attractions, accommodations, activities, ancillaries, and amenities with good supports of authorities. Entrepreneurs are willing to leverage the government policy to promote health tourism by investing in the wellness spa industry. The region has a rich local biodiversity that includes herbs vegetables, and fruits to be used as raw materials to produce unique wellness spa products. The Eastern Economic Corridor (EEC) project will bring more residents and tourists to the region. The region has many attractive tourism resources to create values added for tourists who visit the region for wellness spa services.

Problems that hinder the potential are accessibility to SME spas and the existence of illegal spas run by foreigners who are not allowed to run the business. Though the region is easily accessible, locations of SME spas are in areas where tourists do not have convenience to go to the places. Accessibility to SME spa locations needs to be improved. The government must enforce the laws prohibiting foreigners from operating wellness spa businesses.

In conclusion, the region is well equipped and has potential to be an international hub of health tourism with unique wellness spa products and services. Attractive tourism resources and local biodiversity are two strong factors to create value added for tourists. The Eastern Economic Corridor project will help enhance the potential.

On the demand side, tourists are now more health conscious, and this group of tourists is upper class consumers. They are affluent and willing to pay for quality of life. They want physical, mental, social, and spiritual health. This renders opportunities for entrepreneurs in the wellness spa industry to offer holistic wellness spa services, including health, beauty, nutrition, weight loss, and anti aging programs. Tourists who come to Thailand for wellness spa services are of diverse nationalities; therefore, entrepreneurs must have insights about their needs, wants, tastes, preferences, and expectations to come up with relevant services. The government should help compile consumer insights of different nationalities for entrepreneurs to develop innovative products and services to differentiate their brands.

On the supply side, entrepreneurs must develop management competency to operate the business professionally. They have to pay attention to ambiances and architectural designs to manifest unique Thailanness. It is advisory that all tangibles should be in Thai styles, and they have to leverage Thainess hospitality to be a competitive advantage. They have to also pay attention to human resource development with a definite roadmap of employee training. The topics should include service skills, interactive skills, salesmanship skills, and language proficiency. They have to believe in digital transformation and manage changes to become digital organizations doing digital businesses with digital marketing and digital transaction. They should use digital applications for communication and transaction. They have to integrate digital engagement (high tech) with hospitable interface interaction (high touch) to differentiate Thailand's wellness spa industry from that of other countries. It is obvious that aggressive marketing promotion is needed



to build brand equity of their businesses. Marketing communication campaigns must follow the principles of content marketing and engagement marketing. To be competitive with unique selling points, they should position their businesses as holistic wellness spa enterprises offering comprehensive wellness services for quality of life. They must embrace all four types of innovation—product, process, positioning, and paradigm. CEM and CRM strategies that leverage Thainess hospitality must be used to build loyalty. They should work closely with government officers to develop competitive advantages of Thailand's wellness spa industry, so that Thailand will attain the position of international health tourism hub.

Government supports are strongly needed, as many entrepreneurs are not satisfied with the performance of government officers. Entrepreneurs perceive that government officers are working with a controlling concept, not a supporting concept; They would like to see government officers work as coaches, mentors, and advisors, not as investigators to find faults with their operation. Government officers have to change their mindset. Entrepreneurs want government officers to launch aggressive marketing promotion and integrated marketing communication campaigns to build brand equity for Thailand's wellness spa industry as an umbrella brand equity building, so that they can build brand equity for their businesses under the government's umbrella branding campaigns. As the government has a policy to project the position of Thailand's health tourism as an international health tourism hub, it is necessary that the government do the following: 1) executing promotion marketing activities efficiently and effectively, 2) having training programs to educate entrepreneurs on wellness spa management and operation and to educate employees on professional skills for them to be certified employees, 3) leveraging tourism resources in the region to create augmented services and values added for health tourists, and 4) helping promoting spa products made from local biodiversity, so that tourists will perceive values of the products. In order that Thailand's wellness and spa industry to be globally competitive, the government must set world class hygienic standards, and educate entrepreneurs to comply with the standards. To get co-operation from community residents, Thailand's health tourism should be developed as community-based tourism. To be popular globally, Thailand's health tourism should be developed with the principles of sustainable tourism. All people involved in wellness spa businesses must realize that not only do they run wellness spa business, but they are performing a task of making Thailand an international hub of health tourism. Not only do they have to compete domestically, but they are also competing with many country globally. Thailand has many elements to build competitive advantages, therefore, entrepreneurs in the wellness spa industry must learn how to leverage all these elements to be highly competitive in the global arena.

## 5.2 Success Factors

Thailand has all tourism components to develop health tourism, and it has potential to become an international hub of health tourism.

**A Variety of Tourism Attractions as Augmented Offerings:** The Eastern part of Thailand has many cities well known and well liked by a large number of tourists; thus, it should be developed to be an integral part of Thailand's health tourism development.

**Thai Hospitality is an Edge:** Thainess is a particularity marketing mix that renders competitive advantages for Thailand wellness spa industry. It must be well leverage.



**The Development of Entrepreneurs' Business Competency:** Many entrepreneurs have only little business competence; therefore, they need to be trained to develop core business competency. They have to learn many aspects of business management.

**Human Resources as Excellent Service providers:** Human resources as human capital is a pivotal part of competitive advantages; thus, entrepreneurs must learn how to manage and develop employees efficiently and effectively. Many training programs are needed.

## 6. Recommendations

1. In order to be highly competitive, entrepreneurs must believe in branding, and they must try to build brand equity by efficiently and effectively run marketing communication campaigns with compelling contents that are delivered through different channels of communication. Brand equity is a strategic asset to gain competitive advantages.
2. Other than branding, CEM and CEM as data-driven strategies must be used to build loyalty.
3. Entrepreneurs must have Big Data analytics competency in order to come up with data-driven strategies. It is important that Big Data is used to learn dynamic changes of consumers' expectations, so that products, services, and experiences offered to customers will be relevant and attractive.
4. Innovation in many aspects is very important to stand ahead of competitors. Entrepreneurs must embrace product innovation, service innovation, communication innovation, and operation innovation to be correspondent with dynamic changes of consumers' expectations.
5. The three strategic concepts of Thailand 4.0, namely innovation, creativity, and technology (ICT) must be incorporated into operation practices of the industry.
6. Lastly, the industry must be developed with the principles of sustainable tourism. People involved must be aware of sustainable wealth distribution, sustainable culture, and sustainable environment.

It must be noted that health tourism development should be treated as a tool for SME development that will improve quality of life among residents of the area.

## 7. Recommendations

According to a SWOT analysis, wellness spa businesses in the Eastern region of Thailand have more strengths than weaknesses, and more opportunities than threats. The wellness spa industry of Thailand has high potential to be highly competitive in a global arena. Entrepreneurs need to be creative to come up with innovative products and services to differentiate Thailand's wellness spa industry among this industry around the world. The recommendations for Thailand to be globally competitive and to become an international health tourism hub, government officers, entrepreneurs, and community residents have to synergistically integrate their efforts to do the following: 1) launching aggressive marketing promotion activities, 2) launching aggressive integrated marketing communication activities, 3) executing brand equity building, 4) leveraging CEM and CEM to create brand loyalty, 5) offering holistic wellness spa services, and positioning the industry as wellness spa business that offer holistic wellness spa services for quality of life, 6)



educating and training entrepreneurs and employees to be professionally competent, 7) leveraging tourism resources in the region to lure health tourists to the region, and 8) preparing “SPA Business Manual” for entrepreneurs to resort to when they need to improve their operation.

Government officers and entrepreneurs should synergistically conduct consumer intelligence to gain consumer insights, and use the data from the intelligence to develop relevant products and services catering to tourists’ tastes and preferences. Other than day spas, resorts and hotels should be developed to be wellness spa resorts to offer luxurious wellness spa programs that can ask for premium prices from upper class health tourists. With tourists being more health conscious and the region being equipped with necessary elements of recreational and health tourism, the Eastern region of Thailand has high potential to be a leading brand in health tourism, and it will be a focal point of Thailand’s competitiveness in the wellness spa industry.

It is not too difficult for Thailand to be perceived as a paradise of health tourism. It is not too difficult for Thailand to be globally competitive. It is too difficult for Thailand to attain a status of international health tourism hub. Factors that should be leveraged efficiently and effectively are Thainess hospitality and attractive tourism resources of the region. These two factors are differentiators to build brand equity for Thailand’s wellness spa industry.

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