

General Session: The Spa Industry in India

Tuesday, May 22nd

3:30PM – 4:00PM

Empire Room

Scribe: Se Bum Oh

Presenter: Carina Chatlani, President & CEO, Body Bistro & Asana Spa and Founder, Spa & Wellness Association of India (SWAI)

Local View:

- 71% of the Indian population lives in villages or rural areas
- 29% live in urban/coastal regions
- Traditional therapies/Indigenous Knowledge – Ayurveda, Unani, Siddha and Tibetan Medicine

India's beliefs about 'spa'

- Indigenous Knowledge & rituals
- Ayurveda & traditional therapies
- Yoga + Meditation
- Spiritual tourism
- Pranayama
- Tantra
- Natural resources
- Eco-Tourism
- Village Tourism
- Human Resources
- Cultural tourism
- Medical Tourism
- Growing economy

Population & Demographics:

- 1.1 billion
- Economy: World's 12th largest
- Approx. 4000 cities
- Approx. 450 million people make up the 'work force'

Purchasing power:

- Growth of consumer driving force: urban, affluent youth
- Family structure: 18–45 year old comprise 300 million of the population
- These consumers are conspicuous consumers: growing middle class

Conspicuous Consumers: Growing Middle Class

- Middle class: 300 million
- Joint family system allows pooling of income
- Approx. 86,000 millionaires in India
- Traits: Ambitious, dynamic, highly educated, technically skilled and managerial skills

(There are no official statistic survey companies with reliable spa industry sources; figures here are estimates research)

Potential for Spa:

Day Spas	Approx. 21%
Resort Spas	Approx. 20%
Destination Spas	Approx. 59%
Total Spas	Approx. 130 – 150

*Rough Figures

General Facts:

- The spa industry actually started 10 years ago but has come into prominence in India only in the past five years or so.
- India's southernmost states have particularly embraced the spa phenomenon with a mix of Ayurveda. In these areas, where Ayurveda is the main form of medical treatment, hotels, resorts and hospitals design packages ranging from a weekend to a month to introduce Americans, Europeans and East Asians to ancient Indian massage, medication and yoga.
- Also, with health tourism being currently given a lot of impetus by private players as well as state governments, the opportunities are going to be huge.
- The government, which does not have any particular policy in place, is bound to announce a mandate dedicated for spas when spa sector flourishes, which is soon to be.

Types of Tour-'isms' shaping the spa industry:

- Spiritual tourism
- Eco-Tourism
- Village Tourism
- Cultural tourism
- Medical / Health Tourism
- Wine Tourism
- Agri-Tourism

Tourism:

- Foreign tourist arrivals were 4.3 million in 2006
- Expected to grow to 5 million in 2007 (Source: Ministry of Tourism in India)
- Domestic tourism is also expected to increase by 15% to 20% over the next 5 years
- Reason for the rapid rise in room rates – demand exceeded supply
- “Healthcare” new buzzword for corporate and individual businessmen
- Education system leads to qualified

Medical tourism is a huge market in India

- Multinational companies setting base in India
- Once you get the government on your side, you can do whatever you want in India. They become very supportive.
- A good education system leads to highly qualified personnel

Strengths (competencies):

- Trainable, unskilled people
- Entrepreneurial spirit
- Many with technical degrees and advanced knowledge
- Abundant supplies of most mineral and rich deposits
- Earth minerals
- Plants, herbs & spices
- Rich biodiversity
- Abundant sunshine
- Suitable climate to support all types of species
- Indians are naturally very environmentally conscious and very sustainable

Weaknesses (challenges):

- Lack of standards and accreditation of spas
- Lack of accredited training institute
- Lack of uniformity in traditional treatments
- Lack of standardization for importation of products
- Lack of government support
- No formalized unified data: lack of valid statistics that are verifiable

Opportunities:

- Higher number of Indians partaking of spa experiences as travel is increasing
- Globe-trotting people looking for similar experiences back home
- More multinational spas are coming to India, creating greater job opportunities in this industry
- Deregulating economy stimulating foreign investment
- Large pool of highly skilled managerial level and technical level expertise

Threats:

- Customer is confused about authenticity
- Non-standardized spas are marketed inappropriately
- Local training not always up to global standards
- Staff attitudes revolve around families attitudes
- Spa word undefined and under utilized
- Corruption, bribes, peddling influence, nepotism, evasion of tax, etc.
- High duty & tariff rates
- Uncontrolled land/construction costs

New Hospitality / Spa Projects:

- Four Seasons
- Hilton
- Six Senses
- Banyan Tree
- Mandara Spa
- Shangri-La Hotel
- Marriott/Quan Spa
- Renaissance Hotel
- JW Marriott Hotel

Purpose and Missions of Spa & Wellness Association of India (SWAI):

- Anyone who wants to come over to India needs to work with SWAI

- Unite Spa & Wellness industry under one umbrella
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- Provide professionals with educational resources and identify spa definitions
- Establish code of ethics & Occupational health & safety standards
- Mentoring & Placement Programme: Bringing Uniform Training guidelines helping the Spa therapists & other staff to be accredited, accepted & competent globally
- Accreditation & Benchmarks help consumers to qualify spas
- Establish Standardised procedures for employment, spa operations, training guidelines and traditional therapies
- Continuous Professional Development programs run for the Spa Professionals helping the Industry to be constantly upgraded to the latest developments in the Spa Industry globally
- Consumer Education: Define benchmarks and consolidate key indicators. Helping the Indian Spa Industry to be globally represented
- Representation from Government creating business opportunities