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### ASSESSING THE ATTRACTIVENESS AND ABILITY OF THE COMPETITIVENESS OF MEDICAL TOURISM DESTINATIONS IN AZERBAIJAN (ON THE EXAMPLE OF NAFTALAN)

*Purpose:* The main goal of the article is to identify the prospects for the improvement of health tourism, which is a priority field of tourism in Azerbaijan, and the application of unique treatment opportunities in Naftalan.

*The main methodological basis* of the article is the existing theories and new approaches in health tourism. Health is a theoretical-methodology from tourism to medical, spa-health, thermal and third age group, as an alternative service area for disabled people. In addition, the TDRC model was studied in assessing the competitiveness of the destination in terms of economic, social and physical benefits.

*Result:* The socio-economic effects of the improvement of Naftalan treatment and health destination, the role of organisation of employment of the population, the conducting the international certification to boost the attractiveness were mentioned. The marketing strategy of the destination was analyzed, the directions of social media marketing were indicated, the arrangement of manufacture and sale of cosmetic products belonging to the Naftalan brand were investigated. At the same time, the preparation, marketing and sales opportunities of short, medium and long-term packages belonging to the Naftalan destination were analyzed.

In order to increase the competitiveness of Naftalan as a health tourism destination, it is essential to gain international certificates, the city should be a member of the International SPA and the European Association of Thermal Cities.

*Scientific innovation:* For the first time, the article evaluates the competitiveness of Naftalan, the international certification of medical services, and analyzes the main attractive advantages. At the same time, the preparation of short, medium and long-term tourism packages, the organization of leisure services are among the scientific innovations of the article.

*Keywords:* health-treatment tourism, sanatorium, branding, Naftalan, destination, balneological resource, profitability, attractiveness, infrastructure, hospitality, investment, SPA, leisure time, economic growth, marketing.

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### ОЦЕНКА ПРИВЛЕКАТЕЛЬНОСТИ И ВОЗМОЖНОСТИ КОНКУРЕНТОСПОСОБНОСТИ МЕДИЦИНСКОГО ТУРИЗМА В АЗЕРБАЙДЖАНЕ (НА ПРИМЕРЕ НАФТАЛАНА)

*Резюме:* Цель: Основная цель статьи - выявить перспективы улучшения оздоровительного туризма, который является приоритетной сферой туризма в Азербайджане, и применения уникальных лечебных возможностей в Нафталане.

*Основной методологической основой статьи* являются существующие теории и новые подходы в оздоровительном туризме. Здоровье - это теоретико-методология от туризма до медицинской, курортно-оздоровительной, термальной и третьей возрастной группы, как альтернативная сфера услуг для людей с ограниченными возможностями. Кроме того, модель TDRC была изучена при оценке конкурентоспособности дестинации с точки зрения экономических, социальных и физических выгод.

*Результат:* Отмечены социально-экономические эффекты улучшения нафталанского лечения и оздоровления, роль организации занятости населения, проведение международной сертификации для повышения привлекательности. Проанализирована маркетинговая стратегия дестинации, обозначены направления маркетинга в социальных сетях, исследована организация производства и продажи косметической продукции бренда Naftalan. В то же время были проанализированы подготовка, маркетинг и возможности продаж краткосрочных, среднесрочных и долгосрочных пакетов, относящихся к направлению Нафталан.

Чтобы повысить конкурентоспособность Нафталана как направления оздоровительного туризма, необходимо получить международные сертификаты, город должен быть членом Международного СПА и Европейской ассоциации термальных городов.

*Научная инновация:* Впервые в статье оценивается конкурентоспособность Нафталана, международной сертификации медицинских услуг, и анализируются основные привлекательные преимущества. При этом подготовка краткосрочных, среднесрочных и долгосрочных туристических пакетов, организация досуговых услуг относятся к числу научных новшеств статьи.

*Ключевые слова:* оздоровительный туризм, санаторий, брендинг, Нафталан, дестинация, бальнеологический ресурс, доходность, привлекательность, инфраструктура, гостеприимство, инвестиции, СПА, досуг, экономический рост, маркетинг.

*Relevance.* The concepts of health, wellness and medical tourism are used as the same meaning in many cases. Health tourism refers to travelling from one residence to another for the purpose of providing

medical services relating with various tourist (entertainment) services, as well as the utilisation of health services offered to improve a person's physical and mental condition. In the scientific literature, medical and wellness tourism are considered as subcategories of the health tourism [3].

The development of the medical tourism is one of the main priorities among the types of tourism for our country. Adoption of the Law of the Republic of Azerbaijan "On natural treatment resources, health resorts" and "State Program for the Development of Resorts in the Republic of Azerbaijan for 2009-2018", "Specialized Tourism Strategy in the Republic of Azerbaijan , Roadmap for the Development of Tourist Industry" highlights the relevance of this area [1].

The requirement for the health tourism is formed by domestic and foreign tourists. According to the given information by the State Statistics Committee, 2.8 million foreign visitors visited Azerbaijan in 2018. 2.6 million of the 2.8 million foreign visitors visited country like tourists. 63.1 thousand of them (2.42%) come to the country for health tourism [2].

The majority of users of the health tourism facilities are domestic tourists. Domestic tourists are mainly employees of budget-funded organizations. They come to sanatoriums mainly on the basis of referrals provided by the Confederation of Trade Unions. Thus, many sectoral trade unions united in the Trade Union Confederation receive a certain quota of tourist journeys to health facilities. Then, through the trade union representative in the enterprises they cooperate with, they provide referrals to the employees of the enterprises. The number of citizens of the country using health tourism products is more than 200,000, the main part of which consists of patients who come to medical institutions individually [10].

*Methodology.* There is not a universally agreed and globally defined definition or a model that fully explains the competitiveness of the tourism destinations. Some researchers, such as Artal and Kozak, Iniesta-Bonillo, Sanchez-Fernandez and Jimenez Castillo, rely on the indicators of the sustainability for explaining the competitiveness of the tourism destination. Other researchers base on other indicators, such as customer's expectations, tourists' desires , their satisfaction and motivation, attractiveness of the place (encouraging and provocative factors), reputation of the city and dependence on it, the level of smart management in the city, investment in technology, the creation of the value and potential of the requirement [7].

Therefore, it is admitted that the "competitiveness" of any destination for research is a "multifaceted concept of area that requires advantage in various aspects". In this context, the destination is considered competitive, if it attracts potential tourists and provides their satisfaction. Such kind of sustainability of the competition is determined by both the specific factors in tourism and the impact on service providers in the tourism sector. According to Richie and Crouch, the competitiveness of a destination depends on the following factors [10]:

- The opportunities for increasing the revenues of the tourism;
- The opportunities for regular tourist reception of the tourists;
- Providing the entertainment and experience / adventure;
- Ensuring the profitability;
- Ensuring a good living standard for the local residents;
- Protection of the natural environment;

The concept of competitiveness is perceived by people variously: if a person evaluates the tourism perspective of the destination (attractiveness), another person evaluates the perspective of that area as a destination (competitiveness). The dual analysis of these a couple of the concepts provides a unified approach to the development of the Competitiveness and Attractiveness (CATD ) level of Tourism Destination. The CATD is defined as "the ability of any destination to provide social, physical and economic benefits to the local inhabitants, at the same the ability of providing satisfactory experience for the tourist". The CATD model demonstrates that supply factors according to the destination and tourist demand factors contribute to the creation of a thriving tourism environment and can be used satisfactorily level [8].

The relevant research in the field depicts that there is a direct link between the development of tourism in the region and the living standards of the local inhabitants. Every society faces with the question of how to ensure the best well-being and standard of living of its citizens. The development of tourism triggers the development of the society. If it is regulated properly, tourism could alter an important mechanism for achieving more social goals. From the point of view of sustainability, it seems that the development of tourism within the possible capabilities of ancillary ecosystems can have a positive impact on the living standards of the residents of the destination.

*Discussion.* As an object of the research the development strategy of Naftalan medical-health tourism is taken mainly. This study examines the impact of destination on the development of tourism and people's living standards in the following areas [2]:

- Development of the infrastructure
- Economical and social benefits
- Protection of nature, culture and heritage
- Medical-health and safety issues
- Hospitality
- General social responsibility

Development of the infrastructure. The population of Naftalan city is more than 15000, and their main occupation is treatment and health care. The sub-infrastructure of the city is relatively affordable. There are a centralized sewage system, permanent water and electricity supply, and road infrastructure in the city. The length of the roads in Naftalan is 12,5 km, and the main parts of which consists of 3 rd grade asphalt. The 18 km long highway to the Baku-Ganja highway in Naftalan has been overhauled. New asphalt pavements were laid on the streets and roads of the city, modern light poles were installed to illuminate the roads and streets. The city's centralized supply system also creates favorable conditions for infrastructure. A post office and a telecommunication center are run in Naftalan, which belongs to the sub-infrastructure.

Economic and social benefits. The development of medical and health tourism in the city of Naftalan has allowed boosting employment and the establishment of new income areas. There are 5,9 thousand economically active people in the city, that about 40% employee in sanatoriums and resorts. Totally, 446 economically active people were provided with permanent jobs in medical centers located in the city. During the season, the number of people employed under the contract is 764 people, and those who directly use the resort services are 832 people[2].

Local people are generally in the service section in the main health resorts , the sanatoriums operating in the city of Naftalan are one of the leading operating health resorts in the country. The number of resorts in Naftalan reaches 11, with a total number of rooms is about 2,000. Sanatoriums operating in Naftalan have a higher level of service potential at the international level. Oil treatments with the miraculous Naftalan oil are used for treating more than 20 diseases. Currently, “Chinar” , “Gashalti” , “Karabakh”, “Naftalan”, “Mocuzeli Naftalan” ( Miraculous Naftalan) , “Sehirli Naftalan”( Magical Naftalan), “Kapaz” and other resort centers offer modern services in Naftalan.

It is also planned to build several health centers in Naftalan in a future perspective. An analysis of the dynamics of users of treatment centers in Naftalan shows that the number of both local and foreign tourists has increased. Taking this into account, the suggestion of the new services in Naftalan resorts permits to maintain the dynamics of visiting tourists. Tourism prevails main occupation field in the employment of the population of Naftalan[3].

The arranging of additional services to grow the ability of international competitiveness of Naftalan sanatoriums, the launching of the new resort destinations, the organization of marketing and advertising might allow to attract massive tourist flows. By studying the international experience here, developing the range of resort products, planning tours at different periods and improving transportation opportunities could increase its competitiveness.

The dynamics of users of Naftalan resorts shows that their number has increased in recent years. The fact that the number of overnight stays exceeds 70,000 and the average annual growth rate reaches 15-17% is thank to the improvement in the level of provided services. Boosting number of foreign tourists visiting the resorts of Naftalan has also ensured this dynamic. Thus, while the number of overnight stays by foreign tourists was 890 in 2010, however this figure was more than 31,000 in 2015 and more than 50,000 in 2018 [2].

Generally, the analysis of sanatorium-resort tourism in the country depicts that, it possesses rich balneological resources and contemporary infrastructure areas for its development. The choice of resort-medical tourism as a priority in the country has been reflected in the improvement in preferential investments in this area over the past seven years; thanks to this modern medical facilities have been constructed and put into operation. Restoration of the old sanatoriums and provision of modern equipment is also a manifestation of this development.

For the development of a creative strategy in the medical tourism in the country is possible by studying the international experience and its implementation after ensuring the above-mentioned sequence of opportunities. In this regard, the development of the Naftalan brand can be considered more creative, as it covers the above mentioned stages. Here it is important to take measures to ensure better and professional

performance of the resort destination. Branding allows the customer to get more detailed information about the product. At the same time, it leads to the formation of a unified image at the global or a local level, as well as permits to overcome the crises with the minimal damage[12].

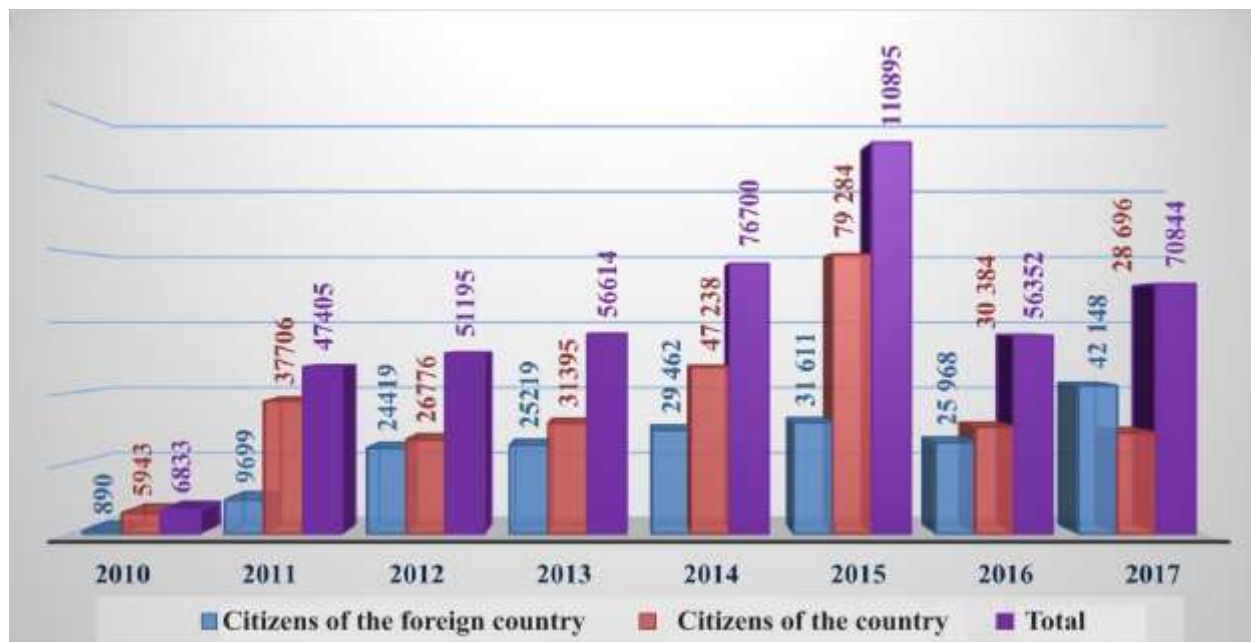


Fig 1. The number of the overnight stays in the resorts in Naftalan city ( the number of people)

Source:[2]

- The media strategy of products in Naftalan resorts is accompanied by both info tours and online advertising. It would be effective to establish a centre for communicating to the target groups of the Naftalan resorts, to prepare a financial plan and determine a budget. This center would serve to form an effective and efficient media support for Naftalan resort products, implementing of ideas, the development of the format of advertising messages for ensuring the advantages. The right media policy would create better conditions for the brand to advance in the market here.

- The promotion of the brand and its monitoring. The final direction of the formation of the Naftalan brand may be its promotion and assessing it based on the monitoring of the results. The visual presentation of the brand, the usage of comparative opportunities in the organization of advertising the products and their monitoring, the analysis of the current situation is essential. Although the effectiveness of advertising in the branding of Naftalan resort products is high in recent years, there are problems in its implementation and online advertising. The discrepancies in the pricing policies of various booking companies and travel agencies are due to the lack of effective advertising.

-Production of cosmetic products based on Naftalan healing oil. For this goal, it is necessary to study the composition of new make-up products using therapeutic oil and identify opportunities for their application in treatment and cosmetic services. It should be noted that the utilization of cosmetic products in the SPA services used in medical tourism is also possible, which may lead to an increase in the export potential of these commodities and could cause their implementation in other health care facilities. Thus, the healing oil of Naftalan is currently widely used in the resorts of European countries, for example, the resorts of the Czech Republic and Croatia could be noted particularly[9].

-Branding of the cosmetics, medicines and other products based on Naftalan oil. It would be expedient to organize the packaging and marketing of Naftalan oil goods and determine their sales channels. Ensuring that European organizations obtain a certificate from the international institutions confirming the therapeutic value of Naftalan oil for the approval of standards and therapeutic properties of these products, in particular, will promote its branding.

- Promoting the utilization of Naftalan therapeutic products in Azerbaijan and international health centres can stimulate its production. It might support the application of these products in SPA centers. Organizing info and formulas from Baku to Naftalan can play an important role in its PR and advertising.

*The result.* According to the result of our study, the following results were gained:

- In order getting an international certificate International SPA Associations have been able to boost the attractiveness of the oil of Naftalan as natural healing resource for tourists from Europe and other countries in the region. Obtaining an international certificate for the oil of Naftalan could play an important role in its advertising and attracting foreign tourists, trigger to the manufacture of the medical cosmetics as well .

- It would be more effective to study the international experience to ensure the improvement of international resort and health tourism in Naftalan city, to form new service areas aiming at developing its competitiveness, to offer package health tours for citizens of target countries.

-Considering countries like Georgia, the Russian Federation, the Ukraine, which offer spa treatment services traditionally and expertise in the resort tourism field, they possess a traditional customer base, all these factors rise the competitive environment in the region. From this perspective , it might be noted that the rising of SMM services, the promotion of resort products as a package form can be more effective in the development of the new Naftalan resort destinations in our country.

- The formation, marketing and sale of short, medium and long-term package tours as one of the directions of improving medical services in the Naftalan resort destination would allow attracting international tourist flows.

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