

NEWER SPA MARKETS

RUSSIA
EASTERN EUROPE
SCANDINAVIA
SOUTH AFRICA

Agenda

1. Introduction of the panel
2. Compare statistics and general info
3. Russia exclusive presentation by Nina Tsymbal
4. Questions to the panel & contributors
5. Open up to the floor and questions

Panel

- **Welf Ebeling**, Executive VP & COO, the Leading Hotels of the World, New York
- **Kerstin Florian**, President, Kerstin Florian International, United States/Sweden
- **Geraldine Mitton**, Corporate Director of Spa, San Aquam Holdings, South Africa
- **Stanimir Stankov**, Chairman, National Association for Spa & Wellness Tourism, Bulgaria
- **Nina Tsymbal**, Spa Consultant, Russia

Note: Panelists provided sources/statistical data. URLs www.indexmundi.com and http://en.wikipedia.org/wiki/Main_Page were also used for this presentation

GENERAL	Russia	Eastern Europe	Scandinavia	South Africa
# of inhabitants	142 Million	70 Million	25 Million	49 Million
# of spas	Around 400	Around 500	Around 1,300	Around 400
Disposable income	High in upper middle and wealthy class	Medium	Low - Medium	Big difference between groups
Inflation	14.3%	8.4%	3%	10%
Political situation	Stable	Stable	Stable	Stable
Of interest	Visa barriers for foreigners and tourists	Bulgaria, Belarus, Estonia, Latvia, Lithuania, Ukraine	Highest taxes in the world	HIV – life expectancy 50 years

MARKET	Russia	Eastern Europe	Scandinavia	South Africa
Age	30-50	28-50	35-65	30-55
Income	High	Medium-High	High	Medium-High
Education	High	High	High	High
General personality	Leader, commander, aesthete, idealist, perfectionist	Sole proprietors, state officials, well paid employees	Stressed achievers with a career	Leaders and achievers interested in alternative health
Life style	Active, interest in healthy life style	Profuse spenders for acquiring well-being status	Focus on luxury pampering & beauty, interest in well being	Active, interested in well being

MARKET	Russia	Eastern Europe	Scandinavia	South Africa
Rate of use	Medium	High	Medium	High
Level of spa knowledge	Medium – High	High	Medium	High
Attitude towards spa	Positive & great interest	Very positive	Spas are luxury beauty/ pampering experience	Positive and sincere interest
Needs sought to fulfil	Interested how long results last and in resolving several problems per one visit	Improve health and beauty through general recreation	Relaxation and a fun experience. Get away often with friends, spouse or family	Improve health Introduce Life style changes

5 TOP SPAS	Russia	Eastern Europe Bulgaria	Scandinavia	South Africa
1	Day spa "Prostranstvo Krasoty" (Novosibirsk)	Spa Hotel Dvoretsa (Velingrad)	Varbergs Kurort (Sweden)	Pezula Golf & Spa (Knysna)
2	Wellness club "Villa Spa" (Kaliningrad)	Park Hotel Olymp (Velingrad)	Vestlia Resort (Norway)	Saxons Hotel Spa (Johannesburg)
3	Club spa chain "Oriental Express" (St. Petersburg & Moscow)	Strimon Spa Club (Kyustendil)	Skodsborg Kurhotel and SPA (Denmark)	Thanda Safari Spa (KwaZulu-Natal)
4	Resort and spa "Plaza Spa" (Kislovodsk)	Albena Hotels & Resorts	Beauty SPA Grankulla, (Finland)	SanAquam Medi spa (Drakesnberg)
5	Medical spa "Bolshiye Soli" (Yaroslavl)	Victoria Spa Chain	Sturebadet (Sweden)	Mangwanani African spa (Bashewa)

Russia - Strengths

1. Rich health maintenance traditions and a strong medical and kururtology science
2. Huge investment resources and thousands outdated health resort establishments waiting for redevelopment
3. Growing interest of clients in spas and healthy life style and a very young business
4. Wealth of medical specialists with excellent basic qualifications



Russia - Weaknesses

1. Low percentage of the population with enough purchasing power
2. High prices for spa services
3. Almost 100% import of equipment and cosmetic products
4. Absence of standards and regulation for spa industry











South Africa- Strengths

1. Unique African therapies, Safari and Bush spas, African products
2. Great climate provides outdoor activities, mountains, game reserves, golf estates, lifestyle communities, beaches. Stunning scenery.
3. Development of ECO spas
4. Well trained English speaking therapists
5. Currency exchange rate makes travel and spa visits very affordable
6. Affordable and expert medical care and cosmetic surgery





Russia

Nina Tsymbal

All sources on Russia are courtesy Russian experts from Moscow:
Elena Bogacheva,
Andrey Syrchenko,
Grigory Chernenko,
Gleb Barashkov,
Mikhael Kochiashvili
& Nina Tsymbal .
Some of the data is a collective estimation since few spa studies on Russia exist.

History

- Slavic health traditions
- European curative model (18-19th century)
- Soviet wellness system
 - government funding
 - prevention/rehabilitation
 - sanatorium/profilactorium



Current

- Young industry
- Spa categories
- Spa guests
- Huge opportunities

Russian spa industry facts & figures	
Date of birth	1998
Largest category	Day spa
Average size:	
Day spa	300-600 sqm
Club spa	1,500 sqm
Number of treatment rooms	10-15
Number of staff	25-35
Number of treatments in the spa menu	up to 200
Average price for a spa package	\$250
Age of regular clients	35-45

National spa treasures

- Russian bath (banya)
- Curative methods:
 - massage
 - Phytotherapy, apitherapy
 - wraps
 - water treatments
- Natural ingredients



In 5 years...

Some experts predict that the number of spas in Russia will increase by 250-300% in the near future.

If there is established a mutual relationship between the state, investors and spa professionals, Russia has a great chance to become one of most developed spa countries in the world.

- 1. Growth of interest in spa industry from the state and big corporations**
- 2. Increase in awareness of spa philosophy in general public**
- 3. Introduction of all necessary regulations for spa industry**
- 4. Development of spa objects affordable for middle class clients**
- 5. Redevelopment of outdated spring resorts and sanatoriums at prime curative locations**
- 6. Increase in number of spa hotels**
- 7. Construction of large multifunctional spa/wellness centres**
- 8. Creation of educational system for the industry specialists**
- 9. Creation of a strong professional association**
- 10. Civilized competition**

My special thanks to Russian spa experts

**Elena Bogacheva,
Andrey Syrchenko,
Grigory Chernenko,
Gleb Barashkov,
Mikhael Kochiashvili**

who generously shared with me their knowledge.

THANK YOU
СПАСИБО
 (“spasibo”)

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