

A scenario analysis of the 2030 German spa tourist and tourism

By

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To Jurien

The future belongs to you

Abstract

Tourism is affected by growing transformations of social change, globalisation and wealth creation. Uncertainty surrounding the development of the factors makes it difficult to predict and provide contingency for the future. This is especially so for the spa tourism industry given its enormous figures in revenue growth over the past two decades. Given the growth of the spa industry and the key uncertainties that will shape its future, it is important to understand how the landscape of the spa industry might change in the next few decades. Although there has been research done on the future of spa tourism, for example by the Global Spa and Wellness Summit, their work requires more development and is not country-specific. In response, this study is of value as it explores the future of spa tourism in terms of creating multiple potential pathways. It does this from the perspective of the German spa industry, and addresses the interrelationships of these uncertainties.

By following the specific methodology of scenario planning, this study develops a scenario analysis of the future of the German spa industry and answers the questions “What will the German spa tourist and spa tourism industry look like in 2030?” The study consisted of 22 semi-structured interviews with a diverse expert panel in Germany.

Interview participants identified twelve key drivers which were discussed in light of existing literature. The two most significant key drivers identified in the interviews were then positioned along a two- key matrix with the *demanding consumer* on the horizontal axis and *new distribution of wealth* on the vertical axis. Based on these drivers the study presents four plausible yet challenging and completely different scenarios for the development of the German spa tourist and tourism in 2030. The scenarios include *prosperous society*, highlighting a positive future for German spas due to the growth of the middle class and thus increasing demands and a multifaceted spa clientele; *the power elite*, concentrating on the super rich spa consumer and their extravagant consumer behaviour; *middle class on the brink*, presenting a squeezed middle class and a gradient decline of the spa industry; and *the welfare state*, a gloomy scenario with almost no spa tourism left.

Through examination of significant questions and strategic implications, the study concludes that the spa industry needs to challenge its current linear ways of thinking by adopting new insights and perspectives of the future. Furthermore, the industry needs to establish standardised criteria for accreditation and operation of spa facilities. This needs to include a

focus on staff training in order to continue to attract the German spa tourist and thus remain profitable in the future.

Keywords: Germany, spa industry, spa tourist, scenario planning, future.

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Chapter 1- Introduction

1.1 Introduction

Anticipating what will happen tomorrow, in a week's time, in ten years time or hundred years down the track has always been a dream of human kind and engaged scientists, futurists and prophesiers over centuries. As the world becomes more complex due to key drivers such as social change linked with increasing globalisation and new wealth distribution it creates more uncertainty. Tourism is one industry that is very dynamic and exposed to those core drivers of environmental changes. Especially the spa industry and its growing phenomena has revolutionized the world over the past decades. This is due to its phenomenal multi trillion dollar growth rates generated in revenue growth in both core spa industries and spa-enabled industries (GSW, 2010). It is said that the spa industry is not only the youngest but also fastest and one of the strongest growing industries within tourism. However, given the enormous accreditation rates of the industry and the constant changing trends and uncertainties facing the world, it is important to interrelate those drivers. This may help to understand how the spa landscape may evolve in the next few decades. Although there is an extensive body of literature about spa tourism and some studies on the future of spas, for example by the Global Spa and Wellness Summit (2010) on synergies and opportunities, their work requires more development and is not country-specific. Furthermore, the term future is being described as very tentative. This means that current studies focus on prediction rather than envisioning multiple futures, and they are based on short term predictions instead of long term future pathways. Therefore, this study is of valuable contribution because it tries to explore the future of spa in terms of creating multiple pathways from the perspective of the German spa industry, dealing with the interrelationships of these uncertainties. By following the specific methodology of scenario planning, this study develops a scenario analysis of the future of the German spa industry and answers the questions "What will the German spa tourist and spa tourism industry look like in 2030?" In order to answer the research question, the study set out the following key objectives:

- Identify the key drivers of change;
- Construct four scenarios that explain a range of different futures;
- Conduct a scenario analysis through the identification of significant questions in order to draw out strategic implications.

The remaining chapter elaborates on the key drivers of globalisation and wealth creation, social change and changing health care system and thus, provides the reader with background information of the drivers of change.

Globalisation and wealth creation

The world increasingly becomes more globally connected and intertwined due to growing intra-national economic and political interactions as well as globally inter-linked social and environmental developments (Dreher, Gaston and Martens, 2008). This is coupled with cooperation and interaction between nations as they share similar goals, opportunities and developments but also all share similar problems and challenges. Bhagwati (2004) highlights that globalisation has opened up borders and eased the movement of foreign trade in goods and services, capital and labour, information and technology as well as people. The growing world economy has also witnessed rising middle classes in many countries and thus, increasing wealth distribution. This means that more people have more money left to spend on leisure and tourism activities as well as on other goods (Smeral, 2003). Furthermore, globalisation also lead to the growth and development in areas such as culture with an increase in the use and ease of access in media and social media, television, cell phones and the internet (Falk, 2000). One domain which is highly affected by the gains and developments of globalisation is the tourism industry. Not only has global tourism lead to an increased development in international cultural exchanges and engagements but also helped stress the importance of a multi-cultural understanding between nations. The vast development of this global environment had an influence on the tourists themselves. Tourist demands are constantly changing and driven by these environmental factors as well as personal ones such as personality, needs, time and resources.

With no limits and boundaries when travelling, the increase in tourism consumption also means a growing desire for diversified product and service offerings as destinations have to compete with each other nationally and internationally. Tourists demand diversified holiday experiences with the focus on particular niche products tailored to their individual needs and wants, and in return are willing to invest a lot of their personal resources for those activities. The increase in tourism consumption is reflected in its growing numbers. According to the World Tourism Organization UNWTO (2012), international tourist arrivals reached 980 million in 2011 and this growth is expected to continue in the years and decades lying ahead.

The UNWTO (2012) forecasted tourism arrival numbers to exceed 1 billion at the end of 2012 with long-term predictions projected to reach 1.8 billion by 2030.

Social changes

Another emerging trend is the constant social change and thus, the restructuring of the population. In the developed world people tend to live longer and live in good health; however, in contrast fertility rates decrease at a rapid speed. An increase in the use of mass media and greater advertising on modern lifestyle products mean that people become more conscious about their own health (Bushell and Sheldon, 2009). Germany is one of the countries in the developed world that is tremendously affected by the implications of demographic changes. Whilst the country's people have higher life expectations, the German economy and politics face growing challenges and obstacles to cope with these changes. This is highly visible in the German health system. Demographic change has induced a systematic restructure in the way that the state funds public health. For more than twenty years now the German public health system tried to shift responsibilities and expenses from the state to the individual as the state cannot maintain the funding levels of a changing society (Pforr and Locher, 2012). Therefore, there is a disparity between the revenue generated by the working age population and the demands set by an ever increasing "retirement class". This has vast implications for the tourism industry and in particular for the role that spas play in Germany.

Changing healthcare system

Spas and especially the traditional approach of *Kuren* (German= bath or spa) have been a vital component of the German society since the early 1800s. However and as discussed in depth in Chapter 2, a systematic restructuring of political, economic and social legislations changed the way spas and *Kuren* are funded. Whilst previously these healing therapies were covered by the state, the burden is now displaced to the individual responsibility. This is due to, and as previously mentioned, the impacts of an ageing German society and an increasing demand for medical and health care services. This is further coupled with a growth in medical technology, changes in the working environments, and the rise of a health consciousness society due to better education and information technologies, and increased globalisation

(Papathanassis, 2012). Nevertheless, the German *Kurorte* (German= spa destinations) are still perceived as an important principal today because their natural healing products from the earth, water or climate in combination with natural healing processes respond to the changing demands of the German society (Deutscher Heilbaederverband e.V., 2012a). People look for alternative escapes where they can actively do something for their health and wellbeing. Furthermore, they are also willing to invest their own resources into those health related products as the trust for the support from the state diminishes especially among the younger generation. A shift and growing trend in consumer demand within the niche of health-oriented tourism is also visible, specifically in the development of the spa and wellness sector. Wellness and spa tourism boom and both the public and private sector now increasingly devote their attention, organization and promotion towards this sector highlighting a growing trend in the second healthcare market (Global Spa Summit, 2011).

Combination of factors

The previously mentioned macro issues of progressive globalisation and growing wealth, social change in terms of demographic shifts, and a changing healthcare system identify those factors that could have a critical impact on Germany's spa tourism industry. Given the outcomes of these key trends, this master thesis develops a scenario analysis to extend one's understanding of how the spa tourism industry might change in the next 17 years. The topic of spa tourism is of significant relevance for the country because of the locality of the traditional *Kur* system and the substantial growth rate of this niche market. The aim of the thesis is to critically reflect and deepen the industries' understanding about the changing behaviour of the German spa tourist and spa tourism industry; providing both valuable insight and foresight. However, as no one can predict a single future because it has "both conceptual limitations and political implications" (Yeoman et al., 2012, p.3), this thesis adopts van der Heijden's scenario planning as a research method which can help industry stakeholders to encourage thinking, promote action and understanding. But also to liberate from traditional and linear ways of strategic forecasting methods which proposes a degree of certainty and one single future (van der Heijden et al., 2002). With the adoption of scenario planning the thesis attempts to model four different scenarios and assesses the potential outcomes in order to provide guidelines for future decision makers in the German spa industry. The scenarios will depict different opportunities and challenges, and could potentially help decision makers

to stimulate their thinking and visualize new ideas about the future, both apparent and unnoticed. The thesis has at its core to answer the following question: ‘What will the German spa tourist and spa tourism industry look like in 2030?’

The thesis will provide a scenario analysis of the 2030 German spa tourist and tourism, highlighting why the thesis has significant importance and current relevance, how it can benefit the German spa tourism industry, why scenario planning has been adopted as the respective research method and what the respective future pathways could look like. At this point in time it is important to highlight two vital factors. Firstly, this thesis has been written in the most severe economic and sovereign debt crisis since the Second World War. With the submission of the thesis the outcome of the financial crisis remains unresolved. Secondly, the aim of the thesis is to focus on the spa tourist and spa tourism industry in Germany. The implementation of the scenarios apply to the German spa tourism industry and will encourage critical reflection for industry leaders in that particular country. However, the illustration of the scenarios could help industry leaders from other countries to think about the key uncertainties facing their tourism industry and thus, may use a similar research approach to draw upon their own challenges and opportunities.

1.2 Thesis structure

The structure of the thesis is presented as follows:

Chapter 1, *introduction*, presents an overview of today’s world given its constant changing developments. A brief examination of the key trends of globalization and wealth creation, societal changes in terms of demographic shifts and the changing health system highlight how the German spa industry is affected by these developments and the uncertain future it faces. Furthermore, an overview of the study is drawn, preparing the reader for the chapters lying ahead.

Chapter 2, *overview of the spa industry*, familiarises the reader with the development of the global and in particular German spa industry, current profile of the German spa tourists and developing trends facing the industry.

Chapter 3, *research methodology*, is split into two main sections. Firstly, it familiarises the reader with the qualitative research methodology of scenario planning. The chapter briefly provides an overview of the history of scenario planning, compares the qualitative research method to other quantitative research methods and thus, highlights its benefits and

advantages. It briefly portrays how scenario planning has been used in tourism as well as presenting each step of the scenario planning method. Subsequently, the second part of the chapter focuses on this study's application of scenario planning, providing the reader with an in-depth discussion about the adopted methodological research cycle. This includes the identification of the research question, selection of research method and data collection to method analysis, construction of the 2x2 scenario matrix, adoption of significant questions leading to the scenario implications and strategic decisions.

Chapter 4, *key drivers*, focuses on the discussion of twelve key drivers that have been identified based on expert interviews and a scenario planning workshop undergone between the researcher and her supervisor. This may seem as an unconventional research approach; however, has been widely used as highlighted in scenario planning literature and action based research. All identified key drivers are discussed in light of existing literature and in correlation to the interview data. The discussion of the key drivers leads to the development of this study's conceptual framework of the 2030 German spa tourist and tourism.

Chapter 5, *scenarios*, turns its attention to the four scenarios that have been developed based on two main key drivers' *new distribution of wealth* and *the demanding consumer*. The scenarios then picture four different but plausible futures. Scenario 1, *prosperous society*, aims to portray a positive future development of the German spa tourist and tourism through an even growth of the middle class due to economic prosperity and thus, high level of societal affluence among the population. The spa industry draws on this development by expanding their facilities to a much diversified spa clientele as the demand for these services and products grow in popularity and are affordable. Scenario 2, *the power elite*, envisages a different scenario where the central focus lies within the concentration on a very wealthy upper class. The royal luxury spa business has a monopolistic position as it successfully reaches to the luxury consumers by offering them the products and services that they want and need. Scenario 3, *middle class on the brink*, portrays a rather squeezed middle class that is at the verge to falling into lower classes due to negative global and national political and economic developments. The results for the German spa industry include gradient closures of spa facilities as consumers have to invest their resources towards other things instead of spa holidays. Spa treatments will become less of a priority in this scenario outcome. The last scenario, *the welfare state*, is the worst case scenario of all four storylines. It presents a future that puts Germany on a similar level with the current state of Greece. The failure of politicians to focus on national developments lead to high unemployment rates and frustrated consumers who have to fight for their everyday survival. The outcome for the German spa

industry is gloomy with virtually no spa tourism being left as the demand dropped to an all time low.

Chapter 6, *significant questions strategic implications*, devotes its attention to the subsequent analysis of scenarios by testing their validity through the application of significant questions. An expert panel was appointed to come up with the most important questions based on the four scenarios. The questions reflect the diverse backgrounds of the expert panel and re-apply the questions to the original key question ‘What will the German spa tourist and spa tourism industry look like in 2030?’ Thereafter, the chapter outlines a discussion of the strategic implications depicted through different tables which could be relevant for different stakeholders working in the German spa industry.

Chapter 7, *conclusion and recommendations*, ties together the study in light of reflecting upon on the original research question and revisiting the key drivers and scenario analysis in order to propose recommendations for the future of stakeholders in the spa industry and future research in the field of tourism and spa tourism.

Chapter 2- An overview of the spa industry

2.1 Introduction

In order to make sense of the future, the past needs to be understood. Chapter 2 is of crucial importance as it provides the reader with a brief overview of some of the historical developments of the global spa industry and where it is going. The chapter then further adapts its focus on the development of the German spa tourism industry and the socio-demographic characteristics of the German spa consumer. This brief outline will familiarise the reader with the very diverse market segment highlighting that there is much more to spas than the stereotypical descriptions of massages and beauty treatments. Once the reader can comprehend the scope of the spa market and in particular the German spa market, the need to investigate the future development will become better understandable and justifiable.

2.2 The development of the global spa industry

2.2.1 Historical developments

Opinions are split in the definition where the term spa derived from. Some state that it is taken from the Belgium town Spa, a town whose name was already known back in Roman times. During Roman times, the town was called ‘Aquae Spadanae’ and the town was famous for its baths (Georgiev and Vasileva, 2010). Others claim that the word spa is translated from the Latin saying ‘sanus per aqua - healing through water’. No matter where the term originated from, travelling to spas and getting healing therapies date back to pre-historic times as people believed that bathing in hot or cold springs resulted in physical and mental wellbeing and cleansing of the body (Bennett, King and Milner, 2003; von Harten and Stoelting, 2011). In the 19th century spa and wellness boomed in the United States and Europe when the elite spent their summers at the medical seaside; and intellectual, religious, medical movements could be witnessed (Steudel, 1962; Wesley and Pforr, 2009; GSW, 2010). Although only few small businesses evolved around spa tourism at that time. Since the late 20th and 21st century the spa phenomenon revolutionized. Bennett et al. (2003) state that this recurrent trend of health tourism is also predicted to continue well into the future. Spa tourism developed into one of the world’s largest, and also youngest, leisure industries; and in 1991 the International Spa Association (ISPA) formed with the aim to professionally advance the spa industry by providing educational and networking opportunities (Mintel Group Ltd, 2012). Within 20 years, the ISPA grew from having memberships in ten countries to spa providers in over 70 countries by 2011 (Mintel Group Ltd, 2012). The phenomenon of

the popularity of contemporary spas worldwide is driven by various facts. Firstly, both the younger and older generation increasingly become more aware about their own health due to modern lifestyles and thus, look for alternative escapes where they can actively do something for their health and wellbeing. This is combined to mounting stressful work lives and increasing stressful living situations in densely populated urban environments. It is further linked to the dissolution of family connections, traditions and human value systems (Fontanari and Kern, 2003). Secondly, a restructuring of the population implies that there is a growing older population who is increasingly concerned about their health and wellbeing. Thirdly, rising costs for health care and health related products shifted from the state to personal responsibility, thus people starting to become more proactive about their own health and wellbeing. These are some of the factors that explain the growing demand for leisure activities for health tourism products and spa services (Mintel, 2012).

2.2.2 Spa typologies

To date numerous numbers of different spa typologies exist. They range from destination spas; resort/ hotel spas; medical spas; mineral spas; club spas; cruise ship spas and ‘other’ spas (Brown, 2012). Brown (2012) discusses these spas as followed: Day spas offer spa services and products that are exclusively available on a day-use basis and they are increasingly booming in densely urbanised environments. Destination spas offer treatments, exercise and educational programmes that help people to live or devote themselves to a healthier lifestyle. Resort/ hotel spas are located within the respected hotels or resorts. During the change of the millennium resort/ hotel spas received a significant boom when leading international hotel brands and luxury resorts began adopting the spa concept into their business and marketing strategies (Mintel Group Ltd, 2012). These spas offer a range of different health services and products alongside other more ‘unhealthy’ lifestyle choices available for customers. Medical spas include special treatments that are closely supervised by doctors and other health professionals. Mineral spas correspond to the more traditional approach of spas and are made off mostly natural and/or thermal treatments. Club spas are solely located in fitness or health clubs; whereas cruise ship spas provide spa treatments, fitness and wellness programmes on board cruise ships as a more leisure based activity.

2.2.3 Impacts of global spa industry

According to Mintel Group Ltd (2012) an estimated 80,000 spas exist worldwide. This figure includes day and residential spas. This number is driven by an average growth of 8-10% annually. The spa industry contributes US\$60.3 billion in the core spa industry, and an additional US\$194.4 billion in spa-enabled industries. Furthermore, the spa industry is part of an overall US\$2 trillion global wellness market (GSS, 2010). As seen in table 1, core spa industries include all industries that can be directly related to the spa industry. These include spa facility operators; spa capital investment; spa education; spa consulting; spa media, associations, and events; and spa-branded products. The global spa industry also constitutes of spa-enabled industries (also depicted in table 1) which include spa-related hospitality and tourism, and spa-related real estate. This highlights that the spa industry also provides secondary benefits to other industries with opportunities for profit and growth. Particularly focusing on the spa-related hospitality and tourism industry, it is visible that this spa-related industry is the biggest secondary profiteer within the spa industry, contributing US\$106.05 annually.

Table 1: Core Spa Industries and Spa-enabled industries
Source: Global SPA Economy, 2007

Size of the Global Spa Industry, 2007 (US\$ billions)	
Core Spa Industries	\$60.31
Spa Facility Operations	\$46.81
Spa Capital Investments	\$12.99
Spa Education	\$0.31
Spa Consulting	\$0.07
Spa Media, Associations, & Events	\$0.13
Spa-Branded Products	n.a.
Spa-Enabled Industries	\$194.35
Spa-Related Hospitality & Tourism	\$106.05
Spa-Related Real Estate	\$88.30
Total Spa Economy	\$254.66

Spas are a global phenomenon however, countries that offer spa services and products have no single or official definition of spa tourism (GSS, 2011). Generally speaking, country-specific or regional definitions are inferred with governments to the degree to which they promote and support this niche tourism market (GSS, 2011).

In the mid-twentieth century the U.S. shifted direction from spas which were then purely seen as ‘health through water’ treatments to the modern promotion of a healthy lifestyle. This regimen is based on clean air, moderate exercise and a healthy nutritious diet plan; massages were added to ease the aching body muscles due to the unaccustomed exercises (Tabacchi, 2010). This implies a shift that now incorporates also wellness and gives the spa market a whole new interpretation (GSS, 2011).

In contrast, European countries, Southeast Asian countries and the Middle East return to more classic and traditional cures, and nature- based therapies with an emphasis on the construction of huge bathing houses and the more customary approach on healing through water (Tabacchi, 2010). Eastern European countries such as Hungary, the Czech Republic and Slovenia have become increasing competitors of spas and baths for countries such as Germany, Austria and Switzerland due to an advancing modernisation of infrastructure and quality of services and personnel; all below the price levels of the German speaking suppliers (Fontanari and Kern, 2003).

Furthermore, Australia, Austria, Canada and Hungary are four main spa and wellness markets that attract primarily domestic tourists; whereas countries such as Brazil, India, Indonesia, Thailand, South Africa and Philippines focus on international tourists. This highlights the difference in visitors between developed and developing countries (GSS, 2011).

2.3 The development of the German spa industry

2.3.1 Development of the German spa industry

Germany is one of the developed countries that has had a long tradition of baths and spas, and still today has one of the highest spa visits overall to the population worldwide (Swarbrooke and Horner, 2007). Around the 18th century Germany had a number of well-developed curing centres that were mainly served to the upper and upper-middle classes for both medical and recreational purposes (Maretzki, 1989). These curing centres offered *Kurs* which were spa treatments associated with a range of different forms of hydrotherapy and physiotherapy. During the 19th century Europe witnessed several health reform movements which stressed the importance to adhere to natural lifestyles and endorsed naturopathic therapeutic practices, many of which depended on the healing powers of water and hot springs (Maretzki, 1989). When the movements hit Germany, they merged with the older *Kur* traditions.

In more recent years during the 1950s, Germany continually witnessed social welfare legislations which placed the *Kur* as a more profound form of rehabilitation therapy with costs covered by the German government under the national health insurance system (Maretzki, 1989). From then on, the general population was able to afford the *Kur*; which lead to the development of the transformation of many communities into *Kurorte* (German= spa destinations). By 1982, the *Kur* was offered to insured workers, a legislation that meant that patients were able to go on a *Kur* treatment in order to restore them to their normal employment instead of forcing them into early retirement (Maretzki, 1989). At that stage in time people could stay at a *Kurort* of an average stay between 15.5 to 19.9 days, with the possibility of extension of another two weeks. As the *Kur* was covered under the government insurance system once every three years, personal contributions were kept at 10% of the overall cost (Maretzki, 1989).

Within more recent decades, between 1995 and 2008, Germany as well as many other developed countries witnessed a tremendous escalation of costs in the healthcare sector (an increase of 31.3% in Germany) which was mainly due to an ageing population, an increase in chronic diseases and progressive advancements in medical technology (Breske, 2004). This steered Germany's healthcare system into a period of significant change, away from its traditional role of a welfare state into a rather independent role for new economic and social growth (Pforr and Locher, 2012). According to the new healthcare agendas the focus was now placed on efficiency and quality assurance, prevention but most of all to greater personal responsibility and higher individual co-contributions (Pforr and Locher, 2012).

The changing healthcare reforms also had a huge impact on the officially recognized *Kur* resorts in Germany and the way the state prescribed and funded these *Kuren*. In 1997 instead of a prescription length of up to four weeks the insurance systems lowered the *Kuren* to a maximum of three weeks. Furthermore, the *Kuren* were changed to a recurrent time period of every four years instead of three years (Pforr and Locher, 2012). Moreover, the preventative aspect of the *Kur* was taken off the funding list. In 2000 another healthcare reform in Germany changed the restructuring of the traditional *Kur* even further by replacing preventative and rehabilitation treatments on outpatients away from their place of residence to stay within their normal dwelling place. This was coupled with the rise of cheap Eastern European spa destinations and their aggressive marketing efforts to attract German *Kur* patients (Pforr and Locher, 2012). In order to overcome these challenges and obstacles, more and more of the officially recognised *Kurorte* had to restructure their businesses and develop

a more health and wellness oriented platform alongside the traditional *Kur*. However, this also allowed them to build up a new reputation and compete with new consumer groups who had to increasingly start spending their private funds for health related activities (Pforr and Locher, 2012).

2.3.2 The rise of the second healthcare market

These cost cutting measurements in the public healthcare system lead to the explosion of the second healthcare market in Germany. The second healthcare market is made up mostly of privately funded facilities, products and services that all fall under the umbrella term of health. They include spa, wellness and fitness offerings; alternative medical treatment therapies; preventative health measures; cosmetic surgeries; over-the-counter medicine and health tourism (Pforr and Locher, 2012). For a better visualization of the second healthcare market: in 2008, this market contributed about US\$89.6 billion to the German economy and its growth is predicted to grow annually by 6% (Kartte and Neumann, 2008). The expansion of this market segment has been reinforced by an ever increasing ageing society in Germany; however, the trend is also reflected in all other core sections of the German society.

2.3.3 The German spa tourist

Especially in the German tourism sector a growing number of tourists devote their personal leisure and holiday time to health and wellbeing related activities and arrangements. This trend influences patterns of a changing consumer and travel behaviour as well as psychographic changes with consumers now being more educated and having a rather holistic understanding about their own emotional and mental health and wellbeing. This is fostered into consumers' minds as an important element of current life attitudes (Fontanari and Kern, 2003). A 2010 survey assigned by the German Forschungsgemeinschaft Urlaub und Reisen (FUR) [German= Research Foundation for Holiday and Travel] highlighted that within the time period of 2010 and 2013 one fifth of all Germans planned to take a wellness and spa holiday, and 9% intended to focus their holidays on fitness and health related activities (2010). Furthermore, the survey proposed that this figure would double within the next 10 years and an increase of approximately 82% in health oriented tourism was projected until 2020. This highlights two important factors: Firstly, even though the German spa and wellness industry lacks reliable figures and statistics, the devotion to health and wellbeing

can be considered an important contributor when choosing holidays and this market experiences significant growth (Papathanassis, 2011). One of the only reliable resources for this upward trend is the 2012 GfK study (Growth from Knowledge Mobilitätmonitor is one of the leading international market investigation organizations) which focused on German wellness-trends in 2012. This survey highlights that spa and wellness holidays boom in Germany. In 2011 80% of all German wellness holidays were undertaken in Germany and there is an increasing demand for these types of holidays (GfK, 2012). However, secondly and despite the impressive results of the F.U.R and GfK surveys and positive outlooks, in order to stay competitive in the future the German spa and wellness industry need to make further investments in the infrastructural developments. This needs to be combined with a specialisation in the provision of individual care and health information and education by also providing the guest with a wide range of cultural and relaxation programmes and good value for money. In order to compete with other rising spa destinations, it is crucial for Germany to fully understand the changing behaviours and characteristics of the German spa consumer. Pforr and Locher (2012) discuss that the baby boomer generation as well as the 60 plus bracket are the two most important generations for the German spa and wellness market. However, one of the outcomes of the 2012 GfK study stresses the importance to devote the market's attention to other new emerging markets. The percentage of the baby boomer generation stagnated at 29%, and so did the 65 plus generation at 17%. Interestingly, a growth in the demand for spa and wellness is witnessed within the age group of 18-34 at 26% (a growth of 10%) and also in the age group 35-49 who had a 15% growth rate, to an overall 28% of the market share. Furthermore, the spa and wellness industry needs to attribute their attention to the increasing impacts of megatrends in society such as globalisation, individualism, pressure to perform and achieve, ageing society and high health consciousness (Papathanassis, 2011). This highlights not only a disparity in existing resources and literature but also reflects the uncertainties that the German spa faces.

2.4 Conclusion

This chapter briefly outlined the development of the international spa industry by specifically presenting the national progression of the German spa industry and the socio-demographic characteristics of the German spa tourists. The chapter highlighted that the traditional *Kur* system has been a vital component for the German society for decades. However, due to the restructuring of the population the system has been undergone constant changes and new

adaptations, leading to increased individual co-contributions. Combining this development with an increasing awareness of one's own health and an increasingly older population, the second healthcare market booms. Thus, Chapter 2 indicates an accretion of the German spa industry for the future. Linking this development to Chapter 1 and the combined key macro issues facing society, the future development of the German spa industry remains uncertain. Therefore, there is a growing need to investigate the potential future of this industry. Hence, the next stage will include the writing of the world's history which is the future.

Chapter 3- Research Methodology

3.1 Introduction

The previous chapters provided the reader with a general overview of critical macro issues such as increasing globalisation, new distribution of wealth coupled with social changes such as the demographic restructuring of the population, highlighting that the world has become complex and is faced with growing uncertainties. Tourism particularly spa tourism has been identified as one industry to be exposed to the core drivers of environmental change given its dynamic on one hand and its phenomenal growth rates and popularity over the past decades on the other hand. As outlined in Chapter 1, although an extensive body of literature exists on the global development of spa tourism as well as country specific case studies, no one to date has specifically investigated the long-term future of the spa industry based on a country specific approach. Therefore this study focuses on establishing a first attempt to contribute to the discussion of spa tourism by exploring the future of the German spa industry. This will be achieved via the interrelation of the key drivers of uncertainty, creating multiple possible pathways of the spa future. By following the qualitative methodology of scenario planning, this research aims to highlight the uncertainties facing the world and combining them together from a subjective, constructive and interpretive standpoint. The aim of this research method is to demonstrate that the future is not absolute and it is not about revealing the truth; but rather to illuminate that uncertain and individual pathways lie ahead of the world. In order to make sense of this obscure future, scenarios are used as a process to help businesses make sense of the future by stimulating and steering away from current linear ways of thinking, and envisioning the unpredictable.

Chapter 3 has bilateral aims. Initially, it familiarises the reader with the research method of scenario planning. This is achieved by providing a brief overview of the historical developments of scenario planning, discussing scenario planning in light of other more traditional research methods, relating how scenario planning has been used in tourism and presenting the different steps used in a scenario planning research approach. Subsequently, the second part of Chapter 3 focuses on the in-depth discussion of this study's adopted methodological research cycle. This includes the identification of the research question, selection of research method and data collection to method analysis and construction of the ultimate 2x2 scenario matrix as well as development of significant questions and strategic implications.

3. 2 Scenario Planning

The approach of scenario planning is fairly unfamiliar territory for many; it is therefore important to accustom the reader with this research methodology.

Today's world is faced with rapid changes in terms of increasing obscurity, growing individualism and the dissolution of old norms and values into new ways of living and lifestyles. The growing transformation of social changes and uncertainties in the world also increasingly confront social researchers. Changing perspectives and outlooks into the future require new adoptions of thinking and understanding in the field of academic research in terms of the empirical study of issues (Flick, 2006). Therefore it is not surprising that in past decades future studies developed as an accepted academic research discipline and has increasingly gained recognition among theorists and practitioners (Yeoman, 2012). Scenario planning is one research method that bows to future studies by envisioning a set of multiple future outcomes which could emerge in the path forward. Through the adoption of a scenario planning research method organizations or/and individuals are engaged to think in a rather innovate and creative way, as well as making informed decisions about constant external changes. This will potentially enable them to overcome the limitations of a straight forward, tunnel vision thinking approaches which can be restricting in an uncertain and complex market environment. These thinking approaches can decrease their level of achieving a competitive advantage (Varum and Melo, 2010; Amer, Daim and Jetter, 2012).

One field that is affected and characterised by high levels of uncertainty is tourism due to its dynamic nature and extradition to changing environmental factors. Therefore, the examination of tourism and the future of tourism are important in order to understand how this development might evolve in the decades lying ahead. This may enhance the ability to perform and cope better with uncertainty (Amer, Daim and Jetter, 2012). Nevertheless, the history of tourism research reveals a long tradition of quantitative data collection in terms of economic paradigms in order to count numbers and determine the economic benefits for the tourism industry (Getz, 1987 in Jennings, 2001). Around the 1980s tourism research started to apply more qualitative research methods in terms of physical/ spatial and community-oriented planning approaches (Veal, 1997 and Getz, 1987 in Jennings, 2001). However, even though tourism research adopted both qualitative and quantitative methods it remains influenced by “boosterism, economic traditions, physical/ spatial approaches, community-oriented tourism planning and sustainable approaches” (Jennings, 2001, p.3). Tourism research has revolved around a positivistic perspective. Even though Jennings (2001) reveals

that tourism research in the twenty-first century is a fragmented discipline and therefore, research should contribute to the future development of tourism, it still mainly rotates around the parameters of concentrating on the past instead of the future. Whilst future studies have developed to become an accepted research discipline, they often revolve around forecasting methods. Quantitative forecasting methods use past tourism demand information and calculate the future via mathematical rules (Dwyer, Gill and Seetaram, 2012). Other forecasting methods incline only short-term and predictive future pathways and are thus, tentative in nature. As highlighted above the world is very complex and the future remains uncertain. Therefore these research methods are often naive, obscure and limited in providing new and challenging data findings to the field of inquiry. This being the case the application of scenario planning is one method that tries to mitigate the paralysis by examining tourism's complexity and a combination of influencing variables in order to anticipate market changes. This can provide new insight and foresight in a very pragmatic way.

With regards to this study and in order to stimulate thinking around the research question '*What will the German spa tourist and spa tourism industry look like in 2030*' it was decided to apply scenario planning as the respective research methodology. Through the application of this method the researcher is enabled to embrace several scenarios in order to present complex yet systematic future pathways. The aim is not to predict a single future but a spectrum of possible developments and to stimulate this 'outside of the box' thinking. This is achieved through firstly, a very ontological foundation of applying held worldviews of different stakeholders in a subjective interpretation. And secondly, incorporating this interpretation and making meaning of it in different scenarios to encourage creative thinking and understanding about the future of the German spa industry. This could help in the identification of possible yet plausible futures, resulting in organizational restructures through the development of new contingency and action plans (Walton, 2008).

3.2.1 The history of scenario planning

The idea of scenario planning can be traced back long in history to the late Before Christ (BC) and early beginnings of Anno Domini (AC) to the writings of ancient philosophers such as Plato and Seneca who individually philosophized in different scenarios about the world, science and society (van der Heijden et al., 2002). As a strategic planning tool and the systematic use of scenarios; however, it is deeply rooted in military history and became

predominant after World War II. The US Department of Defence used this method for military planning as a way to make strategic decisions and approach the future through unexpected scenario strategies (Kahn and Wiener 1967; Joseph, 2000; Godet, 2000; van der Heijden et al., 2002; Amer, Daim and Jetter, 2012).

The most distinguishing example of a successful scenario planning application; however, appears in the evaluation of the long-term oil forecast made by the Shell Oil company in the early 1970. In a nutshell, in 1970 oil prices were at constant low and it was assumed prices would remain at this constant. Nevertheless, official leaders at Shell did not exclude the idea of overcapacity in the oil industry. Therefore, strategic planners were hired to investigate the potential future development of the international oil market. The scenario outcomes highlighted that the predictions of a stable global oil market were uncertain as the production of oil was limited in those oil-producing countries. One of the scenarios even presented a future in which oil prices could tremendously rise due to this limited production. Whilst this scenario was perceived to be ‘radical’ and ‘unrealistic’ back in the 1970s, the exercises still lead Shell executives to adjust their business settings for this potential scenario outcome of a changing oil market by increasing the efficiency of the Shell operations. The eventuation of the rising oil prices allowed Shell a competitive advantage in the global oil market because the company was able to adapt to the changes faster than their competitors, giving them a key strategic advantage in this market segment (Peterson, Cumming and Carpenter, 2003; Goessling and Scott, 2012).

In the early 1990s another prominent scenario exercise stroked the world in Monte Fleur, South Africa. Peterson, Cumming and Carpenter (2003) summarised the scenario exercise by stating that during a three day workshop South African officials ranging from politics, business organizations and society in cooperation with the strategic planning group from Shell Oil examined how South Africa could become a democratic nation by understanding its potential opportunities, threats and challenges in this transitional process. Four different scenarios were publicized that helped officials in understanding and envisioning the way to a new democratic South Africa. The scenarios comprised of four stories: 1. *Ostrich*, highlighting the failure of an end to apartheid; 2. *Lame Duck*, presenting a slow transitional progress made to overcome the minority rule; 3. *Icarus*, a scenario that shows a successful transitional process; however, new government remains unsustainable; and 4. *Flight of the Flamingos*, presenting a gradual integration process into society between the diverse groups in South Africa (Kahane, 1992 in Peterson, Cumming and Carpenter, 2003). The scenarios

enriched peoples thinking and awareness creation and eased the transitional process of South Africa to become a democracy. Whilst this scenario-planning workshop cannot account for the full success of the transitional process for the country, it made the process easier to better understand and as Peterson et al. (2012) state “significantly smoother” (p.363).

These were just two examples of the successful scenario planning application. Shell Oil reflecting on the strategic application in an organization and Monte Fleur using scenarios in order to address a nationwide problem. With the use of scenario methods industry leaders were envisioned and enabled to think outside the ‘norm’ and prepare for the ‘unprepared’ by making valid and justified decisions. The Shell Oil example highlighted a scenario planning approach with high levels of uncertainty and thus, strategies for an uncertain future were developed. The example of South Africa, in contrast, focused on a scenario planning approach where people with different ambitions developed scenarios to envision a joint understanding of the uncertainties that could help South Africa in the transition to become a democracy. This shows that scenario planning is a method that can be modified in a number of ways- it can be used on an individual level, in order to make strategic decisions and it can also help decision makers in an organization when there are high levels of uncertainties. But scenario planning can also be used on a nationwide level.

3.2.2 Scenario planning in tourism

Already touched on in section 3.1 the use of the scenario planning method can be a useful tool in tourism research. Whilst there is continuous scope to expand the use of scenario planning in the field of tourism scenarios have been used for at least 30 years (Goessling and Scott, 2012). Different scenario analyses range from destination planning (De Kadt, 1979), transport and tourism (Page et al., 2010), terrorism and tourism (Gordon et al., 2009), tomorrow’s tourist (Yeoman, 2008), and tomorrow’s tourism (Yeoman, 2012). Goessling and Scott (2012) acknowledge that the use of scenario planning seems to become increasingly important. The tourism industry is dynamic and the level of uncertainty facing this industry increases enormously. In order to overcome these challenges and obstacles it is important to do more research and establish tools for people working in the public or private tourism sector to understand, prepare and respond to these challenges, and plan towards sustainable tourism and policy development. Furthermore, understanding the future in light of different

scenarios will enable the industry to hopefully achieve a balanced equation between the demand and supply side of the tourism industry (Page et al., 2010).

3.2.4 Scenario planning steps

A successful scenario planning project needs to be systemically planned and approached.

Whilst section 3.2 devotes its attention to the methodological research cycle applied in this study, it is still important to briefly introduce the general scenario planning steps. This will allow the reader to become familiar with the scenario process, and make section 3.2 easier to understand.

In summary, van der Heijden et al. (2002) illustrate the scenario planning steps as follows:

During the first stage, the project needs to be structured by identifying key gaps and issues in the particular field of inquiry and where the future development is questionable and uncertain. This can limit the performance of a business environment, an organisation or at national performance level. Furthermore, in this stage a scenario timeline has to be established. Even though a scenario project can be developed in any timeframe, it provides greater usefulness when developed for long term planning (Amer et al., 2012). Then, it is very important to either choose a facilitation team or work as an individual on a scenario project.

Stage 2 is about exploring the scenario context. This includes either conducting interviews, focus groups or workshops with either internal team members inside the organization or remarkable people outside the business environment who have a specific knowledge about a certain topic or in the field of enquiry. The next step is to collate and analyse the collected data and identify the emerging key drivers and trends that have to be explored through further investigation. Key drivers are factors that can influence or shape outcome of a certain activity.

During the third stage the key drivers are ranked on a scenario matrix according to high/low impact and with outcomes being certain/uncertain. Those drivers being placed on the scenario axis on the high impact/uncertain outcome are used for the establishment of a 2x2 scenario matrix. There seems to be a general agreement that at least two key drivers have to be used for the creation of the scenarios (Amer et al., 2012). However, other researchers question the use of only using two key drivers as they regard this creating an oversimplified environment

(Curry and Schultz, 2009). Based on the key drivers and trends the scenarios are developed. The number of scenarios varies significantly among researchers; however, most of them agree that at least two scenarios should be created in order to highlight different future pathways. Generally, a combination of three to four scenarios per project seems to be the average consent agreement between researchers (Linneman and Klein, 1979; Hicks and Holden, 1995; van der Heijden, 1996; Schwartz, 1996; Galtung, 1998; Durance and Godet, 2010). Scenarios should be developed by creating distinguishing and different pathways giving scope for innovative thinking and innovation. They often range from preferable to possible future outcomes, over worst-case scenarios and utopian developments.

Often scenarios are presented in terms of storylines as people can easily relate to stories and process heavy information easier (Yeoman, 2012). Yeoman (2012) underpins this by stating that “the human brain relates easily to stories; the narrative thinking used in scenario thinking matches the way the brain works, thus expanding the brain’s capacity to process information” (p.7). Stories are often written in either a future time reflecting upon the past developments or at present anticipating a future world.

In stage 4 the scenarios should be tested against a stakeholder analysis by presenting the scenarios and developed storylines to corresponding people. These people can range between internal people in the organization or external participants who were interviewed for the scenarios. Moreover, this could take place in a focus group workshop or a short survey. The aim is to find consistency among the scenarios and the responses from those people and thus, validate the developed scenarios. Can people relate to the scenarios and storylines or are there general problems with the key drivers? If there is no consistency than the scenarios need to be re-worked until a common platform and understanding has been created.

The last step is the presentation of key findings, implications and recommendations that are the result of the scenario analysis and of fundamental value for the individual or organization’s immediate thinking.

3.2.5 Scenario planning limitations

The first part of the chapter outlined the advantages of the application of scenario planning as a research method to create multiple future pathways. Nevertheless, whilst scenario planning is an appropriate tool to investigate the future it also has some key limitations which have to be acknowledged.

Scenario planning is a research method that enables people to make sense of the future by creating multiple outcomes for a respective topic. One of the problems with the use of it is that it is subjective in nature and uses a pragmatic discursive approach. The opinions used in scenario planning are limited because they reflect one's personal opinion and the validity of these subjective interpretations can be questionable and critical to other parties (van't Klooster and van Asselt, 2006).

The key drivers or trends used in the scenario matrix represent the uncertainties and high impacting factors that can shape the development in the field of inquiry. In order to validate the core drivers of the two axes, matrix epistemological arguments need to legitimise their relevance and importance. Even though chosen drivers are validated through consent from research participants or workshop with industry stakeholders, they might not reflect everybody's opinions simultaneously. Diverging opinions can lead to dissenting action and thus, further erosion of the common view (van't Klooster and van Asselt, 2006).

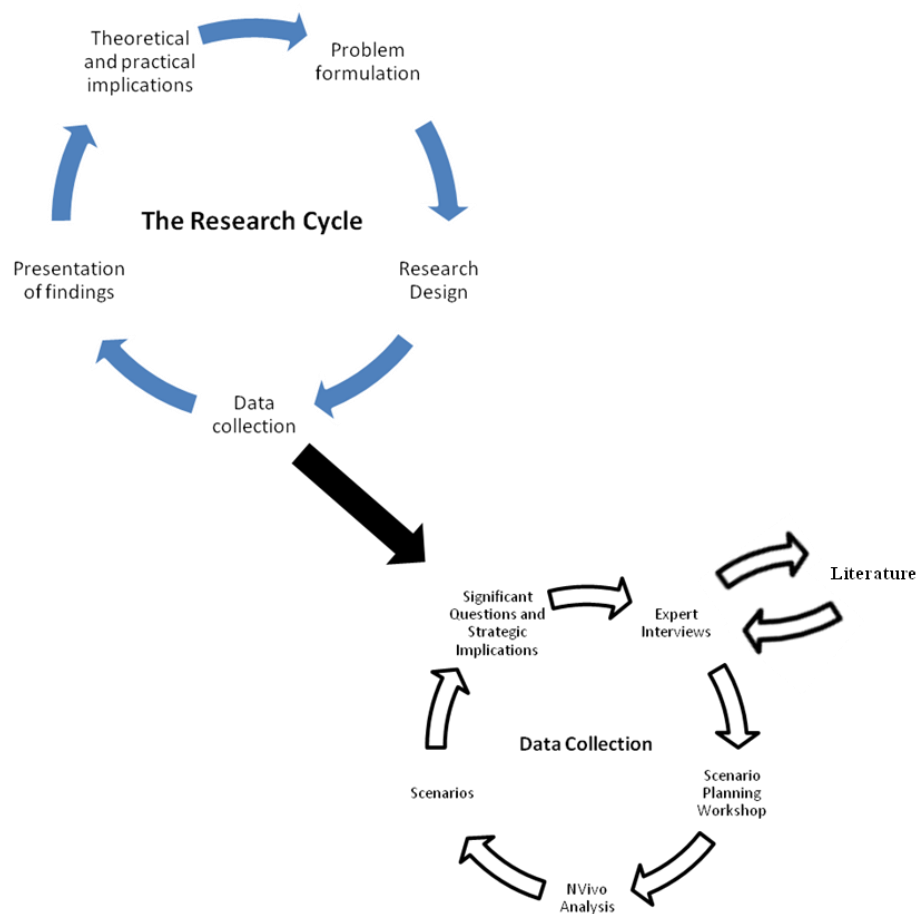
Furthermore, any scenario planning project can only extend the existing body of knowledge and understanding if the project is executed accurately and in a systematic manner in order to highlight plausibility of the outcomes (Page et al., 2010; Moriarty, 2012). This means that it must have a purpose and be of best interest and use to respective stakeholders and the wider public.

3.3 Research cycle

The second half of this chapter concentrates on the presentation of this study's adopted research methodology as depicted in Figure 1. The aim is to demonstrate each stage of the research cycle with specific focus on the data collection part. This will familiarise the reader with the methodology and guide the reader into the subsequent chapters.

Figure 1: The Research Cycle

Source: Adopted and added from Pearce, 2012



3.3.1 Methodology

In order to gain an insightful understanding of “*What will the German spa tourist and spa tourism industry look like in 2030*” it was decided to position this research under the traditional umbrella term of qualitative research by conducting expert interviews with remarkable people in Germany. Through the adoption of a qualitative research method the researcher tries to acknowledge and highlight that people hold different perspectives on a specific topic. The aim of the researcher is to interpret the different opinions from the interview participants by subjectively portraying the world accordingly (Ritchie, Burns and Palmer, 2005). This ontological principle combined with the epistemological stance of subjectivity and personal evaluation, and qualitative data collection are used holistically to gather in-depth information about the specific phenomenon of spa tourism and its potential future development (Finn, Elliott-White and Walton, 2000; Ritchie, Burns and Palmer, 2005). The research took place as follows:

3.3.1 Expert Interviews

The expert interviews were set out to be constituted in form of semi-structured interviews. The use of semi-structured interviews was chosen because it firstly gives the investigator a broader scope to explore upon particular themes and responses, and allows for more flexibility in the research agenda between different interviews (Ritchie, Burns and Palmer, 2005). Secondly, with the use of semi-structured interviews respondents can determine their own answers and are not pre-determined to a limited set of responses and the reliance on statistical or mathematical data as set out in quantitative research questionnaires (Veal, 1997). Furthermore, through the identification of remarkable people the researcher was able to develop a better understanding and insightful provision of knowledge about specific and diverse topics, held perceptions and beliefs as well as different values and opinions (Bradfield et al., 2005).

3.3.1.1 Selection of experts

The key micro issues of progressive globalisation, demographic change and growing wealth, and a changing healthcare system are those factors that were identified in an initial literature review as having a critical impact on the future development of the German spa tourist and tourism as outlined in Chapter 1. Based on these key trends and in combination with advices from the researcher's supervisor and an expert in the spa and wellness industry the researcher carefully proposed 55 interview participants who could help with the identification of the key drivers that could shape the scenarios. The nominated interview experts ranged from people working or having specific knowledge in the German spa- and wellness industry; and other experts outside that market segment. Other experts included people working in the German tourism industry; German trend spotters and futurists; community, national and European politicians and associate members; medical specialists and doctors as well as consumer advice specialists and sociologists. The aim was to get on board as many of the proposed interview participants as possible in order create a diversified body of knowledge and thus, develop a better understanding of the future development of Germany in general and in relation to spa tourism.

After acquisition of ethics approval from the ethics committee at Victoria University of Wellington and the permission to conduct the field research according to the statutory rules of Victoria University, the nominated expert interviewees were invited via email to participate in the research (see Appendix 1 for the invitation for participation in Master Thesis). The email included a short introductory note, the research topic and purpose, why this person was selected for the interview, four interview questions in order to give them some sort of direction and make them understand the purpose of the interview as well as a proposed interview time and location. The email also stated that interviews could be changed and rescheduled according to the participant's convenience. A gentle reminder email was sent out after a week if the researcher did not receive any feedback or response. If further responses were impossible, the researcher personally called up each interview participant and asked if an email regarding a Master thesis interview was received and if the person was interested in participating in the research.

3.3.1.2 Field research

During a three month period (June- August 2012) in Germany the researcher travelled to three interview sites which were Berlin, the capital of Germany and having in place many of the business headquarters as well as the seat of the Federal government; the island of Rugen, one of the most popular *Kur*- and spa destinations in Germany; and the Free State of Thuringia, a region that has potential to build upon its natural resources and develop its infrastructure in order to become a favourable spa destination in the future.

3.3.1.3 Expert Interviews

Out of the proposed 55 expert interviews, the researcher was able to undertake 22 semi-structured interviews which are listed in table 2. Each interview was scheduled around 40-60 minutes. In the end however, interviews varied between 25- 50 minutes. Due to financial and time restrictions, the researcher was only able to conduct 17 face-to-face interviews; the other 7 took place via Skype or telephone. It would have been preferable to conduct all interviews in person because the advantages of a face-to-face interview are that the researcher is able to actively listen to the participant with full attention. The researcher is able to interact, engage, read the participants body language but most importantly establish personal rapport, trust and respect between each other (Ritchie, Burns and Palmer, 2005). Though the other interviews were also helpful and of upmost relevance for this research project this personal rapport could often not been built and this might have been the reason why some of the interviews ended up being shorter than the face-to face ones. With the permission of each participant and signed in a consent form all interviews were tape-recorded (see Appendix 2 for project information, Appendix 3 for the participant consent and Appendix 4 for the transcribers' confidentiality agreement).

Table 2: Conducted Expert Interviews

Expert Interviews
<ol style="list-style-type: none"> 1. Soul of Spa 2. Social Democratic Party 3. The Ahlbeck Hotel and Spa 4. Steigenberger Grand Hotel and Spa 5. Spa Division 6. Spa and Health Lifestyle Hospitality and Entertainment Group 7. Member of the European Parliament 8. Wellness Hotels and Resorts 9. German Spa Association 10. TUI travel group 11. Rizzato Spa Consulting 12. ISIS 13. Bad Saarow thermal spring 14. German Consumer Advice Centre 15. Spa eMotion 16. German Community Politician 17. Medical Specialist 18. Citizens of Europe e.V. 19. First Tourist Agency, TUI Leisure Travel GmbH 20. Atlasreisen 21. Thüringen Tourism GmbH 22. GTC German Travel Concept GmbH

3.3.1.4 Interview Questions

The expert backgrounds of the 22 interview participants varied and interview questions differed among each other. Interview questions were adapted in order to meet the interview's expertise. For example, all participants who work in the spa and wellness industry were asked the same questions, so were experts in the German tourism industry. In order to grasp upon the core essence of the research objective all interview questions were structured in the same way: participants were asked to reflect upon the development in Germany since the 1990s, the status-quo and envision the future development until 2030; but all in regards of their own field of expertise (see Appendix 5 for a brief extract of interview questions). Questions regarding the future development of Germany and the future of spa tourism allowed people to be visionary, creative and think outside the square box in order to highlight their personal views of possible future scenarios. This would allow the researcher to integrate their world views and blend them together with her personal interpretation when developing the scenarios.

3.3.1.5 Transcriptions

Over a four week period all interviews were manually transcribed. Transcribing interviews is important because it allows the researcher to keep record of interviews and what specific participants had to say about certain topics. Quotes are also used for analysis of the data and at later stage they can be used to supplement the discussion with key phrases. Next, a copy of the transcript was sent back to participants in order to check for accuracy and verification.

3.3.2 Scenario planning workshop

The next step included a summarization of each of the 22 transcripts in which the most important key drivers were identified and highlighted. The number of key drivers varied among the interviewees because some people touched upon more topics than others. After adding all key drivers together, the researcher ended up with a total of 127 identified drivers. Hereafter, during a one-day scenario workshop undertaken with the support and guidance of the supervisor the initial 2x2 scenario matrix was developed. Each step of the scenario workshop has been documented and is depicted in Appendix 6. Picture 1 shows each identified key driver based on the summary of the interview transcripts. The key drivers were then assimilated as seen in Picture 2 because same key drivers arose during the different interviews. As highlighted in Picture 3 similar key drivers were clustered together and designated an overall key headline and a few key points in order to briefly explain what that key comprised of. At the end of this process the overall 127 key drivers were narrowed down to 17 key drivers (see Table 3). The next step in the scenario planning workshop devoted its attention to the complex placing of the key drivers on to the scenario matrix depending on whether the key drivers had a low/ high impact and low/ high uncertainty always based on the initial research question (see Picture 4). The key drivers that were placed on the side of the axis merging together high impact and high uncertainty had to be ranked in order according to most important driver that could influence the 2030 German Spa tourist and tourism (see Picture 5). Each step in the scenario workshop is of upmost importance; nevertheless, the last step of ranking the key drivers demands specific attention and consideration because the two most important key drivers will ultimately shape the 2x2 matrix following van der Heijden et al. (2002). As depicted in Picture 6 the scenario planning workshop concluded with the establishment of the 2x2 scenario matrix that placed on the horizontal axis the driver “the demanding consumer” and the vertical axis “new distribution of wealth”.

Table 3: 17 key drivers depicted in random order

17	Key drivers
1	Urbanization of society
2	Health conscious society
3	Increased global disasters
4	New era of active women
5	Diversification of product development
6	Personalization of travel
7	Development of a welfare state
8	Prioritization of private health care
9	New distribution of wealth
10	The demanding consumer
11	Scientific and technological advancements
12	A shift in sustainable values
13	Open competitive markets
14	The need for a multicultural society
15	Holidays equal quality time
16	The need for security
17	Wealth creation due to demographic change

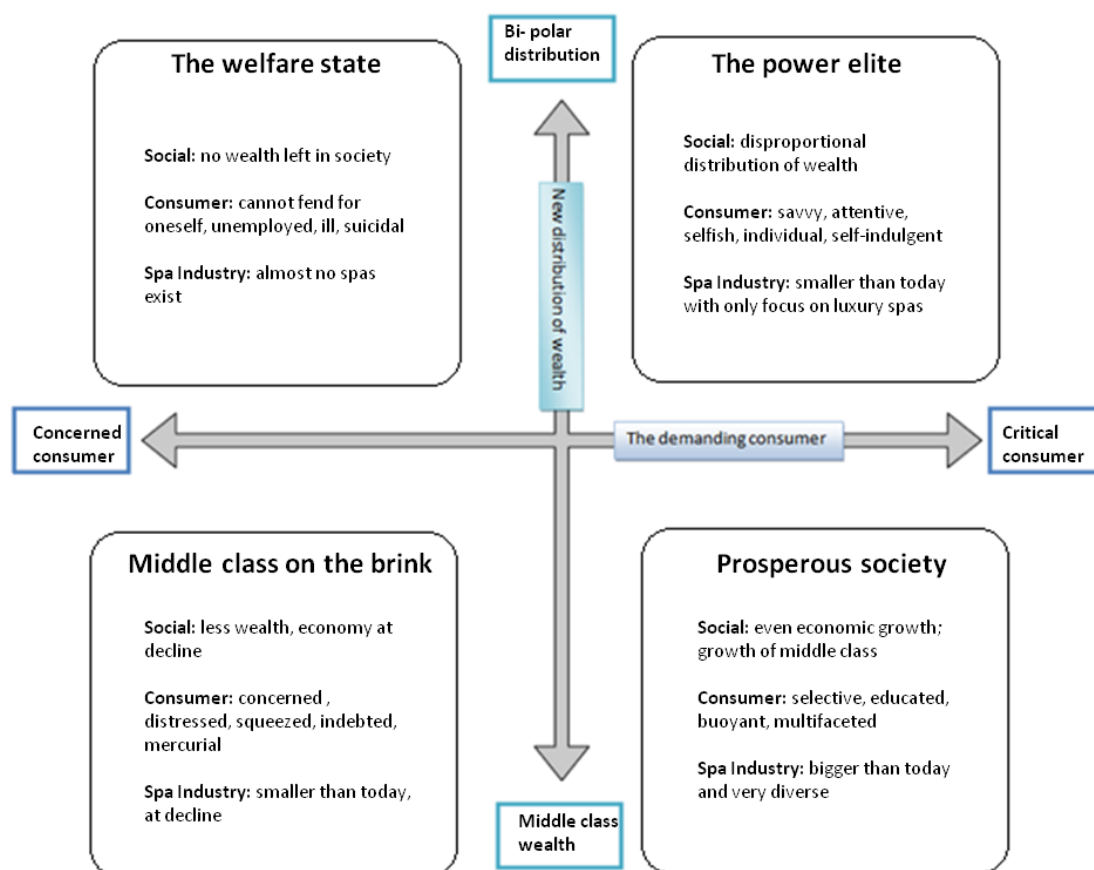
3.3.3 The scenario matrix

As discussed above during the one-day scenario planning workshop the first raw sketch of the 2x2 scenario matrix was developed. After revisiting the initial scenario matrix and with a few minor alterations made, the 2x2 scenario matrix was shaped as depicted in Figure 2. The 2x2 matrix depicts the two key drivers that were ranked to be of high importance and high uncertainty. The two key drivers include the *demanding consumer* on horizontal axis and the *new distribution of wealth* on the vertical axis. The *demanding consumer* depicts someone who on one side of the spectrum is concerned, anxious and squeezed because global and national developments are very obscure. This consumer has limited power and is placed under uncertain bargaining positions and demands. On the other side of the horizontal axis is the illustration of a rather critical consumer who has, over the years, become very educated and selective, and lives a complex life. This consumer is savvy and attentive because societal developments are good, the economy thrives and the consumer has a lot of bargaining power. The other key driver is *new distribution of wealth* which runs along the vertical axis of the scenario matrix. The axis depicts on one end of the spectrum a very bi-polar distribution of wealth meaning that Germany will be characterised by uneven distribution of wealth- where

on one hand there is no wealth left in society and on the other hand a disproportional amount of wealth is held by the upper class of society only. The other spectrum of the vertical axis presents a societal development that is exposed to middle class wealth; depicting Germany as a society where wealth is more evenly distributed among the classes.

Each scenario will depict a different future outcome on how the 2030 German spa tourist and tourism could look like. Chapter 5 discusses each of the scenarios depicting it in form of episodic memories through stories to which people can easily relate to and make sense of. Even though the 2x2 scenario matrix only depicts the two main drivers, evidence from the other drivers will also influence the scenario stories.

Figure 2: Scenario matrix



3.3.4 NVivo analysis

In order to prove validity and support the manually identified key drivers and thus, reflect on the reliability of the interpreted data, a computer aided qualitative analysis system was used

as assistance. NVivo 10 is the latest version of qualitative data analysis software that helps to manage, organise and analyse documented data. It is used to help trace knowledge and help to sort data into a systematic process (Basit, 2003; Bazeley, 2007). Through the use of different *nodes* (nodes are containers for identified themes) every interview transcript was queried about references that relate to the nodes. Like this the researcher was able to identify who talked about a particular node (theme), or not, and how often. Furthermore, in order to find out if key drivers were disregarded during the manual data analysis performance NVivo 10 was also used to firstly auto code (automatically creates new nodes) all data files and secondly to look for word frequencies (listing the most frequently occurring words in all transcripts) (Bazeley, 2007). A systematic analysis of the interviews in relation to the manual analysis done beforehand demonstrated that according to the NVivo assistance, only 12 key drivers emerged in the interviews. Urbanisation of society, increased global disasters, new era of active women, Germany becomes a welfare state and diversification of product development were trends that were touched on during certain interviews; however, could not be identified as being categorized into individual single key drivers after all. In the end and after further alteration 12 core drivers emerged as playing a significant role for the future of German spas and were used for discussion in Chapter 4. The new table of key drivers includes:

Table 4: 12 Key drivers

12	Key drivers
1	Health conscious society
2	Personalization of travel
3	Prioritisation of private health care
4	New distribution of wealth
5	The demanding consumer
6	Scientific and technological advancements
7	A shift in sustainable values
8	Open competitive markets
9	The need for a multicultural society
10	Holidays equal quality time
11	The need for security
12	Wealth creation due to demographic change

The use of NVivo 10 was a crucial part of the research process because the researcher was able to accurately reassure herself that the manually selected key drivers were appropriate or not. Furthermore, it enabled the researcher to systematically process the dated information in relation to existing literature and respective key quotes from interview participants in order to blend together both literature and interview data. In order to respect the confidentiality agreement between the researcher and interviewees key quotes are kept confidential; however, an agreed consent was signed by each interviewee during the field research, allowing for direct quotations with name of interview participants if needed.

3.3.6 Validity of 2x2 scenario matrix

The process of creating the 2x2 scenario matrix is highly subjective. Nevertheless validity and consistency among the data needs to be assured in order to create justification and make beneficial use of the scenarios for the stakeholders working in the German spa industry. For this purpose van der Heijden et al. (2002) propose the re-introduction of stakeholders in order to test the key drivers and the internal logic of the scenarios. This is often done in terms of an industry workshop among the stakeholders or interviewed key participants. Due to financial and time restrictions, this research used a pragmatic solution and selected four participants from the 22 interviewees and identified them as the expert panel for this research. This expert panel was appointed to evaluate the scenarios based on their logic, validity and unanimity. The expert panel was asked to provide feedback and recommendations to the researcher before the storylines were fleshed out. The responses from each of the four participants highlighted that individual consent was given; however, they also acknowledged that their consent could not represent everyone's agreement. Nevertheless and given the time constraint of this study, this positive feedback allowed the researcher to proceed with the scenario project. The expert panel was kept anonymous.

3.3.7 Significant questions and strategic implications

The subsequent analysis of the scenarios was carried out in form of significant questions, and the development of strategic implications for the spa tourism industry. The use of significant questions is a common discipline used in social science and links to the paradigm of social constructivism (Bryant and Charmaz, 2007). Its fundamental purpose is to reflect and ponder upon the significance of the scenarios by asking purposeful and important questions to further provide the reader with elementary responses about the field of enquiry (Yeoman, Schanzel and Smith, 2013, forthcoming). For this purpose the previously selected expert panel were once again engaged in the research project. They were asked to focus on the four scenarios and subjectively formulate the two most important questions regarding the storylines with focus on the future of German spa tourism. Once the researcher answered the significant questions in light of the scenarios but also in conjunction with the previously discussed key drivers, the next step was to formulate the strategic implications for the future of the German spa tourism industry.

3.3.8 Limitations of the methodology

There are a number of limitations to this research methodology which have to be drawn out. First of all the original aim was to conduct 55 expert interviews with remarkable people in Germany. However, only 22 interviews took place in the end. This might limit the scope of the responses and data needed to formulate a holistic understanding about the future of the German spa industry. Moreover, all interviews were undertaken in German. This might have created a problem in the translation of the original research question from English to German and vice versa in the evaluation and analysis of the data from German to English. Kapborg and Bertero (2001) highlight that undertaking research in multiple languages can create and express different realities as well as translation from one language to the other can cause subtle differences in meaning too.

3.4 Conclusion

Chapter 3 has been subdivided into two main parts. Firstly, it introduced the reader to the scenario planning method as this is a research method often unknown and unfamiliar to many. This hopefully enabled the reader to get a better understanding about the historical developments of this approach and its adaptation to tourism research. Furthermore, the first part of this chapter also outlined the main differences between scenario planning and other planning approaches highlighting the importance and justification of this approach to the respective study. Then, a brief overview of each of the scenario steps has been introduced. The second part of the chapter was devoted to the discussion of the studies' methodology part in the research cycle. It introduced why a qualitative research approach has been chosen over other methods. It further outlined how interview participants have been chosen and recruited as well as discussing the field work process. The next part gave an in-depth illustration of the scenario planning workshop which has been supplemented by pictures in the appendix in order to facilitate the process. The workshop lead to the development of the key drivers which ultimately allowed for the selection of the two most important key drivers according to high impact/ uncertain assumptions. These two key drivers were used to construct the 2x2 scenario matrix which will be discussed in depth in Chapter 5. In order to create validation among the scenario matrix the analysis was further supported by an NVivo analysis leading to the deduction of five key drivers as they have not been identified to be relevant in the interviews. Lastly, an expert panel was chosen in order to create validity among the 2x2 scenario matrix as well as developing significant questions important for discussion and the implementation of strategic decisions. Chapter 3 concludes by acknowledging this study's methodological limitations.

Chapter 4- The key drivers

4.1 Introduction

The previous chapter outlined the research method of scenario planning which has been applied in this study. The chapter further included an in-depth analysis of each step of the research cycle, starting from the development of the research objectives; the planning of the preparation of the research design and methodology; the gathering of field data in Germany to the analysis and interpretation of the data which lead to the development of the key drivers and thus, the construction of the 2x2 scenario matrix.

Chapter 4 connects the literature and empirical research by identifying the key drivers of change, factors that influence or shape the outcome of the scenarios, which will shape the future of German spa tourists and tourism (Yeoman, 2013). It is important to accentuate the fact that each of the key drivers could be discussed in master's thesis of their own right as all of them are of utmost relevance and comprise of such a broad scope. However, for this study a broad overview of each core driver is given in light of existing literature, demonstrating evidence and critical reflection on how they can be related to spa tourism and thus, directly applying them to the study.

Chapter 4 is separated into four main sections: Consumer traits, social parameters and dynamics in technology guiding the reader to the development of the conceptual framework.

Section 1 is about consumer traits and revolves around the discussion of:

- New distribution of wealth; wealth creation due to demographic changes; the health conscious society; the need for safety and security; the demanding consumer; a shift in sustainable values; personalization of travel and holidays equal quality time.

Section 2 discusses social parameters and includes a discussion of:

- Open competitive markets, the need for a multicultural society and prioritisation of private health care.

Section 3 debates dynamics in technology and includes the key driver:

- Scientific and technological advancements.

Section 4 introduces the conceptual framework by discussing its development and the links between each of the key clusters to spa tourism and how they ultimately influence and shape the scenarios in Chapter 5.

Consumer Traits

4.2 New distribution of wealth

This core driver relates to the discussion of wealth and poverty development with Germany experiencing a growing polarisation between the upper and lower class.

4.2.1 Literature review relating to new distribution of wealth

Between 1960 and 1998 the number of asset millionaires centuplicated from 14,000 to approximately 1.4 million. According to The Wealth Report 2012 ten percent of Germany's wealthiest households possess up to 40 percent of the country's capital fortune (Knight Frank Research, 2012). In 2010 assets held in private households were equivalent to 9.9 trillion Euros which is four times the country's GDP, an increase of almost 15 percent since 1998 (DB Research, 2012). This highlights that despite the setback during the global financial crisis in 2008 and the fact that this crisis reduced the German mass affluent population by 1.3 million individuals between 2007 and 2009; Germany remained the wealthiest nation in the European Union with the affluent population now being on the rise (Datamonitor, 2011; DB Research, 2012).

In contrast between the same time period the number of people having to claim social benefits quadrupled to approximately 2.88 million (Kludt, 2011). The poorest 50 percent of the people have to share and live with less than five percent of the economic fortune. Since 2000, Germany has witnessed an ever growing inequality in income distribution highlighting that one small portion of the population lives in good economic conditions; whereas a huge portion has to live in relative poverty, insecurity and existential fear. This number seems to grow rapidly. According to sources such as Kludt (2011) and Datamonitor (2011) the growing social disparity and uneven development can be blamed on rising unemployment rates and declines in earned income even though the German labour market quickly recovered from the economic downturn.

This development accentuates; however, whilst Germany is currently one of the wealthiest nations compared to other countries in the European Union this frontrunner position cannot be guaranteed to remain in the years lying ahead. This is due to the fact that firstly the lower class is gradually expanding, with numbers grown from four to 22 percent. At the same time the upper class grew from three to 19 percent. That could imply that Germany might be at the

verge of the slow disappearance of the middle class (Detsch, 2011). Secondly, this development is further coupled with unstable employment conditions as the country witnesses the implications of an ever aging population, unstable developments of the welfare state and rising health costs. With this in mind it is predicted that by 2020 10 million people could further drop out of the German middle class (Detsch, 2011). This could increase the day-to-day struggle of the middle class and the drive for status and prosperity could intensify in the decades lying ahead.

4.2.2 Key quotes emphasizing this driver

Evidence from the interviews emerged with some of the key quotes including:

„If the development keeps on going on the way I perceive it now then the disparity between rich and poor will grow and of course this will also influence the tourism market.” [Interview Participant #21]

„I think that the disparity will disperse and the middle class could possibly diminish a little.” [Interview Participant #21]

„The disparity between rich and poor will increasingly disperse. What we used to have with the middle classes will diminish more and more. Well, there will be a lot of people who will earn a lot of money. Of course we will still have a middle class; however, it will become smaller. And we will have a visible bigger class in the lower income brackets.” [Interview Participant #13]

„At the moment the current average spa consumer belongs into the lower middle class and this consumer is willing to pay 100 to 150 Euros per day, excluding accommodation.” [Interview Participant #5]

4.2.3 New distribution of wealth in relation to spa tourism

The key quotations bring together the literary discussion about wealth development in Germany and how this influences travel behaviour and in particular travel behaviour for spa and wellness tourism. Even though travel numbers grew despite the economic downturn a growing disparity is undeniable even when it comes to making travel arrangements. As highlighted in red ink in Figure 3, in 2010 out of 100 surveyed people only 31 percent took a holiday who belong to the lower working class earning up to 1.500 Euro or less a month; whereas 79 percent of those earning more than 3.500 Euro or more a month took a holiday. Compared to the same travel statistics from 2009 the upper class displayed a travel increase

of five percent (Stiftung fuer Zukunftsfragen, 2011). The statistic displayed in Figure 3 highlight two main things. Firstly, Germans are likely to travel despite external influences; however, leisure and holiday time as well as available resources seem to diminish in lower social classes. This may be due to the fact that less paid work-time increases restrictions to be made in terms of financial resources available for leisure and other pleasurable activities. Also that the time-pressure is growing “perhaps because after time has been allocated to both paid and unpaid chores of housework, the left-over time for leisure” decreases tremendously (Yeoman and McMahon-Beattie, 2011, p.N/A).

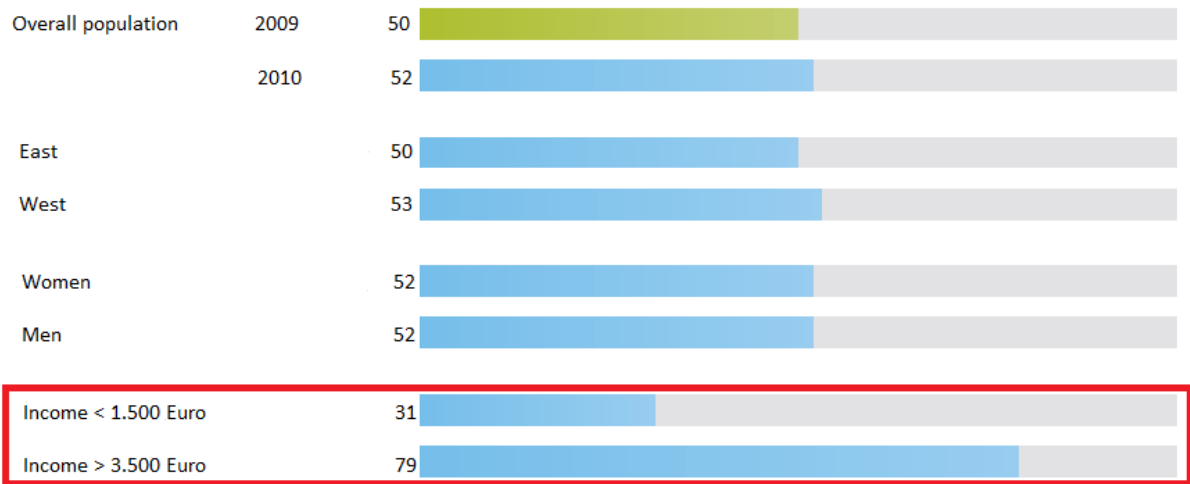
Secondly and in contrast, the wealthier portion of the population has more resources available to travel. Resources include both money but also time as they seem to have more free-time on their own for rest, relaxation, travel and tourism. Thus, the affluent population can afford to not only take more holidays per annum but they are also more mobile as a result of the increasing globalisation and connectivity in the world, which they can exploit for experiencing leisure, self-development and also health and wellbeing.

Applying this quota to the development of the 2030 German spa tourist and tourism one would assume that the demand in the upper class will grow with further luxury and personal exclusivity wanted; thus a more secluded German spa market could develop. The GfK study (2012) already highlights a growing demand for wealthier spa and wellness products in the upper classes. For the lower class a positive development of spa tourism is more debatable. The demand from the low budget spa tourist could increase; however, this is questionable with further constraints being made in terms of available resources such as time and money. To date, no research accentuates this potential development. Alternatively, a gloomy scenario could evolve to a point where spa tourism would not exist anymore for the lower class as budgets and money become so tight that spa products and services become unimaginable and unaffordable and with respect to the spa tourism industry this market would not remain profitable.

Figure 3: Annual German travel balance (2010)
Source: Stiftung fuer Zukunftsfragen, 2011

2010 annual travel balance

Out of 100 surveyed people:



*(Holidays had to be at least five days long)

4.3 Wealth creation due to demographic change

This core driver is closely linked to the above discussed driver of new distribution of wealth, and it implies that the implications of demographic change could lead to a new wealth creation.

4.3.1 Literature review of new wealth creation due to demographic change

The term demographic shift implies a shift in the age structure. It refers to a persistent rate of low birth rates and increasing life expectancy. Furthermore it contains changes for example in the employment behaviour of women as well as the constitution of domestic living development. Based on a European scale Germany has taken over in the frontrunner position in regards to the fastest growing aging population, followed by Italy and Greece (FSO, 2011b). According to the Statistische Bundesamt (English = Federal Statistical Office, FSO) that provides objective and official statistical information about Germany, in 2009 of the approximately 82 million people living in the country around 17 million were aged 65 years and older. The ageing of the population and as a result increasing life expectancy is driven by the development of better health care systems, greater public health educations and technological advances but also due to an increased focus on diets, exercises and improved safety awareness (Patterson, 2006). The FSO also highlights that since the 1990s the number of people aged 65 and plus has risen by 5 million; whereas the total population growth has only grown by 3 percent (2011b).

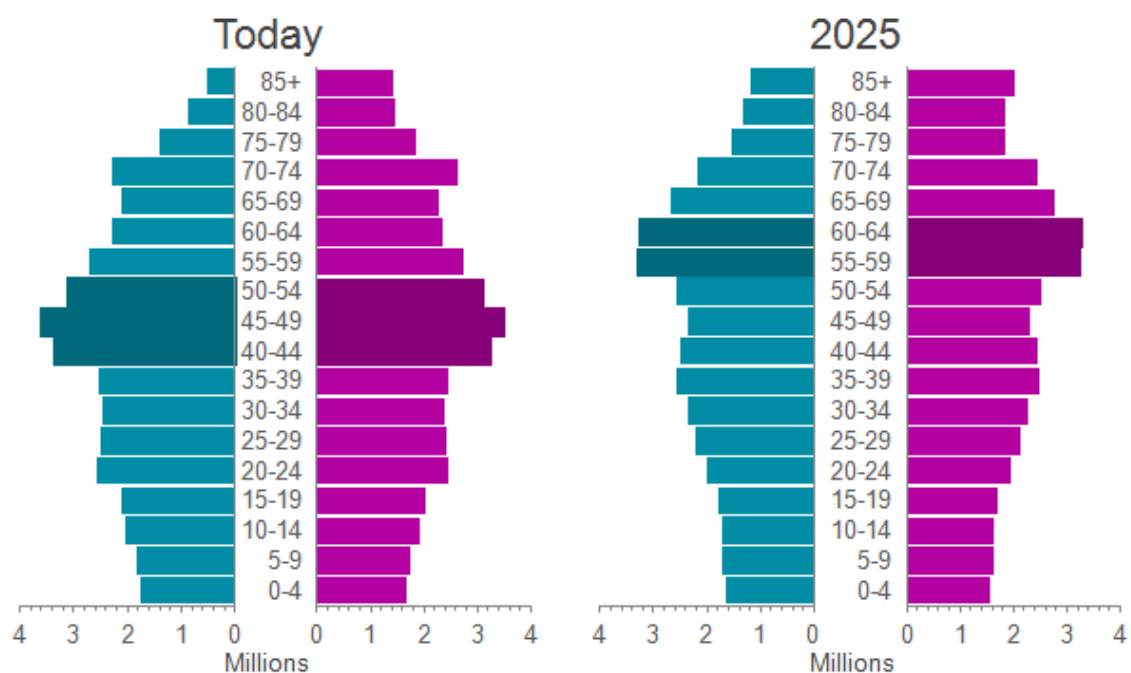
Future prognoses foresee an emaciation of the German population between now and 2060. By 2030, 20 million people (29 percent) of the German population is set to be at least 65 years and older (FSO, 2011a). This number could increase and reach its peak by the middle of the 2030s with approximately 24 million people aged 65+ (FSO, 2011a). Figure 4 compares the age distribution in 2012 and 2025. The younger population remains stable at a low level, with fertility rates being constantly low. At the same time, the group of people aged between 30-49 years decreases once it hits its peak in 2020 (FSO, 2011a). By 2025, the bulk of the population will be concentrated in the 55- 65 age span. This highlights that “the number of older people will grow at an increasing pace; both in absolute terms and relative to the population in the age of economic activity” (Buber et al., 2010, p.3).

On one hand, it is said that a large portion of the population who will reach senior status by 2030 will be well off and financially secure due to superannuation benefits and other assets

including bonds and real estate (Conrady and Buck, 2007; Buber et al., 2010). Currently the saving rate between people in the working age (20-60 years) is constant between 10-15 percent with the maximum saving rate in the age bracket of 45-54 years. It is said that even though the saving rate will decrease once reaching retirement stage it will remain positive (Helmenstein, Prskawetz and Yegorov, 2002). Other debates highlight different scenarios by predicting old-age poverty due to the demographic challenges for the German Statutory Pension System (GSP). Furthermore, a market meltdown could hit Germany once the large cohort of the baby boomer generation retire implying that the number of people in work cannot support those who are out of work (Poterba, 2001; Wesenberg, 2010).

Figure 4: Age distribution in Germany- today and in 2025
Source: Future Foundation, 2012a

Age distribution : Germany. NB 55-64 bulge



4.3.2 Key quotes emphasizing this driver

The following key quotes sum up the evidence for the discussion of this key driver. However, the interviews highlight that different participants held split opinions regarding the key driver of wealth creation due to demographic change:

„The people who are 60 or 65 years old today they have the money. However, in the next 20 years this will have changed. Then, the generation who is 60 won't have the money. I don't think so, because if I have a look at the deprived areas today and I gross that up than the majority of future pensioners will have money problems.” [Interview Participant #13]

In the future there will be rich old and poor old because in our welfare state the level of wages stands in close coalition to the pension scheme. This means, if there are many poor old people than there will also be many poor young people. But the actual question should be how big the prosperity level is in the future.” [Interview Participant #2]

„It is pretty obvious that the demographic change reflects itself in that respect that more and more people get older, that we have more inhabitants above the age of 60, ultimately more people above the age of 100. Therefore, it is important that both politics and society foster the respect for older people. It is about the question of social equality: With age a secured financial foundation is necessary; which means securing one's livelihood through a good pension. If that can be guaranteed until 2030 is the ultimate question though.” [Interview Participant #18]

„... We won't focus on the 30 year old people, because this is not the spa consumer of the future. The future spa tourist will be the older one that can be clearly stated. This customer will be in the 40+ age bracket until 75 years.” [Interview Participant #20]

„In relation to the spa tourism industry of course we should start thinking about the generation who is between 20- 40 years old. This generation has an active working life and they are willing to invest money into their health. The generation that is approaching us now won't have the money for spa and health care.” [Interview Participant #22]

4.3.3 Wealth creation due to demographic change in relation to spa tourism

For the future of spa tourism this development and the domination of the senior market cannot be ignored as it could be said that the senior tourist will become the engine of tourism growth in the next two decades. This has been emphasized by both authors in the literature such as Conrady and Buck (2007) and also evidence from empirical research as underpinned by interview participant #20. If the positive prediction eventuates then the senior population could possess larger buying power for leisure and tourism consumption over other generations however, and as highlighted by interview participant #18, this development has to be supported by both politics and society simultaneously. With respect to the development

of the future spa tourism development the senior market could become a little “goldmine” by 2030 with this spa tourist already highly focusing on maintaining good levels of health, fitness and independence (Keck, Creutzburg and Bergelt, 2012). The attention to health and wellbeing could intensify in the decades lying ahead with more personal resources being invested into the spa and wellbeing tourism (Grimm et al., 2009). The German spa industry could exploit these developments and hugely expand their market shares but only if consciously catered to this spa tourist’s demands, needs and wants. Nevertheless, the German spa industry should not ignore other markets as the growth of the affluent senior population is said to hit its peak in the 2030s and will drop beyond this point in time. This has been supported by interview participant #13 who said that the senior population of tomorrow might not have the financial resources to do spa and wellness. In case of the eventuation of the darker scenario the development of the spa tourism industry could become less optimistic as people will not be able to afford spas and health care related treatments and products as underpinned by interview participant #22.

4.4 Health conscious society

This core driver is closely linked to the discussion of the prioritisation of private health care and argues that due to increasing costs for healthcare insurance and the diminishing faith in healthcare related policies individuals have taken on greater personal responsibilities and become more self-determined in order to stay healthy and fit. Furthermore, society seems to be increasingly concerned not only about inner wellbeing but also beauty and appearances.

4.4.1 Literature review of health conscious society

Cutting measure of the German health insurance, a considerably larger shift of responsibilities from the state to the individual and shrinking trust into the German health care system and pharmaceutical drugs lead to changing consumer behaviour of the population. The country started witnessing a transformation from a passive to a rather active and health conscious society with a more interested approach taken about one owns future health and wellbeing. This transformation is also related to an aging society who devote much of their attention to health related products and services due to medical devices and other technological advancements that can treat diseases such as cancer, hypertension and diabetes; and thus increase longevity and extend one’s healthy years with age (Yeoman,

2008). This is further coupled with an increased awareness about one's own health and wellbeing through the public media and better education. As Fontanari and Kern (2003) highlight being healthy and staying fit has become an important attribute of current life attitudes for both the older and younger generation. Moreover, society has changed in a way that people now strive in search of inner and outer beauty as well as living a healthy lifestyle because there seems to be rising pressure to perfect appearances, stay fit and thus be perceived as being a success in both personal life and at work. However, and this often seems to be neglected when talking about changing consumer behaviour, it is also easy to get trapped in unhealthy lifestyles with people living sedentary lives and getting trapped in unhealthy cheap indulgences as well as missing the lack of support from external sources. These factors all present challenges and highlight that the transformation into healthy behaviours can also be tough for modern consumers. Therefore, it is important that the spa tourism industry actively encourages consumers to start being fit and healthy and sell spas as something that is a mix of pleasure coupled with wholesomeness.

4.4.2 Key quotes emphasising this driver

Interviews participants talked about the emergence of a health conscious society who has become self-determined and thrives for better health and wellbeing. Therefore, all interview participants were in agreement about the fact that German spa tourism could have a prosperous future ahead if the needs and wants of the spa tourist are understood and stimulated. Some of the key quotes include:

“I think that prevention and health consciousness play more important roles in today's society than before. And that is one of the reasons why people actively look for holidays that link together experiences and fun with the idea of wellbeing and staying fit.” [Interview Participant #2]

“We live in a fast-moving area, at home and at work, and it is therefore important to do something good for my body. It is not surprising that our society has become very health conscious because I want to regain what we lose during our hectic lives. I think spa tourism has a great future ahead and that wellbeing and healthy behaviours will become the norm in the future.” [Interview Participant #16]

“Our society already has a great awareness about the body. It could be called something like new “body culture”; to some extent this behaviour is already mad.” [Interview Participant #22]

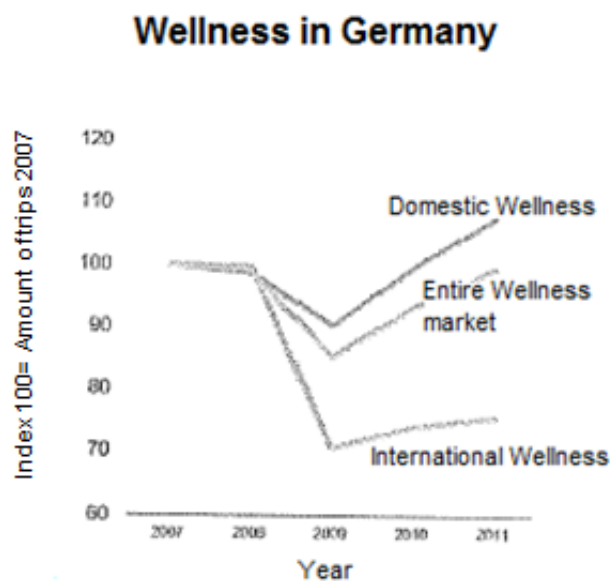
“We increasingly witness that people do health tourism out of their own pockets. They do spas with a greater aspect on health and wellbeing, sometimes with the support of doctors. The tourists often do that in order to prevent them from getting sick, because Kuren are often not granted any longer. I see this development happening here and businesses need to react upon it and accordingly adjust their business structures.” [Interview Participant #21]

“The second healthcare market, the direct payer functions grow in importance. In return, the spa tourist wants to obtain clear effectiveness and sustainable treatments and products. The future spa tourist will pay greater attention to prevention and this is where spas can effectively position themselves.” [Interview Participant #15]

4.4.3 Health conscious society in relation to spa tourism

Current rising affluences especially among the older generation also reflect the strong interest in health and wellbeing as more people spend their resources on these products and services especially when travelling. This was also a strong indicator from the interview participants as seen in quotes from participants #2, #16 and #21. Pforr and Locher (2012) also reflected upon this by stating that “the travel sector where personal health and well-being continue to influence patterns of consumer and travel behaviour” (p.299). Figure 5 clearly portrays the importance of spa and wellness in Germany. Compared to international spa destinations the country takes over the frontrunner position of the wellness market with numbers being expected to grow in the decades ahead. It is forecasted that by 2030 health and health related services will be a core driver when going on holidays and seeking tourism experiences as highlighted by Yeoman (2008) and underpinned by interview participant #15. This is coupled with an increasing encouragement through authorities to take personal responsibility for one owns health; thus an intensification of tourism and travel in the spa sector could be seen by 2030. Furthermore, Germans already use the words spa and health cohesively. By 2030, these two terms could be further merged together with health and/or medical tourism, linking all three classifications under one umbrella term of health tourism.

Figure 5: Germany pushes for wellness
Source: GfK, 2012



4.5 The need for safety and security

This core driver discusses the importance of the basic needs for safety and security and then applies it to the debate about spa tourism and how it influences the decision making process of the German spa tourist.

4.5.1 Literature review on the need for safety and security

According to Maslow's hierarchy of needs once human's basic psychological needs have been fulfilled the second most important need that becomes a primary driver is the need for safety and security (Schiffman et al., 2008). Safety and security comprise of both the need for physical safety and intrinsic safety which includes stability, order, familiarity, control over one's life and sense of belonging and certainty (Schiffman et al., 2008). These needs can vary from for example financial stability, employment security to the importance of health and wellbeing.

Through the era of increased globalisation the world is now perceived to be riskier than ever. This perception is underpinned through the increase of media coverage which most of the times cover bad news stories such as terrorism, war, political instability, crimes and increased

global disasters (Lepp and Gibson, 2003). The explosion of international tourism growth also intensified the importance for safety and security as individuals increasingly vacation not only domestically but also abroad; thus, it is of upmost importance for the industry to ensure tourists safety and security whilst being on their holidays (Wang and Ritchie, 2013).

Destinations can become more vulnerable through the impacts of dramatic events by diverting tourists away from a particular destination (Cavlek, 2002 in Wang and Ritchie, 2013). Examples for this include the September 11, 2001 terrorist attacks or the 2005 Bali bombings, but also natural disaster can damage the image of a destination such as the 2005 Boxing Day tsunami in Asia.

Furthermore, healthcare and medical concerns can be an important factor when travelling depending on the visited area and length of stay. Some destinations are perceived as riskier and unsafe over other destinations in terms of infectious pathogens and other diseases (Lepp and Gibson, 2003). These countries are often emerging nations and developing countries. Nevertheless, even though the perception of risk has increased uncertainty, risky adventures have become increasingly accepted among many tourists especially among the younger generation. Yeoman (2008) stresses this by stating that “uncertainty becomes more of a norm, driving the phenomena of fear, such as an uncomfortable feeling of suspicion when travelling...” (p. 23).

4.5.2 Key quotes emphasising this driver

This key driver was captured by many of the interview participants; however, the need for safety and security was captured in different dimensions with most of them capturing the need for safety and security in terms of ensuring tourists safe medical treatments when being on health focused holidays. Some of the most prominent quotes include:

“There is a huge demand for safety and security. The spa tourist’s need for security becomes increasingly important. He wants to know exactly what he gets, what stands behind it and how sustainable the treatment is in the end.” [Interview Participant #5]

“If I go swimming with my child every week than I also want a physiotherapist who looks if everything is alright with my son. I would love that and that would give me a sense of security that everything is alright with my family.” [Interview Participant #4]

“Social security needs to be guaranteed with age. So, we need stronger preventative orientation in the healthcare system as well as a greater spread of operational health

enhancing measurements; an upgrade and modernisation of our systems.” [Interview Participant #7]

“It is true that some of our neighbouring countries such as Poland and Czech Republic are cheaper in terms of food and accommodation. I can also say that the medical competence also keeps growing. So it’s not surprising that many of our spa consumers seek treatment in those countries now.” [Interview Participant #9]

“Germans have a huge need for security. That might be one of the reasons why Germans examine things until they have been checked around 20 times and proven their quality. Nowadays, a secure workplace comes before the level of income. And I think that this trend will persist based on an uncertain ratio.” [Interview Participant #12]

4.5.3 The need for safety and security in relation to spa tourism

Going back to the discussion about consumerism and applying it to the German spa tourist, safety and security play an important factor as highlighted by interview participant #5, #4 and #7. On one hand, the spa tourists seek products, services and treatments that provide good value for money. Therefore, emerging spa destinations in countries such as Thailand or in Eastern Europe grow in popularity. However, on the other hand the spa tourist also wants to be in an environment that is clean and healthy with medical and spa provisions that are perceived as safe (Cheng-Fei and King, 2006). Even though emerging spa destinations in the East are growing in popularity as highlighted by participant #9 they often still lack standard and quality that the German spa tourists seek. Another important aspect relating to the importance of safety and security is the debate about traceability as stated by interview participant #5. This implies that the spa tourist seeks treatments and services which ensure safety and security. In Germany the provision of good medical care and facilities as well as the legal systems provide transparency. Many spas and wellness facilities are equipped with quality products from the German Wellness association. The understanding of legal systems in developing countries however, can be much harder due to their opaque nature.

Based on the interpretation made by the researcher this means for the spa industry that spa treatments and other wellness related holidays or activities have to not only stimulate the customer’s wants and needs and offer good value for their money but they also have to be safe in terms of traceability and the transparent nature of legislation frameworks. Businesses that can offer all those factors to the spa customer have the ability to transform into loyal brands and thus, have a competitive advantage over other spa businesses.

4.6 The demanding consumer

The demanding consumer is a core driver that emerged during the interviews as today's consumers have become empowered; more educated and portray critical perspectives by weighing up the advantages and disadvantages when making buying decisions.

4.6.1 Literature review of the demanding consumer

Today's consumer portrays many behavioural characteristics of the postmodern consumer: he/she is educated and has better knowledge about what is going on in the world. He/she can gain fast knowledge and information through media such as newspapers and TV as well as other technologies such as the Internet. Moreover, a growing affluent global society has increased wealth attainment for many consumers. However simultaneously, patterns of economic behaviour have shifted from material wealth expressed through personal assets such as cars, houses and other luxury cars toward travel and tourism experiences.

Through the era of increased globalization the world economies have opened up their markets. These developments lead to increased intra- and international competition among markets giving consumers more opportunities and choices, and allowing for better value for money (Yeoman, 2008). Consumers realised their economic bargaining capacity and as a result have become very demanding and spoilt. These descriptions especially fit the German consumer (Conrady and Buck, 2007).

With reference to the development of the tourism industry, destinations have become easily accessible and affordable for many tourists (Conrady and Buck, 2007; Hines, 2011; Yeoman, 2012). Therefore, one can conclude that the traditional era of annual beach holidays has been replaced with the search for new experiences that offer authenticity, excitement and diversification to the daily stressful routines combined with the inclusions of rest, relaxation and rejuvenation. In order to keep up with such demanding tourists, destinations need to be alert and innovative by offering services and products that appeal to those mass individuals. By 2030 the picture of the demanding tourist will have intensified with even greater customization and more focus on health and wellbeing related holidays as a growing health conscious society will emerge (Future Foundation, 2012b). This will be predominantly seen in countries such as Germany and Japan who have an increasingly older generation.

4.6.2 Key quotes emphasising this driver

This subsection portrays some quotes that punctuate the importance of the demanding consumer as follows:

“By 2030 the German consumer will be a totally different one. Firstly, the consumer will be on average older than today. That means that these will be consumers who have a completely different standard of knowledge as well as a different degree of knowledge. Secondly, they will also have a different approach to information technology which means they know how to handle this informational media. Thus, they will be well informed.” [Interview Participant #14]

“The assessment is very important. Our customers want us to plan their trips for them and then, they go home and check online what we’ve put together. Actually, a lot of our customers do plan their own trip online and then they call us and tell us what they’ve found and they want us to book these travel arrangements for them. They want to be able to choose their own trips but then, they also want personal advice and support.” [Interview Participant #20]

“There will be a growing age class through the demographic change. People will have higher expenses. Therefore, the customer wants better equipments if he has to pay higher expenses especially when travelling.” [Interview Participant #11]

“I think that consumers have become demanding and more sophisticated, and that can be traced down as a trend. It’s because when you travel, a lot is offered to you and of course these expectations are then transferred to the next destination or facility.” [Interview Participant #9]

“I think that every customer has to some degree luxury aspirations when travelling. I guess we have to acknowledge that because every tourist has a different budget for holidays and even tourists with small budgets want to experience some degree of luxury and are demanding. Therefore, luxury can be defined very differently.” [Interview Participant #22]

4.6.3 The demanding consumer in relation to spa tourism

The characteristics of this demanding consumer have been reflected in all of the above stated quotations from interview participants. These characteristics will also have implications for the German spa and wellness industry. As described above, consumers look for places and facilities that appeal to their needs and wants; whether it is for simple rejuvenation and relaxation; active practices to improve one’s health and wellbeing; beauty treatments or all of them merged together (Miller, 1996; Douglas and Derrett, 2001). Today’s spa tourists know that their expectations can be matched because the spa industry is so diverse and dispersed. One of the main challenges for the spa industry will be the attraction of this demanding spa tourist in the future with emerging markets such as in Eastern Europe or beyond the continent

offering competitive products and services at a cheaper rate. It is the task of the German spa association to develop new and innovative spas that give them a competitive advantage over others.

4.7 A shift in sustainable values

This is a core driver that is closely intertwined with the debate about changing consumer values towards a more holistic and sustainable lifestyle due to increasing awareness about the scarcity of resources and environmental changes.

4.7.1 Literature review of a shift in sustainable values

Sustainability is a term that considers sustainable development and sustainable economic activity, whereby firstly, the living quality for future generations is not compromised (inter-generative equity) and secondly, whereupon wealth equation between rich and poor countries should set in (intra-generative equity) (Balderjahn, 2005). Therefore, in theory if people live sustainably their consumption patterns are set to be more environmentally friendly and socially compatible (Balderjahn, 2005). A recent shift from modern to postmodern values witnessed the change from personal achievement, growth and success and started replacing it with a greater emphasis on the search for meaning in people's lives; fulfilment of self-expression; individual responsibility such as tolerance, personal satisfaction, life balance; as well as wellness and leisure (Hines, 2011). In many parts of the globe materialism which used to be expressed through material goods, assets and the importance of financial security shifted to a more relaxed lifestyle which regards environmental and social responsibility as equally important as economic gains and profits (Hines, 2011). These behavioural changes towards the adoption of sustainable values are especially visible in many parts of Germany. Being sustainable has become a trend that is even supported and reflected in the objectives of many political parties. Even during the economic crisis consumers still remained eager to maintain their adopted environmental approaches (Future Foundation, 2011c). Living green and being environmentally friendly does not only reflect itself in the daily consumption patterns of the consumers, but also when making important decisions such as holidays and other leisure activities. However, one of the key questions that evolve in respect to a sustainable behaviour is that currently being green and environmentally considerate comes at a price. Whilst many people can currently afford to live such a lifestyle, it is unknown if this

behaviour can be taken over into the next two decades. There seems to be a correlation between the development of sustainable adoptions and the future of wealth.

4.7.2 Key quotes emphasising this driver

The importance of sustainability was an important discussion point in many interviews. Some of the key quotes highlight the following conclusion:

“I am confident that the debate about sustainability will play a significant part. Well, it already is today but it will intensify in the future. And it will also be of significance for the development of health and wellness tourism.” [Interview Participant #22]

“I think that politicians need to act upon this trend as well. By 2030 the outlook should be, I would wish for this development, that businesses and organizations include new cultures... they should enter new business forums, include better parameters and motivational frameworks for their employees, just another system. And of course this would portray a more sustainable approach to the customer... well I mean to experience, feel and sense that holism.” [Interview Participant #1]

“Prevention, cost explosions of the healthcare market, social media versus isolation, gene technology, nanotech, sustainability, quest for meaning, lifestyle, globalisation, and simplicity/originality: There will be a transition towards very individualised spa offerings with a very technological and scientific background that will be hidden from the guest.” [Interview Participant #15]

4.7.3 A shift in sustainable values in relation to spa tourism

With respect to the German spa industry in order to stay competitive in the future and keep attracting the German spa tourist, there has to be a stronger link between nature and health tourism offerings coupled with an infrastructure easily accessible for every generation as stated from interview participant #22. A stronger emphasis on the holistic definition of sustainability could become the key to success with product offerings including environmentally friendly treatments exploiting the natural features of the region where the spa is situated in as well as providing a secure business environment for employees (Keck, Creutzburg and Bergelt, 2012). This was also emphasized by participant #1. However and as interpreted by the researcher, being sustainable and applying this lifestyle as a daily routine can become very costly. So, whilst services and treatments should be at competitive prices, the question is whether or not this would remain profitable for the respective spas.

4.8 Personalization of travel

Personalization of travel is an important key driver and it includes the discussion about the need for individualism, self-display and self-actualization as well as the development of niche markets and a very diverse product range.

4.8.1 Literature Review of personalization of travel

The consumer of the 21st century is very different from the consumer in the past. They used to be satisfied with a single priority; however, this has tremendously changed. Nowadays, the consumer is much more demanding and spoiled; he/she has become someone who wants it all: a high-quality product or service that is delivered fast. Moreover, products and services need to be personally customized, for the benefit of a single person. Simultaneously though, the consumer often looks for the lowest price and seems to frequently be unwilling to pay the commensurate value (Kumar, 2008). Thus, in order to stay competitive a business has to drive for mass personalization. Whilst the idea of market segmentation is not a new one, it has changed to an era of mass customization; marketing to that one person instead of many in a market segment. This is achieved through advancements in computer technology and automation capabilities that run efficiently and affordably allowing the companies to develop individualized versions of products (Kumar, 2008).

The attention to high personal customization is especially important in the tourism industry. Evidence by the Future Foundation (2011c) suggests that tourists seek more than passive mass holidays; they want to experience unique holidays that are authentic and give them the chance to gain social capital and cultural enrichment. It is about the fulfilment of psychogenic needs striving for the satisfaction of people's ego needs such as status and recognition from others (Schiffman et al., 2008). Ideally, this should be combined with something where they can relax and rejuvenate. Particularly the German tourist is someone who not only looks for a "one-size-fits-all" type of holiday but rather seeks personally tailored travel arrangements and one-on-one attention. This tourist is perceived to be very pretentious; however, once satisfied with a brand, product or service can become a loyal customer. Moreover, the implications of demographic shifts already changed the need for different product and service offerings, and will intensify in the future. As depicted in Figure 6 it is said that the volume and structure of the German tourist could alter by 2020 with an increase in senior tourists. The motives and activities when being on holidays are said to be devoted towards more cultural, natural and health holidays with a specific focus on health and wellbeing (Grimm et al., 2009).

Quantitatively speaking even though the younger age groups will drop regarding their tourist numbers (Figure 6), they are still an important market segment. However, compared to the seniors, younger tourists look for different ramifications when being on holidays.

Figure 6: Volume and structure of tourists and holiday trips 2007-2020
Source: F.U.R. (2008)

Volume and structure of tourists and holiday trips 2007- 2020

	Tourists 2007		Holiday Trips 2007		Tourists 2020		Holiday Trips 2020	
	%	Millions	%	Millions	%	Millions	%	Millions
Teenager and young adults (14- 29 years old)	22	10,67	20	12,80	19	9,47	18	11,36
Adults of median age (30- 59 years old)	52	25,18	52	32,73	50	24,13	50	31,37
Seniors (60+ years old)	26	12,28	27	17,19	31	15,29	32	20,30
Overall	100	48,13	100	62,72	100	48,89	100	63,03

4.8.2 Key quotes emphasising this driver

This key driver was inspired by participants proposing the following statements:

“Overall, consumers today have become very demanding and they are barely pleased with offerings from the travel catalogues. Travel arrangements need to be booked individually and assembled together.” [Interview Participant #19]

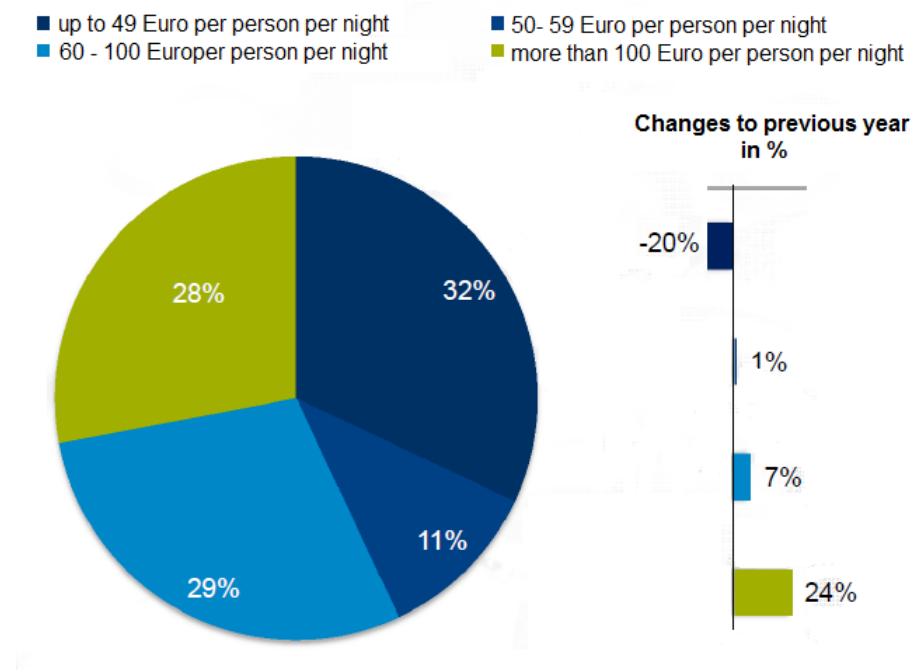
“The tourist wants individual attention and support and that cannot be given with an electric accounting machine.” [Interview Participant #20]

“The spa and wellness industry needs to offer different services and products to a very diverse clientele. Older people of course want to have a quiet ambience where they can indulge into wellness, do fitness and sport and can swim alone. In contrast, for the younger generation new worlds of experiences need to be built that is combined with adventure, some risk factors as well as a complete different fitness and sport design. But these two worlds cannot be mixed together; they want totally different product offerings.” [Interview Participant #18]

4.8.3 Personalization of travel in relation to spa tourism

The importance of personalization of travel is also an essential feature for the German spa tourist and the German spa tourism industry as stressed by interview participant #18. It is important that the spa industry offers services and products that give customers enough flexibility to personalize their treatments ranging from small, medium to big pockets. As depicted in Figure 7 current spending for spas reflect the variety of product offerings available within the industry. The German spa and wellness market offers products and services for people from all different classes which clearly mirrors that there is great demand for this niche market. However and this also stands out in Figure 7, there are growing demands for spas and wellness in the upper social classes who want increased customization and exclusivity for their money (GfK, 2012).

Figure 7: Expenditure for pre-booked wellness trips per person per night
Source: GfK (2012)



Furthermore, spa users can be placed at different momentums. Some spa customers are placed on the healthy core side that is highly focused on their own health, fitness and wellbeing; to other users who want beauty services and treatments; as well as to spa users who focus on the more medical healing side of spas, looking for traditional *Kuren*. The researcher concludes that in order to keep attracting the German spa tourist in the future the industry needs to be aware of the changing behaviour and thus, tailor products and services accordingly.

4.9 Holidays equal quality time

This key driver is all about the discussion of work versus leisure time. Life has increasingly become more stressful due to daily pressures not only at work but also at home. Holidays and the need to escape are often seen as quality time that equals time spent with the partner, family or just with one self to recharge the “batteries”.

4.9.1 Literature review of holidays equal quality time

Germans are the travel champions of the world and it is predicted that they will remain so despite socio-economic changes in the future. The importance of travel to the German population is reflected in the growing frequencies of holidays as well as their spending behaviour. In 2011, a total of US\$ 1030 billion was spent on international tourism expenditure (UNWTO, 2012). Germany alone contributed US\$ 84.3 billion, which is a total of 8.2 percent of global tourism spending (UNWTO, 2012). Furthermore, a shift from the importance of the consumption of material goods toward tourism services and experiences also highlights the significant importance of travel and tourism. Holidays have become an essential element of the quality of life, especially for Germans. Most vacations (besides business travel) allow people to follow up on specific interests and hobbies as well as providing individuals the opportunity to socially interact with family and friends, personal development and identity formation (Richards, 1999). Additionally, and as recognized by the World Health Organisation vacations and leisure activities can lead to improved quality of life assessments (De Vries, 1996, in Richards, 1999). The differences between the times of everyday demands and vacations are that quality time on holidays is spent differently. Holidays allow for the replacement of “the rhythms of paid and domestic work obligations with potential choice over the use of time” (Richards, 1999, p. 189). Holidays let people not only spend money above their budgets, but also offer time for self-indulgence, rest and relaxation. It is interesting to note that even though income and socioeconomics affect travel behaviours and the degree to which leisure time can be spent; they are not significant factors of the quality of the overall holiday experiences (Iso-Ahola, 1991, in Richards, 1999). People from lower classes can enjoy holidays as much as people with bigger budgets.

4.9.2 Key quotes emphasising this driver

Interview participants commented on this key driver by stating that:

“I think that because of our social requirements people are placing a huge recreational value on their holidays and that is one of the reasons why wellness has become so attractive for many, it is a clear trend.” [Interview Participant #10]

“During peak season we have a lot of families here. You can see it and it’s absolutely amazing that our spa family offering is very popular because we offer children massages and children treatments. One of them can be done with child and parent together. Like this, child and parent can somehow re-establish this connection between each other.” [Interview Participant #4]

“Especially for older people leisure time is important. Seniors often become part of some sort of clubs and associations because it gives them the chance to meet others and feel comfortable once they retired from work. They can communicate with each other and have a stimulating conversation. A solitary life in age disappears more and more. Collectivism, communication and experiencing new things together that is important now and will have an even greater value in society by 2030.” [Interview Participant #18]

4.9.3 Quality equals holiday time in relation to spa tourism

Applying this key driver to the German spa tourist and tourism, one distinct factor is the underlying understanding of this spa tourist and what he/she places as most important when selecting a spa holiday or treatment. One of the interview participants (#4) already drew out that during peak season more families are attracted to spas. An advanced infrastructural expansion of spas will be necessary in order to, for example, respond to this growing market. At the same time it is important to understand that not all spas will attract families; other spa tourists might look for the exact opposite and understand quality holiday time as seclusion and apart from others. It is important that spas place themselves into the right niche market in order to keep attracting that tourist in the future.

Social Parameters

4.10 Open competitive markets

This key driver emerged as it closely relates to the debate about increased globalisation and thus, a new era of competition among different markets in the services and commodity industry.

4.10.1 Literature review of open competitive markets

The era of globalisation, this can be defined as the close interconnectedness of different countries worldwide and is most “visible” in politics and economics, and trade relationships between countries that have changed the entire world. The progressive development of globalisation penetrates and co-determines all important aspects of society. It has become impossible to perform and develop as a sole and independent nation looking from a national vantage point. Through the EU eastward enlargement in 2004 new opportunities and possibilities but also challenges and competitive situations evolved for Germany.

Furthermore, the accession of eight Eastern European countries to the Schengen Agreement in 2007 was of additional importance for Germany. The border and customs check disappeared and consequently an important physical and psychological barrier for travels to Eastern- and Western Europe. This means that Germany not only competes with Western Europe, the United States of America and other emerging nations but also Eastern European countries. The country has to consider both its own national interests as well as looking at the world beyond its borders and how they evolve, develop and compete with each other. It is assumable that the dynamic and complexity of progressive globalization will grow in the future.

Tourism especially is exemplarily for the ambivalent development in the world. To visualize the rapid expansion of this industry, in 1950, 25 million visitor arrivals were counted worldwide; however, by 2008 this number increased to 922 million visitor arrivals (BPB, 2010). And numbers are expected to increase until 2030. The rapid growth poses new challenges to the tourism industry which can be both positive and negative. Within Europe Germany still is one of the most favourite travel destinations after Spain. In 2011, 394 million overnight stays were counted; 63.7 million were foreigners (Wilde & Partner, 2012). Leading travel markets are the Netherlands, Switzerland and the United States of America, but also tourists from Asia with Chinese tourists reporting a plus of 20 percent to Germany (Wilde & Partner, 2012).

As a strong economic nation and reliable partner of the European Union, Germany and particularly the German tourism industry need to establish new long-term projects with other tourist markets; and improve and acquire new international target groups. However, simultaneously the country's tourism industry also needs to understand its own changing society which will lead to changing tourist behaviour.

Germans are and could continue to be the world travel champions. Since the mid 80s, long-haul journeys have increased from 5.6 percent to 9.3 percent (Petermann and Wenrich, 1999). Literally speaking, through the EU eastward enlargement a new era of travel began for German tourists to Eastern Europe. A 2010 study by the German Commerzbank (English = commercial bank) highlights that whilst travel to Eastern Europe increased, it did not yet reach a frontrunner position for German holiday preferences although it could do so in the near future. Currently the Eastern European cost advantages do not overtake the still existing preconceptions of the Cold War, such as economies of scarcity, high crime rates and

communist dangers as well as lack of quality and service (Commerzbank, 2011). One example of this is easyJet who currently offer 50 flights from Berlin to all destinations in the world; however, only five destinations reach Eastern Europe (Sofia, Budapest, Split and Dubrovnik) (easyJet, 2013). Nevertheless, it is predicted that the tourism industry will exhibit a gradual adaptation in direction East- and Western Europe (Commerzbank, 2011).

4.10.2 Key quotes emphasising this driver

These key quotes summarise what interview participants had to say about open competitive markets:

“Holidays are so important for Germans. The question is how much can we invest into holidays in the future. If we can only do one trip per year because otherwise we cannot afford it, well of course we going to compare different offers. If other countries have cheaper offers and can offer me what I want, of course I will choose that above a domestic trip.” [Interview Participant #9]

“The tourism market offers so many different spa and wellness trips. The spa tourist can travel to India, Sri Lanka, the Maldives... wherever. He wants to have combined both culture and wellness. So there is a lot of competition. So this trip can be in Germany or Europe or wherever. The consumer looks for good value for money.” [Interview Participant #10]

“People are very price sensitive and always look for the best bargain. So, I think that especially for the spa tourist, he looks for good value for money. And many of the countries in the Czech Republic, Poland, and Hungary now offer great services and products at a competitive rate.” [Interview Participant #22]

4.10.3 Open competitive markets in relation to spa tourism

The discussion about open competitive markets is closely linked to the development of tourism as highlighted by interview participant #9. With respect to the growing demand for spa and wellness tourism, tourism providers within that niche have to create attractive offers in order to compete with rising spa destinations in Eastern European countries but also in Southeast Asia and the Middle East. Especially in the area of health tourism the European legislation plays an important role as it acts as a motor for the cross-border development. Patients from the EU countries have free choice of doctor for outpatient as well as in-patient treatments. Therefore, and particularly in the area of spas and *Kuren*, a growing health tourism industry has developed in Eastern Europe for many German patients as highlighted by interview participant #22. Crucial factors for the decision to do spas and *Kuren* in those

countries are good price-performance ratio with comparable offers in Germany and Western Europe. The researcher found one example to visualize this rapid development. The spa destination in Swinoujscie, Poland is growing in popularity among German spa tourists. Swinoujscie has become a growing competitor for the German Baltic spa destinations with German tourists accounting 90 percent of overnight stays (Touristiklounge, 2010). Thus, the German spa and wellness industry need to develop tourist offers that retains the German spa tourists within its own national borders. It is hereby important to be innovative and diverse but also have good price-performance ratios that include professional staff, quality services and treatments but also cultural offerings.

4.11 The need for a multicultural society

The core driver of the need for a multicultural society argues the discussion about the need for immigrants due to the implications of demographic changes leading to skilled labour shortages. Ultimately, the immigration of foreigners will lead to a multi cultural society which could have implications for the future development of spa tourism and tourists.

4.11.1 Literature review on the need for a multicultural society

The era of globalization migration, which stands for the immigration or emigration beyond national borders, has become one of the big socio-political topics of today's time. Migration can have many different reasons from political and economic to social or cultural.

Looking back at the development of the migration flows to Germany shows that between 1955 and 1973 young and low qualified men from South Europe and Turkey came to Germany as foreign workers. With time they also brought in their extended family members and established a life in Germany. During the late 1980s an increasing number of late repatriates from the former Soviet bloc countries moved to the country; however, they had different reasons for the migration (Bade and Oltmer, 2004). Germany became an official de facto immigration country in 2005 due to effective laws for the right of citizenship in 2000 and the immigration act in 2005. The country is in need of a multicultural society and skilled labour due to the irreversible effects of an aging population and thus, shrinking skilled working generation (Destatis, 2005). Whilst the complete 2011 population census will only be available after submission of the thesis in 2013, some data already revealed that in 2011 960.000 foreigners permanently moved to Germany; that is an increase of 20 percent

compared to 2010 (Zensus, 2011). Furthermore, Germany experienced an increase in recruitment of qualified foreign professionals and researchers. Compared to the year 2010, in 2011 69 percent more qualified people came to Germany (BAMF, 2011). However, we are still to see how the EU-Blue-Card, which allows skilled migrants from non-European countries to work in the European Union, will change the number of foreigners moving to Germany (Tagesschau, 2013). A 2009 statistic reveals the top 10 migrant countries to Germany with the top three being Russia, Poland and Turkey as depicted in Table 4. The diversity of the population highlights that the German population pyramid is now being mushroom-shaped with the portion of the Germans without a migration background shrinking in the middle. This means that the relative importance of a multicultural society increases and also will in the decades lying ahead as long as future migration will not significantly exceed the visible scale.

Table 5: 10 Top Migration countries in 2009
Source: FDZ, 2009

Country of origin	Number	Number in Percentage
Russia	398.800	14,3
Poland	258.000	9,3
Turkey	180.100	6,5
Kazakhstan	175.000	6,3
Ukraine	136.800	4,9
Rumania	55.900	2,0
France	54.300	2,0
Italy	54.000	1,9
Iraq	53.700	1,9
China	52.200	1,9

4.11.2 Key quotes emphasising this driver

This is what interview participants embraced about the topic of immigration and a growing multicultural society:

“At the moment our society of course knows about the demographic changes but I still can’t see the transparency. Until 2030; however, this will have changed and Germany will have a lack of workforce. And that will lead to; well it has to, a growing immigration. We need skilled workers in Germany. Did you know that Munich is with around 40% one of the biggest migration cities in Germany? Germany needs to understand that we are an immigration country.” [Interview Participant #12]

“There are a growing number of foreigners moving to Germany, and that is very important. We need skilled people here. However, politicians need to better integrate these people into society. We have to better live together on the day-to-day basis, help each other out, learn from each other, and merge our cultures together. I think that a multi cultural society will also shape the tourism industry. So, businesses now need to better understand the needs of people from another country in order to stay competitive.” [Interview Participant #18]

“Germany has an improved migration regulation, meaning that we can get more migrants into the country. However, the organisation of this regulation definitely needs improvement. We should focus more on the European labour market because there are many young people being unemployed at the moment for example in Spain or Greece. This means Germany can increase its labour force participation rate and thus, fill this gap. That is one of the very important tasks until 2030.” [Interview Participant #2]

4.11.3 The need for a multicultural society in relation to spa tourism

The quotes from the interview participants did not directly link to the discussion about the future of spa tourism; nevertheless, they highlighted that Germany needs more migrants in order to stay a competitive nation in the future as highlighted by all three participants. In order to relate this key factor back to the development of spa tourism the researcher made the following interpretations:

An emerging multicultural society will have significant implications for the German tourism industry in the future. There seems to be a significant research gap regarding the implications of international migration in Germany and their current and future travel behaviour (Grimm et al., 2009). However, one could assume that a growing number of future migrants could lead to a decrease in domestic tourism but also an increase in visiting friends and family (VFR) tourism. However, more research is needed to justify this assumption. In terms of the 2030 German spa tourist, a multicultural society could lead to a more diversified spa tourist who might look for spa and wellness products and services which are influenced by services and products coming from their home countries; treatments that might be partitioned differently to traditional German ones. Thus, the spa and wellness industry should keep in mind that when developing and diversifying their product and service offerings the focus should lay within the merging of different cultures reflecting a multicultural German society

4.12 Prioritisation of private healthcare

This key driver discusses the increasing shift from the German public insurance system to the transformation of a private healthcare system where the individual has to take greater personal responsibilities in order to stay healthy.

4.12.1 Literature review of prioritisation of private healthcare

A closer look at the German health sector highlights the importance of it to the German economy. In 2008 alone the German health sector contributed approximately US\$368 million to the economy which is 10.5 percent of the GDP (Statistisches Bundesamt, 2009). Currently, the social insurance system not only comprises insurance schemes for health and accidents but also retirement and unemployment, and is built upon the principles of solidarity, subsidiary and corporation on various levels (Henderson, 2009). Thus, it is not surprising that it is financed by both public and private health insurance, taxation and consumer co-payments (Green and Irvine, 2001). Nevertheless, the costs for healthcare insurance are mainly paid in form of a direct deduction from individuals' income. However, a changing age structure and the implications of an aging society in Germany mean that the health sector cannot maintain its current funding levels. For more than 20 years now the public health system has been undergone reform agendas in order to cope with these changes by slowly shifting the responsibilities from the state to the individual. Various 'Health Care Reform Acts' have been implemented since 1989; with the most recent ones spanning 2007-2009 introducing the most radical changes. The Riemer reform was established in order to stimulate the labour market. In a nutshell, all premiums of statutory health funds were capped to the same fixed percentage of taxable income but with a notably higher premium paid by the employee (Pforr and Locher, 2012). Furthermore, this reform also put a greater focus on prevention and greater personal responsibility. The results were, as Pforr and Locher (2012) critically evaluate, a shift away from the traditional role of the health care system into a more independent role as "a dynamic motor for new economic and social growth" (p.301), thus a greater focus on the privatisation of the existing healthcare system.

4.12.2 Key quotes emphasizing this driver

The evidence of this key driver is summed up in the following quotations:

“A key political transformation for the privatisation of the healthcare systems already eventuated and it’s this privatisation that will increase in the future, that is predictable.”

[Interview Participant #4]

“I think that healthcare policies like healthcare insurance and the Department of Health are further developing to a point where prevention will play a significant role. You can witness that for example at the AOK which is not any longer a health insurance for the sick but for the healthy. That means on one hand the insured are supported through specific programmes, yes. But on the other hand these programmes are narrowed down by time and money. Hence, many people have to and will in the future finance these programmes with money out of their own pockets.” *[Interview Participant #17]*

“There is a shift now towards the direction of free health tourism for the direct payer.”

[Interview Participant #9]

4.12.3 Prioritisation of private health care in relation to spa tourism

Interview participants acknowledged that the privatisation of healthcare was already visible among Germany and would increase in the future as stated by interview participant #4 and dramatically displayed by participant #17. This prioritisation could also have implications for the tourism industry as suggested by participant #9. As discussed in Chapter 2 medical and rehabilitation treatments at spa resorts and *Kuren* used to be covered by the state through the health insurance systems. However, this is slowly changing and the responsibilities are continuously shifting to the individual. As witnessed by the researcher making a request for a funded spa and *Kur* has become a bureaucratic nightmare with many applications being denied or refused, and individuals having to cope with higher co-payments. Therefore it is not surprising that the cutting measurements in the public healthcare system lead to an explosion of the second healthcare market in Germany which has been addressed by some interview participants in the discussion of a health conscious society. This growing market segment is mainly made up of privately funded facilities, products and services. Many spa and wellness resorts and other health oriented facilities have joined this market because Germany is witnessing a new era of changing consumer behaviour as discussed in the next subsection.

Dynamics in Technology

4.13 Scientific and technological advancements

One important key driver that emerged is that of scientific and technological advancements which revolve around the discussion of new product developments and research based programmes which can benefit advanced markets but also individual human beings. One can assume that by 2030 the world will have reached a new level of scientific and technological process unimaginable for many today. However, the key driver questions the transformation of these advancements as there seems to be a disagreement between the researched literature and practical interview findings.

4.13.1 Literature review on technological advancements

Within short timeframes developments in the field of scientific and technological advancements have rapidly expanded indicating the need for the progress and diversity of new innovations in an uncertain world lying ahead (OECD, 2012). A world dominated by technological and scientific advancements was already predicted by Gordon Moore in 1965 who stated that technological advancements especially the number of transistors on integrated circuits would double every two years; also indicating this progressive development. Today, they have revolutionised the world as these integrated circuits also named silicon are virtually used in every electronic appliances such as computers, cell phones and cameras (Lundstrom, 2003). There seems to be no end to this but rather an increase to a level often unimaginable at this stage in time. One indicator that highlights the technological and scientific performance of a country is patents which are described by the OECD (2012) as “the innovative performance and technological progress of countries, regions or certain specific domains and technology fields” (p.1). In 1980 the Germany registered 21 percent of all new international patents, holding second place on the world rank listing behind the United States of America. By 1989 Germany dropped to 17 percent and fell to third place following the United States and Japan (Higgins and Wiese, 1996). Currently, Germany is the European leader in terms of successful patent inventions and registrations, and is third place worldwide with 157.000 patent registrations made in 2008 (Kleis, 2008; OECD, 2008).

New growth and discovery in fields such as medicine and technology will change today’s landscape of communication and information technologies as well as work, life and society. Some of the technological adoptions that will be commonplace by 2030 and predicted by

Pearson (2004, in Yeoman, 2008) include: Nanotechnology and Biotechnology.

Nanotechnology is the “science, engineering, and technology conducted at the nanoscale, which is about 1 to 100 nanometers” (National Nano Initiative, 2012, p.1). The use of this technology may be developed to the point where the human body protects itself in form of molecular guardians to repel viruses before they manifest into the system. Biotechnology which “harnesses cellular and biomolecular process to develop technologies and products” (Biotechnology Industry Organization, 2012, p.1) may help increase human lives and create longevity as well as reducing the environmental footprint on the planet. Further technological advancements will include self- tracking and self-diagnostic smart devices such as smart phones and health tracking applications. They will enable consumers to self-monitor their health and wellbeing and thus, adjust their behaviours accordingly.

4.13.2 Key quotes emphasising this driver

The literature regarding new scientific and technological advancements highlights the current status of rapidly expanding product development and innovation. However, the interviews participants revealed split attitudes regarding this key driver and its relationship to the development of the German spa industry. Some key quotes include:

“I think it is hard to say which technical achievements will shape Germany in the future because we kind of already know what will come. But how Germans will transform this is another question. I have the impression that Germans are slightly conservative in that respect and also a little bit more cautious.” [Interview Participant #12]

“Technological advancements play an important factor in our healthy attitude. For example the entire topic around Telemedicine will play a greater role in the future especially during a wellness and health holidays.” [Interview Participant #13]

“Certainly new treatments need to be proven scientific relevance. That means, all these modern machines that appear on the market today and which promise that they can do something special but inevitably this cannot be proven. If big universities or other famous scientists cannot guarantee the benefits of these machines than no one will buy them. So you can see that beneficial effects need to be proven or verifiable. That is very important to the spa tourist and the spa tourism industry.” [Interview Participant #5]

“In my opinion with all that new technique and all these new treatments that appear in the spa and wellness industry... let me see what we have there... in the cosmetic area these new devices that analyse your skin etc. I think the more technological advanced they are the less appealing is it for the spa tourist. Spa is something done manually and through hands and touches.” [Interview Participant #4]

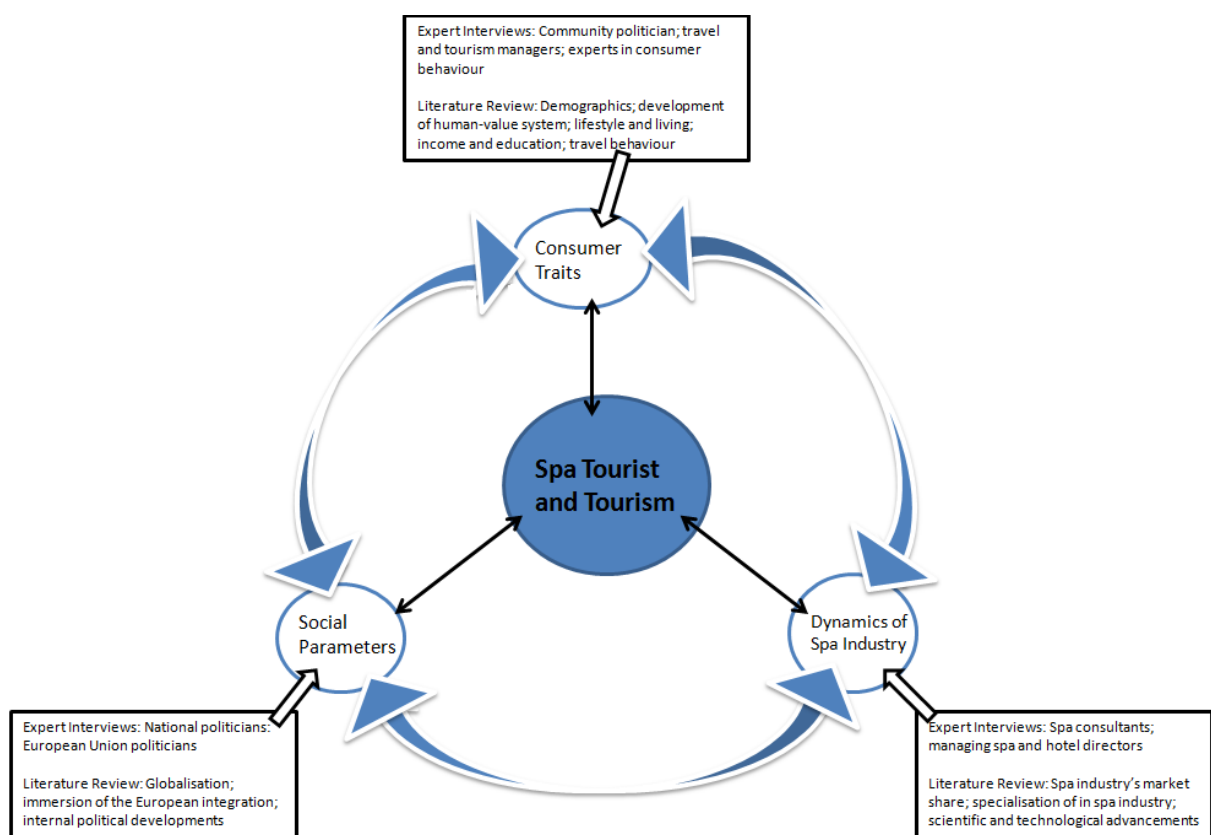
4.13.3 Scientific and technological advancements in relation to spa tourism

The quotes reveal that new technological and scientific advances will ultimately also influence the future of spas as highlighted by interview participant #13. However, and that came also strongly across during the interviews, these advances and improvements need to be proven beneficial and effective to the German consumer who is often perceived to be conservative and observing regarding new product adaptations. Nevertheless and as interpreted by the researcher after concluding the literature and the empirical research, new advancements will also impact on the health sector and particularly the secondary health market could witness new transitional developments in the future. It is said that the aspiration for eternal youth and the “madness” about health obsession will gain considerable momentum. An increasing focus on self-control for personal wellbeing and the importance of aesthetics could especially influence the development of the German spa tourist. With treatments such as Botox injections, laser and other beauty related procedures becoming not only mainstream and being more socially acceptable but also more affordable for many people of the population, the definition of spa and wellness could change. In order to stay competitive the German spa and wellness industry should anticipate a close relation between health and beauty, and offer services that are “affordable, accessible and pain-free non-invasive procedures” (Future Foundation, 2012b, p.5). Nevertheless and that came across in many of the interviews the German spa tourist does not look for tremendous and extraordinary technological advancements but rather seeks to take a step back and indulge in a classical treatment or use a sustainable product. It will be important to prove the benefit and utility of the insertion of new scientific and technological products and facilities. If that can be conveyed to the spa tourist he/she will accept the changes in the spa environment. German consumers tend to be very risk averse in terms of the adoption of new products.

4.14 Conceptual Framework

The previous three sections regarding consumer traits, social parameters and dynamics in technology lead to the development of the conceptual framework of the 2030 German spa tourist and tourism. Each section includes the discussion of key drivers reflected upon in light of existing literature and empirical evidence. The conceptual framework has been established to provide the reader with a visual guide of the research study and how everything is bridged and interconnected among each other in order to build the scenarios about the 2030 German spa tourist and tourism.

Figure 8: A conceptual framework of the 2030 German spa tourist and tourism



In the centre of the conceptual framework stands the German spa tourist and tourism. They are influenced by the key drivers that are clustered around consumer traits, social parameters and dynamic of spa industry. Consumer traits incorporate key drivers regarding socio-demographic factors which include demographic developments; development of the human-value system; lifestyle and living communities; income and education and travel behaviour.

These key drivers have been discussed in the first subsection and incorporated new distribution of wealth, the shift towards a health conscious society, the need for safety and security, the developments of the demanding consumer with focus on sustainable values, importance of personalization of travel and the need for holidays to equal quality time. These key features will ultimately influence the development of the German spa tourist and tourism industry in that sense that currently their future development is unclear and no matter the destination route, the new face of the spa tourist and tourism industry will adapt accordingly. Social parameters on the other side include external developments concerning progressive globalisation; expansion and immersion of the European Union and internal political developments in Germany. They have been discussed in light of the key drivers open competitive markets, the need for a multicultural society and prioritisation of private health care. These parameters highlight societal developments that are of fundamental importance for the influence of the country and they indirectly also influence and guide the future pathway of the German spa tourist and tourism. Lastly, the dynamic of the spa industry has at its core the spa industry's market share development; specialisation in the spa industry as well as scientific and technical progress. This has been discussed with focus of the key driver of scientific and technological advancements. The dynamics of the spa industry incorporates the specialisations of this industry and scientific advancements and how this national and international development will take place. It is ultimately the "service station of society" and influences the development of the spa consumer and thus, the spa tourism supply side. The conceptual framework outlines that each cluster has a direct link to the core platform of the spa tourist and tourism. However, simultaneously each cluster also directly or indirectly influences the developments of the other clusters. This highlights the interconnectivity between external environmental developments as well as internal trends and behaviours. The framework needs to be looked at holistically because it clearly portrays that in today's world the development of the individual is influenced by the development of the outside world and vice versa.

4. 15 Conclusion

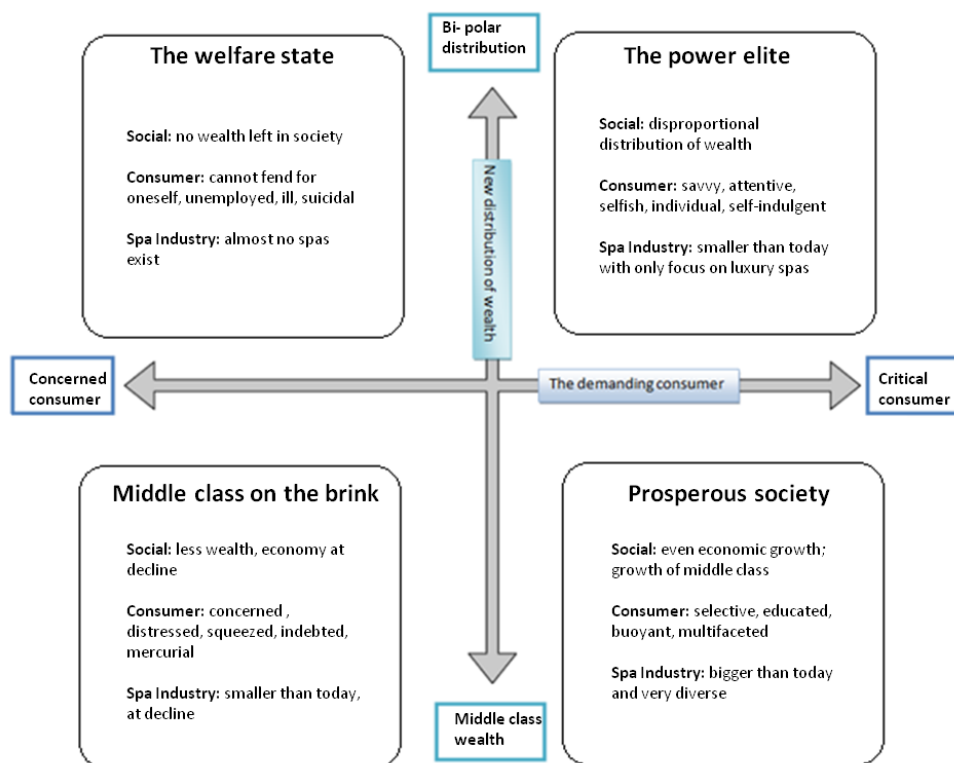
This chapter discussed the key drivers that emerged during the expert interviews and were modified and adapted to become the 12 key drivers used for this study. The chapter is divided into four main sections with the first three presenting a systematic discussion about the topics of consumer traits, social parameters and dynamics in technology. The three topics were then brought together to provide the development of the conceptual framework which will be used as a guide for the development and structure of Chapter 5 in which the four scenarios are individually presented, analysed and discussed.

Chapter 5- Scenarios

5.1 Introduction

The previous chapter discussed each of the key drivers in light of existing literature punctuated by evidence from interview participants and also in relation to German spa tourism. Whilst each key driver could have significance for the future development of German spa tourist and tourism, some of the key drivers have been categorized as having low impact and their development is said to be certain; whereas other key drivers have been classified as having high impact and their outcomes are uncertain (see Chapter 3 on methodology). The two key drivers that engrossed the two latter dimensions and were selected to be the most important key drivers for this study are *the demanding consumer* and *new distribution of wealth*. In order to clarify their position in the scenario matrix Figure 9 (same as Figure 2) re-visualises the previously developed 2x2 scenario matrix.

Figure 9: Scenario matrix



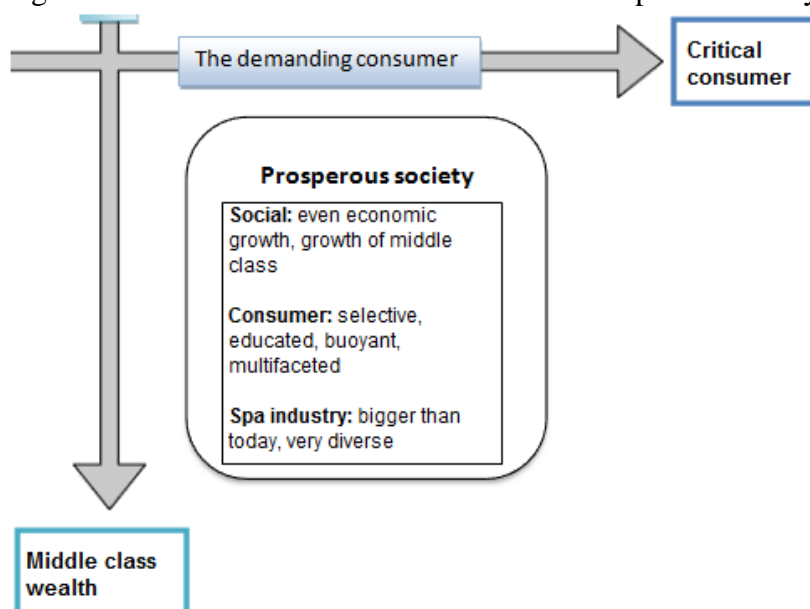
The following chapter includes the discussion of four different storylines. Each storyline is framed around the 2x2 matrix and the two axes that present the two key drivers of *new distribution of wealth* on the vertical axis and *the demanding consumer* on the horizontal axis, reflecting upon alternative future world orientations. Both axes mirror on a continuum of possibilities along both the horizontal and vertical axis, as well as a number of possible scenario outcomes that evolve from different combinations of both axes within the 2x2 scenario matrix. For this study this means that the axes ultimately create four different quadrants- *prosperous society*, *the power elite*, *middle class on the brink* and *the welfare state* that constitute of similar, but also variable attributes all used for subsequent analyses (Rounsevell and Metzger, 2010). Each scenario quadrant is presented in a qualitative storyline creating different images of the world in 2030. Individual stories are constructed in a way that they present four different speeches from different expert leaders in the German spa industry in the year 2030. The stories reflect upon past developments in society with regards to the development of the German consumer and apply them to the 2030 German spa tourist and industry. The storylines describe not only plausible but also different future pathways for the socioeconomic developments of the German spa industry and socio-demographic characteristics of the future spa tourist of 2030 by comparing different situation outcomes over long-term time horizons. The aim of the four scenarios is not to simply describe different futures whereby the reader can choose his/her preferred outcome, but rather to tell four different stories in an episodic manner to which the reader can easily relate to. This will stimulate and provoke the reader's creative thinking and allow indulging and reflecting upon potential future developments which have not been considered per se, but nevertheless might be plausible and have internal coherence.

5.2 Scenario 1: Prosperous society

Scenario 1, *Prosperous society*, envisages the development of German society with an even growth of the middle class due to economic prosperity. In this scenario pathway the development of a restructure of the political system changed to a coalition between the Green party and the pensioner party. This brought about new employment legislations and regulations which successfully integrated the senior population into the workforce and enabled Germany to re-evaluate social insurance systems that minimized the gap between the working population and retired population. This resulted in a further decrease in health care payments with the focus now lying on preventative measurements. The message that is communicated to the individual focalises on “stay fit and healthy in order to participate in Germany’s booming years”. The German tourism and spa industry put things on right track in order to gain profit out of this great development by merging together the spa, wellness and health care sector and thus, offering a broader more diversified spa, wellness and medical market with products and services for every person, reflecting the farraginous German spa clientele.

The scenario is shaped by the two main key drivers *the demanding consumer* and *new distribution of wealth*. It also includes evidence from other key drivers such as *health conscious society*, *wealth creation due to demographic change* and *personalization of travel*.

Figure 10: Extract from the scenario matrix: Prosperous society



5.2.1 The storyline

The members of the Global Spa, Wellness and Medical Summit (GSWMS) who gathered on the 05 August 2030 on the German island of Rugen discussed the future of the global spa, wellness and medical tourism industry. The core aims of the summit were to embed and establish the successful transformation of the German industry on a global platform. The summit was opened by a speech from Okan Schmidt, the CEO of the German spa, wellness and medical association. His speech reflected on the past 20 years highlighting the societal change undergone in Germany and how the industry adapted in order to respond to the needs of the new consumer and gain profits from the flourishing landscape. The speech was reported as:

“Dear spa, wellness and medical members,

I have been asked to lead this year’s opening speech for the 2030 Global Spa, Wellness and Medical Summit here on the island of Rugen; our beautiful paradise in the Baltic Sea.

I am humbled to give you some words of advice, words of wisdom and words of encouragement that can hopefully guide you on the way ahead; and conquer the next 20 years of a global blooming and flourishing spa and wellness industry. But before I start, let us take a step back. Let me show you how we, as an industry, achieved our transformation in order to become the holistic spa, wellness and medical industry that we are today. We could have not achieved this without two crucial lessons: listening to and understanding the needs of our amazing customers and working together as a unity with politicians and people in the tourism industry.

Twnty years ago, the German spa industry was at the verge of stagnation. It was about time to take on the risk and diversify our product and service offerings to a much wider and broader spa market segment, including everyone from our youngest customers to our oldest spa customers, and people with small to very large budgets. The expansion of the German spa industry was a tremendous challenge because at that time we did not know if and how long the German economy would stay stable and if the people would actually be able to afford spas in such an uncertain future; if we would lose our customers to our competing spa destinations in Eastern Europe and across the ocean and if spa and wellness would remain a popular trend hereafter.

Social Parameters

So many different pieces of the spa mosaic had to be unfolded, looked at and put together. We, as the German spa industry, had to be visionary and innovative in order to prepare and cope with an unpredictable and uncertain spa tourist and spa future. Luckily and in favour for our industry, the parliamentary elections in 2017 witnessed an important change of governance with the Green party confidently winning the poll and the pensioner party joining into a coalition with the Greens in 2021. The new acts of parliament brought about decent

employment regulations for young and old but especially concentrating on the integration of the senior population into the German workforce. The economy was thriving and we started witnessing a growth of the middle class, despite the gloomy scenarios predicted at the beginning of the century. Furthermore, new regulations for the social insurance systems were established which evolved into collaboration between the insurers and the insured focusing on joint prevention and better health. The spa industry witnessed a chance to gain profit out of this favourable development. A strong lobbying between politics, tourism and spa industry positively changed the spa landscape through developing a new business environment for our industry. This included tax abatements for spa suppliers, support for new building operations, education and qualifications of professional spa staff in trade schools.

Consumer Traits

The German society blossoms and the German middle class are growing. The face of Germany transformed with people being educated, having employment and being productive, thus their living situations are secured and stable. Consumers feel young and vibrant with their body, health and vitality; being healthy reflects our great societal image. There are many possibilities for consumer to spend their money on; investing it into tourism, health and wellbeing is seen as lucrative.

Dynamics in Spa

With that in mind and over a 10 year period we were able to slowly change the face of the German spa industry. This was coupled with new investments and sponsors which allowed for infrastructural changes and adaptations appealing to both our younger and slightly older spa customers. Furthermore, we knew that sooner than later the spa, wellness and medical tourism had to be merged together in order to sustain our validity and represent our industry as something of vital importance.

New spa, wellness and medical colleges were brought to life with the aim to professionally train and certify our students. They are the face of our industry and can offer our customers the diversified, authentic and especially professional services and treatments they look for and deserve. All our houses are awarded with officially recognised certificates which range from 3 to 6 stars, offering services for every budget.

The results are demonstrable: our main urban centres in Berlin, Munich, Hamburg and Ruhr are represented with heterogeneous day spas offering everything from the newest beauty and anti-aging treatments over simple and traditional massages to personal one on one fitness and medical checkups made in personal or via our famous hologram doctors checking in once a week at our clients personal homes.

Our rural areas bring together the SWM concept by indulging the customers into their five senses: through the nose our clientele can smell the natural freshness in the black forest and the salty breeze of our oceans; through the mouth they can taste the goodness of our healthy food and nutrition; through the eyes they can see our diversified houses and learn and adapt

to the holistic lifestyle, and through our touch our customers can feel the touches and the intimacy between each other.

Enough reflections! It is time to get the 2030 Global Spa, Wellness and Medical Summit started and work together in order to strive for the accomplishment of the same goals-satisfying our customers. I hereby officially declare this year's summit open and I'm eager to envision the next 20 years of our global spa, wellness and medical tourism industry."

This story reflects and presents a number of key issues and trends that could shape the German spa tourist and spa tourism industry which include:

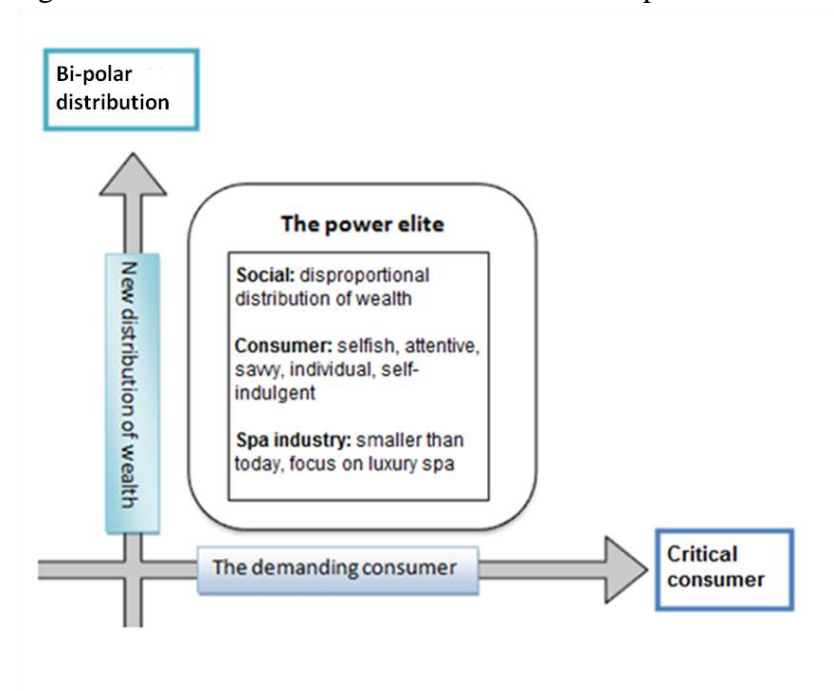
- A positive and prosperous future.
- A growing middle class due to new political governance and wealth creation reflecting the societal bearing of a population that a) is dominated by immigration; b) shifted from a passive to active attitude and c) represents a population that has embraced at heart the core values standing for sustainability and collectivism.
- An even distribution of wealth between a stable middle class who are educated and selective; being fit and healthy has become a life motto in society.
- An innovative and visionary spa, wellness and medical tourism industry, effectively lobbying of the tourism sector.
- The blending between the spa, wellness and medical industry in order to respond to the changing needs of the German consumer and attract a more diversified clientele.

5.3 Scenario 2: The power elite

Scenario 2, *the power elite*, depicts a pathway that presents an extreme distribution of wealth favouring firstly those who were able to find entrance into education through their societal status, and secondly those who despite the economic crises hammering through Europe in 2008 and 2018 gained a disproportional amount of financial wealth. Furthermore, in this scenario the state and politicians conduct neoliberal politics which means on one side tax giveaway to the rich and on the other side increasingly squeezed low income earners. Results are a growing social disparity with increasing social tensions. As a result the power elite are characterized by gated communities in order to focus on safety and exclusivity. The power elite of Germany own a tremendous amount of wealth which is invested into travel and tourism in combination with health and wellbeing. For the German spa industry this development meant a new focus on the power elite with the royal luxury spa company emerging and now dominating the German spa market in an absolute monopoly position.

The scenario is shaped by the two main key drivers *the demanding consumer* and *new distribution of wealth*. It also includes evidence from other key drivers such as *personalization of travel*, *the need for security* and *scientific and technological advancements*.

Figure 11: Extract from the scenario matrix: The power elite



5.3.1 The storyline

In 2030 the royal luxury spa company dominated the German spa industry. Their successful spa adaptations to the needs and wants of the power elite allowed them to possess an absolute monopoly position in the country as their brand stands for absolute luxury, exclusivity, security and loyalty but also incorporates the values of being authentic and sustainable. It was the opening of their 25th royal spa luxury resort in Hamburg and the CEO Misses Alisa Jung had the honour to acknowledge upon the successful business development of the company. She reflected upon the social developments in the world and in particular Germany, the new luxury consumer and how the royal luxury spa company adapted to the wants and needs of their spa clientele and has become the dominating spa within the country.

“Dear members of the German royal luxury spa company:

It is my pleasure to announce the opening of our 25th royal luxury spa resort here on the beautiful Nordic seashore of Hamburg. In my eyes, we excelled ourselves with this spa resort as it is not only the most beautiful and outstanding one yet but it incorporates the new predicate of luxury: the resort is fostered by quality, authenticity and sustainability attached through outstanding exclusivity and unique timelessness as well as safety and security guaranteed to all our guests.

Let me demonstrate what our luxury spas stand for and represent; so we can identify what the future will hold. Keep in mind that the most important values of our spa guests- exclusiveness, security, and professional and sustainable products and services- will grow in importance even more in the future.

Social Parameters

It has been 22 years now, but we all remember the shocking and unexpected global financial crisis that was felt throughout the world and especially through Germany in 2008. The results were a struggling Europe whereby German had to contiguously play the role of the “European saviour” providing financial support to Greece followed by Spain, Portugal and Italy. However, over a 10 year period Europe recovered from the crisis. Germany managed to recover the fastest and developed to become the greatest economy powerhouse within Europe by far. New investments and new capital flowed into the country allowing some to gain a disproportional amount of profit and wealth. This was coupled with favouring neoliberal politics leading to tax privileges for the upper class and well, tax increases for everybody else. A growing exclusive power elite meant that we, the German spa industry, had to offer this class services and products never seen before and thus, feed their taste for exclusivity and luxury. By 2018, the concept stood: the development of the royal luxury spa company. Two years later, I opened the first royal spa resort appealing exactly to this niche market. Was it a success? Well, see for yourself, today I am opening the 25th royal luxury resort.

Consumer Traits

Who are the power elite of today and what do they want? We know that 40 years ago luxury was driven by conspicuous consumption, meaning that luxury was characterised through materialistic appearances where one could show off their wealth. However, over the last decades the meaning of luxury has changed. The consumer of today wants a combination of everything- materialism, status, enrichment, exclusivity, time and aspiration through experiences. Luxury stands for reaching the highest level of personal transformation, well being and self-development. The power elite are educated and smart; they want to be enriched and gain an awareness of the new way of life and wellbeing. This is coupled with the sense to drive for inner and outer responsibility.

Dynamics in Spa

The royal spa resorts and with specific focus on our newest spa addition here in Hamburg we have successfully combined great design and exclusivity with nature based materials and products that are environmentally stable and friendly. Before indulging in a spa experience every customer's trip is pre-arranged from beginning to the end. All accommodation is exclusively designed to the personal preferences of our guest and all of them get their individual 'red carpet treatment'. All spa guests have their individual labour, personal nutrition assembly according to their dietary requirements, personally compiled spa treatments and cultural enrichments by being guaranteed to have absolute privacy, security and safety, and the discretion from all employees. What we create here is the link between quality goods that our brand stands for and the emotional responsiveness that they trigger in our guests.

Personalized spa and wellness assortments are arranged for every guest with a medical doctor available at any given time. They want a holiday with an anti-aging focus: we arrange that. They want to enjoy a week full of massage and spa treatments in conjunction with an educational programme about health and wellbeing, we have professionals around. Or if our guests want to indulge into a spa and wellness treatment from another country, we can also arrange that. The royal spa resorts melt together products and services and suppliers from all over the world to come together as one comprehensive product line-up here.

Where do we go from here? We are working very hard to maintain and sustain our sense of pride and product delivery to all of our exclusive guests. For the next decade we need to further understand that our royal spa customers want to newly implement their experiences- money is not evaluated the way it used to be; it is now about the melt together between perception, curiosity, awareness and appreciation of our nature. This new definition of luxury and this comprehension of our world will intensify and thus, we need to provide and match their thinking in our product and service offerings. If we can achieve these positive results in the future, than it will be a glorious decade ahead of us. Thank you for your support and let's clink our glasses."

This story reflects and presents a number of key issues and trends that could shape the German spa tourist and spa tourism industry which include:

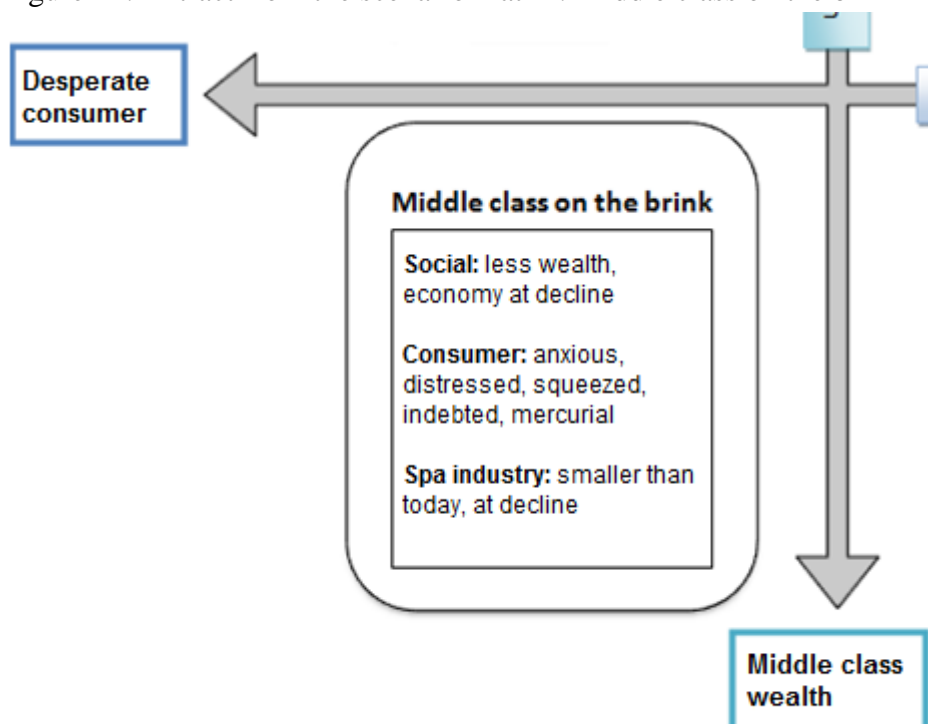
- A dystopian future.
- A new distribution of wealth leaves a fraction of the German population in an extreme abundance of wealth.
- The values of this luxury consumer shifted from the possession of material wealth to the new search of authentic and sustainable living conditions all at the expense of extreme exclusivity.
- German spa tourism is dominated by a monopolistic company who feeds their spa tourists those needs and wants by developing innovative product and services in close collaboration with other companies.

5.4 Scenario 3: Middle class on the brink

Scenario 3, *Middle class on the brink*, was seen as a utopian scenario for Germany; however, looking through binoculars at the unexpected rapid development due to the financial crisis in countries such as Greece, Spain and Portugal in 2012 it also became a fast approaching reality for Germany. In this scenario the depletion of the middle class following high unemployment rates and old age poverty left many in economic suffering and elimination from public life. The German economy is at incremental decline with the dominating middle class being squeezed and on the brink to be pushed over to the lower classes. For the German spa consumer this means that financial resources have become very tight and spa and wellness have become foreign words for many. As a result the German spa industry is also at decline because for many spas survival has become unprofitable.

The scenario is shaped by the two main key drivers *the demanding consumer* and *new distribution of wealth*. It also includes evidence from other key drivers such as *prioritisation of private health care* and *the need for security*.

Figure 12: Extract from the scenario matrix: Middle class on the brink



5.4.1 The storyline

Spa owners from around the country came together to discuss the future of the German spa industry as it has become unsustainable for many and throughout the year 2030 further spas had to be closed down. The leader of the spa union, Michael Werner, addressed this issue in one of his speeches and acknowledged that new pathways had to be found in order for the German spa industry to survive and get back their spa clientele. His speech was remembered as follows:

“Dear spa owners,

Unfortunately, today’s speech is overshadowed by another dark event as we have to close down further spa resorts as the maintenance of the spas is just not profitable any longer for many of us. The era of a health conscious and sustainable consumer seems to be slowly decreasing with many of our usual spa goers not being able to afford these products and services. How did we end up like this, let us have a reflection of what happened in the past 20 years.

Social Parameters

Germany has been the prime sponsor for our European countries Greece, Portugal, Spain, Italy, then followed by many Eastern countries. It seems like we have bailed out all our European neighbours and friends, but underneath it all German politicians have failed to sustain its own nation. Over the past decade we have witnessed increased resignations in the public sector and huge indentations in our social net. Germany has become one of the oldest countries in the world which by all means has not been a recent phenomenon. We have known and debated about the implications of demographic shifts for decades now but overall have failed to make the appropriate changes in order to deal with an aging population. The results are that our working class generation has become too small to support those in retirement or unemployed. Therefore, our non-working part of society is not able to cover the payments for both statutory and private care system. Thus, a huge part of the population misses the financial funds to support their daily lives. I think it’s harsh to say but we can officially declare Germany as being a country with high age poverty because 20 percent of our retirees are affected by old age poverty now. This is also reflected in our shrinking middle class as they have been squeezed together and many are at the verge to join the growing lower class.

Consumer traits

For the German population this implied huge changes and restrictions. The depletion of the existing middle class lead many to be eliminated from the participation in public life due to increased debts, growing rates of illness, divorces and thus, often a decline in our morals and values and our national pride. The day-to-day struggle for a dominating middle class left many distressed and anxious. Our long loved holidays have become foreign words for many people.

Dynamics in spa

For years now we have tried to keep attracting our spa customers by lowering prices, changing the product and service offerings. Many spas had to close down, merge together or were bought out from foreign investors. Of course, spa and wellness does still exist but the industry mainly attracts clients from the upper class or foreign visitors. But we also want our people in our spas and wellness locations. For many these funds are saved and resources are invested into other things.

How can we stop this decline of the German spa industry? Well, the economies need to regain their marketability, they need to become productive again and find their space in the world economy. Furthermore, the spa industry needs to re-structure their thinking and the word collaboration is the key for the future. We need to collaborate and link together with other industries such as the wellness sector and the medical sector. This will offer us a broader scope in terms of what we can offer our customers but also in terms of merging of industries and thus, having better funding available. I am well aware that this will not happen by tomorrow but let's try and work out a strategy in order to get back our spa customers. Thank you for your attention."

This story reflects and presents a number of key issues and trends that could shape the German spa tourist and spa tourism industry which include:

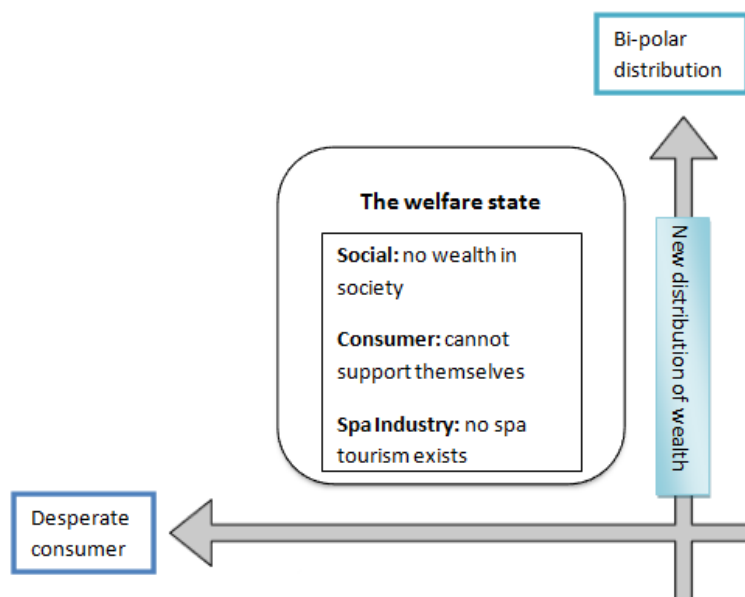
- This scenario might sound dystopian per se; however, has become fast approaching reality for many countries in the European Union at rapid speed. One example is the fast economic decline of Greece; highlighting fast approaching signals towards an uncertain future
- For too long German politics concentrated on financially supporting other countries in the European Union and thus, neglected to pay attention to its own national developments.
- Higher unemployment rates and old age poverty lead to a decline of the economy.
- Consumers become less financially secure and prioritise the use of own resources.
- Less money is invested into travel and tourism related activities; especially the spa industry suffers and the survival of the spa industry is put in question.

5.5 Scenario 4: The welfare state

Scenario 4, *the welfare state*, is the gloomiest scenario and it presents a future where Germany has completely transformed into a welfare state, away from its social parameters of unity and societal collaboration. This scenario outcome would have in place a future that at present resembles the development of Greece. This scenario becomes true if Germany sedates important technological and scientific developments and thus, loses the worldwide fight for resources and its supremacy in the world. As a result, almost no wealth would be left in the country leading to hunger, mass expulsion, exorbitant unemployment figures of up to 60 percent in the younger generation, tremendous national and personal debts, emigration into rich countries, growth of disease and illness, growing percentage in suicide. Furthermore, social disturbances and protests resembling characteristics of civil wars, growing corruption, condemnation of politics and thus, strengthened National Socialist parties linked with racism are further outcomes of this scenario. For the consumer this means that they have no funds, resources and any sort of possibilities to support them and thus, the survival of the everyday life becomes a struggle. With respect to the German spa industry, by 2030 spa tourism could be called pretty much non-existent, only very few would be left for the super rich.

The scenario is shaped by the two main key drivers *the demanding consumer* and *new distribution of wealth*. It also includes evidence from other key drivers such as *prioritisation of private health care*, *the need for security* and *the need for a multicultural society*.

Figure 13: Extract from the scenario matrix: The welfare state



5.5.1 The storyline

The former CEO of the German spa association, Laura Schoen, gave her farewell speech at the 2030 October European Spa congress by admitting that there was no hope left for the survival of the German spa industry due to political and economic descents. Her speech went as follows:

“To my fellow members of the German spa association,

Standing here today and putting together my final words in order to describe this sad milestone in our history, it hurts me to say that German spa tourism cannot and is not able to survive any longer. We fought so hard to find solutions to our misery and follow some paths of niche markets for our spas to survive. But social and political developments have intensified to a point where we have to admit that we need to draw a final line.

Social parameters

Unfortunately, in the past 20 years Germany has transformed into a country that is now absolutely dependent on the support from other nations and bail-out packages from our European neighbours such as France and England. We cannot sustain ourselves; the national debt has reached its maximum. Who would have thought that we would actually become a welfare state by 2030? Unemployment rates have risen to an all-time high of 60 percent. Our country is divided into two parts: unemployed beneficiaries and retirees. Everyone tries to survive. And we are losing our last hopeful generation to other parts of the world in order to survive and in search for a better future. Politicians have failed to build upon the development and fight for the survival of our social state and to invest in new workplaces and educational measurements. Furthermore, the German Pension system fell

apart because it was impossible to keep supporting our senior market through the working age population. Too big is the disparity leading to the decay of our society. The results are growing numbers in right wing parties, leading to further social unrest. We need new parameters to overcome this disparity; we need a multicultural society and bring in skilled labour to help us find a way out of this misery and become an economic profitable nation again.

Consumer traits

As a result, 80 percent of our population live beyond the poverty level. Those who are left with a little bit of money will flee or already fled the country. Our people who are lucky to have employment work their hardest every day to live or survive. But not that this is enough; they are punished through steadily increased tax rates, health and superannuation contribution. Germany has become a sick and ill nation. Can we blame our past spa goers that they have other things on their mind than spa? We all know the answer to this question.

Dynamics in spa

For the German spa industry; well what can I say? Without tourists there is no spa. It's that simple. It does not help that we live in a world with tremendous technological advancements and constant changes if we cannot apply these adaptations to the good of our own people. Our people struggle to go to the doctor and seek medical help; how can we expect them to get a massage or spa and beauty treatment then?

I wish everyone good luck for their own future and hope that somehow and sometime we are able to re-live our spa dream together. Goodbye."

This story reflects and presents a number of key issues and trends that could shape the German spa tourist and spa tourism industry which include:

- This is the worst case scenario outcome for Germany and positions the country as Greece today.
- The failure of politics and the decay of economies lead to the collapse of the German economy, leaving no wealth in society.
- The need for safety and security has shifted to the need for the own survival.
- With limited financial resources being available, pleasure and especially travel are non-existent.
- As a result, spa tourism cannot sustain itself and also falls apart. By 2030 there is no spa tourism left in Germany, apart from a small minority of the super rich.

5.6 Conclusion

Chapter 5 described four exploratory scenarios based on the core drivers of *the demanding consumer* and *new distribution of wealth*. Scenario 1, *prosperous society*, aimed to portray a positive future development of the German spa tourist and tourism through an even growth of the middle class due to economic prosperity and thus, high level of societal affluence among the population. The spa industry draws on this development by expanding their facilities to a much diversified spa clientele as the demand for these services and products grow in popularity and are affordable. Scenario 2, *the power elite*, envisages a different scenario where the central focus lies within the concentration on a very wealthy upper class. The royal luxury spa business has a monopolistic position as it successfully reaches to the luxury consumers by offering them the products and services that they want and need. Scenario 3, *middle class on the brink*, portrays a rather squeezed middle class that is at the verge to falling into the lower classes due to negative global and national political and economic developments. The results for the German spa industry are gradient closures of spa facilities as the consumer has to prioritise their resources towards other things but holidays. Spa treatments have become less of a priority in this scenario outcome. The last scenario, *the welfare state*, is the worst case scenario of all four storylines. It presents a future that puts Germany on a similar level with the current state of Greece. The failure of politicians to focus on national developments lead to high unemployment rates and frustrated and stressed consumers who have to fight for their everyday survival. The outcome for the German spa industry is gloomy with virtually no spa tourism being left as the demand dropped to an all time low.

The four scenarios were developed to provoke and stimulate the readers thinking and visions about what the future may hold for the spa industry. The key learning points from the scenarios are: firstly, the presentation of four very different scenarios highlight that today is faced with an uncertain future. Therefore, it is not enough for stakeholders in the German spa industry to construct a simple hypothesis about the most desirable future development within the spa industry and then build their business structures around it. The spa industry needs to develop different strategies that can be put in place within the next 20 years in order to cope with potential unexpected developments. Secondly, the impacts of global developments, such as the current uncertain future of the Eurozone, and national developments, such as the impacts of demographic shifts, could change the spa landscape in an instant. Government legislations, policies and regulations will determine how the industry can adapt and adjust to

these developments. An effective collaboration between stakeholders in the spa industry, tourism and politics is important; with the need to build a strong tourism lobby. Thirdly, the future consumer will be very different to today's consumer no matter which scenario eventuates. Therefore, it is of upmost importance to constantly re-evaluate the consumer market, their developments, needs and wants as well as behavioural characteristics as their cultural developments will have a huge effect on the development of the German spa industry. Lastly, in the future there will be increasingly pressure on efficiency and quality management. In order to stay competitive in the industry, businesses need to improve their efficiency and adapt to the fast changes of a technological and scientific nature. Each of the learning points will be discussed in terms of strategic implications in Chapter 6.

Chapter 6- Significant Questions and Strategic Implications

6.1 Introduction

Chapter 5 discussed the development of four scenarios named *prosperous society*, *the power elite*, *middle class on the brink* and *the welfare state*. Even though the scenarios were constituted of similar key attributes, each of them described a different future pathway of the 2030 German spa tourist and spa tourism industry. This should highlight the complexity and uncertainty on which the future is built upon and stimulate and provoke thinking among the reader and everyone involved in the German spa tourism industry.

In order to make sense of the four scenarios, the next step is to apply them. Therefore, the following chapter firstly considers the subsequent analysis of the scenarios by testing their validity through the application of significant questions. As outlined in Chapter 3, the purpose of significant questions is to ponder upon the significance of the scenarios by asking purposeful and important questions to further provide the reader with elementary responses about the field of enquiry (Yeoman, Schanzel and Smith, 2013, forthcoming). For the purpose of this study significant questions were identified by the previously selected expert panel. Each of the members was kindly asked to reflect upon the scenarios and ask the most important questions relevant to them with regards to the future of the German spa industry. The significant questions are as follows:

1. Question: *How does the German spa industry successfully develop the creation of societal interest and public awareness among the different spa consumers for the determination of moral outcome values such as health, beauty, responsibility and sustainability?*
2. Question: *Which new trends, technical advancements, competitive pricing methods and cooperation with other branches will the tourism and spa industry develop in the decades lying ahead?*
3. Question: *How will the development of the qualification- and education of new staff change in the spa industry until 2030?*
4. Question: *Prosperous society: Which parameters have to be developed in order for the German spa industry to successfully participate and profit from this scenario*
5. Question: *The power elite: In this scenario how does the spa industry meet the demands for the super rich spa consumers?*

6. Question: *Middle class on the brink: How does the spa industry suffer from this development and what can be done to mitigate this decay?*
7. Question: *Is there any possibility to develop a price-budgeted but nevertheless profitable spa offering to be able to exist in the scenario of the welfare state? If so, what would the supply look like?*

The significant questions differ in that sense that they cannot be answered by giving a single answer, but instead the questions have several sub questions within them. Furthermore, they are divided into two parts. The first three questions revolve around the general key issues combining the literature, interview data and all scenarios; thus, looking for uniform answers about the German spa industry. The other four questions are aimed at the individual scenarios, looking for specific insight outcomes of the respective developments.

The subsequent part of Chapter 6 proposes an analysis based on the identification of the significant questions. This is achieved with the proposition of an overall discussion of the strategic implications. Several implications are discernable from the significant questions which will be depicted in tabular form. This will allow for the formulation of a holistic understanding of what the future of spa in Germany may hold and look like, and also permit different organisations to test policies, products and services, but also infrastructural developments, structures and options against each of the scenario outcomes.

6.2 Significant questions

The following questions have been asked by the expert panel and will be reflected upon and answered as accurate as possible in order to provide a clear perspective on the elements that can potentially shape the 2030 German spa tourist and tourism.

Significant questions considering all scenarios cohesively:

1. *How does the German spa industry successfully develop the creation of societal interest and public awareness among the different spa consumers for the determination of moral values such as health, beauty, responsibility and sustainability?*

This question has been asked as it reflects on some of the key issues that protruded in the scenarios which were also touched upon in Chapter 4 with the discussion of the twelve key drivers. The key drivers include: health conscious society, a shift in sustainable values, and the demanding consumer.

In answering this question, the researcher carves out the significant contributors for the successful future development of the German spa industry. The question is answered in light of four important particulars: definition and transparency, positioning and differentiation, product development and marketing, and sustainability.

Definition and transparency

To start off with, spas need to have in place a clear definition in order to portray transparency on an intra- and international level. Currently, there seems to be a huge gap in the literature (Georgiev and Vasileva, 2010; Fontanari and Kern, 2007) and among industry experts (Global Spa Summit LLC, 2011; ESPA, 2011) that clearly define spas. For example, investigating the research report of the 2011 global spa summit clearly shows that there is no unique definition of spa. This is “because spas can and do offer services and products that cut across both the wellness tourism and medical tourism realms, and the integration of spas into these markets varies widely across different countries and regions” (Global Spa Summit LLC, 2011, p. i). Furthermore, there seems to be a disparity among the use of the word spa alone or in relationship with wellness. It came across that in Germany spa and wellness is used interchangeably among experts working directly in the tourism industry (interview participants #3, #4, #10, #13, #19, #20); however, spa was used as a single term by experts working in the spa industry (interview participants #1, #5, #6, #11, #15). In order to avoid confusion among the consumer of what spa constitutes and how, if at all, it can be separated from wellness a single definition needs to be established. If this cannot be achieved on a

global platform then it should be at least defined on an European platform by the European Spa Association (ESPA) as currently the ESPA also does not have in place a single definition for spa by stating that “facing an Europe that is growing together a common policy between spas, health resorts and spa facilities is absolutely necessary... A common objective must be to establish a standardised structure in order to create more transparency on the European [spa] market” (ESPA, 2011, para. 3 & 11). This will prevent confusion among industry leaders but also spa consumers in the future. Considering the discussion of the next factor that includes positioning and differentiation and thus, the blend together between spas and wellness, a subjective attempt for an overarching definition of spas and wellness could be: “two health oriented market segments that blend together to reach those people who (pro-) actively pursue the enhancement of personal health and wellbeing through water based and other health related adoptions and thus, trying to live a holistic lifestyle.” If a uniform definition can be established in the near future than this would be a successful step forwards for the global but also German spa industry.

Positioning and differentiation

Positioning and differentiation are two particulars that also play a key role for a successful future of the German spa industry. The spa industry needs to establish a strong position for its brand on a national as well as international level. Whilst the German spa industry is one of the fastest growing spa industries compared to other countries (GfK, 2012) this needs to be further fostered through the development of a strong and accredited brand. The industry already has in place credited certificates such as the Deutsche Wellness Zertifikat fuer Spa und Day Spa (German = German Wellness certificate for spa and day spas) (Deutscher Wellnessverband, 2009) as well as the Deutsches Wellness Zertifikat (German = German Wellness certificate) (Deutscher Tourismusverband e.V., 2012) that award wellness and spa facilities with a quality hallmark of excellence. However, not all German spas need to have these certificates and often what spas do offer can be fallacy or a racking trap for customers. In order to display unanimous credibility among the German spa industry all spa facilities should be obliged to have those certificates in place. Not only will the spa consumer be able to know what stands behind the spa brand such as quality and credibility, but the consumer will also be able to see which products are being offered and used for treatments. This can lead to transparency and improved understanding about the values of spa therapies and the development of loyalty and trust. As highlighted in Chapter 4 the German tourist is one that once being convinced with a service or product can become very loyal (Conrady and Buck,

2007). Differentiation is closely linked to positioning as it also includes the discussion around accredited brand development and the promotion of products and services that signalise the spa industry. As previously highlighted Germany seems to have different views on what constitutes the spa and wellness industry. As many consumers and industry stakeholders associate spa with wellness and use these two words interchangeably, the spa industry should position itself under the umbrella term of spa and wellness tourism. This could be justified because a spa “generally provides proactive services to help healthy people feel even better” (Global Spa Summit LLC, 2010, p. 20). Both spa and wellness have at its core to help people become healthy and vital. However, spas also concentrate on the delivery of services and products to stay young and beautiful such as anti-aging treatments. Nevertheless, a mutual positioning of spa and wellness could increase the industry’s competitive advantage because more people would be able to identify themselves with this brand and its meaningfulness. Also, if blended together the industry could potentially reach more customers in the future. However and this needs to be stressed, spas cannot position themselves to everyone and everything. A spa that caters to everybody will not remain profitable in the future. Therefore, spas need to find their niche such as for example day spa, medical spa, spa and wellness, men’s spa or yoga spa. Furthermore, spas need to cater to a specific clientele which should be either upscale as in the scenario of *the power elite*, or to the middle class as in the scenario of *prosperous society* or spas define their spa-performance according to the price for the lower classes (Glueckert, 2006).

Product development and marketing

The next particular includes product development and marketing. These are two very important key factors that will shape the German spa industry and spa tourist in the future. As highlighted in Chapter 4 consumer characteristics are changing and the consumer is said to be very demanding through living a very complicated life. No matter the scenario outcome whether it is *prosperous society*, where consumers are educated, buoyant and multifaceted; *the power elite*, where the super rich dominate society and they are selfish, attentive and savvy; *middle class on the brink*, with consumers being very mercurial and squeezed; or *the welfare state*, with consumers not being able to be selective; however, spa tourism would just minimally exist in this scenario, the face of the consumer is changing and it is dominated by someone who is exposed to a range of available choices. Furthermore, the consumer is connected, has access to internet, networks and other media devices and can compare everything with each other (Willmott and Nelson, 2005). Until 2030 this will intensify with

technological advancements continuing to thrive and communication devices being simplified and becoming more standard in society. Moreover, by 2030 generation Y and especially generation Z will have significant knowledge and sophistication in the technology, media, computer and Smartphone environment and will be even more internet savvy than their generation Y forerunners. It is therefore of utmost importance that the German spa industry develops products and services that fit the characteristics of the demanding consumer and thus, appeal to his/her wants and interests. The spa industry needs to capture the essence and values of the spa tourist by developing and packaging spa offerings that stimulate the consumer's feelings and emotions. Chapter 4 presented on one side a young consumer who is not only very demanding but also very alert about one owns health and devotes much of their attention to health and wellbeing related products and services (Fontanari and Kern, 2003). On the other side of the population spectrum is a much elder consumer who wants to increase longevity and extend one's healthy years with age (Yeoman, 2008). This is further coupled with a consumer who is in need of gaining social capital and cultural enrichment, and has unique experiences in order to fulfil psychogenic ego needs such as status and recognition (Schiffman et al., 2008; Future Foundation, 2011). Thus, if the German spa industry wants to remain successful in the decades lying ahead spa holidays need to combine the portfolio of health and wellbeing with other touristic offerings and experiences such as culture, sport and nature (Global Spa Summit LLC, 2011; Keck, Creutzburg and Bergelt, 2012). Spa tourism should also be heavily marketed to both domestic and international tourists. With respect to the domestic spa tourists marketing towards the needs that stress the factor that spas can increase longevity and health, that it is a preventative measurement and that effects are proven to be effective as spas are certified by hallmark excellences that signalise those attributes. The core marketing tools of pricing, product, place and promotion have to be transformed through product and service offerings that are effective and appealing but also competitive in price for every budget. For the super rich this means spa offerings that appeal to their needs and extravagances, for the middle class supply should appeal to a range of diversified customers and for the lower class, the offerings need to be kept smaller as their budgets are respectively low (Schiffman et al., 2008).

Sustainability

The last particular revolves around the discussion of sustainability. As highlighted in Chapter 4 consumers are perceived to become more sustainable regarding the adoption of a holistic lifestyle and consumption patterns orienting towards environmentally friendly and socially compatible products and services (Balderjahn, 2005). In order to keep attracting the German spa tourist in the future the spa industry should maximise the exploitation of its natural resources. There are already many examples of world class spas with Bad Kissingen in Bavaria being the biggest drinking cure hall in Europe, the Salt works valley in Bad Kreuznach in Rhineland- Palatinate (ESPA, 2011), the three emperor bathhouses at the Baltic sea making use of the ocean and sea, Bad Wörishofen in Bavaria recognized for its excellent air quality (Pforr and Locher, 2012) or Bad Harzburg in Lower Saxony recognized for its mineral and moor baths (Deutscher Heilbaederverband e.V., 2012b). However, spas should be further supported and natural resources exploited. This for example came across during one of the interviews with participant #21 stating that Thuringia offers many natural resources, nevertheless is lacking sponsorship and developments in order to exploit these resources. The consumer wants to use sustainable and natural friendly products and services, thus, there is more scope to develop upon these demands. Furthermore, sustainable approaches should also include that products are environmentally friendly as well as making sure their origin is known and identifiable. This has also been underpinned by the Global Spa Summit LLC (2011) who state that “holistic, integrated, and lifestyle-oriented concepts that emphasize the pursuit of a more balanced lifestyle (including holistic retreats/spas and wellness centres)...Sustainable and eco-friendly concepts and products, including eco-spas, “slow” and organic food, and natural and mineral cosmetics” (p. vi).

In reflection, the German spa industry will be able to successfully develop societal interest and public awareness among the different spa consumers if they incorporate and work towards the establishment and adoption of four main particulars which include definition and transparency, positioning and differentiation, product development and marketing, and sustainability. If the fulfilment of these particulars is achieved and continuously revisited than the German spa industry can successfully re-establish its position in the decades coming and thus, fulfil the demands of their spa customers.

2. *Which new trends, technical advancements, competitive pricing methods and cooperation with other branches will the tourism and spa industry develop in the decades lying ahead?*

The second question relates back to the discussion of the key drivers including personalization of travel, prioritisation of private health care, health conscious society, open competitive markets, and scientific and technological advancements.

By answering this question, the researcher draws upon important particulars that might guide the spa industry in the successful pathway ahead. The question is answered in systematic structure discussing new trends and technical advancements, competitive pricing methods and partner marketing.

New trends and technical advancements

What came across during most of the interviews regardless of whether interview participants were working in the spa industry, tourism industry or working in other public or private sectors, they were in unanimous agreement of the fact that the German future consumer especially the spa tourist, will want to engage in more personalized, empathetic and “back to the roots” related products and services. For the spa tourist this is combined with medical treatments for preventative and rehabilitation activities. Nevertheless and that is also important, the spa industry is continuously re-developing its position including the development of new products, architectural designs and thematic priorities in the spa facilities and spa resorts. However, and that is underpinned in the citation of the Freizeit Verlag (2011) “and then architecture and amenity of a spa needs to harmonise with the hotel as well as being ‘up-to- date’ over many years- after all it is not an insignificant investment. Spa designs need to match the Zeitgeist, by simultaneously being timeless. Otherwise, the wellness oasis which used to be regarded as state of art, will be one day portrayed as the famous wall unit in the Gelsenkirchen baroque- solid but not really contemporary” (p.43). So, whilst consumer trends highlight the importance of the adoption of natural and sustainable products and services, contemporary facilities should be designed to meet current and future expectations. The key to success will be if spas are able to evoke emotions and senses but also offer their guests free space in a holistic, goal-oriented and functional architectural concept (Freizeit Verlag, 2011). Klaf, the leading manufacturer for sauna, spa and wellness equipment in Germany and Austria is one example of a company that already designs future oriented equipment that incorporates technological sophistication as well as timeless designs (Klafs, 2013). For example the Pendelliege (German = pendulum couch) called “Wolke 7-

Cloud 9” is a futuristic oriented room masterpiece that transfers the spa tourist to a relaxed sphere through light, sound and lightning vibrations (Freizeit Verlag, 2011). In terms of new medical scientific and technological adaptations telemedicine, the medical diagnosis and therapy between a patient and doctor without the physical appearance between the two, could also emerge as a new standard technological adoption in spas and wellness facilities. Spa customers do not have to go to the spa centres as often; but are nevertheless bounded to these medical competitive centres. This would then lead to the blend together between spas and wellness centres which could become more medically oriented in the future and consciously position themselves under the umbrella term of health oriented tourism (as discussed in question one).

Furthermore, internet savvy and technological advanced consumers will grow in the decades ahead thus spa and wellness businesses need to exploit the opportunities offered online through the adoption of social media sites such as Facebook, Twitter and other blogs. The use of social media sites will grow in the future and businesses need to stay up to date and look ahead to adapt fast to upcoming trends and advancements.

Competitive pricing method and partner marketing

In relation to competitive pricing methods the current spa lifecycle highlights that even though Germany grows faster compared to other spa destinations spa and wellness started shifting towards the “normal and stagnating part” instead of portraying increasingly steady growth rates within the country (Freizeit Verlag, 2011). However, in order to achieve competitive growth in the future it is of utmost importance for the spa industry to position itself in a unique niche segment that offer competitive spas and include those particulars highlighted in question one as well as generate economic growth by stimulating the spa customer’s needs, wants and interests. This should be further coupled through stronger cooperation and marketing between different spas, wellness and spa resorts. The words “partner marketing” could be the key to success. Different businesses that share similar goals and are thus able to create synergetic brand partnerships through positive brand endorsement, free media, access into new distribution channels and cost-effective opportunities for businesses growth and accelerated market entry (Partnership Marketing, 2010). This will also allow them to stay competitive to other emerging spa destinations in Europe, for example Poland, the Czech Republic and Hungary.

3. *How will the development of the qualification- and education of new staff change in the spa industry until 2030?*

This question is of significant value because it directly targets the German spa industries current weak link which has been addressed during interviews with one of the participants (#11) stating that the German spa industry “...*is pressured due to the need for professionalism, orientation towards guests and profoundness of concepts linked to reduced professional personnel resources*”.

In answering this question the researcher guides industry stakeholders into the future by evaluating the need for professionalism of staff and the establishment of new education facilities focusing on adequately training future spa staff.

Professionalism of staff

This is an interesting question because the issue of lack of skilled labour in the spa industry already arose during some the interviews. Thus, there seems to be a disparity in the German spa industry concerning delivery of professionalism and shortage of skilled labour. However and as highlighted in Chapter 2, the spa and wellness sector could belong to one of the fastest growing industries within tourism in the future. Therefore, professionalism of staff is of utmost importance in order to stay competitive. Labour, being seen as a ‘factor of quality’ and representing the faces of the company, need to be appropriately trained and educated in terms of both being able to deal with the demands of the customer and also being professional in the delivery of their work ranging from support of customers to understanding and delivering offerings ranging from medical care, general treatments, therapies or other products in the spa and wellness industry.

Establishment of new education facilities

Already advanced education facilities such as the Institute for International Hospitality Management (IFH) offer a certified diploma course called certified SPA Professional, offering stakeholders from the industry a course in order to take over a leading position in the diverse spa and wellness facilities around the country. Similar courses include The Cosmetic Academy Europe, International College of Tourism and Management (ITM College) as well as Spa Akademie (Freizeit Verlag, 2011). However, further universal and professionally accepted courses and diplomas need to be offered in order to match the creation of a

consistent occupational image of spa and wellness employees where workers are also able to have nationwide industry transfers and raise the industry's professional profile. The up-and-coming staffs need to be taught creativity, innovation, dealing with new technological adoptions, competence, leadership and professionalism. Courses should include the learning of theoretical frameworks including the historical development of the spa industry, its traditional history specific to Germany and highlighting the importance to this country. Furthermore, practical courses should also be included whereby students are asked to learn hands on at respective spa facilities and spa destinations. Moreover, exchange programs could be established where students have to do an internship in other countries at either educational spa facilities or respective spa resorts in order to understand the practices from other countries and bring their gained knowledge back to Germany. Nevertheless, basic courses also need to include marketing, management, accounting, economics and consumer behaviour. This would allow students to gain a holistic understanding around the parameters shaping the German spa tourist and spa tourism industry now and in the future. If nationwide accredited educational spa facilities become standard accepted norms and principles, the industry will not only remain competitive in the decades lying ahead, but it could also raise the industry's professional profile.

Significant questions considering individual scenarios:

4. *Prosperous society: Which parameters have to be developed in order for the German spa industry to successfully participate and profit from this scenario outcome?*

This scenario is significant for the German spa industry because it is the one that would be most anticipated. A positive adoption and path towards this scenario outcome could open many diverse doors for the industry in terms of generating higher profits and attract more diverse spa goers until 2030. Therefore answering this question is of great value.

By answering the question, the researcher draws upon several key issues such as the development of important parameters including the guarantee of valid economic legislations and environmental policies protecting the natural environment in Germany. Further parameters need to include the establishment of competitive pricing policies for industry workers and the cooperation between the spa industry and the healthcare system.

Economic and environmental legislations

As depicted in scenario 1, *prosperous society*, German society will have developed to a point where there is an even distribution of wealth in society due to economic prosperity and an increase of a widening middle class. From an economic perspective this scenario implies that a growing middle class also means an increased wealth distribution in society and augmented consumer spending. Growing educational levels and outstanding labour performances coupled with positive political legislations and regulations lead to this societal development. In order for the German spa industry to exploit these developments parameters have to be created to maximise economic performance by also providing an environment where both potential sponsors are interested in investing towards the expansion of spa and wellness tourism, and spa tourists feel comfortable and willing to invest their money in. Both rural spas and urban spas need to equally profit from this development. This will be achieved by not only developing parameters that support sponsoring and infrastructural warranties and developments but also shape tourism politics in terms of favourable leisure and holiday policies (Hacker, 2013). As the spa industry heavily relies on the use of its natural resources political legislations also need to include the preservation of the purification of the earth in order to take advantage of the soil, water, salt, and clean, fresh air.

Competitive pricing policies

Furthermore, other parameters also need to include a competitive pricing policy such as at the provision of at least statutory minimum wages meaning that people will get paid competitively and not being utilized as ‘slave-driven’ employees. This is currently the case for many with approximately 8 million people earning less than 9- 15 Euros an hour before tax and more than 800.000 fulltime employees having to live with less than 1000 Euros per month before tax (Öchsner, 2012). A competitive pricing policy will not only allow for larger buying power but also allow for a positive atmosphere in the work environment and a decrease in prices for those service driven labours such as in the spa and wellness industry.

Cooperation between spas and healthcare system

On another note this scenario development also drives for the successful reimplementation of health care insurances coupled with appropriate retirement benefits as both younger and older generation are equally integrated in the work life. This does not only lower healthcare costs but also guarantees a reasonable retirement life for everybody and strong social equity among

the German population. The principle of the traditional *Kur* could be reintroduced. A strong collaboration between the health insurance system and the official spa and wellness association could relive a boom for state prescribed and state funded *Kuren*.

As a result favourable legislations and parameters will allow for a multifaceted spa clientele, offering younger generations' spa facilities for relaxation, rejuvenation and quality time with their families. For the older spa generation spa facilities include health related treatments and easily accessible infrastructure. For both generations spa and wellness facilities are extended through the offerings of cultural festive. Green pastures of a multifaceted spa industry will allow for a competitive market environment and keep the German spa industry economical compared to other spa destinations in the future.

5. *The power elite: In this scenario how does the spa industry meet the demands for the super rich spa consumers?*

This question has been asked because it discusses the key drivers revolving around new distribution of wealth, personalization of travel, the need for security and the demanding consumer.

In order to compete with the demands of the super rich society, the German spa industry needs to incorporate the characteristic wants and needs of the upper class and thus, exactly match their spas in order to stimulate their interests in holidaying in their spa facilities.

Characteristics of the power elite

The scenario of *the power elite* focuses on the future spa consumer who belongs to the very upper class of society. This spa consumer is said to be characterised by someone who is very attentive, savvy, selfish, very individually driven and wants to indulge in self-fulfilment. Furthermore, other characteristic traits include someone who owes a tremendous amount of fortune and wealth and thus, is able to command his/her own time and does not have too many dependencies. This definition of luxury in relation to time availability will grow until 2030 and further split the upper class from the other portion of the population. This is closely linked with the definition of luxury in terms of having enough space to move and be mobile (Yeoman and McMahon-Beattie, 2011). Along with this comes the ability to create one's own leisure and recreational activities. Other noticeable characteristics include the capability to keep living in an unimpaired environment which includes clean water and clear air. Whilst

this should be a matter of course for everybody, this cannot be guaranteed in such an uncertain future with resources and commodities becoming scarce. Thus, only the upper class will be able to profit from these resources and commodities in the future. Moreover, luxuriously living are also those people who are able to feel safe and secure as well as being able to eliminate the noises of daily lives and media and can escape to the “fortune of the elusiveness” (Meckel, 2007). So, in a nutshell the super rich consumer in 2030 has everything from time, space, an unimpaired environment and security combined with the self-determination of attention and personalization.

Spa supply for the power elite

Thus, in order for the German spa industry to successfully meet those demands of the luxurious consumer and keep attracting this consumer to the spa and wellness facilities in the future, the industry needs to exactly respond to this by constructing everything from infrastructural developments to individually tailored service offerings and attention. The scenario *the power elite* depicts the monopolistic proliferation of the royal spa industry which is able to match these specific demands. They will develop to become the German Abu Dhabi of the future because they collectively represent a solid foundation for spa tourism by possessing “a variety of natural and cultural attractions, along with modern infrastructure, good communications and a relatively small yet high quality accommodation sector as well as being safe and clean” (Sharpley, 2002, p. 222). Future spa and wellness facilities will be located on Germany’s most prestigious and natural based landscapes that incorporate holistic environmental elements of water, air and soil and build a strong foundation for the manifestation of those spa facilities. Furthermore, the spa landscape will persist of on one side very modern and timeless architectural facilities that are specifically fitted to the consumer’s personal taste including enough space to move and feel comfortable and free. On the other side offerings will be individual and personalized and stay within traditional frames by offering services and products that range from spa pools and massages over beauty treatments and cosmetic pampering to detox and anti-oxidising functional products (Future Foundation, 2012b). Overall, the luxury spa consumer will be in an environment that is able to combine traditional and high technological products and services; however, the technological and very advanced side of the spas will be carefully hidden from this consumer.

6. *Middle class on the brink: How does the spa industry suffer from this development and what can be done to mitigate this decay?*

This question has been raised by one of the expert panel and is of significance because it deals with the implications of a decreasing middle class and thus, tries to mitigate this unfortunate development by proposing different structures on how to successfully overcome this decay. It deals with key drivers such as open competitive markets, new distribution of wealth, personalization of wealth and personalization of travel.

Depleting middle class and their characteristics

In the scenario *middle class on the brink* the German middle class is gradually depleting towards the crossing of the fine line that distinguishes the middle class and the lower class. This scenario outcome will be accelerated by high unemployment rates, early eventuating retirement age, decreased pension contributions and thus, leading to increased old age poverty. Furthermore, the perpetuation of these conditions further burden the economically active generation and increase the premium payments for health insurance. This will impact on the general performance of society due to the development of dense and squeezed lifestyles decreasing buyer behaviours and leaving people increasingly performing mercurial consumption, such as looking for cheap options and bargains. Those with employment will have longer working hours, and higher performed work ratio will lead to a decrease in personal leisure and recreational activities (Petermann, Revermann and Scherz, 2005). With respect to the German spa consumer due to decreased financial and time resources available the demand will gradually decrease if product and price offerings remain at the level they are at today. Furthermore, those who will still be able to consume spa and wellness tourism will potentially look for cheaper treatment options and facilities in neighbouring countries such as Poland, Czech Republic and Hungary. These destinations are still easily accessible and offer spas at relatively competitive prices.

Ways to mitigate this development

In order to mitigate this development it is important for the German spa industry to not only closely collaborate with politicians in order to develop parameters for future existence but also to internally adapt to the changing consumer traits. This consumer will be restricted in terms of available holiday time due to both financial restrictions and time limitations. In order to keep attracting this spa tourist in the future the spa industry will have to concentrate on the design of personalized spa holidays. This needs to include the concentration on the amount

(possibly only few trips) and length of stay (possibly only weekends) taken per annum. Thus, the industry has to develop concepts that offer short, individually and unitized trips which have at its core to respond to the needs of the spa tourists (Petermann, Revermann and Scherz, 2005). The focus could lie within the parameters of combining spas with medical holidays where the spa tourist will be checked up and looked after based on the illness and/or minor ailments and where he/she can be taught how to mitigate these illnesses and learn ways to bypass future negative health developments.

7. *Is there any possibility to develop a price-budgeted but nevertheless profitable spa offering to be able to exist in the scenario the welfare state? If so, what would the supply look like?*

This is an important question because it deals with the gloomiest development of Germany in 2030 and asks whether or not the spa industry will be able to adapt to those outcomes and if so, how it could remain viable in the future. Thus, by providing the industry with some innovative thoughts it might stimulate their thinking and the need to develop respective contingency and action plans which could be implemented in the eventuation of this scenario.

The welfare state and their characteristics

The scenario *the welfare state* is the gloomiest of all scenarios because it presents a future pathway whereby Germany transformed to a welfare state and this development could resemble the current status quo of Greece. Outcomes would include missing financial investments, tremendously high unemployment figures of up to 60 percent in the younger generation, rising austerity measurements and thus, detonating figures regarding national and personal debts. With respect to the German spa tourist, growing personal debts and high unemployment figures and financial restrictions would lead to a complete loss of demand for spa tourism. Few spas would of course still exist; however, they would supply those few left who could afford spa and wellness during these turbulent times, or marketing and offering services and products to wealthy international tourists. However, the question is whether the spa tourism industry could still develop profitable but nevertheless price-budgeted offerings for the German lower class spa tourist. This would be a tough call because infrastructural developments in the spa industry are costly and tedious.

Development of a price-budgeted and profitable spa industry

In order to profitably supply to the predominant population the spa industry had to implement tremendous austerity measurements as well as being able to present elasticity and thus, adapt forms of changing organizational structures. Therefore, instead of advertising spa holidays and prosperous spa destinations which no one would be able to visit, spend time on let alone money; one solution could be to blend together existing day spas in the most populated urban centres. The focus could shift from offering labour intensive services such as massages, beauty treatments and personalized service treatments to focusing on supplying the hardware such as sauna and spa pools but only including very modest mediums and resources. Prices would drop and the German spa industry could potentially remain competitive and profitable in the future.

Alternatively, the German spa industry could shift their focus from providing luxury spa and wellness offerings towards more specialised and necessary health related tourism offerings. This could be achieved between cooperation with the healthcare market and insurance systems. Products and health applications that is necessary for the sick population had to be developed and promoted to the population. Either via increased co-funding from the state; however, as this is said to diminish, a greater focus towards internal finances had to be established affordable for the general lower population.

6.3 Overall implications and strategic decisions for the spa industry

Based on the previous discussion of the significant questions and reflecting upon them in light of the key drivers, Table 6 presents the main implications and hence, the strategic decisions that should be considered by spa industry stakeholders in order to be profitably sustainable in the future and remain compatible within Germany and beyond its borders. Above all the German spa industry needs to reject its linear ways of thinking and adopt new approaches that are innovative and thought provoking and thus, stimulate new strategies considering the uncertain pathway of this industry. Furthermore, and as depicted below it is important to have in place a unanimous definition of what spas constitute of. This will allow consumers to develop a precise understanding about the industry and its fundamental characters and also allow industry stakeholders to accordingly portray its meaning and significance to their consumers. Moreover, other strategic decisions should include the establishment of an accredited organisation that works for the spa industry and certifies spa

facilities with respective distinctions regarding their cost-benefit ratio, specialisation of products and services and ratio of sustainable fitting. This will allow for greater credibility among spa tourists and keep the competitive position within the industry. Spas also need to position themselves according to the niche market they want to associate with. It will be impossible to market to all spa tourists respectively. As highlighted previously today's consumers are very heterogeneous and cannot be put into one segment. Therefore strategic situation in the marketplace is of utmost importance. Also, marketing is the most important tool in order to reach potential spa clients. A stronger emphasis needs to be put on the use and familiarisation of social media considering today's internet savvy consumers who will be even more media driven in the future. Lastly, it will be of utmost importance to adequately train staff as spas are service heavy industries and the delivery of quality services will remain one important key attribute in the future.

Table 6: Overall directions for the German spa industry

Implications	Strategic Decisions
Overall directions	
➤ The German spa industry may want to reconsider its definitional parameters in order to create unanimous understanding among all stakeholders.	➤ The German spa industry must position itself in the appropriate market segment and then, develop a uniform definition
➤ It is important that spas are recognised as credible health and recreational facilities.	➤ A nationwide accredited spa association must become the norm emitting certificates and hallmark of excellences to all spas and thus, reflecting credibility and transparency to all stakeholders. Respective points must be given to spas according to their: <ul style="list-style-type: none"> ❖ cost- benefit ratio ❖ specialisation of product and service offerings ❖ ratio of sustainable fitting
➤ Positioning spas according to their niche product and service offerings are essential to compete in the future.	➤ Find the niche market where spas want to position themselves into: <ul style="list-style-type: none"> ❖ Young or senior spa clientele ❖ Single or family oriented ❖ Low budget or upper scale ❖ Beauty oriented, spa and wellness oriented or health oriented tourism pathways
➤ Marketing is the key to create competitive advantage.	➤ Spas need to use stronger marketing tools to promoting their facilities or destinations. Marketing tools should be heavily stimulated through increased: <ul style="list-style-type: none"> ❖ Online bookings platforms ❖ Social media websites ❖ Traditional marketing through tourism, and spa and wellness magazines; brochures; TV ❖ Enforce positive word-of-mouth
➤ Staff competence will be crucial to the success of a spa business.	➤ Spa staff needs to be adequately trained through professional training facilities and university degrees but also continuously through in house staff training sessions.

6.4 Implications and strategic decisions based on the individual scenarios

The above table highlights the most important implications and strategic decisions for the entire spa industry. However, the study developed four individual scenarios which envisioned different pathways for the future. Therefore, it is also important to look at the particular scenarios respectively and highlight their own implications and strategic decisions accordingly.

6.4.1 Implications and strategic decisions for the scenario *prosperous society*

This scenario pathway may eventuate if favourable economical and political transitions develop in the next two decades lying ahead. In order to pursue this positive pathway of a *prosperous society* the German spa industry should incorporate specific targets in their strategic decision processes as seen in Table 7. These include the diversification of product and service offerings due to the farraginous spa tourist. The offerings should consider a profitable cost- benefit ratio, specialisation and niche of products and services, ratio of sustainable fitting but also ratio of personal relationship investment between the respective brand or organisation and the spa consumer. This could foster strong brand loyalty and thus, increase the organisation's competitive advantage.

Furthermore, in order to expand the industry into new and resourceful areas a strong collaboration with both new sponsors and a significant lobby group are of upmost importance. This is further linked with the cooperation between the German health insurance system and the industry to reintroduce the traditional concept of *Kuren* in commercial partnership with the spa, wellness and health tourism industry.

Table 7: Directions for the scenario pathway *prosperous society*

Implications	Strategic Decisions
Prosperous society- directions	
➤ Society will be driven by rising income, personal prosperity and empowered consumers who are demanding, selective and buoyant.	➤ The spa industry needs to diversify its products and services by offering competitive: <ul style="list-style-type: none"> ❖ cost- benefit ratio ❖ specialisation and niche of products and services ❖ ratio of sustainable fitting ❖ ratio of personal relationship investment between brand and consumer
➤ It will be of upmost importance to build spa facilities in new rural and resourceful areas in order to expand the scope of the industry.	➤ The spa industry may want to collaborate with multiple sponsors creating new and modern revenue opportunities, and expand into further areas within Germany.
➤ In order to expand the scope of the industry new parameters have to be developed.	➤ Foster a strong collaboration between stakeholders in the spa industry and in politics. This could be achieved with a strong lobby group who shape, inform and encourage the legislative bodies to favour the expansion of the spa industry and develop appropriate parameters. This has to include: <ul style="list-style-type: none"> ❖ favourable leisure time periods ❖ preservation of the natural environment ❖ competitive pricing policies for services labourer
➤ The spa industry may want to put a stronger emphasis on the importance of preventative actions and measurements.	➤ Foster a strong collaboration between the health insurance system and the spa industry and parlay the traditional concept of the German <i>Kur</i> system in association with spa, wellness and health tourism.

6.4.2 Implications and strategic decisions for the scenario *the power elite*

In the eventuation of this scenario pathway the focus for the German spa industry lies in the delivery of the desires, preferences, wants and needs of the super rich consumer. As highlighted in previous chapters this consumer is said to be someone who not only will hover in a tremendous fortune of wealth but also be characterised in idiosyncratic consumer demands such as being savvy, individual driven, self-indulgent and self-concerned and attentive. Therefore, in order to work with the demands of this well positioned consumer the German spa industry has to develop products and services that match these characteristics in every respect. As highlighted in Table 8 strategic decisions will have to include the delivery and warranty in terms of safety and security at the respective spa facilities and also warranty in terms of quality delivery and exclusivity. Furthermore, the construction of spa facilities needs to include infrastructural developments that blend together both modern lifestyle and timelessness in conjunction with external features that wrap together sustainable features and uplift the experiences wanted. This also means bringing together new technological advancements and novelties with traditional concepts.

Table 8: Directions for the scenario pathway *the power elite*

Implications	Strategic Decisions
The power elite- directions	
➤ The spa industry needs to provide safe and secure facilities and resorts.	➤ It needs to be ensured that all guests feel safe and secure in terms of: <ul style="list-style-type: none"> ❖ safety at the resorts ❖ holidaying in an unimpaired destination ❖ secure the best products and provide extraordinary service
➤ Spa consumers want to indulge in both modernistic and sustainable holidays.	➤ Develop infrastructural constructions that blend these factors together. Bring in the best architects from around the globe to build modern facilities in conjunction with the external environment.
➤ In order to attract this spa tourist, there needs to be guaranteed exclusivity, personalization and singularity in the spa resorts.	➤ Blend together technological advancements and traditional simplicity, hidden from the eye of the super rich spa consumer in order to deliver the desired product and service: <ul style="list-style-type: none"> ❖ Research what the spa tourists seeks on holidays, be aware of allergies and nutrition diets, and know personal preferences. Create a holistic picture of each individual and respectively develop a personalized spa experience.

6.4.3 Implications and strategic decisions for the scenario *middle class on the brink*

The outcome of this scenario is less positive and the eventuation of the middle class on the brink is not desired by the industry. Nevertheless, in order to mitigate this future outcome and remain compatible it will be of importance to think about the following strategic decisions as depicted in Table 9. Firstly and once again, a close collaboration between the spa industry and politics through the establishment of a spa tourism lobby group could potentially foster a strong relationship and thus, engage and encourage favourable legislative agendas and parameters for the spa industry. Furthermore, the focus needs to work on designing individual and personal spa holidays that visible highlight the benefits and outcomes to the spa consumer and are also easily replicable at home. Spa consumers will be willing to invest their tight resources into those experiences where they can actively be taught and learn about what is good for their body and wellbeing and how to be pro-active and preventative. This needs to be further supplemented by the delivery of cheap marketing through social media but more importantly positive word of mouth.

Table 9: Directions for the scenario pathway *middle class on the brink*

Implications	Strategic Decisions
Middle class on the brink- directions	
➤ The consumer is increasingly squeezed and lives a dense lifestyle; looking for cheap and mercurial consumption options.	➤ Close collaboration between spa industry and politics through establishment of lobby group that fosters, develops and engage in favourable legislative agendas and parameters for spa industry to decrease prices and increase cost-benefit ratio.
➤ Consumer looks for products and services that have beneficial functions also when on holidays.	➤ Focus on the development of designed spa holidays with the aim to create individual and personalized treatments beneficial for consumers and at a competitive rate.
➤ Differentiate marketing efforts and focus on cheaper marketing tools.	➤ The spa industry should focus less on spending much money on expensive marketing tools, but rely on positive word of mouth and use cheap distribution channels such as social media networks that are easily and often accessed by consumers. Money can be spent on other paramount.
➤ It will be important to concentrate on the establishment of increased loyalty and trust to a brand.	➤ The industry should focus on the delivery of products that spa consumers: <ul style="list-style-type: none"> ❖ can identify themselves with ❖ products that are reliable and beneficial ❖ products and services that are of high cost- benefit ratio ❖ delivery of services that can be easily replicated at home

6.4.4 Implications and strategic decisions for the scenario *the welfare state*

In order to exist in this gloomy scenario pathway and still be able to profit and remain competitive, the German spa industry will have to reconsider its entire organizational structures. It could either entirely focus on the wealthy international spa tourism market or restructure its mission and vision statements for residents by adopting its structures to the current national state as depicted in Table 10. This could only be achieved if the focus would shift to providing rather hardware heavy faculties such as simple sauna and spa pools that are easy to maintain instead of providing service heavy labour that is expensive and unaffordable. Furthermore, the spa industry should consider blending together with health related organizational structures by providing health benefits and support for sick people. This had to be co-funded and supplemented by both the state and residents in order to remain profitable.

Table 10: Directions for the scenario pathway *the welfare state*

Implications	Strategic Decisions
The welfare state- directions	
➤ The aim of the spa industry should be to mitigate this scenario outcome.	➤ There are two pathways that the industry could follow either market to wealthy international spa tourists or (the focus lies on this approach) restructure existing spa organizations and parameters: <ul style="list-style-type: none"> ❖ shift to delivery of hardware products and less focus on service intensive labour ❖ shift away from delivery of luxury spas and wellness offerings to specialised and necessary health related offerings that benefit population

6.5 Conclusion

In conclusion this chapter has been split into two main parts. The first half constituted of the answering the seven significant questions posed by the expert panel. Three questions dealt with an overall understanding of the scenarios in relation to the previously discussed key drivers. And four questions were based around the individual scenarios. In answering the questions the researcher drew out the most important factors which the spa industry should focus on in the decades lying ahead in order to firstly stay competitive and secondly to mitigate potential future pathways. The significant questions implemented the platform for the second part of the chapter which was devoted around the analytical discussion of strategic implications. Strategic implications were subdivided into overall implications and individual ones based on the scenarios. At times the strategic decisions overlapped between different scenarios; nevertheless the degree to which the decisions should be approached differentiates between each pathway. It is yet unknown which outcome will shape the German spa industry by 2030; however, strategic implementations have been raised in order to provide the industry with potential guidelines for strategic developments and stimulate their thinking.

Chapter 7- Conclusion

7.1 Introduction

The aim of this chapter is to conclude the study by tying together the entire research in light of reflecting upon the original research question, presenting a summary of each chapter and bringing it all together in terms of the study's significance and contribution. Furthermore, the chapter concludes by providing recommendations for future research in the field of spa tourism.

7.2 Summary of the study

The world has become complex because it is faced with key trends in terms of constant social changes coupled with increasing globalisation and new distributions of wealth. It is therefore hard to predict the future as we live surrounded by many uncertainties. Spa tourism has been identified to be highly affected by those key trends and uncertainties shaping the world as it is a dynamic industry and exposed to environmental factors. Over the past two decades the spa phenomena has revolutionised by growing to a multi trillion dollar industry in both core spa industries and spa-enabled industries. It constitutes of international bodies such as the Global Spa Summit LLC, continent comprehensive authorised bodies such as the European Spa Association (ESPA) and national spa organizations and associations. Spas have diversified to become multifaceted businesses with various spa typologies ranging from destination spas; resort/ hotel spas; medical spas; mineral spas; club spas; cruise ship spas and 'other' spas. It is predicted that this robust industry will become one of the fastest and strongest growing tourism industries in the decades lying ahead. However, given on one hand the enormous growth figures and on the other hand constant changing trends and new uncertainties facing the world it is important to link them together in order to understand how the spa landscape will be shaped over the decades lying ahead. Therefore, this study is of valuable contribution because it aimed to explore the future of spa in terms of creating multiple pathways from the perspective of the German spa industry. By following van der Heijden's scenario planning method this study responded to the research question "What will the German spa tourist and spa tourism industry look like in 2030?" by achieving the answering of the main objectives including:

- Identifying the key drivers of change
- Constructing four scenarios that explain a range of different futures

- Conducting a scenario analysis through the identification of significant questions in order to drawing out strategic implications.

Van der Heijden's scenario planning method is based on the creation and presentation of multiple scenarios on the long term perspectives of the future. This methodology has been employed because it was regarded as being most appropriate and accessible for this study given its successful application at Shell Oil and the ongoing forty years of celebration. Thus, within the boundaries of scenario planning this research adapted the methodology and applied it to the study of the future of spa tourism in Germany. With the help of 22 conducted semi-structured interviews ranging from remarkable people having specific knowledge in the German spa and wellness industry; and other experts outside the industry including stakeholders in the tourism industry; trend spotters; community, national and European politicians; medical specialists and consumer advisers, the researcher identified 12 key drivers, which are factors that could influence the future of the spa tourist and tourism. The key drivers fitted into different parameters such as:

- Consumer traits: new distribution of wealth; wealth creation due to demographic changes; the health conscious society; the need for safety and security; the demanding consumer; a shift in sustainable values; personalization of travel and holidays equal quality time.
- Social parameters: open competitive markets, the need for a multicultural society and prioritisation of private health care.
- Dynamics in technology: scientific and technological advancements.

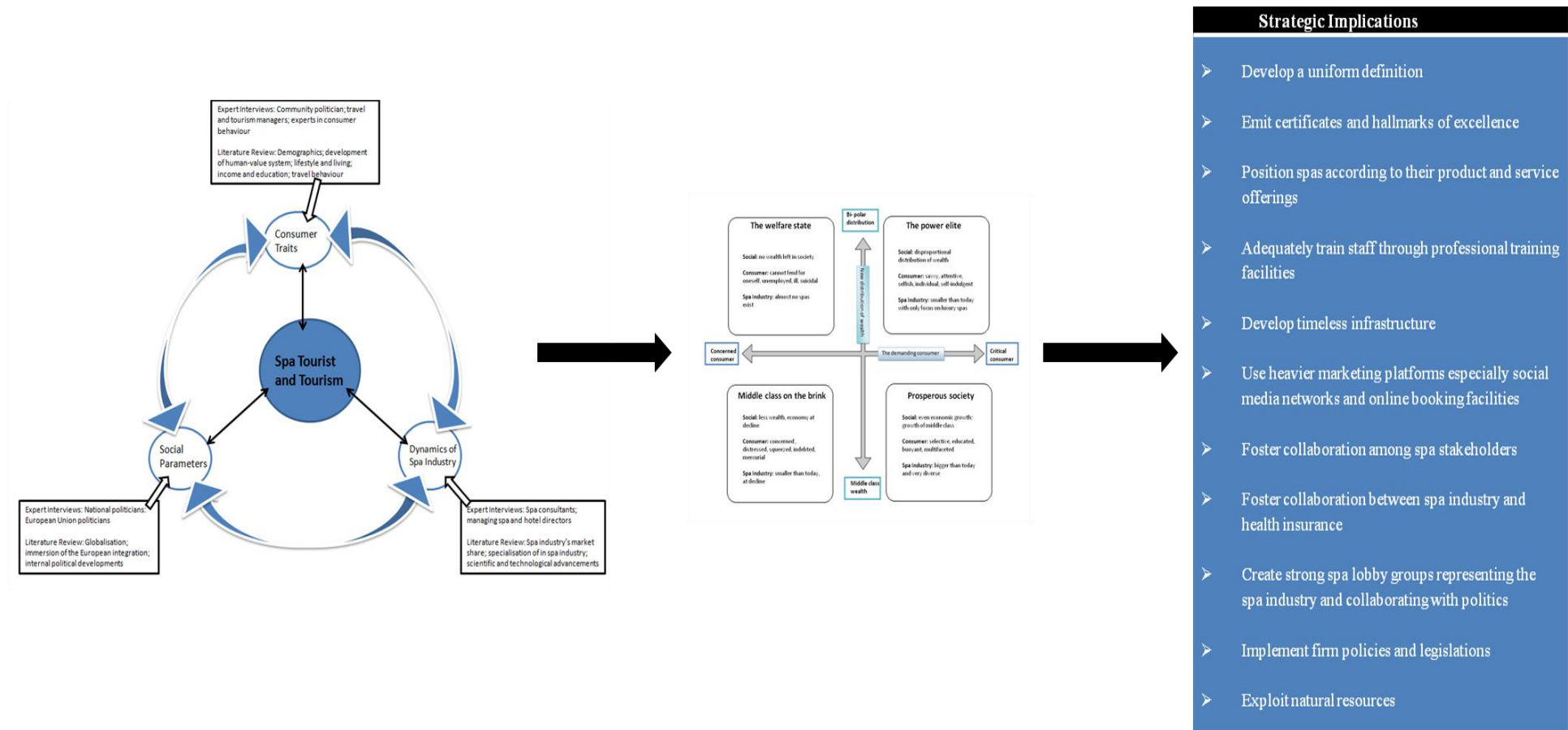
The key drivers were then discussed in light of existing literature and underpinned by key quotes from the remarkable people. The discussions of the key drivers lead to the development of the conceptual framework. The conceptual framework of the 2030 German spa tourist and tourism highlighted interconnectivity among the clusters of consumer traits, social parameters and dynamics of the spa industry. Moreover, each cluster is also individually important to the formation of the spa tourist and tourism.

The two key drivers being identified as most significant were positioned along a two key matrix with the *demanding consumer* on the horizontal axis and *new distribution of wealth* on the vertical axis. Based on the two core drivers the researcher presented four different yet plausible and challenging scenarios for the development of the 2030 German spa tourist and tourism industry. The scenarios include *prosperous society*, highlighting a positive future for German spas due to the growth of the middle class and thus, increasing demands and a multifaceted spa clientele; *the power elite*, concentrating on the super rich spa consumer and their extravagant consumer behaviour; *middle class on the brink*, presenting a squeezed middle class and a gradient decline of the spa industry; and *the welfare state*, a gloomy scenario with almost no spa tourism left.

The next step included the discussion of significant questions developed by an expert panel, comprising of four individuals from the twenty two interview participants who already evaluated the plausibility of the four scenarios. Seven significant questions were answered in order to guide the reader to the last part of the study by evaluating the therefore resulting strategic implications. Figure 14 presents a summary of the most important strategic implications in light of the conceptual framework and developed scenarios. These strategic implications are important because they provide insight to stakeholders of the German spa tourism industry by recommending a series of action points in terms of moving forward in order to prepare for an uncertain future. The implications include: Whilst the German spa tourist and tourism industry is exposed to environmental factors beyond its powers, each implication should be looked at individually as it could ultimately contribute and fit into one of the discussed clusters and thus, play an important factor on how to guide the development of the 2030 German spa tourist and tourism. Through the development of a uniform definition not only will the spa industry be able to create clarity of what constitutes the industry, but it will also allow them to position themselves into an appropriate market segment identifiable for the spa tourist. It will be certain that consumer behaviour changes in the decades lying ahead; but how it will change and to what degree remains uncertain given the unpredictable nature of economic, political, environmental, legal, technological and social transformations that shape the future. In order to adapt to this demanding consumer, the industry also needs to emit certificates and hallmarks of excellence in order to reflect its credibility in the future. This is linked to the adequate training of staff. Moreover, spas need to position themselves according to their product and service offerings. As highlighted previously the industry will not be able to sustain itself if it catered to everyone. If positioned

respectively it could appeal to the very heterogeneous spa tourist and thus, attract this consumer by offering personalized spa holidays. By developing timeless infrastructure that follows the path of the Zeitgeist, the industry will be able to sustain itself in the future for both positive and negative pathways. Marketing has been identified to be of vital importance because the spa industry needs to stronger position itself in the online market appealing to the changing consumer who will become even more internet savvy in the future. Also very important is the collaboration between industry stakeholders including other spas, the German health insurance system and politicians. This will allow for coalescence between different parties and thus, the development of policies and legislations. They need to be fostered and enlarged based on a long term perspective of the industry. This could allow for protection in the future even if times are changing and unexpected events occur.

Figure 14: Strategic implications in light of conceptual framework and scenarios



7.3 Contribution and value of the study

The study aimed at developing different scenarios of possible future developments of the German spa tourist and tourism industry. The pathways portrayed here are subjective in nature and none of their outcomes are predictable. Nevertheless, the creation of these scenarios allowed for the forecasting of what could happen in the future based on multiple pathways. It allowed for the development of possible foresights of what might happen until 2030, as well as providing insight in terms of the implications of an uncertain future and how these futures could be managed. The aim was to stimulate thinking among the reader and other industry stakeholders to steer them away from traditional linear ways of thinking and incorporate more innovative, creative and new possible future possibilities of the German spa industry in 2030.

This research is of significant value because it has been a first attempt to envision the future of the spa industry based on the insight perspective of Germany. The study followed van der Heijden's scenario planning methodology, adopting a different approach to other research studies. It picked up on the insight characteristics of Germany, not only highlighting the current developments of the country but also extracting the locality of the German *Kur* system and its traditional importance. Therefore, the study has not only been contributing to the discussion of spa tourism in general but more importantly highlighting its importance to Germany by also presenting its authenticity and locality relevance to the German spa industry.

The study also presents current relevant data based on the field of general spa tourism. It fits well into the parameters of the 2013 Global Wellness Tourism Congress set out by the Global Spa and Wellness Summit. The aim of the congress is to present case studies from different national wellness tourism businesses alongside findings of the SRI International research report which analysed the potential future growth of the global spa and wellness sector. With respect to this research the study provides future directions and a strategic map for people to ponder upon and thus, can be labelled as a significant document for general discussion. On one hand it provides a holistic picture of what the future may look like by drawing together the key drivers of change, building the scenarios and storylines and thus, analysing them through the application of significant questions and strategic implications. Thus, the study provides the reader with the interconnectivity of the key issues and draws them together. On the other hand, this study can be recognized to be of considerable value because it provides the reader and other spa stakeholders with the option to look at each stage of the study

individually. For example, the key drivers of change have been presented and outlined in light of existing literature and data revealed from the expert interviews. These drivers of change individually allow for reflective thinking and thus, can be used by the industry to draw out their own scenarios of the future. Moreover, if there is disagreement with the strategic implications folded out by the researcher this study could also be presented just based upon the development of the different scenarios and problem statements allow industry stakeholders to draw out their own conclusions and implications. Thus, this study can be claimed to be a purposeful piece of document which contributes not only to the academic literature of tourism and future studies; but also is useful for tourism management in a number of different ways. It can be looked at either as a holistic piece of document to guide and help manage the future of spa tourism or alternatively individual parts can be drawn out for discussion, alteration or tearing conclusion.

7.4 Implications for future research

This study adopted the research methodology of scenario planning and presented four plausible scenario pathways for the future of the German spa industry. The scenarios have been discussed based on the application of significant questions linked to strategic implications. Although the study contributed to the discussion of spa tourism, limitations, which have been recognized in the methodological chapter, exist and call for further investigation.

The study provides an insightful perspective of the German spa industry and focuses purely on domestic tourists and tourism development. It would be interesting to compare the future of the German spa industry given an international perspective and then compare key findings.

Furthermore, understanding the significant questions and strategic implications apply to the future of Germany. There is a need for further research to investigate the development of future spa tourism from the perspective of other countries that have similar spa cultures and are exposed to similar key trends and uncertainties. Findings could be compared and allow for alteration and greater justification of the potential future development of this industry.

Moreover, this study purely focused on the development of a 2x2 scenario matrix based on two key drivers. The implementation of different key drivers could have presented different scenarios and would have changed the scenarios and stories. It would therefore be interesting

to see how the scenarios would have changed with differing key drivers and then, compare results between studies in order to draw out a holistic conclusion.

Lastly, van der Heijden's methodology of scenario planning also realises the problem of interpretation and subjectivity. Understanding the insights of all interview experts might have changed the scenarios and significant questions. Future research should aim at developing scenario workshops in order to get everyone's agreement and approval for the key drivers and scenarios and better justify their decision and scenario planning processes.

7.5 Conclusion

In conclusion, this study explored the future of spa tourism dealing with the interrelationships of key trends and uncertainties shaping the world in terms of creating multiple future pathways from the perspective of the German spa industry. By following van der Heijden's scenario planning methodology this study answered the research question "What will the German spa tourist and spa tourism industry look like in 2030?" Through the application of significant questions and strategic implications the study revealed overall insightful data broadcasting that the spa industry needs to challenge its current linear ways of thinking by adopting new insights and perspectives of the future. Furthermore, the spa industry needs to establish a universal spa definition, accredited nationwide norms for spa facilities and collate with industry stakeholders to adopt and develop new favourable parameters, policies and legislations that remain intact in the future.

Appendices

Appendix 1: Invitation for participation in Master Thesis (in German)

VICTORIA UNIVERSITY OF WELLINGTON

Te Whare Wānanga o te Ūpoko o te Ika a Māui



Sehr geehrte/r _____.

Gestatten Sie bitte, dass ich mich aus Wellington in Neuseeland mit einer großen Bitte an Sie persönlich wende.

Mein Name ist Natalie Wolf, ich studiere seit 2008 an der Victoria University of Wellington Tourismusmanagement. Im Jahr 2011 konnte ich meinen Honours in Tourismusmanagement mit Erfolg abschließen, um gleich im Anschluss den Masterstudiengang in Tourismus zu beginnen. Momentan arbeite ich an meiner Abschlussarbeit, in der ich die Perspektiven des Spa Tourismus in Deutschland unter besonderem Fokus der Entwicklungen bei Spa Touristen aus Deutschland bis zum Jahr 2030 untersuche.

In Kürze werde ich von Neuseeland nach Deutschland reisen, um im Zeitraum vom 12 Juni bis 31 August 2012 meine Feldarbeit im Rahmen dieser Masterarbeit durchzuführen. Ein Hauptteil meiner Datenerhebung soll aus persönlichen Tiefeninterviews mit Experten der Tourismusindustrie, Wissenschaftlern sowie verantwortlichen Politikern unterschiedlicher Ebenen gespeist werden.

Im Zuge der Recherchen zu meiner Arbeit bin ich auf Sie, _____, und Ihre interessante Arbeit gestoßen. Ihre fachspezifischen Kenntnisse in _____ wären für meine Forschungsarbeit von größter Bedeutung und würden mir wertvolle Einsichten in die derzeitige Entwicklung des Spa- und Wellnesstourismus in Deutschland verschaffen. Insbesondere würde ich sehr gern Ihre Erfahrungen, Ergebnisse, Meinungen und Visionen zur zukünftigen Entwicklung im Spa Tourismus für meine Masterarbeit nutzen.

Aus diesem Grund bitte ich Sie sehr herzlich mir im Rahmen meiner Arbeit zum Master ein Interview insbesondere zu folgenden Fragen/Schwerpunkten Ihrer Arbeit zu geben:

- Was sind die wichtigsten Eigenschaften der Spa Industrie in Deutschland?

- Was waren die wichtigsten Treiber in den letzten Jahrzehnten, die die aktuelle Entwicklung in der Spa Industrie in Deutschland untermauert haben?

- Was sind die wichtigsten Triebkräfte des Wandels, die die Spa Industrie in Deutschland in der Zukunft prägen werden?

Der optimale Zeitraum für dieses Interview mit einer Länge von maximal 60 Minuten wäre zwischen _____ 2012. Ich würde natürlich zu Ihnen nach _____ für das Interview kommen. Weitere detaillierte Informationen zu meinem Thema und Bestätigungen meiner Universität würde ich Ihnen selbstverständlich vorher zukommen lassen.

Bereits im Voraus bedanke ich mich sehr herzlich für Ihre Bemühungen und hoffe natürlich gespannt auf Ihre Antwort.

Mit herzlichen Grüßen aus Wellington

Natalie Wolf

Studentin der
Victoria University of Wellington

Appendix 2: Project Information

VICTORIA UNIVERSITY OF WELLINGTON

Te Whare Wānanga o te Ūpoko o te Ika a Māui



A Scenario Analysis of the 2030 German Spa tourist and tourism

Project Information

1. Participants in this research will be invited to individual interviews of approximately one hour's duration to contribute their knowledge towards an understanding of those factors that are most likely to influence the future of the German spa industry and German spa tourist.
2. Participants may withdraw from individual interviews at any given stage without providing the researcher with a particular reason. The latest participant withdrawal may be at completion of the field research in September 2012.
3. This research project is conducted as a Master thesis at Victoria University of Wellington in the field of Tourism Management. The project's researcher is student Natalie Wolf under the supervision of Dr. Ian Yeoman.
4. The master thesis has the objective of establishing a scenario analysis of the 2030 German spa tourist and tourism. By establishing scenarios, the research paper will gain an understanding of what the future of the German spa industry and German spa tourist look like, and thus, be able to write recommendations for the industry to appropriately develop product development and marketing strategies in the future. Through semi-structured interviews with industry experts and experts from other disciplines (which is an integral part of this research project) such as future studies and demographic and gerontology studies, the researcher will be able to get a deeper understanding of the topic and thus, create well structured scenarios.
5. Human Ethics Approval for this project has been obtained from Victoria University of Wellington.
6. The research project is scheduled to run over the period of February 2012 to June 2013 and during that time the researcher will:
 - a. Undertake a literature review that will shape the formulation of the research question and research objective.

- b. Use an appropriate research design and methodology that includes:
 - Interview specific people to elicit their views on the nature of key drivers that they believe might influence the future of the German industry and spa tourist,
 - Record interviews to assist with subsequent transcription,
 - Analyse information supplied at interviews, along with appropriate literature,
 - Provide a summarised feedback to interview participants,
 - Secure and hold confidential all information gathered from interviews and workshops for 1 year beyond the expected termination date of the project (i.e. 2013),
 - Never disclose any individually attribute information to anyone besides the researcher and supervisor without a written consent,
 - At their request, destroy any information that has been provided by an individual who subsequently withdraws from the project.
- c. Construct up to 4 scenarios based on the findings and identified key drivers.
- d. Make recommendations as a consequence of the scenarios.
- e. Project Contact Details

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Appendix 3: Participant Consent

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Te Whare Wānanga o te Ūpoko o te Ika a Māui



Participant Consent

Consent to participate by: _____ on _____
Print Name Print Date

- I have been provided with adequate information relating to the nature and objectives of this research project, I have understood that information and have been given the opportunity to seek further clarification or explanations.
- I understand that the Researcher may record interviews.
- I understand that I may withdraw from this study at any time before the final analysis of data (June 2013) without providing reasons.
- I understand that if I withdraw from the project, I may request that any data I have provided be destroyed.
- I understand that any information or opinions I provide will be kept confidential and reported only in an aggregation/non-attributable form unless I provide separate written consent to the contrary.
- I understand that the information I have provided will be used only for this research project and that any further use will require my written consent.
- I understand that when this research is completed the information obtained will be destroyed one year thereafter.

Agreed: _____
Signature

Appendix 4: Transcribers' Confidentiality Agreement

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Te Whare Wānanga o te Ūpoko o te Ika a Māui



Transcribers' Confidentiality Agreement

Keeping Participant Information Confidential

I agree that the information gathered from participants or made available for transcription or other purposes, whether in written or oral form is not to be disclosed to anyone other than the project's researcher and project supervisor (Dr. Ian Yeoman).

Agreed:

_____: _____: _____
(Print Name) (Signature) (Date)

Appendix 5: Extract of interview questions (translated into English)

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Te Whare Wānanga o te Ūpoko o te Ika a Māui

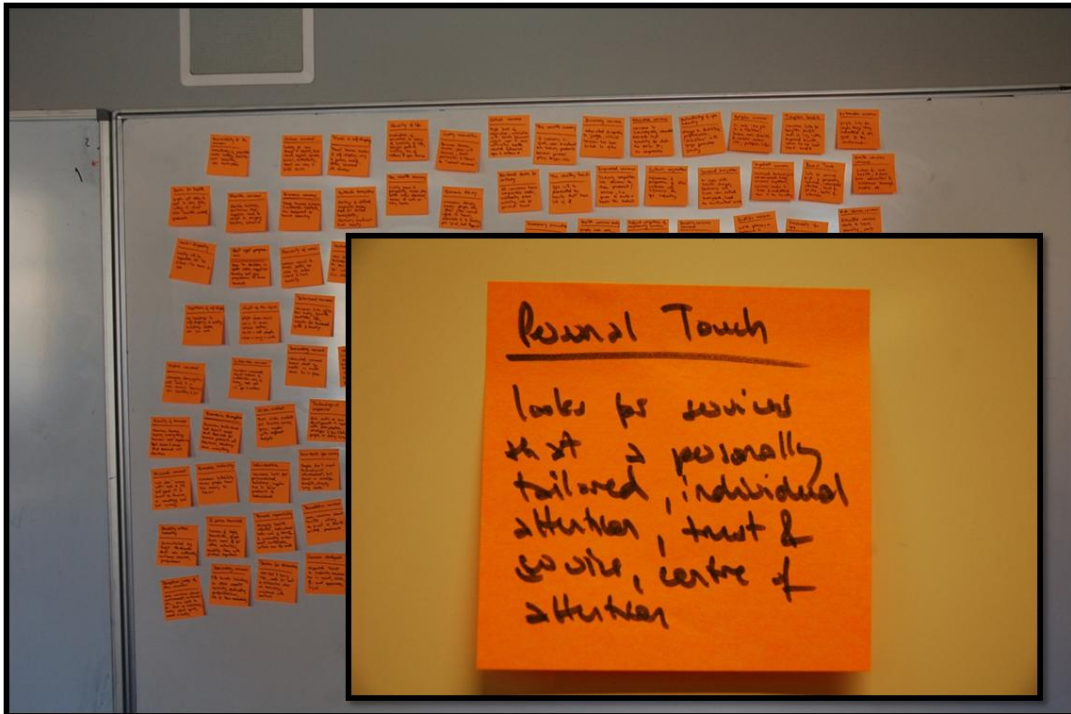


Interview Questions for Spa Experts

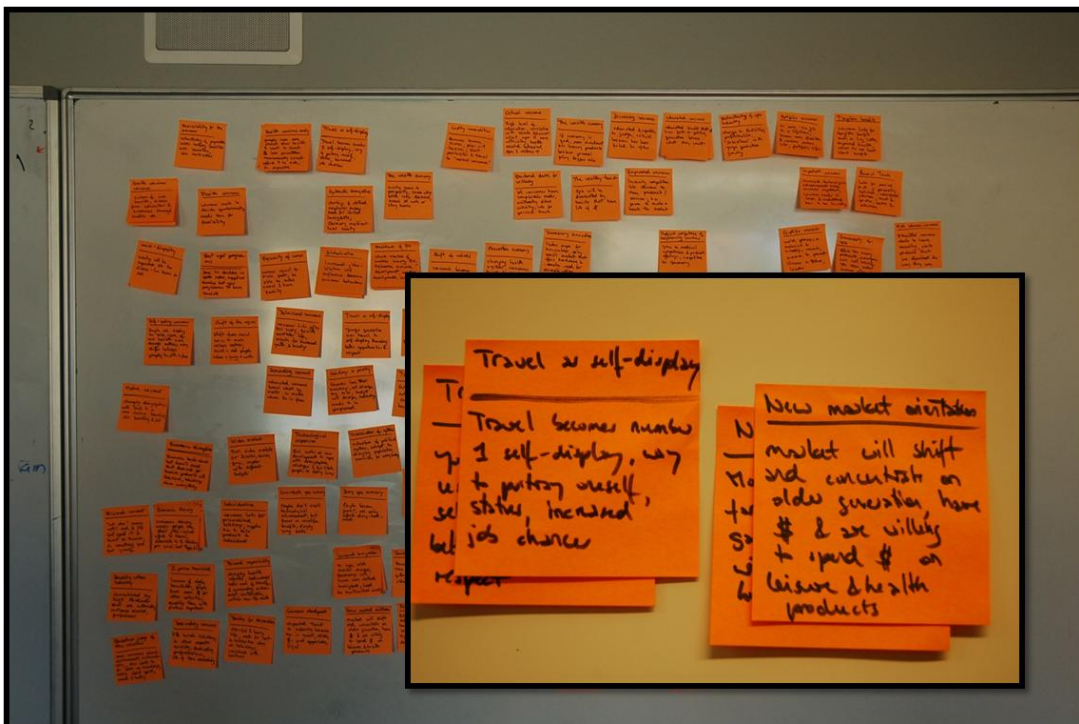
1. In the 21st century what does the term spa stand for and which important alterations have been made in the spa industry since 1990?
2. Where exactly, if at all, is the difference between spa and wellness?
3. To you which are the most important characteristics and features of the German spa industry? Please also elaborate on the advantages but also problems of the products and services offered from the spa industry?
4. What characterises the typical German spa tourist today? Precisely asked, which social environment he/she belongs to, what motivates this spa tourist for a spa holiday and what are his/her typical behavioural characteristics when being on a spa holiday.
5. How long is the typical spa holiday today? How much money did the German spa tourist spend 20 years ago for a spa holiday; how much money does he/she spend today and how much will he/she spend until 2030? Also, what does he/she spend his/her money on?
6. Which are the political, economic, social and technical key drivers that will shape the German spa tourist and spa tourism industry until 2030? How will this industry change until 2030?
7. How do you personally evaluate spa holidays?
8. My final question: Do you think I forgot to ask an important question or do you have any advice on what I should incorporate into my Master Thesis?

Appendix 6: Scenario Workshop photos

Picture 1: 127 identified key drivers



Picture 2: Assimilation of key drivers



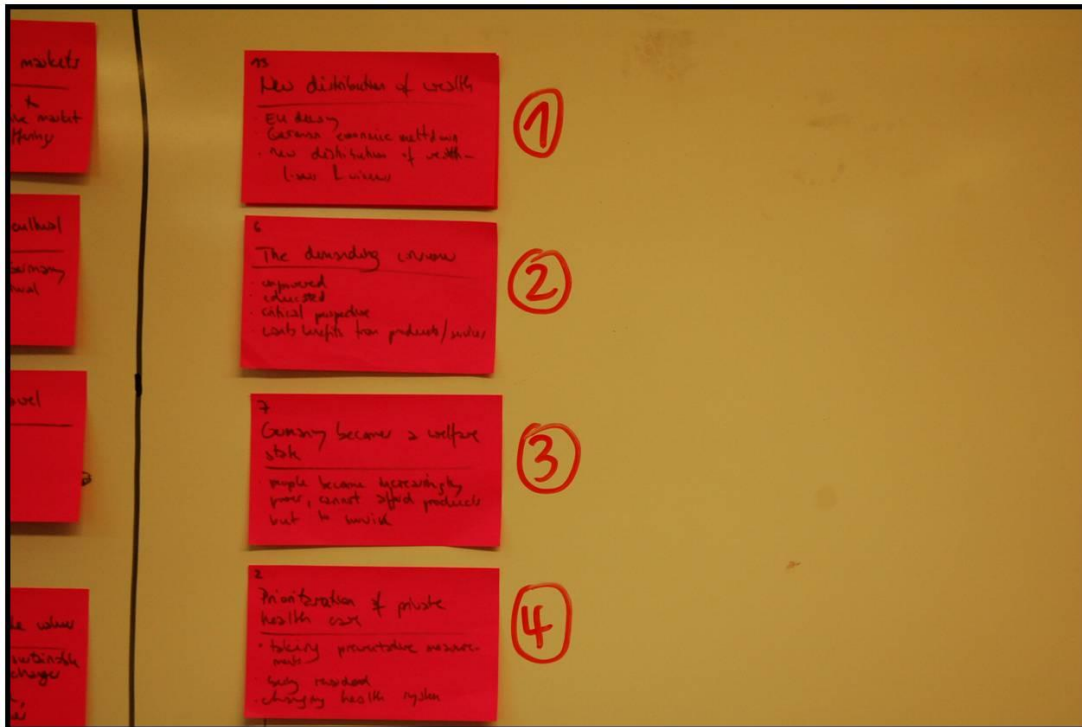
Picture 3: 17 clustered key drivers with new headings



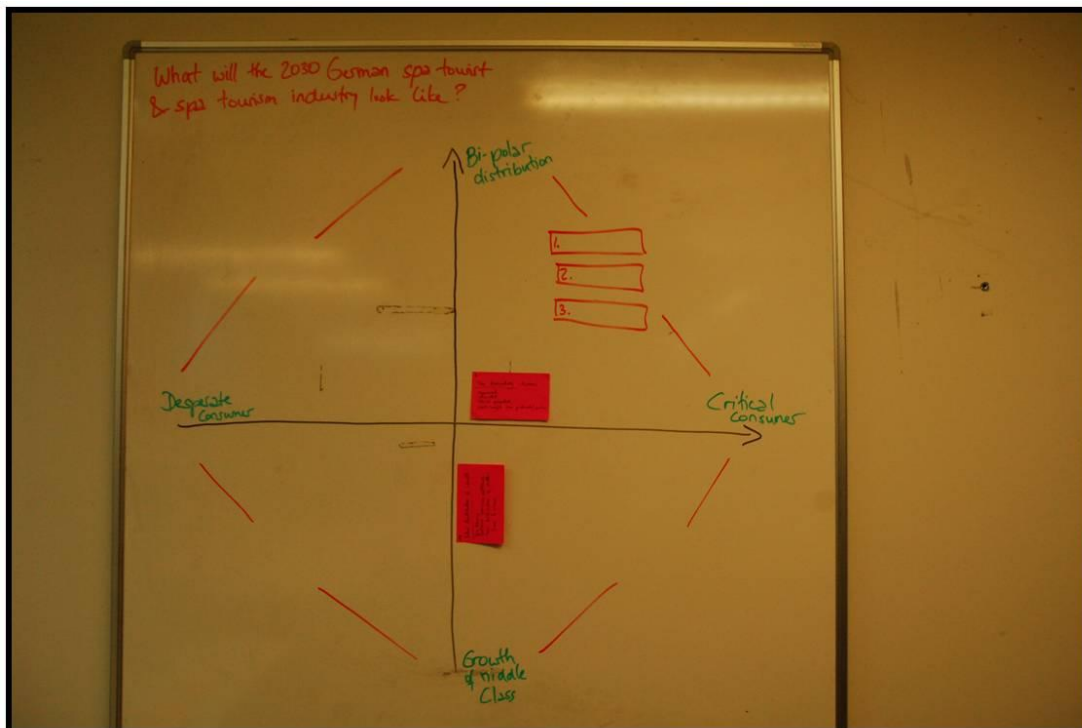
Picture 4: Key drivers evaluated on quadrant mix



Picture 5: Key drivers on high impact/ uncertain quadrant matrix, according to level of importance



Picture 6: Raw sketch of the scenario matrix



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