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The Beauty Report

Global Spa Economy Hits \$255B

For the first time, the spa industry has an official framework quantifying its size around the world.

In a report titled "Global Spa Economy 2007," several hundred spa industry executives, analysts and spa operators gathered for the second annual Global Spa Summit to learn that while their industry generated \$46.8 billion in spa facility operations worldwide (which includes services and sales of products), it actually has a global economy of \$255 billion in 210 countries.

After six months of research, which included a 1,000-person global survey, national and international qualitative and quantitative data, and spa industry reports, SRI International, the independently owned, nonprofit organization tapped to study the spa industry, found enough data to fill a book, literally, which will sell for \$1,495. The report was given to paid attendees at the summit, which kicked off Sunday, May 18 and ended Tuesday, May 20, and was held at the Waldorf-Astoria Hotel.

Pete Ellis, chief executive officer of Spa Finder Inc., a spa marketing and media company, has been aiming to better establish the spa industry for years. Ellis said SRI International was offered \$250,000 for the study and the "negotiations took place from there." Funding for the report came from companies including Fairmont Raffles Hotels International, Murad Professional, Raison d'Etre, SpaFinder, Spatality and Steiner Leisure.

Some tidbits from the report were revealed Monday morning, such as that Europe is the largest region for the spa industry with \$18 billion in annual spa revenue; North America is the second largest with \$13.5 billion, and Asia-Pacific ranks third with \$11.4 billion. The \$255 billion figure, SRI International presenters explained, was reached by using an economic tool called "industry clustering framework" and includes spa's core industries, such as services, products, consulting, media and investment capital, which total \$60.3 billion, and enabled industries, such as spa-related hospitality and tourism, which total \$106 billion, and real estate, which totals \$88.3 billion.

Prior to the report, said Ellis, there were only localized benchmarks for the spa industry.

"The information historically has been sporadic and exclusive to spas that have water (either in their treatments or via a pool, Jacuzzi or bath). That cuts out about 70 to 80 percent of spas."

The summit was underwritten by Spa Finder, in collaboration with a team of international advisers, including principals from Raison d'Etre, RMIT University of Australia, Spa Strategy Inc. and Mandarin Oriental Hotel Group. Next year's Global Spa Summit will be held at the Victoria-Jungfrau Grand Hotel & Spa in Interlaken, Switzerland, May 17 through May 19.

— A.N.