



NEW GENERATIONS – NEW TRENDS IN THE SPA INDUSTRY

ÚJ GENERÁCIÓK, ÚJ TRENDEK A SPA IPARÁGBAN

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Abstract

Today's tourism market is a scene of rapid changes that equally affect the demand and the supply side. In the spa industry market, due to the presence of both wellness and medical services, a wide range of generations appear as consumers, with different expectations toward the service providers. Therefore, the changes taking place in the present and the upcoming years are worth exploring, which, in addition to the changes in consumer habits, visualize the expansion of consumer needs.

Current article attempts to describe the expected spa services by examining the nature of generations and identifying future changes that can be predicted. The author primarily tries to summarize the market trends that contribute significant changes, using international and national secondary resources and the professional experience gained in the industry.

Összefoglalás

Napjaink turisztikai piaca gyors változások színtere, amelyek mind a keresleti, mind a kínálati oldalt érintik. A spa iparág piacán – a wellness és gyógyszolgáltatások együttes jelenléte miatt – a generációk széles köre jelenik meg fogyasztóként, más és más elvárást támasztva a szolgáltatókkal szemben. Vizsgálatra érdemesek tehát a jelen és elkövetkező években zajló változások, amelyek a fogyasztói szokások változása mellett a fogyasztói igények szélesedését vizionálják.

Jelen cikk kísérletet tesz az egyes generációk sajátosságainak vizsgálatával azok elvárt spa szolgáltatásainak leírására valamint a jövőre előrevetíthető változások beazonosítására. A szerző elsősorban a témában fellelhető nemzetközi és hazai szekunder források és az iparágban szerzett szakmai tapasztalata felhasználásával igyekszik összefoglalni mindazokat a piaci tendenciákat, amelyek jelentős változásokat hoznak.

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1. Introduction

"Change is the only constant in life" – the quote of Heraclitus is more current than ever. Our world has always experienced change, nevertheless the rate of change is speeding up in our society. The information technology revolution that started around 35 years ago speeded up the rate of change into its exponential rise. Today, scientific and technological changes are taking place at such a breathtaking rate that many have difficulty keeping up with them.

In the global travel and tourism industry 1.8 billion international travellers expected by 2030 by a UNWTO forecast [1], so the sector's economic impact is evident. However, the resilience of this growth is reliant upon the industry's ability to recognise and respond to the internal and external opportunities and threats it meets. The four challenges affect the foreseen future the utmost are (i) demographic changes, (ii) change in technology, (iii) changing structures of work and (iv) climate change.

Technological change in the travel and tourism industry is already dominating how the industry operates. The sector is dominated by digital channels, but growth of social media and mobile applications are bringing a real revolution, which is disrupting the entire sector on an ongoing basis. The digitalization of tourism is not a question, however the level of technology in each company will depend largely on its strategy and positioning.

Automation, freelance working, and the sharing economy are all impacting how people work and are employed. Employment has an impact on the available leisure time and disposable income, thus on the demand for tourism services. *Changing structures of work* and ownership generate a growing need for services offered between peers (P2P) through the sharing platforms and are seen as an alternative to professional tourism services of accommodation, leisure and transportation. Given the scale that many of these platforms have reached over the last few years, the alteration of tourism service distribution system has resulted.

For many destinations, the natural environment is one of the primary attractions for leisure visitors. Tourism is both highly vulnerable to *climate change* while tourism has a broad nature and various components which all contribute to a different extent to climate change (CO₂, heating, air-conditioning, construction, etc.). Challenges for the sector are wide-scale, including direct and indirect impacts such as more extreme weather events, water shortages, biodiversity loss and damage to assets and attractions at destinations, increasing insurance costs and safety concerns, among others. The growing level climate-driven degradation of cultural and natural heritage will negatively affect the tourism industry, diminish the attractiveness of destinations and dwindle economic opportunities for local communities.

Current paper in the subsequent sections focuses on *demographic changes* and challenges arising in the upcoming decade.

2. Method

As we enter an era of four generations in the workplace, some separated in age by half a century, the psychological differences between generations generate challenges to react. However the classification of each demographic generation differs for each author, Baby Boomers are people currently aged 55 to 73, have a fundamentally different set of behaviours from those in Generation X, now aged 40 to 54, and to those in Generation Y, now aged 25 to 39. In addition, a new age group appeared on the consumer and labour market, the Generation Z covers people currently aged 8-24.

Presently the market of hotel industry's services is dominated by three customer segments what are the Baby Boomers, Generation X, and predominantly Generation Y [2]. Generation Y is projected as the next most significant age group that remarkably influence the hotel industry after the Baby Boomers [3]. Nevertheless generation shifts are occurring speedily and industries will soon experience the rise of Generation Z, which represents the largest group of consumers through to 2030 [4]. Despite their young age and limited income today, Gen Z will influence businesses on how they create and market their products tomorrow.

Considering the future changes Generation Y and Z in focus of examination. Secondary research includes systematic review of research material published in tourism- and marketing-related journals and online resources.

The research objectives are:

- to explore the main attributes of generations and their behaviour toward spa tourism
- to identify the challenges that the spa industry will face in the future due to different generations' expectations.

3. Results and Discussion

3.1. Generation Y and their needs for spa travels

According to McCrindle and Wolfinger [5] the personal traits of Generation Y are usually described as being tech-savvy, family-centric, confident, ambitious, achievement-oriented, loyal and committed. They also favour living a more active and healthy lifestyle. Most Generation Y travellers are found to be independent and more individualized, who are looking for an authentic, real and more environmentally-friendly experience. They are flexible, wellness-oriented and looking for quality and value for money [6]. The generation consciously searches for information and weighs options and conditions before travelling even considering the contents of review sites and blogs [7]. Generation Y grew up with IT and Internet technology, they like to communicate through email, text messaging, and social media platforms. The generation appreciates diversity and unique cultural heritage; however accept multiculturalism and the effects of globalization what is supported by the Internet and international media [8]. In consonance with the high use rate of social media getting negative encounter or receiving unprofessional service they willing to share their bad experiences right away with followers providing less opportunity for recovery to the hotel staff.

Generation Y is currently considered the most significant target market for the hotel industry and market share is predicated to remain the same or even growing in the future [9]. Although many representatives of the generation are already experienced travellers, others are also potential tourists with unestablished travel habits to form in the future. Most of the experienced travellers gained their observations at a young age since many of them had opportunities to associate with their parents on domestic or foreign travels. This market segment has strong awareness of travel opportunities and well-formed patterns of travel so marketers need to provide wide range of distinctive supply to raise the curiosity of them [8].

Generation Y travellers are described as being wellness-conscious, seeking customized experiences rather than material possessions and privileging personalized services and convenient, modern amenities [10]. So Generation Y appreciates spa tourism and this enthusiasm make a constant challenge for the wellness providers to satisfy their needs. Lodging industry such as spa hotels and resorts are targeting to Generation Y travellers who focus on the dimensions of health and wellness services through healthy eating, indoor and outdoor physical activities or spiritual harmonization. As this demographic group moves into matured adulthood, they carry the wellness concept along with them and may allow them to influence their travel behaviours. Some members of this generation may not conduct his or her life according to wellness concepts and activities and destinations when travelling; others may passionately look for these opportunities [11].

3.2. Generation Z and the their needs for spa travels

This group has lived their entire life with instant access to online data on any topic that they were looking for. Generation Z has exceptional experience in IT use, as they grew up with constant use of portable devices and social media. They are considered to be increasingly self-aware, self-reliant, innovative and goal-oriented. They also appear to be more pragmatic than Generation Y. Members of Generation Z are cautious and conscious consumers, they favour products that provide them values and reflect real life. They are engaged in innovation and entrepreneurship, and seek products to empower them and help them to reveal their individuality. They are a disparate, flexible, receptive and socially responsible generation who wants to form the world to a better place. As their life is over-stimulated by dangers of global climate change, terrorism, economic breakdown, they are growing up fast and developing sensitivities beyond their years [4].

It also is worth pointing out that Generation Z is a larger group in many countries (e.g. USA, Brazil) than the Generation Y. The income of Generation Z is lower than other generations today, but their purchasing power should not be undervalued. Teenagers and young adults are frequently a spending priority for families, albeit they also have considerable influence on family purchase decisions [12]. The phenomenon of parental sponsorship is not applicable only to Generation Z, but some of the Generation Y children as well.

This generation prefers the all-in-one online shopping even in terms of travel booking; the online travel agent is their preferred way to book travel. The younger generations are more particular in hotel choice: Internet connectivity is a must for them. Generation Z travellers value adventure experiences such as exploring and trying new things, while they often have chosen a destination specifically because they saw postings about it on social media [13].

Generation Z's key interests toward health are related to their life stage, e.g. getting enough sleep, managing stress, building self-esteem or having enough time to socialize with family and friends. Preventing stress or using stress management techniques is often top of their mind as well as treating their skin problems and colds and handling weight issues (overweight or anorexia). They also often suffer from depression and sleep disorders.

They are constantly worried about missing out on things so being disconnected to social media makes them annoyed. Notable, that international tech companies push into fitness and wellness industry, their objective is to enhance their users' happiness and reduce stress. Moreover, workout studios and fitness classes are becoming social gathering places. In parallel, the home fitness market is also expanding thanks to technology-enabled training with virtual reality assistants.

The benefits of wellness – feeling good and looking great – are the new luxuries that modern consumers want to enjoy and show off on social media. That is why medical spa services (e.g. medical aesthetic treatments) are also expected to be popular among Generation Z. Thus travel service providers might consider showing destinations or properties from a young adults' perspective instead of providing them distinctive offers [14].

It is also crucial to persuade parents that wellness can be a proactive lifestyle choice for their children. In order to target Generation Z successfully, the key is to building consumer trust among teenagers and their parents.

3.3. General consumer trends to consider by spa industrials

1. *The nutrition and food is in focus:* progressive health and wellness consumers have comprehensive needs for healthy food. They are no longer thinking about condition management (lowering cholesterol or blood pressure) or dieting (low fat and or low carbonate) but are focused on real quality food, positive nutrition, less processed foods and beverages or fresh fruits/vegetables from local producers. Health-conscious consumers increasingly influential in redefining food culture, however they have just a minority group in overall consumption. By sharing their enthusiasm and knowledge with mainstream consumers, they can raise the awareness of quality food. Not only the general quality of raw materials, foods and drinks will be an aspect of travel for health and wellness consumers but also the supported diets available at the property (e.g. paleo, lactose-free). It is expect consumers will be more inclined to make significant changes to their lifestyles, with a focus on more sustainable diets.

Different cuisines are among shortcuts consumers use to navigate health and wellness goals while making decisions on food. They work to balance favourite dishes with healthy choices.

2. *Sustainability is a more emerging phenomenon:* health, wellness and sustainability are starting to congregate and consumers see the convergence as being all about mindfulness, integrity and authenticity. Sustainability can be interpreted not only in the environmental aspect, but also in the preservation and maintenance of culture, traditions and local, unique values.

3. *Energy is not just a question of sustainability:* energy is almost as important as concerns over weight management and physical fitness. Progressive health and wellness consumers see energy management as a balancing act that affects all other aspects of wellness. They consider this balance in their health and wellness habits and purchasing, including of foods and beverages. Customers generally acknowledge an implicit connection between energy status of their body and what they eat.

The focus of spas has shifted from beauty to overall transformative wellbeing. Wellbeing is more important than ever, achieving high energy level for an active lifestyle motivates customers to combine different products and treatments.

4. *Smarter technology for even home use*: the wellness industry is undergoing a high-tech upgrade, with spas and gyms introducing technology-based treatments and workouts. There are also growing expectations that technology should be making home life easier. More and more progressive consumers are looking to technology to empower wellness in other areas of their homes and lives and the existence of such solutions are expected at spa service providers as well. A mirror that doubles as a virtual fitness instructor or smart speakers is just represents a narrow group of examples.

5. *Branding offers more opportunity on the spa market*: spas are not just retailers of new branded fitness and wellness trends, they can also be creators. Brands built on emerging benefits have the longest-term potential for scale. Marketers can also learn a lot from disruptive health and wellness brands to avoid blunders as new benefits are harder to mainstream quickly than new ingredients.

6. *Age is not a shame*: the peaceful coexistence of generations has made a breakthrough that the concept of anti-aging has come to an end. All people of all ages have the right to embrace their natural beauty and health condition. Services offered based on preconceptions of distinctive age groups should be revised and wide-spectrum treatments and therapies should be launched. The age group of spa goers cannot be limited to Generation X and Y; Baby boomers, Generation Z or even Alpha may also interested in spa services linked to beauty, fitness, wellness or medical treatments.

4. Conclusion

With the emergence of wellness-conscious generations, the importance of wellness attributes are especially pressing factor to hoteliers. Hotel managers should have insight on the demographic profile of to their target market segments and create a consumer profile to better understand the psychographic fragmentation of their hotel guests in different age. Hotels and spa facilities should provide to the importance of wellness attributes that fulfil the needs of daily exercise routines [8]. Such wellness attributes are adjoined to high-intensity and rigorous physical activities as CrossFit, workouts, endurance exercise such as running or cycling and flexibility exercises not just for men but for women. Contrariwise, service providers need to be more aware of the perceived wellness of spiritual dimensions necessities for mostly female guests. With the emphasis on such spiritual dimensions, managers can indulge such characteristics of female guests to pay more attention on sessions such as meditation, yoga, affirmations, or specific spiritual exercises that facilitate the connection with a higher power or belief system.

The spa market has revolved towards far more comprehensive wellness in a holistic blend of psychological and physical offerings. Implications are attainable as service providers can invest in the wellness dimensions especially in psychological aspects such as applications that serve as meditation and relaxation, along with spaces for meditation or lounge.

Whereas physical wellness features including wellness lifestyle components, e.g. healthier food choice, physical activities such as fitness classes, in-room fitness amenities, Pilates classes, wellness programs and packages to combine physical activities with authenticity and sustainability are generally the spa-goers' preferences, service providers need to be aware of current trends and expectations.

The more a spa manager would like to gain on spa revenue, the wider choice of incorporate wellness attributes should be offered, with special emphases on exercise, rest, diet/healthy nutrition, relaxation and recreations. Providing facilitates and programs respond to the growing demands of wide-spectrum age groups of consumers for wellness concepts are key considerations.

A wellness facility should also offer possibility to their guest for socialising in a well-being context. Social interactions are important motivating factors for all age group, however generally it is realized virtually by Generation Y and Z and based on real interactions by older generations.

Spa managers should consider that not only tangible spa environment, but the intangible spa environment is also a decisive factor to increase customer satisfaction and loyalty. Dissimilarly to functional value, the elements emphasizing wellness value can be integrated in both tangible and

intangible environments. A higher level of experience-involvement leads to personal interpretation and spa-goers are enhanced by mental pictures and meanings by which their experience becomes more intense and momentous. The greater the personal interpretation, the higher is the achieved meaningful experience for the consumer [15].

However some aspects of spa services requires slight use of technology to get closer to the nature or be able to identify the human inner reactions, the investment into modern IT-based equipment or smart technology is not a waste of money for spa operators.

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