Cyprus Tourism Organisation

STUDY FOR THE DEVELOPMENT OF SPECIAL PRODUCTS OF «**WELLBEING KAI PAMPERING**» IMPLEMENTATION OF THE STRATEGIC PLAN FOR TOURISM 2003-2010

EXECUTIVE SUMMARY

REMACO S.A.
BUSINESS CONSULTANTS

CYPRONETWORK
consultancy group

1 INTRODUCTION

1.1 Definitions & Overview

The Strategic Plan of the Cyprus Tourism Organisation aims at the sustainable and balanced tourism development of Cyprus, through the upgrading and enrichment of the island's tourism product. This strategy forms the context for the development of new tourism products and services, which also include the wellness tourism products and services.

International sources and bibliography define Wellbeing and Pampering or Wellness Tourism as the sum of all the relationships and phenomena resulting from a journey and residence by people whose main motive is to preserve or promote their health.

The main elements of Wellness Tourism are:

- the body (fitness: exercise and therapy / diet: food/ skin: beautification)
- the soul (relaxation: stress management, meditation)
- the spirit (culture, health education, health advice)

Wellness tourism is a part of the broader category of Special and Alternative forms of tourism. The latter also include Health Tourism, which is subdivided further into Wellness Tourism, Medical Tourism and Thermal Tourism. Thermal tourism or thermalism is often part of either Wellness Tourism or Medical Tourism.

Wellness Tourism is the most recent variation of Health Tourism and is primarily addressed at a tourist base of healthy individuals. The basic infrastructure used for Wellness Tourism are *hotels and resorts* with specialized departments or wellness services (classic or modern spas, centers for thalassotherapy, hydrotherapy, aromatherapy, beauty treatment, fitness, nutrition and others) and *independent centers* with wellness services and activities (City / Day spas).

Thermal Tourism is the more "traditional" form of Health Tourism and is primarily addressed at a tourist base of middle-aged or older individuals - often but not always with health problems – who aim at preserving their health and revatilisation. The basic Infrastructure used is:

- thermal springs and facilities / Classic- type Spas and adjacent hotels
- hotel baths and spas in areas with thermal springs
- modern luxury hotel facilities / tourist resorts which combine the use of thermal waters with wider wellness and pampering services

Medical Tourism is mainly aimed at patients of various conditions. The infrastructure used consists of rehabilitation centers and other clinics and hospitals as well as facilities for the accommodation of patients and relatives during treatment.

The main categories of specialised Wellness Centers are the following:

- Mineral Spas, which make use of the natural properties of thermal springs, gases and mud baths with healing properties.
- Hydrotherapy centers, where the properties of water, with or without chemical additives, are used for therapeutic reasons. Hydrotherapy centers may or may not provide gases and mud. The centers do not have to be near thermal springs.
- Thalassotherapy centers (hydrotherapy with sea water), where use is made of the natural properties of sea water, its products (mud, seaweed) and local climate.
- Climatotherapy centers, where advantages of the local climate are used for therapeutic purposes, and extra services for health and beauty are provided.

It is also useful to bear in mind the following classification of Wellness Centers (Spas) made by the International Spa Association (ISPA) which covers recent trends throughout the world:

- Club Spas, the evolution of sports centers, aiming mainly at the improvement of physical condition through daily exercise and other means.
- Cruise Ship Spas, whose services are offered as part of cruises and include body / face treatment and healthy nutrition
- Day Spas, the evolution of beauty centers
- Destination Spas, which offer high quality accommodation and customised programmes for health improvement and the promotion of a healthy lifestyle. Depending on their character, they may be further classified as:
    - New Age and Holistic Spas, emphasising alternative healing methods, vegetarianism, and macrobiotic nutrition
    - Weight Loss Spas, offering weight loss services
    - Sports and Adventure Spas, providing mainly outdoor sports and activities
- Medical Spas, providing medical care by trained professionals using special medical equipment for rehabilitation and treatment of various conditions.
- Mineral Springs Spas, which provide mineral or sea waters and use them as the basis for various therapies (hydrotherapy, balneotherapy, mud baths) and
- Resort/Hotel Spas, which offer various services for beauty treatment and the preservation of good physical condition. These services are part of a wider tourism package.

2 WELLNESS TOURISM INTERNATIONALLY AND IN CYPRUS

Cyprus is already present on the international Wellness Tourism “map”, as a group of luxury hotels active in the Wellness market possess significant experience as well as international distinctions. Despite this fact, the dominance of the traditional Cypriot tourism product “sea and sun” has overshadowed the penetration of Wellness Tourism services and the possibilities for associated development for Cyprus. Nevertheless, the need to enrich and diversify the traditional model necessarily leads to a careful examination of all alternatives forms of tourism. In the following sections a brief overview of the main international Wellness Tourism destinations is presented, followed by SWOT analysis of Wellness Tourism in Cyprus, based on ten basic parameters: natural resources, infrastructure, organisation, promotion, human resources, competition, characteristics of existing demand, legal framework, investment climate and Cyprus’ geostrategic position.

2.1 International Wellness Tourism destinations

2.1.1 Central and Eastern Europe

Increasing interest in health and maintenance of good physical condition among European societies has brought about dynamic growth of the Wellness Tourism market in most European countries.

Germany is a dominant force in the Wellness Tourism market both in terms of the total number of spas, as well as nights spent in hotels with spa facilities. Germany is the host of more than 300 modern spas, 50 climatotherapy centers, 60 thalassotherapy centers, 62 Kneipp resorts (Kneipp resorts apply special forms of hydrotherapy which make use of all forms of cold water) and about 160 mineral water springs and mud baths. Furthermore, Germany is characterised by an abundant supply of luxury hotels and independent centers offering wellness services. It is worth noting that as early as 1997, at the invitation of the German Ministry of Finance, the German Tourism Organisation submitted a proposal for the promotion of the country as a wellness and healthy living destination under the banner “Wellness in Germany”. The proposal rested upon the updating of existing services on offer according to the latest international market trends through the offer of new products and services. In this way, the traditional market, outlined above, was enriched with cultural other leisure activities.

Austria is a strong force in the field of hydrotherapy and markets itself as a destination for rejuvenation against daily routine, through the special campaign *Austria: Well-being Destination of Europe*. Along with Switzerland, Austria also specialises in climatotherapy, offered as part of wellness center services. According to the international industry guide, Relax Guide, Austria is the second country in the world in terms of the number of Spa Hotels.

Great Britain has a long tradition in wellness tourism services, known since ancient times (e.g. Bath). In modern times, traditional forms of thermalism have withered and been replaced by "health resorts" and variety of private health & fitness clubs.

Hungary is considered one of the leading forces in the field of wellness. The country hosts 100-130 organised centers with full equipment and infrastructure as well as about 350 mineral springs with related infrastructure. In an effort to boost income from tourism, Hungary has targeted its marketing campaign on Health Tourism in general and Wellness Tourism specifically. In 2002, the national government adopted the ten year "Szécheni Plan" which includes incentives for new investment.

France has a long tradition of thermalism and has long utilised its existing natural resources. There are more than 1.000 centers for thermal treatment, while the exact number of the hydrotherapy centers using normal water cannot be determined. France has also been a pioneer in the field of thalassotherapy, which has developed along its coasts with a capacity of more than 8.000 beds. Of these centers, approximately 50% were developed in the period 1985-1991. Based on its success in the development of thalassotherapy centers, France has exported its know-how, contributing to the establishment of several thalassotherapy centers along the coasts of the Mediterranean Sea. A guarantee for the quality of provided services is provided by a hotel or spa's membership of the specialised *Federation Mer et Santé,* which has instituted several industry standards, the most important being the use of sea water within 24 hours. France is also the host of several specialised exhibitions and 11 tourism organisations which are either dedicated to or include Wellness Tourism services in their vacation packages.

Italy is also a leading European destination for Wellness Tourism, offering high quality thalassotherapy and mineral spring centers as well as pampering services in general. Due to volcanic activity, Italy is rich in soil minerals and mineral springs. The total number of thermal hydrotherapy centers in the country exceeds 400. In 1999, an agreement between the Interregional Union for Health Supervision and the Italian Union of Thermal and Mineral Springs Facilities led to the creation of the *Mineral Springs Fund for Scientific Research*, which is supported by contributions of 0,30% of gross earnings by all facilities. Apart from thermal tourism, Italy hosts several leading thalassotherapy centers which are located in Capri, Sardinia and the Adriatic coast. In the context of promoting Wellness Tourism domestically, several Italian cities organise annual specialised exhibitions.

In Spain, there are over 2.000 thermal springs and 100 dedicated facilities in operation, scattered throughout the country. Nevertheless, legislation for the recognition of springs and the operation of thermal facilities is considered antedated. On the other hand, there has been significant development in thalassotherapy and Spas with luxury hotels hosting modern facilities throughout the country.

As most European countries, **Greece** has long tradition in thermal and health tourism, which has not been hindered by the advancement of pharmaceutical methods in medical science. For the last two years, the government has been preparing a special legal framework for the “Development of Mineral Tourism and Thermalism” which aims at the modernisation of existing legislation concerning the use of thermal springs and at the formation of the foundations for the modern development of mineral tourism and thermalism. The possibility of forming a dedicated administrative body is also under consideration. At present, a special Directorate for Mineral Springs has been formed under the General Secretariat of the Ministry for Development. Centers for mineral and thermal tourism have been characterised as Special Tourism Infrastructure Centers and as such may benefit from investment incentives for regional development as special investments subsidised by the Public Investment Programme. The island of Crete is an important international thalassotherapy destination offering some of the first and best thalassotherapy facilities in the country.

2.1.2 Other Mediterranean Countries

In **Malta,** according to the Malta Tourism Authority, there are 10 four- and five-star resorts which are classified in the category “Wellness & Spa”. Malta was promoted in the authority’s recent marketing campaign as “*a Leisure Island*” with special hotel resorts in Malta and Cozo.

Croatia is characterised by an abundance of thermal springs and related facilities with specially trained staff. The website of the Croatian Tourism Organisation presents 12 resorts with mineral centers and thalassotherapy canters, which may also treat several medical conditions. These products which are part of Health Tourism are a seen as *plus* products for the boosting of the Croatian tourism industry.

Slovenia, despite its small size, has more than 300 mineral springs, whose use often dates back to Roman times. Several four- and five-star hotels are clustered around the springs and have fully equipped mineral spring facilities, offering a variety of treatments under the supervision of specially trained staff.

Turkey has more than 1.000 mineral springs and hosts 56 hydrotherapy centers, most of which are characterised as “traditional” (Turkish baths). A small percentage of hydrotherapy centers are compatible with European standards and are located within the facilities of four- and five-star hotels. It is worth noting that due to increasing demand during the last decade, the Turkish government has promoted the establishment of 34 more hydrotherapy centers within luxury hotels of a total capacity of 7.000 beds. Spas and pampering facilities are taken for granted within four- and five-star hotels.

The healing properties of the springs of **Israel** have been well known since antiquity. In addition along the coast of the Dead Sea, whose waters also contain healing and aesthetic properties, several luxury hotels offer a variety of wellness services. More recently, the development and modernisation of thermalism as part of a wider tourism strategy has been highlighted as a major objective.

Egypt numbers about 50 health clubs within luxury hotels in its territory, scattered among the main tourist destinations. In addition, many luxury hotels on the Red Sea coast offer thalassotherapy facilities.

Morocco is also rising as a wellness destination. Luxury resorts with spas, hydrotherapy and thalassotherapy are quite common. In addition, forecasts of a doubling of tourist arrivals have led to increased investment both in hotels and thalassotherapy centers, which are currently under construction.

The Wellness Tourism industry in **Tunisia**, grew rapidly throughout the 1990’s. Along the Mediterranean coast, a variety of thalassotherapy centers are in operation while more are being built or conidered. The country is rich in natural resources – healing and thermal springs– known since ancient times. The State Office for Thermalism offers several incentives for investment in spas as well as the bottling of mineral water.

In the Mediterranean region, worth noting is the case of **Lebanon**, which growing systematically as a destination of Health Tourism and especially Medical Tourism. The importance attributed to the field is highlighted by the recent establishment of a National Council for Health Tourism, In conjuction with seven more Arab countries, investment in the field is being promoted with the aim of coordinating efforts and investment from the Arab world.

2.1.3 Asia

The recent rise of Asia as a tourism destination has led to proportionate increases in the availability of wellness services on offer.

Malaysia is rich in mineral springs and other resources as well as Luxury Hotels & Resort Spas. In addition, day spas can be found both in cities, where they cater for the local population, and in tourist destinations, where they cater for tourists.

In Japan pampering is wellness and pampering services are very popular among the population. During the last five years, parallel to several thermalism resorts, luxury thalassotherapy centers have become very popular among the young Japanese – especially women.

India, parallel to the development of thermalism**,** has recently seen significant growth in Medical Tourism. Medical services are provided by professional doctors at dedicated clinics, some of which also offer accommodation. The target market consists mainly of Americans, Britons as well as developed Asian countries. Day Spas are also to be found.

Several countries in the area, such as **Thailand** and **India**, have long and respected healing traditions which include massage and use of herbs which are recognised worldwide. In 2004, the government of **Thailand** founded the *Federation of Thai Spas* which, in cooperation with the Ministry for Health, is processing a set of criteria for the certification of the country’s spas.

2.1.4 America

In North America (**USA** and **Canada**), wellness tourism is more focused upon relaxation and renewal rather that therapy. Wellness services are offered in dedicated canters (*health resorts* or *spa resorts),* which are usually private businesses located in luxury hotels. There are several springs in the United States, adjacent to which one finds clusters of hotels, hydrotherapy centers, mineral water bottling facilities, as well as conference centers, golf courses, cultural centers, shopping centers etc. The Canadian Wellness Tourism market displays similar characteristics.

Luxury hotels and resorts in **Hawaii** and the **Carribean** offer a variety of spa services and treatments in modern facilities, where therapies and programmes combine the use of water with rich mineral resources in a pleasant and relaxed environment. In 2001, the *Hawaii Wellness Tourism Association* was established, aiming at the rehabilitation of US citizens and others traumatised by the attacks of September 11th. In the Caribbean, there is long tradition of Wellness Tourism and a variety of wellness centers, spas, yoga centers, massage therapists, nutrition programmes and health tourism centers. The region will also host the “2006 Caribbean health and Spa Expo”.

2.2 SWOT analysis of the Wellness Tourism product in Cyprus

2.2.1 Natural Resources

Strengths:

- Sea and Sun
- Moderate climate
- Rich natural Environment
- Existence of thermal springs

Weaknesses:

- “Monoculture” of the traditional “sea and sun” product
- Minimal development of mineral springs
- Unutilized natural resources
- Lack of coordination and planning for alternative forms of tourism

Opportunities:

- Enrichment of the existing "sea and sun" product with alternative forms of tourism deriving form the development of available natural resources.
- Exceptional sea quality which may contribute to an increase in thalassotherapy services
- Integrated use of natural resources for the development of special and alternative forms of tourism.

Threats:

- Depreciation of natural and built environment
- Degradation of sea front due to increased development

2.2.2 Wellness Tourism Infrastructure

Strengths:

- Satisfactory numbers of high-quality hotels with wellness tourism infrastructure
- Prize-winning hotels with international marketing and recognition
- Realisation of the need for investment by the relevant actors
- Trend to renovate old Turkish baths in Lefkosia and Lemessos
- Widespread conviction of the need to develop mineral springs

Weaknesses:

- Minimal infrastructure for the development of natural springs
- High initial investment and maintenance costs of wellness centers
- Lack of coordinating mechanisms for the implementation and management of relevant policies

Opportunities:

- Possibilities for partnership between private capital and local government for the development of wellness tourism services.
- Utilisation of EU- and nationally-funded incentives
- Enrichment of the traditional Cypriot tourist product with new elements which constitute a competitive advantage (e.g. thalassotherapy, mineral springs etc.)

Threats:

- Discouragement of private capital due to high initial investment and maintenance costs of wellness centers (wellness centers have very late payback period)
- Incomplete use of EU- and nationally-funded incentives
- Obstacles due to parochialism

2.2.3 Organisation of Wellness Tourism

Strengths:

- Significant private investment in spas with international distinctions
- Hotels with spas are among the most popular destinations in Cyprus

Weaknesses:

- Inadequate organisational and administrative structures for the support of wellness tourism
- Lack of cooperation between the relevant actors (clustering for marketing, criteria for operation, lobbying etc.)
- Lack of standards and criteria.

Opportunities:

- Cooperation between the relevant stakeholders for the promotion of common interests and quality development
- Political commitment for the organisation and development of the wellness product
- Establishment of special bodies of coordination and / or control

Threats:

- Non-cooperation between stakeholders
- Discouragement of tourism development due to the lack of the relevant organisational structures and support

2.2.4 Promotion

Strengths:

- International recognition and distinction of Cyprus hotel spas.

▫ Extensive experience by hotels with spas

▫ Already established tourism product which may be enriched and differentiated

Weaknesses:

▫ Inadequate coordinated promotion of the possibilities for wellness tourism in Cyprus

▫ Lack of knowledge among Cypriots regarding wellness

Opportunities:

▫ Design of a comprehensive campaign for the promotion of wellness tourism abroad

▫ Public awareness regarding the beneficial effects of wellness services

▫ Creating domestic demand for wellness services

Threats:

▫ Established marketing campaigns and general promotion of wellness tourism by competing destinations in the Mediterranean.

▫ Strong reputation of established wellness tourism destinations.

2.2.5 Human Resources

Strengths:

▫ Adequate human resources with strong general knowledge

▫ Creation of new jobs locally and nationally, both in the field of wellness tourism as well as complementary activities

Weaknesses:

▫ Lack of know-how for wellness tourism

▫ Lack of specialised medical and paramedical staff

▫ Lack of executives for administration and management of wellness tourism activity

Opportunities:

▫ Creation of criteria for the certification of the relevant skills required by wellness tourism.

▫ Enhancing the skills of executives through research in the field of wellness tourism (both medical and thermal)

▫ Possibilities of employment for several professions (gymnasts, dietologists etc.)

Threats:

- Lack of credibility regarding specialisation and effectiveness of services offered

2.2.6 Competition

Strengths:

- Increasing demand for destinations with mild climate and wellness tourism
- Natural and environmental advantages
- Comparative advantage for the development of thalassotherapy centers

Weaknesses:

- Inadequate infrastructure, services and administrative structures.
- Depreciation of natural and built environment

Opportunities:

- Integration of wellness tourism with other special and alternative forms of tourism
- Complementarity with existing mass tourism infrastructure and services
- Establishment of new tourism destinations which can offer wellness tourism services, through the exploitation of mineral springs, Turkish baths etc)

Threats:

- Strong competition from other destinations in the Mediterranean

2.2.7 Characteristics of Existing Demand

Strengths:

- Strong demand from abroad for the development of wellness tourism services
- Profile of tourists seeking wellness services is becoming younger and more prosperous
- Increasing domestic demand for new, expanded and differentiated wellness services

Weaknesses:

- Limited contribution of domestic (tourist) demand for existing services
- Lack of information for domestic tourists regarding the advantages of wellness tourism
- Early stage of development of other special services and products

Opportunities:

▫ Capturing the wider European market and increasing demand for destinations with mild climate offering a variety of complementary activities (sailing, golf, professional tourism and conventions etc)

▫ Encouraging domestic demand for new products and services

Threats:

▫ Development of state-of-the-art wellness centers from competing destinations, with multiple possibilities and competitive prices

2.2.8 Legal Framework

Strengths:

▫ "Legal culture" which renders Cypriots open to regulatory reforms

Weaknesses:

▫ Inadequate legal framework for the development of wellness tourism

▫ Lack of standards and certification agency or agencies (infrastructure, skills, etc)

Opportunities:

▫ Adoption and harmonisation with international standards

▫ EU accession and associated policy reforms

Threats:

▫ introduction of a special legal framework has been delayed compared to the rate of development of the field

2.2.9 Investment Climate

Strengths:

▫ Positive investment climate through strategic interventions of mostly private but also state actors

Weaknesses:

- Complex and time-consuming procedures for the actualisation of investment programmes
- Lack of specialised legal framework
- Lack of special incentives

Opportunities:

- Attracting strategic investors
- Public-Private Partnerships (PPP's)
- Full utilisation of national and European programmes

Threats:

- High cost of initial investment and maintenance of infrastructure and superstructure
- Difficulty in achieving full utilisation
- Long period to recapture initial investment

2.2.10 Cyprus' geostrategic position

Strengths:

- Geomorphological position and characteristics which constitute comparative advantage for wellness tourism
- Mild climate which serves the elongation of the tourist season

Weaknesses:

- Vagueness of competitive advantage relative to other Mediterranean destinations

Opportunities:

- Developing competitive advantages based on high-quality services and differentiation of existing tourism model

Threats:

- Low rates of growth for economies of the EU which constitute the main countries of origin of Cyprus tourists
- Spread of international terrorism and epidemics
- Political instability in the wider region of the south-east Mediterranean
- Rising oil prices and airfares

- Cyprus issue

3 OPTIONS FOR THE DEVELOPMENT OF WELLNESS TOURISM

The main characteristics of Wellness Tourism product in Cyprus, based on the preceding SWOT analysis, may be summarised as follows:

- Wellness Tourism is a special form of tourism which may be integrated in the existing Cyprus tourism product, contributing to the latter’s improvement and enrichment.
- The possibility of wellness tourism services to be integrated in existing mass tourism infrastructure or special and alternative forms of tourism but also to operate independently makes them a flexible tourism product adaptable to Cyprus’ available resources, infrastructure and superstructure.
- Demand is dynamic and related to important structural changes in societies and patterns of consumption in the countries of origin of the existing tourist base. This means that supply of wellness tourism services must take place in the context of the broader effort to improve competitiveness.
- The profile of tourists seeking wellness services is in accordance with the target market outlined in the CTO’s strategic plan. The tourist seeking those services is of middle or high income and travels all year round, thereby contributing to the decline of seasonality. In addition, a variety of special products under development such as marinas, conventions, golf courses are also aimed at tourists of the same profile.
- Wellness Tourism services make positive contribution to balanced and sustainable tourism development, which is part both of the CTO’s strategic plan and EU policy in the field of tourism.

The available options for the development of Wellness Tourism in Cyprus may be summarized as follows:

- *First Option:* Integration of Wellness Tourism Services in the existing hotel infrastructure (Differentiation of the existing tourism product)
- *Second Option:* Support for Wellness Tourism as part of a broader web of services of special and alternative forms of tourism (Creation of a New Tourism Product)
- *Third Option:* Establishment of Wellness Tourism in areas of Cyprus with mineral springs (New Market)
- *Fourth Option:* Development of Wellness Tourism in independent centers or hotels in

the main cities (New Market)

- *Fifth Option:* Development of Medical Tourism (New Market)

The available options for the development of Wellness Tourism in Cyprus do not operate entirely independently, but are in operational conjunction. What is proposed, then, is a multifaceted strategic approach which will allow the parallel pursuit of various options.

As result, for the development of Wellness Tourism in Cyprus it will be necessary to:

- Strengthen the image of Cyprus as a luxury destination with luxury hotels and Leading Hotel Spa Resorts
- Utilise and supplement the existing tourism product through a web of special and alternative forms of tourism
- Develop infrastructure for the exploitation of mineral springs
- Strengthen autonomous wellness centers and advance their cooperation with hotels lacking the necessary infrastructure.
- Gradually introduce medical tourism so as to create a variety of synergies.

4 ACTION PLANS FOR PRODUCT DEVELOPMENT AND MARKETING

For the realisation of the available options for the development of wellness tourism in Cyprus six action plans for product development and one for marketing were examined. The action plans are presented in brief in the following sections.

Action Plan 1: **Introduction of criteria for the ranking and categorisation of Wellness Tourism services. Control of the enforcement of the criteria.**

The aim of Action Plan 1 is the demarcation of the framework for the operation of (tourism) businesses in the field of wellness. The framework will guarantee quality of service according to international standards and best practices.

The main categories of wellness centers are:

I. *Thalassotherapy centers*, where use is made of the physical and chemical properties of sea water, its products – such as clay and algae – and the seaside climate.

II. *Hydrotherapy centers,* where use is made of the physical properties of water, with or without chemical additives, which may or may not include gases and clays. Hydrotherapy centers are not necessarily adjacent to springs or the sea.

III. *Climatotherapy centers,* where use is made of the physical properties of local climate, in addition to various wellness, pampering and beauty services.

IV. *Mineral springs /spas,* where use is made of the physical and chemical properties of spring and mineral waters, gases and clays.

The list of criteria for the ranking of wellness centers consists of the following:

- General criteria, such as medical coverage, specialised staff, safety rules, codes of conduct, environment, use of natural resources etc.
- Infrastructure, such as pools, changing rooms, saunas, baths, beauty rooms, gyms, relaxation and massage rooms, medical stations as well as administration buildings, medical offices, staff rooms and parking space. All areas should also be accessible by persons with disabilities.
- Quality of delivered services, such various therapies (thalassotherapy, hydrotherapy, massage, sauna etc.), working out (fitness programmes, yoga etc.) and beauty services.

The confirmation of the list of criteria will take place through consultation procedures with the stakeholders, mainly businesses active in the field of wellness.

The plan also includes the introduction of special certification of wellness centers.

Action Plan 2 : **Clustering of Wellness Tourism businesses.**

The aim of Action Plan 2 is to consolidate Cyprus’ position as a Wellness Tourism destination in the international market.

For the development of clusters, the proposal includes clustering at two levels with different targets.

1. At the national level, hotels already active in the provision of high-quality wellness services, may cooperate amongst them and with specialised travel agents, professional groups and national organisations, with the aim of promoting Cyprus internationally as a wellness tourism destination. The results of this cluster would be visible in the short-term and correspond to the option of the Differentiation of the existing tourism product.
2. At the local / regional level, considering the option of the development of a broader web of services of special and alternative forms of tourism, the proposal includes clustering of small players according to geographical criteria. This sort of clustering, in accordance with international trends has a strong regional development character. For example, clustering in the mountainous regions of Cyprus would include businesses in the fields of ecotourism and the production and trading of local products as well as local government organisations, local cultural and environmental societies and others. In this partnership, wellness tourism would be a complementary part of wide range of products and services with a strongly local character (B&B’s, hydrotherapy centers, handcrafts, religious tourism etc.)

Clusters and their functions may be replaced by an “association of wellness businesses”, between all possible actors. The setting up and operation of such an association or cluster would facilitate its evolution into a separate entity with its own business plan aiming at international marketing of Cyprus as Wellness Tourism destination. Furthermore, it could also serve as a mechanism for the implementation of other action plans for product development and marketing.

Lastly, at a regional level, such an association working with local enterprises and chambers could identify and analyse opportunities for clustering in mainland Cyprus (cluster mapping).

Action Plan 3 : **Human Resource Development for Wellness Tourism.**

Action Plan 3 aims at the design and application of a system for:

- the evaluation of existing human resources and their qualitative characteristics
- the evaluation of current and future acquisitions in human resources as well as the detection of needs
- the strengthening of human resources through programmes for specialised training and attracting youth.

Action Plan 4 : **Economic incentives package.**

The aim of Action Plan 4 is the adoption of a package of economic incentives to support investor interest and improve quality and competitiveness of Wellness Tourism.

Actions which may be financed under this scheme are part of all proposed Action Plans:

- Criteria for ranking and categorisation (financing of certification studies)
- Formation of clusters (financing the formation of cluster, the cluster’s actions and programmes for marketing and education / training)
- Human resources (financing of business plans and their application)
- Mineral springs (financing of related infrastructure)

Action Plan 5: **Development of Wellness Tourism as part of a wider web of services of special and alternative forms of tourism**

The aim of Action Plan 5 is the formation and / or renewal of different thematic webs which will constitute a complex tourism product, which will combine special with traditional forms of tourism.

The proposed webs are the following:

A. Sports tourism– Rural tourism – Ecotourism – Cultural tourism.

B. Conference and Incentive tourism – Exhibitions – Cultural tourism - Business tourism.

C. Sea Sports tourism – Mega Events – Cultural tourism.

D. Urban tourism / City breaks – Rural tourism

The basic precondition for the successful implementation of the plan is that politicians, public officials and (small) businesses becoming active at the local, micro level. Appropriate actions and policies by the central government are crucial in that direction.

Action Plan 6: **Establishing Wellness Tourism in areas with mineral springs**

Even though Cyprus has not recently made significant progress in thermal tourism, it is accepted that springs and related services can become a crucial part of the Wellness product.

Actions of this plan include:

- The overview of existing scientific studies and the commissioning of new ones, so as to examine exact locations and quality of mineral springs.
- Based on scientific studies of mineral springs as well as the case of Kiperounda (climate) specific research should focus on their characteristics, possibilities for daily uses etc. This will inform and determine specific opportunities for commercial use.
- If satisfactory conditions are met, the COT may contribute to the specialisation of Local Development Plans, in collaboration with local stakeholders.
- Preparation of a specific legal framework for the use of mineral springs in collaboration with the Ministries of Health and Agriculture.
- Full utilisation of EU funding through special programmes for the financing of commercial development of mineral springs.

Action Plan 7: **Marketing Strategy**

The Advantages and Opportunities of Wellness Tourism in Cyprus are the following:

- Mild and pleasant climate
- High-quality of accommodation
- High-quality of Food & Beverage services
- Local culture and rich historical heritage
- Generally developed tourism infrastructure
- Size of hotels and other accommodation facilities
- Image of quality destination

The Dangers and Limitations for the advancement of Wellness Tourism are the following:

- The cost / quality ration of services compared to competing destinations (value for money).
- Strong competition, often with already established image and identity.
- Complete lack of any international standing of Cyprus as a Wellness Tourism destination.
- Insufficient, so far, promotion of Cyprus as a Wellness Tourism destination.

The Placement Strategy is based on the following elements which influence Wellness Tourism for Cyprus:

- Creation of a strong and differentiated identity as Wellness destination, under the banner “Cyprus Thalasso Spa Wellness”, where the central axis would be the element of water and related elements would be:
  - Vacation
  - Mild climate
  - Sea sports
  - Entertainment
  - High quality accommodation
  - Local Cuisine
  - Natural and Cultural Wealth

The marketing mix is based on Actions for the Development and Marketing of Wellness Services, such as:

1. **Improvement of the basic characteristics of the product**, that is, the quality of Wellness programmes and services, as well as the offer of customized pampering, through:
   - Good personal relationships between “front-line” staff and customers
   - Safeguarding of high quality hygiene standards
   - Improvement in “hard” infrastructure

- Connecting the main Wellness product with other elements.

2. **Expansion and completion of the existing range of products and services**
3. **Branding and creation of image**, under the banner «Cyprus Thalasso Spa Wellness»
4. **Improvement of Packaging**, through clustering of hotels and other businesses and introduction of standards of certification and ranking.
5. **Product improvement**, through the continuous evaluation of Wellness centers, the transfer of know-how and experience between businesses and, at a later stage, the enrichment of the product through the creation of thematic webs.
6. **Strategic approach of distribution channels,** emphasising selective distribution of the product.
7. **Types of distribution channels,** either through directly sales or through intermediaries in the tourism market.
8. **Distribution through intermediaries,** such as:
    - Specialised Tour Operators and individual agents abroad.
    - Distribution through the World-Wide Web, via mediating websites and / or a dedicated portal
    - Distribution through “voluntary chains” or consortia.
9. **Direct distribution-sales,** after contact with customers on company premises.

The Marketing actions chosen were the following:

- Advertising
- Direct marketing
- Sales promotion
- Hospitality and public relations
- Participation in exhibitions
- World-Wide Web marketing

For all of the above-mentioned actions, the study presented specific programmes which included timetables and budget.

TABLE OF CONTENTS