



Spas and the Internet or Wellness Online.

How is it Shaping the Industry Today?

Concurrent Breakout Session

Monday, May 18th 2009 4:00pm – 5:00pm

La Salle Cote Jardin, Victoria-Jungfrau Grand Hotel & Spa, Interlaken, Switzerland

Moderator: Anne McCall Wilson, VP of Spas, Fairmont Raffles Hotels, Canada

Panelists:

Lopo Champalimaud, CEO & Co-Founder, Wahanda, United Kingdom

Daniel Lizio-Katzen, Managing Director, Spa-Booker, United States

Frank Pitsikalis, President & CEO, ResortSuite, Canada

Kevin Turnbull, Chief Executive, SpaFinder Europe, United Kingdom

Scribe: Nina Barfoed Petersen (Ecole Hoteliere de Lausanne)

Anne McCall Wilson (moderator)

I have only recently joined the online social networks, having previously been concerned about the large degree of transparency. The fact, however, is that the consumers are using the internet for information and for purchasing and booking and the spa industry is not using this opportunity well enough for their businesses. Tell us your view on trends and opportunities that have or could shape our wellbeing industry.

Kevin Turnbull:

Individual companies have to recognize the differences in how different generations use technology and use the Internet. Examples of social cultural and technological characteristics:

- Baby-boomer (yesterday) - Use the Personal Computer at work and are now comfortable with Windows. They are technology enthusiasts but not so good in using it.
- Generation X (Today) - They have seen a large development of Information technology and use computers at work and at home, for e-mails and are happy to make purchases online.
- Generation Y (Tomorrow) – They have always lived with technology, broadband, high-frequency wireless local area network (WIFI), short message service (SMS), music downloads, social networks and blogs. They always expect technology to be there.

Frank Pitsikalis

There is tremendous growth in online social networks; this is largely a reflection of how the customers and the Internet users seek to be part of communities. Knowledge is shared constantly which gives Internet users the chance to see what is going on in *real time*.

There is a transition from web 1.0, which is a static brochure online, to web 2.0 where the customers are participating in the communication about companies and products. This is real integration between customers and companies and this is an opportunity the spa industry should seize.

As known from the travel and hotel industry, revenue management is a tool to sell the right service, to the right customer, at the right time, for the right price. By introducing dynamic pricing and dynamic availability in the spa industry this *will* increase the bottom-line for spas.

Lopo Champalimaud

Is the credit crunch the “9/11” for the spa industry? After 9/11 there was a large increase in the booking of travel and hotels online. Today 46% of all travel industry transactions is happening online. For the spa industry this is only 5%.

In building the wellness industry online it is important to have a customer centric orientation and piece together the spa experience around the customer. The customer has to know what products are being used, what therapist will give the treatment, and the location of the spa facility. The internet can enable all of this.



Daniel Lizio-Katzen

There are several areas where spa companies should set goals in order to drive up sales online:

- **Distribution:** Should not only be brand.com, spa treatments should also be distributed by 3rd parties.
- **Content:** The content of the website should not only be a replica of the printed brochure. Content should be updated weekly if not daily to keep the website fresh and keep the customers interested.
- **Customer Relation Management (CRM):** The industry is talking a lot about CRM but is very slow in implementing. This lack of implementation is a lost opportunity; companies should rethink their online marketing and include tools such as direct marketing where promotions are e-mailed directly to customers.

- Online brand representation: Companies should monitor their brand representation online including on websites such as www.tripadvisor.com will be clearer to foreigners than just trip-advisor where users are voicing their opinion about brands and companies and they should take action to make their online representation more transparent.



The discussion now opened to all the panellists and the audience and several questions were posed.

When all the information both good and bad is online will this diminish the brand value and how can this be managed? Should we now fire our advertising agencies since the customers have the power? All the bad information on brands has always been there even before the Internet, the only difference is that now it has surfaced. This is the industry's opportunity to participate and turn the bad information positive.

How can the industry grow its customer database using the internet? Media is yesterday, social media is now controlling the message. Using social media can increase the conversation with the customer and thereby amplify the brand message. Start spreading the brand message through your own online

social network. When things start in online social networks it is because the people with the message have a large network, and then it spreads from there.

What about reviews?

Respond to bad comments - don't remove them. A lot of companies don't know they are listed on Trip-advisor, www.tripetc.com, and similar websites. Since customers like balanced information it is better to act on bad comments rather than removing them. It is illegal to write a review on your own company online, but encourage your satisfied customers to do so.

Moving away from marketing, how can technology improve the spa experience?

Extend the spa experience both before and after visiting the spa by using the internet. Before the customers arrive to the spa they can fill out a questionnaire and after they have visited they can get the opportunity to review the experience and share results.

With the increasing number of communication channels which ones should the industry focus on?

Newspaper is a waste of space and a waste of marketing money except when you are talking about PR.(public relations) Online marketing has huge value for the money plus it is measurable. However many customers still prefer a printed catalogue and using the phone, so the challenge is to find the right balance. When using online social media, don't use only one channel, rather use several, such as LinkedIn.com, Twitter.com, and Facebook.com, etc.

And online booking?

The industry should assume that online booking is inevitable. Spas have to overcome the fear factor of having their prices visible because the consumer wants transparency in prices when going online. The spa industry should learn from the hotel industry. When the hotels came online there were a large number of 3rd party channels that each hotel had to manage. Spas need an easy channel-manager so they avoid having to update many different websites every time prices are changed. Opposite the hotel industry, spa customers buy more the longer they stay on your website.

Closing remarks

Kevin Turnbull

Some general worldwide advice: don't be scared, start with the obvious and then get into the details.

Frank Pitsikalis

Investigate online social networking opportunities and educate yourself.

Lopo Champalimaud

Participate! Join the community both local, online and offline.

Daniel Lizio-Katzen

Get the customer's e-mail, even though this seems obvious it is not happening. E-mail marketing is very effective.

Anne McCall Wilson (moderator)

Play! Lose your fear. Spend only 10 minutes a day to play and learn online social media. Human touch and technology is not a collision. High touch and high tech worlds *can* collaborate. Learn the online language. You need to know what people are saying about you.



The Global Spa Summit is an international organization that brings together leaders and visionaries to positively impact and shape the future of the global spa and wellness industry.