

Current Threats and Risks to Health Tourism in Bulgaria

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Abstract

Over the last decade, modern society and various economic actors have faced risky instabilities, trials and challenges due to increasing globalization and the emergence of various global crises. Considering the last five years to date, management in the tourism sector is by no means immune from the unexpected threats, economic and health crises that continue to negatively impact all processes and future business development prospects. The need for the emergence of a new economic concept of risk and its management has been identified as urgent. The rapid development of tourism in the country and the absence of an adequate risk management strategy lead to the emergence of a number of undesirable consequences, aggravation of existing problems and generation of numerous adverse trends in the tourism and hotel industry in the country.

The object of the study is health tourism in the hospitality industry in Bulgaria. The hotel product is complex, designed to satisfy the needs of guests. Composed of different elements, this paper focuses and analyses the complementary product, which with its service complements and enriches the final needs and satisfaction of the customer. Medical Spa Centres, as the subject of the study, are an example of a pulling force in the choice of a destination in health tourism. They improve economic growth, industry competitiveness and stimulate tourism consumption. The processes in the Medical Spa Centers are strongly influenced by the surrounding external and internal environment, working together under the wing of the hotel complex. Respectively, they increase the valuation of the economic entity, contribute to higher financial performance and at the same time satisfy various human needs of a health and wellness nature. The role and importance of Medical Spas has been proven in the development of the hotel product, therefore the need to implement strategic management approaches to address risk and unexpected threats should be analyzed.

The methodology is based on a systematic approach and on different research methods, including: theory, publications, analysis and systematization. The empirical research was conducted through in-depth interview with managers of hotel complexes with Medical Spa centers to identify threats and risks typical for health tourism, and ways to overcome them in their organization with actual management measures. The last part of this paper analyzes the application of a model risk management system for a hotel tourism enterprise and the need to implement such a standard in our country.

Keywords: Health tourism, hospitality, Medical Spa, threats, risk management, development, economic growth

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Introduction

The ongoing processes of globalization in modern society and the deepening instability of the world economy have posed serious tests and challenges for economic actors. Considering the last five years to date, management in the tourism sector is by no means immune from unexpected threats, economic and health crises. The relevance of the topic is related to the growth of health tourism globally in the last decade and the continuous threats that continue to negatively impact the processes and future prospects for business development. The rapid development of tourism in our country and the absence of an adequate risk management strategy have led to the emergence of a number of unintended consequences, exacerbating existing problems and generating a host of adverse trends in the tourism and hospitality industry.

The aim of this study is to justify the need to introduce a risk management model for the hotel tourism enterprise by analysing the current threats to health tourism and characterizing the specific risks of the complementary hotel product. The main tasks arising from the aim are directly focused on clarifying the essence of the specialized hotel product for health and spa tourism,

systematizing the specific threats to the business in Bulgaria, revealing and assessing the impacts of factors of the external and internal environment through SWOT and PESTLE analyses.

1. Methodology and experimental methods

The object of the study is health tourism and hotel tourism enterprises.

The subject of the study is the types of threats and risks to health tourism.

The methodology is based on the systematic approach and various research methods, including theoretical review, content analysis, SWOT and PESTLE analyses, structuring, sociological method – in-depth interview. Academic publications, specialized literature, information published on the Internet and public interviews were used as sources of information.

Time scope of the study: To achieve the aim of the research, in-depth interviews were conducted to explore the attitudes of leading experts in the tourism and health sectors between August 2023 and October 2023.

Territorial scope: Established tourist sites in preferred Bulgarian destinations were selected – Pomorie, Varna, Pavel Banya, Velingrad, Hisarya. The choice of these towns is conditioned by the availability of hotels with certified Medical Spa centres and the difference in their territorial character.

2. Definition of specialized hotel Medical and SPA product

Modern hotel enterprises represent complicated organizational and production systems. As an important part of the sphere of tourism and business communications, hotel enterprises carry out multifunctional activities – they are establishments for residence and permanent movement of people, a place for holding many various events, are distinguished by a complex business structure and interrelations. At the centre of the activity and attention of a hotel enterprise, regardless of its type and size, are its customers (Dimitrova, 2015). The most important task of tourism in Bulgaria, and consequently the establishments and destinations representing it, is to provide quality products and services for its customers, ensuring hospitality, safety, comfort, attractiveness, and credibility. When the hospitality industry provides the guest with a high-quality hotel product and creates the conditions for additional consumption, such as Medical and Spa services, the customer's experience and satisfaction would exceed his expectations, turning him into a loyal customer.

There is no unanimity in the scientific literature about the nature and structure of the hotel product. According to Dabeva and Lukanova (2017), it is a complicated and complex product designed to satisfy guests' needs for “basic and additional services, in which the biological needs for accommodation, rest, food and drink are complemented by more complexly constructed social-psychological motives”. Four basic elements of the hotel product are defined: tourism resources, physical environment, human environment and atmosphere. They are extremely heterogeneous in nature, and their unique combination determines its competitive advantages. In each of these elements of the hotel product structure, different risks can be identified that affect the others.

We could consider the hotel product, in a marketing context, as equivalent to the tourism product. The tourism product should be defined and clarified at two levels- macro level, where it is a tourism macro product and micro level, where it is a tourism micro product (Rakadzhyska, Marinov, & Dyankov, 2013). In this study, the tourism micro product is specifically analysed which corresponds to the level of individual tourism business – hotel, restaurant, Medical Spa etc. It represents the service created and offered by a specific tourism enterprise within the resources and processes it controls (Dabeva, & Lukanova, 2017). For example, with the help of product managers, hotel enterprises create and develop other types of complementary hotel product. These may be a “Conference Tourism Product” or a “Spa Tourism Product”.

Health tourism is a generic term for the sub-types of Medical-SPA, SPA, Wellness Tourism and Medical Tourism. Medical Spa Centres, as the subject of this study, are one of the most common examples of a complementary service type in the hospitality industry. They are an

attraction when choosing a destination in health tourism. Their main advantages for businesses are related to improving economic growth, competitiveness in the sector and stimulating tourist consumption. These centres offer specific therapeutic treatments for the client that are of a healing nature. In most of them the therapies are based on natural healing factors such as mineral water and/or healing mud and/or medical lye. Individual therapies or a variety of recovery programmes are available. The guest's motivation for visiting this type of Medical Spa Center is driven by the need for prevention, treatment and prophylaxis for the health of the human body and organism.

The processes in the Medical Spa Centres are strongly influenced by the surrounding external and internal environment, working together under the wing of the hotel complex. Respectively, they increase the assessment of the economic subject, contribute to higher financial performance and at the same time satisfy various human needs. Their role and importance have been proven in the development of the hotel product, therefore the need to implement strategic management approaches to manage risk and unexpected threats should be analysed.

3. Structuring the risks to health tourism in the hospitality industry in Bulgaria

The National Strategy for Sustainable Development of Tourism in the Republic of Bulgaria, 2014-2030 states that with the adoption of the Tourism Law of 2013 new objectives were established – to provide conditions for sustainable tourism development and a competitive national tourism product; to create conditions for the development of alternative types of tourism – Health, SPA and Wellness, etc. At present, the Ministry of Tourism together with the Ministry of Health are establishing Regulation No. 04-14 of 9 October 2019 on the conditions and procedure for certification of “Balneotherapy (Medical Spa) Centre”, “Spa Centre”, “Wellness Centre” and “Thalassotherapy Centre”. The Ordinance clearly defines the terms “spa” and “services”, in line with the terminology adopted in several European ESPA member countries. It also defines the minimum requirements for natural resources, equipment, staff qualifications, and distinguishes the centres by the types of activities that can be carried out in them. The purpose of the regulation is, on the one hand, to set minimum criteria and to stop the abusive practices of investors in the sector using the name 'spa' in advertising brochures, websites, etc. On the other hand, the Regulation defines the correct use of terminology when describing services provided by centres active in health promotion, prevention, prevention and rehabilitation (Katsarova, 2022).

From the information presented so far and the fact that over the last decade there has been a rapid pace of development of health tourism in the country, we cannot overlook the specific threats faced by individual economic entities and the country to preserve image, sustainability and economic growth. The risks in the hospitality industry are extremely diverse and numerous. They have a direct impact on each of the structural elements and can affect the performance of another complementary service or product. Considering accommodation with certified Medical Spa Centres in Bulgaria, this report structures the following main types of risks:

Shortage of qualified staff

One of the specifics of the work processes of the Medical Spa and Wellness Centres is that the employees must have the necessary qualifications. According to the position they hold and their responsibility, this can be a medical entity or courses to acquire characteristic skills. Insufficiently qualified staff, ineffective personnel policy, problems with seasonal workers and their education, low motivation to work in tourism, etc. are factors that strongly affect the quality of the additional products and services offered. There is another threat to health tourism in Bulgaria, which concerns the outflow of qualified personnel abroad. Young people are finding their professional development and higher standards outside our borders.

Improper exploitation or waste of natural resources in health tourism

Health tourism in Bulgaria is developed without considering the concept of responsible tourism and sustainable development. The focus of investment interest only in traditional areas and the poor quality of infrastructure in resort complexes and villages generate two clearly emerging

trends – irrational use and exploitation of the existing potential of natural and anthropogenic resources and irreversible deterioration of environmental parameters and tourism resources. The risk is expressed in improper extraction of medicinal products from nature, wastage in wrong application in therapies and irresponsibility towards proper recycling method. The threats faced by the sector could lead to the disappearance of natural resource deposits, pollution of the environment, deterioration of the image of health tourism in our country, an environmental disaster for an entire region and the loss of the identity of the tourist destination.

Seasonality and short active season

One of the advantages in the implementation of spa treatments is the possibility to apply and offer them all year round. The geography of our country and the natural resources (water, mud and lye, for example) can be applied to the patient without seasonal restrictions. However, even today, major tourist areas have adopted their activity at a certain time of the year and do not engage the tourism sector with strong employment the rest of the time. The consequences of a short active season are limited tourist flow, low bed occupancy and low financial revenues from complementary hotel products such as Medical Spa services. Therefore, it is recommended to implement an integrated management system for hotel enterprises offering Medical Spa products, which could improve the duration of seasonality and motivate consumers to visit all year round.

Low competitiveness of Bulgarian health tourism on the world tourism market and poorly developed image

Bulgaria ranks among the last in the world in terms of national branding and marketing. This makes it a weak competitor as a tourist destination. Despite its wonderful geographical and natural riches, its image is far from being associated with a health tourism destination, but rather defines it as a cheap, mainly seaside destination for alcohol, gambling and party tourism for low-budget tourists (TTCR, 2014). These circumstances are a direct threat to the activities of establishments offering spa treatments and therapies, as there is a lack of interest from tourists. It is proven that the hotel industry is developing in a highly competitive business environment. Proper positioning and

The emergence of economic, health, demographic and other crises worldwide

Considering the last five years to date, the management of the tourism sector is by no means immune from the unexpected threats, economic and health crises that continue to negatively impact all processes and future development prospects of the sector. The COVID-19 pandemic, the misunderstandings and hostilities between Russia and Ukraine, and more recently the unrest in Israel are some of the worst events for the preservation of humanity. Their consequences have a direct impact on the working conditions in the hospitality industry and, consequently, on the activities of Medical Spa and Wellness Centres. Examples are summarized in lack of foreign tourists, limited solvency of the client, unsafe working conditions for employees, forced closure of facilities, reorganization of state and local financial investments, etc. Despite the difficulties it has faced, until recently health tourism in Bulgaria, with the help of European guidance and support, has managed to preserve its activities and provide safe conditions for treatment and work. The creation and promotion of individual POST-COVID-19 programmes for the treatment of patients with spa and rehabilitation procedures has been successful for the revenues of individual hotel enterprises and tourism in general in the country. Thanks to them, many hotels complex managers preserved their business and got through this difficult period without having to close their establishments. Unfortunately, not in every global crisis would the tourism industry and its representatives cope in this way. Thus, the development of health tourism in our country is not immune from events such as terrorism, world wars, energy crises and others. First and foremost, the safety of both those employed in the industry and the guests holidaying at tourist sites must be put first.

Inadequate and ineffective state regulation

In the absence of controls and non-compliance with the regulations and sub-regulations put in place by the Ministry of Tourism and the Ministry of Health, we risk health tourism in the

country making mistakes in its management, the presence of uncertified treatment centres and the supply of a poor-quality tourism product. The complex and changing regulatory framework would also create internal contradictions and opportunities for abuse. State institutions must work for the development of the sector and the preservation of all its processes.

Loss of customers due to the fault of the hotel company

Medical spa and wellness centres operating under the wing of a hotel complex are highly dependent on other internal processes within the overall organization. The risks of losing customers due to the hotel enterprise are caused by several main reasons and examples: making mistakes in customer service, incorrectly charging for additional services and internal credit, poor condition of the bedding facilities and guest discomfort, lack of awareness of additional types of hotel products, strong dependence on tour intermediaries, incorrect positioning in the tourism market and many others. All these threats require analysis and adequate managerial actions to prevent their occurrence and minimize the adverse consequences when they occur.

The current risks and threats listed are associated with overcoming serious medium and long-term challenges facing the health tourism and hospitality industry in the country. This calls for a thorough situational analysis of the sector's situation to uncover them and achieve the objectives set for the hospitality business.

4. Results and discussion

PART 1 - SWOT and PESTLE analyses

SWOT and PESTLE analyses are suggested for the purpose of the research, which characterize the influences of the internal and external environment on the economic space of the hotel enterprise and health tourism in Bulgaria.

SWOT analysis is an appropriate method to study the internal environment of the organization and the industry, indicating strengths, weaknesses, opportunities and threats.

Table 1. SWOT analysis of the influences of the internal environment on the hotel enterprise with a certified Medical SPA.

№	SWOT analysis	Results
1	Strengths	Lots of natural resources; High price competitiveness; Easy access to Medical SPA and Wellness Center; Availability of many different treatment approaches according to the patient's health condition; Relatively high degree of security and safety for vacationers and employees; Relatively good facilities; Presence of modern equipment; Professionally trained staff.
2	Weaknesses	Insufficient advertising and promotion; Shortage of qualified staff; Lack of awareness and application of European quality standard, risk assessment, environmental and water protection, etc.; Limited financial investment by management due to considerations related to various global crises; Marked seasonality with a short active period; Strong dependence on government regulations, with strong dependence

№	SWOT analysis	Results
		on governmental regulations, which is a prerequisite for uncontrolled activities of the organization.
3	Opportunities	Year-round tourist employment destinations and hotel complexes; Improving the image of our country the international market and its marketing as destination to carry out for treatment with ecological natural resources; Creation of new state programs, financed by the NHIF, from which they would benefit the patient wishing to be treated in private Medical SPA centres; Targeted promotion of Medical SPA centres; Reorganization of investments from business the representatives who would invest financially resources in the purchase of new technological tools, equipment and others; Composing attractive and versatile treatment programs for the purpose of the emergence of new ones users; Opportunities to introduce a risk system hotel tourism management enterprise.
4	Threats	Outflow of qualified and young personnel our country; Stagnation in the image of the hotel business and health tourism in our country; Taking us as a mass, mostly sea and cheap tourist destination; Obsolescence and depreciation of material base; Prerequisites for ecological crisis and loss of destination identity due to improper use and recycling of natural resources; Bad practices in organizational internal hotel enterprise processes lead to low attendance at health facilities and small percentage of realized additional Medical SPAs and Wellness services.

A suitable method for studying the influences of the external environment on the organization and the industry is the PESTLE analysis, containing political, economic, socio-cultural, technological, natural and environmental factors. Examples of direct and indirect impact according to the type of environment are presented.

Table 2. PESTLE analysis of the influences from the external environment on the hotel enterprise with a certified Medical SPA centre.

№	Environment	Examples
1	Political And Legal	The legal framework concerning the activities of the spa facilities in our country requires urgent updating due to the lack of sufficient control and state investment for the protection and prospects of health tourism in our country. Local authorities managing entire tourist towns and areas with increased interest in spa treatment and rich natural resource deposits should brand and support the private sector and distribution intermediaries. This can

№	Environment	Examples
		be done through policy decisions and financial investment to promote the sector on the international market and stimulate domestic consumption in the country.
2	Economic	The level of inflation in our country and abroad is currently having a negative impact on customers' purchasing power and their ability to make more additional expenditures. Until recently, the energy crisis in Europe threatened the working processes in the tourism sector and, in particular, the hotel business. The risks of such could lead to the provision of unsatisfactory accommodation and treatment, a reduction in management investment and even the closure of businesses. The remuneration of labour is at the heart of the problem of staff retention and motivation in health tourism in the country.
3	Social	The demographic trends towards an ageing population in Bulgaria and other countries are an opportunity for health tourism to offer a variety of recreational and therapeutic programmes as well as increase its productivity. Increasingly, young people do not understand the essence of health prevention. Medical SPA and Wellness centres are not facilities solely for the treatment of illness. Hence in a social context we can cover a wide segment of consumers. Those who seek different needs such as mental and physical recreation, prevention, prevention and treatment.
4	Technological	For the needs of sustainable development of health tourism in the hospitality industry in the country, financial investments aimed at innovations, patents, research methods, improvement of technical and material base, etc. are vital.
5	Environmental	Natural, climatic and ecological factors are major elements in the environment. Thanks to our geographical features and rich deposits of natural resources for spa treatment, health tourism in our country is distinguished by its identity and the possibility to offer a year-round tourist product. Overdevelopment of ecological areas and irresponsible use of resources would lead to deterioration of the harmony and purity of the environment and waters. Emerging climate changes and their consequences also provoke the development of effective management solutions and prevention against negative effects on the environment. Good means of dealing with them are implementation of standards, introduction of notions of green economy and blue growth.

PART 2 - Discussion of the results of an in-depth interview with managers of hotels with certified Medical SPA centers.

To achieve reliable results, the categorization of the surveyed hotels is the same and the survey itself was conducted once in the same tourist season for the period August 2023 – October 2023. Identity in the survey conditions is a prerequisite for maximum objectivity in assessing the impact of environmental parameters on the quality of the offered Spa and Medical tourism packages. The questions were designed specifically for this study and are aimed at the professional managerial audience. Established tourist sites in preferred Bulgarian destinations – Pomorie, Varna,

Pavel Banya, Velingrad, Hisarya were selected. The choice of these towns is conditioned by the availability of hotels with certified Medical Spa Centres and the difference in their territorial character.

The current risks and threats according to managers are summarized in the following:

- Economic instability influenced by global crises;
- The outflow of young and skilled staff, abroad and the stagnation of ageing service staff;
- The lack of exclusive branding of our country as a destination for health tourism does not help to increase its competitiveness as an attractive destination in the international market.
- Poor maintenance of transportation infrastructure denies prospective visitors from making trips to hotel resorts. Poorly developed airlift and international transport relationships limit the possibility of rediscovering new markets, and with them new tourists from distant countries.
- Domestic consumption of health (SPA) services in our country is mainly directed towards treatment in state-run specialised hospitals due to government policy decisions and the provision of free treatment through the NHIF. The Ministry of Tourism in conjunction with the Ministry of Health and other government institutions would provide the opportunity for Bulgarians to also choose private Medical Spas in hotel complexes for treatment, subsidize and support both the business and the population in our country.
- The overdevelopment of resort villages and major tourist destinations, over-saturates and confuses the consumer audience. It also threatens the environment and negatively impacts the natural regeneration cycle of natural resources. There is a lack of sufficient control and effective sustainability policy.

The managers of the surveyed sites consider the above-mentioned arguments of dissatisfaction as a prerequisite for not well-developed health tourism, lack of state strategy and the deletion of an entire sector that could actually contribute to economic prosperity and strengthen the demographic problems in our country.

From the in-depth interview conducted with hotel managers, it was found that they are still not familiar with the concept of integrated risk management and ISO 31000 standard. In practice, episodic, fragmented risk management on an informal basis does not take place in accommodation establishments and risk management systems have not been developed and implemented. Almost all interviewees expressed the view that the conversations they had had had triggered reflections within them about the problems of risk management and the need to organise this management in a new way in their establishments. The conclusion is that in the current conditions of uncertainty and instability of the business environment and of pronounced dynamic changes in the global tourism market, it is relevant to develop the methodology and methodological recommendations for creating a risk management system in the hotel enterprise. And since in the overall organization from the production of the main hotel product to the final impressions of the guest, other elements such as additional products, such as Medical Spa and Wellness services, are directly involved, it is logical to apply these risk management methods to each component of the structure in the enterprise.

5. Risk management system of the hotel tourism enterprise

Starting from the model of the risk management process given in ISO 31000, the risk management system of the hotel enterprise should be built on a modular basis.

- Module 1 - Preparatory module;
- Module 2 - Analysis of the external and internal environment;
- Module 3 - Identification of risks;
- Module 4 - Risk analysis, assessment and treatment;
- Module 5 - Monitoring and Reporting;

Similarly, the standard method could be applied to systematizing the risks to health tourism in Bulgaria and addressing the current threats to it. The application of integrated risk management in the field of hospitality and health tourism in the country will have a determining role in revealing future socio-economic trends for the development of society the potential of emerging markets and the future needs of tourists. This will assist hotel enterprises in timely adaptation to new conditions and in developing and offering high quality specialised products and services that contribute to the efficient use of modern hotel facilities and the remarkable natural resources with which our country is rich.¹

Conclusion

Bulgaria is a tourist destination with potential for development and promotion of Medical Spa and Wellness services. The abundance of natural resources for treatment, the construction of luxury hotel complexes with the presence of such centres, as well as the increasing demand for products of this nature, indicate a trend towards the development of this type of tourism. Health tourism could make a significant contribution to the development of our country's economy. Even though at present this type of tourism is a small niche and accounts for an insignificant share in the global market of services. With various global crises emerging in recent years, the World Health Organization has declared that health tourism promotion can be considered as global health and it has a growing trend with serious demographic effect on humanity as well as development potential. The situational analysis of the emerging crises and challenges facing the tourism sector have focused the attention of government institutions and private business managers on addressing the threats facing the sector. Uncertainty, constant changes and the totality of influencing risk factors for hotel enterprises and health tourism bring up the need to take preventive measures and prevent problems from worsening. In the processes of the scientific research we can summarize that for the sustainable development of Bulgarian health tourism and its representatives there is a need for greater state support, updating of domestic and foreign policy for our country, the development of a long-term development strategy, the implementation of a well-established risk management system in the hotel enterprise and monitoring the effectiveness of the implemented measures.

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