The Development of Service Quality and the Business Competitiveness of Wellness Spa in Thailand

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Abstract

This article studied wellness spa business in Thailand which can be categorized under tourism industry considered to be the main income of Thailand and the drive of the country’s economy. Thai wellness spas have been popular among Thai and foreign tourists. It can be seen that the standard of Thai wellness spas rank high in Asia. The business attracts a great amount of investment and spending in the service industry.

However, in order to compete with foreign spa companies, service quality in Thai wellness spasis one of the main factors. This article has presented the quality service model known as SERVQUAL to be one of the significant factors to develop the business competitiveness of wellness spa business in Thailand. This study additionally explainedhow to apply SERVQUAL to other types of service business in Thailand and other countries. SERVQUAL model can be used to study in the future for benefits of both academic and business sectors.

Keywords: Service Quality/ Business Competitiveness/ Wellness Spa Business
State of Problem

Spa business is significant in Thai tourism as it has triggered approximately 275 million US dollars in the total income of the country and the biggest spa center in Asia is located in Thailand (Cohen and Bodeker, 2008). According to The Standard (2018), the overall growth of spa business has constantly increased 6 percent per year worldwide accounted for 1.69 billion US dollars or approximately 5.4 trillion baht from 2015 to 2020. The growth is in accord with the market of the wellness tourism that has been expanding continuously. Spa business in Thailand was ranked in the 5th in Asia with the investment value of 3.5 billion baht. Moreover, spa business is quite ready with high market potential because the spa business in Thailand uses local wisdom to add value and this creates the connection between the business and local community where materials such as herbs and nourishing products are originated. The local materials used as a treatment or during a spa massage session create unique aroma and the properties of relieving various symptoms can serve the needs of foreign customers who are fond of health and the unique Thai herbs (Kheawmeesuan, 2018).

According to the data from the surveys of spa establishment, it was found that there are 2,053 spas that have been certified by the Ministry of Public Health. The Ministry of Public Health has classified them into categories. 531 spas or 25.86 percent were classified as wellness. There are 1,217 places or 59.28 percent in Health Massage Business and 305 places or 14.86 percent in Beauty Massage Business (Ministry of Public Health, 2018). The data demonstrated the importance of spa business in terms of economy drive promoting more jobs and employment. It also promotes the drive of Thailand to be international health center between 2017 to 2026. Wellness spa was included in Strategy 4, the development of services and alternative medicine in the aspect of personnel, business and education development (Department of Health Service Support, 2016).

The tendency of wellness spa seems to go well especially from the entrepreneur perspective; nevertheless, many sectors have been concerned that the free competition does not always lead to success due to quality standards and the understanding of spa business which could be one of the reasons that the currently opening spas have to end its business because they do not have business expertise. Some new entrepreneurs just wanted to go with the trend without considering the cost of investment and the business expertise that they should have.

In terms of service quality of the wellness spa, it was found that certain number of the spas do not meet the standards and safety of the customers. The Ministry of Public Health is in charge of this and they have launched a ministerial regulation to control the standards of the places that provide health promotion service. The regulation was divided from the Act of Health Facility Services B.E. 2509 of the Ministry of the Interior. The main contents of the ministerial regulation stated that the standards of health facility services should consist of 5 aspects which are: 1) places 2) operators 3) service providers 4) services and 5) safety. The places will be examined and certified annually (Wongwuttisak, 2007).

It can be seen that it is not easy to be able to compete in spa business due to many factors affecting the capacity to stay in service industry. Therefore, it is vital for the entrepreneurs to place an importance on every factor especially the service component in order to succeed.
quality that should be related to the regulations of the government sector and this will be one of the factors attracting more customers and customer satisfactions. For this reason, the study of the service quality management factors of wellness spa business that affect business competitiveness will be useful for people who started to run their spa business, the entrepreneurs of spa business and people in general so that they are aware of the service quality management model affecting the success of Thai spa business. The results can be used as a guideline to develop the business to be more competitive.

The Evolution of Wellness Spa

The history of healing with streams can be traced back thousands of years ago. During 2,400 BC, in ancient Indian culture, body and mind healing system was created by using the holy stream to clean the body and mind based on hygiene principles. According to the ancient civilization, water was worshipped as the great power of natural spirit. Egyptian, Assyria, and Muslim people used mineral water to treat illness. Japanese, Chinses, Greek and Roman people used warm baths to reduce tiredness and body fatigue. The warm baths could also cure wounds and reduce depression. The Greeks were considered the first people to place an importance on their beliefs and faith in the connection between a healthy body and a peaceful mind. For this reason, body and mind treatment facilities were built near hot spring or mineral water sources. About 500 BC, bathing was developed to be the methods used treat illnesses. This referred to the construction of huge facilities of public bath that were more complex than just a place to only clean the body. In Roman era, it was called Roman Bath. 300 years BC, the number of roman baths were constantly expanded to more than 900 baths all of the kingdom. When the Roman empire collapsed, the popularity of the public bath gradually decreased; as a result, the hygienic standards dropped to the critical point. When entering the Middle Ages of Europe, people's interest in Roman baths began to decline due to the new belief in fire healing in that era (Wongwutsak 2007).

Between the 15th and 17th century, some European doctors supported the use of water to treat illnesses. John Wesley was one of them. He published a book about Hydrotherapy as it was an simple treatment and it was based on natural principles using to treat illnesses at that time. In the 16th century, spas became more popular and attracted people who were interested in illness treatment. The development continued to the 18th century but the difference arose when Europeans felt inappropriate in bathing with the opposite genders. It led to the change of the spa in this era where men and women were separated. In the 19th century, spas were developed to be more elaborate and delicate as the service providers had more knowledge, capacity, and expertise with more accuracy and standards to treat illnesses. The treatments with no standards were unable to continue. Therapists began to consider the treatment or therapy including bathing and drinking natural and clean water. This kind of spa was successful and rapidly developed. Eventually, different kinds of spas were expanded.

In Thailand, the main purpose of spas is to provide the services related to health as a while including mental, physical and spiritual aspects. This is the center of good health concept. Currently, it can be seen that the growth of wellness spas is growing due to the trend in health care. As a result, wellness spa has become widely well-known as
treatments or methods related to massaging. Hydrotherapy, Aromatherapy and beauty treatment (Wongwutsak 2007). Consequently, wellness spas in Thailand became one of the most competitive business due to the expansion of wellness spas; for this reason, the wellness spas have to change themselves and be ready for the competition.

The Concepts of Service Quality of Wellness Spa

Service quality is significant in the aspect of providing the service with quality to service recipients or business customers. Service quality is crucial to enable service business success in a highly competitive business environment at a regional level. Thus, service quality provision is the way to promote more customers leading to more employments and income in every sector including agricultural sector and industrial sector that have driven the country’s economy together with the country’s development as a while. Hence, service business should attempt to create more distinct and valuable outcomes of the service when compared with their competitors in the industry. They should present the service value as expected by the clients with their previous experience.

Service quality is the evaluation from the perception of the consumers in the aspect of excellency or superiority of service (Zeithaml, 2000). Service quality is also the entire experience that can be evaluated by the service recipients using indicators to identify the levels of their satisfaction on the service in order to present the best or the most satisfying service. Thus, it is vital to understand what the customers actually wanted or expected. This is known as exactly wants or preferences. It is also important to understand what makes the customers feel delighted or appreciated. This is the condition when the customers receive the services that go beyond their expectations (Shafiq, et al., 2019).

The evolution of the service quality concept in Thailand

The evolution of the service quality in Thailand can be explained that service quality is the factor leading to competitive advantage of the business, the satisfaction of the customers and the decision to use the services. Parasuraman, Zeithmal and Berry (1985) began to study and develop the service quality affecting competitive advantage of the business. The factors in the study consisted of 1) the reliability in the attributes or the standards of the services 2) the responding to the needs or feelings of customers 3) service capabilities and competencies consisting of service knowledge, expertise and accuracy in providing services in the context of the business 4) easy access to the services 5) politeness, gentle, respect and good service etiquette, 6) the ability and integrity of the information to communicate and build relationships with customers allowing the customers to know and fully understand the information of the service 7) reliability that indicates the credit of the service providers and the business 8) the feelings of security of the customers during the service or while waiting for service until after using the service 9) the understanding of customers besides their expectation and the differences of each individual and 10) building physical awareness of service factors.

The research mentioned above was used to develop an instrument to measure service quality known as “SERVQUAL” by Zeithaml, Parasuraman and Berry (1990) who studied the quality and quality service management since 1983. While they were conducting studies related to service quality, only a few pieces of
research on the same issue were found; however, a number of studies on product quality were found. This became a channel for them to further develop survey research about service quality that was studied for 7 years. Since 1983 to 1990, the study was divided into 4 phases. To begin with, a qualitative research were conducted. The data were collected from clients and service providers of leading private companies and the results were used to develop the service quality model. The following phase was an empirical research focusing on the clients. In this phase, a service quality assessment tool called SERVQUAL was developed and implemented. The criteria were improved and use to judge the service quality based on the perception and expectation of the clients. This included the result of the users evaluating the service quality, called "Perceived Service Quality" that can be assessed and evaluated after the service users have received the services.

In Thailand, the research was also being used for further study. Jampathong (2010) studied the expectations and perceptions of service quality of the users of government hospitals in Thailand. A comparison study was conducted on two cases which were during the recognition of service quality before and after using the service and between the expectations and service quality perceptions of patients after using the service quality assessment model. Tosanga (2010) applied the 10 aspects of the concept of service quality assessment of Parasuraman, Zeithmal and Berry (1985) to study the expectation and perceptions of wellness spa users in Bangkok. It consisted of 1) reliability in responding to needs 2) expertise 3) ease of access to services 4) friendly communication 5) safety 6) confidence 7) customer attention 8) tangibility 9) politeness and gentleness and 10) understanding of needs. Besides, a study on the influence of service quality on other factors was additionally studied. Sathantripobet.,al (2017) studied the relationship between perceived service quality and perceived value and image of commercial aviation services in Thailand. The study was conducted with 755 Thai customers using low cost airlines. The results demonstrated that service quality had a direct influence on the image of the airline including the perceived value of the service. The model of Zeithaml, Parasuraman and Berry (1990) consisted of 10 aspects of the concept of service quality assessment was adapted to 5 aspects that were used to analyze the service quality. From various concepts studied in many contexts together with many variables, the concept of service quality studied in Thailand illustrated the result of the efficiency of quality service clearly. It can be seen that the service quality known as SERVQUAL was applied. According to the above literature review, there are factors affecting the service quality in many aspects. Therefore, it can be concluded that the quality of service depends on the factors leading to the perception of the customers that can trigger the quality of service and this has resulted in the business competitive advantage in the long-term of wellness spa business.

Business Competitiveness in the context of the Wellness Spa Business in Thailand

The business competitiveness is comprised of efficiency and effectiveness in the process of service providing that is better than the competitiors resulting in the survival of the business operations. In this regard, the business competitiveness is that any business has superior and
differenc capabilities than other businesses. The ability to compete in business is a part of the competency resources that are superior to the competitors as well (Mooney, 2007). There might be many aspects of the business competitive ability in terms of better operational system, more modern technology, excellent service, lower cost and the ability to create value for customers (Barney, 1991). The potential of the business is to make a difference to the service by making the service more unique and valuable than its competitors or the ability to make the lower cost or even both (Porter, 1985). Moreover, Thai scholars added that specific strategies will focus on specific markets. Thus, the business competitiveness consisted of various external factors such as creating a competitive advantage from cost leadership strategies or creating service differentiation. Further, there were various internal factors that focus on the resources and the ability of the organization to effectively manage resources within the organization leading effective business performance and the ability to respond to customers' needs more quickly and with higher value than competitors (Mongkolchaia ranaya, 2014).

In wellness spa business, it was discovered that the business competitiveness is not different from other groups of business in other contexts. The business competitiveness of wellness spa requires fast service to meet customers' needs in time and service business uses less time than manufacturing industry. This is one reason why service businesses are able to respond promptly (Sakhonkaruhatdej and Jantaraj, 2019). In addition to this, the wellness spa business must make a difference in terms of service and the difference must create value and impress the customers before using the service, during the service and after using the service (Davinson et al., 2019).

The relationship between the quality of service and the competitiveness of wellness spas

Service quality determines business performance. Effective service quality will bring profitability. Higher returns come from the customer satisfaction that they are willing to pay for the service quality (Aliman and Mohamad, 2016). There is a great amount of research that supports this concept. Parasuraman, Zheitmal and Berry (1985) explained the principles of service quality in the model known as SERVQUAL which is considered to be service quality indicators focusing mainly on the customer perspective. Collins (2017) used SERVQUAL to conduct research and discovered that the service business prioritize customers' needs, building confidence, paying attention to the image and the reliability to use the service. These will impress the customers who used the services. Creating the impression after using the service is the business competitiveness of wellness spa. This concept goes in line with the concept of Ghebremichael (2018) who proposed that the business should pay attention to the quality of service and the business will get the returns in the forms of profit, return on investment and customer satisfaction.

Service quality is one of the crucial factors for service business in Thailand. Thai researchers have also studied service quality and the business performance. It was found that service has a statistically significant impact on business performance and this goes in line with the study of Soisingha (2016) who studied satisfaction from the service quality from the SERVQUAL model consisting of responding to customers, giving confidence to
customers, customer care, image and credibility affecting the increase in satisfaction of service. This is in accord with the research of Wannasook (2013) who discovered that service quality factors and marketing strategies were important for customer satisfaction and repeated use of the service. Service quality factors had a direct effect on satisfaction and resulting in repeated use of the service in terms of repurchasing, word of mouth, and not bargaining the prices.

To conclude, service quality affects business competitiveness. That is to say, if the wellness spa business wants to increase its competitiveness, it should begin to create or improve effective service quality in order to be able to compete in the market.

The application of service quality concepts to build competitive capability in other contexts

SERVQUAL service quality model focuses on creating reliability in the attributes or the standards of service, responding to the needs or feelings of customers, building capacity and service capability, easy access to the service, politeness, gentleness, respecting and good service etiquette, the ability and integrity of the information to communicate and build relationships with customers, the reliability of service providers and service businesses, secured feeling, customer understanding and building physical awareness of service factors (Parasuraman, Zheidmal and Berry, 1985).

According to the literature review, it was discovered that the mentioned service model was used in other kinds of services businesses. In the aviation services, the SERVQUAL model was applied as an airline service guideline of Iran Airlines. It is found that the SERVQUAL model has a positive effect on service efficiency and passenger satisfaction (Hamidreza et al., 2019). Moreover, it was found that in the sporting business sector, SERVQUAL was applied to the management of the fitness center and resulting in increased competitiveness (Davinson et al., 2019). Moreover, the SERVQUAL model has been adopted as a guideline for medical services in Malaysia. In this research, the data was collected from the patients who admitted to the hospital and received the service using the model SERVQUAL. The results showed that the satisfaction in using the service was higher than the service before using the SERVQUAL model in the service (Zun, 2019).

Government rail service in Bangladesh also applied the SERVQUAL service quality model to the train service by measuring the quality of service on the train from people using the service and using the data to improve the service to create a good impression on using domestic train service. The result of the research showed that the service quality based on the SERVQUAL concept affected the repeated use of services and the satisfaction in using the service (Alam and Modal, 2019).

In Thailand, it was found that the SERVQUAL model was used extensively in the study of service sector. According to the research of Leelataypin, et al. (2012) who conducted a research on government hospital services in Bangkok. The data were collected from the hospitals using the SERVQUAL service quality model and compares with the hospitals that did not implement the model. It was found that the hospital services using the SERVQUAL service quality model and the hospital that did not use the SERVQUAL service quality model had a statistically significant difference of 0.05. The mean satisfaction of the
hospitals used by SERVQUAL was higher than the average. In summary, SERVQUAL model has been applied in many services businesses in Thai and other countries. It is also indicated that SERVQUAL model has triggered the increased satisfaction and the increased competitiveness.

**Suggestion**

As SERVQUAL model has developed and implemented extensively in service businesses, it was found that the model can determine the effective service quality and it can be applied to other kinds of service businesses besides wellness spa business. With SERVQUAL model, the service efficiency together with business competitiveness will be increased (Davinson et al., 2019). Applied to the business sector, it can be seen that the SERVQUAL service quality model places a high priority on the processes that occur directly to customers or service users. Therefore, it requires the collaboration of all levels in the organization that must support one another to enable the effective service quality.

For Thai service businesses, it can be seen that the model has been used to measure service quality in various parts. It was noticeable that most of the Thai service businesses have used the model as a framework and scope of services but it still lacks in creating and developing the concept to suit the identity and context of each business. Therefore, the service businesses are unable to build the clear competitiveness. Therefore, if the service businesses in Thailand want to adopt the SERVQUAL concept, they should focus on the conceptual framework that is consistent with their business identity.

Using the concept of SERVQUAL service model to further the academic research and create empirical research is another way to develop the model to suit other business contexts of Thailand in the future. This also includes a study in the context of an industrial business in which services are used in conjunction with product sales in order to see the effectiveness of the SERVQUAL service quality model whether they have different effects when the business model changes.

**In conclusion**

Service business in Thailand is considered as one of the main businesses driving the country's economy both in terms of tourism, accommodation services and supporting various industries. Service businesses are also the businesses that can be developed and innovated in a short time when compared with the businesses in the industrial sector. In consequence, the competition in the service sector of Thailand is extremely fierce. Thus, the study of creating and developing the competitive capability in the service business is important to drive the service business in Thailand now.

The SERVQUAL service quality model has therefore been adopted as a framework for determining service quality that can create a competitive edge for the service business. The SERVQUAL model consists of 10 service dimensions which are 1) the reliability in the attributes or standards of service 2) responding to the needs or feelings of the customers 3) the ability and performance of the service 4) the service 5) politeness, gentleness, respect and good service etiquette 6) the ability and integrity of the information. 7) the reliability. 8) safe secured and comfortable feeling 9) understanding the customers and 10) creating physical awareness. All these dimensions are
factors that can increase the competitiveness of the wellness spa business in terms of creating value for the customers as well as creating the impression from outstanding services and the speed of the service.

Not only this quality-of-service model enhances the competitiveness of the wellness spa business, but the literature review shows that other service businesses also use the service quality model of SERVQUAL in creating a service identity for a business and being able to concretely create and develop a competitive ability (Davinson et al., 2019).
References


