

GLOBAL WELLNESS SUMMIT

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**Ubiquis
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Roundtable Title: Shaping the Future Business of Wellness and Wellbeing in Hospitality and Travel

[START ROUNDTABLE_AND_AUDIENCE_QA_MIA_KYRICOS.MP3]

MS. MIA KYRICOS: I am going to thank everyone for coming today. At 2:15 we're going to start to my left and introduce one another. My name is Mia and I'm with Hyatt Hotels. That's enough about me. I will let you all know that remember in your yellow binders we have everyone's full bios. Then there is this thing called Langton [phonetic] where you can even read more about anyone. Today is going to be about you. We're going to get started right now.

Again, thank you so much. In case you're wondering where you are, this panel is about shaping the future of wellness and well being in hospitality and travel. We have a dynamic program for you today that will only work if you participate. If you participate too much, we'll let you know. If you don't participate enough, we'll let you know.

We decided that you probably heard enough talking. We want to involve as many people in the audience as possible. We have a mix of questions and statements that we're going to make and we'd also like your opinion.

We're going to start going around the room to do a quick introduction of everyone on the panel because I don't think everyone can actually read the cards. I'm going to start here with Tom and we'll go around.

MR. THOMAS KLEIN: Thanks, Mia. The bios are in the programs, so Mia said we can't say anything about that. Tom Klein, President and Chief Operating Officer of Canyon Ranch.

MS. KYRICOS: That's true. Neil.

MR. NEIL JACOBS: Neil Jacobs, Six Senses Hotel and Spas and Resorts and whatever else. I'm the CEO.

MS. KYRICOS: I'll just ask everyone to go right up to the microphone. Thank you. Andrew.

MR. ANREW GIBSON: Andrew Gibson, based in the USA.

MS. KYRICOS: He's under gag order. Don't hold it against him. Teresa.

MS. TERESA FLYGER: Teresa Flyger with Hilton Hotels, Director of Global Brand Wellness.

MS. ANNBETH ESCHBACH: AnnBeth Eschbach, CEO and Founder of Exhale.

MS. SARAH BADER: Sarah Bader, Gensler, currently in Chicago. Future place will be Tokyo.

MR. BRIAN POVINELLI: Brian Povinelli with Marriott Hotels. I'm the SVP and Global Brand Leader for our Premium Distinctive Brands, but really here today talking about Westin.

MS. KYRICOS: Lindsay, I'm going to tell you to get right up to the microphone. We're going to get right up. Everyone's going to get very close to them.

MS. LINDSAY MADDEN-NADEAU: My name is Lindsay. I work for AccorHotels. I manage the global platforms for Fairmont, Raffles, MGallery and Orient Express. Welcome, Jeremy. I'm based out of our Dubai Office.

MR. JEREMY MCCARTHY: Jeremy McCarthy, Mandarin Oriental Hotel Group.

MR. TRENT MUNDAY: Trent Munday. I work for a company called Mandara Spa. We run spas and hotels and things like that.

MS. KYRICOS: I would like the audience to shout out a number between 1 being fantastic and 3 being horrible if you can hear.

MULTIPLE VOICES: One.

MS. KYRICOS: Good. I'll just ask our panelists a reminder to go right up to the microphone when you speak. The way we're going to start this is I'm going to make a few true and false statements. I'm going to first ask the audience if they think it's true or false. Then I'm going to count to 3 and you're going to blurt out whether you think it's true or false. Then I'm going to go to the panelists. I'm going to ask the panelists if they think it's true or false.

This is where they have those nifty signs just like this. True or you flip it forward and it's false, back and forth. I'll just ask you to hold it up so that everyone in the room can see your answer. No pressure. Then I'm going to put a couple of our panelists on the spot to defend their answers and then we'll go the next one. We'll see how this goes.

MR. KLEIN: Mia, this side will say it's false and this side will say it's true.

MS. KYRICOS: Thank you very much. These chairs rotate, so spin right around and show your answer. We're going to get started.

Right away I can tell that everything had something funny to drink at lunch. Starting with the first question, to audience first, wellness remains a luxury-only proposition in today's world of hospitality and travel. One, two, three.

MULTIPLE VOICES: False.

MS. KYRICOS: Panelists? One, two, three. I'm going to start with Sarah from Gensler to say why she believes this is true.

MS. BADER: That it's luxury. I think it's true because how you define wellness. We don't look at it holistically. If you're defining wellness as the token fitness room that you have in a spa or the little bit that people know, then there's a lot more to it than that so you have to look at it holistically and that would be not accessible to everyone.

MS. KYRICOS: Can I ask a follow-up question? I don't know if everyone knows who Gensler is, but they're worldwide very well-known architects. Sarah gets to look at wellness in very unique ways. I'm curious in your world of design how wellness is approached. If you say it is true about the luxury side of the equation, how do you approach designing for wellness?

MS. BADER: I think you have to look at it across the entire spectrum, how people experience it. Because I have the luxury of working in the built environment and that has the biggest impact on people's lives. You have to look at it across broad spectrum. Oftentimes people look at wellness as putting in a drinking fountain or putting in a fitness room. But it's more than that. It's understanding how a building can be inherently well, which is air quality, light quality, giving people the ability to exercise even when they don't think that they're exercising, and then providing things that aren't physical, which is understanding the financial wellness. All those things go into what wellness and health is. It's a lot more nuanced than just the fitness room.

MS. KYRICOS: Tom?

MR. KLEIN: I'd love to. It's an interesting question because we discussed it at lunch today. What is wellness? How is that interpreted by the consumer? Canyon Ranch having four decades in the wellness space, so to speak, has been perceived for many years as being expensive and aspirational.

Look around the room. Look at all the players here. You have different levels of wellness. I think it's important. It can be true or false because I think we need to define. Sarah, you said it a little bit. Wellness has to hit all audiences and how do we do that as we grow in this space holistically? From an integrative standpoint, everything that we do we grow at that luxury level, but we're still looking at how you attract that younger audience, the millennials. How do you provide for them? It's not purely cost-driven. It's the experiential side of things as well.

MS. KYRICOS: Thank you, Tom. Since we had sort of a unanimous vote it sounded like from the audience, I'm going to move onto the next question and see if we can trip anyone up.

Next statement. Large global hotel brands cannot do wellness well. I don't be insulted. You guys totally broke the rules. We're supposed to ask the audience first. Come on. Who needs coffee? Let's just back this up. Audience, I'm going to count to three. You're to disregard and strike from the record what the panelists all just failed to do miserably. I'm going to repeat the statement.

Large global hotel brands cannot do wellness well. Audience, one, two, three.

MULTIPLE VOICES: False.

MULTIPLE VOICES: True.

FEMALE VOICE: Is this when we all lose our jobs?

MS. KYRICOS: It's exactly what happens. I'm going to put someone on the spot. You came here and you sat in the front row, Tracy Chappelle [phonetic]. Would you kindly explain your answer?

MS. TRACY CHAPPELLE: Yes. I said true. I'm really sorry. Because it depends on what you mean by wellness. We can talk about that forever. Couldn't we? But I think if you're going to a hotel, you're there for a short period of time. I think if you really want to generally improve your wellness, it's something you have to every day. I think a hotel can

initiate something or could start something, but actually it's something you have to own either at home or with something locally, personally.

MS. KYRICOS: I think Tracy gets a round of applause for handling that on the spot. Thank you even though you completely insulted me. Just kidding, Tracy.

Panelists, you can get your cards out. Ready? One, two, three. Brian Povinelli, why don't you just remind everyone who you are and then give your answer.

MR. POVINELLI: I'm with Marriott and one of the brands I run is Westin, which is a global brand. I think there are extremes. What we really try to do is give people control back when they travel because it disrupts your routine around eating well, sleeping well, and moving well. I would argue that as long as we can have global programs that are standards in our hotel and deliver a meaningful level of that, so gear-lending at all our hotels around the world, healthy menu items, the heavenly bed. I think we can do it, but there's certainly room for improvement to make it more holistic.

MS. KYRICOS: Thank you. Andrew, would you like to give your answer?

MR. GIBSON: Based on a few years of wisdom and experimentation with many different hotel brands, I think hotel brands are fairly good at generating ideas and from a corporate level coming up with pretty useful schemes and ideas. Sadly, the implementation is the bit that falls apart when you're dealing on a global scale and you're trying to be consistent on the standards and have different general managers, different regional VPs that have different preferences, different ideas, different adherence to corporate instructions--the actual implementation fails. That's why I put it as true, they don't do it well. They have the great ideas.

MS. KYRICOS: Thank you. AnnBeth. From a contact standpoint, if you'd like to answer the question as the head of Exhale Enterprises that recently became part of the Hyatt family, how do you feel about this?

MS. ESCHBACH: I will say that hope floats. No? I think that we are at a tipping point. Here's why. We sitting around this table have the opportunity to kind of take this to the next step and really integrate. Those of us that are

entrepreneurs and working within big, global hotel companies, what I have learned is great hotel operators up until now have been making many of the decisions about how to integrate some of these brilliant ideas that have been tried and some are being done well.

But it's starting to shift and we're starting to see people who are experts in our space step in and contribute to some of the ideation and then the execution as well. I think it's going to be a really exciting few years ahead.

MS. KYRICOS: I'm going to ask Trent to justify his answer and then we're going to move on to the next statement.

MR. MUNDAY: I think the question of can they, yes they can, they've chosen not to up to this point. But I think what hotels have missed--and a bit to Tracy's point--wellness really is something you live every day in every life. That's where the opportunity for hotels is, to become real lifestyle brands. I think every hotel chain--no disrespect--all of them have failed to be real lifestyle brands.

Wellness, once they realize that's the opportunity--and I think your company has realized that--that's an opportunity to build a lifestyle brand. Can they do it? Yeah, they just need to have the will power to do so.

MS. KYRICOS: Lindsay? Then I'm going to let Andrew. I feel like he has a rebuttal? No?

MS. MADDEN-NADEAU: Remember what you said earlier? Don't take over the microphone.

MR. GIBSON: I think Trent's perfectly correct. The only thing is that if the leader doesn't do it, it doesn't happen.

MS. MADDEN-NADEAU: I think too thought when we're looking at the different audiences of people visiting our hotels and what level of wellness they are at, they might look at us and think we do it well. But for the majority of us in this room who are closer to a more intensive wellness experience who are maybe more spiritual would maybe look at the corporations and think that that interpretation of well being is not very strong.

For me, I probably wouldn't go to a corporate hotel on a well being retreat. I would rather be doing something in Bali or something more attached to nature and spirituality and so

forth. The opportunity is there, but I think it's happening at an individual property basis, rather than on brand levels.

MS. KYRICOS: Thank you. Neil, I can't resist asking your opinion on this of whether or not you think as CEO of Six Senses Hotels Resorts, Spas and freeing world peace and feeding the hungry, how you feel about this statement.

MR. JACOBS: I have a lot of feelings about this statement.

MS. KYRICOS: I knew you did.

MR. JACOBS: I mean actually Andrew is right. It's about commitment from the top. When you look around the table at kind of great people with great companies, I look at when Mia was at that other company that now belongs to Marriott. Single-handedly how can one person run a wellness organization of the size and complexity that existed there and expect to have any real impact? Until the C-suite or kind of put even more than money, puts the commitment behind it, it's never going to happen.

It's a huge issue. It's a great opportunity. I mean there are few companies. What Jeremy is doing today, I take Mandarin as a great example. They're a relatively small company compared to many of you in the room today. That commitment is there and is evident. Consequently, the end product is different to what most people are doing. I just am not as optimistic perhaps as you are, Lindsay, that that's really going to change.

I'm here every year and I end up being thrown into these investment panels. It's like here we are and talk about profitability. I say things like it's not about income revenue per square foot and half the room goes, "Wooh." Until the larger groups get over that and look at it more holistically and look at what wellness can do to brand, to rate, to revPAR and all those things that we do look at, it's just not going to change. I don't believe that.

MS. KYRICOS: I'm going to go, but Tom has one more to say here.

MR. KLEIN: One real quick thing. Neil, I totally agree with what you just said there. I don't know. In coming from 35 years with big brands and the hospitality, coming into an organization that is wellness focused in the core, there's a paradigm shift into what that business model looks like relative to ROI and how you run that business. If we start

to get AnnBeth and we start to get into the organizations where the senior leadership really listens and empowers and trusts to influence change into truly what wellness is, there is hope. But that's a big ask.

MS. ESCHBACH: I think what you said it right, Neil. The only counter to that and the reason why hope floats, is market demand has changed so dramatically in the last 10 years. The onslaught of millennials, but also the growth in women travelers is having a big impact on hotel companies. In order to be really competitive, you've got to figure out how to fix those cold, dark, boring gyms. You've got to figure out how to add life and social fitness elements and well being elements if you want to compete. That's what's pushing it.

MS. KYRICOS: We're going to move onto the next question. Thank you AnnBeth. I appreciate that. One of my favorite sound bites is honestly that I think wellness and well being is perennial. It's not annual, meaning it comes back year after year, it spans multiple generations, and I think it's about psychographics, not demographics. That's just something that I feel like my 92-year-old blind grandmother can understand health and well being, as can my 15-year-old nephew. I think that that's something that spans that. That was my inelegant segue to the next statement. Panelists, try to keep your cards down for a hot second.

Audience, I'd like to ask you: if wellness and well being are the same thing--actually I'm not even going to ask you that. I'm going to say wellness and well being are the same thing. True or false.

MULTIPLE VOICES: False.

MS. KYRICOS: Guys, you shouldn't agree so much. I'm going to ask the panelists. Wellness and well being are the same thing. Is everyone saying false? I'm going to cancel that question. Moving on to the next statement. Here we go.

Audience, this one's for you. The successful future of wellness and well being absolutely requires technology to disconnect from wellness. That was a strange question so I'm actually going to say it again. The successful future of wellness and well being requires the technology and wellness and well being are separated from one another is another way to say it. This is a submitted statement.

MULTIPLE VOICES: False.

MS. KYRICOS: False. Then I'm going to break into a question here because I've been dying to ask Jeremy McCarthy this question. How do you feel about the future of wellness, well being, and technology, given I've seen a lot of the articles you've written. I think a lot of people in this room, has everyone seen a lot of the articles and also you lead the digital wellness initiative.

I'd love for you to bring this up because I know it's a super hot topic not to make light of that I think companies are grappling with. What's your position on that?

MR. MCCARTHY: We launched a digital wellness program a couple of years ago and it kind of started as a marketing promotion. We needed something to announce at the ISPA Media Event, so we decided to release a digital detox package. That year I traveled around the world talking to people, talking to journalists, talking to our colleagues that work in our spas. Everybody that I talked to had a personal story about the struggle or the challenge that they had in balancing technology and their personal well being, whether it was how they were relating to people and their family, juggling the demands of work and leisure time or sleep, health, and relationships. It just is impacting so many different areas of people's lives.

I came back from that trip and said to our spas this is not just a marketing promotion. This needs to be our key focus for the next decade at least because this is the biggest thing that is impacting people's well being and we need to figure out how we help.

MS. KYRICOS: Thanks, Jeremy. Does anyone else have a comment here about technology and wellness and well being around the panel? Audience, anyone have a point to make about this? Mary? I'm bringing you the microphone and I'm going to kindly ask that you use it gently.

MARY: She knows I have a big voice. My comment on that, Jeremy--and you know I love you dearly--is that it's not just the handheld machine that we need to disconnect from. At the same time, there are all kinds of technology that are changing our brains, that can change our brains, that can balance our left and our right, blah, blah, blah. There are all sorts of technology that will allow people to live better and we cannot ignore it.

MS. KYRICOS: Thank you, Mary. Well done.

MR. MCCARTHY: Can I just respond on that? I agree with you, Mary. The way that I think about it is I think technology is the greatest threat to human well being right now. It's also the greatest hope that we have for our future. Technology is a big problem and it's also going to be the way that we solve the problems that we have.

MS. KYRICOS: Touché. We're going to move on to the next comment then. This is about mindfulness. This is a statement going to the audience first. Mindfulness has been successfully understood and executed in the hospitality industry.

[Crosstalk off mic]

MS. KYRICOS: Follow-up: mindfulness has been successfully understood and executed in businesses outside of hospitality.

[Crosstalk off mic]

MS. KYRICOS: Nobody knows what mindfulness is. True or false?

MULTIPLE VOICES: True.

MS. KYRICOS: I'm going to ask the panel this. In our industry, I'd like to ask you who believes that mindfulness has been successfully executed or has not been successfully executed. Curious from your experiences where our greatest opportunities and threats are in that space and if we've overused that term. Because that's something that I keep hearing about. In fact, one that comes up in meetings that I'm in I really have a desire for another word term concept because I do think there's a lot of confusion out there and I'm curious what everyone's experience is in the space around the globe. Who would like to speak about mindfulness in the hospitality setting? Panelists? Teresa?

MS. FLYGER: I think mindfulness has been used as a buzz word for far too long, so my mind kind of goes where yours does, Mia, in that maybe we find different ways of saying things. I think that that's one thing, is verbiage that keeps our industry fresh or tired. We're saying mindfulness, but people year after year after year think it's associated with yoga and eating kale for breakfast or something like that, when actually it can be you are mindfully eating before your business meeting or whatever it is very snackable bites of just information that doesn't have to be a full hippy kind of lifestyle. I think some people pull the curtain down when

they hear certain words. The more we can kind of continually reinvent what we say and what our message is, the more it can probably appeal to other people.

MS. KYRICOS: Anyone else? Lindsay?

MS. MADDEN-NADEAU: I think the word mindfulness has become commercialized. People are using it as a buzz word and it seems like any of those buzz words that could contribute towards well being are kind of being bastardized in that sense. Then it's losing its true meaning. By the time it gets to execution phase, it's not where it should be and it's not being executed properly.

When I feel mindfulness, I think the smaller independents do it really well and it's a very unique environment that they do it in. They have the right specialist to do it. When we get into the bigger hospitality, again, it's like, "There's that word mindfulness. Let's use it and see how we can build it into our brand."

MALE VOICE: Do they know what it means?

MS. KYRICOS: I was going to ask: is it a product of service or a way to operate?

MS. MADDEN-NADEAU: I think people around this table in this room understand what mindfulness is, but I'm not sure maybe the other layers of the organizations can identify with that.

MS. KYRICOS: Neil?

MR. JACOBS: It is a way to operate and it's a way to live. Where we do it okay is we have good yoga classes and we do good medication classes. That's a piece of mindfulness that you don't want to trash. It's wonderful that we're doing that much. But it's a way of life. It's a way of living. It's a degree of consciousness that as an industry we don't have.

MR. KLEIN: We don't do it at all. We're ADD people mostly. I'll speak for myself. My wife always says be mindful, be conscious, be present. My God. GO back to what you said, Jeremy. These things.

MS. BADER: I guess I want to disagree because I think mindfulness is about experience. What is the experience? When you're mindful, you're creating a great experience. Hotels, work places, physical environments that create great experiences are in essence mindful because they're paying attention to

all the things that people engage in. If you think of mindfulness as an experience, I think it takes you a long way to creating a space that delivers on that.

MR. KLEIN: How do the big brands bring mindfulness to the forefront? I'd really be curious to hear how that is going to be executed when we talk about wellness.

MS. MADDEN-NADEAU: Which big brand?

MR. KLEIN: Any big brand.

MS. KYRICOS: Actually, let's not put any big brand on the spot.

MR. KLEIN: Because it is a segue into space that you can't check into a hotel two nights and have a mindfulness experience that's sustainable in the long-term.

MR. MCCARTHY: I think to Sarah's point, I think a part of what makes travel experiences so impactful is that they kind of take you out of your normal routine one way or another. That very act of going into a new destination and staying somewhere that's outside of your routine forces you in a way to be more aware of what you're experiencing and what's going on around you. It does bring on one level more mindfulness.

The way that I see it, the mindfulness trend that I see is a direct response to the pace of change in the world. The pace of change is not going to slow down any time soon. I think as much as people are saying the word is being played out a bit and it's becoming commercialized, I think we're still at the early stages of what will be a much larger mindfulness trend.

MS. KYRICOS: You just called out something. I would just encourage everyone in the audience to remember what Cloda [phonetic] said today and this is something ironically that I learned in my real estate development class when I was in grad school. The three questions that she encouraged that you ask yourself when you're in a new destination is: where am I? How do I feel? Where do I go next? In many ways, that's actually prompting you to be mindful. We all know when that doesn't work. How many of you have walked into a hotel. You're attending a conference for the first time. You walk in and there are elevators and you don't know where the lobby is. You think there are stairs and you're trying to figure out where they are. You're confused and you don't know where to go. Anyone? True.

The reality is--this is not a way to ignore Tom's question because we're going to get back to that--what Jeremy just said about the fact that these destinations that we end up traveling to, whether for work or pleasure, is ultimately taking us out of our typical zone. If we're asking ourselves those questions, which we might not be doing consciously; we're doing unconsciously when walking to new places, in a way that's mindfulness but it's not a packaged product or service.

Going to the audience for a second, is there anyone here in a non-commercial way who would share an experience that they've had or a product or service that they've experienced where they feel that mindfulness is actually being executed particularly well, whatever that means? Hello there Jane Kitchen [phonetic]. I saw your hand first, so I'm handing this to you.

MS. JANE KITCHEN: When you say in a non-commercial way, shall I not say where it was?

MS. KYRICOS: It's up to you. I'm just trying to avoid not being emotional, but go ahead.

MS. KITCHEN: Well I was just at a resort where they had a watercolor class that I took with my mother. It happened to be all women. Lots of mothers, daughters, different generations. This teacher took us through for an hour and everyone did their watercolor, which was very simple. At the end of it, all these other women were saying, I'm going to do this in my life all the time. Any time I feel stressed I've been just doing nothing but thinking about color and line and pattern and being present in the moment.

MS. KYRICOS: That was like an act of meditation. Now you have to tell everyone where it was.

MS. KITCHEN: That was at Savana. Three cheers for Savana.

MS. KYRICOS: Well done. Trent, is there an example you had?

MR. MUNDAY: Stella Artois, the beer, has an app on headspace, a mindfulness app. To your point of commercialization, we actually did this at the Spa China Summit recently where we took an opportunity to have a Stella and play the app.

There's a joke element too it and obviously a promotional element. But if you really think about it, if mindfulness is being present, being around, that app, that's all it was

doing. It was just getting you to enjoy the taste of the beer, look at the color of the beer, look at the perfect head of the beer. It's not necessarily wellness, but is it mindfulness? You're being very mindful about it and it's on Headspace. It's a real app that's out there.

MS. KYRICOS: Brian? That's great.

MR. POVINELLI: Since you brought that up, 5 years Westin partnered with Headspace in the hopes of trying to bring some sense of mindfulness to our guests and create a custom content with them. It failed because it's too early, people didn't know what it was, they did a brilliant job in their content of making it accessible.

But I think it's also just us trying to get the message to our guests that we even offered it. There's more success with our associates who we created programming for. But I think it's this idea of we've now gone away from I think things that are more commercialized to simply really looked at our new guestroom design and said how can we create a space that gives people a bit more of that. Kind of just a mindful space in your world of design. We probably won't even market that, but it's such a complicated topic that I don't think in scale to answer your question we can do it commercially. I think we have to just engrain it into the experience and hope it matters.

MS. BADER: I guess I want to build on that conversation around scale. I think maybe if you think about it in two different ways, it's the personal and the shared. The watercolor example is a really good example of shared. But if you try to jump into people's lives--this is just a personal comment--and try to be personal about mindfulness, you're never going to meet people where they are.

The only place you can meet people where they are is in what they're experiencing collectively. That's the best place that you can be mindful because that's where you can impact people's lives. I think if you think about mindfulness in a collective way, rather than a personal way, you might be able to make a greater leap into creating things like a guestroom or a watercolor class or what Cloda said. Those are all public experiences of mindfulness. God forbid, you're never going to get into people's heads. That would be kind of scary. But how do you make it more public? There's success

there and there's experience there. Probably there's money there too.

MS. KYRICOS: Does anyone else have an example? I see a hand over here and a hand over here. This is interesting because I did a little poll around mindfulness and meditation, which I separated. Everyone really had a desire to talk about mindfulness and the confusion in the marketplace. On to you, Natasha.

NATASHA: I had the fascinating experience at the Feel Good Summit. It's a summit led by Dr. Mark Harmon [phonetic]. I don't know if you're familiar with his work. He's a functional doctor out of Cleveland Clinic who has organized this event. We had an experience led by Jeannine Roth [phonetic] and she's a New Yorker who has basically spent her whole life connecting mindfulness and eating.

This entire group was at the summit, but we were put through a very interesting exercise. We were sat at our tables. We arrived. We didn't expect anything. We were just hungry. The food was unbelievable. It was mostly vegan with some protein and tofu. It was very well prepared from the organic garden. We arrived and we stared at the food and we were not allowed to eat. For about 15 minutes or maybe 20, she was talking to us about the food while we were not allowed and there were no forks or spoons.

Long story short, it was about an hour and a half experience of mindful eating where we were talking about the emotions. Some of us were angry and were trying to control it. The bottom line is an hour and a half of this experience I have never eaten the same again. About an hour into it, none of us were really hungry. That 1-1/2 hour experience of mindful eating and exploration of the connection of the food and mindfulness, that changed the lives of everybody at the table. Yes, we were asked to feed each other at the end.

MS. KYRICOS: Thanks for the excellent example, Natasha. Jennifer Hawkins [phonetic] and then we'll move on to the next one.

MS. JENNIFER HAWKINS: I was actually going to bring up a similar experience I had when I was Miraval for the very first time where it was mindful eating and I didn't know what that was. We had to do it in silence. Not to expound too much, but I had a very similar experience. I would say both as somebody that's in the industry, but also apparent, the problem is mindfulness is a label. It's the same thing as stop and

smell the roses, love the one you're with, be in the moment. It's just a label.

But I think that we all are required to be creative in how we articulate that moment to remind people whether it's the person next to me or the guests that we serve or the people that we work with to just take a moment. That's where that breath moment comes in. We all are learning that, but it's almost like you have to have it be a momentum experience too. We all have to just put it into the universe and sometimes it might be in a room in a card that says do you want to take a moment, take a breath, and either check into an app or check into the spa? It's almost just reminding people to stop and smell the roses. Mindfulness is today's version of that.

MS. KYRICOS: That's actually a really good point. Just another example of not just putting mindfulness in a product or service, but instead having it influence how you work. I actually just met with a company whose name I'm actually going to not mention because I don't know if this is something that they'd want to talk about, but they are exploring ways--given the 24x7 culture that we're all in--to actually put a delay. From the moment you open your email to a 2- or 3-minute delay to not allow you to respond to it for about 2 or 3 minutes from the moment that it's opened. Not the moment that it's received, but the moment that it's opened.

Think about that for a minute. That's actually their attempt to have people become more mindful so when you open the email and you want to respond because it's really triggered your amygdala, the reality is it wants you to wait 2 or 3 minutes before you respond. Some people should get 24 hours.

MALE VOICE: That isn't going to work.

MS. KYRICOS: Is that amazing or what? If the French can stop their email on a Friday at 5 o'clock and hold it until Monday, I don't see any reason why we can't wait 2 or 3 minutes to respond.

We are going to answer one more true or false question and then I'm going to break into a more true question and answer period. The world has now become well washed and most of us will be out of a job soon. True or false?

[Crosstalk off mic]

MULTIPLE VOICES: False.

MS. KYRICOS: I actually heard that statement literally on a new program. That was paraphrase. I started laughing because to say we're not at the tip of the iceberg, but we've actually matured and the world knows wellness and we're calling wellness coolers and the drugstores in the U.S. have for instance have the wellness drinks. This was someone that threw up about 100 slides of different things that were being used or titled wellness something or well something. Then said: what's the next frontier?

I am curious what everyone feels around the concept of well washing. The reality is: what has that meant? The fact that everything is wellness, nothing is wellness, something is well, fill in the blank, wellness, well being, so forth, like mindfulness, we're being critiqued. We've been there, done that to a point where sometimes that means we will have jobs and sometimes it means that we won't depending on what the leadership interpretation is.

To the panelists, I'm curious how you feel in this well-washed world what our present and our future looks like.

MR. MCCARTHY: The world is wellness washing a little bit, but as soon as you see that phenomenon happen, as soon as you see people wanting to associate themselves with a concept or an idea, it means that there's a lot of value behind it. That wouldn't be happening if there wasn't an increasing value being associated with wellness.

I don't think the wellness industry as a whole doesn't need to worry about losing their jobs, but there will be a lot more people coming into that space and coming up with new ways to deliver wellness and new ways to create wellness. Segments that have owned a lot of that space are going to have a lot more competition.

MS. KYRICOS: Anyone else on the panel? Teresa?

MS. FLYGER: I totally agree with what you're saying, Jeremy. I think that eventually it's going to separate the wheat from the chaff so people that are just doing the fake well washing will probably be left in the dark. I think just like we saw with spa goers, they were becoming more savvy over the years. They're becoming more and more intelligent about what they wanted. I think that with the well washing, especially with the millennial generation, they're going to actually know

what is true or what isn't and demand that there is some sort of verification off something that's not just, "Hey, this is great guys."

MS. KYRICOS: Neil?

MR. JACOBS: I think it's great news, as one of you just said. The fact that we have the term well washing means it's all good news. It's all coming. I just believe it's the beginning. We are sitting here probably the most exciting time we could be in relative to what's going on in our world of wellness, well being, mindfulness. Call it whatever you like. It doesn't matter. There's just a movement that is going on that in spite of the trillions of dollars in the industry that we see on that bubble chart, in many ways we are at the beginning of something that's hugely powerful.

We should all come back here the same place in 3 years' time and see where we are. Because I don't think we even know today or I don't think we can verbalize exactly in any way where we're going to be 2, 3, 4 years from now. It's a phenomenal time to be doing what we're doing.

MR. KLEIN: It's fantastic and I couldn't agree with more Neil. We're in an evolving space. There's a tremendous amount of education. There's a real thirst for understanding what wellness is to the consumer. The stories we heard in the room, understanding mindfulness, really understanding what you do at the immersive integrative level is there's just so much still to be taught and I think technology is going to play a big part of that as we evolve to support educating the consumer, educating us. It's going to become a way of life. If you look at the guests that come into canyon ranch, they're coming in intention-based. They're coming there for a reason. They're changing lives. There's an event that took place.

We're now in the preventive space. Everybody's talking about prevention. We're talking about a \$4 trillion business. We're talking about a \$7 trillion--I think I heard the number there--in healthcare costs. The opportunity is there and people want to live younger longer. With that it becomes the education of is it sustainable to be mindful and know how to eat your meal? Does that become a way of life? How do we create habits amongst us human beings to live that life that we so thrive for?

MS. KYRICOS: Thank you. I'm glad to hear that the promise is there and that Neil and Tom both think the promise is there. Quite honestly, so does the summit, the data we saw yesterday, that I think we've gone over the last 2 or 3 years from a \$450 billion wellness tourism marketplace to \$640 now. It's significant. Travel associated with maintaining or enhancing your personal well being, that's fantastic. At the same time, we--particularly those around the table--or most everyone in the room is increasingly being asked to deliver on ROI for our various stakeholders, traditionally owners, brand managers, whomever.

My question is: return on investment, what does it look like today? What should it look like today? Are there other measures we should attempt to at least prioritize at the same level or even more? Who wants to take that first on the panel?

MS. MADDEN-NADEAU: I can say something; I was going to actually, pertaining to the last question. I think it's important that collectively we continue to show a return on investment through well being. What's happening is you'll see even from the spa industry when it was a boom 15 years ago, because the spas are not seeing the return on investment, they're not getting the visibility that they need. Therefore I know in some of our corporations general managers are already thinking, "Well, I don't need a director. I just need a manager. I don't need this." They're cutting everywhere they can.

Our biggest challenge when we're trying to create anything is: what's the ROI? Where's wellness? Wellness is embedded as a thread throughout the entire guest experience. It's difficult to really pinpoint that. What we're trying to work towards is really that return on guest loyalty, guest service, people being attached and coming to your brand because you've got a certain service to offer with the well being.

We're trying to work towards guest service survey, as well as just loyalty in general. We know throughout a lot of our brands loyalty is a key component for us in bringing business back. It's how we view it and build it.

MS. KYRICOS: Andrew?

MR. GIBSON: Here's my gripe. I think first of all the way we measure ROI in hotels is flawed straightaway. I don't know

of any industry that builds 2000 square meters of fitness, sauna, steam room and gives it away for free. The hotels do because they never measure that in. They just say the spa is not producing a profit, but the only revenue they show in the spa are the treatments. They don't show the use to the sauna, the steam room, the fitness area.

The whole model is flawed. If you're going to use that model to apply to wellness, then you're going to be flawed. I mean wellness stems from the design of the guest rooms and whether you're going to get a premium on the guest rooms, on the food, and the thought behind the food, on the activities you're doing in the hotel. If you continue to measure that purely in ADR and nothing else and then remunerate the general manager purely on their room performance and nothing else, then wellness is going to have a hard time. That has to change.

MS. KYRICOS: This actually brings a follow-up question then. We're going to go back to the audience for a second for true or false because now I'm dying to know. I'm going to make a statement. Let's make sure I say it right. Panelists, hold off. Yes, I'm being mindful for a moment.

Hospitality companies do not care about return on wellness to their individual consumers. True or false.

[Crosstalk off mic]

MS. KYRICOS: I actually asked that question because I was curious if anyone thought about what return on wellness was. That was sort of a trick. We'll just say for argument's sake because we just need a baseline, return on investment we all understand. Return on wellness would be not measuring return on investment to the business, but measuring the return on individual wellness after stay at a hotel or after having had an experience. Does that make sense? Does everyone understand what I meant there? This is a personal desire of mine that I would love ROI and ROW to go together, if we could somehow collectively make a case for it.

Again, I'm going to just make a statement. Hospitality companies do not care about return on wellness to their consumers. One, two, three.

MULTIPLE VOICES: False.

MS. KYRICOS: Really? Does anyone agree with that? Basically, what the audience just said is that businesses do care about return on wellness for consumers. Is that all what you just said?

MR. JACOBS: How do you measure that?

MS. KYRICOS: I don't know. I'm asking you. Do they care about the wellness and well being of their consumers? This is not an easy question.

[Crosstalk off mic]

MS. KYRICOS: I'm going to take a hand right here. Frank? Why don't we just open up this conversation. I like controversy and I'd love to get everyone's thoughts on this.

FRANK: How could they not care? If someone is gaining tremendously from an experience, that is what you're trying to deliver in hospitality. It doesn't matter if it's wellness. It doesn't matter what the experience is. If you are delivering on wellness, they are getting that return for whatever they invested in terms of their time and their money with the brand. I think why would you not care about that?

[Crosstalk off mic]

MS. KYRICOS: I'm going to let you go.

MALE VOICE: Intent to return. That's it.

MR. GIBSON: If I stayed at Six Senses, they would be concerned about my wellness. That is, your ethos. But if I stayed at let's say a three-star hotel, I'm just too happy to checkout and get to my next meeting. I think we're starting to layer the cake here and we need to start to segment to decide what points we want to measure and how.

MS. BADER: I agree. I think it's about building loyalty, but I think it's also a blanket statement for very different levels of experiences around the panelists' table. You've got transactional in many cases versus transformational. I know for my company we do. That's how we've been doing it here for 20 years.

IVA: Iva [phonetic]. I'm a journalist and I've been experiencing spa for 25 years. Many of you here, I've experienced many of your brands. Sometimes I've had unbelievably good experiences in very cheap and cheerful high-street places.

I've also had dreadful experiences at top-end, five-star, beautiful places in the world.

I think a lot of people think they care about wellness and they're selling wellness. I think it was you, Thomas, or maybe it was you Andrew, that said you have to be doing wellness in some way, shape or form if you're overseeing a hotel group or a spa.

In too many cases I don't see that. I think we can't label a good wellness experience, whether it's five-star and a not-so-good if it's three star... We said earlier about mindfulness and meditation, we have to be really careful. Are you a hotel or are you a church? Do you want to be a psychotherapist or do you want to do great FNB? I worry that there are some people that for 25 years and more, that no one knows here because they're so small and don't have big budgets in PRs, are doing an amazing job of mindfulness.

If the hotel does it badly, it lets the good people that are doing it well down. Then people say mindfulness doesn't work. Meditation doesn't work. It does. It just didn't work there. Please don't do anything like that unless you can do it really well. It doesn't matter whether it's \$200 or \$30. Thank you.

MS. KYRICOS: I sense the need everyone wants to clap. Actually, I just want everyone to stand up for one second because I know it's warm in here. Everyone stand up for a second and just shake it out for a couple of seconds because I feel like we need a quick little reset here. I learned this from a workplace wellness partner of ours. They said that if you move your arms really quickly for 30 seconds--and I mean like a runner. Everyone, see if you can do this. Literally, this is supposed to charge you up better than almost anything else you can do in a 30-second timeframe.

Let me tell you, going 30 seconds is hard, which is why I stopped. Anyone? Great. Three, two, one. Thank you. Sit back down. Refresh, everyone. I saw a hand over here that I wanted to make sure I got to. Dieter [phonetic], do you want to sit up?

DIETER: I just totally forgot what I wanted to say, but it's going to come back in just a minute. I think you talked about a return on wellness. I think a lot of people also think about value for time. I'm spending my time, which is

my most precious gift I have, which is more important than my money.

If we want to really work on a return on wellness, you said we need to know how to measure this. We're very good in creating experience during this day, but we have no idea what happens after they leave. I think we need to become better. I'm sorry; it's the shaking. We need to become better in staying with our guests after they leave. Yes, it's a brand question. It's whether it's five-star or three-star because a three-star probably can't afford this or at least we believe that at the moment.

I think as soon as we know how we connect with our guests during this phase--because yes, we want them to come back--then we can start to measure things.

MS. KYRICOS: Thank you. I'm going to connect two dots. Tom said that there's investment, but there's also return on wellness. It might not have actually been Tom because I'm brain cramping now because I just did this too. When we think about return on wellness--actually, this is what I remember that Tom said about prevention--this is more about prevention.

Then question I really think about a lot is: what if we got to a place where we could actually indicate to the people that are writing checks or investing in our hospitality companies, if we could indicate the kind of impact over time that we make to our most loyal guests in terms of their wellness and well being. This is a hugely tall order.

The question I have for the panelists around the group is: do you think that management would care about return on wellness versus ROI? How do they co-exist is my question. Because if we only measure the success of what we do based on ROI, are we missing the true impact and the ways in which we are impacting the consumer? How do we bring that into the equation? Not just we designed this product or service for wellness--fill in the blank--mindfulness, nutrition or whatever, and we want a return on that investment? What if we also said: what's the return on wellness for the consumers who experience that product or service? Would they care, is my question.

MS. ESCHBACH: I don't think to that extreme. I think if you are getting a positive return on wellness, you are going to have a successful business. Wait, what you were saying is way on

this end of the spectrum. Somewhere in the middle there are other things that should be measured besides ROI. If you're putting a transformational well being experience in 5,000 square feet in a hotel and 90% of your traffic and revenue is coming from the local market and you're able to pay the hotel some rent, that should be looked at very differently. The hotel paid for the build-out. But now they're getting rent, they're getting traffic and life, energy, incremental spend in other places in the hotel. There are about four or five other things that should be looked at and put into the bucket as opposed to just ROI.

MULTIPLE VOICES: Andrew. Come close to the mic.

MR. GIBSON: Just remember, sometimes people only stay for one day in a hotel. The most effective measure of return on wellness for any hotel currently is Trip Advisor and the comments there. That really is it. Did you have a great stay?

MS. BADER: I guess to tie it up, to say we talked about well washing and we talked about mindfulness, I think you could say that this industry is becoming more competitive. If the only measure that you're looking at is ROI, then you're potentially looking at the wrong thing in a competitive industry. You probably want to look at well being and wellness because this is where you start to want to compete.

Maybe there's not a metric now to measure what that is. But if you don't find out what that is, I think you're going to find out there are going to be these unexpected competitors who are really going to understand what that is and eat your lunch. I think you really need to know what wellness and well being is. Because you're going to need to provide that in an industry that is very competitive.

MS. KYRICOS: Thank you, Sarah. Brian?

MR. POVINELLI: At least right now for our companies, the larger ones, if you can't tie them together, ROW alone is not going to work. We first said put in a vertical garden. It's a brand standard. They were like, "You're crazy." But we've gotten there because over time we did a third-party brand health study. There were four questions in there specifically around consumers' perception of us delivering on well being attributes. In our ongoing guest satisfaction survey there are two questions that drive to that. Then obviously the revPAR and revPAR index have to deliver. But that's how we've been able to grow our platform, is by

correlating those third-party and guest sentiments, that we are actually breaking through with some of those attributes to the performance of revPAR index and revPAR.

MS. KYRICOS: Thank you. Jeremy?

MR. MCCARTHY: I mean I think Andrew was right, what he said earlier, that we don't really think about wellness in the right way from an economic standpoint. We don't measure it, and we can't track it and if it's not quantifiable it's very difficult to sell to an investor.

One of the ways that I think about it is we tend to think of wellness as a product that we need to figure out how to monetize. It's not that. Wellness is such a broad concept. Any company, any product at any price point has to think about how they make their customers' lives better or they're going to go out of business.

One of the ways that I think about it, we tend to think in the hospitality industry I have a spa, so now I need to hire a spa and wellness director. I think it's the other way around. If I have a hotel, I need a wellness director. Because they have to work with human resources on colleague wellness. They have to work with sales and catering on our meetings programs. They have to work with FNB on our healthy food programming. I need a spa to help subsidize the cost of that wellness director, not the other way around.

MS. KYRICOS: That's fantastic. Neil.

MR. JACOBS: Absolutely right. We kind of bit the bullet and are starting to put in wellness directors in the properties, which was a tough sell distinct from spa director who are doing, will be doing exactly what you just described in connecting the dots between all the departments, particularly the HR and workplace wellness piece of this.

What Brian and Andrew said is also true, but through that wellness director we will be creating, we are creating, reporting that that both evaluates a return on wellness and a return on investment and looks at them separately and together. From that, you can hopefully determine value, validity, incremental everything and so on. We think it's going to work. I'll let you know.

MS. KYRICOS: Tom?

MR. KLEIN: I go back, Mia, to what we started on a little over an hour ago. That is: what is wellness? I sit here probably one of the few that's had 40 years of true wellness experience, that we happen to have accommodation. When I look at the bigger brand, the accommodations, the food and beverage of really the driving economic force behind it, now we're trying to retro fit wellness however one defines that within that experience.

I think we owe it to the consumer to better define what that wellness is. Wellness is such a broad word. I think we as industry professionals have an obligation to educate the consumer as to the true offering and what that experience will be and then deliver and execute on that. Be focused. It is a very broad industry and there are tremendous opportunities for all of us to be successful through it.

MS. KYRICOS: Thank you, Tom. I see a hand over here. I'm just going to take a quick comment from the audience.

FEMALE VOICE: I'm a supplier to the hotel industry and I started my business when I was 23. I sold that one 10 years ago and I've stayed in over 5,000 luxury hotels. Most of you are sitting there with a kind of luxury hat on, if we're honest.

I just wonder whether we've forgotten the value of thoughtfulness alongside mindfulness and the care of remembering someone's name when they check in and a consideration for kind of reading people. When I check in and I look like chewed string and it's quite clear that I've had a shit day or however it is that I feel, the people connection has to be the most valuable point on whatever you measure in wellness because you want to send me away happier than when I arrived.

MS. KYRICOS: Andrew?

MR. GIBSON: There's a simple answer to that. Leading quality assurance, which is a mystery shopping, have introduced the concept of emotional intelligence to tackle exactly that issue. Of course it's something as I've said right at the beginning about how you get wellness from a corporate level consistently delivered across the brand? It's the same with that. It's up to an individual hotel, but the concept's there.

MS. KYRICOS: Frank. Then I'm actually going to give you all a gift in a minute.

FRANK: I think ultimately it also comes down to what the intention is of the guest. Because with a lot of the hotel brands they're looking at saying we're building up this hotel with a spa. But is really the intention of the guests sometimes visiting a spa with a hotel, where the hotel is actually the amenity and not the spa? Obviously the wellness destinations do that well, but when you look at it from the standpoint of let's think of what the guest's intention is so that they really feel like they have arrived for a wellness experience and not just at a hotel that has a spa...

MS. KYRICOS: Would you all agree that a destination, a hotel, anyone in hospitality going beyond hotels--airplanes, casinos maybe and others--that you don't necessarily have to have a spa in order to have a wellness experience? True? I think that's a fun little confusing element too.

We ventured out in sort of a roundabout way to contemplate shaping the future of wellness and well being together in hospitality and travel. I really want to thank everyone who's participated in this and I feel like we actually did. We talked about intention of the business and we talked about the intention of consumers. We talked about ROI and the place of ROW. We talked about the idea of hiring wellness directors instead of just spa directors that are spanning business units and experiences at hotels.

We talked about hospitality setting, a greater expectation and intention around the individual guest. We talked about how wellness is ultimately defined by each individual consumer differently, as it is for each business differently. Many of you around the table, whether you are leading a pioneering wellness brand, whether you are leading a health resort, there are a lot of shades of gray in between all of that.

I just want to say thanks to the panelists. We are going to break early because I'm reading the room and I feel like we've had an intense day. I feel like the greatest gift I can give to all of you is about 20 minutes of your life back. I want to thank you all for participating. I want to thank our panelists for putting down their hats and sharing their expertise with us. Thank you all very, very much.

I think I will remind you. Is there anyone here in the building that knows if we're on time and what time the next activity is? I am in charge, but I fake it until I make it.

3:30? We have a break until 4 o'clock, so enjoy 37 minutes of your life and see you at 4 o'clock.

[Crosstalk]

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