

GLOBAL WELLNESS SUMMIT

**11th Annual Global Wellness Summit
Next Frontier in Spas**

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11th Annual Global Wellness Summit – Next Frontier in Spas

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MALE VOICE: Okay, welcome everybody. We're going to get started in just a moment, so if everyone could find a seat, we have a great roundtable ahead and this one is 35 minutes, so in the interest of time, we'd like to get started as soon as possible and with that, I'd like to turn it to the panel's awesome moderator Sallie Fraenkel.

MS. SALLIE FRAENKEL: Is this on? Okay. Thank you. Because this is so short, this is going to be a fast and furious panel. I have to say that we are going to talk about something here that we really haven't talked about a lot so far, which is spa and travel and hospitality. So, I will introduce myself. I'm Sallie Fraenkel. I'm the founder of the Mind Body Spirit Network. I'm from New York. We're going to quickly go around the table and ask each of our panelists to introduce themselves, the business that they are from, the country that they are from and one or two words that describe the business you are in. So, I am going to do the opposite of the usual and I am going to start with Todd Walter.

MR. TODD WALTER: Perfect, thank you. Todd Walter. I'm the CEO of Elizabeth Arden, Red Door Spa holdings. We have 28 locations in the United States. Traditional alone and day spa. Two words I guess that would describe Red Door are heritage, we've been around for 107 years, and expertise.

MS. KARINA STEWART: My name is Karina Stewart and I'm the co-founder with my husband John Stewart of Kamalaya Koh Samui, a holistic preventative lifestyle wellness retreat in the south of Thailand.

MS. NICHOLA ROCHE: My name is Nichola Roche and I'm from the Set Hotels. I am the group spa and wellness director. A few words that would describe Aman would be ultimate luxury, discreet, a sense of place a sense of space and personalization.

MS. FRAENKEL: And where are you based, Nichola?

MS. ROCHE: Oh, I'm based, head office in the UK and London.

MS. DIANA MESTRE: Hi, my name is Diana Mestre. I'm from Mexico. I am a - - consultant with my own company. I do concept operation and stay with companies for a long time, you know, to maintain standards and make sure we connect with the culture and the love of Mexico into everything we do.

MR. ROBIN MAURAS-CARTIER: Good afternoon, I'm Robin Maura-Cartier. I work for the Set Hotel, which is a luxury hotel collection based in London, Amsterdam and Paris. I'm the group wellness director, so I look after their spa, wellness and nutrition. I'm from France and I'm based in London.

MS. FRAENKEL: Thank you.

MR. CK LOW: My name is CK. I'm from Malaysia. In 1994, we co-founded a company with my wife. We now own a chain of five spas, eight restaurants and a small hotel in my country.

MS. SHARON KOLKKA: My name is Sharon Kolkka. I'm the general manager and wellness director of Gwinganna Lifestyle Retreat which is in Queensland, Australia. An explanation of Gwinganna, it's a fully immersive, controlled environment, wellness destination - - transformative outcomes.

MS. ANNE DIMON: My name is Anne Dimon. I am a journalist, a 20-year journalist writing about spas and the travel industry. I'm also the founder and CEO of a company called travel to wellness. It is an online magazine and resource for the wellness minded.

MS. FRAENKEL: And you live in?

MS. DIMON: I live in Toronto.

MS. FRAENKEL: Thank you.

MS. NILS BEHRENS: My name is Nils Behrens. I'm from Germany and I am the CMO of the Lanserhof Group and the Lanserhof has resorts. We have three sites in Germany and Austria and we are, have the combination of modern medicine, modern diagnostic and natural - - and natural healing consults.

MS. SANDRA BALLENTINE: I am Sandra Ballantine. I'm editor at large of W magazine. I also contribute to Departures and Touring. That's a new thing, and I detox and re-tox for a

living and currently I am in my re-tox phase, based in New York.

MS. FRAENKEL: Me, too.

MR. ROBERTO ARJONA: My name is Roberto Arjona from Rancho La Puerto in Toccata, California back in - - California, and I like to say I like to help health people get healthier.

MR. GUSTAVO ALBANESI: I'm Gustavo from Brazil. I own a chain of spas in Brazil. We have 30 locations of just day spas. We have just launched a new business called Smart Spa which combines a massage on demand due to micro franchise and if I would say which represents our philosophy in two words, I believe it is quality and communication. Without communication, we don't reach clients. Without quality, we don't keep clients. So.

MS. FRAENKEL: Thank you. So, because our time is short, I'm going to focus us on the future and disruption. I'm going to ask each of you to please, when we ask this question to keep your answer focused and understandable because I think for the audience out here what will be most valuable if you can give them short answers that give them specific takeaways. I know we have people involved in day spa. I'm going to start there first. Then, I'm going to move to full immersive wellness experiences and then to our journalists on the panel. And what I'd like to ask those of you who are involved in day spas as it related, who are you seeing as the big disruptors in the business for you right now as it relates to your country and to your business model? Todd?

MR. WALTER: Okay, so in the United States, I would say-

MS. FRAENKEL: And please speak into the microphone. I was going to say that, because this is being recorded so we can share microphones. Thank you.

MR. WALTER: Okay. I will do my best. In the United States, I would say the big disruption today is really two-fold. One are the single-service category killers, so it started really with massage envy. Now, it's European wax centers, dry bars, et cetera. And then the other is just the use of technology and we see a lot of sort of the shared economy, if you will through Zeel, Priv, other companies who are directly linking the consumer with a service provider and cutting the facilities out of the middle.

MS. FRAENKEL: Excellent, thank you. Gustavo? In Brazil what are you seeing?

MR. ALBANESI: Yeah, it's very similar to many other countries. The technology is affecting a lot, many times with business and also the day spas - - market in Brazil, as well, so many things are trying to converge off line to online, so there are like two real life that happens and they are not parallel anymore. They happen, and put together some option to the client where they can do online and offline the same thing. The example to that is there is - - that we just launched that are trying to bring out offline, business, which is a micro franchise, a solution that brings business so the investor doesn't have to like a payroll or people and therapies. They are just putting massage and demand together in a - - solution with many different therapies, so it brings together a solution for customers and for investors so that's something that's really impacting the business in Brazil.

MS. FRAENKEL: Thank you. CK in Malaysia, what are you seeing that's disrupting your market?

MR. LOW: Actually we are the disrupter in Malaysia in the market.

MS. FRAENKEL: Good for you.

MR. LOW: And every few years, you really have to disrupt the market in order to keep moving. In 2006, 2007, what we did is we moved our facial day spa from shopping malls to our own properties in bungalows which we bought and then we convert those houses, all old houses into a beauty house. SO that is one disruption that we do. Three years ago, another disruption, what we did is we combine our facial day spa together with a healthy restaurant. You see, nowadays, to stand out as a day spa or stand out as a restaurant is not easy because there are so many competitors out there, so what we do is we go and buy or we go and lease say for example a four story shop lot. So we rent, we put the restaurant down below and two floors up or three floors up is a day spa, so in that case - - you lease, the whole block may cost 10,000 but the ground floor along is 7,000 or 7,500, so usually ground floor will take up 70 to 75 percent of the whole block, so what we do is we rent the whole block, we wrap it up and what we do is a day spa upstairs and a healthy restaurant downstairs. To the outsiders, it looks big, but actually, it's not bigger than any other day spa or any other

restaurants. I look to outsiders is bigger, so that's how we do to, most of you will probably know the economy in Malaysia is not doing well. Two years ago, our exchange rate was 2.3 Ringgit we get one dollar. Now we have to pay 4.5 Ringgit to get one dollar, so the economy has really gone down, but we still achieve a double digit growth. That's because you have to keep on thinking about new things so that consumers can keep on coming back to us.

MS. FRAENKEL: Thank you. I'd like to move on to Aman and Nichola and ask you because you operate in a lot of different countries, tell us what you're seeing about the resilience of your wellness centers and resorts.

MS. ROCHE: Well, we're building our future for Aman Wellness is we're building on the recognition that we've received in previous years for individualization and personalization for retreats and immersions. This forms also a big part of the disruption we're facing. In order to personalize and to really give credible results for wellness and to take what we do to a much deeper level, we're facing a lot of red tape, licenses and being able to find local quality within those areas, so I'll give you some examples. In Vietnam, for example, what you need is a doctor in order to be able to deliver anything that would be classed as herbal medicine or invasive such as acupuncture, so that's a destructor for us and it actually does put a little bit of a mountain that we need to climb in order to be able to drive our personalized - - and to take our services to but - - are profound. We can never take away or discredit the power of hands on healing and what we can do with our hands, but as we've all seen over the last couple of days is there is a big drive towards blood testing, DNA testing, saliva testing and in order to be able to deliver on those results, we need to be able to give very powerful experiences that actually a lot of the times involve medical wellness, so for us, that's our future, but it's also disruptive for us, as well of being able to get around the red tape.

MS. FRAENKEL: Thank you. Excellent. Sharon, I'm going to shift over now to sort of where my heart lays which is at what you might call full-immersion wellness experiences, although I would maintain in some way each one of you except for our two journalists are delivering different forms of immersive wellness experiences. It's just that some experiences are far more immersive than others. I'd love to hear what is

going on at Gwinganna and in Australia and what are some of the challenges you're facing and opportunities you see.

MS. KOLKKA: So, at Gwinganna, really what we're seeing is people coming in and they're very disconnected from themselves, and that drives a lot of dysfunctional behavior in terms of really driving the fitness industry rather than the wellness industry, so we focus a lot of reconnecting people back to themselves using lots of different methodologies, you know, a holistic wellness, sorry a holistic emotional well-being, right the way through to spa experiences. So, our spa experiences, we try to develop things and create things that are not like you get anywhere else in the world, so you can step into a spa most places and you can get a hot stone massage, and you can get that at Gwinganna as well, but really what we're interested in recruiting therapists who have a passion to connect deeply with people, so therefore, we actually promote the therapist rather than the treatment style, so we build a menu that's quite extensive. We can do it in how we do it, the way we do it and where we live. So, the location is really important.

So, we find that in general, people come to us because they want to connect to something that's very different. In general it's all about nutrition and everything. In Australia in general, and I did ask quite a few of our colleagues, and where, we're honest, it's kind of like stepping a skeleton in a closet. In spa, we're really quite disconnected in our country. I don't know whether anyone else is experiencing this, but for us, we've had some disrupters come in. Medi Spa has been very profound. What that has added is the Medi Spa is coming in and they are recruiting the beauty therapists who are qualified to be able to assist us in the work that we do. They're upscaling them and they're paying them more money, so we're seeing that the beauty industry is really impacting our ability to operate and to function.

If you add to that, we've got, because of where we are, our location is, we have a lot of Asian influenced spas coming in> They're really coming in at the low end, offering a lot of shopping center, a lot of ability and accessibility at the cheaper, the cheaper products, but they're actually drawing people out of the market. What that leaves then is kind of a high end of when people are wanting a luxury or quality spa, it's generally when they're traveling, so it's associated

with a resort or a high-end hotel, those sorts of things, so we've kind of got this fragmentation. When you think about how we would manage that, we would probably manage it better if we had a spa association that was actually connected, which it's not at the moment.

So, we're really going through some transformation. We've got some work to do.

MS. FRAENKEL: Thank you. I appreciate that and I love anybody who wants to open up the curtains and tell us any kind of insight or information, that's very much appreciated. Roberto, can you tell us a little bit about what is, what's the future for Rancho La Puerta.

MR. ARJONA: You put me on the spot here. I have Deborah our founder in the back of the room, so you know that whatever I say I'm going to be in trouble, so I want to say that the future for Ranch La Puerta is rewinding and moving forward and the reason I say that is a lot of what we're living for technology and the millenials, in some ways, we have to juggle that and try to keep our philosophy and the best way to do that is to look back at the origins of Rancho La Puerta and then once we understand that and once we know that's the value for us, then how do we apply technology and how do we run a parallel program for the millenials who are looking for a very different experience.

MS. FRAENKEL: Well, I have to say that for those who hear Maliska Lula's and Alexia Bree's presentation at the end of the day yesterday, I was very struck by the use of the term the iconic spas of yore, which of course made me feel incredibly old, but I think it really did bring up for so many of us at a certain time that crew up and came up into the spa industry because of so many iconic places like Rancho La Puerta or you know, Miraval Canyon Ranch or - - many of the places that we talk about. Some of these other places outside of the United States may be Arnanda [phonetic] or Shiva San, now we're going to move over to you, Karina, and Kamalaya. It really did sort of bring up a lot of interesting thoughts in how do we bridge what's going on. I mean, we know, I don't know exactly your demographics or your customer base, but I also know that you provide transformative experiences and I cannot imagine those are not going to be in demand in some way or another, but I'm curious to tell us a little bit about what's

going on in Kamalaya, what's disrupting your business and what you see?

MS. STEWART: Our demographic, I'll start there from the ground up, is 60 percent European and the rest mostly in the Asian, Australia Pacific region and less than 10 percent from the U.S. I think that has to do with distance and also the tourism that was coming to Thailand and to Koh Samui in particular was that particular demographic and so we grew from what was naturally happening already - - from the beginning, the focus for Kamalaya has been very much immersive wellness programs, so deep experiences that are educational, inspirational, very experiential and sustainable, so that when people leave, they actually are taking not just an item that reminds them of Kamalaya, actually we've been really poor in our retail branding, but really the educational component, tools and resources that they can apply and build on the experience that they've had and I think we have done that well and it's very results-driven, although we're not using the medical testing and diagnostic actively at the forefront, it is available and we're very, very results driven. There's a lot of research behind what we do and my own background in traditional Chinese medicine and our team of over 100 practitioners and nurses, therapists, et cetera, so, I think I was really trying to think about the disruptors - -

Kamalaya is a disrupter. We are small. We certainly have done it in a very different way. Our approach to this, but I think for us what really affects us is that Thailand is a no unemployment market, and so we have a very, very high retention rate for our staff, especially for the industry and especially for the climate, which is you know, our therapists are in high demand at other properties, that's one of our big disruptors is when a new property opens of any kind, if they have a spa or if they have cuisine that's going to be a little bit more health oriented, et cetera, we're sort of always put on the spot. To address that, we have our own academy on site and we have implemented that. That's really working well and it's something we are going to continue to grow and perhaps, when we're strong enough open it up on a larger scale, but that has been one of the primary things.

The second thing is of course anytime there are political disruptions within the country, we will notice that and that's something that we can't really do that much about, and

lastly the economic situations and fluctuations, let's say Brexit or the economy anywhere in our markets, of course these are disruptors, but that would be how I would address it.

MS. FRAENKEL: Well thank you. Robin, I think that I'd love to know a little bit more about your spa brand Acatia [phonetic], I believe I pronounced that right and a little bit more about what's going on in your business as it relates to wellness, spa and the future for your brand?

MR. MAURAS-CARTIER: Well, Acatia is a well-being center as opposed to a spa, so we look after all, we look at all the approach, 360 approach in every hotel. We're in a very, very competitive market in London, in Amsterdam and in the upcoming property in Paris. And the challenge is again going back to what everybody says is we have a plethora of offer with Medi Spa and Day Spa, et cetera, combined with technology where people have access to everything and they're all becoming so-called experts because they believes that - - is true and there's lots of different offers.

So, what we're trying to become is we're trying to build a quality stamp so we're a trusted name and brand in this competitive market so people can come to us and trust us like LRA and LQA does for hotel companies, for example where they do like little checks, and so, yeah, so that's the challenge. And also what we're trying to do is bring a little bit of - - and retreats into London because I believe that to be in the competitive edge in the competitive city like in Europe, we'll have to bring some kind of element of urban retreat to the spas because not everybody can afford to go away for a week or two or have the time. I know in America you guys are unfortunate to only have a few weeks holidays. We have a little bit more, but trying to bring this and bring this sense of community and also make an impact in the community I think, so, you know, as wellness professional, we really, I'm passionate to make a difference for people, so there's some sense of also philanthropy that I believe that I have the knowledge and somehow the power to influence the community, so that's what we're trying to do at Acatia.

MS. FRAENKEL: Great. Diana, I did not forget you. Diana, maybe you can speak a little bit to what's going on as it relates to resorts in Mexico. I also know you're involved in day

spas and you have a tremendous wealth of knowledge to share with us.

MS. MESTRE: Thank you, Sallie. I'm just happy to be here. My emphasis is a lot more in resorts and the type of resort that really doesn't happen all over the world which is a luxury all included, like would be the - - or the Valance Resort, and the trend of this is really important in terms of statistics because we do have the Grand, which is 8,000 square meters with 75 treatments rooms and you have \$1,500 included for the spa. The - - is above 60 percent and they run about 400 massages per day, over 8,000 per month, so the statistics we have in this market is because this occurred in 2008, and the owner, I've been with this company for 15 years with them, so when we had the down economy in 2008, he decided to do this inclusive forgetting about this was going to be an ROI or GOP center where they were going to make money, but they were surprised that they make more money than they used to do before because people that would never go and take a massage did, and then when they did, they took a second one. So, we're seeing this trend, which is really - - in the all luxury hospitality, you have everything, I mean, from your room service, from massage, you have everything in your room. It's really quite a luxury to live this. Adding to the trends of wellness suites, we're with the other company, I've been 15 years with them, too, with Valance Resorts. We're really putting a program where we have this leap technology and we have the food.

So it's really coming together, the whole resort is coming together with exercise, fitness and nutrition and now the workshops, you know, letting people have, you know, we have to drive away from - - driven experiences and really get a lifestyle for our guests so they really take something with them, so we're doing wonderful workshops so they learn how to do perfume or balsam or use aromatherapy, so they're taking a lot more than just that occasional massage.

For us, a challenge is to be experientially driven, not operationally driven, like with so much technology we have. We need to really connect with people and that's really what makes the difference, so the challenge is to get all of the international standards, but at the same time be able to really make a difference in people's lives, and our biggest is - - our economy sometimes, what they talk about Mexico, about the transparency in the whole processes and I think

we're getting better and better, so just so you know, the project Bite Milan is approximately 80 projects coming to Mexico before 2020, so people are investing in Mexico and I think we have a lot of wellness to offer to the world.

MS. FRAENKEL: I am really going to turn this on its head and put my two journalists on the spot because I like to create just a little provocation, and as a journalist, Anne, what question should I be asking you?

MS. DIMON: Well, very good. Well, I was just going to tell you about what I'm seeing as the disruptor not only to the spa industry, but to the travel agent industry, so may I?

MS. FRAENKEL: Absolutely. So the question you're going to ask me is, I should ask you what disruptions. Thank you.

MS. DIMON: Absolutely. And this is not just for Canada but also for America, and that's the rise of the wellness retreat, that it's being hosted by influencers and what I'm seeing is that not only destination spas are being affected by this, but travel agents are asking why influencers are now you know just organizing their own little retreats and booking their own things and bypassing travel agents. And, Well and Good actually commented on that yesterday that that was a growing trend and new development in the travel industry. Not only are the influences doing it themselves, but there are also companies such as a company called Retreats Unlimited that actually will find influencers for their partners and bring influencers in, and I think that is not only going to be the trend and the new development, but it's going to continue to be a disrupter.

MS. FRAENKEL: Well, I think that's interesting because I think of my background being at Spa Finder and I always think of - - outmatch.com for your perfect well-being experience and with all of this information that is out there, how do you find these experiences, whether it's at a day spa, a place you're traveling to. Nils I did not forget you. Don't worry, but I'm going to move to Germany now, Germany and Austria and ask you because you have a really interesting blend of medical and alterative and what I might call even a destination spa. Tell us what's going on at Lanserhof and what your disruptions are.

MR. BEHRENS: So, I would like to start with a quote from yesterday from Dr. Oz who said not really literally, but he

said work life balance is bullshit and this is something I would really like to tell to our millennial employees because the problem right now, and this is one of our biggest challenges at the moment is that it's pretty hard to find an employee in the age of mid-twenties which are willing to give 100 percent of his work time to us. So, in Germany you have normally an average of 40 hours per week and they're asking, okay, I work just 30 hours or 25. And I'm asking, why? Do you have children or something else? No, I have a horse and I like to go riding, and I say, okay, yes, interesting. So, because when I start on my career, it wasn't thinkable that I not give 100 percent into my career, and I don't know. I grew up with a pony. Maybe I had my horse time there already.

MS. FRAENKEL: So, the challenge is they're more stressed out than ever, they want to work less and would like to even go to some of these experiences, go to a day spa go to a destination spa?

MR. BEHRENS: Yeah, the good thing is that some of them also just want to have more variety and this is really on the other hand something that is very interesting, so especially in Hamburg where we have our more day spa, we have a lot of our physio-therapists, it's - - so our physio-therapists are also working with some teams, some sport teams in addition, so that means they're used to work with professional, or semi-professional sport men, so this is on the other hand very interesting for us because then we can use their experience with these teams who bring it into our place because in Hamburg, we have much more driven on sports medicine, so we have a lot of football player, basketball players, handball and so on which come to us because they are luring the physio-therapists already from their work in the team, so this is on the other hand something which is very interesting, so it's a challenge and it is a chance together.

MS. FRAENKEL: I like that, a challenge and a chance. We're running low on time. Sandra, since you write for a lot of publications, one of the favorite things that people love to hear is trends. Can you please speak to some of the trends you're seeing in spa, hospitality and travel. And please speak into the microphone.

MS. BALLENTINE: Sure, sorry. I think just like the example of you know how facials have gone beyond involving steam, spas

have to go beyond massages and facials and we've all been talking about that, well and good. Did touch on it. You know, I was just at Tiran Toomey for treatment. I went to one last weekend or the one before. And you know, the one that strikes me, I was just writing down some words while we have been sitting there and I think what my readers want, what I want from an experience is first of all an experience, but I think these are some buzzwords that I just jotted down, authenticity, very important. Kamalaya has that in legions, legions of authenticity. I love Kamalaya. I love Lanserhof for different reasons. Inspiration. I think we're all looking for inspiration. Customization, blah, blah, blah, but I mean it really is important and that's how a spa, I think can modernize. They can put retreats within their experience. They can have custom retreats and address what people are really looking for, mind, body, spirit. Everybody wants to connect in a world where we seem so connected but are really not for some reason, so that's something to think about. Sense of place. That's so important. I don't really want to - - I see every day. I see something different. Transformation, I want something to happen and you know, a lot of times, I like to cry. If I don't cry at a spa or resort, it's not been worthwhile to me. Community, and that goes back to creating retreats within. What struck me at the Taren retreat, and I don't like the word influencer, actually. I think she does a lot of hard work. She made a class that's almost impossible and somehow makes you believe in yourself enough to do it and it's not just somebody on Instagram saying, hey, let's go away and do a thing. It's someone who really works hard and has done something really cool and people realize they want to help them and I respond to people who I feel really want to help me, so community was my other word. This group of women, they were crying during these workouts and it was very real. It wasn't like you can laugh at them because they're desperate housewives in Connecticut or, which some of them may have been. Whatever I am, to, you know, you would describe me as, I was really moved by the sense of community with the women who went on retreat.

MS. FRAENKEL: I really appreciate that. We only have five minutes left, so - - is there any, I think I can open this up to one or two questions if we're very brief. Is there anybody that would like to ask a question. Okay. But I am

going to ask you to keep them really short because I don't want them to play the music and take the hook around my neck.

MALE VOICE 2: This is good because Jared's holding the mic. He'll pull it away if I go on too long. So I'm just going to go really quick. I would say, and I'm just looking at hospitality now, but the disrupter for hospitality and wellness is a disrupter for - - would cause a major change for spas and just the whole way of hospitality and if I focus on just the good things it's going to do, first of all it's already changing design. Let's forget the obvious that hospitality is buying up wellness companies that we're seeing, but hospitality is changing the way we're designing and thinking about hotels. That's great. The second thing is changing the way we put spas and how we think about spas and the services we provide in the hotels. That's great, and thirdly it's going to provide a whole new bunch of careers for our spa directors in directions that they never even thought about a few years ago, so it's all very positive.

MALE VOICE: Thank you. Other quick questions? Here, yes.

MS. FRAENKEL: - - Thank you, Andrew. I love that. Wellness is the disruptor in spa and hospitality. I think that's an excellent take away.

MALE VOICE 3: Okay, so I think our industry is kind of boring. We have a copy paste industry where all people do the same. I see some spas opening 10 years later, they use the same specs, like it used to be we have a couple of consultants that are very innovative and bring innovation. I'm just asking, how do you build your spa or - - Nils, from Lanserhof, looking for new technologies, looking for new innovations, how can you keep doing that and always be the best? Because people, they don't want to be average anymore. They want the thing that you have USB, whether it's a - - hotel, like in Austria, they have wonderful hotels. You go with a specific intention and you expect that and you want to wow people. How do you wow these people and the millenials more than our generation?

MS. FRAENKEL: Did you want, go ahead?

MR. BEHRENS: Should I answer then?

MS. FRAENKEL: Yes, absolutely.

MR. BEHRENS: So we do a lot of medical and our work is a lot of network work and we have for example two conferences per year where 150 GPs and orthopedics and physio therapists come to us and just speak about the new science just in terms of football sports medicine because in Germany everything is driven by football, soccer, sorry, for the Americans. Everything is driven by soccer and so this is where the big money is. This is also where you get a lot of technology and new healing methods and so on, so just these two conferences we have twice a year is something where we have so much knowledge exchange and so much new impulses and we are also seeing that we are, in the last six years I'm working for the Lanserhof, we are very much focused on detox, so this is what the center - - on us, but now we are much more driven into other directions, so for example, we have now a - - we have a - - as one of our strong next focuses. This is one of our-

MS. FRAENKEL: But so, so Sammy's point, is what you're saying is, when you're saying things are getting boring, are you saying that you're looking to other industries to come up with ideas? Very briefly because we're almost at the end?

MR. BEHRENS: No, no, the thing is because we are a medical product and we are adding more and more medical services to our product, so we are aware always holistic, but we have now a much wider approach.

MS. FRAENKEL: Thank you.

MR. WALTER: I'd like to jump in on that, though because I feel like we as an industry are always searching for the bright, shiny object and within our locations we did 1.4 million services last year and 80 percent were in four service SKUs, or each department, the top four service SKUs, which are the basic service SKUs that we all do and what I would say really differentiates us and what keeps people coming back are the relationships that they develop with our service providers, and the reality for us is that our guests are more loyal to our service provider than they are to our brand and so our job is to make sure that our service provider and then they view us as the best employer of choice so that we're taking care of them and then they in turn take care of the guest, and that's what delivers an exceptional experience and for us, that's what keeps the guests coming back and leads to new referrals, so I would say it's important to have newness so people can continue to learn, but at the end of the day, what

drives profitability for us and sustainability is the core, and it's having people who are connecting with other human beings and taking care of people.

MS. FRAENKEL: I so wish we had more time. This is very, you know, we've only scratched the surface, but I want to thank every one of the panel members and thank all of you for coming today. Thanks.

[Applause]

MALE VOICE: If everyone can please head over to the ideas stage, we're going to just get started over there in a couple minutes. Thank you very much and thank you, Sallie.

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