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SIMILAR OR HETEROGENEOUS? THE INFLUENCE OF LOCALIZATION ON HEALTH RESORT'S BUSINESS MODEL

A b s t r a c t: The aim of the paper is to explore the diversity of Polish health resort's business models. The primary question was to reflect on the impact that geographical location has on the business models. The first part of the article presents concisely different methodological approaches to conducting the research on business models classifications. The second part of the paper includes the presentation of findings, gathered from survey, conducted among Polish health resort enterprises. The variety of business model's components configuration is either introduced in this section.

Key words: business model, health resorts, business model's classification

JEL Classification: I11; L26

INTRODUCTION

At present, the topic of business models is commonly regarded by management theorists as a current and important research subject, and by management practitioners as a crucial managerial decision. New business models concept is often associated with the rapidly developing sectors of new technologies. For instance, by virtue of increasing relevance of the Internet – widespread of digitalization, particular attention is given to e-business models. It should also be emphasized, that the business model's matter, ought to be discussed in the context of so-called 'traditional sectors (industries)', the health resort's sector, for example. What is more, through the communal meaningfulness of its function: improving people's health and well-being, examination of health resort's business models emerges as not only as a substantial but also inspiring research topic.

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The purpose of the article is to distinguish the diversity of Polish health resort's business models. Throughout Poland, 45 health resort's districts occur – various enterprises are operating in each of those towns and those enterprises acquire different resources, serve different customer segments or implement various types of activities. Consequently, every firm could be characterized by the distinctness of elements, establishing its business model. Therefore, the pivotal problem is to answer the question: what impact does the geographical location have on business models? Moreover, do health resort companies, operating in a different location, create different business models? The research material was derived from a survey, conducted at the turn of October and November of 2017; only fragments of research on selected geographical locations of health resorts and selected business models, are being put under discussion.

The article is comprised of two major sections. The first part analyzes the problem of business model's classification – the diversity of classifications in literature of the field and the heterogeneous methods used to create these classifications. The second, empirical part of the article, presents the results of research on the diversification of business models of enterprises, in the context of different geographical locations.

1. CLASSIFYING BUSINESS MODELS

On the grounds of the literature review, it could be stated that not only the diversity of business model definitions is noticeable, but also various approaches to business models classification emerge. As stressed by S. Lambert [2015], business model's classification has great scientific importance, primarily for both the creation of business model theory, as well as for management practice.

Comparable, both in foreign and Polish scientific literature, many multifarious articles and studies, elaborating on the subject of business model's classification, have been presented. In Polish publishing, T. Gołębiowski and others [2008], recounted a broad research spectrum of identification and classification of business models of Polish enterprises. The attempt to classify business models of enterprises in the selected sector was undertaken, among others, by B. Matusiak [2013], who examined business models of enterprises in the energy market, or by D. Hołodnik [2017], who identified and classified business models of wine farms. Similarly, in scientific articles, the authors were able to create a more extensive classification, e.g. of small and medium-sized enterprise's business models [Rogoda, 2011]. In a narrower perspective – business models in the TSL industry were examined and classified by M. Zysińska [2013]; for another example, business models of flagship companies for distribution networks of steel products were categorized by M. Kramarz [2016]. Despite the diversity of

research topics related to business models, no attempts to classify business models of Polish health resorts have been made so far.

In the process of constituting the classification of business models, authors employ various methodologies. Clustering, a statistic method based on numerical data, is a common choice. According to W. Rand [1971], 'cluster analysis has come to be used as a generic term for techniques, which are concerned with the problem: given a number of objects, how to select those, which are closer to each other than they are to the rest of the objectives'. Applying the clustering method, M. Farnè and A. Vouldis [2017] attempted to categorize business models of banks in the euro area. The author's purpose was, by using appropriate distance measures, to classify banks into separate clusters, which are containing 'similar' business models. The mathematical formula has been improved by a component, detecting cases outpacing from others, in order to avoid contamination of clusters by institutions with a very characteristic specialization (distinguishing from other traits). The clustering method has been extensively used, for instance, by B. Bigliardi and others [2005], in assorting business models of the Italian biotechnology sector, in categorization of business models in Spanish Industry, provided by C. Camisón and A. Villar-López [2010], or in clustering Austrian bank's business models [Ferstl, Seres, 2012]. An interesting approach was proposed by J. Wartini-Twardowska [2014], who characterized it as 'a combination of a heuristic guiding the search for business models in the SIZ sector with the deduction method, adopted in creating the methodological framework of the models, and with the induction, initiating subsequent iterations of the prototyping procedure'.

Case study [Yin, 2009] is subsequent scientific approach in classifying business models. The exploitation of case study method in research on business models was proposed e.g. by A. Ranerup and others [2016], when analyzing and classifying business models in Public Service Platforms. The thesis involved a multiple-case study approach; to create a synthesized description of each case, authors used 3 different methods of data collection, i.e. direct interviews with project leaders, analysis of existing sources, as well as, netographic research. Ultimately, the authors were able to establish a detailed analysis of business models, differing from each other in value components (e.g. value proposition, value architecture, etc.). The case study method, based on Internet sources and databases was also used, among others, by S. Burger and M. Luke [2016], in their research on business models for distributed energy resources. In subject area of Polish health resorts, multiple case study method was utilized by A. Kozarkiewicz and A. Kabalska [2015].

In this article the classification and description of business models is based on the inductive approach and visualization –the research results were presented with the usage of graphical method.

2. RESEARCH PROCESS AND METHODOLOGY

Research into the diversity of business models, resulting from the different geographic location of Polish health resort's enterprises, is a part of the research conducted for the purpose of the doctoral thesis.

The survey was taken at the turn of October and November of 2017. The research sample included a total of 135 health resorts' enterprises. The selection of enterprises was purposeful – the questionnaires were addressed only to those enterprises, which are located in one of 45 spa towns and which provided so-called 'health resort treatment'. Finally, 48 (36% of all) health resort enterprises actively participated in the study. The article presents only those fragments of the research that concern selected geographical locations of health resort enterprises. The research tool was a survey, consisting of two parts, i.e. in the first part, closed-ended questions, concerning the characteristics of the health resort were included (the results are discussed in this paper). In the second part, the respondents were asked to indicate the level of the given factor, which is the most characteristic of their company. The questions tenuously referred to key components of A. Osterwalder's and Y. Pigneur's [2010] business model canvas and regarded:

1. key resources (*How do you acquire balneological resources?*),
2. value proposition (*What is the basis for the success and development of your health resort enterprise?*),
3. key activities (and competences) (*How do you enrich the offer?*),
4. customer segments and customer relationships (*How would you describe your relationships with clients?*),
5. key partnerships (*Is cooperation important to you?*).

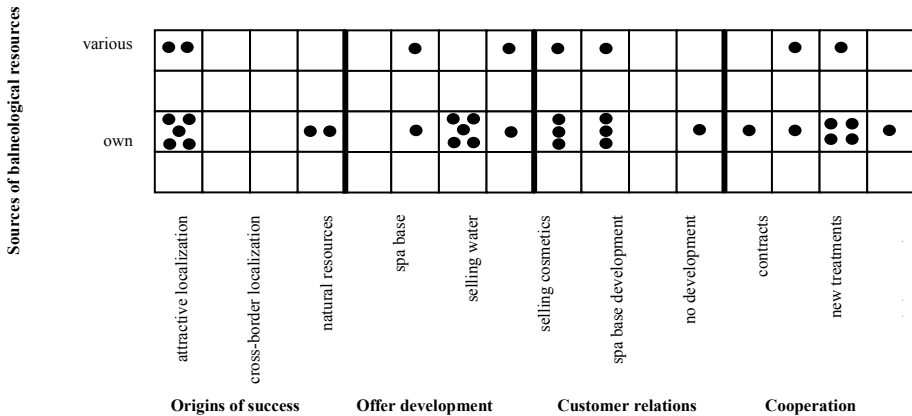
The analysis of the impact of geographic location on the business model of health resorts' included three groups of companies with a similar geographic location: the article is focused on enterprises located in the Sudeten Mountains, resorts located by the Baltic Sea and firms with an 'unattractive' tourist location. In the authors' understanding, the lack of tourist attractiveness implies that it is difficult to combine a stay in a health resort town with active tourism or other benefits or values related to the attractive location.

3. VARIETY OF BUSINESS MODELS OF HEALTH RESORTS WITH A SIMILAR GEOGRAPHIC LOCATION

Seaside resorts business model

Business models of seaside resorts could be explicitly classified into two categories: purchasers of balneological resources and entities using various sources – both own and foreign (Figure 1).

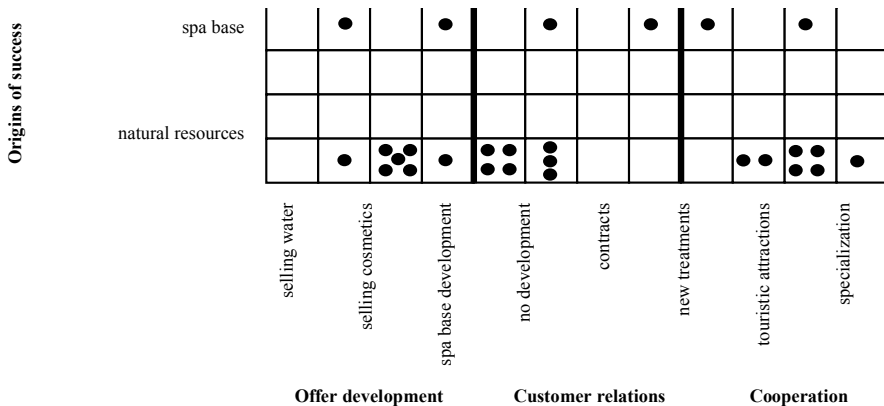
Figure 1. Relations between sources of balneological resources and other components of 'Seaside resort' business models



The method of resources acquisition affects the perception of business success' foundations—for certain 'buyers' of natural resources, a key aspect for the development of their company is an attractive location; in other cases, well-developed spa base and medical abilities are chosen. Distinctive business model is represented by resorts which are using different sources of balneological resources. In their opinion, a preferential location is a key element of the company's development.

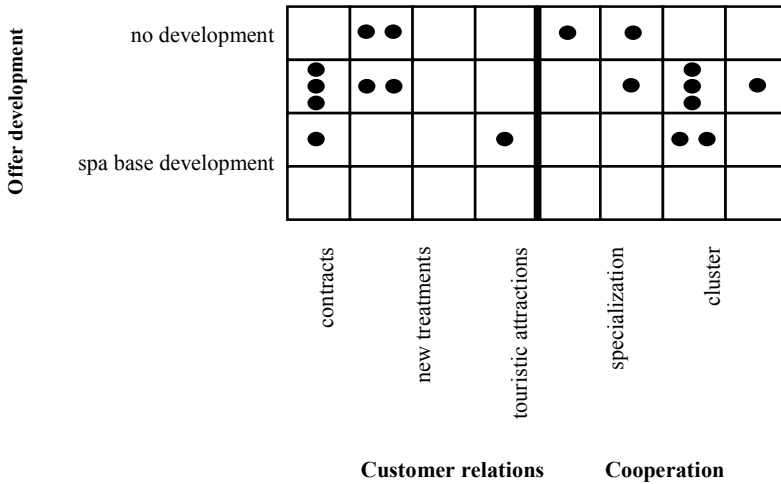
Attractive geographical location as a source of development, have influence on different view of the proposed offer – primarily, most of health resorts are developing a spa and recreation base, but also enrich the offer by natural cosmetics, or on the contrary – do not expand the offer (Figure 2).

Figure 2. The duality of success perception in 'Seaside resorts' business models



As presented on the Figure 3, despite the different perception on offer development, enterprises tend to focus on traditional (contracted) patients or providing paid treatments for a fully commercial patients. Interestingly, enterprises not developing their offer declare joining partnerships in clusters or working with local entities, whereas offer developers tend to focus on partnering with competitors or are not participating into cooperation.

Figure 3. The variety of offer diversity of ‘Seaside resorts’ business models



Sudeten resorts business models

Based on the obtained responses, all enterprises located in Sudeten, indicated the usage of balneological resources, but pointed to the different sources of their acquisition (Figure 4). The distinctness of the sources greatly influences the remaining areas of the health resort’s activities, and thus, differentiates the business models of Sudeten resorts. For instance, enterprises with balneological resources declare different success basics (e.g. natural resources) than ‘buyers’ (e.g. attractive localization or well-developed spa base). What is more, only firms, which are buying their natural recourses, do not engage into any forms of cooperation.

Different opinions on the company’s foundations of success are reflected in the variety of answers (Figure 5). Resorts with an attractive geographical location, try to enrich the offer based on the development of the spa base, while the resorts which are based on their natural resources, expand the offer with products produced from these resources - namely, by selling mineral waters and natural cosmetics. Companies which are using their balneological resources are the only ones to offer new, paid treatments (e.g. spa and wellness) to their clients/patients.

Figure 4. Influence of balneological resources on other components of Sudeten resorts business model

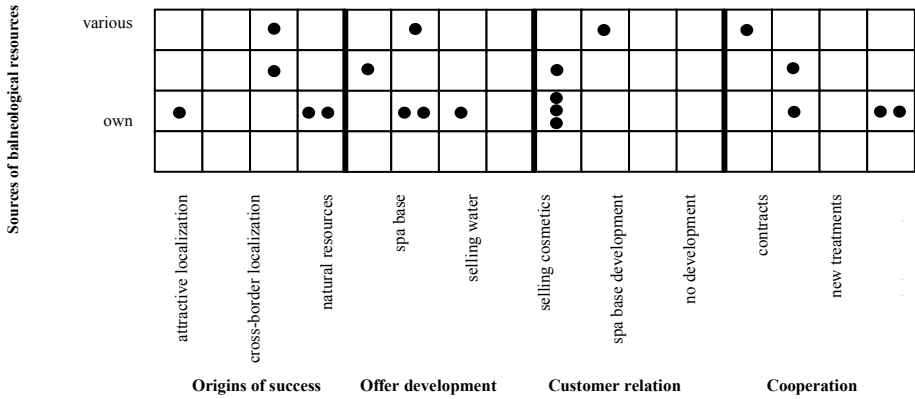
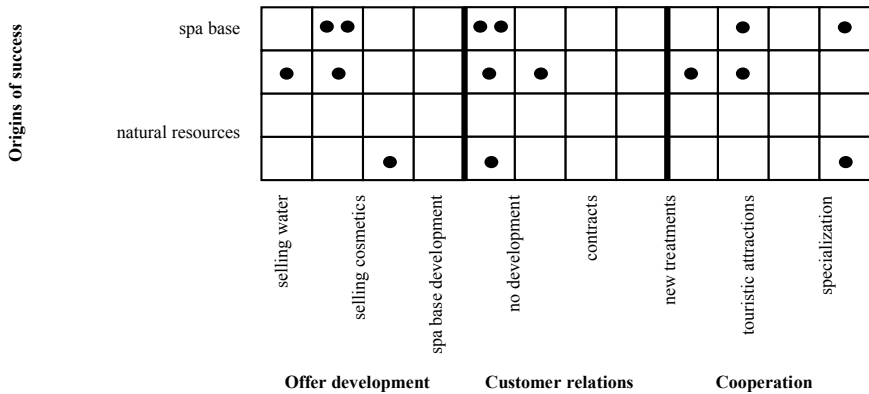
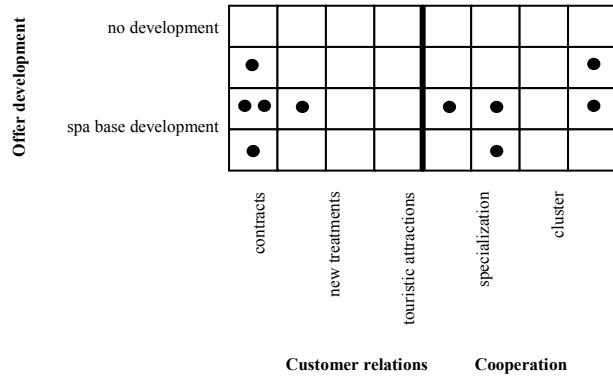


Figure 5. The influence of success perception on chosen business model components



Resorts that sell mineral bottled waters as part of enriching the offer, and those firms, who sell cosmetics, consider patients who are referred by the NFZ (Polish National Health Fund), as their key clients (Figure 6). Resorts, which are expanding the offer with the sale of natural cosmetics, operate in other customer’s segments by offering new balneological treatments. Enterprises have a different attitude towards cooperation with other entities – some of them declare cooperation at the local level or in cluster, while some believe that having a ‘good’ offer means that partnerships are not needed.

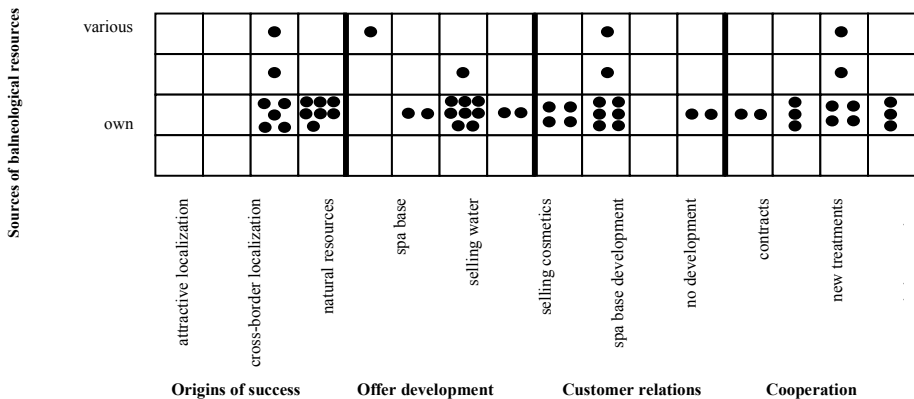
Figure 6. The variety of offer differentiation of Sudeten health resorts business models



‘Unattractive location resorts’ business models

All of the spa enterprises belonging to the group of ‘unattractive location’ use balneological resources (Figure 7). The largest group of resorts (purchasers), recognized the sources of their development differently– pointing to the advantage resulting primarily from sanatorium base and skills, or to the advantages of natural resources.

Figure 7. Relations between various sources of balneological resources and other components of ‘Unattractive localization’ business models

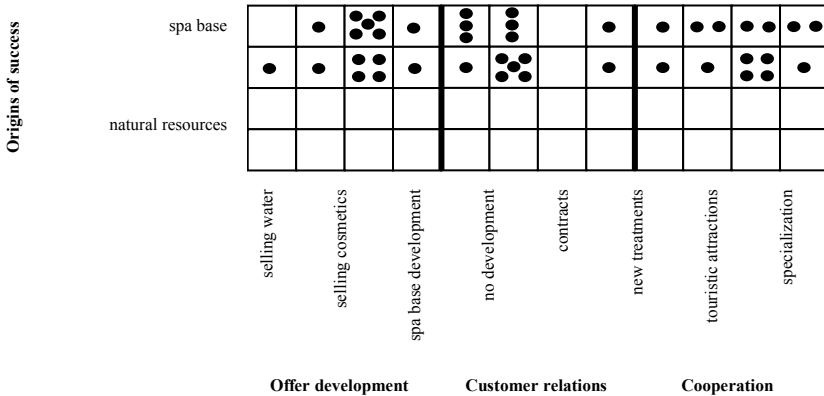


Enterprises that possess their own resources, as well as those that use different sources, have provided similar answers relating to the sources of business success (balneological resources), customer relations (extending the offer to commercial operations) and cooperation (partnerships).

Figure 8 exemplifies, that enterprises that participated in the study, as well as enterprises from previous two main groups, indicate different origins of their success and development. Companies focused on the advantage from balneolo-

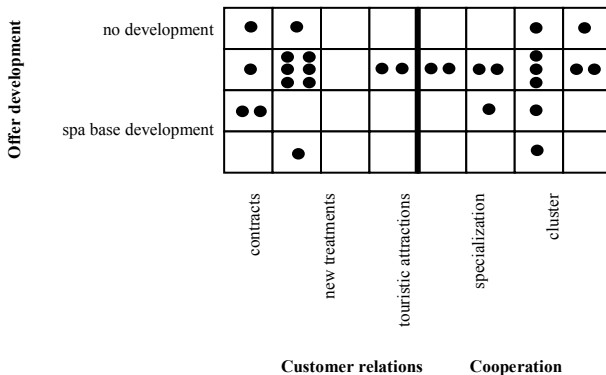
gical resources as a key to success, do not develop the offer or choose a variety of ways to enrich it. On the other hand, resorts for which the sources of success should be searched in the sanatorium base and skills, do not change the offer or per contra, expand the offer and as a part of its evolution, strive to develop their material resources (spa base) or offer mineral cosmetics.

Figure 8. Different success perception and its influence in ‘Unattractive localization’ business models



The greatest differentiation in the relationship between attributes presented on Figure 9, could be observed among enterprises developing the spa base. Resorts broadening the offer of spa and recreation base, in addition to cooperation or lack of it, provide services for a wide range of clients – from ‘traditional’ patients, commercial patients, to a narrow group of patients with specific health requires.

Figure 9. The variety of offer development of ‘Unattractive localization’ business models



Health resorts that expand the offer with bottled water sales are focused on patients interested in a wide range of different types of treatments. Health

resorts selling natural cosmetics, as a key element of their activity, are contract-oriented, whereas firms that do not develop the offer, define their relations with clients doubly - by supporting contracts or extending the offer by commercial treatments.

Enterprises generally tend to cooperate with their competition; the largest diversity of answers could be observed in spa “base developer” business model – from various form of cooperation (e.g. locally, as cosmetics sellers), to no partnerships in a sense. Resorts with no developed offer are also non-unanimous in the matter of cooperation, by declaring partnerships with competitors or no cooperation.

Presented fraction of research on business models of health resort enterprises, allowed confirming the assumption, that geographical location do affect the business models –the differentiation could be observed both within the analyzed three groups, and within respondents in each of those groups. The diversification of business models is perceptible in all five investigated areas of the business model:

1. Methods of acquiring balneological resources – firms located by the Baltic Sea, as opposed to other groups of health resorts, do not have their own concessions for the exploitation of these resources,
2. Sources of the company’s success – coastal enterprises, due to the lack of their own natural resources, do not concentrate their development on the health benefits of natural medicinal resources; likewise, resorts with unattractive localization cannot benefit from location factor,
3. Methods of enriching the offer – only Sudeten resorts declare the development of the offer for the client in its entirety; coastal enterprises do not diversify the offer by selling bottled water (as pursued by other groups),
4. Relations with clients – solely Sudeten resorts are not centers specialized in serving a certain group of clients/patients,
5. Significance of cooperation – in business models of enterprises located in the Sudeten, cooperation with competitors is of marginal importance (in other groups, partnerships with competitors are commonly taken).

Based on the survey’s results, it could be concluded, that every resort’s group do have different business models. Substantially, business models of Sudeten resorts are the most consistent (majority of similar responses), while the most diversified in terms of business models are resorts with an ‘unattractive’ location - the reason for this diversity could also be interpreted in the context of the geographic location of these companies itself (in different parts of Poland).

CONCLUSION

In the literature, apart from diversity in defining the business model term, there is a number of approaches and methods exploitable for classifying business models. Despite the diversity of research topics related to business models, up to now, in the Polish scientific literature, no categorization of business models for health resort enterprises has been proposed.

The part of research on business models of Polish health resorts allows for answering the crucial question underlined in the paper - geographical location do have influence on business models of health resort enterprises. Resorts located in the Sudeten, by the Baltic Sea, or those operating in a less attractive tourist destination, have different business models, which was illustrated by comparing the attributes of respective business model's components. Significantly, business models on the Baltic coast resorts differ from the Sudetes, but it does not mean that they are alike within every particular group – they differ certainly e.g. in the importance of the location perception; however some firms are focused mainly on NFZ contracts, others mostly on commercial clients; there is also a different interest in cooperation and heterogenic perception of value creation.

On the grounds of the research discussed in the article, which presents merely an excerpt of exploration of the diversity of business models – the perspective of geographic location and its influence, it could be concluded that further analyzes constitute as an important and interesting research topic.

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PODOBNE CZY RÓŻNORODNE? WPŁYW LOKALIZACJI NA MODELE BIZNESU PRZEDSIĘBIORSTW UZDROWISKOWYCH

Zarys treści: Celem artykułu jest analiza zróżnicowania modeli biznesu przedsiębiorstw uzdrowiskowych w Polsce. Kluczowym problemem jest analiza wpływu położenia geograficznego na modele biznesu tych przedsiębiorstw. W pierwszej części artykułu zaprezentowano różne metody badawcze, stosowane w tworzeniu klasyfikacji modeli biznesu. W części drugiej, zaprezentowano wyniki badań ankietowych, skierowanych do przedsiębiorstw uzdrowiskowych w Polsce. W tej części artykułu omówiono również zróżnicowaną konfigurację komponentów modeli biznesu.

Słowa kluczowe: model biznesu, przedsiębiorstwa uzdrowiskowe, klasyfikacja modeli biznesu