

GUESTS SCIENTISTS¹

A CASE STUDY OF INNOVATIVE WELLNESS TOURISM: THE CASE OF RP VACATIONS, NETHERLANDS

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INTRODUCTION

According to Peter Drucker (1985), innovation is the specific tool of entrepreneurs, the means by which they exploit change as an opportunity for a different business or a different service. Entrepreneurs need to purposely search for sources for innovative opportunities, and they need to apply the principles of successful innovation. Roompot Parks in the Netherlands represents an example of classic entrepreneurship in that the owner sensed an opportunity to capitalize on the renewed interest in health and wellbeing, and over time, developed an innovative program which pulls tourists to Roompot Parks for the primary purpose of wellness facilities and programs. This paper highlights the findings of this single case study, which includes a semi-structured interview with the current manager of RP Care and RP Wellness, along with previous research undertaken by the lead author four years ago when the concepts were developing. In so doing, the study explores the relationship between health, wellness and tourism perspective through an entrepreneurial perspective.

Background – Roompot Parks

The Dutch are keen campers (Klemm & Rawel, 2001), and as a result, there are between 400 and 450 recreational home parks in the Netherlands. Roompot is the third largest holiday park operator in the Netherlands and considered to be the market leader in ‘sea park’ holidays along the Dutch North Sea coast, known for its variety of offerings that range from holiday bungalow parks to traditional camping grounds.. The two larger companies include Pierre & Vacances and Landal Greenparks. Pierre & Vacances, a French company, is the largest actor in the Netherlands holiday park market, offering brands that include Center Parcs, Free Life and Sea Spirit. Landal Greenparks have a strong emphasis on nature and space. Competition is not limited to just the other holiday park operators. It also comes from external sources, as new long haul and exotic destinations, often in less developed countries, attract travelers who may be seeking alternatives (Buhalis, 2000). Roompot is keeping a close eye on the trend towards the growth in low-cost air travel to foreign markets, realizing that these vacations may be more affordable than a week spent at a Roompot Park. This scenario, i.e. competing with ‘more glamorous’ international travel is also a challenge for other holiday parks, as shown in ongoing research into innovation in Australian holiday parks.

Roompot Parks began has grown over a 45 year period from an initial local family camping business to an enterprise that now operates 46 parks, 40 of which are in the Netherlands, and six in Germany.

¹ *Re-edited with permission*

Combined, the parks offer a total of 3,450 holiday bungalows, 1,800 mobile homes, 5,950 campsites, and 400 marina slots. All the parks are positioned in the mid to higher end of the market, attracting families and mature couples seeking quality facilities and services. While the supply of accommodation had been the company's core activity, the company had a change in direction in 2002, focusing on being a full-service provider of all-inclusive

holidays. The strategy was designed to enable Roompot to capitalize and expand on its existing customer base. Enlarging its product portfolio and service offering enabled Roompot to clearly distinguish itself from its competitors. In 2010, Roompot Parks sells vacation accommodations in over 100 resorts and campgrounds, across Europe, including 55 resorts in the Netherlands, 50 resorts in France, 16 resorts in Germany, 5 resorts in Belgium, 3 resorts in Denmark, and 1 resort in Poland. Locations in Italy and Spain are under current negotiation.

Roompot's second area of expertise lies with tour operating. Roompot has developed the capability of selling its holiday offerings through its own direct distribution channel called Roompot Vakanties. Perspective customers can book a vacation through three channels, including:

1. Direct sales via Roompot's booking centre – remains the most popular method
2. Direct sales via the Internet – increasing in popularity
3. Indirect sales channels through various intermediaries including international travel agencies (for resale).

Innovation is not new to the company. It has been the first to develop a new product or service on many fronts including being the first in the Dutch industry to introduce on-line reservations for a holiday bungalow or campsite. The company is now in the unique position of being able to act as a consultant, offering its expertise to other operators in the industry. Introducing a new product or line of services will only benefit Roompot if it can propel the new offerings into economic and competitive advantages (Walder, 2006). The company however understands the lag time and effort required prior to seeing any results from its efforts.

The firm has experience with diversification, growing from its initial campground to the point where it now offers a range of services including holiday reservations, real estate development, construction, retail and insurance. The net financial result has seen sales almost double from EUR 68.4 million in 2002 to EUR 118.4 million in 2004 (Bencis, 2005). Very few SMTEs can boost such growth within such a short period of time. In 2009, Roompot Parks turned over EUR 225 million. Its parks attracted 1.3 million guests, who stayed approximately 7 million nights.

METHODOLOGY

In order to gain insights, it was essential for Roompot personnel to speak to the concept of wellness tourism within their parks in their own words and from their individual perspectives. This study therefore employed qualitative methodology where the research tool comprised of a single case study based on semi-structured interviews with two individuals with specific connections to the program. The first interview was conducted in 2006 with the visionary staff person who was instrumental in developing the concept and a follow up interview in 2010 with the current manager overseeing RP Care and RP Wellness.

RP Care

Johannsson (2004) suggests the best chance to innovate is found in the 'intersection' – a connection between two different fields. Roompot has clearly found the intersection, by merging health care and vacations, within its existing operation. The result is known as RP Care, yet another extension of the Roompot offering. RP Care is an innovative modular extension of Roompot Vacations, providing guests (both domestic and European Union) to obtain a variety of quality health and wellness services while also

enjoying a Dutch sea and sand vacation. RP Care has been established in part in response to the international focus of health care tourism, in particular, the number of Dutch, German and English who travel abroad in response to long waiting lines and/or electing to undertake elective medical procedures while on vacation. Roompot felt that it could expand on its initial entry into the health care, started five years ago with the offering of kidney dialysis at the Banjaard, a five-star holiday bungalow park, located 10 kms from the first established Roompot Park. The kidney dialysis service stemmed from the local hospital's inability to service the needs of an expanded vacation market and local knowledge, as the founder of Roompot was a member of the local hospital board, was therefore aware of both the need for additional dialysis service and the hospital's desire to establish an off-site clinic. Thus in true entrepreneurial spirit, a separate building was constructed within the park to house the dialysis service. Patients no longer had to travel to and remain in a hospital for the procedure. Rather they have the option of visiting the clinic three times a week, for 2 weeks, enjoying a non-sterile, relaxed but professional environment. Appointments can be made on line through the Roompot Vacations website, with the knowledge that the onsite medical staff are all associated with the local hospital.

The dialysis service is a radical innovation amongst holiday parks that traditionally offer recreational opportunities to a variety of markets. However, previously, the mature market has been viewed simply as a market opportunity based on their numbers only, as no serious efforts have been made to alter the product mix in order to attract and retain a larger percentage of this market. Roompot/RP Care has. The success of the kidney dialysis service has led Roompot to extend its modular service offerings into care and cure, augmenting the existing recreation facilities. Thus RP Care was created. However, the creation of the service has not come without any difficulties. At first, it was a difficult sell getting medical professionals to partner with RP Care. But Roompot's founder understood the value of networks, both in and outside of the business (Grukke, 2005). Based on his relationships with external organizations, including the local hospital board, he managed to create the necessary interest in the offering. In 2010, professional personnel from the local hospital staff the dialysis center, but a local doctor also spends a day now visiting the park booking appointments with park guests. Other doctors are inquiring about participating in the program.

Table 1 outlines the modular services and amenities planned for various Roompot locations within Zeeland in partnership with local health providers. A clinic specializing in plastic surgery is intended to be located in Goes, centrally positioned close to other Roompot parks and the regional hospital. The location is of benefit to both doctors and patients, who will be able to convalesce in a quality holiday setting, with family and/or friends.

The strategy to focus initially on the province of Zeeland is based in part on local knowledge of health care providers, networks and also represents the location of Roompot's base of operations. The strategy can be expanded into other provinces within Holland based on local success and learning curve.

Recreation Care Cure

- Fun stuff
- Care facilities
- Conference facilities
- Pools
- Sauna
- Plastic surgery
- Cosmetic
- Orthopaedic

- Eye
- Pain reduction
- Radiology
- X-rays
- Physiotherapy
- Preventative
- Therapy
- Sauna
- Nutrition
- Acupuncture

The strength of the concept is based on various factors. First, Roompot has essentially created a win win situation for a variety of players, including local hospitals, health insurance companies, individuals and for its own corporate opportunity. Local hospitals can now partner with a reputable private sector business to continue to offer its services but within a decentralized framework.

Health insurance companies benefit from the preventative nature of the services, and the solid reputation of Roompot to deliver quality care. It eliminates the uncertainty attached with travel to Asia or other areas of Europe. The individual benefits from the opportunity to avoid lengthy waiting lists, select the necessary service from the extensive offering, and to recuperate in a comfortable location, where family and friends can visit, recreate, and remain in the Netherlands.

Roompot is the other winner in this situation, using a radical approach to capitalize on disruptive social trends. The development of RP Care capitalizes on the aging population in a manner far removed from what the competition has considered. This competitive advantage can also be sustained as Roompot has first mover advantages with government health care providers. In addition, the addition of RP Care addresses the issue of seasonality head on through the introduction of a new service line and market that may otherwise not frequent a Roompot Park.

Facilities and amenities designed for use during the busy summer months now will be occupied and used during the spring and fall, raising occupancy rates, and creating new opportunities for programs and events. Current estimates suggest that two to three percent of Roompot patrons utilize RP Care services. That number is expected to grow to ten percent as a result of promotion efforts and the demographic changes noted earlier – older population will seek out care at Holiday Parks The addition of RP care sends a clear message to the loyal customers who have frequented a Roompot park over several summers – we're not abandoning you as you age. In fact, we want to keep you as a customer, so we've developed new programs designed with your needs in mind. The modularity of the three cornerstones – recreation, cure and care provide the flexibility for application to a diverse set of circumstances. Health services can be added to a vacation or conference. Convalescents can recover in a comfortable setting, knowing their needs are looked after, and the care is available locally.

Roompot's decision to capitalize on disruptive social trends, focusing on collaboration – aligning, exchanging, and leveraging opportunities (Dvir et al, 2004) builds on a modular business model. Such a modular approach gives the company the capability to couple and decouple service delivery on demand, based particularly on three building blocks – recreation, cure, and care. On demand business enables a customer to connect in a flexible manner – for instance health services to a holiday or vice versa, contingent on his/her circumstances or personal preferences. It offers convalescents a sense of security that they can recover in a comfortable setting, in the knowledge

that their needs are looked after in a professional manner. The introduction of its modular business model enabled its subsidiary RP care to thrive in an intensely competitive tourism environment. It also demonstrates Roompot's leadership in the trade and beyond, particularly that a radical innovation approach can bring rewards well worth the risk.

In 2010, RP Care facilitates care, cure and wellness opportunities through partnerships with various health oriented organizations. For example, it provides facilities for disabled guests, kidney dialysis, accommodations for people with allergies, and automated external defibrillators at certain properties. It provides arrangements for home care, medical equipment, and health checks for those vacationing at a Roompot Park, thereby leveraging its strengths as a Holiday Park chain, with the wide range of health service partners. The number of requests to capitalize on these facilities and services is growing, as noted in the increased bookings from 2007 to 2009, illustrated in Table 2.

2007 2008 2009

Bookings for adjusted accommodations: 3,500 4,800 6,000

Bookings for home care and medical equipment: 279 597 799

Bookings from foundations and organizations: 833 1,081 1,387

Table 2 – Increased RP Care Bookings

The results showcase a growth in patron response to capitalizing on the opportunities for care and wellness facilities and services, a trend which is expected to grow as awareness of the program is extended. The actual number of bookings may appear to be low, but the program itself is quite unique, given that care, cure and wellness are not automatically associated with a caravan or holiday park experience. The bookings provide opportunities for increased business for the parks during the shoulder periods, a time when "holiday" patronage has decreased substantially.

As with many innovations, there is a test and measure component to the implementation of the program. Currently, five resorts within the Roompot Parks 'chain' have wellness centres, two which are directly managed. The other three are parks within the RP Parks vacation umbrella, i.e. vacation bookings. The overall success of the existing wellness programs will impact future extension of facilities, services and partnerships. Broadly speaking, however, it is anticipated that the program will continue to grow, given the needs of an aging population, the opportunities to provide an enhanced visitor experience, and additional business opportunities for the parks themselves.

CONCLUSION

RP Care represents a classic example of radical innovation in the sense that the concepts are very unique – i.e. spending your vacation at holiday park for various care, cure and wellness programs. The vast majority of holiday park operations shy away from introducing radical innovation. They are aware of changes in demographics, economics, and environmental factors, but remain hesitant to initiate new ideas. The concepts generally require a substantial cash investment up front which, by itself, is a limiting factor for many. Initial returns are limited, as illustrated previously with the relatively small, although increasing, number of RP Care bookings. Radical innovation is a risky undertaking, given the longer term payback, and non availability of benchmarks to assist with concept development. To that end, the concepts discussed in this paper must be taken into context. The overall idea is very novel to the industry, and time is needed for the program to expand to fulfill its potential. Risk has been mitigated to a degree through limiting the number of parks that offer the facilities, and through partnering with a variety of wellness associations. Nonetheless, the concept has attracted academic interest in the areas of innovation and entrepreneurship (Go and Israels, 2010) and practitioners. A group of Australian holiday park operators are scheduled to tour the wellness facilities in mid-September as part of their study tour of European parks

who offer health and wellness activities. Thus in keeping with Rogers (1962) model of innovation diffusion, the concepts of RP Care may inspire strategic innovation to take hold in other geographic regions, where it may become a norm to have health and wellness facilities and activities in holiday parks in the future.

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