

# ASIA: CHINA

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## **1. What is the latest spa and wellness news in your country?**

The Chinese market is still dominated by day spas, bath houses and foot massage outlets. However, there is a significant increase in hotel spas appearing within major cities throughout the country. These spas are focusing on ancient Chinese healing traditions to add weight and substance to their offerings.

Domestic travelers make up the majority of China's leisure market. Their demand is for relaxation and luxury brands. This is particularly true of skincare lines where the perceived value is not only in the therapeutic effect of a line but also the status and luxury factors. The demand for opulence is perhaps not at the 'gold leaf' levels of the Middle Eastern consumer, but a need for the best skincare from all over the world is apparent and supported by limited consumer price resistance. The challenge to service this demand is handed back to the product companies who must now go through the lengthy process of licensing and the logistics associated with entering a new selling arena.

Following on from this is the rise of the importance placed on male grooming by Chinese males. Data released by consumer research firm Kantar World shows that 73 percent of men in China's biggest cities think that looking good is an essential part of being successful at work. The study goes on to identify that Chinese men use an average of 2.5 facial products daily. This interest in looking and feeling good will surely continue to have an effect on the spa and wellness scene in China, particularly in the bigger cities.

## **2. The industry is buzzing about wellness technologies. How do you see spa and wellness establishments in your country using wellness technologies now and in the future?**

The demand for technology in every area and at every moment of life is overwhelming. Guests arrive at destinations sometimes with four or five separate pieces of mobile technology, which will remain switched on, downloading, syncing and radiating throughout their stay. In an ideal world, the spa and wellness industry should be helping to provide

environments that let guests focus on themselves without the need for this constant connection. The industry as a whole creates and sells experiences; how can a guest get full value from this experience if they are distracted or not fully engaged? Every day we see people videoing events through the five-inch screen of their phone rather than lowering the phone and just enjoying the spectacle in all its glory.

That said, there are wellness technologies which will play more and more of a role throughout the industry, namely those providing biofeedback. The advent of watches that measure everything from heart rate and body fat through to monitoring quality of sleep means that large amounts of quality data are available to be downloaded, giving users feedback about their wellbeing, fitness levels and, most importantly, identifying precursors to ill health and disease. The industry can also not ignore that in China and Japan, over a quarter of those surveyed by McCann in 2013 said that technology actually made health fun; this is surely a figure that is set to increase, and rapidly.

### **3. What is happening in your country in terms of wellness tourism?**

According to a Euromonitor International report in 2013, wellness tourism remains relatively unpopular within China mainly due to the fact that the number-one priority for domestic Chinese tourists is sightseeing. Interestingly, growth in wellness tourism did rise by 12 percent, but the report goes on to say that relatively high prices, low awareness and lack of consumer education are factors limiting a rise in this type of tourism. Additionally, many tours within China are established, itinerated and fall on a well-trodden path. This is not the case in the wellness sector, where there are few well-designed travel routes or itineraries for the consumer to choose as an alternative to more established tourism options. This may change quickly if the country's bloggers and interactive reviewers continue their surge in popularity and stumble upon wellness tourism as a topic of interest; their influence could be a driving force in promoting wellness tourism.

The continued development of chain hotel and resort spas will no doubt have a positive impact on this sector, as consumers are enjoying more hotel/spa leisure. So in this regard, it will in some way be in the hands of these hotels and resorts, as they decide on the depth and breadth of their wellness offerings, as to how much consumers can access, enjoy and understand the wellness solutions that exist and how they might incorporate them into their daily lives or make them part of a regular travel itinerary.

#### **4. Please provide one sentence that best describes the latest developments in your country for each of these categories:**

**Hotel spas:** Hotel spas are currently flourishing, as many of the 5-star operators either open with new, luxurious spas or rebrand current offerings with new signature spa concepts. Luxury seems to be the key both in resort regions such as Sanya, where an already well-served market will soon be joined by Raffles' first spa venture in China, and in cities like Guangzhou and Shenzhen, where each new urban spa opening seeks to outdo the last.

**Destination spas:** Destination spas are perhaps the least well-served market within mainland China; however, the market is moving. Brilliant Resorts and Naked Retreats are providing a combination of hot spring and spa destinations, while Six Senses will open their first Chinese destination with the Qing Cheng Mountain retreat, opening in February 2015. In addition, Hainan Island also boasts the world's largest spa resort with the Mission Hills Spa and Wellness Resort. 2015 will also see the opening of China's first dedicated wellness retreat in Niutuo, south of Beijing. The \$120 million GOCO Retreat Niutuo will offer luxury wellness in over 13,000 square meters of dedicated space, including ancient natural hot springs used for centuries by emperors to bathe.

**Hot spring spas:** This category of spa continues to be the most popular within China, with offerings ranging from very local facilities to luxurious 5-star hot spring spas, recent figures show that there are nearly 550 hot spring hotels in China and over 8,000 bath-houses. The popularity of hot spring destinations will not reduce; rather, the integration of hot springs into 5-star hotel and resort destinations will increase. The result of this type of destination will be the therapeutic benefit of hot spring water enhanced by 5-star facilities and service levels.

**Wellness living communities:** Operating wellness living communities are limited within China. The community element of wellness is perhaps more attributable to the family and residential environments. The Chinese believe that wellness is easier to achieve with children, which is in stark contrast to survey participants in the UK and USA, who believe that children make it harder to achieve wellness. Group activities — such as morning Tai Chi and Qi Gong (tour any public space within China or any Asian capital for evidence), family style dining and the care of senior members of the family — are not new concepts, but they do show how wellness in the home and the community are integral to life and provide a great starting point for future developments. One such development under construction is surrounding a huge lake in Suzhou near Shanghai. It includes a dedicated destination spa, private residences, boutique hotel, serviced apartments and a commercial centre this is set to become China's first true wellness living community, conveniently located in close proximity to China's most cosmopolitan city.

Corporate or employee wellness programs: China's ongoing talent war means that employers and corporations are having to become ever more creative in the ways that they attract and retain staff. Corporate wellness as a concept is fairly new to the market. The implementation of this by Sodexo with the Nokia Group in Beijing in 2008-2009 was the first widely documented program, and it raised employee satisfaction from 84 to 98 per cent in 12 months. These programs are continuing to develop throughout the country with big and small employers alike addressing issues such as smoking (China has 350 million smokers nationwide, according to WHO 2006) and sodium consumption, while providing more opportunities for exercise and physical activity.

## **5. Fast-forward five years and tell us what you think the spa and wellness industry in your country will look like.**

China, like all other countries, will be home to a more informed and health-conscious population who not only seek to live longer but to live better. This population will demand wellness solutions at all levels, from organically grown food through to cosmetic augmentation and medi-spa solutions. The demand for high-end cosmetic products will continue to increase, as will the need for health solutions that improve quality of life for all generations. This need will be met by an increasing number of wellness-focused resorts and retreats, as well as the continued development of traditional Chinese solutions, such as hot spring retreats.

McCann's 2013 "Truth About Wellness" document states that "86 percent of people surveyed felt that they had the power to change their own level of wellness and the average person believes they will live to be 79 years old, however in China this rose to 84 years old", indicating that not only is wellness at the core of the future in China but that it will be embraced with the hope of significantly increasing life expectancy.

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