

Spa Trends Going Forward: A Brief Look at the Future of the Industry

by Gary Henkin

The world's challenging economic climate has meant that hotel, resort and destination spas must remain ahead of the curve if they expect to deliver quality customer service and produce a positive bottom line. This starts with paying attention to trends within the industry, creative design, spa menus that speak to consumer desires and pragmatic marketing and management. With the exception of certain geographic pockets throughout the world, it has been increasingly more difficult to maintain or grow revenue streams while capturing enough guest and local traffic to support a profitable business enterprise. In the current environment, spas that don't have (or stick to) a well thought out game plan to consistently drive revenue through effective promotion of treatments and retail sales will likely suffer the consequence of economic downturn.

With luxury hotel occupancy dropping by double digits and spa treatment per customer revenue at hotels in decline, it is important to ask the right questions if you are planning to add or expand a spa. These include an awareness of overall trends that will have consumer appeal which then impact design decisions; how to construct a viable business model to maximize the opportunity for profit; what is the best and most creative way to pay and incentivize staff; and how can I attract the local element outside the property which is becoming more important for financial success. Existing and future trends are outlined below.

- There is a significant shift on the part of consumers toward wellness and preventive health (as opposed to pampering) which has driven consumer needs heretofore. This includes an increased comfort level with med-spa procedures and incorporating this into prevention treatments and services. This will ultimately drive a more collaborative

approach with the health and medical industries. Delegates at the recent Global Spa Summit reported that the preventive health segment has the largest upside for potential growth which was significantly greater than the focus on day spas, luxury spas and cosmetic medical spas. Further, attendees indicated their desire to collaborate with healthcare by a more than 2-1 margin when compared with their interest in doing so with other sectors. Delegates also indicated that the most crucial factors impacting the profitability of the industry are marketing, healthcare, insurance regulatories and emerging consumer markets. Consumers are becoming far more health conscious and price sensitive which will drive a closer collaboration between spas and healthcare. It is likely that spas will continue to increase their role in wellness, and hospitals will be more prone to have spa offerings in the future.

- Consumers are now expecting a more proactive approach from spas in addressing environmental concerns. The eco-spa trend isn't likely to disappear. Use of recycled wood, geothermal energy, wind-powered electricity, recycling bins in common areas, foods from organic gardens grown on site, solar lighting, recycled water, etc. are now on the radar screen for spa owners who want environmental sensitivity without drumming "green initiatives" down the throats of the spa goer. A Green Spa Network is now in existence and consumers will come to demand attentiveness to this expanding industry trend. The majority of the delegates at the last Global Spa Summit reported that environmental responsibility will have a significant influence on their future business.
- More and more emphasis will be placed on the execution of standards,

best practices and staff training/education. In other words, better and more consistent delivery of the spa experience is more important than is the invention of a series of new treatments. Greater time and attention will be devoted to ensuring that the spa personal are better trained to deliver the experience that the spa consumer now demands, particularly in a world with so many alternatives. Consumers are tilting away from what is trendy to treatments with tangible results- it is back to basics with a focus on core services.

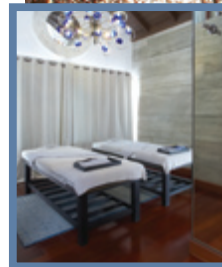
- Increased promotion of "social spa-ing" and the encouragement of loitering once at the spa. There is an ongoing trend for consumers to go to spas in groups and to spend more time there using the other amenities such as pools, sauna, relaxation areas, etc. in order to enhance the overall spa experience. These aren't new ideas, but in today's economy, it is important to sell the spa as a total experience and to encourage groups to return year after year.
- New and innovative ways to relax and delivering services to promote business are on the increase. The use of spa credits on the part of hotels that seek to increase bookings or by building into the room rate a free spa treatment is becoming more prevalent. The use of iPods during massage and technologies such as online bookings and alerts for last minute spa deals are now more common than in previous years. Services such as instructing guests how to incorporate a few minutes of meditation during the day and building sleep time into treatments is also more prevalent.
- Men continue to grow as a segment of spa consumers and they are indulging themselves more than

ever. There is an increase not only in massage but in facials and nail services. They want peace and quiet, longer treatments and some solitude from their stressful lives. Design and service features should take this into account.

- Consumers want to de-stress. Thus, spa menus should reflect this ongoing trend through their offerings. Yoga, tai chi, meditation and relaxation massages are more prevalent than ever before, and this trend will continue well into the future. Detoxification and renewal programs are now in place to help alleviate stress which can lead to maladies such as asthma, cancer, ulcers, arthritis and numerous others.
- Many spas are now providing self discovery services and learning activities to help consumers recharge both spirit and mind. These can include self improvement courses, art and painting classes, healthy cooking, etc.
- A trend toward the use of spas by the Gen X (born 1965-1980) and Gen Y (born 1981-1995) populace represents a shift from that comprised primarily of the Baby Boom generation. Spas should take into account these new populations and tailor some of their thinking in both design elements and service offerings to them. The Gen X and Y generations view spa visits almost as a necessity in opposition to the Boomers who viewed it more as an indulgence. They often visit spas in groups and they are more concerned than their parents with environmental, social and wellness issues rather than pampering. They also tend to be more at home with med-spa procedures through their use in preventive health techniques. This shift will impact spa design and service offerings. Technology options which can be incorporated into certain treatments and unique spaces for quiet reflection and meditation are important to consider.
- Consumers will continue to seek out value- added deals which may well include discounts on services. This is more likely to occur while the economy is suffering, but once it improves, spa pricing will not be quite as important as it will during the next 12 months. Spa-goers are seeking value and results; spas will

need to develop creative ways to magnetize consumers to try the spa and return. New and innovative promotions are now coming to the fore that focus on creating a half-day or full-day experience. One needs to be cognizant in setting menu pricing of consumer awareness and local competition.

- Spa tourism continues to be a popular trend among consumers who travel to medical spas in other regions for procedures. Spiraling costs in our health care system combined with the internet and myriad of choices regarding pricing help to contribute to this trend. The spa goer is continuously searching for the best pricing alternatives and wellness offerings. Hospitals have created spas to attract younger and healthier patrons though prevention facilities, executive health profiles, cosmetic procedures, etc. Diagnostic procedures which cross over into spa services include stress tests, imaging, etc.
- Sleep deprivation is a growing problem worldwide. Thus, sleeping rooms/areas will be an ever more popular amenity within spas in the future. Consumers want effective power naps, and spas can give them this opportunity.
- Energy rooms offering "energy medicine" and therapies such as Reiki, chakra balancing, light and sound therapy and acupuncture are a trend in the industry. Electromagnetic fields (EMFS) that incorporate radio frequency and other forms of electro pollution are an increasing concern to public health. Spa consumers open to the concept of energy, holistic wellness and the importance of nature as a health source understand that such influences curtail our potential.



Technologies available today can lower our stress levels and enhance well-being through balancing our Biofield. Being in a "harmonized environment" strengthens our ability to deal with the inevitability of living with computers, electronics, cell phones and stress. Refining the energy fields within treatment rooms is a coming trend.

The aforementioned trends are important to take into consideration when planning to build or expand/renovate a spa. Taking these areas into account in the planning and design process and in the development of your spa business plan, financial model and service menu will allow you to stay ahead of your guests, members and consumer expectations.

Gary Henkin is President, WTS International. Based in Rockville, MD, WTS specializes in spa, fitness and leisure facility consulting and management. At present, the firm is working with numerous hotels, resorts, luxury residential projects and real estate developments throughout the U.S. and abroad. The WTS website is www.wtsinternational.com and corporate headquarters is (301) 622-7800.

