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Spa-services and sanatorium-resort complexes of Russia

Abstract

This study provides data on the integration of spa-facilities into domestic sanatorium-resort complexes of Russia. Modern trends and issues of health tourism and sanatorium-resort complexes of Russia have been reviewed; similarities and differences of sanatorium-resort and spa-services have been analyzed. With the resorts of Krasnodar Krai as an example, data on distribution of spa-facilities in various types of accommodation has been provided.

Key words: sanatorium-resort complexes; health tourism; spa services; Russia

Introduction

A popularity of health tourism in the world is growing each year (Reisman, 2010). In Russia, this type of tourism is traditionally based on the sanatorium-resort complexes that had formed in the Soviet period (Vetitnev & Kuskov, 2010), the basis of which are specialized medical institutions – sanatoriums. Sanatorium (*sanare, lat. – to cure, to sanitize*) is an institution dedicated to medical treatment, prevention and medical rehabilitation using natural health remedies combined with man-made factors, remedial gymnastics, dietary therapy and other methods in a specially organized regime (Vetitnev & Zhuravleva, 2007). In addition to sanatoriums, sanatorium-resort complex includes holiday homes and camps. Sanatorium-resort complexes are usually located in areas with natural health remedies, that is, resorts, and are intended for the treatment, prevention and wellness. There are resorts of federal, regional and local significance in Russia, which have a specific regime of use of natural remedies.

However, the global health tourism practices are connected with the development of spa-facilities (Georgiev & Vasileva, 2010), focused on the effect of relaxation and curative influence on the human body, achieved by the means of water based procedures, such as mineral waters, thermal pools, vapor-baths and saunas (Smith & Puczko, 2009). In a response to this challenge, the resorts of Russia are also witnessing an appearance of spa-centers. A specific feature of the development of spas in Russia is their integration into already existing sanatorium-resort complex as an alternative to sanatoriums. The objectives of this paper are to analyze the similarities and differences in definitions of "sanatorium" and "spa" and to study the forms and directions of spas' integration in sanatorium-resort complex of Russia.

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Health and spa tourism: An overview

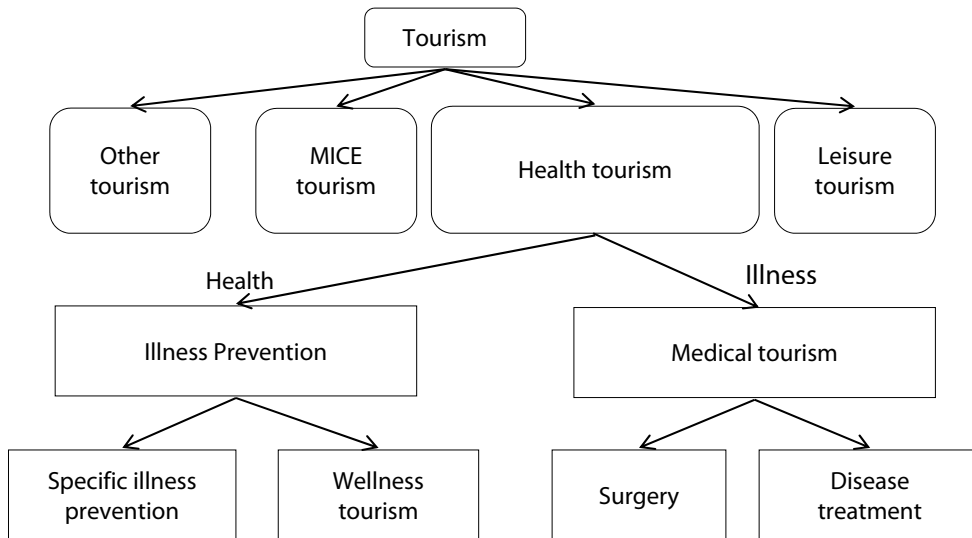
Definition and markets

While spa tourism is a part of health tourism, to this day there is no consensus among scientists and experts regarding the notion of health tourism. When speaking of travel based on some form of health-related activities, the following terms are mostly used and often interchangeably - health tourism, medical tourism, wellness tourism and medical tourism. Some researchers view these terms as notions of independent tourist segments (Hume & DeMicco, 2007; Carrera & Bridges, 2006; Sobo 2009). Kušen (2011, p. 98) argues that there are clearly defined differences between the medical (hospital / clinical) and health tourism. He considers that medical tourism is based on non-leisure motives – getting medical treatment for which appropriate medical facilities (hospital, clinics, health professionals, equipment) need to be available. He includes treatment in sanatoriums in medical tourism too. In contrast, health tourism is mostly based on leisure-related motives of rest and relaxation (maintenance and improvements of health) for which specific accommodation facilities, natural healing remedies, medical supervision and conditions for implementing health programs, complemented by a range of auxiliary services need to be offered in a health resorts and/or health tourism destination.

Others strive to combine all health-related travels under one particular type of tourism. In this way Cohen (2010) uses term "medical travel", to embrace medical, health and wellness tourism, partly because the border between medical treatment and health improvement is becoming vaguer. Bookman & Bookman (2007, p. 43) prefer to use "medical tourism" claiming that "this reflects the growing encroachment of medicine even in spa and wellness services". Nevertheless, the widely used is an approach where medical and wellness tourism are both regarded as subcategories of health tourism (USAID, 2008, Voigt et al., 2010); wellness tourism is assumed to be pursued solely by "healthy" people whose main motive is to preserve or promote their health, and medical tourists are seeking treatment for a specific medical condition or ailment (Figure 1). For the purposes of the present paper this approach will be used. In this case spa tourism is not a separate segment of tourism, but rather as of spa services applied for, both, medical and wellness purposes.

Prototypes of modern spa facilities have existed during many centuries. First records of spa procedures date back to 500 BC. They were popular in Mesopotamia and Egypt, in Ancient Greece and Rome, later in Japan, after that they became widespread around the world. Modern spa facilities originate from ancient practice of using mineral waters and hot springs. In the 19th century famous spa resorts of Europe became favorite destinations for the rich and were functioning as places which combined relaxation with balneology and electrophotherapy (Tabbachi, 2008). The spa industry continued to develop, absorbing and combining customs and traditions of many national cultures along the way (Cohen & Bodeker, 2008). By the mid-1980s resort hotels to develop spa-centers (Monteson & Singer, 2004) in order to respond to the growing demand of their customers and, in the process, increase their competitiveness. At about the same time, many destinations appeared specifically targeting the health/wellness market segments, both in Europe and more exotic places of south-east Asia (Tabbachi, 2008). These spa destinations are, besides a range of accommodation, well-equipped with such services as hydrotherapy, baths, saunas, swimming pools, gyms, fitness and outdoor sport and recreation facilities, and used sometimes exotic Asian practices.

Figure 1
Typology of tourism in relation to health, medical and wellness tourism



Source: USAID. (2008). Comprehensive development plan: Jermuk as a destination spa & winter tourism center

These resorts are also an important cultural phenomenon, reflecting not only customers' care of their own health, appearance and stress-resistance, but also representing a specific social environment. Madanoglu & Brezina (2008) claim that spa manages to attract clients mainly by an opportunity to escape from hustle and bustle of everyday life. There is an agreement that the demand for these resorts, as well as other health/wellness related products and services, is driven by the most numerous "baby-boom" generation whose members are now well into their fifties (McNeil & Ragins, 2005; Cohen & Bodeker, 2008; Tabachi, 2008). With physical and mental health high on their agenda, they search for places that offer them rest, relaxation, physical exercises and body care. To attract clients, spas offer a wide range of therapies and services, both, traditional and modern, oriental and western: massage, face care, needle therapy, scrubs, mud wraps, aromatherapy, reflex therapy, special nutrition, mediation, yoga, Taiji, fitness centers with personal coaches etc.

Spa and spa-resorts

At present, spa-industry is witnessing a boom. It generates 106 billion dollars in earnings, while the number of international spa users is close to 17 million (Spa and Global Wellness Market, 2010). In the USA alone in 2009, spa-centers have registered 143 million visits and 12.3 billion dollars of income (Stern, 2011). But what is exactly the spa? It seems that it is also a term that defies clear definition. Muller and Kaufmann (2006) consider that "spa is a state of health featuring the harmony of body, mind and spirit, with self-responsibility, physical fitness/beauty care, healthy nutrition/diet, relaxation /meditation, mental activity/education and environmental sensitivity/social contacts as fundamental elements". From a business perspective, the Intelligent Spas, a market research agency dedicated to the spa industry, defines spa-facilities as "a business offering water-based treatments practiced by qualified

personnel in a professional, relaxing and healing environment" (Intelligent Spas, 2007). In a similar vein the International SPA Association (ISPA, 2012) defines spas as places devoted to overall well-being through a variety of professional services that encourage the renewal of mind, body and spirit.

There are different types of spa-facilities. The ISPA developed the following categories (2010):

- Day-spa offer various professional spa-services on a daily basis.
- Club-spa is focused on fitness and offers a wide range of professional spa services provided on a daily basis.
- Destination-spa are facilities that create healthy lifestyle by providing a comprehensive all-inclusive program with spa-services, physical exercises like fitness, health education, healthy diet and special interest programs.
- Medical-spa is a spa-destinations or day-spa which function under management of full-time licensed medical personnel and main aim of which is provision of comprehensive medical care and recovery in an environment which includes spa-services as well as traditional, supplementary and/or alternative therapy.
- Spa of mineral springs - offer spa services in a location of natural mineral, thermal or sea water spring which are managed professionally and include hydrotherapy.
- Spa resort/hotel - located in a resort or in a hotel which provide professionally managed spa-services, fitness, wellness and spa-cuisine. A large spa-resort offers a wide range of activities including golf, swimming, tennis and sometimes water sports, horse riding, skiing.

Health tourism and sanatorium-resort complex of Russia: Condition and challenges

The importance of tourism in Russia is growing. In economic terms, tourism direct contribution to the GDP was 1.4% in 2012, but forecasted to increase by 4.7% annually from 2013 to 2023. The tourism and travel creates close to million jobs directly (1.4% of total employment) and it is projected that there will be 1.068 million of direct jobs attributed to travel and tourism by the 2023, equaling 1.5% of total employment (WTTC, 2013). However, its tourism industry is faced by the need to improve its competitiveness overall. According to the International Tourism and Travel Competitiveness Index, Russia is ranked 59 out of 139 countries, performing above average on natural resources, World Heritage cultural sites, hospital beds, telephone lines, but below that average on factors relating to policy rules and regulations, sustainability of tourism and travel industry development, safety and security, government prioritization of the tourism and travel industry and quality of air transport infrastructure (Travel & Tourism Competitiveness Report, 2011).

In 2012, Russia recorded 54.5 million tourist arrivals, of which 67.2 % were generated by domestic tourists, a segment that display a steady growth from 2009 (Table 1). About 20% of domestic tourist arrivals can be attributed to health-related travel and, furthermore, health is among the three most popular travel motives, after sun and sea holidays (30%) and sightseeing (25%). In addition, about 10% of domestic tourist arrivals is motivated by outdoor recreation (Blackwood Company, 2009).

A sizeable number of Russian residents travel abroad. In 2012, they made 15.3 million outbound trips, representing an increase of almost 6% over the 2011. The most popular countries for Russians in 2012 were Turkey (19.2%), Egypt (10.2%), China (8.2%), Thailand (4.6%), Spain (5.7%) and Germany (4.3%). The size of the Russian outbound markets significantly outstrips the inbound market. Only 2.6 million or 4.8 % of total tourist arrivals was made by foreign tourists in 2012. The most important generating markets for Russia are Germany with a share of 14.6% of total arrivals, China (13.4%), the USA (7.0%) and UK (5.3%) (The Russia Federal Agency for Tourism). The majority of these arrivals is for business reason, cultural tourism takes the second place, and only a small number of tourists come for the health reasons.

Table 1
Dynamics of tourist flows in Russia, 2008-201 (in mln arrivals)

Tourist flows	2008	2009	2010	2011	2012
Domestic (internal) tourism	31.5	28.2	30.8	33.3	36.6*
Outbound tourism	11.3	9.5	12.6	14.0	15.3
International tourism	2.3	2.1	2.1	2.3	2.6
Total	45.1	39.8	45.5	49.6	54.5

* expected

Source: compiled by the authors based on data from Russia Federal Agency for Tourism

On the supply side, there are 1.3 million beds in 13 thousands accommodation establishments, of which 15 % is related to health tourism. The Federal State Statistics Service defines accommodation facilities as hotels and specialized accommodation facilities, as presented in Table 2. A distinctive feature of the Russian accommodation sector is a significant number of specialized accommodation facilities with the number of beds in this category exceeding the capacity of hotels (Table 3).

Table 2
Number of accommodation facilities, 2005-2011 (in units)

Type of accommodation	Year						
	2005	2006	2007	2008	2009	2010	2011
Hotels	4,812	5,375	5,917	6,774	7,410	7,866	8,406
Specialized accommodation facilities, of which:	4,457	4,490	4,519	4,484	4,978	4,719	4,673
Sanatorium-resort companies	2,173	2,128	2,097	2,126	1,978	1,929	1,937
Holiday homes	2,059	2,100	2,174	2,090	1,858	1,776	1,704
Tourist camps	181	194	185	202	141	132	158
Other	44	68	63	66	1,001	882	874
Total	9,269	9,865	10,436	11,258	12,388	12,585	13,079

Source: The Federal State Statistics Service (2012). Tcentralnaya basa statisticheskikh dannyh Retrieved June 6, 2012, from <http://cbsd.gks.ru>

While hotels outnumber the sanatorium-resort facilities, the latter were up to 2007 the most numerous and it was only from that year that the number of beds in hotels gradually outnumbered that in sanatorium-resort, as Table 3 illustrates.

Table 3

Total number of beds in accommodation facilities, 2005-2011

(in thousands)

Type of accommodation	Year						
	2005	2006	2007	2008	2009	2010	2011
Hotels	404	429	447	498	497	537	585
Specialized accommodation facilities, of which:	761	757	743	749	761	734	726
Sanatorium-resort companies	432	441	433	446	428	422	423
Holiday homes	296	280	280	274	252	228	218
Tourist camps	25	26	23	21	17	16	17
Other	8	10	7	60	64	68	68
Total	1,165	1,186	1,190	1,247	1,258	1,271	1,311

Source: The Federal State Statistics Service (2012). Tcentralnaya basa statisticheskikh dannyh Retrieved June 6, 2012, from <http://cbsd.gks.ru>

However, traditionally the sanatorium-resort facilities were the hubs around which a complex tourism development unfolded, including also prophylactic sanatoriums, child health centers and camps, as well as holiday homes and camping grounds. Such destination in Russia are called sanatorium-resort complexes. In the reminder of this paper the term sanatorium will be used to denote a sanatorium-resort facility, while the destination will be referred to as the sanatorium-resort complex.

The sanatorium-resort complexes are direct successors of a Soviet resort system. In the Soviet period these sanatoriums, providing medical services during the treatment and recovery phase, were a part of public health-care service. The accommodation and treatments were financed by the government, trade unions and companies and they were, thus, easily affordable to many. While medical services were based on the modern achievements of medical science (Vetitnev & Zhuravleva, 2007), at the same time these services were mainly cost-based and not particularly oriented towards quality. These features – the focus on medical services at the expense of service quality and lack of client-oriented attitudes – hampered a smooth transformation towards market economy made more urgent under the current government policy to decrease the number of sanatoriums and number and range of services that they provide under the national health-care insurance cover.

Considering transformation of Russian sanatorium-resort facilities to a market economy several features can be distinguished recently (Vetitnev & Orgina, 2011). Firstly, the post-Soviet era has witnessed several reforms, but the most far-reaching for sanatoriums was a reform of Social Insurance Fund in 2002, when treatments in sanatoriums were not reimbursable. The reform made sanatoriums seek new financial resources, adapt to new business environment and changing requirements of tourists. Secondly, there was a change in the structure of accommodation supply. The post-Soviet period is characterized by: a) an increase in the private accommodation facilities, such as small family-owned hotels and guest houses – a type of accommodations not recorded by The Federal State Statistics Service, but usually estimated through the visitor surveys and b) the high growth rate of hotels (in terms of their number and bed capacity) and c) steady decrease in the number of sanatorium-resort facilities, with a much less noticeable decrease in the number of beds available in these facilities. This trend is due to the fact

that, in a free market, and together with a decrease in state support, the sanatorium-resort facilities became less efficient. Analyses show that sanatoriums (in comparison to hotels) have lower indicators of profitability, income per capita and per employee (Vetitnev & Orgina, 2011). A lower income rate lead led to lower salary and, consequently, a decrease in quality of services provided.

For these reasons, the Russian sanatorium resort facilities have to look for new approaches to survival in free market environment. In principle they have responded in two ways. Some decided to adhere to the traditional sanatorium model with spa being introduced as a separate business unit, thus leaning toward medical wellness. Others have opted for full integration of spa facilities into their overall services and, in this transformation, turned into spa hotels at the expense of classical medical treatments.

As the process of upgrading former sanatoriums into spa hotels is already taking place, it is reasonable to review similarities between classical sanatoriums and medical spa centers / hotels. In many ways they are similar. Both are focused on health improvement based on the thermal water treatments using similar methods (thalassic therapy, saunas and baths, hand massage, physical exercises, healthy diet), equipment (baths, incl. with hydro-massage, SPA-capsules, hydro-pathical departments, sauna etc.) and professionally trained certified personnel. However, as presented in Table 4, there are some fundamental differences.

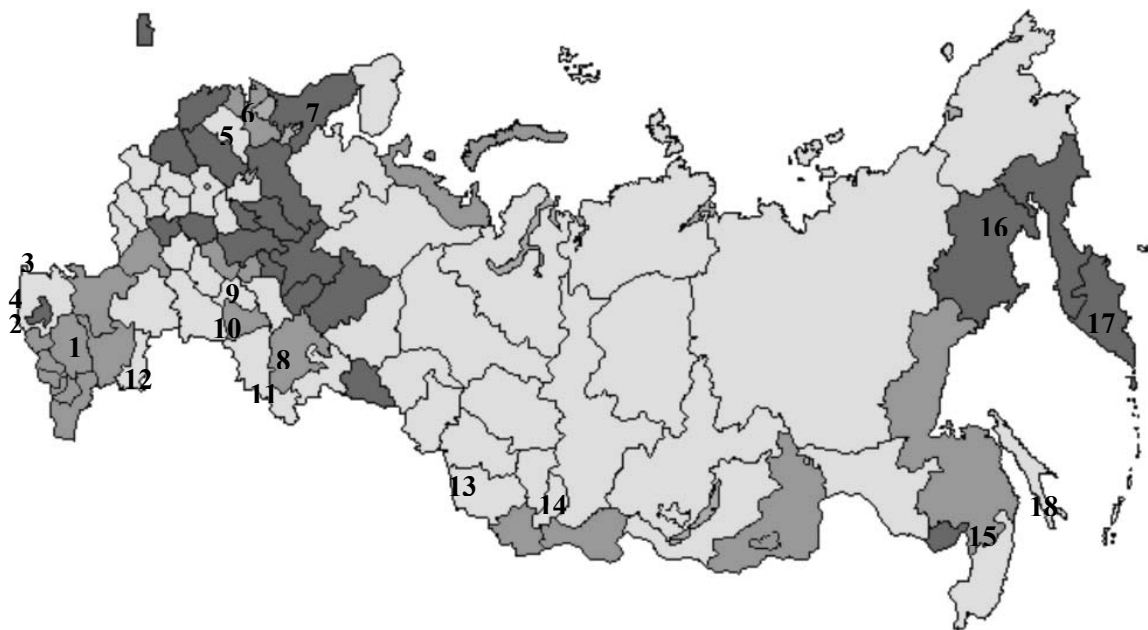
Table 4
Differences between therapeutical-resort and medical spa-services

Criterion	Sanatorium-resort facilities	Medical spa centers/hotels
Provider	Specialized therapeutic institution - sanatorium-resort organization	Spa-object according to classification
Type of organizational structure	Hospital-like (medical in-patient hospital)	Outpatient
License for medical services	Obligatory	Obligatory only for certain types of medical services if these are provided
Users	Patient	Client
Medical supervision	Compulsory by a doctor who has to keep relevant medical records and documentation	Consultations with specialists is depending on client's voluntary choice
Monitoring of condition and results	Laboratory and other diagnostics: primary, intermediary and final according to doctor's prescription	If desired by client
Focus of medical effects	Disease in general (nosological approach)	Individual symptoms of the disease (syndromological approach)
Product	A set of medical, entertainment, catering and accommodation services in one package	Separate spa procedures or their combination in a package or program
Choice of treatments	Defined by a doctor and included in the package	Defined by client
Payment	Services paid by the health insurance fund with prices formed based on daily accommodation rate, differing by the category of accommodation	Payment for services consumed
Target population	All under the state health-care cover but mostly lower and middle class	Mostly well off, 'luxury' segment

Case-study: The sanatorium-resort complexes of Krasnodar region

Currently, in Russia there are 18 federal resort areas and a number of resort areas of regional and local significance (Figure 2), with more than 2.2 thousand sanatorium-resort facilities. The largest resorts are Krasnodar Krai (250 sanatorium-resort facilities), Stavropol (106 sanatorium-resort facilities) and Moscow region (116 sanatorium-resort facilities).

Figure 2
The main resorts of Russian Federation



1. Kavkazskiy Mineralniye Vody (mineral waters); 2. Sochi (hydrogen sulfide mineral water); 3. Anapa (mineral water, mud); 4. Gelendzhik (mineral water, sea climate); 5. Staraya Russa (mineral waters); 6. Sestroretsk (mud); 7. Martsialnye Vody (ferrous mineral water); 8. Yangan Tau (thermal gas); 9. Undory (mineral waters); 10. Sergievskie Mineralniye Vody (mineral waters); 11. Sol-Iletsk (salt solution); 12. Tinaki (mud, mineral water); 13. Belokurikha (radon); 14. Lake Shira (mineral water); 15. Shmakovka (mineral water); 16. Talaya (thermal mineral water); 17. Nachiki (mineral water); 18. Sinegorsk (mineral water);

Compiled by the authors

Krasnodar Krai is Russia's leading sanatorium resort complex. This region has the highest recreational potential and unique natural curative factors: two warm southern seas and more than 1,000 km of beaches, rich sources of thermal water and mud, Caucasus Mountains and deep forests together with unique natural, historical, architectural and archaeological attractions. The Krasnodar Krai, as the most developed tourism region of Russia, offers a vast array of sanatorium resort facilities and other specialised types of accommodation, private accommodation and a range of supporting services (tour operators, restaurants, entertainment, attractions and destination management companies

Officially, this region has 33 resort areas, of which 3 are of federal, 3 of regional and 27 of local significance. The federal ones include resort cities Sochi, Gelendzhik and Anapa. The entire region has more than 1,300 accommodation establishments, 139 camps, 600 tourism companies and 460 attractions.

While it has 11.2% of the total accommodation of Russia, almost half (48% in 2012) of domestic tourist arrivals is realized in Krasnodar Krai.

Methods

As the objective of this paper was to analyze the spa services in the accommodation facilities of main resorts of Krasnodar Krai while the official statistics does not record accommodation by type of services offered, the specific manual search of spa services was performed. The analysis included data for resorts of federal (Sochi, Gelendzhik, Anapa) and regional (Tuapse, Goryachiy Klyuch, Yeysk) significance. These resorts accommodated 91.39% of the region's tourist arrivals in 2011 (Table 5). According to the official statistics of local authorities there are 853 accommodation facilities in these resorts (Table 5).

Table 5
Tourism supply and demand in federal and regional resorts of Krasnodar Krai, 2011

Resort	Tourist arrivals		Accommodation facilities	
	Number (in thousands)	%	Number	%
Anapa	1,671.0	19.3	229	19.0
Gelendzhik	1,484.7	17.1	119	9.9
Sochi	2,326.9	26.8	249	20.6
Yeysk	527.7	6.1	72	6.0
Tuapse	1,606.5	18.5	153	12.7
Goryachiy Klyuch	305.4	3.5	31	2.5
Other	757.8	8.7	354	29.3
Total	8,680.0	100.0	853	100.0

Source: Ministry of resorts and tourism of Krasnodar krai (2012).

According to the type of accommodation the distribution was as follows: 160 sanatoriums and sanatorium-like facilities (18.8%), 152 holiday homes (17.8%), 22 youth health centers and camps (2.6%), 76 camps (8.9%) and 443 hotels (51.9%). The data of accommodation facilities featuring spa services was obtained from officially published open sources and homepages of accommodation facilities.

Historically, medical spa services in Russia mainly exist in sanatoriums, which are equipped with good diagnostic equipment, offer quality medical services and, as a rule, are located in well-known resorts which use natural factors in medical treatments and recovery: mineral springs, muds, marine climate and other natural conditions. Wellness spa services are mainly provided by holiday homes and hotels. When studying typology of spa-services in Krasnodar Krai's resorts we sourced them from their names and/or market positioning and classified them into: medical spa, wellness spa and spa salons (not related to the health industry). We did not take into account day spas as well as accommodation facilities which have beauty or hairdressing salons with elements of spa (spa manicure, spa pedicure, etc.) if they did not position themselves as spa services.

Results

Various spa services have been identified in 46 sanatorium-resort and hotels in federal and state resorts of Krasnodar Krai which makes 5.4% of all accommodation. As Table 6 illustrates, they were located mostly in Sochi. While Sochi accounts for about 10.0% of total accommodations, more than half of spa-services (54.3%) were provided in Sochi's accommodation facilities, while other regions have significantly lower figures.

Table 6
Representation of spa-services in accommodations of different resorts

Resort	Spa-services	% of total resort accommodations
Sochi	25	10.0
Anapa	10	4.4
Gelendzhik	5	4.2
Goryachiy Klyuch	3	9.7
Tuapse	2	1.3
Yeysk	1	1.4
Novorossiysk	0	-
Temryuk	0	-

In general, therefore, the trend of introducing spa services is only emerging and, as expected, sanatoriums and hotels are at its forefront. Of 46 spa-services, most were in hotels and sanatoriums, although still in a very small proportion. Only 5.2% of hotels and 11.3% of sanatoriums offered such services. According to spa trends, these services were available mainly in high-class of accommodation (4* and 5). Spa services were also prevalent in large sanatorium-resort facilities what can be explained by a necessity to expand a range of services provided for a larger number of guests and more significant financial capabilities of such enterprises.

Table 7
Distribution of spa-services in different types of accommodation

Characteristics of accommodation	Number of facilities	With spa facilities	
		Number	%
Type			
Sanatoriums	160	18	11.3
Holiday homes	152	4	2.6
Child health centers and camps	22	0	0.0
Tourist camps	76	1	1.3
Hotels	443	23	5.2
Total	853	46	5.4

Table 7 Continued

Characteristics of accommodation	Number of facilities	With spa facilities	
		Number	%
Not certified	763	24	3.1
*	2	0	0.0
**	25	1	4.0
***	38	8	21.1
****	21	10	47.6
*****	4	3	75.0
Total	853	26	10.4
Capacity, beds			
Up to 100	478	12	2.5
100-500	294	18	6.1
Over 500	81	16	19.8
Total	853	46	5.4

Investigating type of spa facilities offered by various types of accommodation establishments, a trend of polarization of spa services discussed in the context of sanatoriums adjusting to the new legislative framework is visible. As data in Table 8 shows, most hotels offer wellness spa geared towards maintaining and improving overall wellbeing, while sanatoriums, utilizing its medical tradition and expertise, are offering medical wellness focused on restoring as well as improving health.

Table 8
Main types of spa-services in means of accommodation

Type of spa-object	Share		Means of accommodation
	Number	%	
Wellness spa	16	34.8	Hotels
Medical spa	14	30.4	Sanatoriums, holiday homes
Cosmetic and bath salons with spa elements	16	34.8	Any
Total	46	100.0	Any

Spa-services of wellness purpose are mainly opened at hotels determining themselves as wellness spas. They provide: several types of massage, thalassotherapy, water and thermal procedures and cosmetic treatments. Sanatoriums have spa-services based on natural healing remedies. These spa, beside wellness, provide outpatient medical services. They have medical personnel and relevant medical licenses. Another group of spa services is represented by cosmetic and bath saloons with elements of spa. They are not linked to any particular type of accommodation and exist in different types of accommodation. Besides structurally detached spa centers, a range of accommodation offer some type of spa services such as beauty salons or massage centers. Their quantitative distribution in the region's resorts was similar to the one of spa-centers (Table 9).

Table 9
Distribution of accommodations offering separate spa-services in resorts of Krasnodar Krai

Resort	Number of accommodations	Number of accommodations providing separate spa-services	
		Number	%
Sochi	249	26	10.4
Anapa	229	11	4.8
Gelendzhik	119	6	5.0
Tuapse	153	4	2.6
Yeysk	72	1	1.4
Goryachiy Klyuch	31	3	9.7
Total	853	51	6.0

Discussions and conclusions

The aim of this paper was to give an overview of trends in Russian medical and wellness tourism determined partly by its tradition of a sanatorium resort complexes formed in the Soviet era and challenges that they face in transition to free market economy. This was then illustrated by an in-depth analyses of spa services provided in accommodation facilities of Krasnodar Krai – a leading resort of Russia. The research shows an emerging trend towards integration of spa services into existing accommodation facilities on the one hand and, on the other, an uneven distribution of these facilities geographically and by type of accommodation. While sanatoriums and hotels with four or five stars are at the forefront of this trend, the investment in spa-services is also concentrated in Sochi. This is already most developed of all Krasnodar Krai's tourism regions and witnessing recently a new wave of investment in accommodation sector as it is preparing for 2014 Olympic.

Such integration of spa services into domestic resort complexes can be explained by several factors. Firstly, there is a desire to attract a lucrative market segment for medical and wellness that consists of clients with higher purchasing power. Secondly, there is a necessity to provide better range and higher service quality to this market segment. Finally, the introduction of spa services might also be due to Russian entrepreneurs in hospitality simply following 'fashionable' foreign trends. Certainly, the demand side is also supporting such trends, as there is a long and well established tradition among Russians to spend their leisure/holiday time in spa resort complexes and consume medical wellness services provided there. As the case study of Krasnodar Krai's illustrated, this trend is present in sanatorium facilities that use its medical expertise that they poses as their advantage and higher quality larger hotels that are focusing on wellness.

At the same time, the integration of spa services in sanatoriums and hotels also seems to be a slow process. This may be partly due to the fact that legislation on health insurance that excludes the sanatorium treatments from the standard health insurance policy is of relatively recent origin and the process of sanatoriums adjustment to this new business environment has only started. Certainly, monitoring this trend and identifying success factors of these pioneers is necessary to provide guidance for future

investments. Equally important is to monitor how entire resorts adjust and reposition themselves in response to the shift in accommodation sector and services that they provide.

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