# New trends of wellness and their impact on luxury hotels rates

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**Undergraduate thesis / Završni rad**

**2022**

*Degree Grantor / Ustanova koja je dodijelila akademski / stručni stupanj:* **RIT Croatia / RIT Croatia**

*Permanent link / Trajna poveznica:* https://urn.nsk.hr/urn:nbn:hr:229:071830

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*Download date / Datum preuzimanja:* **2024-03-29**

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# New trends of wellness and their impact on luxury hotels rates

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6 May, 2022

## Abstract

The purpose of the paper was to figure out how much value does wellness add to luxury hotels throughout the world. Comparison was made between different groups of hotels in terms of their wellness program. First group of luxury hotels have regular wellness activities such as pool, saunas, spa and some other extra activities, while the other group has a specific medical program that has the whole days organized for customers starting from the food, exercise and medical checks. The research has been done on different countries through the world and the result was mostly expected for most of the regions. To see how much of a value these programs have for luxury hotels, rates per night were measured for all hotels individually. Rates were measured during the peak of the season as well as the off season.



*Keywords*: wellness, tourism, luxury, medical, hotel, rate

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## Wellness Tourism

Wellness tourism includes customers who are willing to go on a vacation and maintain their well-being through different activities that health tourism includes. Wellness tourism offers different types of facilities. Customers have different priorities when they choose to engage in wellness tourism. There are different reasons they choose to participate and those could be engaging in healthy activities without health being the central purpose of the stay, engaging in activities with health being the main motive, traveling for the regular wellness facilities (sauna, spa, massages), etc. (Dini & Pencarelli, 2021).

Luxury hotels offer different types of wellness programs. They can be grouped in two segments:

1. Regular wellness activities- spa, pool, sauna, massage, pedicure, and manicure.
2. Specific wellness/medical activities- physical activities, diets, medical checks plus all the activities that regular wellness offers.

Most of the luxury hotels offer the first group of wellness activities. However, luxury hotels that provide specific wellness/ medical activities base them on personalized experiences, includes all the activities made based on each of the individual customer health needs.

Westin was one of the first hotels that centered its entire brand around wellness tourism. One of the key areas that Westin focused the health tourism was sleep through creating Sleep Well Lavender balm and a healthy bedtime snack menu. This is just one example of the innovative ideas that luxury hotels are implementing so that guests can enjoy while maintaining their well-being (The Best Kept Secret About Wellness Tourism, 2022).

**Multisensory Experience**

Most of our existence encounters are multisensory in nature; they comprise of what we see, listen, feel, taste, scent, and much more. Nearly any encounter you will be able to think of, such as eating lunch or going to the theater, include multisensory sensations. A growing trend in luxury tourism is the guests' desire for highest levels of customer service and full range travel experiences that combine first class transport, excellent accommodation and location, gourmet dining, outstanding entertainment, and superior relaxation, which are all by default filled with multisensory experiences (Wiedmann, Labenz, Haase, & Hennigs, 2016).

As a result of the advancing consumers' request in a competitive commerce environment, luxury hotels look for inventive ways to make wonderful visitor involvement and memorable occasions. In a multisensory approach, that guarantees the extreme luxury involvement, sensorial stimulation of the guests' taste, hearing, scent, and the touch is given by the utilization of fitting colors, tunes, fragrances, flavors, and materials. (Wiedmann, Labenz, Haase, & Hennigs, 2016). This is all very relevant in high end wellness guest experiences.

**Guest Experience**

Guest experience is the most important segment of hospitality. If the guests are satisfied with the experience in a hotel, they will talk positively about it, give good reviews are most likely return to the hotel as loyal customers. "Happy guest" is the best type of marketing. However, understanding and delivering the guest's needs became tricky today, since all the guests have different expectations. Thus, today's developed hospitality industry tries to provide as personalized experiences for their guests as they can (Why Is the Guest Experience Important?, 2021).

When a customer comes to the hotel wellness & spa, they experience it by smelling typical scent of the hotel, observing the environment, hearing people walking and talking and possibly some music and feels the temperature and his feet on the ground. (Pijls, 2011). Based on these recognitions, the visitors carry on in a certain way. For example, strolling to the gathering work area and talking with the representative behind the work area. All of these constitutes are multisensory encounter that commands behavior.

However, the most important aspect for the guests is social interaction, since the physical setting seemed less important and less perceptible for the guests (Walter, 2008). The case shows an unusual circumstance in a restaurant, which can certainly be interpreted to wellness encounters, since the host joined the customers at the table, had lunch with them, and joined in the discussion. At the same time, they also managed the service. From this case, it could be concluded that a guests can experience the meal through many different designs. One of the biggest factors is physical setting and social interaction with the guest. It is important to understand how the guest can be entertained in an exciting way and which aspect is more important than another. This is often interesting since numerous modern benefit service scapes counting wellness and spa center on the physical environment. Social aspects should not be considered in this case.

**Hotel Rate Drivers**

Hotels choose how to price their rooms based on different components, counting the advertise, extraordinary occasions or occasions influencing request and room categories. (Method to the madness: How hotels set room rates, 2014).

For hotels, it is not just about the choosing the right price for the room but attracting guests in a way to book a hotel directly through the hotels' website. They consider it, because for them it is

better than booking through some other sites that offer cheaper prices (Method to the madness: How hotels set room rates, 2014)

**Research purpose**

Nowadays most hotels have some level of wellness and spa amenities, but some hotels focus on providing advanced wellness and spa experiences focusing on improving health of their customers. This research aims to investigate how advanced wellness and spa experiences affect hotel rates or, in other words, whether these experiences can be considered hotel room rate drivers and thus make sense from investment point of view.

## Methodology

The data was collected from Booking.com platform in order to have accurate results for comparison of two groups of hotels and their rate per night. The data was collected for 40 hotels in total. It consists of 20 hotels that have regular wellness and the same number of hotels that have developed or upscale wellness services and facilities. The hotels were randomly selected from multiple countries (Maldives, Italy, Switzerland, Croatia, Portugal, Montenegro, United States, Germany, Spain, Turkey, Greece, United Arab Emirates, and Morocco) for both groups of hotels, in order to get a global picture. We also wanted to check their high season and off-season prices. For each country, the data was collected on when the peak of the season is, so that the exact rate during that period could be found on Booking.com.

The data was collected from 10.04.2022. to 28.04.2022. The collected data was entered into an Excel spreadsheet with the exact location and rate.

For analysis, we used descriptive statistics or, more precisely, means for price evaluation and comparison.

**Results**

Table 3.1 shows the high season rates for hotels with regular wellness programs.

| | Name of the hotel | Town | Country | Rate |
|---|---|---|---|---|
| **1** | Hotel 1 | Uthurumaafaru | Maldives | 867.00 |
| **2** | Hotel 2 | Tuscany | Italy | 850.00 |
| **3** | Hotel 3 | Geneva | Switzerland | 832.00 |
| **4** | Hotel 4 | Zadar | Croatia | 779.00 |
| **5** | Hotel 5 | Andermatt | Switzerland | 765.00 |
| **6** | Hotel 6 | Algavare | Portugal | 729.00 |
| **7** | Hotel 7 | Dubai | UAE | 725.00 |
| **8** | Hotel 8 | Rovinj | Croatia | 663.00 |
| **9** | Hotel 9 | Marana | USA | 630.00 |
| **10** | Hotel 10 | Tivat | Montenegro | 498.00 |
| **11** | Hotel 11 | Tivat | Montenegro | 464.00 |
| **12** | Hotel 12 | Dubrovnik | Croatia | 454.00 |
| **13** | Hotel 13 | Honolulu | Hawaii | 329.00 |
| **14** | Hotel 14 | Dubrovnik | Croatia | 323.00 |
| **15** | Hotel 15 | Budva | Montenegro | 253.00 |
| **16** | Hotel 16 | Dubrovnik | Croatia | 237.00 |
| **17** | Hotel 17 | Bayern | Germany | 217.00 |
| **18** | Hotel 18 | Alicante | Spain | 208.00 |
| **19** | Hotel 19 | Istanbul | Turkey | 180.00 |
| **20** | Hotel 20 | Sparta | Greece | 173.00 |
| | | | **Means:** | **508.80** |

Table 3.2 shows the off-season rates for hotels with regular wellness programs.

| | Name of the hotel | Town | Country | Rate |
|---|---|---|---|---|
| **1** | Hotel 1 | Uthurumaafaru | Maldives | 496.00 |
| **2** | Hotel 2 | Tuscany | Italy | 257.00 |
| **3** | Hotel 3 | Geneva | Switzerland | 735.00 |
| **4** | Hotel 4 | Zadar | Croatia | 156.00 |
| **5** | Hotel 5 | Andermatt | Switzerland | 746.00 |
| **6** | Hotel 6 | Algavare | Portugal | 224.00 |
| **7** | Hotel 7 | Dubai | UAE | 472.00 |
| **8** | Hotel 8 | Rovinj | Croatia | 295.00 |
| **9** | Hotel 9 | Marana | USA | 493.00 |
| **10** | Hotel 10 | Tivat | Montenegro | 185.00 |
| **11** | Hotel 11 | Tivat | Montenegro | 185.00 |
| **12** | Hotel 12 | Dubrovnik | Croatia | 112.00 |
| **13** | Hotel 13 | Honolulu | Hawaii | 307.00 |
| **14** | Hotel 14 | Dubrovnik | Croatia | 132.00 |
| **15** | Hotel 15 | Budva | Montenegro | 96.00 |
| **16** | Hotel 16 | Dubrovnik | Croatia | 213.00 |
| **17** | Hotel 17 | Bayern | Germany | 158.00 |
| **18** | Hotel 18 | Alicante | Spain | 128.00 |
| **19** | Hotel 19 | Istanbul | Turkey | 165.00 |
| **20** | Hotel 20 | Sparta | Greece | 152.00 |
| | | | **Means:** | **285.35** |

Table 3.3 shows the high season rates for hotels with upscale wellness programs.

| | Name of the hotel | Town | Country | Rate |
|---|---|---|---|---|
| **1** | Hotel 1 | Herceg Novi | Montenegro | 1,526.00 |
| **2** | Hotel 2 | San Francisco | USA | 737.00 |
| **3** | Hotel 3 | Bodufushi Island | Maldives | 630.00 |
| **4** | Hotel 4 | Marrakesh | Morroco | 1,990.00 |
| **5** | Hotel 5 | Carefree | Arizona | 514.00 |
| **6** | Hotel 6 | Maui County | Hawaii | 2,468.00 |
| **7** | Hotel 7 | Paris | France | 1,455.00 |
| **8** | Hotel 8 | Dubai | UAE | 1,881.00 |
| **9** | Hotel 9 | Istanbul | Turkey | 1,072.00 |
| **10** | Hotel 10 | Bad Ragaz | Switzerland | 542.00 |
| **11** | Hotel 11 | Tuscany | Italy | 456.00 |
| **12** | Hotel 12 | Algarve | Portugal | 707.00 |
| **13** | Hotel 13 | Alicante | Spain | 1,406.00 |
| **14** | Hotel 14 | Sparta | Greece | 565.00 |
| **15** | Hotel 15 | Bayern | Germany | 564.00 |
| **16** | Hotel 16 | Trogir | Germany | 258.00 |
| **17** | Hotel 17 | Geneva | Switzerland | 582.00 |
| **18** | Hotel 18 | Merano | Italy | 310.00 |
| **19** | Hotel 19 | Rovinj | Croatia | 597.00 |
| **20** | Hotel 20 | Ascona | Switzerland | 371.00 |
| | | | **Means:** | **931.85** |

Table 3.4 shows the off-season rates for hotels with upscale wellness programs.

| | Name of the hotel | Town | Country | Rate |
|---|---|---|---|---|
| **1** | Hotel 1 | Herceg Novi | Montenegro | 496.00 |
| **2** | Hotel 2 | San Francisco | USA | 743.00 |
| **3** | Hotel 3 | Bodufushi Island | Maldives | 364.00 |
| **4** | Hotel 4 | Marrakesh | Morroco | 1,239.00 |
| **5** | Hotel 5 | Carefree | Arizona | 317.00 |
| **6** | Hotel 6 | Maui County | Hawaii | 1,724.00 |
| **7** | Hotel 7 | Paris | France | 1,405.00 |
| **8** | Hotel 8 | Dubai | UAE | 1,723.00 |
| **9** | Hotel 9 | Istanbul | Turkey | 800.00 |
| **10** | Hotel 10 | Bad Ragaz | Switzerland | 385.00 |
| **11** | Hotel 11 | Tuscany | Italy | 261.00 |
| **12** | Hotel 12 | Algarve | Portugal | 242.00 |
| **13** | Hotel 13 | Alicante | Spain | 1,351.00 |
| **14** | Hotel 14 | Sparta | Greece | 324.00 |
| **15** | Hotel 15 | Bayern | Germany | 323.00 |
| **16** | Hotel 16 | Trogir | Germany | 191.00 |
| **17** | Hotel 17 | Geneva | Switzerland | 582.00 |
| **18** | Hotel 18 | Merano | Italy | 310.00 |
| **19** | Hotel 19 | Rovinj | Croatia | 256.00 |
| **20** | Hotel 20 | Ascona | Switzerland | 278.00 |
| | | | **Means:** | **665.7** |

**Discussion**

The results that have been found on Booking.com have shown that the average rate per night for 20 hotels with the regular wellness program is 508 euros during the peak of their season. This price is much lower comparing to the other group of 20 hotels with upscale wellness program, which has shown to be 931.85 euros. There is also similar difference in their prices off-season. Hotels which have regular wellness program have the average price of 285.35 euros, while those with the upscale wellness program have 665.7 euros. These results are the average results for all hotels and their rates. The difference in prices was expected since this area is developing in most of the countries throughout the world and it has shown to be an important aspect for luxury hotels.

There are many interesting data we came along while researching each hotel. Firstly, one of the most interesting facts is that most of the hotels that have been found in Balkan area are those without any upscale program. However, the few have been found and those few have shown to have some of the most developed programs and their rate was one of the highest from all the hotels found. Another fact is that the upscale wellness program, that has been implemented in the hotels group that exists through the world (Paris, Dubai, Istanbul, etc.) on many different locations, either do not have the big difference in prices, during their season and off-season, or do not have it at all. The biggest reason for this is that these hotels already implemented this program a long time ago and the areas where it has been implemented are the areas where the value of this facility is considered more than some areas in the world where customers consider some other attractions for visiting. One of the greatest examples is Maldives. The rate for the hotel with medical program in Maldives has much lower rate than the one with one of the most developed programs in the world. The hotel located in Uthurumaafaru, Maldives

has just a regular wellness program, but it has some of the biggest attractions for the customers. One of them is underwater restaurant along the many other facilities that attract guests all over the world. This hotel has the rate that is around 300 euros higher than the hotel located in Bodufushi Island, Maldives that has many different meal and exercise plans.

From all of this, it could be concluded that wellness program is a very important aspects and it adds a great value to luxury hotels. Nevertheless, it is not the only factor, just as it has been shown when comparing two hotels in Maldives. It is important to take into consideration the geographical location when researching how much of a value these programs add to luxury hotels.

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