

White Paper

APSWC ROUND TABLE 2017

16th – 17th March, Bangkok, Thailand

Asia Pacific Spa and Wellness Coalition

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Foreword

The Asia Pacific region has approximately 1:3 of the world's spas, with the actual number of spa premises in the region growing by 50% since 2007 to over 32,400. Regional industry revenues have enjoyed a 65% growth to almost USD19 billion, while employment has grown by 69% to over 610,000, far outstripping the global economic growth rate of 31% for the same period (as per data from Global Wellness Institute).

With countries such as Indonesia, Malaysia, Philippines and Thailand giving the industry significant prominence and frequently highlighting spa & wellness in their tourism campaigns, one could argue that we are behind-the-eight-ball in terms of living up to these campaigns in providing the 'wow experience' that is being promoted. We have spas built on mountain tops, cliff edges and even under the sea, luxurious destinations spas, medical spas, resort spas and day spas – many of which have recognized internationally with accolades and awards, but behind the scenes there are issues that we need to address. For the industry to build on, or even just to maintain our current market position, we need stop living on past glories, start to innovate and to be clear as to where we are going and how we are going to get there.

For an industry that is often perceived as high touch, we are (surprisingly?) tech savvy, and this (technology) was the underlying direction of discussions at the APSWC Round Table 2017. This, the resultant White Paper seeks to give guidance to all industry stake holders on the easiest route to get where we are going. It seeks to be an authoritative guide designed to inform concisely about industry issues and the solutions as we see them. It is penned from the collective comment and input of industry leaders from more than 15 countries at the APSWC's Round Table, in Bangkok, March 2017, and is targeted to help all stake holders including both industry and government to collectively understand the issues and the solutions to them.

The release of this paper is a watershed moment - never before has it been attempted to bring industry leaders together with a singular objective of facing up to some home-truths. It is a paper where we as an industry take ownership, identify the key issues that we as a regional industry face today and the steps

that we see which needs to be taken, to address these issues. With the issues laid bare and an understanding that the problems of individual operators are much more common than they may have thought, and with the collective resolve to address these issues we can move forward more easily. Some issues can be resolved with a bit of hard work and commitment, and without assistance, while others require the input or assistance of other parties, but it is still up to us to say that we need their assistance. After all, this is our industry so it is up to us to put up our hand and ask for assistance where needed be.

The success of otherwise of this paper will be determined by whether or not it is taken seriously by the industry stakeholders, and whether the words are put into action and steps taken in a timely manner to action the solutions outlined herein. This we will see when the industry again gathers for the next APSWC Round Table in March 2018.

Andrew Jacka
Chairman
Asia Pacific Spa & Wellness Coalition

APSWC



ASIA PACIFIC

SPA & WELLNESS COALITION

The Asia Pacific Spa & Wellness Coalition (APSWC) is a not-for-profit organization - officially registered in Singapore in July '07 – the result of an informal roundtable where spa & wellness industry professionals from across the region gathered in Singapore in May '06 to map out a development strategy to improve and promote the spa industry for the benefit of all. Originally established as a bridging mechanism across national spa associations, the base has grown to be more representative of the region, now even encompassing countries where no industry associations exist while offering a one-size-fits-all membership model for all stake holders and those interested in the industry, be they individuals, companies or organizations. The current Board has members based in Hong Kong, Indonesia, Malaysia, Nepal, Philippines, Singapore & Thailand. The APSWC calendar includes several education and leadership focused events including an annual Round Table, Study Tours and Webinars.

To learn more visit www.apswc.org

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APSWC Round Table

Senior managers and key decision makers from all aspects of the spa and wellness industry including senior spa directors and managers, owners, suppliers, trainers and educators, allied health professionals, wellness consultants, government officials and media are invited for the annual APSWC Round Table. It is targeted to continue to be a 'by invitation' event with a 'white paper' outcome. Invitees are industry and government alike. With the format giving all participants the opportunity to input and provide guidance and to ensure the output is a 'voice of the people' white paper document.

There is no grandeur - this is about organic discussions and real issues. The Round Table is expected to evolve in future years into a multiple day educational event with workshops / presentations etc., and open to all levels of industry.

It is an opportunity for regional players to network and discuss real issues with their industry peers, an interactive event with presentations and active dialogue and where content of the white paper is addressed. APSWC events have a record of attracting delegates from multiple countries across the region.

Part One: Who are our Customers?

Are we maximizing our market potential? From social media to CRM, is mobility the key to our success? Do we as an industry even know who our customers are and what they want?

Issue: Barriers we present to potential customers - Are we too generic, or can we really provide a personalised experience in keeping with our customer's needs? Standardized pretty pictures of water features and pretty ladies often are not even representative of the spa business they purport to represent or the real experience that the spa goer can expect.

Solution: The industry needs to do more research to better understand who our customers are and what they want from a spa experience. Individual spa operators can then take appropriate portions of this information to customise their business offering to meet customer expectations, with realistic visuals and clear explanations of the services offered.

Issue: Customer information

Solution: Guest questionnaires are not just a whim of the spa manager, they are part of the process which yields tangible practical information about our customers. Each customer should fill one in, and staff should read, reference and take appropriate action in the deliverance of services or the recording of guest history, based on the information collected.

Issue: Negative Reviews on Social Media

Solution: We are but human and must accept that we sometimes do make mistakes but negatives reviews are not a death knell for business if they are handled promptly and professionally. Utilizing tools available for online reputation management, negative reviews give you the opportunity to address the complaint, and make appropriate restitution or resolution. The customer that *complains with their feet* are of a far greater concern than any negative

review, as you at least have the opportunity to correct the situation with the one who voices their concerns.

Issue: Understanding the role of "Influencers"

Solution: Key opinion leaders (KOL's), such as bloggers, activists and social media celebrities' will continue to influence the purchasing behaviour and consumption patterns of both current and potential customers. Appropriate use of KOL's can help your business, while accepting that there will be costly to engaging these KOL's as brand ambassadors.

Issue: The Right Business Model – there is no sense to open a business if we do not have a detailed knowledge of who our target customer is, how we are going to attract them and how much they reasonably will spend.

Solution: Entrepreneurs and operators need to take the time to do a Business Plan and a Marketing Plan. These can be as simple or as complicated as is appropriate for the size and detail of the business operation, and with plenty of templates on-line to work from, there is no real excuse for not having one. These plans must about your business, your goals, your aspirations, and must include details about your target customer, demographics and segmentation, as well as details of in-house and external marketing activities, and also strategic alliances or partnerships with other related businesses where appropriate. Once completed, the plans are not the be-all and end-all documents to run your business by, but are living breathing documents, that should be referred to regularly and updated or adjusted to enable real time business decisions based on operational realities, external influences or changing consumer demands. The Marketing Plan must be renewed annually.

Issue: Standardized or Personalized? We as an industry elude to 'personalisation' but all too often we end up being 'standardised' because it's easier or operationally cheaper.

Solution: Use the information you collect effectively. It can be as simple as addressing our customer by name, or knowing a guest's history with your business – what treatment they prefer, what pressure to be applied, what retail products they purchased. Knowledge is power, so from the guest questionnaires to purchasing history, you can speak 'personally' to a customer without being intrusive or pushy.

Part Two: Design for Well-being

*How relevant are design standards for the spa & wellness industry?
What will Clean Tech (products or services that improve operational performance) add to the bottom line? Can we really help to save the world, or have the eco sceptics got it right?*

Issue: How to start when you have little or no knowledge of the impact design has or can have on you, your staff or your customers' well-being?

Short Term Solution: Every step counts when taking actions for people, planet and profit (the 3 p's). Develop a realistic plan and expand on it later. It is more relevant to do what is possible today than to make big plans which you never start. Integrate wellness activities (therapies/treatments) with nature.

Long Term Solution - Step 1: ASEAN has introduced a multitude of ASEAN Tourism Standards under the AEC. It is suggested that a Design for Well-being standard for the Tourism industry is developed - led by government but with full public & private sector stake holder cooperation. While this could be a generic design standard, it must incorporate specific standard elements pertinent to the spa & wellness industry.

Long Term Solution - Step 2: Value Promotion. Once a standard has been established, it is easy for the architectural industry to demonstrate and the authorities to promote the value of *Design for Well-being* in the provision of healthy living and working spaces.

Long Term Solution - Step 3: Stakeholders to Develop *Design for Well-being* educational resources and training tools for the spa & wellness industry based on the standard.

Implementation Philosophy: *Plan for the future but start today and do something (anything)*

Part Three: Our People Our Future

Is old-school just old-fashioned or what is there we can learn as we move forward with management of a workforce of millennials that “want it and want it now” and where brand (or employer?) loyalty purportedly doesn’t exist? Has cross border trade and culture impacted our people or the way we manage them?

Issue: Remunerations and Benefits. Our industry incorporates everything from hard manual labour (Massage Therapists) to tasks requiring high levels of mental proficiency (Management). We as an industry do not recognise the variations, or provide appropriate benefits in recognition of the skills required to excel in each area.

Solutions: It's not just about the money, although a clear organisation chart showing career progressions can help, but it's also about waking up the intrinsic motivation within your team. Offer your staff non-monetary benefits and rewards that enhances empowerment and self-worth, while still recognising that a fair day's pay for a fair day's work is important also. A birthday card, a discount voucher, a gift of spa products, a concert or movie ticket, access to a provident fund or other savings plan, (certified) training, recognition by name, or even just asking their opinion, are just some of the examples to be considered.

Issue: Working with Millennials

Solution: Ensure you place an emphasis on mentoring and feedback. Each generation has their own nuances. Millennials are motivated when they are more actively engaged through regular mentoring and feedback, so plan and act accordingly! While mentoring may require some serious planning and a time commitment, the feedback opportunity could be as simple as staff comment box, or just sitting down with them on a one-on-one basis at the end of each month to give them their salary slip, giving them the opportunity to talk to you directly and raise any concerns that they may have, or for you to address any concerns that you have about the employee. Getting to know your team

members as individuals without prying into their personal lives is an art form of good management.

Issue: Maintaining Employee Motivation

Solution: The key to happy customers is having staff motivated to provide excellent service. Adopting flexible management styles that recognise and embrace employee diversity is an important facilitating factor to realise higher employee motivation. This could be anything from variable start times, to flexi-shift work, issuing instructions verbally, demonstrating the task required or giving written instructions. No one style suits all, so flexibility is key

Footnote: *This subject was discussed at length and with passion, revealing real issues regarding our industries ability - or lack thereof - to attract and maintain our staff. It was agreed that this would be the focus of the APSWC Round Table 2018*

Part Four: Treatment & Therapy Technology

How does a high-touch industry work in a high-tech world?

Issue: What are we talking about when we refer to “technology in the spa & wellness industry”? Our discussions seem to be so broad and all encompassing, that no one knows what we are talking about (not even ourselves!). From social medial marketing, to light sensors, nano-technology in products and all the bells and whistles of modern living, technology is invasive on all levels of our life and our businesses. Should technology be about the latest high tech machinery or does it already start with digitizing the information? Once this has been defined it is up to the spa to determine which technologies they are willing to use for the deliverance of their menu offering.

Solution Part 1: Classify, clarify and define the differing technologies that are used in the spa and wellness industry. Industry forums such as the Global Wellness Summit, World Spa & Wellness Convention, World Spa & Well-being Convention or even the education arm of the APSWC could all be appropriate forums for this work.

Solution Part 2: Create an awareness and understanding of technologies relevant for the spa and wellness industry, while accepting it is up to the individual spa operator to determine which technologies they employ. Traditional does not necessarily mean low tech, while modern does not always mean high tech. The technologies employed should be appropriate to the business concept, operating system and its market positioning.

Solution Part 3: Explore innovative means to integrate technology to the industry, such as via wearable technologies, augmented reality or even virtual reality technologies. Be creative, think out of the box. Accept that the way you did something yesterday is not necessarily the most efficient way of doing it today.

Round Table Participants

Abhilash K., Kairali Ayurvedic Group, India; AmaLia Wai Lee Ching, Creative Healing Arts, Singapore; Andrew Jacka, Spa Origins, Thailand; Apiradee Herunramdej, Divana Spa, Thailand; Ary Styari, Bali Spa and Wellness Association (BSWA), Indonesia; Ayu Mudiasih, Cemara Ayu, Malaysia; Barry White, White Living, Hong Kong; Brandon Bleach, Eminence Organics, Indonesia; Catharine Nicol, Hong Kong; Charles Hall, Hommage-Asia, Thailand; Christian Braunbeck, Baden Baden Cosmetics Group, Germany; Conrado Perreras, Philippines; Donald Cha, Nepal; Edward Wong, Esth'EdeS Institute International, Singapore; Elodie LeFevebre, Kamalaya Wellness Sanctuary, Thailand; Erika Dewi, Banyu Spa, Indonesia; Faridah Ahmad Fadzil, Tanamera, Malaysia; Kathryn Moore, Spa Connectors, Indonesia; Kent Richards, Six Senses, Thailand; Komsorn Pacharawanich, Diamond Brothers Group, Thailand; Lucille Salalima, Kata Rocks, Thailand; Marianne Schwarberg, Baden Baden Cosmetics Group, Germany; Mayasari Tjahjono, COHESPA, Indonesia; Motti Essakow, Rythms by Design, England; Nathanicha Thongbai, Destination Spa Management, Thailand; Patcharin Pacharawanich, Diamond Brothers Group, Thailand; Phattiraporn Khiewsanun, Milk Line Thailand; Prantik Bordoloi, Stenden Thailand, Thailand; Robert Pascoe, Crystal Blue, Malaysia; Samantha Foster, Destination Spa Management, Thailand; Sankalp Bansal, Kairali Ayurvedic Group, India; Sharon Menzies, Destination Spa Management, Thailand; Stephanie Oberst, Baden Baden Cosmetics Group, Germany; Susan Stein, Jari Menari, Indonesia; Tamara Brnelic, Yeoman Group, Maldives; Tara Hanrahan, Centra Hotels & Resorts, Thailand; Trent Munday, Steiner Leisure, Malaysia; Tsuguru Dobashi, Nippon Spa Association, Japan; Vanessa Stoessel, M-Spa International, Thailand