Health tourism Development – Specifics of Croatian Health / Spas / Healing Resorts and Special Hospitals – State and Possibilities

MILENA PERŠIĆ, PhD, Full Professor
DUBRAVKA VLAŠIĆ, PhD, Assistant Professor
Faculty of Tourism and Hospitality Management Opatija
University of Rijeka - Croatia
Presentation Outline

• Introduction *(health-tourism terms and their interrelations)*
• Research Question
• The Purpose and Methods *(sample, procedures ...)*
• Research Results
• Suggestions for Improvement
• Conclusions
Introduction (health-tourism terms and their interrelations)

RESOURCE & ATTRACTIVENESS OF TOURIST DESTINATION
SUSTAINABLE POLICIES OF TOURIST WELL-BEING

HEALTH TOURISM

MEDICAL TOURISM

SPA SERVICES

WELLNESS TOURISM

SUSTAINABLE PERFORMANCE INDICATORS USED IN BENCHMARKING PROCESS
Economic effects of health-tourism services on the global level

Source: Global Wellness Tourism Monitor, 2017
Health tourism in the framework of global tourism growth
Research question

“How to provide information, which can help managers to ensure increasing the competitive position of market-oriented health-tourism services in the health/spa/healing resorts and special hospitals”. 
Purpose and methods

Purpose - evaluate the achieved level of the health-tourism services and quality of information, as the presumption for seeking answer to the research question!

Methods

• Accounting methods - for providing specific information, relevant in the process of short- (responsibility accounting) and long-term (strategic accounting) decision making, taking into accounts the specific of health-tourism business

• Benchmarking method – as base for assessing competitiveness of institution in the health-tourism business, based on specific model of collecting data and presenting information (reports) on monthly / yearly basis
SAMPLE

• 75% of health/spa/healing resorts and 90% of special hospitals in Croatia
• data related to the period from 2014 to 2016, according to the methodological framework of the health-tourism benchmarking project at the FTHM (Source: HT Benchmarking reports presented in 2015, 2016 and 2017)

REMARK: Benchmarking project was established in 2014 at the Faculty of Tourism and Hospitality Management (University of Rijeka) and has been supported by the CCE - Croatian Chamber of Economy (Health-tourism Association) and Croatian National Tourist Board (CNTB, 2017; HTA-CCE, 2017). The research results are also used as important source for assigning the highest annual Croatian tourism award – “Tourism Flower – Croatian Quality Award” (TFCQA, 2016).
Accounting method in preparing information, relevant for short-term decision making
Interrelation between responsibility and strategic accounting method in the process of decision making.
Benchmarking method

DATA ENTRY
(separately for market needs and based on the contract with the CHIF):
(a) on yearly basis:
• available capacity, equipment areas for medical/wellness/spa, human resource...
(b) on monthly basis:
• guests arrivals
• overnights stay
• capacity sold
• revenue by sources of funding
• revenue by group of services...

INDICATORS
(on monthly and yearly basis – total and separately for CHIF, market, by location (Adriatic coast, Inland Croatia), for special hospitals and health/spa/healing resorts)
• a) Occupancy rate
• b) Structure of guest / overnight stays
• c) Total revenue per available bed
• d) Market-based revenue per available bed (within the beds for market use)
• e) Market based revenue from health-tourism services per available bed
• f) The average accommodation price per bed sold on the market
• g) Revenue per m² of areas intended for medical/wellness/spa services
• h) Total revenue per employee
Research results *(Croatian health/spa/healing resorts and special hospitals)*

**AVERAGE REVENUE STRUCTURE**

- Other revenue of the health tourism institutions 19%
- Revenue from market oriented services 14%
- Revenue from supplementary health insurance 11%
- Revenue from co-financing 1%
- Revenue from foreign insurance 0.50%
- Revenue from leasing and renting property 0.50%
- Revenue generated under the contract with the CHIF 54%

**AVERAGE BUSINESS/OPERATING REVENUE STRUCTURE**

- Medical service revenues 17%
- Congress revenues 10%
- Wellness, spa, sports and recreation revenues 6%
- Food and beverage revenues 21%
- Accommodation revenues 46%

**AVERAGE COSTS STRUCTURE**

- Food and beverage costs 7%
- Payroll and related costs 51%
- Other costs 23%
- Water consumption costs 3%
- Drugs and other medical supplies costs 4%
- External services costs 3%
- Maintenance costs 3%
- Costs of energy spent 6%

**AVERAGE ACHIEVED RESULTS** *(based on specific indicators)*

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Special hospitals included in the sample</th>
<th>Health/spa/resorts included in the sample</th>
<th>Special hospitals/spa/resorts located on the Adriatic coast</th>
<th>Special hospitals/spa/resorts located in the inland Croatia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenue per available bed</td>
<td>€52</td>
<td>€26</td>
<td>€34</td>
<td>€57</td>
</tr>
<tr>
<td>Market-based revenue per available bed (within the beds for market use)</td>
<td>€30</td>
<td>€15</td>
<td>€20</td>
<td>€32</td>
</tr>
<tr>
<td>Market-based revenue from health-tourism services per available bed</td>
<td>€8</td>
<td>€3</td>
<td>€5</td>
<td>€9</td>
</tr>
<tr>
<td>The average accommodation price per bed sold on the market</td>
<td>€12</td>
<td>€10</td>
<td>€13</td>
<td>€11</td>
</tr>
<tr>
<td>Revenue per m² intended for medical / wellness / spa services</td>
<td>€137</td>
<td>€33</td>
<td>€55</td>
<td>€168</td>
</tr>
<tr>
<td>Total revenue per employee</td>
<td>€2374</td>
<td>€2223</td>
<td>€2418</td>
<td>€2254</td>
</tr>
</tbody>
</table>
Suggestions for improvement:
Framework of applying integrate reporting system
Conclusions

• The presented research is based on the strategic goals defined in the Croatian documents of tourism development in the field of increasing the competitiveness of health-tourism institutions on the global tourism market.

• Using specific accounting and benchmarking methods, research was conducted on the relevant sample of health/spas/healing resorts and special hospitals, with the general conclusion that quality of information should be improved.

• For this purpose is designed the methodological reporting framework which follow the new approach in providing relevant accounting information as a base for short and long term decision making, especially for assessing the competitive position of some health-tourism institution, on the global health-tourism market.
THANK YOU!

...ANY QUESTIONS??

CONTACT INFORMATION:
MILENA PERŠIĆ, PhD, Full Professor
milena.persic@fthm.hr

DUBRAVKA VLAŠIĆ, PhD, Assistant Professor
dubravka.vlasic@fthm.hr

Faculty of Tourism and Hospitality Management Opatija
University of Rijeka – Croatia
https://www.fthm.uniri.hr/