



meeting of minds

We highlight the key themes emerging from this year's Global Spa Summit

The impact of the global financial crisis on the spa industry was one of the main talking points at the third annual Global Spa Summit (GSS), which was held at the Victoria-Jungfrau Grand Hotel and Spa in Interlaken, Switzerland this May.

An audience poll of delegates came up with some surprising results, with 48 per cent of attendees reporting revenue gains in 2008 compared to 2007 and only 18 per cent reported a decline. While these results shouldn't be taken as gospel (there was no official methodology in the gathering of data), the optimism from our industry leaders is promising. The general consensus was that recovery will be on the way from mid-2010.

Despite the economic climate and the threat from the looming swine flu pandemic, the summit – appropriately themed *The Power of Collaboration* – had a strong attendance from key figures. Numbers may have been down from last year, but 32 countries were represented – a record number. There was also a significantly higher proportion of attendees from Europe, due in part to this being the GSS's debut on the continent.

Delegates from Morocco, Croatia, Nicaragua and Ghana came to the summit for the first time – all these areas have been pinpointed as significant markets for growth in the international spa industry.

Dzignbordi K Dosoo, CEO of Allure Africa, sparked much interest in the Industry Briefing session when she highlighted the potential markets within west Africa and her intention to rollout day spas in the region (see p27). Michael Navas, the legal advisor for Pro Nicaragua – a non-profit promotion agency for the country – also caught delegate's attention when he expressed his country's desire to become a wellness destination.

Eco-wellness initiative

This fits in with news elsewhere that Nicaraguan Ministry of Tourism's objective is to develop the country as an eco-wellness destination. The ministry has also applied for funding for a spa academy, which it aims to set up in collaboration with the International Hotel Spa Academy.

Another highlight was the acknowledgement of the growing importance of spa and wellness by keynote speaker Adolf Ogi, the former president of Switzerland.



Susie and Pete Ellis welcome delegates to the Victoria-Jungfrau at a gala dinner held in the hotels' sumptuous ballroom

This is emphasised in our report on tourism in Switzerland on p28. Interest was piqued by another Swiss keynote speaker, Reto Wittwer, president and CEO of Kempinski Hotels, announcing the launch of Resense: a spa brand focused on classical European spa traditions.

Resense was developed in collaboration with Swedish consultancy Raison d'Être, but will not be exclusive to Kempinski-managed properties. While Kempinski has an investment stake in Resense, the two companies will operate separately.

Research has been a part of the GSS since its inception and this year was no exception, with three reports presented. The need to focus on methodology, however, was raised. Leonor Stanton, a contributing editor for *Spa Business*, who has worked in consulting ▶

Summit review

and assessment roles in the leisure industry for over 20 years adds: "I think there's a debate to be had about research and methodology in the spa industry and what operators really want from research. It's important to warn about the pitfalls of studies and misleading data; many criticised the findings of the PKF Hospitality study Trends in the Hotel Spa Industry (SB08/3 p46), but the people at PKF told me that reviewing it and pinpointing problem areas would help them in their next study."

Health and medical tourism

Medical tourism was a hot topic at the summit and Renee-Marie Stephano, founder of the Medical Tourism Association, indicated that health/medical tourism is an industry spas should be tapping into. Key target groups included Americans, Canadians, Europeans, Latin Americans and those from the Middle East, while preventative health was the part of the market that 37 per cent of delegates said held the biggest opportunity for their future business.

Cathy Feliciano-Chon, MD and founder of CatchOn & Company, gave a high-energy presentation on the last day which focused on Luxury vs Necessity. The take-home message was that luxury is not going away, it's just being reinterpreted and simple lessons can be learned from 'lipstick, candy and Disney' – they all claim to be recession proof, all have roots in the Great Depression and all deliver a timeless feel-good factor to the consumer.

In our round-up of breakout sessions, we've asked moderators and chairs to outline the topics discussed and outcomes

Collaboration sessions.
"What can we accomplish together that we cannot accomplish alone?"

Design collaboration

"There's a miscommunication between owners, operators, consultants and wet area companies when it comes to the cost of wet area equipment, quality, maintenance and after-sales care and health and safety guidelines. The newly formed Global Hydrothermal Spa Standards Association is to create standards in these areas and present its first draft in September 2009."

Chairs: Anna Bjurstam, Raison d'Etre; Susan Harmsworth, ESPA International

Human capital collaboration

"Labour shortage has eased due to the recession, but there's still a need for experienced applicants with business/hospitality school-type training as well as technical training. There's a need for industry-sponsored internships to increase the labour pool in the future. And the general consensus is that online school curricula needs to be 'beefed-up'."

Chair: Mary Tabacchi, Cornell University

Product houses collaboration

"There was a call for product houses to have a larger voice in the industry and to share their knowledge on topics such as retail, which they have first hand experience of in a variety of spas. There was also a desire to create an agreed reference document to help operators better understand product marketing claims and ingredients."

Chair: Geraldine Howard, Aromatherapy Associates

Medicine and spa collaboration

"Global spa brands now have the opportunity to become healthcare providers. Technology such as teledermatology consultations and other remote diagnostics is enabling spas to seamlessly integrate medical services."

Chair: Dr Marc Cohen, RMIT University; Dr Geraldine Mitton, medical spa consultant

Spa associations collaboration

"There is no global consistency in terms of a definition of 'spa' and standards and practises and no common understanding as to what various therapies and services are. We came to the conclusion that it is helpful to form a new hub organisation to unite international spa associations."

Chair: Marion Schneider, British International Spa Association



Lunchtime collaborations enabled delegates to continue discussions over spa cuisine designed personally by host Emanuel Berger



Other breakout sessions

Galvanizing interest in and understanding of hydro/thermal spa experiences to increase profits

"We need to educate consumers in the usage of hydrotherapy facilities, particularly in cultures without bathing traditions. Successful operations charge for wet area access. Despite high investment costs, wet areas can drive volume and profitability for a spa through lower labour requirements and self-administered treatments."

Moderator: Ingo Schweder, Spatality

What are schools teaching? What do operators want? Do they match up?

"The needs of operators (business managers and technical talent) and educators (vocational institutions and hospitality-focused business schools) vary considerably and stakeholders need to understand the nuances of each so that the right talent can be sourced for the right positions in the right locations. One size certainly does not fit all."

Moderator: Mia Kyricos, Starwood US

How shining a spotlight on water can energise our industry

"The spa industry's image would greatly benefit from us all taking a strong stance on water, becoming more involved with conservation and serving as a guardian of the world's water resources."

Moderator: Dr Marc Cohen, RMIT University



CatchOn & Co's Cathy Feliciano-Chon

Branded vs non-branded spa. Which give the best ROI?

"The consumer doesn't understand or is confused by spa brands within hotels and resorts. However, branding may be important to non-hotel spa clientele: local or membership consumers, who are the lifeblood of hotel/resort spas during a downturn in travel. The consensus is that it depends on the goals, mission, concept and number of sub-brands within a hotel."

Moderator: Mary Tabacchi, Cornell University

What do the profit numbers look like for resort, hotel, day and medical spas around the world?

"Profitability is closely linked to staffing costs; it may vary greatly because of the very different wage levels between countries. We shouldn't forget, however,

Adolf Ogi, former Swiss president, awards students from IMHI France for their winning spa concept Chill House where bar tenders double up as therapists.

that the very presence of a spa in a hotel allows room rates to be increased, so even a marginally profitable spa can enhance hotel profitability."

Moderator: Woody Wade, Wade & Co

Beauty industry developments impacting spa and wellness

"Beauty treatments differ between spas and salons. Spas need to establish a benchmark to assess the quality and financial performance of their beauty offer. Such data would help spas to attract consumers and potential investors. A starting point to establish these benchmarks would be the longer-established beauty salon industry."

Chair: Jacqueline Clark, Diagonal Reports

Medical hydrology, balneology, thalassotherapy and spa therapy: understanding how research which validates spa therapies can greatly increase your bottom line

"Spas in Eastern Europe, as well as Italy, have medical doctors who advise and prescribe wet/thermal treatments. In Western countries hydro equipment, steambaths and saunas are installed without operators (and customers) being aware of the procedures and protocols which are associated with their use. Thus benefits are not obtained."

Geraldine Mitton, medical spa consultant

