



# Global Spa Summit

JOINING TOGETHER. SHAPING THE FUTURE.

## Marketing Collaboration

Pre-Summit Collaborative Problem-Solving Session

Sunday, May 17<sup>th</sup>, 2009 4:30pm – 6:00pm

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

**Chaired by Anne McCall Wilson, VP of Spas, Fairmont Raffles Hotels, Canada**

*Scribe: Cécile Ngan Chee Wang (EHL)*

Anne McCall Wilson (session chair)

We have had a difficult year; we had to go from gathering business in the most efficient and professional way to looking for business and surviving the crisis. Please give us good ideas that have helped you through this difficult year.

### Discussion

- Reduce costs: this unfortunately, had a big influence in the marketing budget
- Instead of focusing on luxury, we focused on economical profit

Popular Marketing said that every time there is a recession there are four steps:

1. Fire the director of marketing
2. Fire the manager
3. Restructure the brand
4. Help me!!!!

*How have you seen the changes in your business due to the crisis?*

In a typical crisis, our focus is on customers and revenue - we go back to basics.

I will throw an opposite to that, going back to basics is where a lot of people go and that does work, however, this is a time for extreme rewards with extreme risk and going back to basics has an inherited risk in it.

We founded our business a year ago, we thought it was the ideal time. First, we enlarged the concept to more than just a spa, then we went online. Once we were online we embraced the entire community, we put the voice of the community online (profiles for therapies, explaining about the products and why we use it). This sort of business is ideal at these times because it reduces costs.

Another relevant issue is that people are being forced at these desperate times to push their integrity into question.

*Will we as a result lose our brand focus? By wanting to get ANY customer, are we leaving the target market?*  
 In one occasion a hotel went to a rate that was too low and it took 10 years for the entire city to recover.

If we look at outside industries, like the auto sector, this crisis brought them to reality!

Anne McCall Wilson (session chair)

This brings us to another important issue, realizing that the big industries, for example the auto industry, started collaborating too late. For this reason it's very important to collaborate early.

#### Discussion

We really thought we were a recession free group in this industry and it's clear that we are not. Is collaboration the right word? Perhaps integration is a better option? Consolidation is a good alternative as well.



Negative reaction at consolidation can lead to irrelevance, so we need to figure out what consolidating means, we need to be careful not to commoditize.

Wellness is an abused term, however perhaps wellness in the true sense could really be that glue.

*What business do you think Google is in?*

Communication, they make most of their money through communication however their business is information.

Most people think Google is in a business, it is not, what they do is to find all the information they can so they can put ad sales in our WebPages. I think that today we are not growing the market size. What we really are doing is trading, and it's not going to fill up all of our facilities. One of the key issues that I'm concerned about is that our market is related to luxury and therefore expensive.

The problem is, unfortunately, that everything associated in the media with spa is overindulgence.

Taking another example from the auto industry, we could do better by specifying our product to what the customer needs are, as opposed to what the business needs are.

One of the things that is happening online is collaboration. If you are an employer today one thing you would not give up is your health benefits, we are moving from pleasure to necessity, people need spas during crisis. Why do we go to health clubs when we get fired?

Socializing. Fifteen years ago people might not have gone to clubs for the social aspect. We should communicate the message that spa treatments may find themselves on a similar path – consumers need to get to a point where they see them as a necessity to achieve the health level they want to achieve. People during the 80's stopped going to clubs during that economic crisis – this is now happening with the spa industry. It is interesting that this time around people do not seem to discontinue going to the gym during the economic crisis; in fact, they are going to the gym. But people are not yet used to going to spas regularly so they are more likely to cut there. In time it could change. It's déjà vu.

The key is to expand the definition of the spa business so that it is accepted as a necessity.

*Does the broadening of the concept allow us to collaborate differently or is it just a way of redefining our business better to increase the amount of participants?*



To be honest, actually, if one defines the spa business correctly, you don't have to spent a lot of time to sell health and wellness. My experience is that by broadening the concept through branding we increase the amount of participants – the pool.

Another problem is that often people think of wellness as something that is free. Our business is to charge. I am a firm believer that by collaborating, we can help link charging and the value of wellness.

Once a week we do an event for free and we invite our customers to come along to try it, and we get a great response to this.

Free is still the most powerful word in the market, but I also believe that social is powerful. If we think that we are in the socializing and connecting business, this would increase our circle, by linking our customers and products and treatments.

In Ireland for instance originally there were baths where people interacted socially while experiencing wellness. We are also creating more social areas in the spas these days. The spa party business is booming.

Both business concepts presented this morning by the students for “the spa of the future for 20 – 30 year olds” [at the student challenge], highlight the social interaction aspect. This also brings more of a customer centric focus, for instant data base sharing. The world will put more emphasis on social in the future.

Anne McCall Wilson (session chair)

We have defined our business and now we are looking at collaborating s – social/free neighborhood, a place where you can be in your own home and expand or contract your contact, like the online communication tools for example in Twitter.

Let's have fun with this and try to figure out other things we can do together. Let's try to think of the opposite of the truisms that we tend to accept. What would happen if we collaborated? Marketing is about constantly creating that remarkable thing, creating the wow effect. Just to brainstorm, what are some ways for us to collaborate and market together? What is a truism that we can't break?

Discussion

One truism often accepted is that competitors can't work together; for example Fairmont and St Regis can't work together. But what would happen if they do? Maybe we could cast a wider net – reach even more people than we would individually? .

We might be able to get government funding if we fought for joint causes together like diabetes. We might also be able to increase gratitude between employees and the public. We could help create and offer more free offers together.

As an operator you are probably more comfortable by collaborating through a third party that is independent (thinking of SpaFinder for example) where all spas could give a specific offer at a specific time and get broader awareness.

Anne McCall Wilson (session chair)

The Internet is a great tool, and transparency can be very useful, for example by linking our websites the names of the people in the group can great global names.

Discussion

People will start thinking more of us as good people instead of just luxury people, which of course we are. For instance we can look at the global industry, and how they're sharing of miles work.

Anne McCall Wilson (session chair)

What could be these independent operators, looking for example at the airline industry? Groups, for example, airline industry, booking, media, and online collaboration.

Discussion

I believe that the idea of an association is important. For instance another way to do this, is that we bundle together our spare time of service/capacity for others to use for a better price (government health care for example) if the industry can collaborate together and approach government we could increase our profits.

Anne McCall Wilson (session chair)

If we are solving someone's problem we are very relevant and if we are solving some of the government's problem we are very relevant. What is the most important thing that you have heard today?

#### Discussion

- Free and linked
- Social
- Government
- Governed collaboration and validation
- Problem solving solutions

Anne McCall Wilson (session chair)

In this respect it's really important to be able to define ourselves and put a number to our industry, so we can prove how important our efforts are (GDP). This is what happened in Canada with the tourism industry. For a long time they could not do so.

#### Discussion

Another issue is to collaborate with science, this will add support. One key problem is that the media is nowadays marketed in the fashion areas not in the health areas, so the perception of the potential clients is difficult.

Anne McCall Wilson (session chair)

Get in other section in magazines, get medical to cover as well. Trick or treatment. It's very interesting about our industry, saying what works and what does not by medical evidence. Do you think that we are in a position that we can bring it back, we used it for so long the word indulgence?

Anne McCall Wilson (session chair)

Thank you! We did not get to pricing but it will come, I really like your feedback.



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.