

General Session, Keynote Speaker: Building a Revolution

Monday, May 21st

2:00PM – 2:45PM

Empire Room

Scribe: Mariana Pires and Se Bum Oh

Keynote Speaker: **Steve Case**, Founder, AOL, and Chairman, Revolution LLC., US

I got involved with the industry only four years ago. I went to Miraval as a guest for a weekend, with the idea of “letting myself go” and seeking what I would do next in my life. I felt amazed with the profound experience I had. In the end, I wanted to take Miraval to more people and more places. It was, hence, less about a business aspect.

When researching on the industry, I soon found that people are having different lifestyle trends, with yoga classes increasing, and people spending over \$230 Billion on healthier and more balanced lives. This is a warning of how far this industry has left to go. We all need to see how a commitment to this makes it easier to deliver on what people’s expectations are. Americans spend twice more than others for health-related products.

The SPA 2.0 exists now, but not only to feel good but also to be better. Body and Mind are now more and more joining the Spirit. Consumers today seek to be better. They want an authentic and creative environment. And people want the experience to come home with them; they want something to take home.

I wanted to develop a comprehensive program; a full experience; but the question was: how?

I knew I could not change guests, but I wanted to help the guests help themselves in search for this more balanced life. For this, we developed a fully integrated medical, housing, and environmental program. This would be based on solid medical records from our guests. So the idea was to provide health, wellness and medicine to support physical health.

The packages are more accessible to the guest; and consultation, life coaching, sleep counseling, integrative, and oriental medicine will be provided.

On average, people spend 47 hours per week working, and less than 2 hours a week relaxing. We now have time-poor consumers in demand for relaxation, reflection, and health. The best way to learn how to do these things in ones life is by living it. And therefore, Miraval has developed spa and real estate projects, incorporated in condos. It is expensive living in a city like NY, and then we spend more time shopping at Whole Food and we still need time to go to a day spa. We will provide all this not only under one roof, but also in your own apartment.

At Miraval Living we will bring balance to our customers that are overwhelmed and confused with all these options to spend their time. But we seek and support visionaries at our company, so that we will customize programs to our guests. People will learn about fear and self-doubt and reach a more complete lifestyle. They will go beyond what they thought was possible.

There needs to be an internal balance between us and the local people and the environment. The use of natural resources will serve to educate and then experience, and give an eco-footprint.

We are on a tipping point, and the ability to affect millions of people is here, as consumers are seeking for an environment to be pampered but also to have balance. The next generations will also desire this

lifestyle.

There is a need to apply new skills to the spa industry; taking the idea of balance living and bringing it into a more mainstream lifestyle.

Some of the issues relevant to the spa industry are - how to educate people; how to apply advanced technologies to the spa industry; how to let people to bring the spa to their home; etc.

Q&A

Q. How will the rates be for this more mainstream market? Especially given the idea of taking the experience to other places?

A. In addition to taking life and balance into other places, we intend, at Revolution LLC, to develop products, services, media and integrate them at the location, but also digitally. This means that people will be able to take lessons from Miraval, and experience them at home since they would not have the possibility to be at Miraval. This is being reinforced with our presence in the Oprah show, where she is interested in showing how people can have these experiences at home, in a more mainstream market for us.

The advanced technology allows us to have more interactive services, and allows people to be able to experience Miraval. We can also use this to assist guests previous to their arrival at Miraval.

The healthcare system has to be changed, but it takes a long time. I found it bizarre that the consumer isn't in control in the spa industry, especially since so many use the spa service. We are working with medical insurance companies to make going to Miraval part of the covered health care services. We will become like and Amazon for health insurance, since people many times can't afford it. Health care has and will change. It can take five or even ten years, but we are optimistic that it will break through.

Wellness prevention already is a robust industry where consumers are in control. Only when they are actually sick, things divide into people making decisions over things that they can't understand.

Q. As Miraval moves and progresses, what do you see as your strongest point of differentiation? What will prevent others from imitating you?

A. Revolution requires many innovative people to contribute; a critical mass of activity. We've seen it now with the environmental issues after the Al Gore movie. There is an educational market, where industries are creating products and dynamics. So, the solution for differentiation is to be authentic about these new products and dynamics - but delivering this in a magical and experiential way is hard. There is no secret about authenticity. However, delivering the services and the concept is really a hard part. The plot of Steven Spielberg's movie is quiet similar to those of other movies.

Many times imitation is done without a "story", even if another company has the same dynamics. Our success depends on authenticity, on our people, and on the diversity of programs developed in many many years. So, we have the place plus the idea of life and balance.

To scale ratings and operations to more places and more people are the things hard to do. And there is where our value relies. The differentiation is in how the service is delivered to the consumer. The physical place and idea of Miraval will be the differentiation point.

Q. Could you share your thoughts about sustainability? In respect to sustainability, five years ago it was an intellectual thing, and now it has become mainstream. What are some of the examples of actions you

company is partaken in?

A. I can give you the example of car use, and how sharing a neighborhood vehicle is a great idea for people that live in big cities. At Revolution LLC we are doing it. About three years ago: we saw the Whole Foods phenomenon. It was viewed as an organic thing, but something made it a cultural phenomenon. It started educating people about living a healthier life. Another example is Al Gore's movie. Consumers are making choices about what resorts they go to, and what products they buy, based on these ideas.

So you need to have a commitment, either to be LEED Certified, or another. You can do a lot; not always everything. But it's the right and smart thing do. People will go to other places if you are not delivering a more conscious and authentic product.