

Trends of Wellness Tourism Development in Russia

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Abstract: *The people, especially those living in urban conditions, are increasingly exposed to stress today due to the rush of life. Adverse environmental conditions and unbalanced nutrition have a negative effect not only on health, but also on the emotional state of people. The health of the nation is formed by the health of each person, which is described by their working capacity and active life. Therefore, the physical and moral health of people is a priority strategic object for observation for the State, because it directly influences the economic and political situation of the country and the development of the State as a whole. Wellness tourism is the most effective means for rehabilitation, recreation, and body health promotion. There is recreational tourism, the purpose of which is to promote health, recover, and develop physical and emotional strength. Recreation includes almost all types of recreation, especially health resort treatment and tourism. Therefore, support for the development of the health resort institutions in Russia is so important — they are responsible for the physical and moral health of the population. At the same time, the profit is known as the main basis for investment and further development of the organization. It must be noted that the optimal use of this potential is largely complicated by the lack of effective relationships in the “health resort organization – tour operator (travel agent) – consumer of the health resort product” structure at the moment. The effectiveness of the interaction among the agents in the health resort market depends not only on the ability to quickly mobilize potential resources, but also on the methods and tools that would contribute to the design, production, and promotion of new values of the health resort product.*

Keywords: *tourism, business activity, economy, market, tour operator, travel agent.*

INTRODUCTION

The modern health resort industry is a multilevel intersectoral complex. The competition in the market for tourism and health resort services has become a competition of strategies rather than resources in the last decade. That is why the information support system for making economically sound decisions should be formed based on comprehensive studies of the competitive environment of the market for health resort services, identification of promising contact audiences, and development of an optimal set of product promotion for them. The solution of these problems determines the search for innovative and invariant approaches, as well as the corresponding theoretical and methodological study and substantiation of methods and recommendations for improving specific promotion methods and the whole complex as the basis for ensuring stable competitive positions and dynamic development of the health resort organizations.

METHODS

The intensification of global competition and the individualization of demand pose a challenge for the health resort organizations to form an appropriate promotion complex, the implementation of which will attract new consumers, increase sales, create a competitive potential for a particular health resort organization, and increase demand for innovative health resort products. The scientific works of domestic and foreign scientists in the field of the health resort sector operation served as the theoretical basis of the study. General scientific methods of theoretical knowledge were used in the research process: analysis and synthesis, and monographic description.

RESULTS

The wellness tourism includes the movement of residents and nonresidents within national borders and beyond them for a period of at least 20 hours and no more than six months for recreational purposes and with a purpose of preventing various diseases (Yudina, 2018). The wellness tourism can be called the main type of tourism, because its goal is to take care of human health and the population as a whole as the main value of life. Besides, this type of tourism has an ancient and rich background. It developed differently in each country, depending on socioeconomic conditions, but it has always been based on the availability of useful natural resources. Choosing the wellness tourism as pastime, a person seeks to achieve such goals as full relaxation, partial or complete treatment and healing, and restoration of physical and moral strength. Therefore, this type of tourism has some distinct differences from other types of tourism.

Firstly, a sufficient amount of time is required for the recovery and treatment of the body. Therefore, staying at resorts takes a sufficient amount of time to achieve the desired healing effect. Secondly, health promotion and staying at resorts is an expensive pastime. Of course, most resorts have become focused on the general public trying to offer affordable tour options in recent years, but this type of tourism is designed mainly for wealthy customers who require a customized treatment program rather than a standard set of medical services. In addition, the main target audience of resorts is most often people of mature age and the older age group. This is due to the fact that chronic diseases often worsen over the years, and a weakened body finds it more difficult to cope with the stresses of life in a metropolis. Most often, such tourists choose resorts specializing in the treatment of a certain disease or resorts with a mixed type of treatment that has a healing effect on the whole body and contributes to full or partial recreation (Yudina, 2018).

It must be noted that according to the Federal Law dated February 23, 1995 No. 26-FZ (as amended on December 28, 2013) "On natural healing resources, health resort areas, and resorts", a resort is a specially protected natural area that has been developed and used for therapeutic and preventive purposes, with natural healing resources, buildings, and structures required for their operation, including infrastructure facilities (World Travel & Tourism Council, n.d.). In addition, according to this Law, the legislation on natural healing resources, health resort areas, and resorts regulates the relations arising in relation to the use and protection of natural healing resources both within these specially protected territories and those located outside their borders. Moreover, this Federal Law recognizes natural healing resources and health resort areas as a

national treasure of the peoples of the Russian Federation. The health resort complex encourages an increase in the efficiency of the following clusters: hotels and accommodation facilities, restaurants and catering enterprises, transport infrastructure, folk crafts, and sightseeing enterprises (Yudina 2015).

Programs for the formation and promotion of services offered by the health resort organizations should be aimed at encouraging visits, simplifying visa and customs formalities, and providing a range of services at the points of entry and exit of citizens. The rapid scaling of specialized recreation is one of the most significant trends in the development of the health resort complexes in the competitive market. For example, the age group from 35 to 55 has the highest incomes in the most developed countries. This market segment prefers to take several short-term vacations during the year, rather than one long-term. The pensioners, whose number is constantly increasing, are described by an average level of well-being, but they have free time to visit health resort complexes for disease prevention and recreation (World Travel & Tourism Council, n.d.). An increasing number of users of the health resort products prefer outdoor activities, are tuned to acquire new knowledge, and tend to get acquainted with the sights in the places they visit. At the same time, the well-established forms of the health resort services remain popular, though they should be modified to improve the level of customer service. Attracting new customers is facilitated by the use of natural and climatic resources, such as exotic flora and fauna, rocky mountains, and caves. Visitors are also attracted by elements of cultural heritage, such as architectural, cultural historical, and pilgrimage religious monuments, museums, and art festivals, etc.

The breadth of the spectrum and the complexity of demand inevitably give rise to the supply of the aggregate health resort product (Yudina 2018). The demand for health resort products depends not only on the consumer's income, but also on the duration of their vacation and food prices – perfect and imperfect substitutes, and a range of other factors. The introduction of regular vacations and an increase in real incomes of the population have a significant positive effect on the level of consumption of the health resort products. However, the study cannot be limited to establishing a general trend of the influence of one variable on another. It is also necessary to know the qualitative and quantitative parameters of changes in demand, the level of the demand sensitivity for health resort products to price changes, and the reaction of demand to changes in income levels of real and potential consumers.

The number of the health resort organizations is recognized as one of the most important parameters of the state accounting in the system of health resort activities. There were 1,830 health resort organizations in Russia at the end of 2018. The number of the health resort organizations decreased by 167, or by 8.4 %, compared to 2012. It must be noted that this happened even despite the inclusion of the health resort organizations located in the Republic of Crimea in the statistical records (later referred to as the Crimean Federal District, then the Southern Federal District). The largest decrease in the number of the health resort organizations was recorded in the Volga Federal District (by 104 organizations). The natural volume of the market for health resort services increased by 10 % over the period from 2012 to 2018 and amounted to 61.8 mln man days of stay in 2017 (Federal Law No. 26-FZ, 1995). The positive dynamics of the natural volume of the market for health resort services were influenced by the accession of Crimea to Russia in 2014 and, as a result, the increasing cost of foreign trips during the period of instability of the Russian ruble, which led to a partial redistribution of demand in the domestic market. The largest number of the health

resort products is sold during the high season – from June to September. July and August are the busiest months. In total, the share of the natural capacity of the health resort market, which falls on these months, is estimated at more than 25 % of the annual volume (Federal Law No. 26-FZ, 1995).

The experts in the field of the health resort market predict that the number of the health resort products sold in the Russian Federation will grow by another 8 % for the period from 2018 to 2022. The growth will be due to both an increase in the average length of stay in the health resort organizations and an increase in the number of consumers. The increase in the number of consumers will be associated with the expansion of the range of the health and recreational programs and an improved quality of service (Decree No. 1407, 2014). The number of the health resort institutions is understood as the number of legal entities registered in the territory of the Russian Federation, which indicate “The activity of the health resort institutions” as the main area of activities in their reporting. According to the Federal State Statistics Service of the Russian Federation, the number of the health resort organizations in the Siberian Federal District decreased from 268 to 202 (by 24.6 %) over the period from 2012 to 2018. At the same time, there was an increase in the number of the health resort organizations in the Republic of Tyva (from three health resort organizations in 2012 to four in 2018), in the Stavropol region (from 104 health resort organizations in 2012 to 110 in 2018), and in the Leningrad region (from 17 health resort organizations in 2012 to 21 in 2018) (Federal Law No. 26-FZ, 1995). The number of the health resort organizations is one of the most important all-Russian accounting parameters in the health resort sector. It must be noted that the data on the number of the health resort organizations and their personnel do not fully describe the market capacity. This is due to the fact that these data do not describe the volume and cost of transactions for the sale of the specific health resort products.

This report is intended to solve exclusively commercial problems, and therefore it is focused not on the provision of the population with the health resort products, but rather on the natural capacity of the market and prices for the health resort products. There were more than 1,830 health resort organizations in Russia at the end of 2018. It must be noted that both a small resort able to accommodate less than 100 guests and a huge diversified health resort organization consisting of several resorts and having an annual turnover of several hundred million rubles (Table 1) can serve as a statistical accounting unit (Federal Law No. 26-FZ, 1995). The number of the health resorts for children and children with parents decreased from 442 to 375 for the period from 2013 to 2018. The health resorts and the health care centers are a predominant type of health resort institutions in the Russian Federation. As of January 1, 2018, their share among all health resort institutions amounted to about 41 % and 28.9 %, respectively (Bushueva et al., 2012).

Table 1. Composition of the health resort organizations by types in the Russian Federation in 2013 – 2018 (Federal Law No. 26-FZ, 1995)

Type of the health resort organization	Number of the health resort organizations per year					
	2013	2014	2015	2016	2017	2018
Health resort	706	685	669	718	729	752
Health resort for children	368	357	335	350	321	286
Health resort for children with parents	74	77	77	91	97	89
Year-round health camp	135	131	129	130	140	150
Health care center	655	637	612	597	568	529
Resort clinic, balneological resort, mud baths	21	18	18	19	23	24
Total	1,959	1,905	1,840	1,905	1,878	1,830

According to the Federal State Statistics Service of the Russian Federation, 236.3 thous. people, or 0.16 % of the total population of Russia were employed in the health resort industry of the Russian Federation in 2018. Against the background of a trend towards a decrease in the number of the health resort organizations in the Russian Federation, the number of people employed in the health resort institutions of the Russian Federation also has a negative trend and decreased by 10 % (from 263.5 thous. people in 2013 to 236.3 thous. people in 2018). Negative dynamics amounted to 27.4 % in the Siberian Federal District (from 33.44 thous. people in 2013 to 24.27 thous. people in 2018) (UNESCO World Heritage, n.d.). The payroll for all employees of the health resort institutions in the Russian Federation increased more than 1.41 times over the period from 2011 to 2016 (from 47.4 bln rubles to 66.8 bln rubles).

The capacity of the health resort market in Russia is defined as the total number of days that all consumers spent in the health resort organizations over the year. In the market for the health resort services, the end consumer is always a specific person. For this reason, consumer accounting is a key factor in the analysis of the health resort market. As such, the number of consumers and the total number of days that all consumers spent in the health resorts are the key parameters for estimating the natural volume of the market for the health resort services. Every resident of the Russian Federation is a potential consumer of the health resort products, but in practice, only about 4 – 5% of the population use the services of the health resort organizations (Table 2). According to the Federal State Statistics Service of the Russian Federation, the share of the consumers of the health resort services in the total population of Russia was 4.01 % in 2013 and 4.41 % in 2018. A rather high growth rate of the number of consumers of the health resort products has been observed in the health resort market since 2015, which allows to predict an increase in this number (Table 3) (Federal State Statistics Service, n.d.).

Table 2. The number of consumers of the health resort services in the Russian Federation in 2013 – 2018 (Federal State Statistics Service, n.d.).

Indicator	Value of the indicator for year					
	2013	2014	2015	2016	2017	2018
Number of the population of the Russian Federation, including citizens and foreigners (mln people)	142.92	142.87	143.35	143.67	146.27	146.55
Number of consumers of the health resort services (mln people)	5.73	5.75	5.68	6.09	6.10	6.46
Share of consumers of the health resort services in the population of the Russian Federation (%)	4.01	4.02	3.96	4.24	4.17	4.41

Table 3. Forecast of the number of consumers of the health resort services in the Russian Federation in 2018 – 2022 (Federal State Statistics Service, n.d.)

Indicator	Value of the indicator for year		
	2020	2021	2022
Number of the population of the Russian Federation, including citizens and foreigners (mln people)	147.20	147.47	147.77
Number of consumers of the health resort services (mln people)	6.93	7.07	7.18
Share of consumers of the health resort services in the population of the Russian Federation (%)	4.71	4.79	4.86

According to the forecast presented by the BusinessStat consulting agency, the share of the consumers of the health resort services in the total population of Russia will be 4.52 % in 2020 and will increase to 4.86 % by 2023 (Federal Law No. 26-FZ, 1995).

Consumers spent on average 11 days a year in the health resorts in 2017 – 2018. Due to the crisis, Russians began to purchase shorter trips: the average number of days in the health resort was nine days in 2019. The share of the users of the health resort services will increase annually in 2020 – 2022. The growth will be largely due to the infrastructure development of the health resort institutions, the expansion of the range of treatment programs, and the adaptation of the Russian economy to the conditions of restrictions (sanctions) (Table 4).

Table 4. Forecast of the average number of days of stay per consumer in the Russian Federation in 2020 – 2022 (Federal State Statistics Service, n.d.)

Indicator	Value of the indicator for year		
	2020	2021	2022
Number of consumers of the health resort services (mln people)	6.93	7.07	7.18
Natural volume of the market (mln man days of stay)	65.8	67.1	69.0
Average number of days of stay per consumer per year (days)	10.4	10.5	10.7

The market for the health resort services in Russia is actively developing. A premium segment of the health resort industry will be formed in the next decade. The Russian health resort complexes will experience serious competition with foreign comfortable spa resorts due to a much more attractive price offer. In other words, new types of the health resort products will emerge, and the material and technical base of the health resorts will improve significantly (World Travel & Tourism Council, n.d.). A quick change in the phases of the economic cycle increases the need for a systematic elaboration of theoretical and methodological provisions on the problems of the

effective use of the health resort potential in the territories. At the turn of the century, a stable economic growth was observed in the health resort sector, as in most other areas of the national economy.

The positive dynamics in the number of economic agents, the number of the health resort products sold and the health resort services provided were reliable indicators of the reform in the health resort sector. Steady growth rates of these indicators testified to the intensification of commercial activities and to the increase in the competition. This, in turn, contributed to the significant expansion of the product range and to the increase in the sales of the health resort products. Given the limited capacity of high-quality infrastructure facilities, competition allows to achieve a relatively effective use of the health resort potential in the territories and provides positive impact of the health resort complex on the economy of a large number of Russian regions. The economic crisis, which had impact of the health resort sector, led to the significant reduction in contractual transactions (corporate sales), the decrease in sales and in the capacity utilization of the health resort facilities. At the same time, the influence of the health resort complexes on the economy of the territory not only decreased, but also acquired a negative correlation (Federal State Statistics Service, n.d.).

In crisis situations, the production of the health resort products should also be based on the requirements of optimality, cost-effectiveness, and scientific anticipation of managerial decisions. It becomes paramount to resolve the issues of ensuring the stability of the positions won by the health resort complexes at the growth stage, based on the full utilization of the health resort potential of a particular organization. However, the exclusivity and high quality of the proposed health resort products still remain (Yudina, 2015). The strategic capabilities of a particular health resort organization can be realized through the use of these principles.

CONCLUSION

It can be concluded that the health resort activities are quite developed today. There are the following prerequisites for the effective use of promotion methods in the health resort sector in the current conditions: the increased competition in the market for the health resort services and related industries, the significant transformation of the consumer behavior model, and the excessive market information addressed to the target consumer segments. The health resort tourism is a special form of social activity. It is described by the presence of a large number of multivariate models of human behavior. Each of these models is the result of the mutual influence of many factors. These include motives, habits, and stereotypes, which cause a particular form of behavior of an individual or a group of individuals in various situations described by the spatio-temporal unity.

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