



**Global Spa &  
Wellness Summit**



Global Spa & Wellness  
Industry Briefing Papers

2013

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# ASIA: CHINA

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## **What is making news in your country with regards to spa and wellness?**

Medical spas are making big waves but from my observations, post & pre is still very weak or not properly carried out, and this causes many unnecessary complications. Medical spas are often not marketed as such, as no license has been issued, a major problem as most people do not know the difference.

## **What is happening with wellness tourism in your country? Medical Tourism?**

Stem cell treatment is making its way into China despite great resistance. Many such clinics are set up as cosmetics surgeries or day spas, while some carry out non-surgical treatments, while others use Hong Kong, Brazil or Portugal as their actual surgery base.

## **Please give us one sentence to describe what is happening in your country for each of these categories:**

### **Hotel Spas?**

Staffing and training are key challenges.

### **Destination Spas?**

More big brands are entering this arena but are encountering a lot of challenges and delays.

### **Hot Springs Spas?**

More are opening up but most are still operated by Chinese companies.

## **What is your country's position on investing in the spa industry in 2013?**

China still has a lot of potential and room for growth but specialist education and training is badly needed to speed development. Most owners are very conservative with their budgets.

## **Looking back at the past four decades of spa and wellness, what would you consider to be a defining moment?**

Right now.

### **SUBMITTED BY:**

Tan Lily  
General Manager  
Ocean City Hot Spring  
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# ASIA: INDIA

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## **What is making news in your country when it comes to spa and wellness?**

The growth of the industry at 18% over the last year to reach 700 billion INR, despite an economic downturn. This can be attributed to adoption of the spa lifestyle by an increasing number of upwardly mobile executives in their thirties and forties.

## **What is happening in your country when it comes to wellness tourism and/or medical tourism?**

Medical tourism has been prevalent in specialities like cardiac, orthopedic, and eye surgeries. Patients come mainly from the Middle East, the United Kingdom, and sometimes the United States. Wellness tourism is flourishing because of India's strong heritage of Ayurveda and yoga. The State of Kerala is a natural destination, as are places like Ananda and Soukya.

## **Please give us one sentence to describe the latest developments in your country for each of these spa categories:**

What is happening with hotel spas?

This is a fast growing segment because the hospitality industry has expanded rapidly in the last few years. But many hotels lack their own brands and outsource management and operations to global spa brands like Six Senses or ESPA, or Indian ones such as Sohum or Svastii. Jiva Spas is the first Indian hotel spa brand of note, and newer brands are coming up. Most offer memberships to outside clients to maintain profitability.

### **What is happening with destination spas?**

Stand-alone destination spas are few for obvious reasons. Most bank on a specific USP to attract customers.

## **What has been the general attitude about investing in the spa/wellness arena in 2013?**

People are investing, but cautiously. The industry is learning from the mistakes of its formative years and is wiser and more knowledgeable now.

## **Looking back at the past four decades of spa and wellness, what would you consider “a defining moment?”**

India's defining moment is NOW. It is facing many challenges and at the same time is increasing acceptability and demand. What we do now will determine the future of our industry.

### **SUBMITTED BY:**

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# ASIA: INDIA

## **What is making news in your country when it comes to spa and wellness?**

The Global Spa & Wellness Summit 2013, with a host of eminent speakers, thought leaders and delegates on board, is taking place in India. This is indeed ‘making news’ because it reiterates the fact that in the global context of spas, wellness and wellbeing, Indian roots and our commitment to wellness play a significant role. Our role in this rapidly burgeoning industry is important, both as discerning, growing, potential consumers and also as one of the founders. The inherent roots of ayurveda, yoga, meditation and natural healing lie in the rich heritage and history of Indian civilization and have continued to be the founding principles of ‘holistic wellness’ globally.

## **What is happening in your country when it comes to wellness tourism and/or medical tourism?**

Let us perceive tourism in two contexts, domestic and international.

The spa and wellness Industry in India is a growing sector. Our deep rooted knowledge of the ancient sciences has not completely evolved into its contemporary avatar of ‘spas, wellness and wellbeing’, as the term is understood globally.

The Indian mindset still associates wellness with healing or a treatment, whether in a medical, health or emotional context. It still has a physical rather than an experiential context to it. Visits to day spa’s usually mean ‘beauty and relaxation’ only. Another factor that slows down wellness tourism domestically is that wellness centers in India are predominantly located in South India, and appear only sparsely in other parts of the country. Hence access has been a concern. Though the market base of discerning consumers who truly understand, appreciate and invest in wellness is still small, statistics reveal that, owing to growing consciousness and increasing incomes to complement this need, this is fast changing.

The ‘organized’ Spa & Wellness industry in India is opening its doors to wellness tourists from across the globe who understand wellness and are willing to travel and pay for an authentic, holistic experience. Wellness destinations based on sound principles of hospitality, hygiene, world class service standards, commitment to ecology and sustainability, and authentic treatments by renowned experts are now gradually beginning to take shape to offer an unprecedented, integrated wellness experience. The high potential sector of wellness tourism is poised to grow. This development, especially in the last decade, will give way to iconic destinations that seamlessly dovetail ancient sciences with a hint of luxury, together with world class hospitality and ethics.

The Government of India and visionary wellness brands like Vana Retreats are supporting the GSWS and this is indeed a sign of acknowledging the role that Wellness Tourism will play in our country.

Still where medical tourism in India is concerned, the industry has been on the fast track for a while and is on a constant growth path. Indian medical capabilities, state of the art hospitals, R&D facilities and expertise are globally renowned and acknowledged. Medical tourism has grown in India especially in the last decade.

## **Please give us one sentence to describe the latest developments in your country for each of these spa categories:**

### **What is happening with hotel spas?**

Hotel Spas continue to be the most desired getaway for a few hours or a day for the affluent consumer seeking beauty and relaxation, in a safe, private, comfortable, hygienic, international environment.

**What is happening with destination spas?**

The current offering of destination spas is very limited, both in terms of the number of destinations, and in terms of their credibility and commitment to the core ethos of wellness. The future holds promise for iconic destinations like Vana, Malsi Estate that are founded on trust, authenticity, commitment, vision and global standards of service and quality.

**What is happening with hot springs spas?**

The offerings are extremely limited, for geographical reasons.

**What has been the general attitude about investing in the spa/wellness arena in 2013?**

Investment in day spas, wellness products (more perceived as beauty products) and wellness centers has most certainly grown, as these centers are mushrooming all over the country. However serious, credible, holistic wellness destinations are few. Vana Retreats has been one of the first to make such a serious commitment, with a wellness destination like Vana, Malsi Estate.

Generally speaking, investment in this niche sector has not been very high because of two factors. Firstly, since not many world class wellness destinations exist as of today in India, there isn't a significant inflow of discerning, high investing, serious international wellness seekers yet. This market has to grow. The target wellness consumer base within India is niche and not very large in terms of market size. Other factors like extremely high cost of real estate acquisition, high cost of quality construction and maintenance, alongside challenges of limited resources in terms of expertise and talent, also affect the investment scenario. Nonetheless the future looks bright for a cautious, quality-conscious investor who is prepared to develop a niche 'product' for a discerning consumer who will willingly invest in it and stay loyal.

**Looking back at the past four decades of spa and wellness, what would you consider "a defining moment?"**

When ancient Indian traditions of ayurveda, yoga, meditation and natural healing gained international acclaim, acknowledgement and patronage - these were defining moments for India. These are sound principles that formed the foundation of the spa and wellness industry globally. Indian economic and infrastructural growth over the last few decades were also factors that highlighted India's presence on the global map. The Government of India's partnering in this Summit (Incredible India campaign) is a good sign of support, acknowledging Wellness as a major tourism driver. We appreciate their support, which will give a significant boost to this industry This is indeed a defining moment.

**SUBMITTED BY:**

Dr. Deepika Gunawant

Head – Integrative Health & Wellbeing, Vana Retreats



# ASIA: INDIA

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## **What is making news in your country when it comes to spa and wellness?**

As the land of authentic Ayurveda and Mystic Yoga, India has always had the ability to attract travelers from around the world. Today more than ever, the world is turning towards India, the birthplace of this unique heritage, seeking answers to questions that have besieged mankind for centuries. Yoga and Ayurveda are burgeoning globally, yet the quest for true knowledge continuously brings seekers to this ancient land where it is practiced in its authentic form. To cater to this growing segment of travelers, Select Taj Hotels offer multi-day Jiva Yoga retreats and Ayurveda Journeys, which highlight the physical, mental, and health benefits of an improved quality of life. Nutrition is also a part of the Jiva wellness plans, with several locations offering healthy spa meal options. This is a growing segment and we are observing a steady increase in number of guests who are seeking such experiences.

## **What is happening in your country when it comes to wellness tourism and/or medical tourism?**

The Indian spa and wellness market is currently experiencing considerable growth; making it one of the most interesting and exciting spa markets in the world at the moment. One economic sub-sector experiencing significant growth and evolution is the spa industry in India. The Indian spa industry, with over 2,300 spas, generates revenues of around \$400 million annually. With over 700 spas predicted to open in the next 2-5 years, there's no doubt that the spa industry in India is growing fast. It represents one of the most interesting global spa economies to watch out for. India will also continue to be a hot spot for those seeking travel services that incorporate diverse wellness packages, including people who couple medical procedures with spa indulgences, Ayurveda treatments or cultural immersion experiences.

Medical tourism is also on the rise, and with India's options of some great healthcare centers and the growing community of medical practitioners - both mainstream and alternate medicines - the potential for medical tourism is immense.

## **Please give us one sentence to describe the latest developments in your country for each of these spa categories:**

### **What is happening with hotel spas?**

"Wellness everywhere" hotel chains with spas are becoming an integral offering and more mainstream.

### **What is happening with destination spas?**

Authentic rituals and other Ancient Revivals; comprehensively executed holistic wellness experiences at Spas. People are increasingly looking at long-term wellness programs to change their lifestyle and health quotient.

## **What has been the general attitude about investing in the spa/wellness arena in 2013?**

With the wellness industry in India poised to touch Rs1,00,000 crore (Rs1 trillion) by 2015, with a compounded annual growth rate of 15-17 percent, from about Rs70,000 crore in 2012, the attitude towards investment is quite upbeat. The industry has seen interest from private equity and venture capital firms since March 2009, and this trend is only on the rise.

**Looking back at the past four decades of spa and wellness, what would you consider “a defining moment?”**

To most outsiders, India is a destination of mystic magic, healing sages and saints. However, the Indian market has only offered true healing and recuperation in Ashrams and Yoga Schools. Having said that, today a few authentic spas offer an Indian wellness experience to its guests. Jiva is one such brand, with its philosophy deeply rooted in ancient Indian healing traditions. However, such players are few and far between. The Indian spa industry is in its nascent stage, with most spas adopting various techniques and practices. A plethora of spas has mushroomed – both stand-alone and in hotels - and initial attempts at quality accreditation have not been effective.

The real “Defining moment” for the Indian industry will only arrive when the industry takes pride in a rich and diverse ancient heritage offering authentic services, and is able to make this the differentiator in attracting global tourism.

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# ASIA: INDIA

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## What is making news in your country when it comes to spa and wellness?

Changing trends in preferences and consumption among Indian consumers are making the news. Men are increasingly headed to spas and looking for rejuvenation and beauty treatments. This trend could be replicating the men's grooming & beauty products segment growth path which has seen a boom in the last couple of years. On another note, spas are increasingly been seen as a substitute for holidays.

## What is happening in your country when it comes to wellness tourism and/or medical tourism?

The popularity of traditional Indian alternative medicine and wellness systems are increasing with a number of players entering the premium segment. This is especially true in the tier one cities where nuclear families and poor lifestyles lead to a concern about health.

Wellness tourism is moving to spa themed arrangements with increasing amounts of luxury available. An interesting trend is the growth of expensive but spartan retreats where participants are asked to follow a healthier lifestyle including food, exercise and meditation.

## Please give us one sentence to describe the latest developments in your country for each of these spa categories:

### What is happening with hotel spas?

Hotel spas are trying to promote their own brands and encouraging individuals to come in for the day.

### What is happening with destination spas?

Destination spas are focusing on traditional Indian wellness systems such as yoga, Ayurveda, siddha, unani etc. along with meditation

**What is happening with hot springs spas?** The concept of hot spring spas has not gained much traction in India.

## What has been the general attitude about investing in the spa/wellness arena in 2013?

There have been some new investments but the overall investor sentiment is poor and hampering new investment.

## Looking back at the past four decades of spa and wellness, what would you consider "a defining moment?"

A defining moment would be the growth of destination spas promoting Indian systems such as yoga and the growing popularity of movements such as the 'Art of Living' led by individual gurus.

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# ASIA: INDIA

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## **What is making news in your country when it comes to spa and wellness?**

There is renewed interest in Yoga and Ayurveda across the entire country. Indians, who once sidestepped these ancient sciences are now re-embracing them, once again making them their own.

## **What is happening in your country when it comes to wellness and tourism and/or medical tourism?**

Medical tourism is big business in India (Dollars of Attraction), and in many places it is the stand-alone institutions offering cosmetic surgery. However, a number of places have combined that with holistic spiritual alternative treatments to assist an individual to recover faster from the surgery. Plastic surgery is an easily accessible option in India by which people can get those socially desirable features. Skin whitening in Asia has already crossed the \$2 billion mark and is an exponentially growing procedure. People in the west are aware of what they want to achieve from a stay in a wellness centre. However, with the financial crisis hitting Europe hard, it is the emerging markets of Russia and China, and lately also the United States, whose citizens are traveling to India to avail themselves of the spas which cater to wellness, as well as those which offer cosmetic surgery.

## **Please give us one sentence to describe the latest developments in your country for each of these spa categories:**

### **What is happening with hotel spas?**

Operators are now very much more aware of the need for properly trained staff. In the past, people were hired and not trained, and were allowed to work on guests raw, without the slightest awareness of health and safety and hygiene standards. Now, with the Ananda Spa institute in Hyderabad offering internationally recognized qualifications, hotel spas have been able to raise their standards two-fold.

### **What is happening with Destination Spas?**

There is one true destination spa in India which encompasses all the criteria mentioned above, and that is Ananda in the Himalayas. Many destination spas per se have sprouted up all over the country; however they are missing one or more of the core components which would make them a true destination spa. For example, internationally trained staff, water treatments, location, ambience, yoga, Vedanta, International and Ayurvedic treatments.

### **What is happening with Hot Spring Spas?**

Unfortunately all hot springs are Government controlled and therefore no private spas offer hot spring therapies.

## **What has been the general attitude about investing in the spa/wellness arena in 2013?**

There does not seem to be any slowdown in the number of day spas, which are cropping up all over India's biggest metro cities, even during the financial slow-down. The day spa market has seen by far the biggest increase, where owners are combining beauty with wellness and under-the-knife procedures. The problems arise when the owners have the money to invest but lack the knowledge to run a successful spa business. Spa design is in its infancy in India, hence many mistakes are made at the design stages which affect the customer journey and guest satisfaction, and thus the bottom line.

**Looking back at the past four decades of spa and wellness, what would you consider “a defining moment?”**

Ananda in the Himalayas being voted the world no 1 spa on numerous occasions, putting India on the world map with regard to destination spas, proving that India can lead the world in the wellness industry with regards to staffing, training, health and safety, location, infrastructure, as well as being the birth place of the sciences of Yoga, Meditation and Ayurveda.

**SUBMITTED BY:**

Ashok Khanna  
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Ananda in the Himalayas



# ASIA: INDIA

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## **What is making news in your country when it comes to spa and wellness?**

Ayurveda as therapy has evolved considerably in the last few years and many practitioners have started to develop customized therapy modules to suit the demands of their international clientele. The spa culture has become very popular among the middle and upper middle classes to the extent that a spa visit or therapy has now become an integral part of their life style. This is relevant not only in major metros but also in tier II and tier III cities. Mature spa goers have moved on to look for more authentic and healing therapies that are available. Wellness concepts offered by major spas are well appreciated. A focus on healthy skin and hair is something that many expect from spas now. Today, with the influx of many local and international brands and extensive international travel, people have become more aware of the spa and wellness culture.

## **What is happening in your country when it comes to wellness tourism and/or medical tourism?**

Medical tourism has grown exponentially in the last few years. Many states like Kerala, Tamil Nadu, Karnataka and Andhra Pradesh have invested considerably to boost wellness/medical tourism. These states have collaborated with major hospital chains to cater to this growing segment of travelers. Most clients are from UK and Middle East. The traditional Ayurvedic houses in Kerala have seen an increase in the number of guests who visit to experience authentic Ayurvedic Panchkarma therapies. The Government of Kerala has introduced several special arrangements to enhance the experience of these travelers. Many major hospital chains have developed wellness centers exclusively to cater to lifestyle diseases.

## **Please give us one sentence to describe the latest developments in your country for each of these spa categories:**

### **What is happening with hotel spas?**

Spas in hotels have become a necessity rather than a luxury.

### **What is happening with destination spas?**

The growth is slow in this sector but two or three major wellness retreats are opening up in the next year.

### **What is happening with hot springs spas?**

Not much! There is huge potential, although is localized to the sub-Himalayan valleys.

## **What has been the general attitude about investing in the spa/wellness arena in 2013?**

Because of delays in many major hotel projects, investments have also slowed down on spa projects. Many stand-alone spas have flourished within their segments. The economic slowdown has also taken a toll on the spending capacity of spa clients.

**Looking back at the past four decades of spa and wellness, what would you consider “a defining moment?”**

In the last four decades, the spa industry in India has grown from a concept of health clubs and Ayurvedic hospital/clinics to encompass well-defined Spas with wide-ranging repertoires. In the last decade alone, spas have developed exponentially, offering a multitude of traditional and contemporary therapies.

A defining moment for the spa industry would be the rise of major spa houses from Asia and the acknowledgment of Ayurveda and traditional therapies from Asia as an integral part of any new spa concepts.

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# ASIA: INDIA

## What is making news in your country when it comes to spa and wellness?

The spa and wellness industry is going through a very interesting phase, especially in therapies. Even international spas like Mandara and Six Senses, which have open their branches in India, are doing innovations in their spa menus and newer therapies are being introduced. These therapies are a mix of ancient Indian healing traditions like Ayurveda, Siddha, Unani, Yoga and Oriental remedies like Indonesian, Thai and Chinese healing processes. Hospitals are also attentive to the fact that spa is here to stay and are now at various stages of planning to have their own wellness and healing centres within the hospital. Spas and wellness are on a high growth path with not only the traditional hotel, resort and day offerings; it has now entered into real estate, hospitals and clubs.

## What is happening in your country when it comes to wellness tourism and/or medical tourism?

Wellness is one of the fastest growing industries in India. Being the birthplace of Yoga, Ayurveda and meditation, India witnesses an influx of world travelers seeking the most authentic experience. Juxtaposing the same, the Ministry of Tourism, has drafted a well-planned charter, which facilitates both structural, and financial aid in the sector of spa and wellness. The tourism boards of various states for instance, Kerela, Utrakhand, Goa, Himachal Pradesh, Rajasthan even Punjab, are promoting their states as wellness destinations.

Similarly big hospitals like Fortis, among others, are planning spas and wellness centres, which will serve as after treatment relaxation for patients who need massage treatments. Government is also taking steps to ensure that the spas are regularized and accredited for safe and secured treatments.

## Please give us one sentence to describe the latest developments in your country for each of these spa categories:

### What is happening with hotel spas?

Practically every hotel is planning a spa or already has a spa today. While many big brands have already made their way to the Indian wellness industry, there are home grown brands which are already a major player in the wellness fray such as Jiva by the Taj group, Aura by The Park Hotels, Kaya Kalp by ITC group among others

### What is happening with destination spas?

There is a demand for the same with fine examples set by Ananda, places like Amritsar (istaa Spa), Mussori, (Jay Pee HOtel) ( Upcoming luxury wellness abode Vanaa by the Fortis Group) Shimla , (Oberoi, wild flower) Kerala (Bekal Hyderabad (Leonia) , Sikkim (Mayfair) and Goa (Park Hyatt, Taj, among others) are now looking at creating similar experiences. The future for destination stands bright as people look forward to an experience of wellness in a destination teamed with the local culture and flavor.

### What is happening with hot springs spas?

There are a lot of hot springs in India, which have developed as tourist attractions across the country especially in the Himalayan region. Places such as Manikaran, near Kullu in the heart of Parvati Valley; Vashishth near Manali on the banks of river Beas, Yumthang in North Sikkim; Taptapani near Simla on the banks of river Satluj, and Taptapani in Orissa, about 40 kms from Bhubaneshwar; are all well-known for their hot springs. These hot springs have also been associated with religious places and have developed as a halt for the pilgrims. None of them are developed in a way that can attract international clientele so far. The aggressive development of the spa industry with hot spring spas in India is

still at a very nascent stage, and remains a market that is still waiting to be explored.

### **What has been the general attitude about investing in the spa/wellness arena in 2013?**

The investments in spa and wellness have scaled up tremendously. This could be attributed to an increase in the standard of living of young urban professionals. This segment of consumer hails from the higher middle class and are earning double-digit salaries and are more cautious about their wellness and health as compared to last generations.

### **Looking back at the past four decades of spa and wellness, what would you consider “a defining moment?”**

India has always been famous for its traditional therapies, but now these therapies have been adopted and exported to the international world. Ayurveda, Yoga are now available all over the world, and India is fast moving towards becoming the therapeutic abode for travellers.

#### **SUBMITTED BY:**

Parineeta Sethi  
Chief Editor and Publisher  
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# ASIA: JAPAN

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## **What is making news in Japan when it comes to spa and wellness?**

Seeking to overhaul a long-stagnant economy, Shinzo Abe, prime-minister of Japan, has implemented a special economic growth strategy called “Abenomics” which consists of a radical expansion of the money supply, aggressive fiscal policy, and structural reform, or deregulation. The health and longevity industry is identified as one of the strategic sectors in this plan. It includes policies for developing industries related to the extending of healthy life expectancy, and the pharmaceutical and medical industry, as well as measures for capitalizing on the vitality of the private sector. It should offer a great opportunity for spa and wellness industries to create innovation and generate new markets.

## **What is happening in Japan when it comes to wellness/medical tourism?**

The number of foreign visitors to Japan in the first half of 2013 reached a record high of 4.95 million, up 22.8 percent from a year earlier, helped by the yen’s weakness and the popularity of low-cost carriers. It seems that the negative effects on tourism following the March 2011 earthquake, tsunami and nuclear disaster have been overcome. The government aims to increase the annual number of foreign tourists from about 8.37 million in 2012 to 10 million in 2013. To reach this target, some medical and wellness tourism projects are supported by the government.

## **Please give us one sentence to describe the latest developments in Japan:**

### **What is happening with hotel spas?**

Some luxury hotel spas located near major business cities have started to provide reasonably priced treatment menus with traditional techniques of oriental treatment employing acupuncture and massage. (Evian Spa Tokyo, ESPA at Peninsula Tokyo, among others). The demand from business people is not only for relaxation but also to improve their physical condition. Thus, these spas gain business guests constantly.

### **What is happening with destination spas?**

While the concept of “destination spa” is unfamiliar to much of the nation, some advanced destination spas were opened here in Japan, including HIS and the Hoshino Resort. HIS, a popular travel agent, launched a holistic wellness center named “The Soara” inside a large European style theme park in Nagasaki. They provide a variety of wellness programs with signature thermotherapy supervised by medical doctors and an emeritus from Tokyo University. Meanwhile, Hoshino Resort, a leading luxury resort group implemented Japanese-style destination spa programs at their modernized Ryokans (traditional Japanese inns) in Kyoto, Nagano, Okinawa. In these programs, the oriental medicine doctor coaches guests in diet, movement, breathing and meditation. They provide shiatsu, acupuncture and moxibustion. In Kyoto, the guests can experience Zen meditation ascetic practices in a genuine traditional temple.

### **What is happening with hot springs spas?**

Odakyu group, a major railroad company, launched the unique public Onsen facility which consists of 19 chartered open-air hot springs baths in respective Japanese style private rooms: day-hot springs. Normally, public hot springs facilities such as Super Sento have large open-air baths or jacuzzis for all customers. Private bath tubs were provided in the luxury hotels only. But at Hakone-Yuryo, the casual day-hot springs facility allows us to use these cozy private rooms at a reasonable price (JPY3800-5800). Meanwhile, some of Super Sentos public hot spring bath facilities have been

established in Shanghai, Bangkok, and other Asian cities. Even though Super Sentos are for casual use in Japan, many wealthy customers in Bangkok are coming to Super Sentos.

### **What has been the general attitude about investing in the spa/wellness arena?**

Generally speaking, real-estate (including spa/wellness related) is one of the more promising investment opportunities because of the low interest rate and weak Japanese yen. According to Deutsche Bank Group, the amount of fund raising by J-REITs (Real Estate Investment Trust in Japan) approached its highest level in five years. Meanwhile, Hoshino Resorts REIT Inc., the world's first Ryokan REIT, will invest in Hoshino's three hotel brands, including spa resorts, after raising 10.2 billion yen in an initial public offering. The REIT will buy six hotels for 15 billion yen from the company. Shifting ownership of the hotels to the REIT would allow them to focus on managing the properties, as the company expands including opening hotels overseas.

### **Looking back at the past four decades of spa and wellness, what would you consider "a defining moment?"**

Forty years ago, nobody knew about spa in Japan although there were traditional customs of hot-spring cure. After 2000, many world-class spas entered the Japanese market, spa was popularized and a boom ensued. That was the first defining moment. Currently, some leading spas are trying to create new value through co-innovation with other industries. That kind of trial should bring the next defining moment for our industry.

#### **SUBMITTED BY:**

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# ASIA: MALDIVES

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## **What is making News in Mauritius when it comes to spa and wellness?**

Mauritius is moving into a market segment shift as fewer Europeans, particularly the French, are traveling to the destination than previously. For a traditional island destination with an established reputation, this has caused the local operators to rethink their strategies and focus on emerging markets to boost business levels. The market shift has forced the operators to improve operational efficiencies to better manage costs and payroll whilst being aggressive in terms of pricing, and actively working to develop partnerships in new markets. This has had the local media discussing the viability of the tourism industry, is one of the major employers on the island. This has caused spa managers to become more entrepreneurial to attract guests and offer new treatments to cater to the increasing number of Chinese and Asian guests.

## **What is happening in Mauritius when it comes to wellness/medical tourism?**

Mauritius is not well known as a wellness /medical tourism destination. Rather it has a reputation for luxury and traditional spa experiences. One destination resort exists, offering a range of wellness services with LUX\* now entering the market, offering leisure wellness packages incorporating fitness, spa, nutrition and yoga.

A developing market is the eco adventure market with Mauritius perfectly suited to a range of activities such as trekking, mountain climbing, mountain biking and a range of water sports including kayaking, kite surfing, stand up paddle boarding and swimming with dolphins. Combining these activities with wellness services such as spa, yoga, nutrition and fitness could define a new market for Mauritius over the next 20 years.

## **Please give us one sentence to describe the latest developments in Mauritius?**

### **What is happening in hotel spas?**

There are a number of new openings and renovations occurring in Mauritius at the moment, with some major brands moving into the market. The properties have focused mainly on traditional spa concepts, and on modern spa architecture to attract clientele, rather than new innovative concepts.

### **What is happening in destination spas?**

With only one destination spa in Mauritius, there is not a lot on the horizon. The Mauritian market is focused more on family and couple vacations and is currently not seen as a destination spa location.

### **What is happening in hot spring spas?**

There are no hot springs in Mauritius, and hence no thermal spa projects.

## **What has been the general attitude towards investing in the spa and wellness arena?**

The general attitude is to invest as part of new hotel facilities. All the new projects have well-developed spas and are using the spa as a key feature to sell the hotel rooms. The problem is a number of older properties have spas which need to be renovated, which is not happening due to the current focus on cost containment and a reluctance to spend on existing facilities until business stabilizes.

**Looking back on the past 40 years of spa and wellness, what would you consider a defining moment?**

The defining moment for me was when spas became an essential facility in a hotel. No longer an option, but a critical element to any 4- or 5-star property. It took spa from the fringe and exposed it to a larger market, which is still discovering the benefits and experience of spa. From here we now have the opportunity to combine more closely with fitness facilities and nutrition within resorts which currently exist, however with little focus. Fitness currently is driving the wellness boom and there is an untapped opportunity in the hotel and resort environment to combine fitness and spa elements to create a wellness solution with more substance than pure pampering.

**SUBMITTED BY:**

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# ASIA: QATAR



## **What is making news in your country when it comes to spa and wellness?**

In recent years, the demand for beauty and personal care products has increased significantly in Qatar. Between 2008 and 2011 there was a 40% growth in value sales for these products. Qatari women and men place a strong emphasis on personal hygiene and good grooming. Internationally recognized brands are important in this market and highly in demand. The average treatment revenue increased by 19% from 2010 to 2012 to \$143. RevPATH Doha experienced a 50% growth from 2010 to 2012 to \$33.

The government is working to raise awareness of the benefits of a healthy lifestyle. Obesity and type-2 diabetes are big problems in Qatar. According to statistics 71% of the population is overweight and 32% are obese or morbidly obese. In 2013 the first National Sports Day took place and there are many governmental efforts to promote Sports and healthy living. Gym memberships and exercise classes such as Yoga, Pilates and Zumba are on the rise. There is a great demand for women-only facilities.

Going back to basics using organic ingredients, simpler menus and increased personal service is a trend in the spa market. Consumers are realizing that wellbeing is more than a single treatment and are seeking opportunities to address their health, nutrition and fitness, all at the same time. People want to see instant results from Spa treatments. There is an increased demand for water inspired treatments: Hammam rituals, saltwater bathing, Vichy showers and cold or ice therapies. Retail spa products are more and more in demand, as consumers want to take the spa experience home to prolong the results.

## **What is happening in your country when it comes to wellness tourism and/or medical tourism?**

Despite the fact that plastic surgery used to be considered taboo in Qatari society, an increased demand can be observed. The main drivers are high disposable incomes combined with increasing pressure to look good. Only few cosmetic surgery clinics can be found in Qatar. Most consumers travel abroad to Europe, the US and Lebanon for their surgery.

The most popular cosmetic treatments for females are liposuction, nose corrections and breast enlargements. Women in their thirties and forties often opt for eyebrow and face lifts, while younger women tend to go for less invasive procedures, such as chemical peels, laser resurfacing and laser hair removal. Some Qatari men undergo cosmetic surgery such as liposuction and weight-loss surgery.

## **Please give us one sentence to describe the latest developments in your country for each of these spa categories:**

### **What is happening with hotel spas?**

Four-star and 5-star hotels featuring luxurious, high quality Spas dominate the hotel supply in Qatar; the trend is to offer more holistic experiences to increase physical and mental wellbeing.

### **What is happening with destination spas?**

Due to the fact that Qatar does not have a lot of international tourism, 65% of the tourism inbound is from Saudi Arabia, there are not really any destination spas; the ones you could consider as such are located in 5-star hotels like the Four Seasons and the Ritz-Carlton.

### **What is happening with hot springs spas?**

There are no hot spring spas in Doha yet; Angsana Spa is the only place in Doha that offers Hydrotherapy; however popular water-related treatments are Hammam journeys.

### **What has been the general attitude about investing in the spa/wellness arena in 2013?**

The general attitude about investing in Qatar is very positive. Doha is getting ready for the FIFA World Cup in 2022 and the hotel market, including spa and fitness facilities, is booming. Between 40-60 new hotels are expected to enter the market within the next few years, representing about 35,000 rooms by 2022. Qatar is spending up to \$100 billion on infrastructure developments in the tourism, real estate and transportation sectors.

Shrangri-La Hotel is opening at the end of 2013 featuring Chi Spa. The luxury hotel brand Waldorf Astoria is expected to open its property in Doha in 2017 including a huge and luxurious spa. Pullman, Mandarin Oriental and another Four Seasons are projected to open in the next few years all including spa and wellness facilities.

Linked to the governmental efforts to promote a healthy lifestyle, sports and recreational clubs are increasing in demand and continuous growth can be expected in future years. Competition is fierce with most spas offering memberships.

### **Looking back at the past four decades of spa and wellness, what would you consider “a defining moment?”**

The holistic approach to physical and mental wellbeing and numerous research proving the effectiveness of alternative methods and treatments, are in my opinion “a defining moment” for the spa and wellness industry. Further, clinical proof and increased demand of natural and organic cosmetics are, to my mind, groundbreaking for the industry.

#### **SUBMITTED BY:**

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# ASIA: RUSSIA

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## **What is making news in your country when it comes to spa and wellness?**

The first National Governmental Standard for non-medical spa treatments, initiated and elaborated by Spa & Wellness International Council (SWIC) has been officially adopted in Russia. With practically all beauty treatments considered medical in Russia, and the developing spa and wellness market threatened with very strict regulations, the new standard constitutes a real breakthrough for the whole industry, not only in Russia but in CIS states - Ukraine, Belarus, Kazakhstan - that also follow Russian regulatory patterns. The obligatory medical license that has been a great obstacle for new spas, especially in the hospitality segment, would be easier to obtain for hotel /resort spas, as well as day spas, due to the new federal standard. SWIC has managed to gain support from the governmental authorities for the further standardization of the spa and wellness market in Russia and neighboring states.

## **What is happening in your country when it comes to wellness tourism and/or medical tourism?**

For quite a long period of time the majority of Russian tourists have been traveling abroad both for health and leisure. The huge segment of the Russian wellness market represented by traditional health resorts was immobilized and near stagnation. The situation started to change with private investments in the wellness market, as well as with “locality” trends becoming popular among Russian citizens. There are about 600 former health resorts and rehabilitation clinics that have chosen spa and wellness as their new focus. Operating as healthcare institutions, they are located in climatic resorts, like seashores, and often possess their own mineral sources. It is still problematic to attract international tourists to Russian wellness resorts, as the infrastructure is generally undeveloped. But the 2014 Olympic games in Sochi, a city popular for its historic health resorts where a large number of modern spa hotels have been constructed recently, is sure to give a boost to wellness tourism in Russia.

## **Please give us one sentence to describe the latest developments in your country for each of these spa categories:**

### **What is happening with hotel spas?**

The category of hotel spas was the last one to develop in Russia, as the hospitality business followed the old Soviet model for years, adhering to the strict rules and regulations. With the entry of international hotel operators onto the Russian market, spas in hotels became an important issue. There are about 50 hotel spas already operating and a lot more due to open in the near future, as the analysts predict a 70 percent growth of the hospitality market. The international spa operators (ESPA, Mandara Spa, Bliss) have been able to maintain the highest rating of popularity among clients.

### **What is happening with destination spas?**

A number of destination spas have recently opened as “spa hotels”, both in traditional resorts and in the newly developing areas, such as Altai, Urals, Siberia and even the Far East of Russia. Focusing on local treatments, ethnic healing traditions and natural resources, the new spa destinations would be attractive for international tourists. Most unexpectedly, there are some destination spas located close to big cities, i.e. Moscow, and despite the high prices for accommodation and treatments, their occupancy rates are continuing to grow.

**What is happening with hot springs spas?**

Hot springs spas are an old-age tradition for Russians. Since Balneology is still considered part of the healthcare system, practically all mineral spring spas operate with a medical license and provide full-scale rehabilitation services, including medical check-ups, detoxification and nutritional programs.

**What has been the general attitude about investing in the spa/wellness arena in 2013?**

The Russian spa industry is showing tremendous growth activity in private investments, both national and foreign. But there is little initiative coming from the governmental authorities, leaving spa to be classed as an “outlaw” notion. The inevitable development of the hospitality industry is most likely to be followed by another spa boom, on the condition that serious obstacles such as bureaucratic regulations are removed.

**Looking back at the past four decades of spa and wellness, what would you consider “a defining moment?”**

Last year the GSWS in Aspen was marked by reaching “the point of no return” for the global spa industry , when the absolute necessity of the scientific and medical evidence for spa treatments was declared. The presentations by prominent scientists and physicians at the summit demonstrated that spa business is open to implementing innovative technologies. It is becoming more and more evident that spa of the future will be not so much about relaxation but would be considered the right place for self-improvement and active longevity.

**SUBMITTED BY:**

Elena Bogacheva

President

Spa & Wellness International Council (SWIC)



# ASIA: SAUDI ARABIA

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## **What is making news in your country when it comes to spa and wellness?**

The only spas that operate in Saudi Arabia are Day Spas. Even those are considered a taboo for traditional (so-claimed religious) reasons. Moreover, there are no formal licenses for day spas. They currently operate under five categories:

- Day spas associated with hospitals, which are licensed by the Health authorities as physical therapy centers.
- Day spas associated with fitness centers that are regulated by the Sports authorities, again as part of physical therapy.
- Female day spas that are part of women beauty salons. They are considered illegal but are left to operate with a blind eye.
- Male day spas that are part of barbershops. They are also considered illegal and are also left to operate with a blind eye.
- Hotel day spas that are in hotels. Also considered illegal, and also left to operate with a blind eye.

Recently it was announced that day spas, which offer massages and body scrub (Moroccan bath) services, will be regulated only by the Sports authorities. However, female fitness centers are still not permitted.

“Wellness” in Saudi Arabia is an ambiguous word. It is either associated with the medical or sports field. Any reference to the “soul / spirit” is considered a taboo, again for tradition (so-claimed religious) reasons. However, public awareness about Wellness (healthy lifestyle) is on the rise due to the increase in diabetes and obesity nationwide.

## **What is happening in your country when it comes to wellness tourism and/or medical tourism?**

Considering the restrictions on regulating spas in Saudi Arabia mentioned above, in addition to the scarcity of qualified resources, both wellness and medical tourism are practically non-existent in Saudi Arabia.

## **Please give us one sentence to describe the latest developments in your country for each of these spa categories:**

### **What is happening with hotel spas?**

Currently operate illegally, lack regulations, but could have potential.

### **What is happening with destination spas?**

Not available due to lack of regulations.

### **What is happening with hot springs spas?**

No hot springs in Saudi Arabia.

## **What has been the general attitude about investing in the spa/wellness arena in 2013?**

Investment is mainly done by owners themselves. Enaya Care Co. is one of first and only salon & spa businesses to secure bank financing in Saudi Arabia.

**Looking back at the past four decades of spa and wellness, what would you consider “a defining moment?”**

No defining moment yet, but easing the restrictions and regulations on the industry would open up the market to more players.

Note : Saudi are part of GCC which include other counters like UAE and city like Dubai which can be the real hub for all kind of tourism spas & wellness in the region and the world by 2020 if such summit take place in Dubai by 2020 which Enaya Care Company will be already there and can help to work closely with Dubai professional authorities to make such summit take place within Dubai during 2020 .

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# ASIA: SINGAPORE

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## **What is making news in your country when it comes to spa and wellness?**

The recent national election and national policy changes to reduce the number of foreign workers has significantly affected the industry, and I would expect a shake up in this sector with some of the wellness companies restructuring and consolidating their businesses and weaker ones closing down.

More government institutions such as Institute of Technical Education and Republic Polytechnic are training new entrants into the wellness and spa industry, as well as at mid career level.

## **What is happening in your country when it comes to wellness tourism and/or medical tourism?**

There are a growing number of quality international branded spas that have opened up in Singapore in the past year, with ESPA positioned as a destination spa at Resort World Resort.

Banyan Tree has launched their very first spa in Singapore, and along with the launch of the W Hotel and the Westin hotel, the number of quality spas that attract both international tourist as well as locals has increased.

Medical tourism has always been one of the key growth sectors that are strongly being encouraged by the government. Next year with the launch of Connexion, the medical tourism market will see a new first for the Singapore market with the twinning of Farrer Park Hospital, a 220-bed private tertiary hospital with a luxury hotel named One Farrer Hotel & Spa. One Farrer Hotel & Spa offers its guests choice accommodations ranging from serviced apartments to villas to standard hotel rooms. The centre is equipped with video-conferencing capabilities linked to Farrer Park Hospital's operating theatres and the Institute of Nutrition.

Hotels that target high end medical travelers from around the region will increase the number of beds offered for medical travelers and suites for their families.

## **Please give us one sentence to describe the latest developments in your country for each of these spa categories:**

### **What is happening with hotel spas?**

With the launch of the integrated resorts in Singapore, the strong growth in the number of tourists has increased significantly. The launch of new hotels such as W, Westin, Marina Bay Sands, Resort World Singapore in the last year has also brought with it new and exciting spa brands and concepts to Singapore. However, there are challenges with staffing especially with the cuts in the number foreign workers.

### **What has been the general attitude about investing in the spa/wellness arena in 2013?**

Although the demand for spa and wellness services has increased over the last five years, the challenge in finding staff continues. This will certainly impact some of the new players and may slow down the investment in new day spas for the next year or so until things stabilize.

### **What has been the general attitude about investing in the spa/wellness arena in 2013?**

The moment is now, as the wellness industry associations are effective in engaging the policy makers to raise the profile and image of the wellness and spa industry. A major research study was commissioned last year and some of the

recommendations are being implemented at the governmental level and association level.

Examples include: the setup of the first registry of wellness and spa professionals in a e-registration platform; funding for using e-booking systems; and the separation of sex workers from therapists when it comes to health and sexual disease screening and education.

At the same time, there is a lot of emphasis on productivity training and grants to support the use of technology to improve business performance and practices.

The next five years will see a sleeker and better-trained industry.

**SUBMITTED BY:**

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# ASIA: THAILAND

## What is making news in your country when it comes to spa and wellness?

In August, the Tourism Authority of Thailand (TAT) organized the second Thailand Medical & Wellness Tourism Trade & Media Familiarization Trip, inviting international medical tourism facilitators, travel agencies, and media to experience the world-class medical centers, clinics, wellness spas, and health resorts of Thailand.

The Thai government established a policy to promote Thailand as a medical tourism hub, focusing on the following four areas: medical treatments, health promotion, traditional Thai and alternative medicine, and health-related products (specifically Thai herbs). Led by the Thailand Board of Investment (BOI) and The Ministry of Public Health, this policy is to be implemented between 2012 and 2016 and expected to bring nearly \$25 billion into the country over the next five-year period. Additionally, BOI recently began issuing TISO incentives to foreign companies operating in Thailand (including those that offer consulting services, such as spa and wellness consultants), which grants them 100% foreign ownership, land rights for office space, and visa/work permit support for foreign employees.

Over the past few years, we've witnessed the establishment of major medical/wellness centers by leading industry players, including the Bangkok Mediplex (opened in 2011), a one-stop shopping center for all healthcare and wellness needs, and the World Medical Center (opened in 2013), a premium tertiary care facility operated under the Bangkok Chain Hospital. Due to Thailand's rapid commercial real estate development, we anticipate the establishment of many more of these types of centers. However, we foresee that saturation of the market and compromised quality will leave only the most successful centers standing in the coming years.

## What is happening in your country when it comes to wellness tourism and/or medical tourism?

According to a 2012-2013 study, TAT reported 858,340 trips and approximately USD \$967 million in total revenue generated from medical, health, wellness and spa tourists. Over the past decade, spa revenues accounted for 1.1-1.6% of Thailand's total tourism revenue, while medical tourism revenues accounted for 0.5-1.2% (Euromonitor, 2012). Altogether, spa and medical tourism revenues constituted approximately 0.1-0.2% of Thailand's Gross Domestic Product (The International Monetary Fund, 2013). Travel Daily Asia (2013) forecasts that health and wellness tourism in Thailand could be an approximately \$62 billion industry by 2014. Thus, in the near future we anticipate significant growth in medical tourism, as TAT has set out to expand existing target markets while tapping into new ones.

On the consumer side, there has been a gradual shift away from reactive care towards a more preventive approach. This is evident in the rising number of medical/wellness centers focusing on more holistic lifestyle practices, as well as a boom in all types of spa facilities. Several hospitals, such as Bumrungrad Hospital and Bangkok Hospital, are no longer reserved for illness or diseases but now include health consultations, wellness programs, and a wide range of beauty services.

## Please give us one sentence to describe the latest developments in your country for each of these spa categories:

**Hotel Spas:** This continues to be the most developed spa segment in Thailand, generating the largest revenue and growth.

**Destination Spas:** This segment remains relatively stagnant. Other than the few well-known destinations, such as Chiva-som and Kamalaya, there have not been many noteworthy developments in the last three to five years.

**Hot Spring Spas:** This segment continues to be largely hidden from tourists, as most of natural hot springs in Thailand

are located within restricted national park areas where many of the spas are small in scale and run by local operators.

### **What has been the general attitude about investing in the spa/wellness arena in 2013?**

Following challenging economic times resulting from political instability, major flooding, and the effects of the global financial crisis, Thailand appears to be experiencing a recent surge of interest and activity related to investing, spa and wellness.

**Tourism Boom:** International tourist arrivals to Thailand have increased significantly over the past three years. MasterCard (2013) recently reported that Bangkok is now the most visited city by international tourists, ranking first among tourist destinations globally.

**Hotel Industry:** Thailand's tourism and hotel industries are making a strong comeback, demonstrating positive growth and solid prospects. 2012 was an especially lucrative year for hotel investment in the country, with over \$124 million in hotel transactions undertaken and international players becoming increasingly present on either the buyer and seller side (Jones Lang LaSalle, 2013).

**Economic Incentives:** BOI has exercised several economic incentives for spa, wellness, and related investors, including income tax exemption for health care providers, hospitals, producers of health food, and manufacturers of medical tools; benefits for pharmaceutical businesses; and tariff reduction for importers of medicine and medicinal ingredients.

**Overall Consumer Spending:** A recent survey conducted by the University of the Thai Chamber of Commerce estimated that spending in 2013 was slated to reach over \$3 trillion, up nearly 16% from 2012 and the highest in seven years.

### **Looking back at the past four decades of spa and wellness, what would you consider “a defining moment”?**

Thailand has witnessed several “defining moments” in spa and wellness; however, the integration of Thai massage into mainstream spa and wellness tourism is certainly among the most interesting. It is said that Thai massage, also known as “lazy yoga,” was conceived in the Himalayan foothills over 2,500 years ago and later carried by Buddhist scholars and traders into the region now known as Thailand. The sacred practice was historically performed at temples and in communal areas around the country and over the years has gradually established itself as a staple treatment on spa menus, not only in Thailand but around the world.

#### **SUBMITTED BY:**

Ingo R. Schweder

Chief Executive Officer | GOCO Hospitality

Managing Director | Horwath HTL Health and Wellness



# ASIA: UNITED ARAB EMIRATES

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## **What is making news in your country when it comes to spa and wellness?**

People are becoming more conscious about their bodies, health and wellbeing, and more focused on preventive programs than on healing. Therefore spas are offering hydro baths that are detoxifying, stimulate the blood circulation and are good for the flow of lymphatic systems. There are many luxurious and unique facilities and treatments offered, as well as new trends in cosmetics and machinery.

## **What is happening in your country when it comes to wellness tourism and/or medical tourism?**

Health retreats and medical tourism have become big business around the world. With state of the art infrastructure and unbelievable luxury offerings, Dubai ranks among the top tourism destinations around the world. Over time it has evolved into a major player in world health tourism by offering a variety of medical procedures to visitors in search of quality health care at affordable prices.

Medical facilities in Dubai are available at a low cost and can be compared to the standards of the USA and UK. Dubai has been promoting medical tourism and its cosmetic surgeries are known to attract tourists from all across the world who can also indulge the luxuries on display in the shopping malls and enjoy duty free shopping.

There are many qualified doctors in Dubai, including American Board Certified, offering cosmetic surgery through hospitals and boutique clinics, including American Hospital, Belhoul European Hospital, Cosmesurge, Welcare Hospital. Major procedures such as hip and knee replacement are being carried out at Dubai Bone and Joint Center.

Dubai Health Care City (DHCC), which was formed with the objective of providing quality healthcare to patients and an integrated centre for clinical and wellness, medical education and research within an informed regulatory network, will be the largest international medical centre between Europe and Southeast Asia. It, will offer a wide range of medical services for visitors as well as world-class medical education and research.

The latest news is that Abu Dhabi Wellness Tourism in Saadyat Island Resort is opening its new DNA Center, which will contribute to attracting visitors in the medical tourism sector to UAE. This is despite travel agencies in the UAE being mandated since 2011 not to promote such tourism without authorization from destination countries.

Last year, 100 Emiratis and expats went abroad through the travel management company Anta GlobalStar. “That number has been rising between 8 and 12% every year over the last three years across all destinations,” said Ajay Nair, the head of corporate travel and sales for Anta GlobalStar. The Anta group partners with the London-based travel company GlobalStar in the UAE.

“With the national and budget carriers expanding their routes and this segment being seen as a lucrative opportunity for various countries within the Gulf and abroad, I do see considerable traction in outbound medical tourism rising over the next coming years,” he said.

At the same time, the UAE is positioning itself as an upcoming destination for medical tourists from Middle Eastern countries as well as those from the Commonwealth of Independent States.

**Please give us one sentence to describe the latest developments in your country for each of these spa categories:**

**What is happening with hotel spas?**

Dubai's 5-star hotel guests' willingness to spend on spa services appears to be strengthening. The latest report by Ernst & Young reveals that hotel revenue has increased on spa services compared to last year. Sixteen hotels in Dubai opened their doors this year, all with spa treatment rooms and fitness facilities included.

**What is happening with destination spas?**

More residents and locals, and more tourists are now attracted to destination spas.

**What is happening with hot springs spas?**

Al Ain Hot Spring in the foothills of the country's highest mountain, Jebel Hafit, is part of a master plan designed to make Al Ain, which is still under construction, an international tourist center.

Golden Tulip Khatt Springs Resort and Spa, located in RAK, offers many services, but according to reviews it is not yet of a sufficient standard to attract many visitors.

**What has been the general attitude about investing in the spa/wellness arena in 2013?**

Within hospitals, we have seen the opening of beauty clinics and yoga centers, while in fitness centers there now are nutrition and diet programs available for customers.

**Looking back at the past four decades of spa and wellness, what would you consider "a defining moment?"**

In the past people believed that the average life expectancy was 65-75 years, but now everything is changing. Many people wish to be more healthy so they can live longer.

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# ASIA: UNITED ARAB EMIRATES

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## **What is making news in your country when it comes to spa and wellness?**

The UAE is currently growing in terms of suppliers and we have so many more products to choose from that suppliers are realizing we are a healthy market to invest in. We are still growing; in terms of hotels there over 200 currently with a dedicated spa. The Palm Island has eight Hotels operational now, each with a spa. Four years ago there was only one on The Palm - us!

## **What is happening in your country when it comes to wellness tourism and/or medical tourism?**

Wellness and Medical tourism are on the increase and appear not yet to have reached their full potential, even growing at a 15% increase each year, with more hospitals opening around the UAE and specific care centers in particular in Dubai Healthcare City and Abu Dhabi. Medical and Wellness centers are starting to consider treatment for chronic disease alongside lifestyle and healthy aging therapies. The UAE is among the top 20 worldwide destinations for medical tourism, according to a recent health tourism survey.

## **Please give us one sentence to describe the latest developments in your country for each of these spa categories: Hotel spas? Destination spas? Hot springs spas?**

We are still growing our medical services; our non-invasive treatments are very popular and we have expanded into teeth whitening. The wellness part of spa and wellness is being focused on and we are looking at various age management and alternative therapies to combat and prevent disease, we hope that this will expand into specific wellness tourism. Education is also still key: in 2014 we intend to encourage all of our therapists to acquire more internationally recognized qualifications.

## **What has been the general attitude about investing in the spa/wellness arena in 2013?**

The spa and wellness arena is still a healthy option in terms of investment in the UAE and is very much a part of the new UAE culture. Healthy living is a big focus right now, and people are looking to manage their lifestyles. The average age in the UAE currently stands at 32, so we have a vast representation from what would be classed as a middle age bracket. This bracket tends to have more disposable income and an increased desire to take better care of themselves, mentally and physically.

## **Looking back at the past four decades of spa and wellness, what would you consider “a defining moment?”**

The synergy of spa with wellness, has taken some time to evolve, mainly due to diverse interpretations of both spa and wellness.

### **SUBMITTED BY:**

Neil Hewerdine  
Kerzner International Resorts  
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# AUSTRALIA: AUSTRALASIA

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## **What is making news in your country when it comes to spa and wellness?**

In Australia wellness is finding a stronger focus, with health retreats expanding. Likewise, public knowledge, acceptance and interest are all on the rise. Spas are more frequently linking their offerings to their own brand of spa products. Australian products have unique points of difference and sell very well in the international marketplace.

## **What is happening in your country when it comes to wellness tourism and/or medical tourism?**

We have a strong ability to service wellness-based tourism in Australia. Whether it be urban spas, health retreats or hot springs spa destinations, we now see a large variety and diversity in offerings.

## **Please give us one sentence to describe the latest developments in your country for each of these spa categories:**

### **What is happening with hotel spas?**

Hotel operators are now more convinced that a spa is as critical to a hotel's development as, say, a swimming pool, and therefore hotel spas are becoming more of a mainstream feature.

### **What is happening with destination spas?**

We've had quite a strong focus on health-based retreats over the last 30 years. We have a wide selection of health retreats that are leading the industry in a way comparable to the international market.

### **What is happening with hot springs spas?**

The hot spring market is growing and the number of facilities in Australia continues to rise. This market is more open and experiential.

## **What has been the general attitude about investing in the spa/wellness arena in 2013?**

Hotel operators are investing in new spas, as are some independent health retreat companies.

## **Looking back at the past four decades of spa and wellness, what would you consider "a defining moment?"**

When I started in 1997, there were approximately 6 urban day spas in Australia; now we have well in excess of 300 (though not all of these are full service spas with a hydrotherapy offering). The growth in the day spa market has happened mainly in the last 10 years and even though Australia is still a very young spa market, we are starting to see a much broader public acceptance of spa and wellness overall.

## **SUBMITTED BY:**

Lyndall Mitchell  
Founder



# AUSTRALIA: AUSTRALIA

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## **What is making news in your country when it comes to spa and wellness?**

- Traditional residential wellness retreat centres are continually reviewing the service mix they are providing. One of the longest running facilities, Golden Door, recently re-opened under a co-branding arrangement with the Biggest Loser Retreat, with a clear focus on weight loss. In its first month of operation under this banner (August 2013), the property doubled occupancy from the same month in 2012. Obesity is one of the major health issues in Australia and hence one of the largest growth potentials for the spa industry.
- Chinese customers are coming in rapidly increasing numbers and are willing to spend on spa and lifestyle activities.
- Medi-spas are finally coming into their own, with franchises growing. Non-surgical aesthetic equipment is now more affordable with the high Australian dollar.
- Management education is a growing industry stream. Recent developments include the William Angliss Institute Diploma of Holiday Parks and Resorts, specialising in spa and wellness ([angliss.edu.au/Resorts](http://angliss.edu.au/Resorts)), and the Australasian Academy of Cosmetic Dermal Science nationally accredited Diploma of Management (Medispa Practice), starting in 2014 ([aacds.com.au](http://aacds.com.au)).

## **What is happening in your country when it comes to wellness tourism and/or medical tourism?**

This is unlikely to become a viable market in Australia while the dollar remains high.

Chronic lifestyle diseases like diabetes, obesity and stress are driving domestic wellness tourism trends for both weekend and month-long destination spa stays.

Wellness education is a strong aspect of the Australasian industries. Super-clinics that combine general medical practitioner health with complementary therapies and aesthetic treatments in long-term relationships with clients are transforming healthcare. One example: Exqisit You Medispa in 'outback' Australian town of Mackay (<https://www.facebook.com/FaceOfExqisitYou>).

## **Please give us one sentence to describe the latest developments in your country for each of these spa categories:**

### **What is happening with hotel spas?**

While the penetration of spas into all major hotels is complete, a number are becoming more stylised and thematic, refining a unique 'story' into the spa offering. As per international trends, healthier offerings are being added to hotel menus across the board to reinforce wellness services in the spa.

### **What is happening with destination spas?**

Weight loss is again becoming an area of focus and concern. Affordable options and boutique luxury with wellness offerings complement the main players in destination/retreat spas.

### **What is happening with hot springs spas?**

Global best practice research into the hot springs industry is being funded by two existing and two start-up hot springs developments in the state of Victoria, spurring the dawn of a new and significant industry segment in Australia.

At this time, while there are over 40 hot springs to be found throughout Australia, only Victorian hot springs have incorporated spa services into their offering.

### **What has been the general attitude about investing in the spa/wellness arena in 2013?**

Historically low interest rates and a relatively robust demand has encouraged continual investment and re-development in the spa and wellness arena. However, the high Australian dollar has seen discretionary tourist spend mainly used offshore in nearby spa destinations of Indonesia and Thailand, so local spas generally focus on a functional maintenance approach and regular delivery of services rather than investment into elaborate facilities.

Product brands have taken a conservative view in 2013 but confidence seems to be rising for 2014 in terms of marketing and education spend.

Employee wages remain a high cost centre in all Australian businesses, so staff education— to encourage retention— is considered an important investment program by most spa operators. **Looking back at the past four decades of spa and wellness, what would you consider “a defining moment?”**

In the late 1970s the Australian Federal Parliament passed legislation that legalised prostitution. In the lead up to the introduction of the new legislation the parliament was appealed to outlaw the use of the words ‘massage parlour’ in relation to prostitution effectively emancipating the word ‘massage’ from the red light prostitution business. With a new-found freedom, massage has been able to evolve as a legitimate element of a healthy wellbeing lifestyle and the day spa industry was enabled to commence. In the early 1990’s massage was introduced into the health training packages in the education system further legitimising the industry.

Also from the 1970s, changes to Australian government immigration policies brought Asian immigration in waves— along with a wealth of wellness-related knowledge such as TCM and massage techniques, which means affordable alternative wellness and beauty services have proliferated in cities and towns.

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# EUROPE: AUSTRIA

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## CURRENT STANDING

The Spa and wellness industry in Austria continues to be very strong. Deeply rooted in the traditional European medical cure tradition and its numerous thermal baths, Austria became an early adopter (some say pioneer) of the modern wellness industry in the late 1980s. Ever since then it has built up its position as a potent player in the international spa and wellness market. The hotel market in Austria has always been dominated by privately owned businesses; hotel chains have been hardly noticeable till recently. Consequently, the average hotel size in Austria is smaller, and the hotel density higher compared to international standards. A great number of hotels have added spa and wellness offerings to their portfolio, a trend that continued even through the financial crisis. According to a renowned hotel testing company there were close to 700 wellness hotels in Austria by 2005. In 2012 more than a thousand hotels claimed that wellness label for themselves, an increase of 50% in 7 years. Not all of them are high quality, of course, but they all indicate the outstanding significance of the wellness industry in Austria. According to the Austrian Tourism Bank, 44 out of a 100 4-star and 5-star hotels in Austria offer Wellness in some form, 14 of them as a core business. Hotels with a dedicated wellness priority are 50% bigger than the average hotel with 150 versus 100 beds respectively. Similarly, the occupancy rate of dedicated wellness hotels is approximately 25% higher, the revenue about twice as high as in the average 4- or 5-star hotel in Austria. So far, so impressive.

This euphoria triggered an unparalleled investment boom in the Austrian wellness industry during the last decade. A great number of thermal spas were built or re-built, high quality wellness hotels and health resorts were developed. However, the boom also led to significant over-building and over-spending. A considerable number of enterprises are still suffering from these exaggerated and often one-sided investments in expensive wellness infrastructure.

## ECONOMIC ASPECTS

Austria is a small country in the center of Europe. With a population of hardly more than 8 million, Austria welcomes more than 36 million tourists annually, producing a tourism revenue of over € 21 billion every year. This is approximately 5% of Austria's gross domestic product. It goes without saying that the domestic market cannot produce these figures, so the large majority of tourists comes from out of the country. Traditional source markets like Germany are stagnating (on a high level); others are slightly breaking down, for example, Italy, due to its current economic problems. Other markets, mainly the new middle classes in the eastern European countries and Russia, are growing rapidly and are together responsible for a continuous growth of the domestic Austrian spa and wellness market. This is particularly true of high end spa offerings.

## SPA CATEGORIES

Due to its particular tradition and natural resources, thermal spas are still an important factor in Austria's spa industry. Big investments have been made in the eastern part of the country with considerable economic success, particularly in the early phase of the boom, but a saturated market can be discerned today. Medical spas are clearly on the rise, the demand is constantly increasing. High labor costs in Austria, particularly for professional staff, force medical resorts to be an expensive high-end product and to remain only a segment in the overall spa market, however prestigious and lucrative. Austria's medical spa market clearly profits both from the reputation of its medical tradition and the intactness of its natural surroundings. As described above, the resort spa and hotel spa sector constitute the backbone of our domestic spa

industry and will continue to do so in the near future. Day spas are on the rise, particularly in urban settings. They were practically nonexistent in Austria a decade ago.

## **INNOVATION**

Competition triggers innovation. It is not surprising, therefore, that numerous innovative ideas, offerings and wellness concepts originate in Austria. Wellness clusters and public subsidies support innovative ideas and developments. Architecture and design have become an important distinguishing factor in younger spa projects. A new interpretation of the traditional alpine style has been developed lately: young, functional, colorful and consequently local in its materials and products. An increase of outdoor programs can be observed in many spa menus, obviously due to the growing nature deficits of western society. Similarly, burnout and lifestyle management programs are on the rise as a consequence of the evident new demand. Unfortunately, in many cases these are not professionally developed yet (as honestly multi-disciplinary and holistic offerings).

## **CHALLENGES & OPPORTUNITIES**

Austria's spa industry has faced enormous quantitative growth during the last two decades. Numerous flagship hotels and medical resorts have been developed on an internationally renowned level. However, too many projects have been realized on a similar 4-star level with similar architecture and similar offerings. There was too much belief in the mere development of exchangeable infrastructure. Many of these wellness hotels are finding themselves in a stagnating or negative price spiral today. All these undeveloped hotels are now at the threshold of truly content-related developments and strategic progressions in order to redefine their individual USPs. A big challenge, no doubt.

But this challenge also implies big opportunities. And these lie in the very structure of the Austrian family-owned small scale hotels. All relevant offerings in these hotels are intensely interwoven with each other - the cuisine, the room structures, the community rooms, the wellness department, indoor and outdoor - so that the concept for such a wellness hotel needs to be developed as a whole. And this is exactly what the experienced customer demands today: one style, one goal, clearly defined target groups, seamless treatment, sleep, food, nature and educational concepts in a community-building and personalized small scale setting. All this can be delivered by this kind of hotel business far better than by any international hotel chain. Here lies a great opportunity for the Austrian wellness industry in the years to come.

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# EUROPE: FRANCE

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## **What is making news in your country when it comes to spa and wellness?**

A new way of living - healthy diet, bio food, exercise are mostly associated with wellness. Spa is either a deluxe product limited to 5-star hotels or connected with health cures like Thalasso therapy.

## **What is happening in your country when it comes to wellness tourism and/or medical tourism?**

There is no economic incentive to go to a medical destination since the French health system is very generous. Wellness tourism, on the other hand, is growing very fast.

## **Please give us one sentence to describe the latest developments in your country for each of these spa categories:**

### **What is happening with hotel spas?**

Spas are expanding nowadays and there is competition over who will have the most sophisticated treatment for females, and for more and more male customers.

### **What is happening with destination spas?**

The traditional spa destinations associated with mineral waters (Evian, Vichy, etc.) are making a comeback and offer a wide range of treatments, alongside conventional entertainment, like classical music festivals and art exhibitions, to attract a new type of customer.

### **What is happening with hot springs spas?**

There are very few hot springs destinations in France, though the few places that do exist enjoy a small but constant flow of visitors.

## **What has been the general attitude about investing in the spa/wellness arena in 2013?**

The trend is mainly in improving the existing spas. More generally, wellness is becoming more important in consumer decision-making. Senior citizens and the body-conscious, affluent segments of the market are leading the movement, and this has prompted growing press coverage.

## **Looking back at the past four decades of spa and wellness, what would you consider “a defining moment?”**

The defining moment came when wellbeing became important in people’s minds. The causes are numerous: stress, urbanization, the desire to look young and stay healthy. The trend has been growing steadily since the 1990s.

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# EUROPE: FRANCE & BELGIUM

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## **What is making news in your country with regards to spa and wellness?**

2013 has seen a lot of French days spas and hotel spas asking Spa-Management companies to run their operations in order to improve efficiency, profitability and guest experience. Spa Menu re-engineering is also a big trend, with simpler offers, shorter menus, and more efficient treatments and massages. In 2014, we should see some strong Spa, Wellness & Leisure Management companies emerge in France and Belgium.

## **What is happening with wellness tourism in your country?**

In 2012, 83 million tourists came to France (including an increasing number of Chinese travelers), but they are usually in transit to other European countries, like Italy or Spain, where they stay longer and spend more money.

With a strong tradition of healing waters, French Spa professionals have worked hard these past few years to renew some of their Thalassotherapies & Thermal centers. Out of the 150 centers that TIP TOUCH International has studied in 2011 and 2012 for an exclusive research project, we found the following break-down:

- 11% are traditional thermal centers (mainly for para-medical purposes, with no wellness or spa component)
- 33% are thermal centers with a wellness offer
- 17% are “Thermal Spas” (with a higher focus on design and service than thermal centers)
- 6% are “Thermoludic” centers encouraging families and couples to spend 2 hours or more in themed water and heat experiences
- 9% are traditional Thalassotherapy centers
- 4% are “Marine Spas” (with a higher focus on design and service than Thalassotherapy centers.)

French thermal and Thalassotherapy centers are extremely eager to renew their appeal, using evidence-based research (aka SMR, “Service Medical Rendu”) on the multiple benefits of water treatments against rheumatisms, pulmonary diseases, skin problems, even against depression. They are also very involved in raising their quality of service, and enhancing the clients’ experience level.

## **Please give us one sentence to describe what is happening in your country for each of these categories:**

### **Hotel Spas?**

Moving from luxury segment (5-star) to a broader popular clientele with a lot of 4-star hotels (even 3-star and trailer parks) offering a spa/wellness component; with an increasing number managed by a local esthetician, or by a Spa Management company.

### **Destination Spas?**

A lot of hotels with a Spa in beautiful locations, or Marine/Thermal Spas, are trying to position themselves as Destination Spas, but none can yet compete with the impressive offer of wellness activities offered by Miraval, Canyon Ranch, Rancho La Puerta...

**Hot Springs Spas?**

A booming number of Thermal and Marine Spas are raising the bar in design and services to improve guests' experience (see above).

**What is your country's position on investing in the spa industry in 2013?**

After three years of feverish debates about a French norm for Spas, the current disappointing document is leaving the spa industry very perplexed: its working title could be "Much ado about nothing..." Sad but true.

**Looking back at the past four decades of spa and wellness, what would you consider to be a defining moment?**

The 60 to 80% discounts on Groupon deals have been a game changer, shattering the perception of value by new clients who hope to get a "spa experience" for a handful of dollars or euros. Unfortunately, most small Spa owners did not take this opportunity to train their teams in rebooking, cross-selling and up-selling. The new defining moment is for Spas to stand out on the internet (PC, smart phones, tablets) and attract online to on-site clients with Search Engine Optimization, online bookings and Customer Relationship Apps.

**SUBMITTED BY:**

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# EUROPE: FRANCE

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## **What is making news in your country when it comes to spa and wellness?**

Most recent Wellness Spas now offer treatments such as Collagen Mask, glycolic acid peeling, AHA, and Botox. Spas are no longer associated just with wellness and Medi Spas are opening in big cities. Wellness without visible results is becoming a harder sell, except in Spa retreats.

## **What is happening in your country when it comes to wellness tourism and/or medical tourism?**

France remains a strong magnet for tourists and hotels are packed. Designers have pushed their art to new territories and the gap is getting wider between hotel Spas and day Spas. We have seen in 2013 some lavish Spa openings in 5-star, 4-star and even 3-star hotels while day spas have not changed much over the last ten years. More importantly, the price difference between hotel Spas and day Spas is minimal (about 25 percent), so tourists are not tempted to go to day Spas during their stay (especially when they have such beautiful ones in their hotel). In both types of Spas “trendy” treatments no longer make headlines: emphasis is on treatments with results.

## **Please give us one sentence to describe the latest developments in your country for each of these spa categories:**

**What is happening with hotel spas?** Management is improving in hotel spas; many have learned that design alone is not enough. Also, you see more and more 3-star hotels getting into the business, not just 5-star and 4-star hotels.

**What is happening with destination spas?** They are still a very small part of the French Spas. Nevertheless, their growth is steady.

## **What has been the general attitude about investing in the spa/wellness arena in 2013?**

Some independent Medi Spas have successfully lured investors, but overall it has been very difficult to convince investors and bankers and few large projects have started outside of a hotel. New day Spas are a bit smaller than in the past because of the difficult access to cash. To gain back the confidence of bankers, day Spas must put a strong focus on improving their margins.

## **Looking back at the past four decades of spa and wellness, what would you consider “a defining moment?”**

During the last two decades, we have seen hotel websites evolve to the point that if they do not have a Spa section, they might lose some guests. More importantly, many people make their decision to book a hotel based on the hotel’s Spa. However, the Spa business is not as mature as the restaurant business and we must continue to push hard to narrow that gap, especially by using new technology to develop Spa awareness among the general public. If you type [www.hotels.com](http://www.hotels.com) or [www.restaurants.com](http://www.restaurants.com), you clearly do not have the same experience as if you type [www.spas.com](http://www.spas.com). A defining moment will be when this will change...

## **SUBMITTED BY:**

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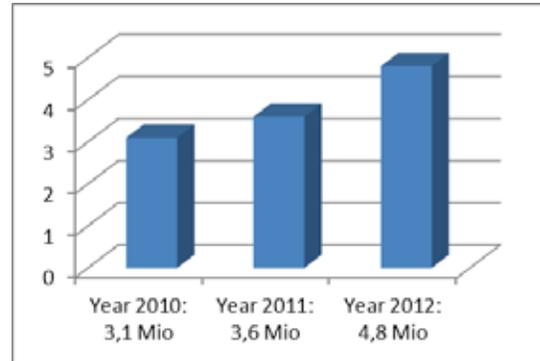


# EUROPE: GERMANY

## What is making news in your country when it comes to spa and wellness?

### Spa & Wellness travel still on the rise

Travelers seeking Wellness continue to develop significantly in the holiday market. This was confirmed by GfK TravelScope in March 2013. From a total population of 74 million Germans, more than 50 million have taken a leisure trip, regardless of motivation and type of travel. As far as market researchers from GfK could determine, about 4 million sought Wellness (including beauty, vital and health). The share in the total holiday market has risen above average when it comes to Spa and Wellness: from 2.6% in 2010 to 3.6% in 2012. Operators of Spa resorts and hotels should be happy about loyal guests, because 71% of Wellness trips took place in their own country.



### Wellness goes budget

A new trend lately arrived in Germany: “Wellness goes budget”. In spring 2013, the pilot location of A-Ja-Hotels has opened in Warnemünde, a seaside resort on the Baltic. With the new brand the inventor of AIDA and A-Rosa, Horst Rahe, wants to address new clients with his new slogan “Just like an expensive hotel, but cheap.” The entrepreneur is optimistic: “I’m sure we will be well over 80% occupancy during the first year.” Another interesting concept is the Beach Motel in St. Peter-Ording, also located on the northern coast of Germany. The slogan of the property is worth noting: “We are all not just a simple hotel - you can find that everywhere! We offer a platform for casual atmosphere and chic rooms at surf-style.” Regarding the Spa at Beach hotel, the owners can be proud to be the first hotel worldwide with a DOVE SPA.

## What is happening in your country when it comes to wellness tourism and/or medical tourism?

Germany has a long tradition when it comes to cures and healing springs, tracing back to the 16th century. By 1900, Wiesbaden was already a world spa with around 136,000 visitors a year, followed by Baden-Baden with about 72,000. Today, many spa destinations mourn those glorious days, but they can be proud of their sources and effective remedies. Reinterpreted, they definitely have high potential to attract a new and younger clientele.

The move from mere pampering to a holistic Wellness understanding has been growing faster within the last decade. “Wellness as an alternative to Doctors, Drugs and Diseases,” as Wellness-Pioneer Don Ardell expressed it 35 years ago. What he is calling REAL Wellness is a concept to promote healthier, more enjoyable lifestyles. The option is not “Yes, we can” but: “We will do something for ourselves, now or never!”

## Please give us one sentence to describe the latest developments in your country for each of these spa categories:

### What is happening with hotel spas?

The trend now is “Go local”. Regional USP’s can easily be communicated and go along with the increasing demand on domestic spa travel. Whether it be wild herbs, goat’s milk or wine, Germany offers a treasure trove of spa treatments.

Successful providers make it clear: a core competence should be the focus, to convince and to provide a clear profile. Hop is a new regional best-seller for spa treatments in Germany. It not only has a medical effect but is suitable for many different treatments. Although Germany is known for its hops, especially in the beer world, there is a whole new usage and benefit here.

#### **What is happening with destination spas?**

Adults-only spa resorts are still not very common in German-speaking countries. But the interest of families is rising. Therefore, there is a strong need for separate spa areas to ensure perfect tranquility for adults as well as space for families with their children.

#### **What is happening with hot springs spas?**

Healing springs have a strong tradition in Germany. But cures paid by public health care have been rapidly declining over the last 20 years. Therefore, hot spring spa destinations are looking for new guests, who want to recharge batteries or do something for their health.

#### **What has been the general attitude about investing in the spa/wellness arena in 2013?**

The position of the German hospitality industry has been strengthened in European markets through the reduction of VAT for hotel accommodation since 2010 (in 23 of the 27 EU member states a reduced VAT rates for hotels and restaurants applies). More than 2 billion Euros have been invested in the industry since then, partly in Spas.

There are no official figures on how many Wellness hotels and Spa resorts there are in Germany, but they can be estimated at about 750-850. Pioneers who positioned themselves more than 20 years ago as spa hotels have focused on the weak points in their spa facilities and invested in significant improvements.

#### **Looking back at the past four decades of spa and wellness, what would you consider “a defining moment?”**

Wellness remains a megatrend, but we are at a turning point. On the one hand there is the question of sustainability and effectiveness of treatments. On the other is the issue of costs and efficiency, which has great significance for the future. Hoteliers in Germany are still very reluctant when it comes to benchmarking. We still have work ahead of us in this matter.

A very special defining moment for me was been to meet Don Ardell again on the 20th anniversary of the German Wellness Association. He impressed the audience and me with his charismatic speech. “You are never too old to learn” – we should remember that well.

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# EUROPE: LATVIA

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**What is making news in your country when it comes to spa and wellness?**

The re-creation of the Kemeris sanatorium, launching the first international brand as Kempinski.

**What is happening in your country when it comes to wellness tourism and/or medical tourism?**

The formation of the wellness cluster.

**Please give us one sentence to describe the latest developments in your country for each of these spa categories:**

**What is happening with hotel spas?**

More and more hotels are offering spa services of some sort.

**What is happening with destination spas?**

It is becoming increasingly more popular to attend a long stay cure program for diagnostics, treatment and a personal health plan.

**What is happening with hot springs spas?**

Sanatoriums are being revamped and are in demand.

**What has been the general attitude about investing in the spa/wellness arena in 2013?**

The comfort zone in investing is expanding; more salons are opening and offering massage services; investment in spa hotels is increasing.

**Looking back at the past four decades of spa and wellness, what would you consider “a defining moment?”**

Defining moment: “Traditional cure programs withstood the test of time, after the economic crisis, and continue to be in demand.

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# EUROPE: POLAND

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## **What is making news in your country when it comes to spa and wellness?**

In Poland, there are about 600 different spa & wellness facilities: spa hotels, medical spas, healing resorts, thermas (hot springs); but only a bit more than 150 facilities are luxurious and ranked as 4 and 5 star spa & wellness hotels.

Only in the last two years, mainly due to EU support, more than 90 new hotel spas have been built (some of them have hosted the players of the UEFA Euro 2012 Championship).

According to Deloitte Consultants in Poland, the value of the spa market itself has increased by 29% and today it is estimated that the whole spa market is worth approximately 252 million euros.

## **What is happening in your country when it comes to wellness tourism and/or medical tourism?**

In 2012, Poland was visited for health reasons by around 600, 000 foreign tourists. They spent over 195 million euros (50% more than in 2010). Revenues from this segment accounted for approximately 3.9% of total tourism revenues. (Source: Institute of Tourism)

The Polish spa & medical market is the most attractive for our German neighbours (more than 70% of all foreign visits), because spa services are much cheaper than in Western Europe (about 50% less). Only in 2012, our spa hotels and healing resorts were visited by 420,000 Germans.

The remaining 30% were guests from Norway, Netherlands, Russia, and the United Kingdom, France, Ireland, Italy, Sweden.

## **Please give us one sentence to describe the latest development in your country for each of these spa categories:**

### **What is happening with spa hotels?**

In Poland the majority of the new spa hotels are relatively small (50-90 rooms), but in the last two years more and more large and luxurious conference and leisure facilities (over 200 rooms) have been built. The most spectacular facilities are: Czarny Potok Resort & Spa (256 rooms, total cost 43 million euros; opened in 2012), Narvil Conference & Spa Hotel (330 rooms, total cost over 24 million euros, opened in 2012), The Arlamow Hotel (213 rooms, total cost 83 million euros, opening 2013/2014), The Double Tree by Hilton Warsaw (347 rooms, 43 million euros, opening spring 2014).

### **What is happening with destination spas?**

A lot of spa hotels are located in beautiful places: by the sea, lakes and in the mountains. Unfortunately, they can't be called as destination spa, because they don't offer wellness activities in every aspect of their business. Only few of them are trying to implement destination spa philosophy, for instance: Gleboctek Vine Resort & Spa, Palac Sulisław (Ayurveda & Joga SPA), Klekotki Sento Spa, Mera Spa & Hotel Sopot, ProHarmonia Wellness Residence.

### **What is happening with hot springs spas?**

The Hot Springs (Thermaes), where geothermal water is used, are the real hot spots. Thermaes are very popular, no matter where they are located. During last 10 years as many as 12 new facilities have been built across Poland (18 is the total number of existing hot springs). For example, in 2012 in central Poland, thermaes with a pool area of 1500 square meters was opened (8,6 mln euros ). There are other six projects in the pipeline in different parts of Poland.

### **What is your country's position on investing in the spa/wellness arena in 2013?**

In 2007-2013, Poland received almost 2 billion euros from EU support for the development of Polish tourism. Approx. 2.8 thousand different investment projects were completed, including hotels, swimming pool complexes and leisure centers. This year, the Polish Tourist Organisation has also started work on a project promoting the Polish spa market and healing resorts in the world.

### **Looking back at the past four decades of spa and wellness, what would you consider "a defining moment?"**

New technologies undoubtedly have changed our world. We are able to exchange information faster via emails and social networks. Surrounding cheap technology also revolutionized the world of spa & wellness, which refers mainly to massage, wellness programs and tranquility. New non-invasive treatment technologies (IPL, RF, Endermologie etc.), aesthetic trends, and dermocosmetics broke into the spa world and offer guests both beauty & well-being. They have become a key element of the spa menu pushing the frontiers of spa & wellness in the aesthetic medicine and cosmetology.

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# EUROPE: SWITZERLAND

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## **What is making news in your country when it comes to spa and wellness?**

Working more and more with regional and seasonal products to support local producers. Guests care more and more about organic ingredients, packaging and food. The trend is for good solid treatment combinations where you have your massage, facial and manicure and pedicure. Time is still a luxury, so simultaneous mani-pedicure and hairstyling is often sought. Emphasis is on the personal service every spa offers. Customized treatments are well booked.

## **What is happening in your country when it comes to wellness tourism and/or medical tourism?**

We seek increased collaboration with medical wellness providers and aim to attract that market segment. The market in Switzerland is small but high quality, and accordingly pricing and exclusivity are high. Medical treatments are popular among guests from the Middle East, Russia and China. Guests want an experience: medical treatments, hotel, food and spa in one resort in a 5-star environment. The trend is more on non-invasive or minimally-invasive treatments.

## **Please give us one sentence to describe the latest developments in your country for each of these spa categories:**

**What is happening with hotel spas?** Development of destination spas as an overall experience in a single location.

**What is happening with destination spas?** A focus on nature with a connection to a local geographical advantage, like a lake, mountain or hot spring.

**What is happening with hot springs spas?** Switzerland has a lot of hot springs which are also used as clinics or as rehabilitation centers for pre- or post-surgery recovery stays.

## **What has been the general attitude about investing in the spa/wellness arena in 2013?**

Spa is now seen as a “must have” offering and is essential. To maintain high standards, investments are generous and are a key factor of a successful overall guest experience. A spa within a hotel is no longer just an added value; it has become its own profit center which needs to convince the investor.

## **Looking back at the past four decades of spa and wellness, what would you consider “a defining moment?”**

The increasing awareness of the need to invest in health with prevention in mind, and the market’s ability to change from a traditional cure-house to a modern spa with the same aim of prevention. People are much more health-conscious. They realize that performance in their professional and private lives requires them to recuperate actively. Health, fitness and beauty have become a conscious part of their daily lives and they invest in wellbeing using a holistic approach.

## **SUBMITTED BY:**

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# EUROPE: TURKEY

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## **What is making news in your country when it comes to spa and wellness?**

Turkey is one of leading tourism destinations in the world. With its enormous tourism potential and a great variety of natural resources, historical treasures, cultural richness, and popular attractions, the Turkish tourist industry offers a wide selection of products that can satisfy the demand of different market segments including the most sophisticated and demanding travelers.

Turkey is the sixth most popular tourist destination in the world, according to the United Nations World Tourism Organization's (UNWTO) Tourism Highlights 2012 Edition. The country attracted a total of 31.8 million foreign visitors in 2012, achieving a total revenue of \$23.4 billion.

Turkey's fast developing economy has attracted international hotel groups looking to expand their portfolios. All the major hotel groups want a slice of Turkey, with the big brands searching for local partners to target the country's increasingly affluent major cities.

Turkey is an important growth market for international hotel brands with its strong economy and ambitious development plans. With its rapidly growing tourism industry, Turkey is full of opportunity for hotel development.

Istanbul is the fastest growing tourism destination in the world and has been named the No. 1 city in Europe and No. 2 in the World at Travel + Leisure's "World's Best Awards 2013". Voters placed Istanbul ahead of Paris, Venice and London in the European category, while the city finished second in the worldwide category. Turkey welcomed 31.7 million international visitors in 2012, and that number has continued to rise in 2013. The latest update to Turkey's 2023 Master Plan anticipates that by 2020 nearly 50 million tourists will be visiting the country annually. With Istanbul's enduring appeal as a meeting point of European and Asian cultures, Istanbul alone will be home to 100 new hotels over the next two years.

All the leading international hotel companies, such as InterContinental, Hilton Hotels, Ramada, Marriott International and Accor, have a presence in the Turkish hospitality market.

Luxury hotel brands prefer Istanbul for their city hotel projects and Bodrum for resort projects. Marriott chose Istanbul as the first European destination for its Edition boutique brand. Le Meridien, Shangri La has opened already and Raffles is also present. The Mediterranean resort of Antalya is listed with Paris, London, New York, and Singapore as one of the top five tourist destinations in the world.

Other luxury brands in Bodrum are Aman Resorts, Mandarin, Four Seasons, Swissotel, Nikki Beach.

## **What is happening in your country when it comes to wellness tourism and/or medical tourism?**

Turkey provides excellent treatment opportunities by offering services in the medical and healthcare sector with high quality, success and efficiency. In addition, Turkey has an abundance of private health institutions with state-of-the-art technology and qualified medical service personnel. Today, Turkey is the country with largest number of JCI accredited institutions.

Turkey has great potential for health and wellness tourism, Anatolia is located on a major geothermal belt and offers a considerable number of thermal baths and spas. These thermal spas are promoted as cures for various illnesses due to the high density of minerals in their waters. Approximately 1300 geothermal resources with temperatures varying between 20-110 C., are suitable for many different cures and the treatment of numerous health problems. For health tourists the

thermal spas of Turkey are marketed as a choice destination with various treatment options such as balneotherapy and thalassotherapy. The thermal springs in Turkey have always been famous, but more and more they are being marketed as health and wellness and spa destinations, and companies have developed high quality health treatments and relaxation packages.

On the other hand, health and wellness tourism which also covers medical treatment at hospitals (such as packages that offer dental treatment and a vacation) started to be more important when combined with spa and wellness packages.

Turkey has a reputation as a leading medical tourism destination in Europe, and offers top quality medical professionals, many of whom are US board certified.

Besides thermal spas, medical procedures and cosmetic surgeries are also gaining popularity among the patient community. Rising healthcare costs in industrialized countries and the increased availability of high quality healthcare at lower prices in developing nations at the same time have contributed to the expansion of the medical tourism industry.

The Turkish government has been actively involved in promoting the country as a medical tourism destination. Some of the principal characteristics aiding the growth of the medical tourism sector are state-of-the-art healthcare quality delivered at low cost, health insurance, and accreditation.

**Please give us one sentence to describe the latest in your country for each of these spa categories:**

**What's happening with hotel spas?**

International hotel chains like Hilton, Starwood, Marriott, Wyndham, Shangri-La , Fairmont, Raffles, Mandarin, Rezidor, Nikki Beach have been investing both in Istanbul and other big cities in Anatolia, including MGM, Emaar, Bulgari, Armani, Jumeriah, and Soho House. Spas at these hotels are driving up quality and boosting consumer interest.

**What's happening with destination spas?**

Destination spas in Turkey are mainly in thermal regions and on the Mediterranean and Aegean coastlines, and their rankings are rapidly increasing.

**What's happening with hot springs spas?**

Thermal springs in Turkey put us among the top seven countries in the world in spring richness, volume of flow, hotness, and physical and chemical ingredients. Recently, thermal springs have taken their rightful place among the other tourism destinations.

**What has been the general attitude about investing in the spa industry in your country in 2013?**

The rapid growth of tourism and an increasing demand for spa-wellness are affecting investments and almost all new tourism investments include a spa-wellness unit. Spa centers in Turkey are increasing day by day. In Turkey, the spa market is running to \$500 million annual turnover with about 10,000 employees. The general attitude for new hotels is to have luxury, high-end, spacious spas with modern, well designed interiors. Turkish Hamam is the dominant facility in the entire spa industry and the most demanding treatment. With respect to the fast growing tourism industry, International spa operators like Espa are expanding their investments in Turkey. Outside Istanbul they have a presence in resort spas in luxury hotels on the Aegean and Mediterranean coastlines.

**Looking back at the past four decades of spa and wellness, what would you consider “a defining moment?”**

There have been tremendous advances in just the last decade in the spa and wellness sector in Turkey, with the rapid growth of the tourism industry and the growing awareness of the need for a healthy lifestyle.

The hospitality industry in Turkey is undergoing a rapid expansion due to increased foreign investment, the privatization of tourist facilities and government initiatives to promote the industry. The remarkable achievements of the past two decades have made tourism the engine of the Turkish economy.

**SUBMITTED BY:**

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# EUROPE: UNITED KINGDOM

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## What is making news in your country when it comes to spa and wellness?

**Responsibility:** The fact that consumers are now assuming a greater degree of responsibility for their own health - one of the factors driving the growing importance of the wellness side of the industry – is a key topic. The consensus appears to be that this development is largely driven by the economic recession and an awareness of the potential cost implications of not looking after your health. A growing health-consciousness is also a factor.

**Prevention:** This ties in with the responsibility aspect: taking greater responsibility for your health includes focusing on prevention in order to try to stop health problems from arising – rather than just treating the symptoms once they have already manifested themselves. The UK is still some way behind the markets in continental Europe, such as Austria, Germany and Eastern Europe – where there is a stronger wellness tradition – but prevention is nevertheless a growing trend in the UK as well.

**Stress:** The damaging physical and psychological implications of stress and the role the spa and wellness industry can play in providing stress management solutions is a key industry topic in the UK at the moment. In the media, the topic is often approached from the point of view of what the effects of stress cost employers, and consequently in the long run, the economy as a whole.

**Results-driven customers:** One popular topic of conversation within the industry is the fact that customers are now increasingly focused on results when it comes to the products they purchase and the treatments they opt for. Customers are to an increasing extent no longer content with products that simply smell great or treatments that are merely relaxing; they want tangible results.

**Evidence-based:** Going hand in with the emergence of an increasingly results-driven clientele is the emphasis on scientific evidence. Consumers no longer simply want to be told that a product/treatment will deliver certain results, they want to know what the evidence behind these claims are and to be able to verify them.

**Education:** Within the industry (and in the trade press, but not in the consumer press), education remains a pressing issue. Therapists who are not spa ready and who lack the necessary professional skills when they graduate from college is a recurring topic and concern, as is the problem of finding spa managers and directors who possess both spa industry knowledge and experience, and the right business skills.

## What is happening in your country when it comes to wellness tourism and/or medical tourism?

The UK is still not a wellness or medical tourism destination in the way that Asia or continental Europe are. However, a growing number of hotels in the UK are now developing wellness programmes and regimes, which means that clients no longer necessarily have to leave the country for wellness, fitness or detox breaks. This development shows that there is a growing awareness of wellness in the UK and a rising demand for wellness solutions. Eastern Europe, offering a winning combination of affordable treatments and high quality care, is a popular medical tourism destination for British travellers.

**Please give us one sentence to describe the latest developments in your country for each of these spa categories:**

**What is happening with hotel spas?**

Hotel spas appear to be increasingly raising their game, renovating, expanding, and adding standout features, facilities and equipment in order to remain competitive and attract customers.

**What is happening with destination spas?**

The UK remains a market in which genuine destination spas are few and far between and there are currently no significant developments indicating a change on that front.

**What is happening with hot springs spas?**

Offering the only true hot springs in the UK, Bath, popular for 'taking the waters' in the 18th and 19th centuries in particular, is still the only real hot springs destinations in the country.

**What has been the general attitude about investing in the spa/wellness arena in 2013?**

While the economy has yet to fully recover from the recession, there seems to be a consensus that any new spa projects that are undertaken must be ambitious, well-funded and able to offer impressive facilities in order to stand a chance in today's competitive market. Owners and developers are increasingly aware that today's spa-goer is likely to be spa-savvy and well travelled and, as a result, in a position to compare their spas to the many other spas they have visited around the world. The view seems to be that if spa and wellness projects are not well funded, they will struggle to measure up.

**Looking back at the past four decades of spa and wellness, what would you consider "a defining moment?"**

The emergence of wellness as a key part of what the industry offers, and the increasing focus – both from consumers and from the industry itself – on providing wellbeing experiences that go beyond pampering and relaxation. Delivering long-term health solutions has been a defining development.

**SUBMITTED BY:**

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# EUROPE: UNITED KINGDOM

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## **What is making news in your country when it comes to spa and wellness?**

The Spa industry has continued to grow over the last 12 months. However, the strategy has changed from lengthy treatments to results-driven treatments to capture a results-driven audience. Quick fixes are more appropriate to the lifestyles that we lead, as opposed to longer stays and treatments. The spa industry is appealing to a younger and less affluent clientele, and a significant market share is men.

## **What is happening in your country when it comes to wellness tourism and/or medical tourism?**

The market is limited, but wellness tourism is a growing sector centered around the concept of health and/or wellness, and it is a relatively new phenomenon in the UK market. Appreciation and understanding of the curative properties of natural mineral springs and seawater are much less deeply ingrained in contemporary British culture than in many European, Asian and Arab societies – although this has not always been the case. It is now more likely to be incorporated into peoples everyday lives, and seen as something that is key to a healthy and stress-free lifestyle.

## **Please give us one sentence to describe the latest developments in your country for each of these spa categories:**

### **What is happening with hotel spas?**

The hotel spa has had to adapt its strategy to attract a local clientele, as opposed to relying on hotel guests, with business travel having been affected by the economic downturn.

### **What is happening with destination spas?**

Destination Spas have again had to look at their offering, and have put a focus on stress-related packages including sleep, stress management and life coaching.

### **What is happening with hot springs spas?**

British spa history goes back over 400 years, and there has been major investment and refurbishment over the last decade in British spa towns, including Harrogate, Cheltenham, Bath and Tunbridge Wells

## **What has been the general attitude about investing in the spa/wellness arena in 2013?**

Investment has been conservative in new builds, but the existing properties have worked hard to maintain their market share and develop new innovations and offerings.

## **Looking back at the past four decades of spa and wellness, what would you consider “a defining moment?”**

When symptoms of stress became an acceptable common ailment, spa therapy became a recognized remedy for it.

### **SUBMITTED BY:**

Geraldine Howard  
Co-Founder and President  
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# THE AMERICAS: BRAZIL

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## **What is making news in your country when it comes to spa and wellness?**

Social media network is playing an important role in Brazil's spa and wellness field. Since the 1980s our population has gained weight and paid less attention to health, even though Brazilians have always been obsessed with body shape. Spas were used to lose weight, especially in springtime before bikini season. Millions of Brazilians connected to social media are now shifting from dieting just for the summer to a year-round healthier lifestyle.

## **What is happening in your country when it comes to wellness tourism and/or medical tourism?**

Brazil has not been an attractive country for medical and wellness tourism from other countries. It is an expensive country with a strong currency, lack of infrastructure investment and a language barrier. Even with these challenges Brazil is still a good destination for Latin America and African countries such as Angola and Mozambique. For them the quality of our services is an option when it comes to health and wellbeing investment.

## **Please give us one sentence to describe the latest in your country for each of these spa categories:**

### **What's happening with hotel spas?**

It's not optional anymore - it's a 'must have' The basic combination of sauna and hot tub is no longer enough, so it's necessary to offer new treatments focused on guests' needs.

### **What's happening with destination spas?**

Shifting their focus from weight loss to healthier lifestyle.

### **What's happening with hot springs spas?**

Investments are being made to attract customers from all over Brazil.

## **What has been the general attitude about investing in the spa industry in your country in 2013?**

New and sophisticated urban, destination and hotel spas are being built to offer new services to Brazilians, and international companies are opening businesses here as well. Brazilians are starting to include spa services in their daily activities.

## **Looking back at the past four decades of spa and wellness, what would you consider "a defining moment?"**

Perceiving spa and wellness not as a shortcut for losing seasonal weight, but as a health-centered lifestyle choice.

### **SUBMITTED BY:**

Marianne Brepohl  
Lapinha SPA



# THE AMERICAS: BRAZIL

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## **What is making news in your country when it comes to spa and wellness?**

It has become one of the fastest-growing segments in the health sector in recent years. An important factor is that the international patient's used to come from countries that were less developed; now they come from many different areas.

## **What is happening in your country when it comes to wellness tourism and/or medical tourism?**

The industry had been growing considerably in the past decade, and there are some important issues to note: Hospitals are being certified by regulatory authorities; people are being trained in different cultures and languages; and there are more programs encouraging new acquisitions of medical equipment; and new jobs are being generated to join two traditional sectors, healthcare and tourism. Brazil is already widely known for plastic surgery, but now it is also being visited for other services like dentistry, gastrology, cardiology, for example.

In fact the The Brazilian Ministry of Health shows that in the last three years more than 180,000 foreigners came to Brazil seeking treatments and surgeries. Many of these “health tourists” are from countries like United States, Germany and Canada.

## **Please give us one sentence to describe the latest in your country for each of these spa categories:**

### **What's happening with hotel spas?**

They are becoming a necessity. If a hotel doesn't have a spa, it is less valued even if the spa is not going to be used.

### **What's happening with destination spas?**

Locations are still limited, with great quality and trustworthy services.

### **What's happening with hot springs spas?**

Hot springs spas are becoming more popular with international tourists, once they were recognized for leisure activities.

## **What has been the general attitude about investing in the spa industry in your country in 2013?**

Investors are studying this market and not wasting good opportunities. It is a favorable moment to invest in Latin America there are very few good partners (trustable).

## **Looking back at the past four decades of spa and wellness, what would you consider “a defining moment?”**

My parents entered the industry four decades ago. In fact, there wasn't an “industry” as medical destination spas just didn't exist in Brazil at that time. The defining moment was realizing that people needed to take care of their health, in a preventive way, but there is no place to do it! So they started to build our center mixing advanced medical treatment with wellness.

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# THE AMERICAS: CANADA

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## What is making news in your country when it comes to spa and wellness?

With over 2,500 spas the Canadian spa industry continues to expand in the major urban centres of Vancouver, Toronto, Montreal, Ottawa, Calgary and Winnipeg. Destination Spas in British Columbia, Alberta, Quebec, Ontario and the North are expanding at a slower rate. The spa industry in Canada is just over a \$2 billion industry within the framework of a \$78.8 billion tourism industry that employs just over 600,000 people.

Spa Development in Canada over the last three years has seen luxury brands expand with the Four Seasons, Shangri-La Hotel Miraj Hammom Spa, Ritz Carlton My Blend Spa and the Quartz Crystal Spa in the Trump International Hotel all in Toronto, Ontario. In British Columbia the addition of the Sparkling Hill Resort's Kur Spa - Vernon, Scandinave Spa, Whistler, Willow Stream Spa at the Fairmont Pacific Rim Hotel in Vancouver. The largest segment of spa development is represented by Nordic and Scandinavian Spa Development across the country. The Quebec Nordik Company of Spas has announced two new developments in Winnipeg, Manitoba and Whitby, Ontario.

The Federal Government, Indian and Northern Affairs Canada through various economic strategies have invested in two major tourism projects in B.C. and in Saskatchewan. Spirit Ridge Vinyard Resort & Spa – Osoyoo, B.C. is a \$65 Million Dollar Development which saw First Nations in partnership with the Federal Government with an investment of \$3 million from Indian & Northern Affairs Canada. Whitecap Dakota First Nation, Saskatchewan is developing a destination Hotel and Spa Resort through the Aboriginal Business Development Program valued at \$26.5 million to be completed in 2014. The Federal Government's \$3 million investment will be part of the \$26.5 million investment.

Urban and day spas continue to develop in a wide array of categories: Urban Retreats, Medical Spas, Mind Body Spas, etc. The rapid expansion of Wellness Clinics, Registered Massage Clinics, Multi-Disciplinary Clinics, Lifestyle Clinics has moved the Day Spa Sector into a new realm of wellness.

## What is happening in Wellness Tourism and/or Medical Tourism?

The Canadian Spa Industry Association continues to engage the Canadian Tourism Commission in talks regarding the opportunities to continue the work of the Wellness Tourism Taskforce. A Report by Deloitte in 2011 identified key economic and political questions related to In-bound and out-bound Medical Tourism for Canada.

### Out-bound

- Will the Cost of the medical tourism services be less than the delivery of services locally?
- What relationships, structures and patient information are needed to ensure safe and effective medical tourism services for Canadians?

### In-bound

- How much additional capacity exists in the health system that can be made available for medical tourism services without impacting Canadians' access to publically funded care?
- What type of dialogue and ongoing monitoring is needed with providers, health professionals, unions and public before and after initiating medical tourism services?

Canada has approximately twenty Medical Tourism Companies that advertise various medical procedures in specific destination countries. A number of these have closed over the last several years. Canadian Governments covered \$220 million in medical procedures outside Canada in 2010. Over the last several years the Canadian Governments have

reduced the volume of insured medical services purchased out-of-country, while at the same time, Canadians privately purchasing cosmetic and elective services at an increasing rate.

### **What has been the general attitude about investing in the spa/wellness area in 2013?**

Colliers International reported in March, 2013 that the market for hotel investment in Canada experienced a stellar year in 2012 and the next 12 months were shaping up to be even busier according to the 2013 Canadian Hotel Investment Report. As the Canadian economy continues to improve with solid employment levels and increased consumer confidence, performance in the hotel and hospitality sector followed suit. Real estate companies emerged as the leading investor group in 2012. Private investors were the second largest group followed by the REITs.

2012/2013 has seen an expanded investment in the spa and wellness market with the development of several brands across the country and continued growth in the independent spa market. From Cryotherapy Chambers in British Columbia, to Mountain Hot Springs in the West, Aboriginal Hotel/Spa Retreats in the North, Nordic Spas Coast to Coast and Luxury Urban Hotel Spas, the Canadian Spa Wellness Market continues to diversify and grow at a healthy rate with guests identifying more with their new entitlements as “health consumers”.

### **Looking back at the past four decades of spa and wellness, what would you consider “a defining moment?”**

The actual definition and use of the Term “Spa” in the North American Market.

#### **SUBMITTED BY:**

Donna Holtom  
Canada



# THE AMERICAS: MEXICO

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## **What is making news in your country when it comes to spa and wellness?**

Recently, former President Enrique Peña Nieto announced that one of his government's priorities is to regain Mexico its position as one of the 10 top world destinations. According to the World Tourism Organization, Mexico has fallen from 7th place in 2006 as a world destination to 13th in 2012, mainly due to a lack of a marketing strategy and financial incentives. All this is changing; a few weeks ago, President Peña Nieto announced an investment of over \$8.6 Billion in tourism, distributed in over 150 projects which will generate over 33,000 new rooms, more than 30,000 new direct jobs and over 70,000 indirect jobs. The Secretary of Tourism has pointed out the medical and wellness tourism as one of the fast growing segments in the sector. Accordingly, strategies are under development to embrace this project.

## **What is happening in your country when it comes to wellness tourism and/or medical tourism?**

Mexico has more than a dozen medical destinations specializing in oncology, orthopedics, heart, and plastic surgery. Recently the Joint Commission International approved 7 hospitals and the Mexican Health Department certified over 100 hospitals which comply with international standards. According to some former patients, the main attractions of México as a Medical and Wellness destination are professional service; the warmth of the medical and nurse staff; the great weather conditions and extraordinary wellness destinations for a relaxing recovery, which also include a diversified variety of entertainment.

## **Please give us one sentence to describe the latest developments in your country for each of these spa categories:**

### **What is happening with hotel spas?**

The importance of a complete Spa in a Hotel can make a difference in the successful operation of the finances of the hotel.

### **What is happening with destination spas?**

The business of Destination Spas is growing, especially when Wellness is involved.

### **What is happening with hot springs spas?**

Hot springs spas represent Tradition. This is where the first spas were established in México.

## **What has been the general attitude about investing in the spa/wellness arena in 2013?**

Positive. As mentioned before, President Peña Nieto recently announced an investment in the tourism sector of over 8.6 billion dollar which include over 150 projects. If we consider that most of the hotels located in touristic destination have a spa, we very well can expect the opening of new great spas. Apple Leisure, Marriott and Four Seasons, among others, have announced new investments in top Mexican destinations.

**Looking back at the past four decades of spa and wellness, what would you consider “a defining moment?”**

For me, the defining moment came when people realized that as a result of stress, lack of exercise and improper eating habits, our health has diminished. Statistics show that the main causes of death are caused by diabetes, cardiovascular and brain diseases. Although people is living longer, they are in poorer health. Recently, people have gained consciousness and now are willing to take care of themselves. As a result, there has been a significant growth in day spas, gyms, wellness clinics and specialized stores.

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# THE AMERICAS: UNITED STATES

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## What is making news in your country when it comes to spa and wellness?

- The intersection of medical aesthetics, medicine and spa.
- Shifts in the men's market. Creating spaces and treatments that are hospitable to men.

## What is happening in your country when it comes to wellness tourism and/or medical tourism?

Many years ago when I was in hospital administration, and consulting with Vail Valley Medical Center, I remember sitting around a boardroom table discussing a new service line launch – marketing plastics and medical aesthetics in Europe and across the US to bring clients to Vail as a “Worldwide Center for Plastics and Medical Aesthetics.” This totally integrated experience would package procedure, hotel stay and follow up, recreation/ski vacation, coordinated by a personal concierge, without anyone you know seeing you while you recover. In 1996, procedures were far more invasive. I love seeing how this has come to fruition in many destinations, and I think there is so much more to be discovered in exploring how medicine, spa and lodging might collaborate for mutual medical tourism gain.

## Please give us one sentence to describe the latest developments in your country for each of these spa categories:

**What is happening with hotel spas?** Focus on helping travelers unplug.

**What is happening with destination spas?** Creating enticing packages so busy customers do not need to think about it.

**What is happening with hot springs spas?** Seeing a little more emphasis on the curative aspects of water similar to European counterparts.

## What has been the general attitude about investing in the spa/wellness arena in 2013?

We see a general optimism and increased sales as more investment dollars become available. Projects tend to be more focused and balanced in terms of creating an environment of “understated opulence.”

## Looking back at the past four decades of spa and wellness, what would you consider “a defining moment?”

The globalization of the world and a shift in focus from inward to outward. We no longer do things alone. We recognize the interconnectedness of all things. Innovative organizational structures reflect the premise and foundation of a holistic wellness model and that spa can no longer be one dimensional. We now reach out openly and embrace other industries, practices, and perhaps even seemingly disparate partners as we explore new relationships and ways of creating client value.

### SUBMITTED BY:

Michael Bruggeman  
Founder & CEO  
Organic Male OM4



# THE AMERICAS: UNITED STATES

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## **What is making news in your country when it comes to spa and wellness?**

The big news in the USA is the increased awareness or “mindfulness” of more people concerning their health and the acceptance of a total approach to wellness. More people genuinely understand the impact that stress, poor diet, lack of nutrition, smoking, etc., have on the human condition and the general quality of life. Thus many are seeking both new techniques and venues to deal with the challenges of living in the new century. As a result, spa guests are looking for measurable and sustainable results as well as a meaningful life-extending experience. As spas shift to wellness and recovery, Lifestyle Coaches are moving spa customers to wellness treatments such as Ayurveda, Polarity, Reiki and Aromatherapy. More spas are providing educational classes to promote mental, physical and spiritual wellbeing along with the more traditional stress reduction modalities. There has been an especially notable increase in the use of Therapeutic Bodywork in Water as more spas offer such therapies as Water Shiatsu, Aqua Veechi, and Water Dance. As more modalities are offered, more patients will be able to utilize spa facilities as they expand to service these emerging market segments.

## **What is happening in your country when it comes to wellness tourism and/or medical tourism?**

The traditional “vacation” is quickly becoming redefined as more wellness-branded hotels and spas offer programs for fitness, healthy eating, sleep therapy, weight management and a wide variety of other health related issues. Especially significant is the realization that patient recovery from an array of surgical procedures does not have to be confined to the traditional recovery rooms that hospitals and clinics have relied on in the past. Moving to a spa-like environment has provided significant opportunities for designers, consultants, therapists, manufacturers and distributors of spa related services, supplies and equipment. Many of these facilities are now offering such non-traditional services as Fitness Training, Physical Therapy and even Shamanic Treatments. These services are being extended to Senior Living and Child Care Development Centers; one to ease the passage into old age and the other to establish healthy living habits from an early age.

## **Please give us one sentence to describe the latest developments in your county for each of these spa categories:**

### **What is happening with hotel spas?**

Many hotel spas are now offering special overnight retreat/wellness packages targeted to their local community and the male population.

### **What is happening with destination spas?**

Destination spas are marketing their facilities as detox centers for stress reduction, dietary guidance, exercise programs and medical procedure recovery.

### **What is happening with hot springs spas?**

Many famous western US hot springs spas continue to offer everything from a simple one-time visit to a full resort experience; however, new property development has been almost non-existent.

### **What has been the general attitude about investing in the spa/wellness arena in 2013?**

Many financial analysts are very optimistic that investments in medical related spa services will be a source of tremendous growth in 2013 and beyond. As wellness and recovery becomes an integral part of the spa experience, investments in new sciences, such as assay technologies for Telomeres Analysis (malleable part of DNA), will explode as spas become places where you can have your DNA tested to isolate specific conditions or tendencies that could be improved by certain lifestyle changes. As personal health technologies expand, spas are in the perfect position to take advantage of these modalities, which many believe hold the secret to rewinding the clock for aging cells. As the industry shifts from pampering to wellness, and personal health technologies expand, a whole new market segment with millions of potential consumers will open up. This has made many investors bullish on the spa market in general. This is especially true given the prospects of a redefined industry with substantially more customers, no longer reliant on older consumers with disposable income.

### **Looking back at the past four decades of spa and wellness, what would you consider “a defining moment?”**

The realization that as modern-day humans we are becoming more cut off from nature and the healing effects of a healthy connection to the Earth. More and more, people are returning to their roots in such movements as “Earthing” or making a genuine commitment to cleaning up the environment, recycling and the development of clean, sustainable sources of energy. I believe that the recent development and expansion of massage franchises is an extension of the deep seeded desire for people to reconnect to the Earth, their bodies and a healthier way of life. These franchises have made it possible for “Main Street USA” to afford and benefit from the health advantages of massage; giving millions of people an affordable way to begin their own personal healing.

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# THE AMERICAS: UNITED STATES

## What is making news in your country when it comes to spa and wellness?

I found the article below when my company was preparing for implementation of the Affordable Care Act (ACA or Obamacare). We used this to understand all aspects of the ACA and how it would affect healthcare benefits to our staff, as well as how it may affect our guests. I feel that the ACA will continue to make news as the details are further defined; but more importantly, it may be a great catalyst for promoting a wellness lifestyle.

In the US the majority of the press on ACA is on the “individual mandate” provision, which will require almost everyone to have health insurance coverage. What has received less attention are the provisions for preventive care and potentially increasing access to health care providers who practice from a whole person, naturalistic perspective.

Prior to the passage of the ACA, workplace wellness programs had been required to comply with a number of state and federal requirements, including one that allowed employers to offer a financial incentive to employees for participating in a wellness program of up to 20 percent of the total annual cost (employer and employee) of the health plan. Gym membership discounts, smoking cessation and weight loss programs have been the most common offerings. Once the ACA is implemented that incentive will be increased to 30 percent for workplace programs. In addition, there will be further clarification of what type of intervention qualifies as a wellness program and the initiation of 10 pilot programs in the individual marketplace.

As described above, there has been some definitive progress made in insurance coverage for disease prevention under Obamacare. But how disease gets treated and by what type of health care practitioners are still issues that limit most Americans from access because of insurance coverage exclusions and limits.

The ACA will be providing a potential new opening for some types of holistic practitioners who have been struggling for decades to be included on equal footing with medical doctors (M.D.s) and doctors of osteopathy (D.O.s) for the delivery of primary care services. Section 2706 of the ACA, the “anti-discrimination” provision, will level this playing field. This provision states that insurance companies and group health plans cannot discriminate against any health care provider who is acting within the scope of that provider’s license or certification under applicable state law. One professional group that stands to benefit is doctors of naturopathic medicine (N.D.s). N.D.s are trained as primary care providers. They learn to treat all aspects of family health and wellness, from pediatrics to geriatrics. Their scope of practice may include everything from nutrition and botanical medicine to clinical diagnosis. In some states they are even licensed to prescribe the same drugs as M.D.s and D.O.s.

Naturopaths are currently licensed to practice in 16 states. Some states, such as Washington, Oregon and Vermont, already require that state-regulated health plans cover naturopaths in their networks for the treatment of conditions within the scope of the profession. This new provision has the potential to expand insurance coverage for naturopathic care in other states as well. Chiropractic doctors (D.C.s) and licensed acupuncturists (LAc)s have been included in some insurer network panels for years, but coverage, when offered, is usually for a limited number of visits or for minimal payments. This provision may enable more widespread coverage of these practitioners as well.

It’s too soon to tell exactly what these changes will look like, as there is often a gap between regulation and implementation -- and each state will define its own specific rules. But complementary and alternative medicine (CAM) and integrative healthcare are included in seven separate sections of the ACA. Those who have been promoting such changes are hopeful that the nearly 40 million Americans, according to the National Center for Complementary and

Alternative Medicine, who visit naturopaths, chiropractors, acupuncturists and other licensed CAM providers will soon experience some financial relief.

(Sherry Kahn, Wellness Coverage and Obamacare - [http://www.huffingtonpost.com/sherry-kahn/obamacare\\_b\\_3292829.html](http://www.huffingtonpost.com/sherry-kahn/obamacare_b_3292829.html))

### **What is happening in your country when it comes to wellness tourism and/or medical tourism?**

Research has shown that wellness and medical tourism among Americans has sharply increased in recent years as people look for ways to curb the progressively rising costs of healthcare in the United States. There has been an increase in this kind of tourism to other countries, not only to find more economical care, but care that is currently not covered by their insurance companies. With the increase in wellness programs implemented by companies to lower health insurance rates, there has also been an increase in tourism within the United States.

### **Please give us one sentence to describe the latest developments in your country for each of these spa categories:**

#### **What is happening with hotel spas?**

I believe hotel spas are trying to differentiate themselves where possible by offering treatments and services that are unique to their establishments, to attract guests comparing locations.

#### **What is happening with destination spas?**

With the increase in wellness tourism and with the spa experience becoming more mainstream in the USA, our greatest challenge has been how to balance the experience for those guests looking for a true spa experience verses those looking for a resort experience.

#### **What is happening with hot springs spas?**

As the quest for other forms of wellness experiences increases, more and more resorts and spas are being developed around hot springs to provide Balneotherapy and hydrotherapy treatments along with traditional spa treatments.

### **What has been the general attitude about investing in the spa/wellness arena in 2013?**

I am fortunate that the owners of my property see that the future is in wellness (not necessarily spa) and have encouraged gaining as much knowledge and education as possible to expand our operations in the future. As a result of the discussions during last year's GSWS about eliminating the word "spa" and embracing the term "wellness", we are focusing on how that change will be integrated into the culture of our property and our connection to our guests. We see that the political and structural issues of our healthcare system will not end anytime soon, and coupled with the fact the newer generations are living a healthier lifestyle; we feel our focus must be in expanding our presence in the wellness arena.

### **Looking back at the past four decades of spa and wellness, what would you consider "a defining moment?"**

I can only comment on the current decade. However, in that short time I have witnessed the acceptance of the spa experience among American males. The spa experience is seen less as luxurious pampering and more as therapeutic, while a wellness lifestyle is becoming more mainstream among guests who are looking to nourish their mind, body and soul.

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# THE AMERICAS: UNITED STATES

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## **What is making news in your country when it comes to spa and wellness?**

There is a lot of positive news coming out of the US. The recently released ISPA figures showed that the spa industry grew this year on many fronts: revenue, employment, number of locations and number of spa visits. These measures augur well for our industry, especially in light of the past few years, when growth was relatively flat outside of Massage Envy's expansion.

Corporate wellness is gaining traction as enactment of the Affordable Healthcare Act draws closer. An increased emphasis on preventing illness and embracing wellness in the workplace is increasingly recognized as good both for employees and for business, which definitely benefits our industry.

## **What is happening in your country when it comes to wellness tourism and/or medical tourism?**

Several companies have announced new openings. Most notable are Miraval's expansion into the underserved Northeastern market, and the new EVEN brand of healthy hotels which will soon be launched in New York City by IHG. The trend toward healthy hotels is a positive development for consumers and falls squarely into the growing wellness tourism arena.

## **Please give us one sentence to describe the latest developments in your country for each of these spa categories:**

### **What is happening with hotel spas?**

Hotels are embracing wellness, as evidenced by the "Stay Well" rooms at MGM Grand and the new EVEN brand. More and more "wellness touchpoints" are being addressed as hoteliers realize that sleep, nutrition, stress-reduction and even lighting are important to the wellness of their guests.

### **What is happening with destination spas?**

Canyon Ranch has opened a SpaClub at the Homestead, Miraval will open at Natirar in New Jersey, and word has it that a new wellness retreat will be opening on the former site of Kutcher's in the Catskills in New York. The grand dame of Destination Spas, the Golden Door in Escondido, CA, is under new ownership and promises to be restored to its former glory.

### **What is happening with hot springs spas?**

Two Bunch Palms has announced Kevin Kelly, former President of Canyon Ranch, as their new head, and they will be undergoing a renovation and expansion. Glen Ivy Hot Springs now has former Miraval Chef, Bill Wavrin, at the helm of their Café. Glenwood Hot Springs in Glenwood, CO, also underwent an extensive renovation. All of this speaks to a renewed interest in hot springs as well as their desire to become true wellness destinations for their guests. I'm sure we'll see a lot more development in this category in the next few years.

## **What has been the general attitude about investing in the spa/wellness arena in 2013?**

The mood of venture capital and private equity investors seems very positive in terms of investing in wellness and hospitality. Wellness is a very hot category, with many corporations launching wellness products and strategies. Examples include Walgreens, Whole Foods, CVS Pharmacy, and Pepsico, to name a few.

**Looking back at the past four decades of spa and wellness, what would you consider  
“a defining moment?”**

From my perspective, a defining moment for our industry was when Rancho La Puerta opened its doors 73 years ago, launching what I would call the modern destination spa industry, which is near and dear to my heart.

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## **What is making news in your country with regards to spa and wellness?**

Wellness in general is playing out in the news in a number of ways. It has been labeled the solution to America's healthcare crisis. The discussion continues to be fueled in the public sector by, among other things, the recent enactment of the Affordable Care Act (ACA). ACA, especially during the last presidential election, dominated the news. It is probably the most comprehensive legislation in recent history to impact the U.S. wellness industry. For example, ACA allows physician and other healthcare providers to bill Medicare (a government healthcare program available to qualifying seniors and those with disabilities) for one annual wellness visit, including a health risk assessment and wellness plan. It provides reimbursement under Medicare for certain wellness-related services; provides grants for small businesses to implement worksite wellness programs; and grants for community wellness initiatives.

The enactment of ACA is newsworthy in and of itself, but what is now dominating the post-election discussion is the ways in which good faith attempts to implement wellness programs can run afoul of other federal laws prohibiting discrimination on the basis of age, disability, race, health status, or genetics; and how ACA can violate labor laws addressing employee benefits and compensation (when incentives are offered in exchange for participation in wellness activity). Those of us charged with the responsibility to implement and oversee these programs await additional government guidance.

The private sector focus on wellness is also making the news. We are hearing about the inclusion of wellness-related services in medical practices referred to as lifestyle or integrative medicine, which could include anything from alternative healing (i.e. acupuncture and reflexology) to traditional spa services (i.e. therapeutic massages and pampering offerings).

## **What is happening with wellness tourism in your country? Medical Tourism?**

Wellness tourism in the U.S. is not limited to a particular destination; it is now being woven into the travel experience for business and leisure travelers staying at some 4-star and 5-star hotels. Luxury hotels are not only offering special wellness rooms and suites, in-room wellness programs and wellness menus, but are arming front desk and staff with useful information for the health-conscious travelers. For example, guests are offered (sometimes without asking) maps of areas containing running paths, information on outdoor fitness activities and the location of healthy dining options.

In the U.S. market, medical tourism flows both ways; Americans travel out and other nationalities travel in. The U.S. is one of the most expensive healthcare markets in the world. Americans leave the U.S. in search of more economical healthcare services. We are increasingly becoming more aware of the medical advances around the world that are gaining access to pricing information, and discovering that procedures can be performed safely and more economically elsewhere.

As a result of medical advancements around the world, patients have a number of countries to choose from for many treatments. Those that enter the U.S. for healthcare do so primarily because they are in need of very complex procedures that they believe cannot be received elsewhere and/or they come to the U.S. as a last resort. Typically, they are not drawn to the USA per se, but to a particular facility that is recognized as the best globally in treating certain conditions.

Specialty treatments typically sought by medical tourists in the U.S. market are often concentrated in certain regions where investments by academic and research institutions make it possible for state of the art medical technology to develop, specialty treatment facilities to be built, and world-renowned specialists to find a home. Those seeking care will frequently select a region based on a high concentration of specialists in that area. The top regions for medical tourism in the U.S. are Boston, Miami, Cleveland, New York, Baltimore, and Rochester.

**Please give us one sentence to describe what is happening in your country for each of these categories:**

**Hotel Spas?**

U.S. luxury hotels are investing heavily in their spas and spa offerings, making them formidable competition for destination spas.

**Destination Spas?**

Destination spas are feeling the pressure to meet the higher expectations of spa-goers and are introducing alternative treatments (i.e. cupping, earthing, Ayurveda and Reiki) and wellness services that extend beyond pampering to include healing.

**Hot Springs Spas?**

Hot Springs Spas are still hot, offering everything from the budget hourly dips to the luxury experience trip.

**What is your country's position on investing in the spa industry in 2013?**

Both the private and public sectors are investing heavily in wellness in the United States. That investment includes everything from resources focused on promoting and offering primary prevention; urban planning that incorporates hiking and bike paths and community access to healthier food options; and medical providers restructuring services to include lifestyle medicine.

The spa industry, as a wellness sector, is riding the wave. Destination spas are stepping up their game; hotels are no longer looking at spas as an amenity, but rather as a serious revenue-generating offering, and are therefore dedicating more square footage to spa services, allocating resources to attract more talented spa staff, and including on-site branding of their spas as a necessary expense.

**Looking back at the past four decades of spa and wellness, what would you consider to be a defining moment?**

The moment that has defined the spa and wellness industry today is the mainstream recognition and acceptance that primary prevention, in all of its forms, is intimately connected to an individual's wellbeing. The country is recognizing that wellness is perhaps the single most important ingredient in the formula to combat obesity, reduce the occurrence of chronic and other stress-related diseases, and solve the overall healthcare crisis globally.

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## What is making news in your country?

In the United States spas are exploring a variety of business models and alliances in the wellness arena. Spas are investing in rebranding themselves as vitality, wellness, healing and mind-body centers. Trade Magazines and conferences are highlighting the role of spa in stress reduction, vitality and health.

## What is happening in your country when it comes to wellness tourism and/or medical tourism?

Local governments are teaming with business chambers to define the role of medical tourism. One example is Vail, Colorado's Health & Wellness Initiative: "The Initiative plans to have a broad target market with a focus on partnering with like-minded businesses, employers, business and trade associations, consumer organizations, and economic development organizations whose goal is to increase medical groups and meetings and the Vail Valley's brand awareness as a Health & Wellness destination." Additionally in Vail, wellness tourism initiatives are being spearheaded by hotels in concert with local integrative practitioners and non-profits. Both initiatives face the implementation challenge of securing participants for these programs in a town that is not known for "wellness" and whose medical infrastructure is primarily orthopedic focused.

## Please give us one sentence to describe the latest development in your country for each of these spa categories:

**Hotel Spas** – bringing wellness into the room, with Yoga Mats, DVDs and Private Meditation.

**Destination Spas** –aligning with Integrative Medicine practitioners to build vitality centers.

**Hot Spring Spas** – growing more sophisticated spa operations and skincare service offerings.

## General perception in investing in the spa/wellness?

We see a significant investment in mind-body studios. For those who already have studios, businesses are piloting events and retreats to increase ROI.

## Looking back at the past four decades of spa and wellness, what would you consider a "defining" moment?

The "defining" moment for the spa industry is the present moment. There is no better time for spas to invest in their own upgrade and take action directed toward delivering on the true promise of spa and its impact on humanity.

We all know that the United States' health care model is a disease care model. Corporations are receiving government incentives for Corporate Wellness Programs, launched in 2014. Individuals are learning that they must take responsibility for their own wellness.

What's even timelier is science and medical research support programs that lend themselves to spa. Leading hospitals like Mayo Clinic have been documenting wellness programs that include massage services and mindfulness (breath work, meditation, yoga); and validating the impact these programs have on stress, anxiety and depression for their patients. These studies include patients with cancer and heart disease, the top two killers in the United States.

But hospitals in general do not have the space for these programs and are looking to partner or refer to others. Hospitals have identified the spa industry as a potential vehicle to deliver these services but want to ensure that practitioners are well trained to deliver said services.

This provides an opportunity for spa associations and special interest groups to partner with hospitals. For example, non-profit Spa4ThePink aligned with The University of Colorado Hospital to offer Integrated Oncology training for acupuncturists, massage, skin care and yoga professionals. This training was co-developed to bring together medical practitioners with wellness and spa professionals to raise the standard of training for the niche of Oncology, define scope of practice and foster relationships locally.

Additionally, some spas are revamping their menus with words like stress reduction, corporate wellness, nutrition and adding separate mind-body rooms/gyms. But is this approach enough to capture and retain “wellness” market share over the long term?

Spas will need to build from the core spa offering into a whole product. A product, which is integrated and truly augments the core spa offering with the additional elements required to create value and deliver on the promise being made to clients.

Are spas willing to:

- Invest to transform themselves into true wellness centers from the inside out?
- Develop their own corporate wellness program for their employees so that spa employees embody the very lifestyle and values that spas want to teach and provide to others?
- Support education that upgrades spa professional skills to a new mind-body practitioner?
- Study the different approaches between separating mind-body studios from the core offering or integrating them into a simple and innovative offering?

Leading spas will take the time to develop a blueprint, allocate investment resources properly and establish iterative service offerings to explore and expand into the diffusion of wellness innovations and extensions.

The present moment is filled with many opportunities for the spa industry and it will be the actions that are taken in the present moment which determine if this is truly a Defining Moment. What an exciting time!

**SUBMITTED BY:**

Jhana



# THE AMERICAS: UNITED STATES

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## **What is making news in your country when it comes to spa and wellness?**

I feel we are back at the pre-recession peak and people are starting to take a new look at spa and wellness. They are seeing the potential advantages it has in their lives. From our personal experiences, we are seeing spa revenue growth, which allows spas to reach out to product lines for new ideas and expand their menus.

I have noticed increased spa and wellness hype associated with traveling. A lot of spa themes and menus emphasize the traveling clientele (i.e. destination weight loss spas while traveling, family-friendly spas, and spa travel guides readily available).

Our country has embraced social media and uses it continually for a lot of marketing and advertising. Thus, more non-printed menus, seasonal treatments and special packages are often “links” directing the consumer to their websites.

From an ingredient standpoint, there is continued demand for natural formulations and a return to the basics.

Consumers want products that are easy to understand and use. Consumers have also become savvy and expect products to compete against traditional “synthetic” formulations. This has made the push for clinical testing and consumer panel studies stronger than ever. In addition, the ingredient story has to be innovative and captivating enough to hold consumer interest while providing tried-and-true product benefits that consumers demand.

## **What is happening in your country when it comes to wellness tourism and medical tourism?**

I see a clear distinction forming between medical spas and wellness tourism. It would seem that before, when medical type treatments like IPL laser or botox first hit the industry, there were some brave and qualified therapists who included these treatments on menus as part of their services. Now, I feel that spas are spas for getting in touch with oneself and finding a more real emotional standpoint, while medical tourism is more inclined to stick to a medical institute or Medi SPA for services like botox.

## **Please give one sentence to describe the latest developments in your country for each of these spa categories:**

### **Hotel Spas:**

The biggest trend is marketing to the sophisticated female traveler by re-vamping all in-room amenities from products to fitness in order to cater to her interests and create a more personal experience. June Jacobs Spa Collection partners with high-end hotels and resorts to offer luxurious natural products that entice the guests to visit the spa. This opportunity has driven a dynamic growth in the amenity, retail, and treatment categories.

### **Destination Spas:**

The main challenge at these spas is that the retail side of the business suffers but on the treatment side, business is thriving.

## **What has been the general attitude about investing in the spa/wellness arena in 2013?**

There is a big comeback on investment in spas in both a financial and a time-well-spent sense. Also, there is a clear indication that our guests want more. Otherwise, new spas would not be opening every day in every country. It just takes a

few minutes of paging through a spa magazine to realize that upper management, entrepreneurs and CEOs around the world have found that investing in the spa industry is successful.

**Looking back at the past four decades of spa and wellness, what would you consider “a defining moment?”**

The breakthrough in the strength of the effect that anti-oxidants have on the skin has been a defining moment. The fact that industry professionals were realizing and narrowing down what speeds up aging was revolutionary. Aging has become the single most popular reason why people turn to skin care – even pigmentation clients. When their skin tone is evened out, they look younger. It’s all about how to slow down the hands of time.

Additionally, the growth of natural products has become a huge and booming industry-wide trend over the past several years. The need for pure, quality-driven products and technologies has exceeded that of synthetic, highly-fragranced, gimmicky products and packaging. The consumer has learned and accepts the fact that product value lies within the heart of the formula, and not just the packaging, which is inherent in many of the brands that have taken the natural approach in product development. June Jacobs Spa Collection is committed to producing products that use the highest quality natural ingredients yet are efficacious and deliver unparalleled results. Moving forward, it is our hope that natural is adopted in all products across the industry and no longer a trend or point of difference in the market.

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# THE AMERICAS: UNITED STATES

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## What is making news in your country when it comes to spa and wellness?

What's making news in America is less about spas than about what's sending people to spas:

- 1 in 25 Americans regularly use sleeping pills
- 88% of women (78% of men) report the toll of stress in their daily lives (CDC)
- Some two-thirds of the U.S. population suffers from unhealthy levels of weight (CDC)
- 70 % of Americans are on at least one prescription drug (Mayo)
- 13 % of Americans are on antidepressants (Mayo)
- Nearly 30% of adults in U.S. surveys reported an average of less than 6 hours of sleep per night when 7 to 9 is the medically recommended requirement (CDC)

Although spa spending by consumers is growing in the USA (the International Spa Association's survey of 1,000 destination and day spas in the USA. showed a 4.7 percent increase in revenue last year at \$14 billion), we are also seeing more employers taking the lead in incorporating spa and wellness programs into their HR models. Studies show companies that do take this approach can expect to see a 6% turnover rate compared to the national average of 38% annually.

On the tourism front, spa and wellness is making news in recent announcements by hotels such as MGM Grand in Las Vegas, which opened up "wellness rooms" last year with such amenities as light therapy, a Vitamin C shower, specially filtered air and aromatherapy to help guests relax and detox. Similarly, Crystal Cruises recently announced the advent of hypoallergenic cabins. And some spas are capitalizing on a newsy trend in cutting edge culinary approaches: farm to table spa treatments and facials, with more locations offering fresh herbs and flowers from their own gardens for treatments.

## What is happening in your country when it comes to wellness tourism and/or medical tourism?

Medical spas in the USA are on the rise. The number of medical spas — hybrids of medical clinics and day spas — in the USA is up fourfold since 2007, from around 800 in 2007 to 4,500 today, according to the International Medical Spa Association. Reasons? For one, technology continues to improve, allowing for better results from less invasive cosmetic procedures. Second, as physicians get squeezed by insurance companies and hospitals, they are signing on with medical spas -- a practice that also gives more and convenient access to clients who might not brave a cosmetic surgery office appointment but would consider a treatment introduced in such a relaxing environmental as a spa.

Regarding medical tourism in the USA, surprisingly, many hospitals are taking a lesson from India and Thailand and offering competitive pricing on non-insured treatments that allow patients to stay in the USA rather than travel abroad. For instance, a hospital in rural Oklahoma might charge a fraction of what a major surgical procedure would cost in New York or California and consumers are taking note. Clearly the domestic choice offers benefits: among them the laws and standards in place that govern hospitals, and the assurance of a working legal system for patients.

**Please give us one sentence to describe the latest developments in your country for each of these spa categories:**

**What is happening with hotel spas?**

Innovation, creativity, offering a variety of unusual – often locally themed – treatments that help the hotel and hotel spa stand apart from local competition.

**What is happening with destination spas?**

Because the average spa guest is likely an employee with lots of stress and little vacation, destination spas are adding deeper treatments, focused programs that intensify a stay with specific life-changing take-aways that will keep a guest coming back year after year for tune-ups.

**What is happening with hot springs spas?**

Hot spring spas have had a tough time over these past years but have figured out they can move and widen their marketing dollar by banding together (these spas are often clustered in areas with geothermal aquifers) and hiring experts to get the word out for them.

**What has been the general attitude about investing in the spa/wellness arena in 2013?**

Demand for spa services is driven by personal income and demographic trends, and in the US we are seeing some significant recovery of late. Similarly, we have seen a rise in spa customers and spa profits in 2012. The profitability of individual companies depends on efficient resource use and effective marketing. Larger companies have some economies of scale in marketing and purchasing. Small companies compete by offering unique services, catering to a local market, and delivering a superior customer experience.

We are seeing a proliferation of Massage Envy locations, which has proved to be a successful model amid a financially stressed middle class and “working poor” American population. We are also seeing a continued trend in “Groupon” marketing by spas to fill the uneven nature of the daily yield and attract new clients. While such practices are more common at day spas we also see them at hotel spas.

**Looking back at the past four decades of spa and wellness, what would you consider “a defining moment?”**

When Yoga, Ayurvedic and other wellness practices from India hit the menus in the early 1990s. Spas moved from being “fat farms” and garish studios proffering nail treatments, facials and steam rooms, to places to connect with self, acquire focus and find internal wellbeing via specialized guidance and specially trained practitioners.

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### **What is making news in your country with regards to spa and wellness?**

A fresh sense of innovation appears to be occurring across two distinct, and sometimes conflicting, parallel paths:

(1) High Tech: Consumers are demanding digital access to treatments, services and travel across all online mediums, expanding from traditional websites to tablets and mobile phones. This is forcing a level of innovation for the spa and wellness industry, as well as the technology providers who have been pushing digital conversion for the last few years. It seems that consumer and business demand has finally caught up with today's technological advancements, and it's exciting to start seeing the transformation.

(2) Natural High: As seen at the International Spa Association Media Event in August, there's renewed focus on bringing natural ingredients, whether indigenous to a location or naturally occurring in foods, back into the spa. From treatments to service menus and concepts, spa and wellness properties in both urban and resort locations are getting back to more natural basics. In some instances, a level of authenticity has been lost in recent years due to high demand for results-oriented services which have historically been more chemically-reliant.

### **What is happening with wellness tourism in your country?**

The term "wellness tourism" is relatively new, although the desire to stay well while traveling has started to emerge over recent years. The rise of healthy hotels - from Westin to EVEN – demonstrates a rise in consumer demand for more healthful stay options, whether for leisure or business travel.

Dedicated overseas travel to wellness-related destinations may happen less frequently, but it is increasingly on the rise as the global economy recovers. Intra-national travel for spa-goers, however, has been the "norm" for several years (for example, New Yorkers, traveling to Arizona or California for spa and wellness getaways).

It seems that consumers are increasingly interested in maintaining their healthy lifestyles on the road, no matter where work or life may take them. Given the growing awareness of wellness in general, there is opportunity for all of us in finding ways to bring wellness tourism to a more mainstream market.

### **Please give us one sentence to describe what is happening in your country for each of these categories:**

- Hotel Spas: The existing hotel spa market seems to be fairly mature with opportunity for innovation on the horizon given the fact that hotel projects are in development again post-recession.
- Destination Spas: There are early signs of a potential resurgence of destination spas in the marketplace with news of Morava's expansion to the east coast as well as other yet-to-be-branded developments.
- Hot Springs Spas: This may be a potential growth area given the upcoming GSWS Forum, but in the US natural resources are primarily limited to California, and the business model is somewhat unclear.

### **What is your country's position on investing in the spa industry in 2013?**

There seems to be cautious optimism in the market place, but that varies by segment. The greater wellness market – of which spa is a part – seems to be the best vehicle for growth.

New developments are requiring disciplined market and feasibility studies to warrant investment, and existing properties are being pressured to perform in order to merit added investments in refurbishments and/or new programming.



**Looking back at the past four decades of spa and wellness, what would you consider to be a defining moment?**

There have been several defining moments, many of which began when the original US destination spas such as Rancho La Puerto, Golden Door and Canyon Ranch, among others, first “broke ground”.

To me, one of the most defining moments in our industry was when the group spa directors of major hotel brands—including Starwood, Mandarin Oriental, Fairmont and others—in partnership with Smith Travel Research, began to report the performance of hotels with spas vs. those without. For the first time, investors started to understand that the power of spa could extend beyond its four walls, positively impacting hotel rate, occupancy and revenue, which in turn, incentivized additional development in our industry.

Thus, the defining moment = the power of data.

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# THE AMERICAS: UNITED STATES

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## **What is making news in your country with regards to spa and wellness?**

In the USA, the rise in awareness of wellness, more importantly, preventative wellness has become a focus with the driving force of uncertain health care rules and regulations being debated in Congress. Savvy US spas are leveraging this great debate and marketing themselves and their offerings as not only preventative care, but utilizing important health and wellness statistics in their marketing campaigns.

## **What is happening with wellness tourism in your country? Medical Tourism?**

According to Wellness Tourism Worldwide, US respondents have a vested interest in wellness and use their time away to start new health regimens. With over 93 percent holding a US passport planning to take a wellness vacation in the near future. And according to Travel Market Report of January 2012, a 35 percent growth in outbound healthcare tourism is expected. Medical tourism - i.e., US residents leaving the country for procedures - is on the upswing. Given the astronomical medical costs in US and the much more appealing prices of medication just over the Canadian border, it's a given that this area is going to increase as healthcare costs rise in the US.

## **Please give us one sentence to describe what is happening in your country for each of these categories:**

### **Hotel Spas?**

Hotel or resort spas continue to be an integral part of the facility. The hotel industry is experiencing a surge of growth in spa sales as of 2011 and it is expected to continue growth with massage services generating the most revenue for hotel spas<sup>1</sup>.

### **Destination Spas?**

Destination Spas, in their purest sense, as places one visits with the aim of making a lifestyle change, continue to struggle in the US. According to sources, they are stagnant in their practices and not evolving fast enough to maintain relevance to an evolving demographic. Factors contributing to this decline include: remote locations that make sourcing and retaining staff difficult; lack of connection to repeat networks of guests; and the facilities not being maintained to modern standards. This being said, a handful of these locations succeed in generating in excess of \$5M in spa revenue annually.

### **Hot Springs Spas?**

Although a centuries-old practice, 'taking the waters' is not a common retreat or vacation practice among Americans. Many hot springs locations have fallen into disrepair or do not offer lodging. The recent acquisition of The Homestead in Virginia by Canyon Ranch, will perhaps drive more awareness of the benefits of hot springs and maybe more well known, tried and true locations in the US, such as Saratoga Springs and Calistoga, may see a surge in demand.

## **What is your country's position on investing in the spa industry in 2013?**

With the recent financial debacle, investors are still leery of just about any investment in any industry. However, there is money to be invested, with the right project.

**Looking back at the past four decades of spa and wellness, what would you consider to be a defining moment?**

Watching the spa industry grow from a virtually non-existent industry 25 years ago to hearing Susie Ellis predict spa and wellness will reach the two trillion-dollar mark. THAT is a defining moment.

**SUBMITTED BY:**

Charmaine T. Lang  
Owner  
The Madison Collection



# THE AMERICAS: UNITED STATES

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## **What is making news in your country when it comes to spa and wellness?**

The big news is that the U.S. spa industry is returning to a period of growth. According to ISPA's 2013 U.S. Spa Industry Study by PwC, all five key indicators (revenue, spa visits, locations, revenue per visit and employees) experienced an increase for the first time since 2008.

In particular, revenue hit an all-time high of \$14 billion in 2012 which is a 4.7% increase over the previous year (and pacing ahead of inflation). Spa visits were up 2.8% and revenue per visit was up 1.8%. Overall, the story is one of steady growth after a difficult three years. More than half of spas are using social media to increase buzz about their promotions and offerings. Additional efforts to stimulate demand include using 30-minute treatments, loyalty programs, spa party packages and online options to book treatments.

As regards the consumer audience, we have seen a healthy increase in the male spa-going population. ISPA's most recent 2013 Spa Consumer Snapshot Initiative conducted by PwC shows that 47% of the spa-goer population in the U.S. are men, up from 31% in 2006.

## **What is happening in your country when it comes to wellness tourism and/or medical tourism?**

People have been traveling to the United States for cutting-edge medical treatments for decades. A McKinsey & Co. report from 2008 found that between 60,000 to 85,000 medical tourists were traveling to the United States for the purpose of receiving in-patient medical care.

## **Please give us one sentence to describe the latest developments in your country for all spa categories:**

The International SPA Association is recognized worldwide as the professional organization and voice of the spa industry, representing health and wellness facilities and providers in more than 70 countries. Membership encompasses the entire arena of the spa experience, from resort/hotel, destination, mineral springs, medical, club and day spas to service providers such as physicians, wellness instructors, nutritionists, massage therapists and product suppliers.

Several trends our members are seeing include the farm-to-spa movement; spas are sourcing locally grown produce to incorporate into their spa treatments. Thirty minute treatments or shorter are also popular as the spa-goer's time continues to be limited. Spa-goers are choosing to visit spas in a non-conventional way now as well. One may choose to visit a destination spa for a long weekend rather than stay for the week, and one may choose to spend the whole day at a day spa rather than choosing just one or two hour long treatments. Resorts are not only catering to out-of-town guests; locals are now able to buy seasonal memberships at these resorts just down the road.

## **What has been the general attitude about investing in the spa/wellness arena in 2013?**

The market is ripe for investment and shows an optimistic economic turnaround. Spa locations showed a .5% increase in 2012 and, by all accounts, this slow growth trend promises to continue in 2013. ISPA has seen positive signs of growth through an increase in Spa Under Development memberships over the past year as more new spas prepare to open their doors.

**Looking back at the past four decades of spa and wellness, what would you consider “a defining moment?”**

More than 20 years ago, a group of spa professionals got together to form an association focused on education, networking and industry advocacy. The formation and growth of the International SPA Association has led to an advancement of the spa industry in the United States as an accepted, respected profession and business. ISPA continues to provide crucial resources for this industry worldwide, through invaluable educational and networking opportunity, promoting the value of the spa experience and speaking as the authoritative voice to foster professionalism and growth.

**SUBMITTED BY:**

Ella Stimpson  
Executive Director of Spas at Wynn Las Vegas  
Chairman, International SPA Association



# THE AMERICAS: UNITED STATES

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## What is making news in your country when it comes to spa and wellness?

From my medical tourism and international healthcare perspective I see a couple of truly significant trends:

- 1) US medical facilities have over the past 10 years begun to emerge from a “fix-it” shop mentality to one more focused on prevention of illness and alternate strategies of maintaining health. Wellness, CAD and integrative medicine centers have now been embraced by leading medical centers, including Cleveland Clinic’s Wellness Insititute, Duke Medical’s Center for Integrative Medicine, wellness programs at Stanford, Mayo, Johns Hopkins and many more.
- 2) Healthcare reform (Affordable Care Act, or Obamacare) offers wellness incentives for employer and insurers, which spell opportunities for wellness and spa stakeholders. For example, Massage Envy’s Corporate Wellness program engages employers and employees; future programs will no doubt benefit from ACA wellness initiatives.

## What is happening in your country when it comes to wellness tourism and/or medical tourism?

Regarding medical tourism, the outbound US market is growing at around 25% with some 900,000 Americans leaving the country for a variety of money-saving treatments in more than 30 medical travel destinations, including Mexico, Costa Rica, Belgium, Thailand, Malaysia and S. Korea to name a few. The number of patients visiting the US remains stable at around 800,000 inbound. Domestic medical tourism is on the rise, with large medical centers like Cleveland Clinic and Johns Hopkins working with big corporations like Loews and Pepsico to offer incentives for patients willing to travel for some of the best care the nation has to offer.

## Please give us one sentence to describe the latest developments in your country for each of these spa categories:

**What is happening with hotel spas?** The rise of “healthy hotels” a la IHG/EVEN, Westin and Trump are broadening the spa and wellness offering to health-conscious travelers.

## Looking back at the past four decades of spa and wellness, what would you consider “a defining moment?”

Don’t know. Looking forward, I believe we’ll see a host of “defining moments” around an increasingly heightened perception of the significant role of spas and other wellness venues in helping to retrieve and maintain healthy populations. Most developed and emerging nations are grappling with rising healthcare costs, coupled with increasingly unhealthy populations, mostly due to poor lifestyles leading to expensive diseases, and huge economic burdens. We will increasingly see wellness-related businesses becoming part of a more serious dialog around wellness; savvy spa stakeholders would be prudent to position their offerings accordingly.

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