

spa business



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ASK AN EXPERT

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Hotel spas need to make a stand against unfair expense allocations and ROI expectations

HOT NUMBERS

Trillion Dollar Report

The economic impact of global wellness tourism is US\$1.3tn according to a landmark study

TOP TREND

Pop-up Spas

Innovative pop-ups are thriving in the spa sector from Canada to Bali and Australia



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Balancing profit with reputation

This year's market research numbers have just been published for the US spa market, showing continuing signs of recovery.

ISPA's 2013 *US Spa Industry Study*, PricewaterhouseCoopers (PwC), found the five main measures of trading: visits to spas, spend per visit, total revenues, staff levels and total number of spas, have experienced growth (see our report on page 48).

The PwC team found total revenues were up US\$1.2bn – 4.7 per cent – to a healthy US\$14bn (£10.1bn, £8.7bn) against a pre-recessionary peak of US\$12.8bn (£9.3bn, £7.9bn).

As at May 2013, there were 19,960 spas in the US: an increase of 1.1 per cent over the previous year and a great deal healthier than 2009-10, when closures outpaced new locations for two years.

Hard on the heels of the ISPA report came *Trends in the Hotel Spa Industry* from PKF Consulting USA (PKF). The two reports make interesting reading – especially when considered together. This is especially true around the area of staffing.

The ISPA research found that although employment increased by 1.2 per cent – up a percentage point on the previous year – there was a “marked shift” from full-time employment – which declined by 7.2 per cent – to part time employment, which was up 13.2 per cent. PwC says this could be an indication of “wider changes in American working practices,” or



The recession has given operators the freedom to re-engineer the employment terms of staff. Many more are now part-time and receive few, if any, benefits

that it “reflects the spa industry's commitment to maintaining a flexible workforce.”

The industry's approach to employment is highlighted by the PKF report, which found that while payroll expenses for hotel employees average 29.6 per cent, spa is running at 22.8 per cent – a whopping 6.8 per cent less. They attribute this to the fact that “many spa technicians work as independent contractors and therefore are not eligible to receive a full package of benefits.”

The recession has given operators unusual freedom to re-engineer the employment terms of staff and they've done so in ways that enable them to gain many commercial advantages.

Although profitability is vital, if we're to build a reputation as a credible industry that offers good careers and practices what it preaches, we need to be mindful of the need to balance these two demands.

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Read all our editor's and contributors' letters on our blog at blog.spabusiness.com

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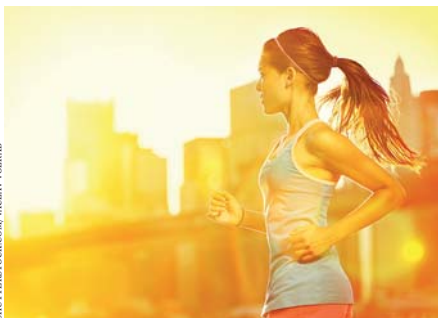


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On the cover: L'Occitane en Provence (p30)

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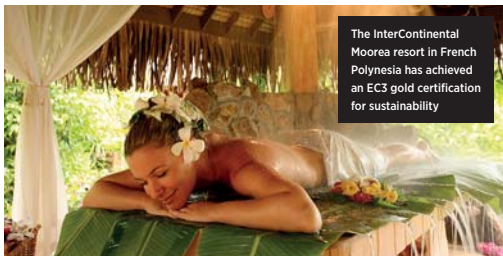
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Letters

Do you have a strong opinion, or disagree with somebody else's point of view on topics related to the spa industry? If so, *Spa Business* would love to hear from you. Email your letters, thoughts and suggestions to theteam@spabusiness.com

KATIE BARNES, MANAGING EDITOR, SPA BUSINESS



Sustainability Should Be More Than Just a CSR Statement

André Russ, vice president of sales, EC3 Global

It's been 21 years since the Rio Earth Summit. The first major global call to address sustainable development.

In 2013, we have a clear understanding of the sustainability challenges facing tourism. We also have the tools, know-how and technology to make a difference. The issue the spa industry faces, however, is its inability to take comprehensive and collective action.

We need to keep the sustainability message simple and achievable and not over complicate what is a straightforward concept. Keeping it simple means taking incremental steps to reduce the amount of energy, water and waste we create and learning to protect and respect the social settings in which we operate. The outcome is about delivering

clean, safe, prosperous and healthy destinations to visit, live, work and play.

Sustainability must underpin everything we do as an industry. It should be more than just a marketing initiative or corporate social responsibility (CSR) statement. It should be a core part of a business where we move from treating it as a reporting requirement to a core part of our brand message.

To address sustainability, it's important to focus on sound measurement and metrics. If you can't measure it, you can't track your performance overtime or manage it.

I urge spa operators and owners to commit to a plan of action with bold statements and stretch targets. Simply committing to the current state of play is not good enough.



BABTAC Strongly Opposes Habia Therapist Register

Carolyn Cross, chairman, BABTAC & CIBTAC

The British Association of Beauty Therapy and Cosmetology (BABTAC) read about Habia's plans to launch a professional register for the spa, nails and beauty industries (see SB13/2 p14) with dissatisfaction and distrust.

The register, which involves therapists paying an annual fee of £35 (US\$56, €41), has the potential to undermine the industry and could be viewed as a simple money-making scheme.

Our association has identified a number of concerns including a conflict of interest with existing services offered by Habia which, as the UK's sector skills body, is responsible for the standard-setting of UK qualifications and training, as well as maintaining its national occupational standards. Introducing a fee-paying register has the potential to negatively impact on standards – in the worst case scenario there's a small risk that Habia could reduce standards so more people are eligible for the register and so it earns more money. At this stage, no outlines have been given for the policing of either the standards or the registers, and this is where our concerns lie.

Another worry is that the registers have been established with little or no consultation from the wider industry. This suggests a vested interest in the financial status of the registers and not in the development of a sustainable and progressive industry standard.

Finally, we feel the registers lack credibility – the checks advocated are actually less than those carried out by other major membership organisations including BABTAC – and add nothing to the industry.

We are not against a register in principle and actively encourage a form of regulation, but the body which oversees it should be 100 per cent independent and transparent, neither of which Habia is in this instance.

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spa business news update



SRI's Ophelia Yeung spoke at the GSWs

Wellness tourism is worth US\$439bn says SRI

The economic impact of global wellness tourism is US\$1.3 trillion (£962bn, £809bn), while the market is worth US\$439bn (£319bn, £273bn), according to a new report by SRI International. The findings were revealed at the Global Wellness Tourism Congress – part of the Global Spa & Wellness Summit (GSWS) – in October. For our special focus on the summit and the report findings turn to page 70 and page 78.

Relaxation of Russian spa law a real victory

Strict regulations placed on the Russian spa industry have been relaxed after two federal standards came into force in September.

The new legislation, seen as a breakthrough for the country's growing spa industry, means spa treatments will no longer be classified as preventative medicine. While another law to follow in 2014 will exempt spas from having to obtain a medical licence to legally provide spa treatments.

The Spa and Wellness International Council (SWIC) has worked on proposing the further legislation. As a result, nine codes – including spa body treatments and facials – will be updated by the Federal Regulatory Agency to become non-medical procedures. Read more: <http://lei.sr?a=M7y7l>

L'Oréal in negotiations to enter the spa market

The spa industry could gain a major player if recently announced talks by L'Oréal to buy spa brands Carita and Decléor come to fruition, which looks likely.

L'Oréal has announced it's in exclusive negotiations to acquire the two companies from Japan's Shiseido group for around €230m (US\$314.3m, £195.5m). Read more: <http://lei.sr?a=p4O8v>

US hotel spa revenue up 5%

A new survey has revealed that while US consumers are losing their appetite for hotel restaurants and room service, they appear to have a growing interest in buying spa and wellness services.

PKF Consulting's (PKFC) 2013 *Trends in the Hotel Spa Industry* report shows that hotel spa revenues and profits have increased faster than other sources of hotel revenue for the second consecutive year. Spa department revenue in hotels increased by 5 per cent, while in comparison, food and beverage revenue – usually the second largest money source for most hotels – only increased by 2.3 per cent.

"Spa revenue initially lagged behind the growth of other revenue sources during the early stages of the recovery," says Andrea Foster, vice president and national director of spa and wellness consulting for PKFC. "However, the 2012 increase in spa revenue is a trend we anticipated would occur. There has been a notable focus shift to wellness – specifically taking better care of ourselves for improved health and quality of life – of which spas are an important part."



Spa revenue increased more than F&B says the 2013 PKF report

Massage, skincare and bodywork continue to generate the most revenue at hotel spas in the US. Combined, these services represented 72.6 per cent of total spa revenue at the properties which took part in the survey and grew by 4.7 per cent in 2012.

A total of 125 hotels contributed to the report, allowing hotel spa owners and operators to benchmark their revenue and expense ratios on a per-available-room, per-occupied-room, per-square-foot, and per-treatment-room basis. Day, destination and leased spa operations were not included in the survey. Read more: <http://lei.sr?a=itC7U>

LVMH reveals second branded hotel

Luxury goods conglomerate Moët Hennessy-Louis Vuitton (LVMH) has chosen the Maldives as the location for its second Cheval Blanc property.

Cheval Blanc is LVMH's branded hotel concept and the first one opened in the Courchevel ski resort in France back in 2006. The new Cheval Blanc Randheli is set on a secluded lagoon on the Noonu atoll north of the Maldives capital Malé.

The resort, which features 44 island, water and garden villas, has been designed by Malaysian architect Jean-Michel Gathy (see S812/2 p64) of Denniston International to reflect the island's natural surroundings. There's also a Cheval Blanc Spa which consists of four single and two double treatment villas.

As with Courchevel, the spa in the Maldives offers tailored treatments by consumer perfume, skincare and make-up brand Guerlain – another company owned by LVMH. The Sun Ritual, for example, is a treatment which prepares the skin for a day in the sun.



Cheval Blanc is the branded hotel concept for LVMH

Meanwhile, bespoke hair treatments are offered by natural haircare supplier Leonor Greyl.

Other facilities include a beauty studio, barber shop, a yoga studio, relaxation pavilion, a Thai massage pavilion, hot baths and a spa bar with snacks and juices served in private gardens and on the spa beach.

Wellbeing experiences include sunrise, sunset and full moon yoga and therapists teaching Thai massage. Read more: <http://lei.sr?a=a3Z6p>

Red Bull boss' spa open to public

Dietrich Mateschitz, the co-founder of energy drink company Red Bull, has opened up his Laucala Island Resort in the South Pacific to members of the public for the first time.

Mateschitz, who owns the 5km (3 mile) Laucala Island to the east of Fiji, originally introduced the 25-villa resort and spa in 2008. However, he kept it as his own personal retreat where celebrities could visit to escape the paparazzi. Now anyone can stay at the eco-friendly resort, which also features five restaurants and a golf course as well as the spa, at a starting rate of US\$5,000 (£3,700, £3,100) a day.

The spa is situated amid water features and tall palm trees and consists of four treatment villas and two wet rooms with Vichy showers and steam facilities. There's also a beauty salon plus a spa garden and kitchen. Organic treatments and products incorporating local herbs, spices, flowers and fruits dominate the menu.

The Red Bull co-founder bought the island from the family of publishing magnate Malcolm Forbes in 2003 and soon after commissioned the construction of the eco-friendly getaway.



The spa is set among water features and palm trees

Companies which worked on the four-year build include WATG architects, landscapers Scape Design Associates and local firm Architects Pacific. Lynne Hunt London worked on interiors and is now currently refreshing the textiles, furnishings and accessories for new guests. *Read more:* <http://lei.sr?a=w457a>



The country has 40 natural thermal springs

Argentina tourism campaign to focus on wellness

Health, wellness, spa and thermal are among 12 selected niches that Argentina's tourism organisation Inprotur will highlight as part of its Argentina Authentic campaign.

It will focus on the country's 40 thermal springs that have volcanic, magmatic and telluric origins and that help treat numerous ailments. It will also concentrate on spa, beauty and medical facilities and has switched its overall emphasis to quality travel rather than competitive prices. *Read more:* <http://lei.sr?a=Ru2aq>

Famous UK spa to close after 36 years

The Sanctuary spa in Covent Garden, London is to cease operating on 31 May after 36 years in business.

The closure of the ladies-only day spa follows a decision to close three other Sanctuary high-street boutique spas in the country in July. The retail store at the entrance of the Covent Garden spa will also cease trading in September 2014.

The PZ Cussons group, which owns The Sanctuary as well as St Tropez tanning, said one reason for shutting was rising property costs in light of a redevelopment scheme to turn Covent Garden into the epicentre of London's theatre, retail and restaurant district.

Also, more day spa guests are choosing to spa at home. The Sanctuary attributes most of its 16.5 per cent rise in pre-tax profits in 2013 – amounting to £10.8m (US\$17.3m, £12.9m) – to its Sanctuary branded consumer product range



The Sanctuary brand will now focus on its consumer product range

which it retails across the country and increasingly in international markets too.

"Our product business is thriving," says Sanctuary spa director Catherine Ferma. "We are successfully launching Sanctuary Spa products in new markets globally and the development of the product range will be a key focus for the brand moving forward. This is not the end of Sanctuary Spa; it is the beginning of a new journey." *Read more:* <http://lei.sr?a=v7Jq4l>

China to ban people with HIV from using spas

China is planning to ban people with HIV from spas, hot springs and bathhouses according to the release of a draft regulation online.

Discrimination against those in China with HIV and AIDS has been an issue for years,

with some people, specifically in hospitals, losing their jobs because they're HIV positive.

Several campaign groups have already voiced their concerns and spoken out against the proposal. *Read more:* <http://lei.sr?a=V7Jq4l>

ISPA unveils findings from male spa-goer study

The International Spa Association (ISPA) has published a study based on the behaviours and attitudes of the male US spa-goer.

According to *Male Consumer Insights*, of the 28 per cent of the US population that visit spas, men make up 47 per cent.

The research by PricewaterhouseCoopers was based on a sample of 1,005 non-spa-goers. *Read more:* <http://lei.sr?a=F8roY>

Spa institute and qualifications for India

The Indian Institute of Spa Research and Management (IISRM) has been set up in Kerala to offer a postgraduate course in spa management alongside 11 other spa, beauty, and yoga diplomas and certification courses.

The NGO is one of only a handful of bodies offering qualifications for spa therapists in India – which has a spa industry that's growing at a rate of 20-30 per cent annually.

IISRM is a division of the Center for Natural Beauty Therapies. CNBT is another NGO which sources and documents details about India's traditional beauty therapies and healing systems in order to promote the country's health tourism offering nationally and abroad. *Read more:* <http://lei.sr?a=8etK3>

spa business news update



The new spa is set to open in April 2014

Brenners Park to open stand-alone destination spa

Brenners Park Hotel & Spa, one of Germany's most famous resorts in the spa town of Baden-Baden, is building a stand-alone destination spa on-site complete with bedrooms and an adjoining medical facility.

Transformation of Villa Stephanie, a private residence dating back to 1890, began two years ago and is due for completion in April 2014. The five-storey building will house 15 bedrooms alongside 14 treatment rooms, a 500sq m (5,382sq ft) sauna, hammam, kneipp baths, plunge pool, fitness centre, 200sq m (2,153sq ft) ladies sauna, private park and sunken garden.

Haus Julios, a connecting medical centre, is also being built and will offer dermatology, gynaecology, ophthalmology, dentistry, cardiology, psychology, physiotherapy and nutritional coaching services.

The 100-bed Brenners Hotel is the flagship property of the Oetker Collection, which is owned by the family food empire Oetker (see SB13/2 p42). *Read more: <http://lei.sr?a=6Z9s4>*

Serbia identifies spa sector as a key driver for tourism

Speaking at the opening of the third annual Balkan Spa Summit, Nebojša Stefanovic, a Serbian parliament speaker, said that the Serbian spa industry represents "a chance for the creation of a new tourist product, which will be attractive for tourists in search of new destinations".

Stefanovic added that tourism is one of the most important drivers of growth in the country and represents one of Serbia's most valuable natural and social assets. Spa visits account for half of all tourism revenues in Serbia, he said.

Attendees at this year's Balkan Spa Summit, organised by the Serbian Spa Association, came from 10 countries across the Balkan region – the largest number of countries to date. *Read more: <http://lei.sr?a=K7i8Hs>*

First hotel opening for Swiss mega-resort

The 106-bed Chedi Andermatt, featuring a 2,400sq m (25,833sq ft spa), is set to open in the heart of the Swiss Alps in December.

The GHM hotel is the flagship property of Andermatt Swiss Alps, a CHF1.8bn (US\$2bn, €1.5bn, £1.2bn) ski resort development which will include another five luxury hotels once fully complete.

Andermatt Swiss Alps will integrate the ski areas of Andermatt and Sedrun and will be created as a year-round destination. In total, it will consist of 500 apartments in 42 buildings, 25 chalets and wellness, leisure and conference facilities.

The masterplan of Andermatt Swiss Alps is being handled by Malaysian-based architects Dennison International (see SB12/2 p64). Meanwhile, Swiss firm Orascom Development is heading up project development.



Chedi Andermatt is the centrepiece of a US\$2bn ski resort development

The Chedi's spa and wellness centre will comprise 10 treatment suites and use organic product houses Ila, Ren and Alpine as well as its own in-house line. There will also be a hair and beauty salon, a Technogym gym, bio and Finnish saunas, an organic sol steamroom, outdoor lap pool and 35m indoor pool with views of the Alps. *Read more: <http://lei.sr?a=tow4G>*

Ghana is hot spot for spa hotel investment

Accra, the capital of Ghana, has become one of the fastest-growing cities in Africa and the subject of interest from the hotel investment market, with many of the large global brands vying to open properties there.

Investors are attracted to the city because of its growing economy, political stability and conducive investment climate, according to a new report from HVS London, released for the Africa Hotel Investment Forum (AHIF) 2013, which took place in Nairobi in late September.

The report found that hotel supply in Ghana grew by an average of 8 per cent from 1998 to 2011 having suffered for many years from a lack of adequate hotel accommodation. While the market is still characterised



Investors are attracted to Accra because of its growing economy

by local African brands such as African Regent Hotel, Fiesta Royal and Labadi Beach Resort, it is now becoming a development hot spot for hotel chains. *Read more: <http://lei.sr?a=goe6x>*

Ritz-Carlton to add 20 hotels and resorts by 2016

The Ritz-Carlton hotel group is to open 20 hotels, the majority of which will have spas, over the next two to three years to reach a landmark 100 properties by 2016.

The 2014 schedule includes new openings in Kyoto, Japan; Nanjing, China; Rabat,

Morocco; Cairo, Egypt; Manesar, India; and Bali, Indonesia.

In 2015 it will launch sites in Cabo San Lucas, Mexico; Muscat, Oman; Ho Chi Minh, Vietnam; Tunis, Tunisia; and Haikou, China. *Read more: <http://lei.sr?a=J4P1q>*



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spa business news update

Jumeirah Group raises US\$1.4bn syndicated loan

Hotel company and a member of Dubai Holding, Jumeirah Group, has raised a US\$1.4bn (£1bn, €878m) unsecured syndicated loan to support its long-term growth.

Jumeirah will use the loan to expand its portfolio as well as for general corporate purposes at Dubai Holding.

Recent openings by the group include the 3,500sq m (37,670sq ft) Talise Spa at the Jumeirah Messilah Beach Hotel & Spa in Kuwait. Talise is the in-house spa brand for Jumeirah and this facility features 17 treatment rooms plus two spa suites. There are also male and female areas, each offering a hydro pool, sauna, steamroom, a snow room, a Himalayan salt room and a drift (deep relaxation) room.

The group is also set to enter Russia after signing an agreement with IFG Basis Proect to manage a luxury hotel in St Petersburg. *Read more:* <http://lei.sr?a=13d4C> or <http://lei.sr?a=n4N7Z>



The revamp began more than a year ago

Spanish spa for revamped Four Seasons Buenos Aires

A US\$49m (£35.5m, €30.5m) renovation of Four Seasons Hotel Buenos Aires, that began more than a year ago, is now complete and includes a rebranded spa.

Cielo Spa – meaning ‘sky’ in Spanish, and a term of endearment – is a celebration of local and Spanish culture. It has a refreshing colour palette of white and light blues and the reception, which features a turquoise crystal front desk, is decorated with artworks that celebrate the movements of the tango – the traditional dance of Argentina.

There are a full range of massages and spa treatments by Germain de Capuccini – a natural product line from Spain – as well as some imaginative signature therapies. The Porteño Tango, for example, is therapeutic massage choreographed to a tango beat to relax the body and mind. The 80-minute treatment costs US\$210 (£156, €130). *Read more:* <http://lei.sr?a=28q3F>

Health and wellness centre for New Zealand

Aro Hā, a purpose built luxury health and wellness centre, is set to open on Lake Wakatipu in New Zealand in January 2014.

Two friends, Damien Chaparro and Chris Madison, have created the retreat that offers of health and fitness focused activities such as vinyasa yoga, sub-alpine hiking, functional strength training, meditation, therapeutic massage and detoxifying vegetarian cuisine.

They came up with the concept in 2010 after discussing their shared interest in creating a space for those interested in nature, adventure, self-development, alternative health and results-oriented fitness.

When searching for the location, factors including natural beauty, energetic feel, access, social traditions, stability and international appeal were considered.



The retreat focuses on nature, adventure and self-development

Once the location was discovered and local government consents were approved in 2012, the creation of Aro Hā began. The purpose of the facility was to “create a place that supports self-awareness, physical fitness, and connection with nature.” The aim is to combine multiple aspects of wellness into one experience. *Read more:* <http://lei.sr?a=DoM1K>

Shiseido Spa at Romanian country club

One of Romania's first international luxury spas is due to open in Bucharest by 2014.

The Shiseido Spa will be a central feature at Stejarii Country Club – an €18m (US\$24m, £15m) sports, business and entertainment complex. The 22,000sq m (236,806sq ft) complex has been developed by Romanian businessman Ion Tiriac in Baneasa forest, north of the capital.

The 1,000sq m spa is the first Shiseido spa in eastern Europe. In keeping with the skincare company's roots, it's been designed in a “dramatic and daring” Japanese style with vivid colours, playful scents, imaginative sounds and energising lights. The spa will have nine treatment rooms and a day suite, alongside a hydro pool, a sauna with forest views, hammam, steamroom, full-service beauty



The €18m Stejarii Country Club will have a 1,000sq m Shiseido Spa

salon and wellness/fitness studio. Unique touches include a green tea bar and music lounge.

The complex will also include a health club operated by WTS International (see SB12/1 p68), which also helped in the pre-opening phase of the spa. *Read more:* <http://lei.sr?a=w8q4U>

Georgia aims to rejuvenate its wellness heritage

Policy makers and investors in Georgia are to update the country's dilapidated spas to help position it as a wellness destination once again.

Georgia was formerly known as a rest and relaxation area recommended by doctors before suffering two decades of civil unrest.

Places for development include Abastumani with its clean air and hyperthermic springs; and Tsqaltubo with its slightly radioactive waters. Meanwhile, US\$38m (€28m, £23m) has already been raised to restore Imereti – a central region with many spas. *Read more:* <http://lei.sr?a=8F7E2>



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spa business news update

DIARY DATES

9-10 DECEMBER 2013

Live Love Spa

Maui, Hawaii, USA

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Tel: +1 800 728 1965

www.livelovespa.com

1-3 FEBRUARY 2014

Cosmabelle & Wellness

Gran Via M2, Barcelona, Spain

This international beauty trade show enables people working in the hairdressing, aesthetics and wellness sectors to meet and talk business.

Tel: +34 93 241 46 90

www.feriacosmabelle.com

17-19 FEBRUARY 2014

Beauty Asia

Suntec Singapore, Singapore

Now in its 18th year, this business to business event focuses on four specific sectors in Asia – spa and wellness, beauty, health and natural food/supplements.

Tel: +65 6299 8611

www.beautyasia.com.sg

23-24 FEBRUARY 2014

Professional Beauty London

ExCeL, London, UK

UK beauty show with a spa zone. Also includes a two-day spa convention.

Tel: +44 20 7351 0536

www.professionalbeauty.co.uk

27 FEBRUARY - 1 MARCH 2014

Kosmetik Expo & Congress

Crocus Expo, Moscow, Russia

An international exhibition for the beauty professionals. Around 250 leading Russian and foreign cosmetics and perfumery companies take part each year. Other Kosmetik events will also be held in Volga, Siberia and the Urals throughout 2014.

Tel: +7 495 937 13 18

www.ki-expo.ru

15-17 MARCH 2014

Mondial Spa & Beauté

La Grande Halle de la Villette, Paris, France

An event for spa, beauty, make-up and nail professionals with conferences and talks in French and English.

Tel: +33 4 93 06 58 80

www.msbbparis.com

Two major spas for Abu Dhabi

International hotel chains Hilton and Starwood have both opened substantial spas in Abu Dhabi, in the UAE in recent months.

Hilton revealed a 15-treatment room spa as part of a rebrand of Abu Dhabi's iconic wave hotel. The 281-bed hotel, which opened in 2011, was originally managed by Rocco Forte Hotels but reopened as the Hilton Capital Grand Abu Dhabi in September.

As well as the 15 treatment rooms, the spa has a sauna, steamroom, whirlpool and a Moroccan hammam. There's also a 24-hour fitness centre and indoor and outdoor pools.

In the same month, Starwood launched a signature Remède Spa at its St Regis Abu Dhabi resort in the centre of the city.

Spanning 2,000sq m (21,528sq ft), the Remède Spa was conceived by Steiner Spa



Hilton took over the management from Rocco Forte Hotels

Consulting and embraces Abu Dhabi's culture. It houses 11 treatment rooms and suites, alongside relaxation lounges and whirlpool, steam and sauna facilities. There's also a spa café, fitness centre, pool and a beauty lounge for women and grooming area for men supplied by Hommage. Read more: <http://lei.sr?a=gk9I> or www.hilton.com

America's Mirbeau to open second spa resort

US spa resort operator Mirbeau is to open a second location in New England by the second quarter of 2014.

The Mirbeau Inn & Spa will feature a distinctive design, recreating the look of a French country estate. The 50-bedroom retreat will

house a 15,000sq ft (1,393sq m) spa with 19 treatment rooms and a full range of treatments.

The first Mirbeau Inn & Spa is located in the Finger Lakes region of New York state. It has an 18-treatment room spa and 34 bedrooms. Read more: <http://lei.sr?a=JoUzB>

St Moritz gets €52m pool, spa & sport centre

A pool, spa and sports centre is due to open in July 2014 as a year-round attraction in the Swiss ski resort of St Moritz.

Owned by the municipality of St Moritz, OvaVerva has taken just over two years to construct at a cost of CHF64.7m (US\$71m, €52, £44)

It is built over three levels, with the first floor dedicated to a variety of pools, with a total water area of 915sq m (9,850sq ft); waterslides; and an outdoor snow sports and bike shop. The floor above will have a 600sq m (6,458sq ft) fitness centre and a ViV bistro serving healthy, natural, regional cuisine.

At the very top will be an oasis of calm – a 1,620sq m (17,437sq ft) wellness area with views over the nearby Engadine mountains.



OvaVerva is owned by the local municipality and will open in July

Communal experiences will include a one-of-a-kind Rosatsch bath – a large whirlpool like the ones used in the local Rosatsch region, plus Kneipp and steam baths and four saunas as well as a variety of rest and quiet zones. In addition, there are six treatment rooms and a ladies-only wet area. Read more: <http://lei.sr?a=Y9ug>



Crystal Spa & Lounge clientele have extensive experience of visiting spa salons worldwide

Back to the future

A year has passed since the opening of the one-of-a-kind spa salon Crystal Spa & Lounge in St Petersburg. Its uniqueness lies in the fact that it was designed and constructed in accordance with the principles employed in ancient times for the building of temples and pyramids. This approach was prompted by a desire to create a spa that differed from all other salons in its energy and health-giving properties.

Research carried out in Russia on the influence of pyramid energies on human health have produced staggering results. They registered an improvement in immunity, the regeneration and rejuvenation of tissue cells, an increase in antiviral activity and in the body's resistance to harmful external factors. There's an increase in blood coagulability and the viability of cells, a noticeable improvement in physical condition and the vascular system. The electrical conductivity of biological water increases, which produces a strengthening of the body's defensive functions and retards autoimmune processes in hepatitis-sufferers.

Clients of the Crystal Spa & Lounge report a noticeable increase in energy and creative potential

The use of these technologies presents humanity with unique possibilities and wide-ranging prospects, the practical importance of which is greater than the considerable material investments involved in implementing this project.

Twelve months after the opening of the Crystal Spa & Lounge it is possible to draw the first practical conclusions, which is especially important as the Crystal Spa & Lounge represents a new trend that is unparalleled in the worldwide spa industry.

All the clients and staff of the Crystal Spa & Lounge notice its unique energy qualities. The pure, deeply relaxing environment produces the same reaction in everybody – a desire to return to the Crystal Spa & Lounge again and again.

The staff of the salon report excellent physical and emotional health, increased creative activeness and no tiredness at the end of the working day.

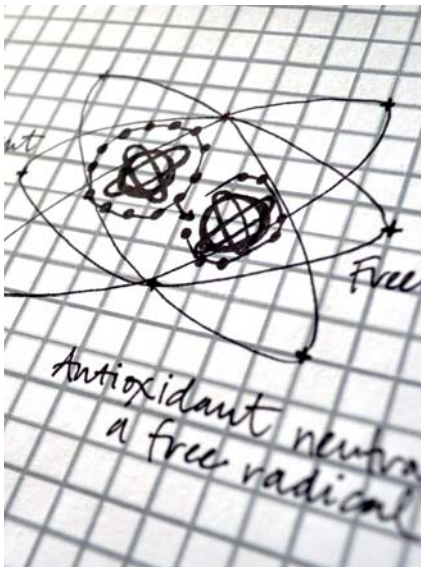
In this setting the treatments on offer give a deeper health-improving effect. Clients of the Crystal Spa & Lounge report a steadier and longer-lasting result from the treatments given, a noticeable increase in energy and creative potential. This assessment is particularly important because the Crystal Spa & Lounge clientele is made up of people with extensive experience of visiting spa salons, both in Russia and abroad, so they are able to make informed comparisons. ●



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Helene Goetzelmann

French natural beauty retailer L'Occitane has 60 spas in 22 countries, but has – until now – remained relatively quiet about its achievements within the spa industry. The company's international spa director explains why all that's about to change

RHIANON HOWELLS, CONSULTING EDITOR, SPA BUSINESS

L'Occitane en Provence is a brand deeply rooted in the French region where it was born. Firstly, there's the name: L'Occitane means 'woman from Occitania', a historical region of southern France, while for anyone not schooled in medieval geography the qualifier 'en Provence' drives the message home. Secondly, there's the fact that despite boasting 2,230 consumer-facing outlets across more than 90 countries, an annual turnover of over €1 billion (US\$1.4bn, £0.9bn) and a listing on the Hong Kong Stock Exchange, the natural beauty retailer still sources most of its ingredients locally and manufactures all of its products in a small Provençal town.

It's a rare marriage of the local and the global, modesty and ambition and one that possibly goes some way to explaining why L'Occitane – despite opening its first spa

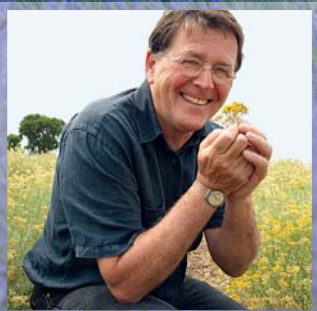
12 years ago and growing its portfolio to 60 today – has until now been flying largely under the spa industry radar. "We're not a company that boasts everywhere about our accomplishments," explains international spa director Helene Goetzelmann, a native Frenchwoman who joined L'Occitane 10 years ago in a product development role. "Clearly, we want to communicate more with the spa industry, but we wanted our offering to be strong before being too visible."

LOCAL TO GLOBAL

L'Occitane was founded in 1976 by 23-year-old Olivier Baussan, who sold his hand-distilled essential oils at markets in Provence before opening a small shop. Business ticked along nicely until the early 90s, when an unhappy interlude with venture capitalists saw the company lose money and Baussan pushed out. Then in

1994 Austrian businessman Reinold Geiger invested in the business; two years later, he became the majority shareholder and chairman, bought out the venture capitalists and brought Baussan back as creative director. Investing heavily in marketing, he's spent the last 17 years driving the company's global expansion as a mainstream retailer of natural beauty products, with a particular focus on Asia.

L'Occitane's first foray into spa came in 2001 when two country managers – one in Brazil and one in Vietnam – independently approached management about opening affiliated spa operations. "At the time there was no standardised concept, but the style of the company is very entrepreneurial, so head office told them it was fine to try," says Goetzelmann. "And for a few years that's the way it was done; it was handled locally, with no international cooperation." ▶



L'Occitane still sources most ingredients in Provence, France where it was founded by Olivier Baussan (main photo and above right) in 1976



The spa concept was trialled at L'Occitane's store in Hong Kong (all pics) before rolling out to hotels



L'Occitane has opened 60 spas in just five years and has 30 more in the pipeline

► As time went on, however, the company had more enquiries about spa, particularly from hotel partners already using its in-room amenity range. "We had to keep saying, 'We're not really ready; we don't have an international offer,'" says Goetzelmann. "But the more demand there was, the more we felt it was high time we entered the market."

So it was that in 2006 Goetzelmann – who had been looking for an opportunity to move to Asia – relocated to Hong Kong to set up an international spa division and oversee the launch of a standardised spa concept for the company. With treatment protocols, design concept (all warm yellow and almond tones) and marketing tools in place, the Spa L'Occitane model was launched at the company's flagship stores in Hong Kong and Paris in 2008, before rolling out to other shops worldwide. "We wanted to start with our own operations first to build our

expertise before going into partnership with hotels," explains Goetzelmann.

By 2009, Goetzelmann and her team felt ready to go back to their hotel partners with a saleable product: Hotel Spa by L'Occitane. Comprising a minimum of four treatment rooms and a retail area, the design concept blends with that of the hotel, although L'Occitane gives advice and supplies decorative items as needed. Once the spa is open, the hotel runs operations, while products, treatment protocols, training and marketing support are provided by L'Occitane. As prerequisites, all hotels wishing to open a Spa by L'Occitane must be five-star and willing to stock the company's in-room amenity range.

The first hotel spa to open was the Mango Tree Spa at Kupu Kupu Barong resort in Bali, with four treatment villas and two stunning treetop treatment rooms. Today, the

company has 34 hotel spas in its portfolio, with recent openings including Switzerland, Israel, the Dominican Republic, Brazil and Western Australia, plus over 30 in the pipeline. In addition, it has four flagship Spa L'Occitane sites (with five or more treatment rooms plus hydrotherapy) and 22 Petit Spa L'Occitane sites (two to four treatment rooms) connected to its stores worldwide.

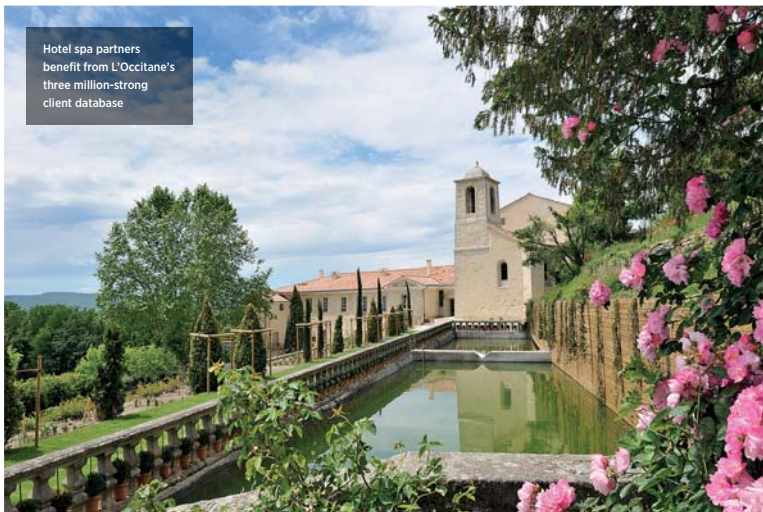
BRAND AWARENESS

In 2010, L'Occitane was floated on the Hong Kong Stock Exchange. While Geiger retains a controlling share, the IPO raised more than US\$700m (€509m, £433m), enabling the company to invest in manufacturing and R&D (the Provençal plant has doubled in size) and fast-track growth in China, Russia and Brazil. The impact in terms of brand awareness and cross-marketing (China alone now has 130 shops) has been significant. ►



The first L'Occitane hotel spa, with treetop treatment rooms, opened at Kupu Kupu Barong resort in Bali in 2009

Hotel spa partners benefit from L'Occitane's three million-strong client database



It's not practical to launch more than a couple of treatments a year, but the menu's kept fresh by offering limited edition versions with new fragrances for dates such as Christmas

► From the outset, the company has viewed its spa activities not so much as a revenue generator as an opportunity to build brand loyalty. Goetzelmann says: "We want to give our clients a head-to-toe experience and an emotional connection with our brand. But although profit is not the main purpose, nearly all of our locations are profitable."

With its hotel partners in particular, Goetzelmann and her team are proactive in providing a marketing plan to keep the spa in profit. While it's not practical to launch more than a couple of new treatments a year, one way they keep the menu fresh is to offer limited edition versions of existing treatments using new fragrances launched around dates such as Christmas. "They're easy to implement but still allow us to create a buzz, and the hotels like them because it's a good way to animate the calendar," she says.

The greatest advantage to hotels of choosing L'Occitane over another spa brand, however, is the immense cross-marketing potential afforded by access to its retail network and three million-strong international client database. "It's visibility in our shops; spa messages in our direct mail and emails;



spa news on our websites, Facebook and Twitter," says Goetzelmann. "Plus we give the hotel exposure to our PR network: we work closely with beauty editors to promote our products, and as soon as there's an opportunity to highlight spa, we do it."



Floating on the Hong Kong stock exchange raised US\$700m to fast-track spa facility growth

Goetzelmann is very quick to point out it's not a one-way street, however. "Working with hotels is a way for L'Occitane to bring fresh messages to our clients, to talk about wellbeing destinations and to offer them a journey and a dream." ►

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► FACE AND BODY

The L'Occitane spa vision, says Goetzelmann, is to combine, "French joie de vivre and traditions from the south of France with the best of worldwide therapies. We can't lie," she says, "there's no massage tradition in the south of France, so the techniques we use are Balinese, Swedish, lomi lomi... but we combine them with our own traditional ingredients in signature sequences developed exclusively for us by in-house experts."

While across its own spas the treatment menu is fairly standardised, Goetzelmann and her team work with their hotel partners to develop signature treatments that are exclusive to that location – so in Bali, you'll find a Mango Tango massage using mango oil, while in Rajasthan, India, you can enjoy a body scrub using sand sourced from the local desert. "But of course we only do that for body," says Goetzelmann. "For our facials, we need to guarantee efficiency, so they're 100 per cent our protocols."

Goetzelmann is alert to the advantages of facials over massages in terms of revenue, given their much greater potential to generate retail sales (see SB13/3 p24). Notably, the bestselling facial across the portfolio is Immortelle Secret of Youth, which complements the hugely popular Immortelle anti-ageing retail line. In

many of its shop-based spas, 50 per cent or more of treatments sold are facials, which Goetzelmann attributes to the strength of the retail brand: "We have some very loyal customers who buy our facial products regularly, so for them having a spa treatment is just an extension of their skincare routine."

In its hotel spas, however, the figure is closer to the industry average of 15-20 per cent. "It is something we want to push," says Goetzelmann. As well as offering skincare analysis as part of the consultation process, L'Occitane spas encourage the take-up of facials through special offers, face and body packages and express treatments.

Another focus is, unsurprisingly, spa retail. The benchmark for retail sales as a proportion of overall spa revenue is 20 per cent – although some locations exceed that – and the spa division draws strongly on L'Occitane's shops for display protocols and retail materials, such as brochures and samples. "We know that the formulas are our best ambassadors," says Goetzelmann. "When people try them, they are convinced, so the aim is always to have them try."

Prescription, in the form of detailed spa prescription cards, is also key. "It's easier for the therapist to sell than the person in the shop, as they already have a good understanding of the needs and expectations of the client. The challenge is that therapists are

often not comfortable with selling, which is something we're working on in training."

PERFECT EXPERIENCE

With more than 30 new projects on the table, Goetzelmann has her hands full. Nor is there just one geographical focus, as there are deals from Eastern Europe and the Caribbean to India and China which are all under discussion.

The company has also launched a second brand in Brazil – L'Occitane au Brésil – comprising fragrances, bodycare and sun care. International rollout is planned for 2014, and spas are currently being offered the opportunity to take on the products.

With this kind of momentum behind it, the chances of L'Occitane remaining off the industry radar much longer seem pretty slim. But Goetzelmann is clear that growth will never be at the expense of brand image. "Our aim is not to open 1,000 spas, but to maintain a very exclusive and high-quality network. We want to partner with the best and offer every hotel a tailor-made marketing plan and personalised follow-up. For us, it's not about generating a huge turnover but offering a perfect experience to the guest." ●



Rhianon Howells is the consulting editor of *Spa Business* magazine
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MIRAVAL UPDATED

Miraval opened its new Life in Balance Spa with Clarins in 2012, marking the launch of a successful partnership between the two brands. Liz Terry talks to Michael Tompkins, CEO of Miraval and Clarins' Ghislain Waeyaert about how the first year panned out

A year ago, when I sat down to talk to Michael Tompkins he and his board were promoting their new Life in Balance Spa with Clarins and announcing plans to roll Miraval out in up to six new locations, making it one of – if not the – biggest roll-out of a destination spa brand ever in the US.

At the time, Philippe Bourguignon, chair of Miraval, said he believed one of the most exciting opportunities in the spa industry was to develop spas for the proximity market, commenting: "We think we can get half our clientele from within a two hour drive."

Now, a year later, these plans have moved on apace, with a dream deal signed for the development of a second Miraval to open at Natirar just an hour from New York City in 2015 and the likely announcement of a third US site in spring 2014. The company is also planning international expansion as a result of growing awareness of the brand.

With all this high level activity underway, Tompkins – who has just taken the chair of ISPA – is in great spirits. "I've been assigned by my board to find five locations for new Miravals in the US," he says. "At the same time, we're continuing to evaluate a number



Clarins' Ghislain Waeyaert (left) with Miraval CEO Michael Tompkins (right)

of different projects outside this country: we'd love to have a Miraval in Europe, for example and are working on this now."

Tompkins attributes the growing international awareness of the Miraval brand to Clarins' hard work on the PR front and the skincare brand has been leveraging its international press contacts to raise the profile of the Tucson-based resort: "Miraval wasn't known outside the US," says Tompkins, "but we now have a growing profile and the proportion of visitors from overseas – although

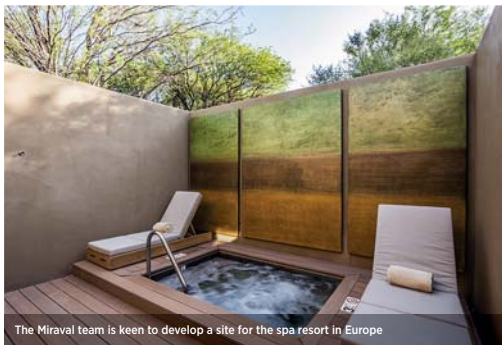
still small – is increasing. We were just nominated for a World Spa Award in Spain – something which would never have happened before we joined forces with Clarins."

TRADING & PROFITABILITY

The tie-up has obviously worked well for both parties and has matured into a strong working relationship. Tompkins is complementary about the role Clarins has played in the success of the spa: "When I tell you our retailing is up 54 per cent year on year, you'll see how well it's working," he says. "Miraval's trading is up 10 per cent year on year and the spa is up 30 per cent. I attribute this growth to the innovative services we've created and 70 per cent of those have been developed with Clarins products."

I ask Tompkins why some spas seem reluctant to take on retail brands alongside spa brands and he gives a robust reply: "When I came into the spa market, I was told spas had to use only niche brands because they were more exclusive and because customers wouldn't be able to find the products in stores near home, so they'd call back to buy more. That's what I was trained to believe.

"But in fact, we've found the exact opposite," he says. "Because our guests know and trust Clarins, they come out of their treatment and they purchase the product. And frankly, I don't care where they buy it



The Miraval team is keen to develop a site for the spa resort in Europe



Miraval and Clarins jointly branded the new Life in Balance Spa In Tucson

The new Clodagh-designed spa opened in 2012 and has already increased its revenues by 30 per cent

after they leave here, because the truth is that when we had exclusive brands, people never called back to buy again anyway, in spite of our efforts with telesales."

So where does this perception come from? Tompkins says it's a myth perpetuated by competitors: "A lot of the other skincare vendors haven't gone down the retail route," he says, "so exclusivity is their pitch, and the industry listens. When I first started in spa, I assumed all this information we were hearing from suppliers was the truth – the unfortunate thing is it isn't the truth. The best decision we ever made here at Miraval was going with the Clarins line. It's been a benefit beyond retail sales because of the comfort our guests feel in the brand."

STRATEGIC ALLIANCE

Ghislain Waeysaert, director of Clarins' spa activities, says the tie up is wholehearted and supported from the highest level: "From the beginning it's been a partnership based on respect and strong relationships, which is the way Clarins treats everyone, from employees to suppliers and customers to partners," he says. "Clarins is still a privately owned business and our CEO, Christian Courtin-Clarins, has visited Miraval on a number of occasions to talk to the team and explain his vision – you don't get many CEOs of US\$1.6bn turnover companies doing that."



Retail spend at Miraval has grown 54 per cent since the spa partnered with Clarins

"Miraval is one of the top destination spas in the US," says Waeysaert. "It was important to us in the rollout of Clarins as a global spa brand to be able to prove that our professional and retail product lines work within a high-end spa operation such as this."

STAFF BUY-IN

Tompkins believes the buy-in of the Miraval staff has been an essential part of the success of the Clarins launch. The products were blind tested by therapists who were offered the choice of three professional lines. Once the decision was made, literally every member of the resort's staff was trained by

Clarins. Tompkins says he's read guest feedback forms which say I was talking with one of your landscapers and they mentioned I should try a Clarins facial'. "It cost a lot of money in labour to train the entire team," he says, "but it was worth it because we got everyone's buy-in."

So plans are on track at Miraval: "We routinely win 10-15 awards a year," says Tompkins. "The year we relaunched the spa we won 21 and this year we'd won 35 by October, including Best US Spa in the SpaFinder Crystal Awards."

Find out more about Natirar overleaf



The Ninety Acres restaurant at Natirar boasts fresh farm to table fare and a high-end cookery school – all supplied by the on-site farm

Miraval at Natirar

The new Miraval at Natirar in New Jersey will be built in and around an existing operation owned and run by founders Bob and Kim Wojtowicz. Miraval replaced previous shareholder, Virgin's Richard Branson, as a partner in the project. The new site will open in March 2015.

The stunning house, set in 400 acres, was the former home of the King of Morocco and already boasts a high-end farm to table restaurant – Ninety Acres – a cooking school and club which runs on a membership basis.

The wooded site has a 60-mile unobstructed view over New Jersey into Pennsylvania: "All you see is rolling hills and trees. No one can build anything in that view," says Miraval CEO, Michael Tompkins. "The property is set on a hill and from the other side you can see Manhattan. You're so close to New York, you just don't know it."

The site couldn't be better located, being an hour by car from the city, 25 minutes from Newark International airport and near two train stations which go to Penn Station.

Spa Business editor Liz Terry pays a visit to Natirar to see how plans for the new Miraval are shaping up

Under the scheme, the existing manor house will be converted, and a second building constructed, says Tompkins: "The new-build will have the same architecture and use the same brick as the original. The plan is to have 66 keys, while an underground tunnel will be built to the new spa."

Rockwell Group's design for the spa building is a dramatic, grass-roofed, minimalist glass building with a waterfall cascading from the roof. Set among the trees, it looks set to be a real show stopper.

Natirar's fitness centre will be expanded by 6,000sq ft (557sq m) and its stables will be used for Miraval's famous Equine Experience.

In addition to hiking and biking trails, there's also a lake on the property. "We're aiming to organise paddle board yoga," says Tompkins. "We'll do snow shoeing in the winter and will be open year round."

Miraval at Natirar plans to work with Clarins and continue its relationship with the brand: "We plan to roll out future spas with Clarins," says Tompkins, "but we also aim to make them true to the locales, so at Natirar – which has a 13 acre farm to table garden – we'll develop treatments based on the Clarins products which contain plant extracts from flora which is native to the area. Clarins head botanist, Jean-Pierre Nicolas, will be involved with scoping out the options."

The existing operation at Natirar already has strong engagement with a high-end clientele. Combining this with its close proximity to New York City means the new Miraval could not be better placed to succeed. ●



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Ask an expert

PROFIT & LOSS

The viability of some spas is being undermined by unreasonable expense allocations, highlights a session at the Global Spa & Wellness Summit

“I’ve been in the spa industry for over 40 years and I’ve seen an increasing disconnect in the financial expectations of hotel owners, investors and operators and spa operators,” said Susan Harmsworth, owner of ESPA International who moderated an Investor Panel session at this year’s Global Spa & Wellness Summit (GSWS) in New Delhi (see p70). “Even those at the top of their game don’t understand the numbers, which can make attracting investors or funding for new spas difficult,” she added.

A big confusion is the expectation of return on investment – how long should it take for a spa to break even? Often projections by spa operators, which have the facility running at a loss for the first year as the business beds in, don’t marry up to expectations of hotel owners, investors and operators who want to start making money as quickly as possible.

Moreover, in hotel spas there’s a fundamental problem with predicting return on investment with regards to allocation of initial capital expenditure (capex). It’s left



2013 Global Spa & Wellness Summit special

too late in the build before the cost of a spa is considered and ROI is defined.

Harmsworth explains: “In the past, I’ve been asked to run the pool and gym [as part of the spa business], but bundling these costs into the profit and loss (P&L) of a spa makes it look unviable, because the pool and gym capex and operational expenses (opex) should really be with the hotel. This becomes particularly problematic when hotel’s prohibit spa/health club membership which can help cover costs. There are no industry norms and it’s making it extremely difficult for spa operators – whether run by a third-party or the hotel itself – to be profitable in certain markets.”

Is it time for the industry to take a stand on this? Or is there a way of cross charging the pool and gym and other expenses to the hotel so that the figures stack up?

There’s an argument that a spa can contribute more to a hotel business than merely what’s seen on the P&L account. They can be a powerful tool in branding, PR and market differentiation, as well as helping to boost room rate, secondary spend and leisure business – drawing in double occupancy – during off peak/season periods. But how can spa operators convince hoteliers and potential investors and owners that this is the case?

Of course, hotel spas aren’t the only model in the industry, so how do standalone day spas, mixed-use/residential spas or destinations spas compare in terms of viability?

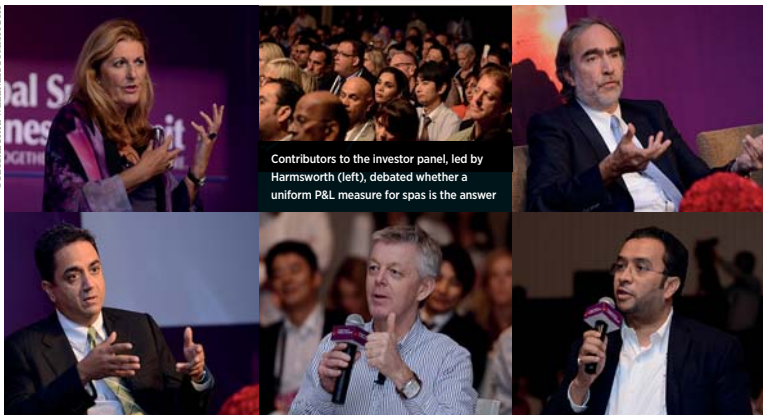
Harmsworth herself answers these queries along with hospitality consultants Omer Isvan and Manav Thadani who joined her in the GSWS session, and operators Andrew Gibson and Talal Bin Ali who put forward questions from the audience.



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Hotel spa operators are often asked to cover pool and gym costs with no benefit to their bottom line





Contributors to the investor panel, led by Harmsworth (left), debated whether a uniform P&L measure for spas is the answer



What's fair will differ in every case – I think hotel spas should be paying a percentage of capex and opex costs but they shouldn't be paying it all and there needs to be room for negotiation



What we do as spa operators is typically not understood by hotel owners or operators, especially those in emerging countries. And sometimes their own expectations are misaligned with each other. The owner, understandably, doesn't want the spa or hotel to make a loss in the first year, yet the hotel operator doesn't want to give the spa any revenue.

At the same time, we get loaded with operating costs including marketing and the pool and gym. Sometimes even when a spa does soak up the costs of a pool and gym, the hotel operator doesn't give it credit. And that's regardless of whether the spa is operated by a third-party company or managed in-house.

If a spa can offer outside membership, it can use that extra revenue to cover costs, but if a hotel wants to keep use exclusive to its guests it's difficult for a spa to then cover additional cleaning, laundry and energy expenses. Cross charging could be the answer. I've got a residential tower, hotel and spa with minimal space so I've suggested to the operator that we don't include a pool. When he insisted that a pool is necessary for the selling of the residential tower, I reasoned that that's where the capex should be allocated rather than to the spa.

In another example, we have a spa being built in a mixed-use development that's



Susan Harmsworth

Founder & CEO, ESPA International

exclusively used by residents and isn't open to the public. As the spa is a communal facility, all the costs are included in the service charge of residents. Plus we're taking a fixed annual management fee because there's no external [membership or day spa] business so we can't influence profit.

Looking at stand-alone day spas, with their own capex and opex it's clear that the business can work – my very first spa in 1970 was a stand-alone. But they're usually driven by individuals and are difficult to roll out.

The hotel spa industry has changed because since the economic downturn, everything has become so bottom-line driven. It's not necessarily a bad thing to pay more attention to the financials, but this exacerbates the need for spas and hotel owners and operators to agree early enough what ROI is expected, over what period and what constitutes capex and opex. What's fair will differ in every case – I think spas should be paying a percentage of costs but they shouldn't be paying it all and there needs

to be room for negotiation. Unfortunately, until a standard is developed for spa P&L, consistency in sector benchmarking will also remain problematic

In addition, there's a need to show the other added benefits a spa has above and beyond P&L. We've got several city hotels that are full of single occupancy business guests Monday to Thursday and they would be quiet at the weekend if it wasn't for the spa that's driving double occupancy leisure guests – sometimes up to 30-40 per cent occupancy – on a Friday, Saturday and Sunday."

Looking forwards, the industry needs to fight its corner more to get P&Ls loaded in the right way. It needs to start fighting early enough to get a fair agreement that works for both parties and ultimately the guest – because if you don't have integrated businesses they're the ones who will suffer too."

GSWS board member Susan Harmsworth has a portfolio of more than 350 spas worldwide. Details: www.espaonline.com

Return expectations for spas vary greatly depending on who's investing in what market. When a company from an emerging market invests in an already developed market, it's driven by debt coverage ratio, asset yield and the value payback period with a focus on exit value and the internal rate of return.

Where does the spa feature in a new investment? Beyond allocating some space, it doesn't feature until much later in the game unless the right people are on board from the outset. It's often seen either as an investment burden as it costs so much per square metre; or, at best, seen as a good tool to utilise otherwise valueless basement floors.

When a company from an emerging market invests in a developing market it comes down to ROE – or return on ego! The numbers become secondary to what the spa should look and feel like. After a three-year honeymoon period, however, they start to measure profitability and that's when the gym, pool and even the outdoor pool get bundled into the same P&L so the spa can look like a loss leader.



Omer Isvan

President, Servotel Corporation

Hotels use a uniform system of accounts where undistributed operating expenses like heat, lighting, water and maintenance are – rightly or wrongly – shared across departments, including the spa. If this happens to a hotel's own-branded spa it's not such a problem, as many mainstream hotel spas are viewed as a managed function rather than a major profit centre. But when a third-party spa operator comes in, expectations are raised, expenses are scrutinised and they're often lumbered with a lot of the otherwise undistributed opex. All of a sudden, new meters get installed, measuring how much energy or water the spa uses.

It's easy to suggest that hoteliers should consider the intrinsic advantages of having a spa, but there's not always a mathematical formula on what it can yield indirectly.

Sometimes a spa can become a central conceptual element, but that would take sophisticated planning which isn't happening (as yet) when left to the cut and paste mainstream hotel brands. I know some successful destination spas where this is the case, but substantial wellness elements haven't come into play in mixed-use developments or mainstream hotels at any scale.

We're not specialists in small scale standalone urban spas, but from my observation the successful ones are 'person-centric' – meaning there's one person or specialist around which the establishment has formed and where their skill-set meets a niche market.

Servotel has offices in Istanbul and London. Isvan has worked in hospitality for 27 years. Details: www.servotel.net



It's easy to suggest that hoteliers should consider the intrinsic advantages of having a spa, but there's not always a mathematical formula on what it can yield indirectly



It's true that ROI expectations for a spa depend on the type of investor. It's the ego-driven investor that spas really want because they're less concerned about the amount of money that's going in or the time frame. They only want the best.

Another fundamental difference is that the bigger, mainstream hotels don't look at spa as big revenue generators – at best they represent 3-4 per cent of the overall revenue. So they're given a lot less importance.

I don't look at a spa in terms of yield and the investment. I look at it in terms of how much space it's going to take up and whether that space could be used for meetings, F&B or additional rooms so I can generate more revenue. But that's in the mainstream. If it's a luxury hotel and a spa can add 10-15 per cent on my room rate then I might look at that.

But it also depends on the market. In an urban location where real estate is more expensive (especially in India) I'd favour more bedrooms as it's less hassle and it will



Manav Thadani

Chairman, HVS South Asia

bring more to the bottom line. But if I was looking at a leisure destination, then I'd definitely focus on the spa to sell rooms.

Mixed-use and residential facilities with spas are very different. When the spa is exclusively for that development and not open to the public, viability becomes an issue – we have to look at striking a balance between what fixed cost we can charge residents and at what point we introduce a pay per use fee.

On the other hand, standalone day spas can work extremely well. In India they typically generate 35-45 per cent profit. Personally, I wouldn't like to visit them as they're in noisy malls, but they're definitely attracting customers. Would I lease or rent

out a space to day spas in a hotel? Most certainly yes. We have properties with vacant space that we'd love to lease out to a spa that's complementary to our services. In this part of the world, a spa focused on express treatments would work really well.

However, if spa operators want to convince mainstream hotels to look at their business more favourably, I think benchmarking is needed. It would certainly help with recognition because right now those details aren't there.

Over the past 15 years, Thadani has worked on 800 hospitality projects across India for HVS South Asia. Details: www.hvs.com

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The confusion surrounding ROI is created if there's a lack of clarity or a misalignment of expectations. In my opinion, ROI should be judged on the entire hotel/resort business model where each part – rooms, restaurants, spas, pools, fitness, meeting rooms, public spaces – combine to make it work. The current method of trying to separate these parts is flawed because there's no consensus on allocation of costs.

It's fine if the capex of a pool and gym is undertaken [by the spa] for a reason that's been considered and approved by the investor. But if the capital costs are subdivided to create individual business centres then the revenues and returns on those centres should get allocated too.

The leisure facilities of a hotel are often viewed as loss leaders because the business model is incorrectly determined. Research body STR has estimated the premium on the room rate for luxury hotels – ie those with all the extra leisure facilities – in the US is around US\$76 (€55, £47). If this premium was added into the ROI for the pool, fitness and spa then a more realistic figure might be



Andrew Gibson,

Group director of spa, Mandarin Oriental Hotel Group

obtained. Our own internal research at Mandarin Oriental has also shown that guests using the spa contribute almost double spend on food and beverage, stay longer and are more likely to book a suite. Perhaps this should also be included in ROI calculations? As you can see, once the model gets broken into individual segments, the true allocation of returns becomes difficult. It is for this reason that there's confusion.

The simple solution is not to break down the ROI any more than you would try to determine the ROI on the lobby of a hotel or a piece of artwork in a corridor.

That said, spa operators – in the absence of industry benchmarks and figures – should still gather their own research and data to show how much value their operations have. The evaluations of spas from hotel invest-

ment advisors are generally poor at best and misleading at worst. The link between spas and hotel guestroom premiums, increased spend in outlets, attraction to the hotel, local community usage of hotel services and direct P&L returns are good financial indicators. Publicity, awards and editorial coverage provide intangible returns that should also be used in arguments for a spa. In my opinion the argument for a spa in a four- or five-star hotel is already won based on the needs to obtain the star rating so the key question is what size is effective to yield the expected return on investment.

Gibson oversees 24 spas at Mandarin Oriental, is a GSWS board member and was a co-chair for this year's summit. Details: www.mandarinoriental.com



Our own internal research has shown that guests using the spa contribute almost double spend on food and beverage, stay longer and are more likely to book a suite. Perhaps this should also be included in ROI calculations?



If the spa industry is to flourish, we must present our businesses in a different light. We need to convince the hospitality sector that they're sustainable, valuable and viable models even if the spas are run as standalone enterprises within their sites.

On the other hand, hotels also need to view spas as a more important amenity like F&B. We've been approached by hotels owners who want us run our businesses from their premises but we've rejected these offers, as they view spas as a side dish rather than a main course!

We currently have 12 standalone beauty salons and day spas under the Enaya brand in Jeddah, Saudi Arabia; as well as 10 Cutzone barber shops. Typically, an Enaya salon or spa will cover 600sq m (6,458sq ft) and have 25 treatment rooms where beauty/maintenance services, as well as mind and body treatments will be offered.

On average, our salons and spas generate a minimum 50 per cent gross profit after



Talal Bin Ali,

Founder & president, Enaya Care International

staff and material costs. They're managed as independent profit centres and we make sure they're viable through cost control and smart pricing, including loyalty schemes, promotions, discounts and alliances with other businesses to attract more people – the higher the utilisation, the higher the profit.

We've managed to secure funding because we have the figures to prove we've got good top line growth (over 25 per cent annually), that we're profitable and that our financing matches the payback period. I'd advise any operator who's looking to attract investment to be just as cost conscious and to measure and manage key performance indicators with a good software system.

If our industry is to overcome the confusion surrounding profitability and ROI we must be proactive. Having a spa attracts customers to a hotel and increases occupancy rates, so spas should be assessing what the occupancy of a hotel is – with and without a spa – what footfall it creates and what impact it has on other profit indicators to prove how valuable spa facilities really are.

Following a 20 year career working for companies such as Unilever, Talal Bin Ali started the Enaya chain in 2006. He plans to roll out the brand in Saudi Arabia and the gulf states in the next five years. Details: www.enayacare.com



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ALL RISE

ISPA's latest research shows that US spas have returned to pre-recession levels of growth in all of the 'big five' key performance indicators. PwC's Colin McIlheney examines the findings

COLIN MCILHENEY, GLOBAL RESEARCH DIRECTOR, PRICEWATERHOUSECOOPERS

The US spa industry has had its strongest year since 2007, according to the International Spa Association (ISPA)'s 2013 US Spa Industry Study. The nationwide report clearly demonstrated that the five key statistics – visits, spending per visit, revenues, staffing levels and number of spas – have all grown.

The findings were a continuation of the positive news from ISPA's 2012 report (see SB12/4 p40), in parallel with the upturn of the US economy. The large-scale survey of 14,000 spa operators examined criteria such as financial performance, employment and growth in 2012, as well as ownership structures, number of visits and product and service offerings. Spas also gave an account of the six months from September 2012 to March 2013, across four key business indicators. The results corroborate

Table 1: ISPA 2013 US Spa Industry Study Big Five Statistics

	2012 May	2013 May	% Change
Total employees	339,400	343,600	+1.2%
Full-time	163,100	151,300	-7.2%
Part-time	128,500	145,400	+13.2%
Contract	47,800	46,900	-1.9%

*Calculations of percentage change are based on unrounded figures

the overall message of a return to growth which can be seen throughout the study.

Looking forward, spas were asked about their confidence for future prospects and about what uncertainties might lie ahead in the industry and the economy as a whole.

THE BIG FIVE

In this year's study, all five measures increased, which underscores the industry's

recovery (see Tables 1 and 2). Total spa revenue is up 4.7 per cent, at US\$14bn (£10.1bn, £8.7bn). Compared to the pre-recession peak of US\$12.8bn (£9.3bn, £7.9bn), this 9.4 per cent increase highlights the extent of the recovery in revenue terms.

Revenue-per-visit figures show customers are spending US\$87.20 (£63, £53) on average – an increase of 1.8 per cent on the year before and the first significant rise in four years.

The number of total spa locations continues to grow slowly: there are now 19,960 sites across the US – 0.5 per cent more than in 2011. This is positive news when set against the context of 2009–10 when spa closures outpaced new locations for two years. As of May 2013, total indoor floor space stood at an estimated 78 million sq ft, an increase of 1.1 per cent over May 2012.

A breakdown of spa-types show that day spas remain the industry's mainstay, with 78.9 per cent of the total, followed by medical spas (8.8 per cent), resort/hotels (8.7 per cent) and club spas (2.9 per cent).

A promising trend in recent years has been the pace at which the total number of annual spa visits has increased each year. This continued, as total visits rose by 2.8 per cent, to 160 million.

Overall employment increased by 1.2 per cent – a percentage point more than last year – meaning that 343,500 people now work in the US spa industry. However, there was a marked shift from full-time employment (-7.2 per cent) to part-time employment (+13.2 per cent). This could be an indication of wider changes in American working practices or



Retail lines have increased, with clothing and accessories and home goods selling well



There's been a marked shift from full-time employment (-7.2 per cent) to part-time employment (+13.2 per cent)

may reflect the spa industry's commitment to maintaining a flexible workforce.

ADAPTING TO CREATE DEMAND

The ability of spas to raise prices and report increased profitability represents an increase in market demand, which is indicative of the bullish consumer sentiment witnessed across the economy. Strategically, spas continue to diversify their services in order to attract greater market share and to cater to a market that has become more price-aware over the past five years.

Retail products offer an example of this diversification; on average, spas offer 11 different retail lines. There was variability in this data, with resort/hotels leading the way overall (18 retail lines) and 'other' spas (including medical) specialising in such areas as skincare products, where they offer more than double the range presented by day spas or resort/hotel spas.

When asked to identify the most popular new product introduced in 2012, the variety on display was testament to the diversity spas have embraced in the wake of the recession. Traditional beauty products remain popular but have been bolstered with home goods, clothing and accessories and more specialised products such as homeopathy and 'medical/therapeutic' treatments.

Table 2: ISPA 2013 US Spa Industry Study Big Five Statistics

	2011 year end	2012 year end	% Change
Revenue	\$13.4 billion	\$14 billion	+4.7%
Spa visits	156 million	160 million	+2.8%
Locations	19,850	19,960	+0.5%
Revenue per visit	\$86	\$87	+1.8%

*Calculations of percentage change are based on unrounded figures

Treatment offerings within spas have also continued to diversify; where 28 per cent of those surveyed in 2011 offered shorter treatment times (30 minutes or less), this number has now risen to 61 per cent. Around half of spas now also offer special discounts or promotions to their social media audience (51 per cent), as well as having loyalty programmes (47 per cent), spa party packages (47 per cent) and giving customers the option to book treatments online (45 per cent).

REINFORCED CONFIDENCE

The positive news reported throughout the study is backed up by a survey of spas' sentiments going forward; 78 per cent of spa operators said they anticipated an increase in revenues over the next six months. This was across the range of spa types and is the same figure as was reported in last year's study, indicating an industry showing reinforced confidence. ●

ISPA RESEARCH

ISPA represents spa providers in over 70 countries. Its role is to advance the industry via educational and networking opportunities, promoting spas and fostering professionalism and growth.

The organisation commissioned its first US study in 2000, followed by updates and shorter tracking studies in the following years.

This year's full report, with technical appendix, is available at experienceispa.com. ISPA members may download a complimentary copy.



As well as his role at PwC, Colin McIlheney is ISPA's research advisor

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As ESPA's 20th anniversary year draws to a close, founder and CEO Sue Harmsworth explains how and why the company is still evolving

ESPA

In many ways, the trajectory of ESPA encapsulates the history of the spa industry itself, from grass roots movement to global economy. Founded by industry pioneer Sue Harmsworth in 1993, the business has grown from a small UK-based concern offering consultancy services and a modest natural product line to a global spa management and product powerhouse, with more than 350 spas in almost 60 countries and clients ranging from Peninsula Hotels and One & Only Resorts to Ritz-Carlton and Mandarin Oriental.

But although these credentials are impressive, there are others that tell us more about what kind of company ESPA really is. After 20 years, this is still a family-run business, and including Harmsworth and her two sons – Michael, managing director, and Charlie, brand director – every member of the senior management team has been with the company at least 14 years and risen through the ranks. Moreover, all of the company's 200 employees around the world, from sales people to trainers, have cut their teeth in operations, giving them a unique ability to offer clients rounded solutions to the challenges of running a successful spa business.

While ESPA's heritage and expertise are enviable, however, the company has never



The Lifestage range harnesses cutting-edge technology previously only used in medicines

made the mistake of resting on its laurels. Here, Harmsworth explains why the drive to innovate that inspired her to launch the business is just as important today.

How would you sum up your business model?

We're an authentic, solutions-led spa company that offers its business partners a full range of services, from original concept and customer journey design, commercial business planning and budgeting, pre-opening and brand standards, recruitment, training and treatments right through to ongoing spa management. Our spa heritage and knowledge combined with our

natural ingredient intelligence gives us a unique business edge, both commercially and operationally.

However, over the past few years, our business model has become much more flexible, meaning that alongside our spa design/development and management accounts, our portfolio now includes select product-only partnerships with spas and hotels that we feel share our stringent brand standards.

What we can promise is that every experiential encounter with ESPA will provide award-winning treatments, the finest quality natural products and a memorable, luxurious customer journey in a beautiful and relaxing environment.

ESPA has more than
350 spas worldwide
including ESPA at
the Joule in Texas



What makes ESPA products unique?

I developed the ESPA product range while I was working as a spa consultant in the early 1990s for the simple reason that I couldn't find the products I needed. Instead, I was forced to use a combination of clinical aromatherapy oils, bucket-loads of seaweed and skincare products that were really quite synthetic. So I set out to create a skincare line that was elegant and natural and covered everything needed for spas in a single range – and that's still the case today.

However, since the launch of our own factory in Somerset, UK, in 2009, our product development has reached a whole new level. The factory is accredited by the Soil Association, Ecocert, the Organic Food Federation and the Fairtrade Foundation and, while our products have always been of extremely high quality, we're now able to keep even tighter control over quality standards and respond even more quickly to our customers' needs.

All of our products are made up of 95-100 per cent natural ingredients and are free from synthetic colour and fragrance, parabens, phthalates, DEA, TEA, SLS, SLES, silicone, propylene glycol and petrolatum. Every formula contains exceptionally potent natural actives and has been developed by our in-house chemists using cutting edge technology to deliver unrivalled results.



Products are 95-100 per cent natural

What kind of testing do you do?

I take an active role in the development process for every new product, working alongside our chemists to ensure that only the most effective products are brought to market. In addition, every product undergoes third-party efficacy testing, and must also pass staff, therapist and client forums. As a result, only 60 per cent of new products ever make it into the range.

Once a product is out there, we pay close attention to every comment that comes back from our spa partners, therapists and consumers. This continual feedback informs both our reformulations and new product introductions, helping us maintain our competitive advantage. Unlike many other spa brands, which make most of their revenue from just 20 per cent of their products, we make 60 per cent of our revenue from 40

per cent of our products, which we believe is partly down to the constant evaluation and reformulation of our range to ensure it's as effective and results-oriented as it can be.

Can you tell us about your most recent product launches?

One of our most exciting launches this year has been our Lifestage range, which includes the Lifestage NET8 Serum, Lifestage Stage Release Moisturiser and Lifestage Stage Release Eye Moisturiser. Developed for women over the age of 45, Lifestage targets all the most visible signs of ageing in a single formula, using the very latest advances in skincare science – natural encapsulation and stage release technology – to deliver dramatic results.

In all honesty, I developed this range for me. When women reach the menopause, they start to suffer from all sorts of skin problems they haven't experienced before, from open pores, redness and hyper-pigmentation to wrinkles and loss of elasticity. A few years ago, I started to find that I was using one serum for this and another serum for that, and it became confusing – I wanted everything I needed to be available in just one product.

The Lifestage formula contains 10 natural actives that together tackle all of these ▶



The company has more than 350 spa partners in almost 60 countries, including ESPA at Resorts World Sentosa in Singapore (above)

age-related issues. But what really makes it unique is the delivery system, known as natural encapsulation technology, which had previously only been used in medicines. The system consists of multiple microspheres, each of which holds a blend of the 10 actives, suspended in a capsule of salicylic acid. When the product is applied to the skin, the capsules punch through the epidermis rather than spreading evenly, and the microspheres burst – but because they're different sizes they burst at intervals. This is known as stage release technology. The end result is that this very powerful formula is not only delivered deep into the skin but remains active for eight hours.

We've also just launched Optimal Skin ProSerum, which combines the benefits of a super-serum with those of an aromatherapy face treatment oil – that's been so popular that we ran out of stock after three weeks and have had to quadruple our manufacturing quota. Other new products include our ESPA Bath and Body Essentials range and our 100 per cent natural Mandarin Lip Balm.

Your latest concept for managed spas is ESPA Life – can you tell us more about this?

We launched ESPA Life in 2011 in response to the growing demand among consumers for a more wellness-oriented spa experience, incorporating services such as

"Wellness is a big topic in the spa industry at the moment, but it needs to be delivered with integrity. We take the responsibility very seriously."

complementary medicine, nutrition, weight loss programmes, sleep health programmes and so on. At the same time, we felt an offering like this could be a good solution for some of our hotel clients, many of who are still struggling with occupancy issues in this economic climate.

Wellness is a big topic in the spa industry at the moment, but it needs to be delivered with integrity. The danger is that the term 'wellness', like the word 'spa', ends up being over-used and everyone who has a nutritionist claims to be offering wellness – that could be very damaging to people's health and wellbeing. By contrast, we take the responsibility very seriously. As a minimum, every ESPA Life has a naturopath, an acupuncturist, an osteopath, a nutritionist, high-level personal trainers and remedial sports masseurs, and we also do functional medical testing, including blood tests, if appropriate.

So far, we've launched ESPA Life at Corinthia, London, and ESPA Life at Gleneagles, Scotland, as well as a host of non-branded wellness programmes at Resorts World Sentosa in Singapore. We're currently put-

ting the concept into a number of other properties, and we're also in the process of developing a flexible ESPA Life model for clients that only want to offer it in low season.

What's next for ESPA?

Since the introduction of ESPA Life and our more flexible business model, the growth potential of our business is exceptionally strong. We've got lots of new spa developments in progress, including branded accounts, managed accounts and product-only partnerships, and 2013-14 will see us moving into several new countries, including Azerbaijan and Saudi Arabia. We've got numerous new products in the pipeline, and we've also just launched an in-room product range for hotels, which we believe will further enhance the guest experience.

Ultimately, we're still one of only a few companies that provide a complete spa offering, and with our constant commitment to evaluation and improvement, you can be sure that we will continue to lead the industry rather than follow. ●

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ESPA

ESPA AT RESORTS WORLD SENTOSA



Animal Instinct

Opening a safari spa seven years ago, Ronleigh Gordon could hardly have envisioned the growing spa empire she currently manages.

Lisa Starr pays a visit to the original Amani African Spa

South Africa is a country of great diversity. It has 11 official languages and given its location at the confluence of the Atlantic and Indian Oceans, there's also great natural biodiversity. Such a range of climates, cultures and people can be a barrier to business growth, making it difficult to market appropriately across the spectrum.

Yet in just seven years Ronleigh Gordon, the owner of Amani African Spas, has created the second-largest spa company in the country. She has a workforce of 120 spread over 18 facilities ranging from safari and city spas to mobile and airport offerings.

So, how did she build up her business and what are challenges and opportunities in this emerging spa market?

SAFARI SO GOOD

In 2004, Gordon became a minority shareholder in South Africa's five-star Ivory Tree Game Lodge in the Pilanesberg Game Reserve and immediately thought a luxury spa would be a natural fit. However, it took her two years to convince the board to let her give it a try, and even then some believed it would be a failure. She proved them wrong. Taking inspiration from the word Amani, which means 'peace' in the local Kiswahili language, Gor-

don created a business focused on resorting harmony of the mind, body and spirit; and just a year after its 2006 launch, the spa concept received its first of four awards from national industry magazine *Les Nouvelles Esthetique* for its unique offering. Soon after, other lodges began asking Gordon to create or refurbish spas in their properties and own and operate them autonomously.

While the Amani Spa model has diversified over the years, safari spas are still core to the business – accounting for seven facilities. Most feature three to four treatment rooms and, unlike typical dimly-lit therapy spaces, are equipped with large windows that



The Shepherd's Tree Game Lodge on the Pilanesberg Game Reserve is two hours from Johannesburg

Sabi Sabi Earth Lodge is located in the Sabi Sand Reserve on the banks of the Sabi River near the Kruger National Park



let in sunlight and beautiful bushveld views to provide a unique African experience. It's not unusual for a guest to enjoy a treatment while watching an elephant wander by – something that can't be duplicated in many places! The harmonising and pampering treatments, priced at around ZAR560 (US\$55, €41, £35) for a 60-minute massage, incorporate South Africa's MatsiMela range and international brands Babor and Mama Mio.

Anyone who's visited a safari lodge can attest to the operating peculiarities that an on-site spa faces. Locations are generally remote and aren't usually open to outside guests. That said, it's unlikely that lodge guests will leave the property save for the morning (6.30-9am) and afternoon (4-7pm) game drives. Therefore the hours in-between are prime for spa-going and Amani makes sure there's one therapist available for every treatment room to optimise room utilisation. During down time, staff work on duties such as stock counts, cleaning and retail and self-development training. What can be a challenge, says Gordon, is for management to co-ordinate leave cycles – therapists typically work six weeks on, two weeks off – to ensure these staff levels.

I hope [our new] trust will assist staff retention
– give individuals a sense of belonging and
motivation to work towards a common goal



The remote locations of safari spas make for an unforgettable experience, but also lead to unique operational challenges

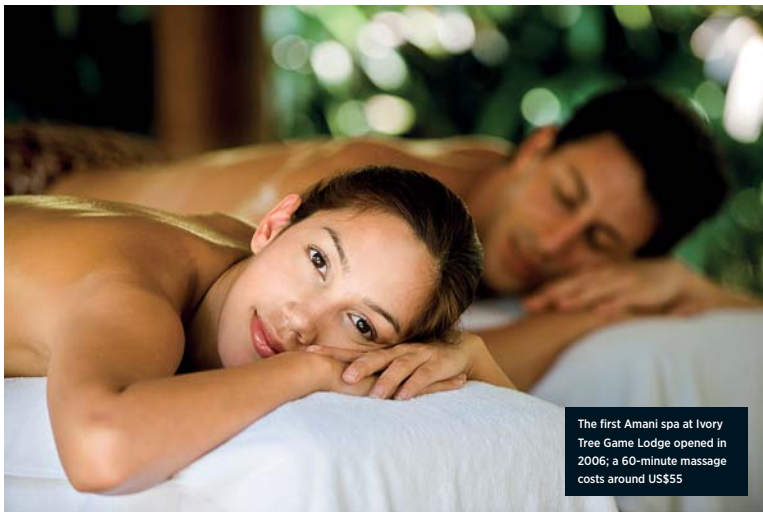
Seasonality can be another obstacle in attracting employees, and in business. Gordon says Amani has side-stepped the first by building up its reputation for investing in and training its therapists. And the full-board provided by lodges is also attractive. In terms of business, she admits that the

spa's performance can be affected by lodge occupancy but not as much as you'd think – some even provide an ROI that rivals or exceeds that of Amani's city spa locations.

NATIONAL FOOTPRINT

As well as the safari spas, Amani African Spas owns and operators four facilities in urban hotels in affluent locations such as Cape Town's Waterfront and the Sandton business district in Johannesburg.

Having diverse locations has helped Gordon to grow the brand, she says. Although international guests are a core target, several lodges attract 50 per cent of business from South African guests visiting for the weekend, or for an event such as a wedding or as part of a conference. Those guests then become regular Amani customers once they return home. "The beauty of a national footprint is that different locations have different business cycles," says ▶



The first Amani spa at Ivory Tree Game Lodge opened in 2006; a 60-minute massage costs around US\$55

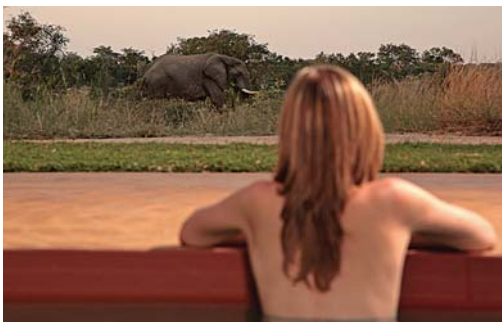
► Gordon, "As one's slowing down another will be on the upswing, so the peaks and valleys in performance are minimised."

Overall, the company's management structure has been tailored to suit the portfolio. Gordon is assisted by nine staff at head office including a national operations director and a training director. The four city spas each have a manager, and the safari spas are helmed by a senior therapist. The operations director visits each location at least every eight weeks and regular visits are also made by the training director whose sessions focus on life skills, personal development and business skills, as well as practical and theoretical training. This role is vital, says Gordon: "Improving staff communication skills has helped to create a happy workplace, resulting in enhanced cross-functional co-operation and efficiency."

EMPLOYEE EMPOWERMENT

The importance of training takes on another meaning, when Gordon reveals that in every location Amani opens, it employs local women with disadvantaged backgrounds. They're given extensive personal development and life skills coaching so they can grow to become therapists. She says: "The majority couldn't find a job, and those that did have one have tripled their earnings at Amani."

Gordon has also just concluded a deal with the National Empowerment Fund (NEF), a



It's not unusual for a guest to be enjoying a treatment while watching an elephant wander by

government organisation supporting black economic participation, which has bought a 20 per cent share in the business to set up an employee trust for disadvantaged individuals. She says: "I hope the trust will assist with staff retention – give individuals a sense of belonging, self-pride and motivation to work towards a common goal – which in turn will build a strong team to improve productivity, performance and our long-term sustainability."

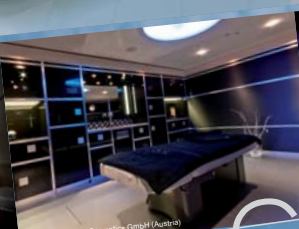
'Black people' is a generic term in South Africa which refers to African, Indian,

coloured and indigenous people and as well as the NEF, the government enforces a Broad-Based Black Economic Empowerment (BBBEE) law. Under this law, every company in South Africa is measured on its black empowerment activities – from ownership of the business and the number of black employees through to socio-economic development initiatives. It's a stringent process, but businesses with higher ratings have a competitive advantage when taking part in government tenders and other business opportunities. ►

Spa Dreams



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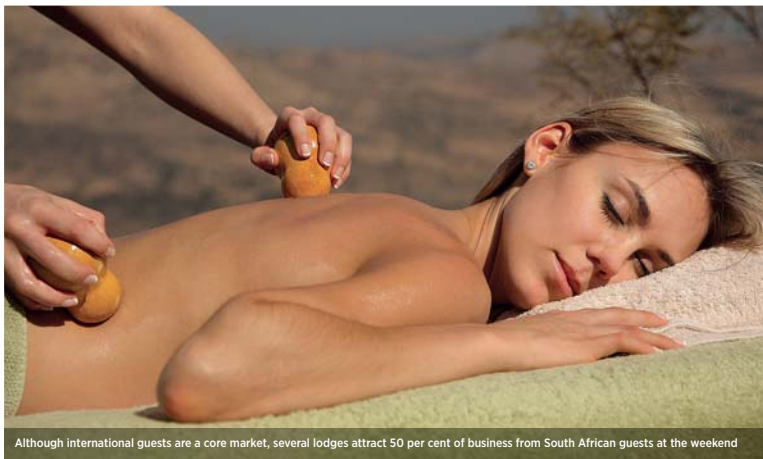
Come True

References: Hotel Hyatt Regency, Düsseldorf, Germany // Ritz Carlton, Wolfsburg, Germany // Burj al Arab, Dubai, UAE // Rosewood Hotel, Abu Dhabi, UAE // Ocean Reef Club Resort, Key Largo, Florida // Four Seasons Hotel Los Angeles at Beverly Hills, California // The Dolder Grand, Zurich, Switzerland // Mövenpick Hotel Gammarth Tunis Hotel, Tunisia // The Westin, Costa Navarino, Greece // Grand Hotel Kempinski, Slovakia // Hôtel de Paris Saint-Tropez, France // InterContinental Marseille, France // Hotel Union, Geiranger, Norway // And many more...

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Although international guests are a core market, several lodges attract 50 per cent of business from South African guests at the weekend

► Significantly, Amani's just been certified as BBBEE Status Level 1 – the highest of the eight levels a company can achieve.

In addition to managing legal requirements, high labour costs and disputes are, unfortunately, a way of life and ending an employee contract is a lengthy process. But in spite of all these challenges, Gordon sees both South Africa and the African continent more broadly as being full of opportunity.

ROOM FOR GROWTH

Economic indicators certainly point to a market that's ripe for development. South Africa has been identified as one of the CIVETS nations – an acronym for a new batch of emerging economic powerhouses. Meanwhile in July, the African Development Bank revealed that its economy is growing faster than any other continent. One-third of African countries have a GDP growth rate of more than 6 per cent, the cost of starting a business has fallen by two-thirds and it has a rapid growing middle class. Gordon feels the burgeoning middle classes, particularly in countries such as Nigeria, Angola, Ghana and Tanzania, is significant for the spa industry. Amani is receiving numerous franchise requests from businesses in these countries on a weekly basis, and has recently sold its first franchise to a lodge in Kenya.

The spa sector in South Africa is a healthy one says Gordon – at last count there were 350 spa establishments according to the South African Spa Association. Yet she feels



Amani provides treatments for SLOW airport lounges in Cape Town, Johannesburg and Durban

there's still room for growth. Aside from franchising, Gordon's looking to expand into the corporate wellness market. Amani has launched a range of employee wellbeing packages such as a mobile spa visit, wellness getaway or day spa programme ranging from ZAR15,000-ZAR100,000 (US\$1,500-US\$9,900, €1,100-€7,300, £950-£6,200) a year. The packages, which corporations can use to incentivise and motivate staff, incorporate lifestyle and wellness experiences to help improve employee wellbeing leading to performance optimisation.

When you meet Gordon, you get a sense of the power and purpose that guides

her – building a company in a still developing country has not always been easy, but she's not looked back once. "I enjoy the innovations and challenges and the excitement that comes with growing a business," she says. "But it's the satisfaction of touching the lives of so many in need that pushes to continue. I want to take Amani to the next level so we can empower many more women, but on a much larger scale." ●



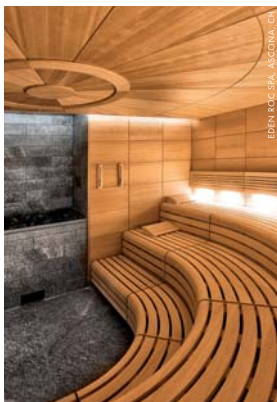
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ESPA AT THE ISTANBUL EDITION, ISTANBUL, TR



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BRIEF ENCOUNTERS

From Canada to the UK and Bali to Australia, pop-up facilities are being presented by spa operators and product companies alike



Pop-up tents help Karma fit in more guests when its main spas are at full capacity

Pop-up facilities are catching on fast

The time-limited operations, based in temporary structures or filling existing, unused spaces are being used to test new markets and locations with innovative, creative, playful concepts in a low-risk way.

Free from the expense of infrastructure and building, pop-ups are thriving in the retail and leisure industry – from shops and hotels to restaurants and cinemas (see *Leisure Management*, issue 2, 2013 p42).

The spa market is getting in on the act too. Mostly, it's the professional skincare companies which are using pop-ups to kick-start their entries into new markets. However, operators are beginning to realise that they're a low-cost way to raise awareness of their brand and attract new audiences in a very tangible way off-site, or to trial a concept on-site to keep their offer fresh and interesting.

Here's a selection of initiatives that illustrate how to tap into this hot new trend.



Swisse's pop-up at an Australian race festival

DESIGN BRIEF

Australian skincare retailer Swisse teamed up with design firm Gloss Creative to develop a glass-fronted pop-up – with raw timber walls, black metal framework and lush green foliage – for Melbourne Spring Racing Carnival. Over the two months, it attracted 5,000 visitors and distributed more than 20,000 product samples.

Details: www.swisse.com.au;
www.glosscreative.com.au



It only takes four months to see an return on investment with pop-up spa tents

MATERIAL WORLD

"I love the pop-up spa culture and see massive potential for it within our business," says Judy Chapman, the spa curator for Karma Resorts which is based in Bali but has 19 resorts worldwide. While the company already has permanent Karma Spas at most of its resorts, it offers 'spa tents' elsewhere on-site too, such as by the sea or pool. It has seven tents in total across its portfolio and another two on the way.

Chapman explains: "They're an excellent solution for us when the spa is at full capacity and some clients even prefer to take their treatment in a spa tent next to the lapping waves. At Karma Kandara, our flagship property in Bali, the spa tent attracts masses of outside guests who then book treatments at the spa – so it feeds revenue to that too." She adds that the tents are also very popular at beach club facilities which it runs at its own properties and for other operators such as at the Wyndham Hotel in Fiji.

The spa tents are from Esprit Nomade, a Bali-based company run by Dutch eco, luxury designer Anneke van Waesberghe. A bamboo frame supports draped linen and mosquito nets in an elegant, yet lightweight (25kg) design. Costing only US\$20,000 (£14,800, £12,500) a tent, it takes just four months to see a return on investment,

says Chapman. They key, she says, is getting staff to circulate with guests offering 10-minute complimentary massages and then upselling once they're in the tent. "Another reason I like the pop-up spa is that it's all very relaxed and easy going – sometimes people just want a great massage without dealing with all the formalities".

Elsewhere, Chapman is using the pop-up concept to trial a medi-spa offering. For two days a week, the spa at Karma Kandara offers non-invasive services, such as colonic hydrotherapy, infrared light facials, microdermabrasion and Botox, in collaboration with local business Cocoon Medical Spa.

While Karma supplies the room, Cocoon brings the equipment and supplies the expert therapists and the revenue is then split 50/50. "It's our way of gently testing the market," says Chapman. "We've been considering medi-spa services for a while, as it fits our customer profile, but felt reluctant to heavily invest in it. This is an excellent and stress-free way of providing top-notch medical services, plus, as Cocoon is a day spa facility, it recommends its own clients – who are on three, five and seven-night packages – to stay with us."

Details: www.karmaspas.com

SOCIAL BUTTERFLY

Swiss skincare brand Valmont teamed up with Catalan artist Isao Artigas to create its pop-up spa concept in 2011. Inspired by the fluttering movements used in Valmont's facials, Artigas created a film of flying butterflies which can be projected onto transparent fabric screens to create a simple, yet atmospheric temporary spa setting.

Valmont likes to partner with venues and prestigious public events, such as the Cannes Film Festival and Austrian Fashion Week, for its pop-ups. Most recently, it spent 15 days at the Blue Palace in Elounda on the island of Crete, in celebration of the resort's 10th anniversary.

From 10-24 August, Valmont offered guests a complimentary 20-minute skin analysis and 30-minute facial. While the pop-up only took up 30sq m (323sq ft) in the hotel's lobby, being a corner in the hotel's boutique shop, it created a great deal of interest – it had around 10 bookings a day and sold around 80 products. Alexandra Moulin, Valmont's trade marketing manager says that, in comparison, even the big spas that stock its products sell no more than 30 a month.



The latest pop-up in Greece

"For some guests it really was a nice surprise and as it was the holiday season, so they weren't in a hurry and were more open to proposals," says Moulin, adding that being culturally aware of their clientele helped. "We knew the main customers would be Russian and that they like to be addressed in their own language. Fortunately our therapist speaks Russian and also helped translate our invitations and marketing material."

Valmont has various other pop-ups planned to coincide with special events such as Christmas and Valentine's day.

Details: www.evalmont.com; www.bluepalace.gr



Butterflies projected on a screen form part of Valmont's pop-up



HOT STUFF

Spas that don't have the space to offer yoga, or who want to reach out to corporate audiences might take inspiration from UK-based Hotpod Yoga. The company offers hot yoga classes in its own pop-up inflatable studios, or 'pods', which can be inflated in an office or outdoor location. The 8x9m pods, which are 3m high, take a matter of minutes to inflate and can accommodate around 20 people. They also come with their own heating, lighting and music system.

Details: www.hotpodgyoga.com

The inflatable yoga studios take minutes to pop-up and can fit in 20 people



HOUSE HOLD

Consumer skincare brand Nivea has been using pop-up spas in Canada for the last three years. It launched the concept in 2011, in celebration of Nivea's 100 year anniversary, by taking over a store on Toronto's popular Queen Street for two weeks. The pop-up was based on Nivea Haus – the brand's flagship day spa in Hamburg, Germany – and, says Larry LaPorta, general manager, of Beiersdorf Canada “we turned it into a place where consumers could interact with the brand – get their skin analysed and receive skincare and product advice and free products.”

In 2012, it took the pop-up to Toronto and Montreal (two of its biggest markets in Canada) for two weeks. “However, there were still many more Canadian consumers we weren't reaching,” says LaPorta. So in 2013 it created a mobile pop-up centre which members of the public could visit for a professional skin analysis, advice on products and skincare routines and to receive complimentary samples. Kicking off in Toronto on 11 June, Nivea Haus Mobile travelled across Canada and made stops in Calgary, Edmonton and Vancouver before wrapping up in Montreal on 16 August. It was backed by a multi-faceted communications strategy –



The pop-up attracted more than 24,000 visitors over the course of two months

from multiple PR events and social media campaigns to radio and TV adverts, coupon redemption and competitions. “It was a great success,” says LaPorta. “Over the two months we had more than 24,000 visitors and distributed over 24,000 gift bags, 1,600 full-size products and close to 220,000 samples/coupons/products.

“Although significant planning goes into each Nivea Haus activation, the benefits far outweigh any challenges. Given how successful it's been over the past three years, bringing the Haus back in 2014 is definitely something we'll be considering.”

Details: www.nivea.ca



“ Although significant planning goes into each Nivea Haus activation, the benefits far outweigh any challenges ”



In previous years, Nivea Haus recreated a pop-up based on its flagship spa in Germany and took over stores in popular shopping districts ▶



Caudalie modelled its pop-up on its flagship spa in Bordeaux

VINE TUNING

"We had more than 40 beauty journalists try our treatments because of our pop-up," says Jean-Christophe Samyn, Caudalie's director for the UK and Ireland. The French vinotherapy brand debuted in UK last year and to mark its arrival took over the Urban Retreat – the day spa in London department store Harrods – with a pop-up spa inspired by its flagship Vinotherapie Spa in the Château Smith Haut Lafitte vineyard in Bordeaux.

From June to July, Urban Retreat featured giant Caudalie visuals and displays throughout, trellises and podiums were planted with vines and signature Caudalie treatments, ranging from 30-90 minutes and £50-£130 (US\$80-US\$209, €59-€153) were on offer.

"Pop-ups create a lot of buzz and are relatively risk-free," says Samyn, explaining that they paid Harrods a fixed, but undisclosed, fee for the space. "For us it was purely about



It took over Harrods' spa for two months

brand awareness and the only challenge was trying to accommodate everyone as we had so many treatment requests."

The Urban Retreat has been presenting pop-up spas since 2008, partnering with operators of destination spas such as Forte Village in Sardinia and Pangkor Laut in Malaysia. They're seen as a quick, easy and cost-effective way to keep the offer fresh and to give customers a chance to experience treatments from around the world. Jo Harris, head of beauty at Urban Retreat says: "We provide the location and manage the communication strategy, which helps us build our own reputation and recognition globally and domestically with customers who are more focused on travel than beauty."

Details: www.caudalie.com;
www.urbanretreat.co.uk

FOOD FOR THOUGHT

The US natural grocer chain Whole Foods Market used Facebook to spread the word about its one-day pop-up spa at its Evanston store in Illinois in August. The Whole Body mini-spa included demonstrations on products, a free massage and goody bags.

The pop-up is an interesting move for the brand following reports that it's in the process of developing its own dedicated health-focused resort and spa concept (see *Spa Business Handbook 2013*, p25).

Details: www.wholefoodsmarket.com

Please see page 66 for our interview with pop-up spa designer Paul Smyth



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Barking Bathhouse opened in the run up to the 2012 London Olympic Games



PAUL SMYTH

The co-founder of eco-social design practice

Something & Son on designing pop-up spas



Something & Son is the creative force behind FARM:shop, a three-storey city farm that produces everything it sells on-site, from fresh tilapia – courtesy of a mini aquaponic fish farm – to a vast selection of plants grown in hi tech indoor allotments that are more like laboratories.

Its innovative design led to Something & Son being approached to come up with an art and design installation in Barking, east London, in the run up to the 2012 Olympic Games. The concept they put forward was the Barking Bathhouse – a 'social and affordable' pop-up spa inspired by an original 1890s bathhouse in the area.

Situated in a car park, Barking Bathhouse resembled a giant beach hut from the outside. Inside it had a café/bar serving

organic cocktails under a growing canopy of cucumbers, an outdoor/indoor relaxation garden and a shingle beach for sunbathing. The spa also had a wood-fired sauna, an ice room, and three therapy rooms with time slots starting at £10 (US\$16, €12) for 15 minutes and going up to £35 (US\$56, €42) for an hour. It became so popular that it stayed open for 11 weeks (three week longer than planned). Co-founder, Paul Smyth, says the concept is now going to be used to create a permanent facility and that this in turn is likely to be duplicated in two other cities. We talk to him about how it all came about.

How would you describe the design?

Eco-industrial chic. We were inspired by Barking's industrial past and with the idea of converting an old warehouse into a spa

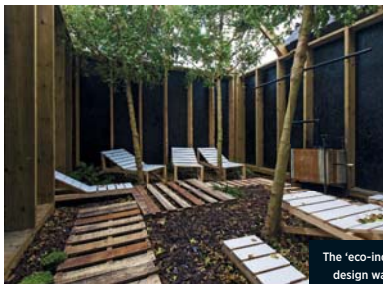
with trees growing through the building and furniture crafted from reclaimed materials.

It cost around £230,000 (US\$369,000, €273,900) to set up – we were really cautious about investing too much because we knew it wouldn't be there for long. But the simple aesthetic was actually very popular.

What worked well?

The Barking Bathhouse was a very sociable spa space where people could really relax. We had a lot of regular customers who praised the simplicity of what we were doing and also really liked the competitive pricing.

Being a pop-up gave us more freedom to experiment with the design, the fit-out and the operation, but it also presented some unusual challenges because of the temporary nature of the operation.



The 'eco-industrial chic' design was inspired by an original 1890s bathhouse in the area



What obstacles did you face?

Although we got a three-week extension, we weren't as busy during that period because we didn't market it as well and lots of people though we'd closed by that stage.

Also the bar slightly underperformed. It was quite busy, but we would've liked to have sold more food and drink, and for it to have been more lively in the evenings. And, at times, the outside spa facilities were cold.

These are all things we'll address in the permanent Barking Bathhouse which is due to open on a new site in Barking in May 2014.

In the meantime, we've recreated three of the treatment rooms at the back of the Barking Learning Centre, as we wanted to keep the concept going and keep the team together. We've used the time to connect with people in the local area, which we didn't have the time to do with the pop-up, and bookings have really increased recently.

What will the permanent Barking Bathhouse be like?

We're still finalising plans, but it will feature three and a half treatment rooms – the spaces will be flexible, with partitions that allow us to transform them into larger spaces for classes and events. It will have a bar and café, but we'll expand on the food offering.

The design will be timber again and industrial, but slightly more finished than the pop-up. The spa will have a big chimney, centred around a wood-burning furnace providing heating for the building.

We'll have a wood-fired sauna and we're looking at bringing in some clever, low-energy, low carbon systems to run hot tubs. We also hope to have standalone greenhouse/solarium. The design will retain the indoor/outdoor experience, with a walled garden, but it will be designed for year round use.

What opportunities do you see?

We're talking to organisations in Bristol and Brighton (in the UK) about creating more bathhouses. Our key criteria is to partner with organisations which share our vision and love the concept. We'd be really open to working with an established spa operator or someone who wanted to invest.

We genuinely want to change spa culture, make spas more affordable, and to get people to use them more regularly. ●



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MANAGING A POP-UP

Rachelle Moulay, the spa manager at Barking Bathhouse has a background in running five-star spas and headed up So Spa at London Sofitel St James before being approached by Something & Son to help with its pop-up. "They asked me to choose between fun and security and I chose fun," says Moulay who quickly hired five therapists on a self-employed basis who paid the pop-up a 25 per cent commission on their takings.

When the permanent facility opens, she says therapists will be paid a salary and the spa will cover all operating expenses unlike at the learning centre which lets the space for free and covers the bills.

"It was scary coming to this project but it's turned out to be the job of my life," says Moulay. "I don't have that corporate pressure here and everyone is happy: we are doing a good thing for the community, and we still have those very high standards I had at my previous jobs."

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DAILY MANAGEMENT



President of WTS, Gary Henkin, says running a spa well demands a combination of key management skills and processes. He gives Spa Business the low down

Why is staff choice important?

The single most important decision any spa operator or owner can make is hiring, training and supervising a highly qualified staff which is strong on customer service. It's very similar to the qualifications for opening a hotel or a restaurant.

Why is training important?

It is absolutely critical for your management team and the entire staff to be aware of and trained in the most current trends, modalities and spa business models to maximise revenue and net operating income. Continuous education keeps the service providers and front desk teams engaged and excited about what's going on in the spa, the services offered and the products for sale.

This engagement and excitement typically leads to increased revenue and a consistently high level of guest experience, but without staff training, the guest experience may be

compromised and won't be as consistent as you may wish with the standards in the remainder of the property.

What are the main priorities?

The success of your spa will be as much about making the guest feel special and cared for as anything else. If this doesn't happen, you shouldn't expect to retain those customers. Guest service should be the focus at every level within the facility and should include customisation and authenticity. Start with the premise that you are going to create memorable moments in a variety of ways, offering your spa patrons an experience they will remember and one that will encourage them to return to the spa again.

What does creating 'memorable moments' for guests involve?

It starts from the time a guest books a treatment and how the phone is answered to

the time that they depart. The touch points for creating a memorable experience start with a warm and friendly front desk and include the journey through the spa.

The treatment has to be done by a highly qualified and trained staff so that the guest leaves the treatment room feeling refreshed with all their expectations met.

'Wow' moments for the guest can be created by the staff in the lounge areas, locker rooms and retail area. All staff should be engaged in creating a memorable service.

How should sales and marketing feature in spa management?

A well thought out marketing and sales plan is crucial. Many spas open without having thought through carefully just how they will be promoted and exposed both to the hotel population and to outside traffic.

One vital aspect is to develop and execute a plan which maximises the spa use at non-peak and during 'off season' periods and it's important to spend time on this as part of your promotional marketing plan.

Many spas are busy from Thursday to Sunday but don't pay enough attention to developing a stream of traffic during the less-used periods from Monday to Wednesday. This is particularly true in many hotel and resort spas, so a creative approach to developing traffic during these times becomes very important. It may hold the key to whether your spa is financially viable or not.

Can you give examples of ways to market during 'off peak' periods?

The marketing plan can include special rates which take effect at a certain time of the day or on a particular day of the week.



▲ Create memorable guest moments to encourage them to return



Real-time promotion through the use of social media, such as last minute promotions on Facebook, Twitter and eblasts can be done with particular treatments.

Off peak promotions can be targeted at the non-hotel population to encourage a visit to the spa for express treatments.

A quarterly Open House event can make new consumers aware of the spa, who can then be invited for promotions during the quiet off peak times.

What management support should be expected from product vendors?

Product selection and vendor participation through training and product oversight is crucial to the spa's success. Vendors can be asked to assist in the development of marketing and merchandising plans and to provide continuous training and excitement for staff members.

In addition, product suppliers can help develop a treatment menu and marketing materials with regard to treatment descriptions and protocols.

Vendors will visit the spa periodically to display new products and provide product insights and arrange merchandising.

Vendors will also participate in the creation and promotion of on-site events to promote product sales and exposure. They will help develop special promotions and will provide gifts for consumers.

▲ The 'Pink Palace' Loews Don CeSar Hotel & Spa, St Pete Beach, Florida, is WTS managed

What IT systems are needed?

The basics required for an effective data management system include:

- Appointment booking
- Inventory management
- Online appointment booking
- Gift card sales
- Daily/weekly/monthly reporting

Should we operate the spa, lease it or hire a third party operator to manage it?

Each of these options should be considered carefully months in advance of opening.

Owner-managed spas require attention from the owners or property managers, along with consumer experience and the ability to produce the financial results.

Leases can create a guaranteed rental stream, but control and authority often pass to the tenant. The owner and the tenant may not always be on the same page and goals and objectives may be compromised.

In selecting a tenant, ensure there's enough financial wherewithal to overcome a downturn in the economy or unforeseen pitfalls. Make ownership goals and expectations clear well before the spa opens.

Management/third party operators won't create an ownership loss of control, identity or authority. Instead, there can be

an increased focus on the operation of the spa, with additional benefits from training, support and resources available to the staff.

How might a third party management option be structured?

The most important consideration is that the third party operator is a good fit for the spa, based on its experience and philosophy. It's also critical to develop this relationship as a partnership, as the management will need input and direction from the ownership or property management group.

Communication is vital and there needs to be a consistent stream of reports, data, ideas and recommendations from the operator. ●

● WTS International provides daily operations and management services for over 100 spa, fitness, wellness and leisure facilities worldwide. The service includes training and management of staff, development of revenue generating promotions and marketing, financial oversight, retail sales and merchandising. Clients include: Tianjin Spa, China; The Woodstock Resort & Spa, US; Stejarri Club & Spa, Romania and The Spa at Trump, US.

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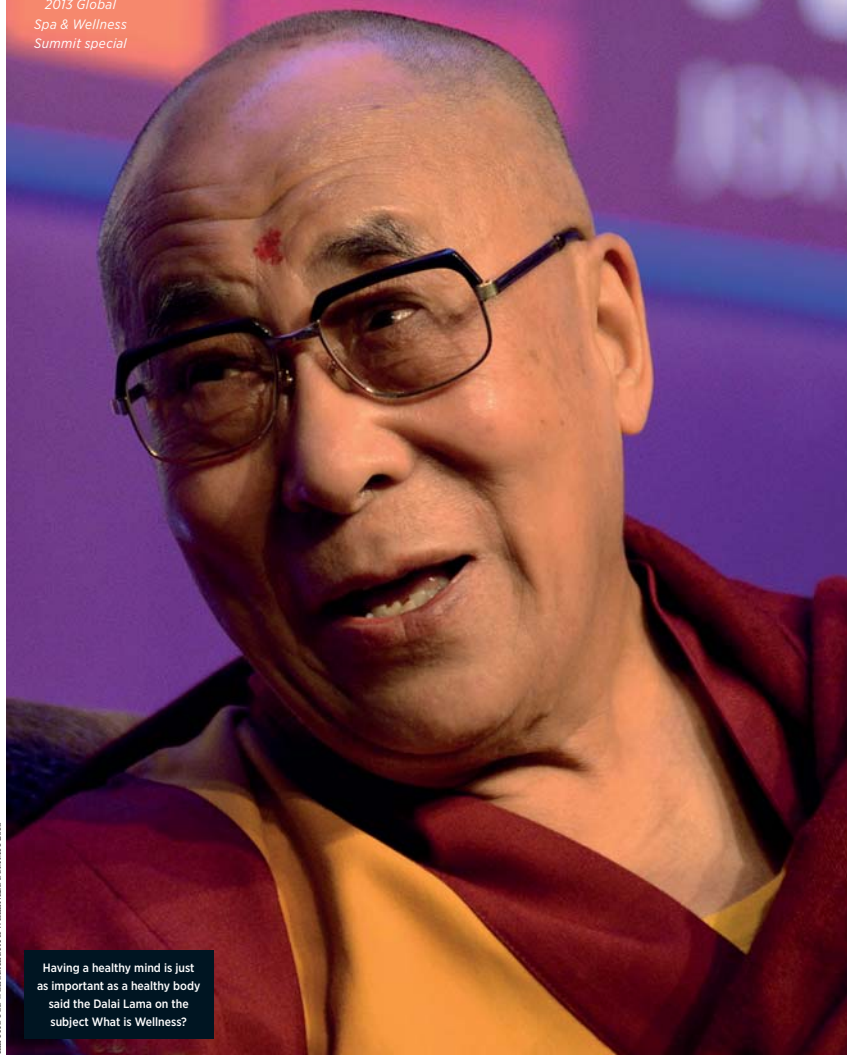
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2013 Global
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Having a healthy mind is just as important as a healthy body said the Dalai Lama on the subject What is Wellness?

To read our full report on the Dalai Lama plus more highlights of this year's summit see our special edition of *Spa Opportunities* – www.spaopportunities.com/GSWS

SUMMIT REVIEW

UPPING THE ANTE

His Holiness the Dalai Lama and senior government officials joined leaders of the worldwide spa industry at the most high-profile Global Spa & Wellness Summit to date. Katie Barnes reports on the highlights from New Delhi, India

“Everyone wants to live a happy life, but we tend to look for happiness and satisfaction in material things,” said the Dalai Lama in his address to delegates at the seventh Global Spa & Wellness Summit (GSWS) on 5-7 October. “However, several scientists I’ve spoken to now acknowledge that having a happy mind is crucial to physical health. This is why I propose that in addition to physical hygiene we also need to cultivate a sense of emotional hygiene.”

The Dalai Lama’s presence, was, quite frankly, extraordinary. It created a real buzz of excitement in the industry and sums up how this year’s event, held at The Oberoi, Gurgaon in New Delhi, stepped up a level. It also attracted government ministers of tourism, high-profile travel and tourism officials and political figures plus, of course, 375 spa and wellness leaders from 42 countries who came together with a common goal – to help shape the future of our industry.

The spiritual leader spoke on the topic *What is Wellness?* and you can read our full account of his talk at www.spaopportunities.com/GSWS. The topic was a fitting one given that the summit kicked off with the inaugural Global Wellness Congress: a day dedicated to defining wellness tourism and reasoning why strategically aligning with it would be a crucial move for the worldwide spa industry.

Alignment with wellness tourism

In her opening speech, GSWS president Susie Ellis said that while medical tourism is a fairly well understood concept, wellness tourism – focused on preventative health offered in a nurturing environment and often including indigenous healing traditions – is relatively low-profile. She predicted that “wellness tourism will become a game changer for people

who serve this industry,” but that there’s a need to distinguish it from medical tourism. The GSWS is in talks with the World Tourism Organization and the World Travel & Tourism Council (WTTC) with the aim of declaring it as a travel sector in its own right. “Wellness tourism can spark a revolution far bigger than anything we’ve seen... We need to establish and own wellness tourism and, for our industry, that opportunity is now,” she said.

Global economist and strategist Thierry Malleret confirmed that, having just attended the 2013 Global Economic Symposium in Kiel, Germany, strategic thinking about wellness is particularly timely. He said: “This year there was a lot of emphasis placed on the fact that material wealth is not enough [to define a nation’s success]... and how wellbeing is going to be at the core of economic thinking over the next few years.” These thoughts were echoed by former WTTC president Jean-Claude Baumgarten (see p80): “Why am I at this summit? Because all of my life I’ve been interested in trends, and over the last few years I’ve heard more and more about wellbeing in terms of tourism.”

New research, commissioned by the GSWS and published at the conference, puts the economic impact of global wellness tourism at US\$1.3 trillion (£962bn, £809bn) a year, with a market value of US\$493bn (£318.8bn, £272.8bn). *The Global Wellness Tourism Economy* study by SRI International calculated that wellness tourism accounts for 14 per cent of global tourism spend – roughly equivalent to eco-tourism – and that it will grow 50 per cent faster than tourism overall by 2017. Ophelia Yeung, who presented the findings, pinpoints more highlights on page 80.

Findings from another 2013 study by global advertising agency McCann emphasise the potential consumer demand for wellness. ▶



Clockwise from top: Q&A with the Dalai Lama; Paralympian Bonnie St John was this year's host; media partner *Spa Business*; meeting His Holiness; co-chairs and Susie Ellis





L to R: Global strategist Malleret with ministers of tourism from the Philippines, Lithuania and India took part in a government panel session

“Wellness tourism can spark a revolution far bigger than anything the spa industry has ever seen... We need to establish and own wellness tourism and that opportunity is now”

Seventy-four per cent of people think wellness is going to be more important in the future, according to *The Truth About Wellness* which is based on interviews with 7,000 people around the world. David McCaughan, EVP of McCann Japan, who spoke about the data added that 57 per cent of people wish they had more say in leading a healthy life – and that number shoots up to 88 per cent in China and is higher for 18-34-year-olds (61 per cent) than those aged 55 and over (44 per cent).

Wellness tourism: what's next?

To facilitate future growth for the industry, including alignment with wellness tourism and other initiatives, the GSWS board is planning to form a non-profit umbrella organisation. In an unexpected announcement Pete Ellis, GSWS chair emeritus, said the Global Wellness Institute would be an independent body to help attract investment from outside the industry to support growth opportunities for the sector, such as funding research, regional events and direct outreach to consumers.

In a later panel, moderated by industry consultant Anni Hood, delegates heard how ministers of tourism from India, the Philippines and Lithuania are prioritising wellness as an economic driver. Governments love wellness tourists because, according to the SRI research, they spend 130 per cent more than average tourists.

In another session, Josef Woodman, founder and CEO of medical travel company Patients Beyond Borders, said the next step for the spa industry is to “identify those countries that can really lead the way in



Pete Ellis revealed that the GSWS will form a non-profit body to attract funding from outside the industry to help it grow

wellness tourism.” Meanwhile, chief brand officer for SpaFinder Wellness Mia Kyricos spoke about the need for spas to make wellness approachable, educating about what it does, as well as how great it makes people feel, to tap into the largest part of the market – 85 per cent of wellness tourists are ‘secondary wellness tourists’ who like to maintain their wellbeing while travelling (see p80).

With such fast growth predicted, there’s a need to be mindful of being eco-friendly said SixSenses’ sustainability ambassador Costas Christ. Firstly, it makes business sense – there’s a strong overlap in eco-tourism and wellness tourism values: “We’re both selling natural/cultural heritage... and

what business doesn’t protect its product?” But secondly, he asks: “Can we really heal ourselves inside if we’re not thinking about safeguarding the planet around us?” He added that 76 per cent of the world’s species live on 3.9 per cent of its land surface, which is precisely where tourism is developing.

India insights

Day two had a strong focus on the host country, India. Raymond Bickson, CEO and MD of Indian-based Taj Hotels quoted a report by Daedal Research – *Indian Beauty Salon and Spa Industry: Trends & Opportunities (2012-2017)* – which shows that there are over 2,300 spas in the country which combined generate around US\$400m (£300m, £250m) of revenues annually. What’s more, over 700 new spas are predicted to open in the next two to five years. “Taj has 50 spas [worldwide] and we’re only just scratching the surface,” he says. “Spas are part of our DNA in India and for luxury hoteliers a spa is like a bathrobe – if you don’t have one you’re at a disadvantage.”

Kapil Chopra president of India’s Oberoi Group – which owns the summit venue – agreed, saying that in the future his company will open a hotel every six months and the majority of those will have spas.

Mandarin Oriental’s Andrew Gibson, who was the co-chair for this year’s summit, along with hospitality consultant Emmanuel Berger, said the participation of such renowned hoteliers is a barometer of the spa industry’s progression. “Spas have always had to justify their room occupancies and revPARs to get hoteliers to understand what it is they do,” he ▶

SPA PHILANTHROPY

Goodwill initiatives by spa businesses were given a spotlight on the second day of the GSWS

Sonu Shivdasani, CEO of Soneva Resorts, Residences & Spas gave an update on the Whole World Water campaign he's heavily involved with. The aim is to raise US\$1bn to give 1 billion people access to clean water by getting hospitality companies to filter, bottle and sell their own water and donate 10 per cent of the sales to the fund. By 2014 56 properties will be signed up with those already onboard including Virgin, Auberge and Ritz-Carlton.

Ella Stimpson, chair of the International Spa Association said the organisation had planted 1,000 trees in India as part of its commitment to giving back.

The most heartfelt message, however, was delivered by Geraldine Howard, co-founder of Aromatherapy Associates. Howard, who's been in the industry for 40 years, was diagnosed with an aggressive form of eye cancer two years ago. She opted out of radiotherapy, favouring a new form of cancer vaccine treatment that's free from drugs, harmful chemicals and less severe side-effects.

Pioneered by the Defence Against Cancer Foundation in Holland, the treatment is



Howard spoke passionately about Defence Against Cancer, a foundation that's helped to save her life

focused on dendritic cells in the immune system. White blood cells are extracted to enable scientists to find dendritic cells and manufacture more. The blood is then pumped back into the body to strengthen the immune system's fight against cancer cells. "It's still being trialled on many forms of cancer, but the fact that I'm still here proves that it is working," said Howard. "Without it, I wouldn't be standing here today."

As the treatment doesn't involve drugs, however, it isn't backed by big pharmaceutical companies and funding is a struggle.

Howard wanted to give back and found the way by chance. Suffering from cancer, she created an essential oil blend to help focus her mind and stay positive. "I know how powerful essential oils are and I let my instincts take over to make a very peculiar blend that my intellectual brain never would have," she said. Although it was only ever intended for personal use, friends and colleagues loved it and urged Howard to sell it commercially. The blend, Inner Strength, turned out to be Aromatherapy Associates' fastest selling oil and it generates thousands for Defence Against Cancer as 10 per cent of proceeds are donated to the foundation. It's also created great press awareness.

"The ripple effect has been phenomenal," said Howard. "Being able to do something and give back has helped me to accept having cancer. From a financial interest it's shown me that you can raise money and give back without damaging the bottom line of your business. You can make a big difference from doing a very small thing... I hope some of you can find ways to use your companies to give back too." ●

Defence Against Cancer Foundation:

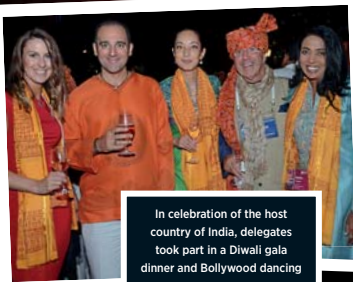
www.afweertegenkanker.nl

Whole World Water:

www.wholeworldwater.co



The Dalai Lama with the GSWS board and organisers – his presence created a real buzz of excitement at the event



In celebration of the host country of India, delegates took part in a Diwali gala dinner and Bollywood dancing



"I think [hotel spas] are at a point of moving beyond the P&L... I've heard it loud and clear that 'spas in our hotel transcend the massage rooms - this is how we deliver wellness'"

said. "But I think we're at a point of moving beyond the P&L. I listen to these gentlemen and I've heard it loud and clear that 'spas in our hotel transcend the massage rooms - this is how we deliver wellness, which extends to the food you eat, the yoga masters we provide and the bedrooms you sleep in'."

Bickson and Chopra's views also reinforced what Amitabh Kant, the CEO and MD of Delhi Mumbai Industrial Corridor Development, said the previous day - that India is one country that's modelled wellness tourism more closely than anywhere in the world. He said that Kerala in south India was transformed from a seasonally-dependent location to a year-round destination by establishing itself as an ayurvedic hub. While Veer Singh, founder and CEO of Vana Retreats in India, spoke about how - if done right - individual spas can be pivotal in positioning regions or entire countries as wellness destinations, citing Ananda in the Himalayas and Sha Wellness Clinic in Spain as examples. He has similar ambitions for Vana's Malsi Estate in north India, which was this year's pre-symmet experience.

It wouldn't be a spa event in India without learning about ayurveda. Delegates got to hear more about the country's ancient wellness discipline and other Asian systems such as Tibetan medicine and traditional Chinese medicine in an afternoon panel. The following morning began on a similar note, with a spotlight on the modernising of traditional Japanese hot spring inns known as ryokans, which represent some 46,000-plus premises.

His Holiness Swami Chidanand Saraswati, president and spiritual head of Parmarth Niketan - one of the largest ashrams in India - as well as the Dalai Lama suggested two other particularly interesting branches of science that have potential synergies with spas and wellness: psychoneuroimmunology (PNI) and neuroplasticity. PNI looks at how emotions and health are linked; and neuroplasticity is based on the brain's potential to react, change and heal itself - spas that tap into these fields will be at the cutting edge.

An eventful day was capped off with a Diwali gala dinner at the Taj Palace, New Delhi. Colourful saris and traditional outfits were worn by delegates who, on a promise ▶



COMPETITION WINNERS

Pupils from India's Institute of Hotel Management, Aurangabad (pictured) were awarded first place in the fifth Student Challenge Competition, which was based on designing an Indian spa concept worthy of a global rollout.

Meanwhile, Lori Hutchinson of Hutchinson Consulting beat 130 entries to win the inaugural infographic competition. She was presented with a cheque of US\$2,500 for her Five Reasons for a Spa Career infographic, which promoted the spa industry as a career choice.



Jacobs and Bjurstam will be co-chairs for the 2014 summit in Marrakech (left); a representative from the Moroccan Tourist Board (right)

The International Health & Wellness Alliance is a non-profit body of destination spa operators who have come together to educate consumers about wellness approaches in spas and their many benefits

► made by Gibson, danced the night away with Bollywood moves and music.

Forums for change

The last day of the summit was dedicated to looking at the global spa industry and included an enlightening panel on spa financials, moderated by ESPA International founder & CEO Susan Harmsworth, which we cover in more depth on page 40.

It also featured forums for six key industry sub-sectors enabling players to strategise on how best to solve the greatest challenges they were facing, as well as joint opportunities. The forums, which will be an annual fixture on the GSWS agenda from now on, concluded with the presentation of defining moments and future points of action.

In an exciting announcement, Sharon Kolkka from Gwinganna, who represented the Global Destination Forum, declared the formation of the International Health & Wellness Alliance (IHWA). IHWA is a non-profit body of destination spa operators – often viewed as the keepers of wellness wisdom – who have come together to educate consumers about wellness approaches in spas and their many benefits.

Global Hotel Spa Forum facilitator Anne McCall Wilson, from Fairmont Raffles, said their sub-sector prioritised the need for guest-centric research to find out what customers really want. At the same time, hotel spa operators recommitted to gathering consistent data for benchmarking.

Six Senses' Anna Bjurstam, who led the Global Spa Education Forum, said that in the future they'll be focusing on selling the benefits of spa careers to entice more people into our industry, as well as on spa management mentoring and internship programmes. Whether there's a need for an international spa management certification will be further explored.

Speaking on behalf of the Hydro-Thermal Forum, Don Genders of Design for Leisure outlined the need for an independent set of quality standards for hydrothermal spa design to help educate the architectural, interior design and hotel engineering communities on technical specifications.

The design of spa retail areas is not working, said Mandara's Jeff Matthews from the Global Spa Retail Forum. In addition, operators should engage more with product houses on retail training and staff incen-

tive programmes; and reduce the number of stock keeping units staff are trained in – it's unrealistic to expect them to remember the details of 20-plus products.

Finally, Peninsula Hot Spring's Charles Davidson for the Global Hot Springs Forum, suggested that the sub-sector could create a hot spring logo that could be used "beyond language and culture" to identify and create awareness of real hot spring facilities worldwide. He also called for operators to come together to help establish hot springs in developing nations.

Next stop: Marrakech

Before the closing toast, the GSWS board disclosed that Marrakech in Morocco has been chosen as the location for the 2014 summit with Bjurstam and Neil Jacobs from Six Senses (see SB13/2 p30) being handed the co-chair batons. A date and venue weren't given, but it's likely to be held in the third quarter of the year again. ●



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LOCAL NEWS

Wellness tourism has a global economic impact of US\$1.3 trillion and is dominated by domestic travellers, reports Ophelia Yeung from SRI International

OPHELIA YEUNG, SENIOR CONSULTANT, SRI INTERNATIONAL

Consumers have long associated travel with their personal wellness. Many people look forward to their vacation trips as an opportunity to rejuvenate and de-stress, and to enrich themselves by immersing in new cultures, sites, and experiences. Not surprisingly, "take a vacation" was among the top five things consumers do to maintain and enhance their wellness, according to the *Spas and the Global Wellness Market* report conducted by SRI International in 2010 (see *2011 Spa Business Handbook* p78). Some travellers take trips specifically to maintain and improve their health. Others want to keep up with their healthy habits when they travel. This growing trend is giving rise to wellness tourism on a global scale.

Wellness tourism is positioned at a profitable intersection between two massive and growing industries – wellness and tourism – estimated at US\$2 trillion (£1.5tn, £1.2tn) and US\$3.2 trillion (€2.3tn, £2tn) respectively. Exactly what is wellness tourism, and how large is this market? This was the sub-

ject of the SRI research report *The Global Wellness Tourism Economy*, commissioned by the Global Spa and Wellness Summit that was revealed at its annual conference in New Delhi on 5 October this year (see p70).

WELLNESS TRAVELLERS

In contrast to the medical paradigm, wellness tourism is proactive, focusing on personal responsibility and initiative to integrate a variety of healthy habits, activities and practices that bring an individual to an increasingly optimal state of wellbeing.

At the core of wellness travel are the multi-dimensional values related to wellness, which extend from the physical and emotional, to the social and environmental. Motivated by these values, a wellness traveller may take part in many different kinds of activities during travel. These activities and businesses make up the diverse wellness tourism economy. They include spas, health resorts, baths and springs, as well as yoga retreats, national parks, gyms and fitness centres, specialty restaurants, and complementary and alternative

medicine centres. Based on this framework, we define wellness tourism as "travel associated with the pursuit of maintaining or enhancing one's personal wellbeing".

DOMESTIC DOMINANCE

We identified two types of wellness travellers in our research – primary purpose and secondary purpose. For the primary purpose wellness traveller, wellness is the sole purpose for the trip and for choosing the destination. Examples are those who stay at a destination spa or wellness resort such as Kamalaya in Koh Samui, enroll in a yoga or meditation retreat, or travel to experience authentic ayurveda medicine.

What surprised us, however, is that secondary purpose wellness travellers make up a much larger proportion – accounting for 85 per cent of all wellness trips and expenditures (see Chart 1). These travellers have an interest in maintaining wellness during travel, although it's not the sole purpose for taking a trip. Examples would be a tourist visiting India mainly with a cultural interest,



Don't miss an opportunity to highlight the value of wellness tourism says the former WTTC president

SPREAD THE WORD SAYS BAUMGARTEN

Jean-Claude Baumgarten, former president of the WTTC, has advised the global spa industry to press home the value of wellness tourism at every possible opportunity. Speaking at the first Global Wellness Tourism Congress – part of the GSWS – he said that now the industry has such compelling statistics

from *The Global Wellness Tourism Economy* study, it's time to decide on the message it wants to convey and shout about it.

"Everyone must be on-message in quoting these numbers at every opportunity, at every press briefing, meeting and in every interview," he said, adding that the travel and tourism industry origi-

nally promoted the profile of the sector to governments by doing just that.

Politicians are influenced by research which shows the value of a market against other sectors, he said, urging the wellness tourism industry to compare itself with well known sectors such as manufacturing, automobile and pharmaceuticals.

Wellness travel is more likely to be within a country's borders than abroad, the study found



CHART 1

Types of Wellness Tourism, Receipts/Expenditures 2012

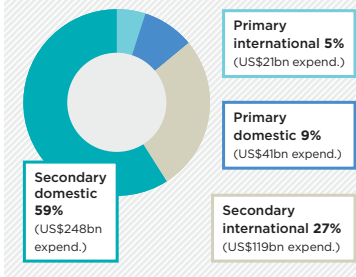
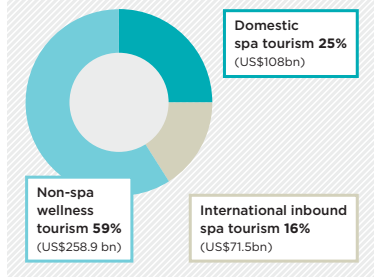


CHART 2

Spa Tourism and Wellness Tourism



but who also visits an ayurveda centre, or takes a yoga class. It could be the business traveller who chooses to stay at a hotel that offers healthy food and has a good gym, or a person who visits a spa during a ski vacation.

Another very interesting finding is that while many people think of tourism as travel to a different country, in reality much of the world's tourism takes place within a country's borders. This is especially true in large countries, such as the US, Canada, Russia, India, and China. We estimate that domestic

tourism accounts for roughly two-thirds of the global wellness tourism market, similar to the distribution in the global tourism market.

WHAT'S IT WORTH?

Measuring the size of an industry is a challenging task and we based our methodology on estimating the number of wellness tourists by country, and aggregating their expenditures (see p82). In total, we estimate that the wellness tourism economy is worth US\$439bn (€318.8bn, £272.8bn), roughly 14

per cent of global tourism expenditures. Wellness tourism directly creates 12 million jobs around the world and has a total economic impact of US\$1.3tn (€962bn, £809bn), when multiplied economic impacts are included.

Not surprisingly, wellness tourism is a rather large segment, similar in size to ecotourism and culinary tourism, but bigger than sports tourism and medical tourism. Importantly, however, these niche markets do not operate exclusively of one another – a wellness tourist can be simultaneously an ▶

METHODOLOGY

To calculate the value of the global wellness tourism industry, SRI International estimated the number of wellness tourists by country and aggregated their expenditures inclusive of:

- Primary and secondary wellness travellers
- International (in-bound) and domestic tourists
- Measuring economic activity at the destination of travel, not where tourist come from
- Only trips that involved at least one overnight stay
- Money spent on lodging, meals, entertainment and excursions, shopping and other related activities and services

► eco-tourist, a cultural tourist and a sports tourist. And we see that there are many opportunities to cross-market niche tourism products to these potential customers.

The 525 million trips made by wellness travellers represent only 6 per cent of all tourism trips, but account for 14 per cent of all tourism spending. Wellness travellers spend more per trip on average as they tend to be wealthier and more educated. While an international tourist on average spends US\$1,000 (£726, £621) per trip (exclusive of air travel), an international wellness tourist spends 65 per cent more. The differential between an average domestic traveller and a wellness traveller is even greater, with domestic wellness traveller spending 2.5 times the average domestic tourist per trip.

SPA TOURISM

The spa industry is obviously a very important and core player in wellness tourism. We define spa tourism as an overnight trip in which the person's motivation for the trip includes the enjoyment of spa services or treatments (as either a primary or secondary purpose); and it accounts for approximately 225 million annual trips (see Chart 2). Spa tourism, estimated at US\$180bn (£130.7bn, £111.8bn), represents about 41 per cent of the global wellness tourism market – the largest sub sector within wellness tourism.

As wellness tourism is high-yield, and can potentially bring additional social benefits to the community such as preservation and support for local products, environment, culture and traditions, the spa industry may find many allies and partners with other key stakeholders – such as those in the hospitality, health and tourism sectors, as well

as government ministries – to explore new business opportunities and models in this high growth market. We predict that it will grow by 9.7 per cent a year and that it will reach US\$285bn (£211bn, £177bn) by 2017.

GLOBAL GROWTH

Wellness tourism is very concentrated in the top destination countries, with the top 20 accounting for 88 per cent of the global wellness tourism market. These are primarily concentrated in North America, Western Europe, and the high-income Asian countries. The top five countries alone represent 63 per cent of the global market.

Wellness tourism will grow rapidly in the coming years, at a much higher rate than the overall tourism market. We estimate that wellness tourism trips will grow at an annual rate of 9.1 per cent through 2017 (compared to a 6.2 per cent global tourism annual growth forecast), bringing wellness tourism up to 16 per cent of global tourism expenditures. More than half of the growth will take place in Asia, Latin America and Middle East and North Africa, fuelled by a rise in both domestic wellness tourism and intra-regional wellness tourism (see Table 1). In the more established markets of North America and Europe, wellness tourism growth will be driven by ageing populations and their increasing concern with preventive health measures. In addition, the maturing of Gen X and Gen Y consumer cohorts – who are more self-aware, globally conscious, and open to new experiences – are also likely to boost wellness travel. ●

TABLE 1

Leading Countries For Wellness Tourism Growth (2012-2017)*

	# of wellness arrivals/trips added (millions)	Average annual growth rate
United States	46.1	5.8%
India	36.0	22.1%
China	33.3	19.3%
South Korea	19.2	15.3%
Germany	12.7	4.7%
Russia	8.5	13.1%
France	8.3	5.5%
Canada	7.4	6.0%
Mexico	7.0	10.0%
Japan	6.8	3.7%
Thailand	5.5	14.3%
Switzerland	5.4	8.9%
Turkey	5.4	12.6%
Austria	4.5	6.9%
Australia	4.3	15.2%
Poland	4.1	12.4%
Chile	3.5	17.3%
Spain	3.5	6.2%
Brazil	2.7	8.7%
Hungary	2.4	8.9%
Czech Republic	2.1	8.9%
Malaysia	2.0	12.8%
Taiwan	1.7	13.0%
Argentina	1.6	11.4%
Uruguay	1.1	14.7%
UAE	1.0	17.9%
South Africa	1.0	10.5%
Israel	0.8	18.6%
Morocco	0.8	14.7%
New Zealand	0.8	6.7%
Philippines	0.8	19.4%
Vietnam	0.8	21.0%
Hong Kong	0.7	9.3%
Singapore	0.7	9.4%

*Figures include international/inbound and domestic wellness tourism trips, and represent the overall increase from 2012-2017. Estimates are based on general travel and tourism growth projections from Euromonitor.



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RKF LUXURY LINEN

Using the best materials, trend-setting design and innovative products, Riadh

Bouaziz's company has become a leader in luxury textiles for hotels and spas

What was your route into this industry?

I've always been fascinated by the hotel industry and French palaces. As far as I can remember, it was my dream to work in one of these places.

I went on to do my degree in engineering, but was still drawn to these establishments and wanted to be involved in some way. After graduation, I settled in the cradle of the French textile industry, in the Vosges region in Eastern France. I became interested in textiles, started to research them in depth, and saw the potential for a business.

How was RKF formed?

As I came to learn more about textiles, I discovered the incredible knowhow and craft that originated from the 19th Century French textile mills – but the type of products being produced hadn't changed for more than 40 years. In other industries, like cosmetics or fashion, most of the leading world-class brands are French. But nothing like this existed for textiles.

So I decided to create one. It took me five years to complete my product and market analysis, and then RKF was born. Fifteen years later, RKF Luxury linen has become a symbol of elegance throughout the hospitality and spa sectors.



Bouaziz saw potential in luxury fabrics

What makes RKF's products stand out in the market?

Our company is infused with the spirit of 'Haute Couture', meaning we provide the hotel and spa industries with superior raw materials that have been made into the most creative designs.

We don't simply produce collections that you'll see in many different facilities.

We're closely involved in the message and brand image that establishments want to convey to customers and therefore we design and provide unique collections that express their philosophy.

We're much more than a supplier. We work on many projects from conception to completion, offering our expertise and support until everything is running smoothly.

The force of our company is our capacity to provide a complete offer and service to our partners: indeed, we realised a joint venture with Gharjeni Germany, a specialist in spa equipment. RKF's new Gharjeni France branch means we can offer a complete treatment room for spas and cosmetic brands.

Where do you source your materials?

We use American, Turkish and Egyptian cotton, because they're the best cotton crops in the world, giving the most lightweight and silkiest linens and the whitest colour. The quality is influenced by the terrain and the climate.

After importing the best raw materials, everything else is 'Made in France', from our R&D and design department to the factory. We're very proud to be a French company.

What new products have you launched recently?

We're about to announce the worldwide launch of our innovative Dreamsoft® product. We've also just finished long-term Research and Development work on a kids' range, which has already been a real success in the French palaces.

Who are some of your clients?

We've been associated for many years with worldwide brands such as Dior, Carita, Decl  r, L'Occitane, Lanc  me, My Blend By Clarins, Terrak  , Thalgo and LPG.

RKF is also present in hotel and resort groups, supplying bed and table linens and spa textiles to brands like Buddha Bar in Prague, Hotel Majestic Barri  re in Cannes, the Four Seasons Hotel in St Petersburg, The Royal Monceau in Paris, The Royal Mansour in Marrakech, the JW Marquis in Dubai, the W Hotel in Switzerland... among others. We've also been partners of the Leading Hotels of the World for many years.



RKF's new range of children's robes have been popular with top hotel clients



RKF works with leading worldwide brands such as Clarins (above) Decleor and Thalgo

“We work very closely with spas to ensure every detail is right. A client arriving for a massage wants to be enveloped in the softest covers and lie on the most comfortable pillow”

What are some of your recent projects?

We're in partnership with Guerlain, having just designed and supplied an exclusive line for their new Champs Elysées flagship beauty institute, which was unveiled in November 2013.

Guerlain had the exclusivity to launch first with our Dreamsoft® products, and now we'll be focused on developing this product with other luxury partners, such as The Peninsula Hotels, which will open their first European flagship in Paris in summer 2014.

We've also designed and supplied all the spa linens to the Velaa Island resort in the Maldives (opening November 2013), which has a My Blend by Clarins spa, as well as private spa facilities in individual villas.

Another great project we've completed is with the Hyatt Hotel in Sochi, Russia, the city of the next Winter Olympic Games.

What can you offer spa clients?

Customers come to spas for specialised care, wellness and relaxation. RKF products help to ensure that these visits remain beautiful, dreamlike experiences.

That's why we work very closely with spas to ensure every detail is right, even down to how the towel should be placed on the mas-

sage bed. A client arriving for a massage wants to be enveloped in the softest covers and lie on the most comfortable pillow.

We always have the spa client's needs in mind. For example, due to demand, we're now making bathrobes in a choice of much bigger sizes to ensure larger visitors feel comfortable walking around the spa.

Textiles are also part of the spa décor, so they must look beautiful and blend in well.

What about your after-care service?

Our support doesn't stop when products are delivered. We always consider the economic realities our clients are facing and want to help them reach their targets.

For example, the right training in proper care of our products because it directly relates to the client's experience, as well as the bottom line of the spa or hotel.

Our linens can withstand twice as many washes as standard luxury linen, but it's important that all staff know how to handle them in the correct way, from the therapists in the treatment rooms and the chambermaids making the beds, to those who manage the housekeeping.

We offer training for anyone who is involved in the process.

How and where do you distribute your products?

RKF is present in over 26 countries, with a great influence in Europe and North Africa, and Middle-East. In future, we're focused on expanding more into the Russian, American and British markets.

How much growth potential is there for the business?

The spa and hospitality linen market is in perpetual movement. As a leader in the textiles field, we set the trends, and are always experimenting with fabric and design combinations. For example, how to best work with materials like cashmere, silk and linen.

We have two sets of customers in mind: Our hotel and spa clients who we work with very closely, through to the users, the spa or hotel guests. It's essential all these experiences reflect the quality of our brand. ●

RKF Luxury Linen
Customer Services
Department,
Techn'Hom 1,
6 rue de l'Étang,
90 000 Belfort, France
www.rkf.fr





Both spa operator and consumer opinions have been canvassed for the inaugural 2013 Spa Industry Research in Thailand. Research co-ordinator Prantik Bordoloi reveals some interesting findings

PRANTIK BORDOLOI, RESEARCH CO-ORDINATOR, STENDEN RANGSIT UNIVERSITY

Perceived developments among Thai spa customers, industry standards, trends in treatments and the impact of the pan-Asian unified market (AEC) due in 2015 were among the criteria analysed in Thailand's 2013 *Spa Industry Research* which was revealed in September at the World Spa & Well-being Convention (WSWC).

Carried out by Stenden Rangsit University, in collaboration with the Thai Spa Association, the research profiled existing as well as potential spa consumers and explored the opinions of spa operators between April and September 2013 (see p90 for more details about the methodology used in the research).

Consumer trends

Besides confirmations of expected behaviours, such as the fact that relaxation is stated by roughly 80 per cent as the main purpose of their spa visit, the research also revealed some unexpected results. The decision-making process of a spa consumer is, for example, much less influenced by advertisements and media. Almost every third spa-goer gets information about a spa via word-of-mouth, meaning that the recommendation by a friend is of very high importance when choosing a spa. Thus, trust plays an integral role for spa consumers. In addition, 23 per cent of respondents described the attitude of staff

as the most important factor when visiting a spa, the third most important following the expected factors of hygiene, quality of treatments and atmosphere (see Table 1). Almost half of the potential spa consumers cited "not having enough time" as the primary reason for currently not visiting a spa.

The consensus among spa operators is that the number of male spa consumers has increased over the past few years, although there hasn't been a significant change in the male/female ratio. Nonetheless, the spa industry expects more male customers in the near future, as male-specific products and treatments evolve. Currently, men mostly prefer massages – the top three favourites according to Table 2 were Thai massage (56 per cent), aromatherapy massage (31 per cent) and foot massage (26 per cent).

The research further revealed that individualised packages – programmes tailored to specific needs such as skin types, as well as authentic back-to-the-basics treatments/therapies – those which are perceived to be traditional without modern/new-age tinkering – will shape future demand in the industry. Authentic treatments/therapies are more important to men, as 50 per cent of all male respondents (compared to 23 per cent of females) stated back-to-basics as their primary future expectation in a spa. Female spa consumers, on the other hand, prioritise individualised packages (33 per cent) and price discounts (28 per cent) ▶

Table 1: Most Important Factors When Visiting a Spa

	Current Spa Consumers	Potential Spa Consumers	All Respondents
Hygiene	60%	60%	60%
Quality of treatments	50%	49%	49%
Atmosphere	36%	49%	42%
First impressions	22%	36%	28%
Attitude of staff	26%	20%	23%
Safety	14%	32%	22%
The location	12%	16%	14%
Design	4%	11%	7%
Certificates	3%	11%	7%
Environmental friendly	4%	7%	5%



Thai massage was the top choice. Overall women prefer individualised treatments and men want more authentic therapies

Women spend slightly less on average on spa treatments than men the research revealed



► when deciding on future spa visits. The discrepancy in price sensitivity between men and women is further underlined by a slightly higher average spending per treatment by male spa goers – categorical data collection shows men spend approximately THB1,372 (US\$43, €33, £27); and women spend around THB1,000 (US\$32, €24, £20).

In terms of spa products, female customers tend to try spa-owned products more often than male visitors who prefer well-known professional spa brands. The survey also shows that 80 per cent of female and 68 per cent of male spa consumers claim to prefer organic over non-organic products.

A third trend was confirmed when investigating consumers' preference of joint visits to spas over visits alone. With 58 per cent of males and 63 per cent of females preferring to visit spas with an accompanying person, the trend to use the spa to socialise might influence future spa design and the time spent in the spa itself. One out of three female spa consumers in Thailand visit a spa, together with a friend, while, interestingly, more male consumers visit spas with their partners (22 per cent of men and 12 per cent of women).

On the menu

In the opinion of spa operators, the quality and skills of therapists is getting as important as the treatment or the product itself. As such, they believe training has to focus on communication and behavioural skills, sales and especially on customer service.

Table 2: Therapies/Treatments Chosen Most Often

	Male	Female
Thai massage	56%	42%
Aromatherapy massage	31%	31%
Foot massage	26%	28%
Body scrub	16%	29%
Reflexology massage	15%	8%
Facial	14%	29%
Swedish massage	12%	8%
Therapeutic massage	11%	12%
Balinese massage	7%	7%
Signature treatments	7%	5%
Treatment for men	7%	0%
Herbal compress massage	4%	6%
Hand and foot care	1%	14%
Slimming treatment	1%	2%
Ayurvedic treatment	1%	2%
Detoxification	1%	2%
Wrapping	0%	2%

Spa operators believe that spa menus are too extensive – although new treatments are added, previous offers are rarely omitted. The majority feel less is more and that menus should be fine-tuned, more streamlined, clearer to customers and changed regularly to highlight seasonal promotions.

Furthermore, operators report a continued merger between the medical and spa

industries with the development of and demand for more medical spas. Treatments/therapies based on eastern and western healthcare philosophies are being offered side by side, as consumers take more responsibility for their overall wellness. Medical spas, however, present some unique challenges say operators. Unless proper training is provided, therapists will not have the right skills to perform medical treatments. In addition, medical spas also need to have a licence to be able to provide that training and offer the treatments.

Therapists and standards

Research results show that the top three important characteristics of therapists for both current and potential spa consumers are pleasant behaviour, responding to individual needs and ability to explain therapies and treatments.

When comparing the two opinions, pleasant behaviour is more important to potential spa consumers, whereas responding to individual needs seems to be more important to current spa consumers (see Table 3). This illustrates the fact that experienced spa goers put a lot of emphasis on individualised attention, while newcomers value a comforting atmosphere created by the therapist.

From a business standpoint, managers mostly focused on the attitude and experience of therapists. The general opinion was that skills to properly execute spa treatments and therapies can be trained, but a ►



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The research was supported by Sofitel So Bangkok (above) along with other leading spa and hotel operators such as Chiva-Som and Hyatt

Table 3: Most Important Characteristics For Therapists

	Current Spa Consumers	Potential Spa Consumers
Pleasant behaviour	33%	43%
Ability to explain about therapies and treatments	28%	32%
Respond to my individual needs	30%	15%
Can communicate in English	4%	4%
Should communicate in the language I speak	1%	6%
Other	4%	1%

▶ good attitude is something that is intrinsic and difficult to teach. Hence, the study revealed a strong emphasis on attitude-based hiring in the spa industry. Training on language/communication skills and behavioural skills were also of growing importance, the operators said.

As for the role of standards in the industry, most spa operators thought an official national standard for operating a spa would be beneficial to the industry's image. They also believe that voluntary standards lead to higher credibility, but there wasn't a dominant opinion on whether voluntary standards attract spa consumers.

AEC 2015 impact

By 2015, countries in Southeast Asia will be transformed by an economic integration which will see the free movement of goods, services, investment, skilled labour and a freer flow of capital across the region. The

development is being led by the ASEAN (the Association of Southeast Asian Nations) and is known as AEC (the ASEAN Economic Community) 2015.

Spa managers think that AEC 2015 will bring along some challenges – citing increased competition in the recruitment of skilled managers and experienced therapists, a rise in rivals, a higher need for differentiation and a greater need for language and communication skills as perceived obstacles.

That said, however, most are very positive about its impact. They feel it will bring about a range of benefits from increased investment and an improved standard of therapists to tougher spa standards and a wider diversity of treatments and differently skilled employees from other countries. ●

● A full copy of 2013 *Spa Industry Research* is available from the Thai Spa Association. Details: www.thaispaassociation.com

ABOUT THE RESEARCH

Spa consumer findings for Thailand's 2013 *Spa Industry Research* report were based on a survey of 463 current and potential spa-goers of which 62 per cent were Thai nationals and 38 per cent were non-Thai nationals for international representation. Thirty-five per cent of respondents were men and 65 per cent were female. Criteria included consumer-using patterns, treatment and product trends and preferences and buying behaviour.

The second part of the research focused on operators and consisted of a focus group with 10 spa managers, 14 interviews with spa directors and experienced spa industry professionals, as well as an online survey with 86 respondents.

Stenden Rangsit University has offered a Spa & Health Management minor programme, with regular collaborations with the Thai Spa Association, for the past seven years. The research was an expansion of this collaboration. The university, which has a total of 11,000 students, has its main site in the Netherlands and other campuses in Thailand, Bali, Qatar and South Africa.



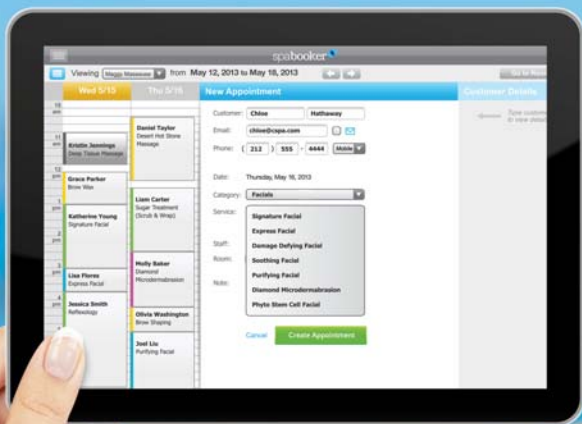
Prantik Bordoloi is a research and module co-ordinator at Stenden Rangsit University

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TECH TALK

We reveal some of the latest innovations and developments from spa software providers from around the world

Sofitel group selects SpaBooker's software

SpaBooker has been picked to run operations and bookings for the global hotel chain Sofitel. The group has 28 So Spas, which will all be using SpaBooker's web-based technology to book spa appointments online and before and after hotel guests arrive. SpaBooker's flexible business management tools are designed to let hotel spas run on one system and provide back-end support for secure operations.

Richard Dubost, vice president of technology and information for Sofitel says: "With a unified and web-based platform, we will achieve greater integration and elevate the level of guest satisfaction while reducing operational IT tasks."

Meanwhile, SpaBooker has also come up with a new product to simplify customer loyalty and encourage repeat custom. Promote, which will launch at Christmas, is a preset



SpaBooker software will be used at all 28 So Spas worldwide

email programme that sends smart incentives based on each customer's last visit to motivate them to rebook appointments. It

runs automatically and integrates with existing SpaBooker accounts.

[spa-kit.net](#) keyword **spabooker**

Spa college software by Premier

Premier is helping students at the University of Derby, Buxton, UK, to learn about running a spa, thanks to the installation of its College by Premier product for hair and beauty courses.

College by Premier is a management software solution that's been created with the help of several colleges. The system enables lecturers of multiple campuses to centrally manage class timetables and run on-site commercial spa facilities – it includes full point of sale and stock control functionality. There's also a membership system for managing on-site fitness.

Meanwhile, Premier has launched an app for Apple and Android devices to allow customers to book appointments online from their mobile phones and tablets. The app can be branded to suit a spa. Spas will be able to send out push notifications to their clients



College by Premier is being used by the University of Derby, UK

including special offers in a later version; and Premier is also developing tools so operators can interact with, and send targeted marketing to, clients through social media.

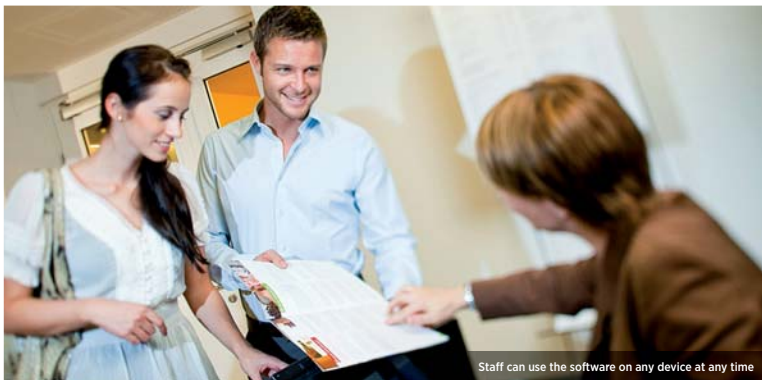
In addition, Premier is working on an app which incorporates a customisable dashboard showing key performance indicators for the spa business such as no-shows, revenue per hour, retail sales, current availability and staff performance.

[spa-kit.net](#) keyword: **premier**



Digital Right Brain is now offering its SalonPOS iPad app and Cloud Service on a complimentary basis with no monthly subscription fee

[spa-kit.net](#) keyword: **drb**



Staff can use the software on any device at any time

TAC functionality for any device

TAC is developing its Reservation Assistant system so all hotel departments, including spas, can use its software on any device, anywhere.

Intended to let operators manage their activities anywhere, at any time, the new function is presented in a modern, graphi-

cal user interface for any smartphone, tablet or mobile device as well as desktops used in the concierge, reception, F&B, spa and other areas. The software – set to go live in March 2014 – automatically adapts its screen and functionality related to the device. It is a

touch-optimised responsive design solution designed to let users work on activities easily and intuitively. The cloud-based solution doesn't require a server on-site and is available as an add-on for existing customers.

spa-kit.net keyword: **tac**

Full hotel integration for Book4Time

Book4Time is introducing a tool that allows a hotel's software and Book4Time to communicate. It means guest profiles gathered by the hotel will be accessible to the spa and vice versa.

The new feature – Hotel Technology Next Generation (HTNG) – developed by vendors of systems to the hotel industry, is designed to keep spa staff well-informed.

Book4Time's integration with HTNG will allow its software to share guest profiles and appointment information with a range of property management systems, giving staff every piece of information in order to provide their guests with a more personalised spa experience. The HTNG support will be introduced to Book4Time in early 2014.

spa-kit.net keyword: **book4time**



A check-in app for smart devices and a self-service kiosk are now available with Dimmbizz's Xplan spa software

spa-kit.net keyword: **dimmbizz**

EZ Runner to introduce mobile web bookings

EZ Runner will be launching a mobile bookings website to enable spa customers to book online. Customers will be able to book packages, treatments and classes, make cancellations and changes, make an enquiry and pay outstanding fees or check account balances. The company's also offering a new voucher application for spas which don't have EZ Runner software. Spas can create and sell vouchers online and the voucher is emailed to the recipient. The spa keeps purchaser and redeemer information on file for future marketing.

spa-kit.net keywords: **ez runner**



Spas can also make online vouchers

Intelligenz goes global

Intelligenz has expanded its UK-based team to support growth in Europe, the Middle East and Asia. Since opening new offices in February 2013 in Northampton, UK, the company has been building its sales, implementation and support team to manage a growing customer base.

Neil O'Connell, UK sales manager, says: "We have projects in the UK, Sweden, Taiwan, India and Romania. The breadth of our solution – which covers spa, fitness, F&B and golf – and it's contemporary architecture is winning us business. It's been developed in the last five years with web, mobile phone and self-service interactions in mind."

spa-kit.net keyword: **intelligenz**



Scientists believe the best time for physical activity is 2pm-6pm rather than later

CLOCK WATCHING

Is there a best time to exercise based on our internal body clock? And should spas consider this when putting together wellness programmes and scheduling fitness classes?

KATE CRACKNELL, JOURNALIST, SPA BUSINESS

Research shows that organising daily schedules around the body's natural clocks – our circadian rhythms – can lead to improved mental alertness and healthier immune systems. Equally, when these rhythms are disrupted, by work deadlines, school timetables or even the artificial light that's prevalent in today's society, our inner clocks are thrown out of synch.

With spas increasingly embracing fitness – whether in wellness programmes, in partnership with external companies or on-site classes – it could be time to take a closer look at when exercise is timetabled. Is there a time of day when people get more benefits from a certain activity? And if so, is that correct time universal or specific to individuals?

BROKEN BODY CLOCKS

In an article in *The Wall Street Journal* in late 2012, Dr Steve Kay, a professor of molecular and computational biology at the University of Southern California, observed that a disruption of circadian rhythms has been linked to problems such as diabetes, depression, dementia and obesity. Kay said that when the body's master clock can synchronise the functioning of all its metabolic, CV and behavioural rhythms in

response to light and other natural stimuli, it gives people "an edge in daily life".

The article also looked specifically at how to select the 'correct' time of day to exercise, quoting a number of sports science experts. Michael Smolensky, an adjunct professor of biomedical engineering at the University of Texas, pointed to 3pm-6pm as the best time for physical performance, as well as the lowest risk of injury. Muscle strength was said to peak between 2pm-6pm, at levels as much as 6 per cent above the day's lows, while joints and muscles were reported to be 20 per cent more flexible in the evening. In addition, a study of 4,756 patients led by Boris Medarov, an assistant professor of medicine at Albany Medical College in New York, suggested that the lungs function 17.6 per cent more efficiently at 5pm than at midday.


Meanwhile, another article in *The New York Times* (published around the same time) asked whether exercise can influence the body's internal clock. Our bodies and therefore our health are ruled by rhythms, explained the article, quoting Christopher Colwell, a professor of psychiatry at the University of California: "The heart, the liver, the brain – all are controlled by an endogenous circadian rhythm." As with Kay, Colwell noted the potential for seri-

ous health consequences resulting from a disruption in circadian rhythm, from obesity to certain types of cancer. He and his team therefore set out to investigate whether it was possible to fix a broken clock, specifically looking at exercise as a possible solution.

The studies – published in the *Journal of Physiology* in December 2012 – were conducted on mice. However, the findings suggest exercise does affect circadian rhythms, and that the effect may be most beneficial if physical activity is undertaken in the afternoon. This was, says Colwell, a surprise; he and his colleagues had expected morning exercise to be most productive.

However, Colwell acknowledged that the implications for humans aren't yet clear, and that it's impossible to say at this point whether we should favour afternoon exercise over a morning workout. All he could say with certainty was that it's good idea to exercise if you want to avoid health problems linked to a disrupted circadian rhythm; further research might show afternoon workouts lead to better results, but any exercise was likely to be better than none.

Spa Business has investigated further by asking health and fitness experts from around the world for their thoughts on the question: is there a correct time to exercise? ▶

A full-page photograph of a woman running in profile, facing left. She has long brown hair in a ponytail with a pink headband. She is wearing a light blue tank top and pink shorts. The background is a warm, golden sunset over a city skyline, with the sun low on the horizon creating a strong lens flare and illuminating the scene. The overall mood is energetic and healthy.

Research suggests that lungs function 17.6 per cent more efficiently at 5pm than at midday

Expert opinion: is there a correct time to exercise?

Dr Chris Beedie

Head of ukactive Research
Institute and senior
lecturer, Department of
Sport & Exercise Science,
Aberystwyth University – UK



Is there a correct time to exercise? It's a good question and the answer – as with so many of life's big questions – is 'yes, but...'

It's highly likely that, for a range of reasons, there's an optimum time to exercise for each person. What time of day that is, however, will depend on such a large number of factors that it's likely that – for anyone but the elite athlete, competitive bodybuilder or exercise obsessive – identification of the time in question is more trouble than it's worth.

For example, while research suggests that the lungs function best late in the day, certain hormones that regulate response and adaptation to exercise peak in the morning. Likewise, while muscle force might peak in the evening, motor co-ordination and concentration are way past their best by this time, as is pain tolerance.

If you know the exact balance of physiological, cognitive, emotional and performance variables required to perform at your best and to recover optimally, you might be able to identify the optimal time for specific goals. But you probably can't rely on the published research to do so. Research

conducted on large populations rarely generalises to individuals, meaning that you will have to use a lot of trial and error to identify the optimal times for each variable for yourself. To make things even worse, there's a strong chance that relationships between time of day and performance variables might change with the season, temperature, stress and a number of other factors.

Train when you can as best you can. If you feel better training in the morning, if you see results and if it works for your lifestyle, that's the time to train, irrespective of what the research says. If you want to be a champion, you may need to look deeper into your internal rhythms, but be prepared for a complex journey!

If you feel better training in the morning, if you see results and if it works for your lifestyle, that's the time to train, irrespective of what the research says

Jan De Jong

CEO, Vital Balance Group
– The Netherlands



The ideal training time is different for each muscle group. According to the Chinese Organ Clock philosophy, each muscle is associated with an internal organ in the body, and each organ has a circadian rhythm that includes daily phases of elevated activity (ideal training time) and recuperation (unfavourable training time). While muscles are improved by physical activity and sports, the state of organ function is therefore co-responsible for muscle health.

This is valuable information for drawing up personalised training schedules, as it means there are ideal times to train each muscle group. For example, avoid isolated training of hamstrings and biceps femoris between 5pm-7pm (recovery phase of connected large

intestines) and train abdominal and quadriceps muscles between 1pm-3pm (optimal time for small intestine).

If a person has muscular problems, this may be due to injury, but it might also be related to hidden problems with the organ associated with that muscle. Problematic muscle

regions should be trained gently and at the right times: if function-impaired muscles are stressed by inappropriate training, then (besides poor results) negative repercussions in the associated organ system cannot be ruled out.

Of course, it isn't always possible to train at the ideal time for each individual muscle. In this case, when working out at less favourable training times, the training should support the muscle's recuperation through stretching and light, steady work designed primarily to stimulate metabolic exchange.



Jim Gavin

Professor of Applied
Human Sciences, Concordia
University – Canada

The best answer is: 'it depends.' Humans are both complex and adaptive. We have diverse patterns and personalities and we're constantly adjusting to shifting life conditions. Time is only one factor to consider in relation to exercising. I dislike evening exercise, yet that's when my aikido classes are. Will I give up my beloved aikido because of its timing? Never. For people who have a particular practice or sport, time is not the pivotal factor.

Let's consider personality. My research shows that we gravitate toward activities that mirror our psychology. If you're extroverted and a thrill-seeker, you want to be social and stimulated. Your biological clock may urge you to exercise at 2pm, but friends you 'play' with aren't around then, and the exercise world at that time looks like a treadmill. So you'll need to apologise to your internal clock and exercise when the racquet court – and your preferred partner – are available.

Here's another thought: exercise has many faces. No matter what, I cannot get myself to reliably tie on my running shoes at 6am, but I do exercise in the morning. I do yoga and, in the summer, I eagerly leap into the lake for a half-hour swim. However, I don't think I've ever pumped iron before breakfast. Some movement forms feel better to us at different times of day, and these can slide in seamlessly at appropriate moments.

Final comment: is your life schedule predictable and totally under your control? If so, you're in a distinct minority. It's increasingly a 24/7 world that we have to navigate as best we can. Embrace diversity and broaden your definition of exercise.



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NUTRICOSMETICS

More spas are starting to offer nutritional supplements for the skin and body to help boost treatment results and the bottom line

Tackling the skin's health from inside out can provide faster and more effective results than topical products, believe some experts. Notably, a number of skin-care companies now offer nutricosmetics – nutritional supplements with a range of beauty benefits from boosting collagen and enhancing sun protection, to treating more serious skin conditions.

Meanwhile, there's a steady increase in health-concerned consumers – in the UK alone, the health supplements market grew by 4 per cent in 2012 and is valued at £738m (US\$1.2bn, €866m), according to Euromonitor. And Thierry de Beaurepaire, co-founder of nutricosmetics company Evo2lution, feels there's global market potential: "Nutricosmetics have strong growth opportunities based on the ageing population in developed countries; innovation in natural and organic

ingredients; the increasing strategic partnerships among pharmaceutical, food and cosmetic companies; and the demand for sophisticated products in Brazil, Russia, India, China and South Africa."

With some spas struggling to retail skin-care, perhaps offering products you can eat – which also offer effective results – could make an interesting new revenue stream. Many nutricosmetics suppliers are training therapists to sell supplements by focusing on the fact that good nutrition is the missing link in a complete skincare regime. In addition, spas are using nutritional supplements in services to give them an edge.

We find out what nutricosmetics are on offer to spas and how they might use or sell them.



■ The Reinforce drink supplement helps to firm skin

Evo2lution

Based in France, Laboratoire Evo2lution is a nutricosmetics research specialist which creates white label nutricosmetics products for spas and cosmetic companies. It has recently created a nutricosmetics drink as part of a hotel bedroom amenity to help generate awareness of, and visits to, a spa.

It says spas – from thalassotherapy centres to stand-alone day spas and those based in hotels – are an effective distribution network for nutricosmetics, as these facilities hold a privileged one-to-one intimate relationship with their client base. Its own internal market analysis has shown that 54 per cent of adults prefer advice or a prescription from a professional to purchase supplements.

Its own Reinforce Skin Firmness supplement drink is a new efficacious product for spas. It contains marine extract, wheat extract and vitamins. Thierry de Beaurepaire, co-founder, says that success comes not only from the product but more importantly from the ritual of taking it. He says: "We conceive rituals to enhance the consumer experience. Our spa rituals are respected by the professionals because the treatment ends only once a drink with positive effect and pleasing taste and texture has been offered to the client." It trains spas to integrate the service within the beauty protocols with the aim of seeing increased retail sales.

SPA-KIT KEYWORD: EVO2LUTION

Comfort Zone

Comfort Zone introduced its first supplement, for sun protection, in 2010, which was followed by an omega 3 oil-based capsule supplement in 2012. Omega3+ daily capsules are part of the Skin Regimen anti-ageing product and treatment system. The Skin Regimen approach is to prescribe customers a 'skin diet' and it believes that supplements should be part of a lifestyle with good diet, movement and stress management. Arnaud Diaz, Comfort Zone's international director, says supplements should focus on one or two key ingredients so therapists can easily sell them.



■ Skin Regimen customers are prescribed a 'skin diet'

SPA-KIT KEYWORDS: COMFORT ZONE

QMS

QMS launched its nutraceuticals capsule-based product Intravital in 2000. It contains vitamins C, E, B1, B2, B6, B12 and collagen hydrolysate to stimulate the production of collagen. The QMS flagship spa in London, UK, includes the supplement in bespoke treatment programmes, such as its three-month New Year, New You course to help clients boost their skin to prepare for the winter months. The supplements, which come in packs of 60 capsules, are to be taken twice a day for three months for maximum benefit.



■ Spa with a wellbeing focus should offer good quality supplements says QMS

QMS founder Dr Erich Schulte says if a spa is focused on wellbeing at all then good quality, nutraceuticals supplements should be included in their offering as vital minerals and vitamins are often lacking in our diet, and as we age absorption also becomes more difficult.

The company has found that while online sales are strong for replenishment orders, the first purchases are frequently through personal interaction.

SPA-KIT KEYWORD: QMS

International Institute for Anti-Ageing (iiaa)

"People are already buying supplements, therapists just need to let people know they have them in the spa and to recommend the ones best for their skin," says Lorraine Perretta, head of nutrition at iiaa, who adds that its training focuses on linking supplements and nutritional advice with treatments (especially courses of facials) and products.

Its own Advanced Nutrition Programme encompasses wellbeing and skin-specific supplements to help with overall health and anti-ageing treatments. Its latest supplement, Skin Accumax, is for users with severe skin problems such as acne.

All products are free of wheat, gluten, yeast, dairy and artificial colours and flavourings.



■ Each product is designed so it can work with others in the programme

SPA-KIT KEYWORD: IIAA

The Organic Pharmacy

The Organic Pharmacy was established 12 years ago with supplements, medicinal herbs and homeopathic remedies as its core business. It offers a range of food-based supplements combining organic with nutraceuticals and medicinal herbs.

The Organic Pharmacy provides over-the-counter advice from pharmacists and homeopaths to create tailored solutions. Founder Margo Marron says its most popular ranges are those which "help with the most common ailments: tiredness, skin conditions, low energy and stress." Examples include Detox Colon Cleanse and Gut Repair capsules, Superantioxidant capsules for anti-ageing; and multivitamin capsules to support skin, hair, nails and digestion.

She adds that beauty programmes should always be offered with nutraceuticals, saying that to go with the launch of its Vitamin C and Enzyme Peel Facial at Capella Hotels, it also created an anti-ageing detox food menu for the restaurant.



SPA-KIT KEYWORDS: ORGANIC PHARMACY

▶ PRODUCT FOCUS



■ Supplements to treat acne are popular

Sanitas

Spas which focus on wellness and lifestyle approaches sell the most supplements according to Sanitas CEO Lisa Cray. The company, which has offered skin-focused supplements for more than 15 years, formulates four skin supplements in-house. Its most popular product is Complexion Clear – a supplement containing vitamins A, B complex, E, zinc and selenium to help support liver function, heal skin tissue, unclog pores and reduce inflammation of tissue.

Sanitas educates therapists to understand how nutritional supplements can impact the balance of the skin and treat common disorders such as acne. Being knowledgeable about skin health leads to better treatment results in and out of the treatment room and also builds the trust of guests.

Sanitas says supplements can also be used in a variety of ways in spas to give services an edge. She suggests offering customised juices or drinks at the start or end of a treatment to give an extra boost to the skin and aid brain function and healing mechanisms.

SPA-KIT KEYWORD: SANITAS



■ Supplements focused on slimming are best-sellers for Thalgo

Thalgo

France, Italy, Germany, Russia and the UK are some of Thalgo's strongest markets for supplements. The skincare company made its foray in the market in 2001 and today it has ranges focusing on anti-ageing, beauty, wellbeing/vitality, slimming and sun protection and many of its active ingredients, including marine extracts and algae, are already found in skincare products.

The beauty range includes products for strengthening hair and nails, as well as a Collagen Booster ready-to-drink concentrate. The drink, launched in 2011, can be included in an anti-ageing facial and then purchased as a pack of collagen boosters to

continue taking at home in between treatments. Meanwhile its Thalgo Ocea Skin anti-ageing supplement contains cartidea, an antioxidant marine ingredient, and vitamins A,C,E, zinc and selenium. In Thalgo's clinical trials on 22 volunteers, 91 per cent of women said their skin looked firmer, smoother and less wrinkled.

Its most popular supplements, however, are those focused on slimming, including Slim 7 – an algae and plant extract drink to help people get back in shape after a period of indulgence or before a special event.

SPA-KIT KEYWORD: THALGO



Skin Authority

Skin Authority recently partnered with the Dole Nutrition Institute to create VitaD Fortified Illuminating Duo.

The duo – consisting of a vitamin D fortified topical elixir and a whole food spice powder – add a daily dose of vitamin D to promote health and beauty from the inside out.

Skin Authority CEO Celeste Hilling says: "The key to selling nutricosmetics is to focus on health. When talking about feeding your skin with vitamins, there are many points that educate a guest, including the fact that skin is an organ and that it responds to healthy

nutrition as positively as any other organ. Less than 1 per cent of the vitamins we ingest ever make their way to the skin."

She adds that to appeal to today's consumer, nutricosmetics should be available via multiple channels including in spas and high-end retailers as well as online and in mass market outlets. She says: "To be a brand that changes and improves lifestyles, your products need to be available where people want to shop, learn and be coached."

SPA-KIT KEYWORDS: SKIN AUTHORITY

■ Less than 1 per cent of vitamins we ingest get to the skin, which is why supplements are needed

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Inviön's new Viitality shower

The new Viitality shower by Inviön combines warm and cold water in five three-minute water massage, shower and Kneipp experiences. The five shower experience programmes provide different intensity levels, temperature settings and durations, which can be complemented by additional aroma, sound and colour therapeutic applications. Experiences include a 'Thunder Shower'.

spa-kit.net keyword **inviön**



Skin serum launch from ESPA

ESPA's newest skin serum is the Optimal Skin ProSerum. The formulation contains a selection of active ingredients and essential oils to help feed and strengthen the skin. It is designed for all skin types, for day and night use, and contains omega 3, 6 and 9 oils, vitamins A and E, plus tumeric, white lupin and sunflower extracts. It also contains rose, patchouli and frangipani essential oils.

spa-kit.net keyword **espa**



Healthy LED lighting for spas

While it maintains a white colour, new energy-saving LED technology by Lighting Science can emit different spectrums of light to mimic the wavelengths of natural daylight which our biological rhythms are in-synch with. The GoodNight bulb reduces blue wavelengths to promote sleep; and Awake & Alert enhances it to increase energy. Spas such as Six Senses and Miraval are already switching to this form of 'healthy lighting'.

spa-kit.net keywords **lighting science**



Clarins' sustainable makeup

Clarins' new The Essentials eye palette contains 10 eye shadows with mineral and plant-based formulas. It includes a wide range of classic and festive shades from beige to dark brown tones with a matte, satin or pearl finish. It is presented in eco-designed recycled packaging with a reusable striped case and double wooden brush made with birch from sustainably-managed forests and recycled aluminium.

spa-kit.net keyword **clarins**



Oakworks goes medical

Oakworks Medical, part of Oakworks, has launched a new Wellness and Recovery line of chairs and beds that meet the stringent requirements of medical facilities. They include a range of accessories – from stirrups, side rails, retractable trays, paper roll holder and a different bolsters – for various procedures. The accessories have also been designed to integrate with the Oakworks line of spa treatment beds.

spa-kit.net keyword **oakworks**



Firming Prolagene by Decléor

Decléor's Prolagene Lift facecare range has been formulated to lift and firm skin. Created using an anti-ageing complex with prolagene gel and plant-based actives, the range consists of a Lift and Firm Day Cream and a Dry Skin cream. It also includes an Intensive Youth Concentrate, Lift and Brighten Eye Cream and Lift and Fill Wrinkle Mask and Lift and Brighten Peeling Gel.

spa-kit.net keyword **decléor**



Eye and lip care from La Prairie

La Prairie has launched an Eye and Lip Contour Cream and Eye and Lip Perfection à Porter as part of its Anti-Ageing Collection. The Eye and Lip Contour Cream contains an amino acid complex, designed to fill wrinkles and reduce dark circles, as well as tropical fruit acids. The Eye and Lip Perfection à Porter case holds an eye cream gel and a lip balm with a light diffuser.

spa-kit.net keywords **la prairie**



Ibuki skincare by Shiseido

Shiseido has created a new skincare line. The Ibuki line consists of seven new products. They include Gentle Cleanser, which foams with water; Purifying Cleanser with micro-granules; Softening Concentrate, designed to rapidly absorb into the skin; ultra-light Refining Moisturiser; Refining Moisturiser Enriched; Protective Moisturiser SPF 15; and the Eye Correcting Cream.

spa-kit.net keyword **shiseido**



More hydration by Yon-Ka

Yon-Ka has released a new range of moisturisers. The Hydra N°1 line consists of three new products formulated to work together to reinforce the skin's natural barrier. The products have a flowery fragrance with a combination of rose, chamomile and jasmine oils. They include Hydra N°1 Crème for dry skin, Hydra N°1 Fluide for normal skin and Hydra N°1 Serum, a long-lasting hydration booster.

spa-kit.net keyword **yon-ka**



Porcelanosa's Spirit II collection

L'Antic Colonial, Porcelanosa's specialist natural products division, has teamed up with A-cero architecture and design studio to create Spirit II. Combining function with art, the new bathroom collection is inspired by nature, organic forms and the elements, and characterised by an interplay between vertical straight lines and curves, and the textures and colours of natural stone and wood.

spa-kit.net keyword **porcelanosa**

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Pure Altitude's new look

Pure Altitude has relaunched its skin protection range with new formulas, names and designs. It includes a high protection SPF 30 sunscreen, Bol d'Air Pur, with edelweiss, echinacea, hazelnut oil and raspberry seed oil. Gourmandise des Alpes for lips has an SPF 15 UV filter. The antioxidant Baume des Montagnes is an all-in-one SOS repairing balm and Secret des Alpes is a rich hand cream.

[spa-kit.net](#) keywords **pure altitude**



Caudalie's body and handcare

Caudalie has launched a line of moisturising body and hand products. The range, which uses mostly all natural ingredients, includes Vine Body Butter, Nourishing Body Lotion, Hand and Nail Cream and Lip Conditioner. Ingredients are extracted from grapes and grapevines and include grapeseed oil, rich in omega 6, Vinoleure, extracted from the cell wall of wine yeast, and grape polyphenols.

[spa-kit.net](#) keyword **caudalie**



Elemis line to Lift hormonal skin

Elemis has released a new range called the Pro-Intense Lift Effect Super System. It includes the Pro-Intense Lift Effect Daily Lotion for hormonal and menopausal skin; the Pro-Intense Lift Effect Night Cream, which is designed to lift and define facial contours, and the Pro-Intense Eye and Lip Contour Cream. The 30-day at home routine is supported by a new facial treatment.

[spa-kit.net](#) keyword **elemis**



At-home facial toning by Caci

Caci has developed a home-use facial toning device to complement salon treatments. The Caci Microlift emits low frequency, microcurrent impulses designed to lift and tone the skin and re-educate facial muscles that have lost tone and elasticity. It also has a Wrinkles programme designed to target lines and wrinkles by relaxing the facial muscles where expression lines and forehead furrows have formed.

[spa-kit.net](#) keyword **caci**



Dermalogica targets acne

Dermalogica has designed a new teen skincare range to prevent and treat the symptoms of mild to moderate acne. Clear Start replaces Dermalogica's previous product line in the teen category. Clean Start. The acne line has been developed to address breakouts with reformulations and two new products; Breakout Clearing Masque and Breakout Clearing Daytime Treatment.

[spa-kit.net](#) keyword **dermalogica**



Mature skin range from Thalgo

Thalgo has developed a highly active product range called the Ultimate Time Solution Collection for mature skin (age 50-plus). It uses an 'age reverse' complex that works on the skin's fibroblasts, designed to maintain firmness and tautness. It includes two Ultimate Time Solution Creams for normal and dry skin, Ultimate Time Solution Serum and Ultimate Time Solution Eyes and Lips.

[spa-kit.net](#) keyword **thalgo**



Benge and Sokolova have travelled more than 10,000 miles to try out sources of healing focused on natural elements for the book



NOVEL IDEA

Alla Sokolova and Sophie Benge, two industry friends, are collaborating on a ground breaking book that explores the culture of wellbeing in Eastern Europe.

Over the past 18 months, the pair have journeyed over 10,000 miles to uncover gems of knowledge and people of passion across 12 countries. They've assisted with the rose harvest in Bulgaria, rolled in snow in Estonia, slept down a salt mine in Poland, picked healing mushrooms from the hills of Serbia, been injected with gas in Czech Republic and bathed in naturally fizzy pools in Romania.

The book focuses primarily on natural elements as great sources of healing, which

Wellness practices from the Baltic to the Black Sea are the focus of the first book of its kind on the region

have also stood the test of time. Many treatments using mud or mineral waters, for example, have changed little over three centuries and are used today, just they always have been – to cure disease. Such potent approaches, Sokolova and Benge believe,

can teach much to the global spa industry.

Healing Sources – Spas and Wellbeing from the Baltic to the Black Sea (working title) is due to be published in mid 2014 by Prestel.

Benge is a journalist from London and author of *The Tropical Spa* focusing on the South East Asian approach to wellness. Sokolova is co-founder and GM of Amber Spa Boutique Hotel in Latvia (see SB10/3 p56).

On their travels, they were accompanied by photographers and film makers Helen Abraham and Christian Banfield. As well as the book, the team are offering a library of over 10,000 images for sale, and advisory services, related to wellness in this part of Europe. ●

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