

# SPA RESORTS: A HEALTHY OUTLOOK?

Spas have always been synonymous with luxury. As today's spa sector diversifies into areas such as medical tourism, we take a look at the continuing appeal of spas, as destinations in their own right and within integrated resorts.

With its roots in the curative mineral springs of the Belgian town bearing the same name, the 'spa' pre-dates even the most weathered of its many existing acolytes. Yet the concept didn't begin to assume its modern, multi-faceted form until the fitness boom of the 1980s. The spa has taken the leisure and tourism industry by storm over the past ten years. The total volume of spas grew at an annual rate of 12% between 2002 and 2004, having peaked at 51% in 2000. In the US alone, the spa industry accounted for \$11.2 billion in revenues in 2004 and there are well over 150 million visits registered each year. With the proliferation of modern concepts such as the medical spa and the mobile spa, supported by an increasingly wellness-obsessed market, this growth suggests no signs of abating. Already an integral component of an integrated leisure experience, the spa is becoming a powerful tool shaping the evolution of the resort industry.

## Understanding the growth

There is no great ambiguity underlying the growth of the spa industry. Indeed, many of the factors that have determined the direction of the resort world as a whole have been instrumental here too. The baby boomers form the heart of the market and are ripe for the picking – proportionally more numerous, generally better-off, enjoying more leisure time, demonstrating greater health consciousness as an antidote to stresses and pollution – all factors that are conducive to continued growth.

The expansion of the spa market has not, however, taken place exclusively through the auspices of the baby boomers. Concerns about health and wellness are penetrating social consciousness more broadly to envelop a market far beyond the confines of ladies 'of a certain age'. It seems that the allure of the modern spa experience has succeeded in penetrating even the most stubborn of markets, with an increasing number of men enjoying gentlemen's facials, massage and a full range of treatments. This is, of course, a market that requires nurturing and operators have gone to great lengths to engage it, offsetting the image of the traditional spa with clever branding, settings such as golf courses, and combining treatments with masculine activities (team sports, biking, self defence etc). The consolidation of the male market has been particularly pronounced in the US where 13 million male visits

constituted 29% of the total volume in 2003. Moreover, concerns about stress-related conditions have harnessed a greater number of young spa goers. This demographic is particularly concerned with the use of preventive spa treatments and has been instrumental in the continued re-focusing of the industry away from pure indulgence towards wellness and well-being.

## From Day Spa to Destination Spa

The resort industry has grown not only on the basis of total visits, but also in terms of product offer. The **Day Spa**, which offers treatments to coordinate with the routine of everyday life, has been the dominant component of the market for many years, but is rapidly being superseded by **Resort and Hotel Spas** as the industry's eminent force. With the spa as the core attractor, these facilities offer a full range of year-round activities such as golf, tennis, horse riding, skiing and water sports to provide a fully integrated resort experience. Whilst they represent only 14% of spa locations, Resort and Hotel Spas account for 41% of total industry revenue. To complicate our understanding slightly, **Destination Spas**, which offer a full immersion experience are also in the ascendancy. More recently, the industry has coined the term '**Connoisseur Spa**' to encapsulate some of the world's most opulent and desirable holiday destinations such as the Brenner Park Hotel at Baden-Baden and the ultra-chic Sereno Spa in India.

Essentially, these models can be considered products that have evolved from a shared vision: the Hotel / Resort Spa is essentially a progression of the Day Spa harnessed by a more complete holiday environment; the Destination Spa a more particular version of the Resort model; and the Connoisseur Spa the pinnacle of the industry's evolution. These models have an assured place in the market and can expect continued growth if they are receptive to consumer demand. This is likely to require a shift in emphasis

“ In the UK, £60 million is spent annually on overseas medical tourism.”



The Medspa

The 'Medspa' originated in the US less than a decade ago. It has since become the most rapidly expanding of any spa sector, registering a growth rate in the US of 13.3% between 2005 and 2006 and generating revenue in excess of \$4.1 million. A recently published Mintel report also found that medical tourism is now the largest sector in the UK for overseas health and wellness holidays and is worth as much as £60 million.

Essentially, Medspas intend to revolutionise medical procedures by combining them with the luxury and relaxation of a traditional spa. They are broadly defined as either **Cosmetic Medspas**, which are operated under the supervision of a licensed healthcare professional and integrate clinical procedures with traditional treatments (massage in the morning, face-lift in the afternoon), and **Wellness Medspas**, which provide wellness and preventative treatments that incorporate spa treatments for rejuvenation and stress reduction purposes.

'Medical tourism' may be a slightly disquieting term, but there can be no questioning its consistency with prevalent social dispositions. Technological progress creates fresh demand and new procedures

such as DNA analysis, anti-ageing medicines and laser treatments will doubtless further the sector's expansion. Many consumers are also attracted by the appeal of receiving the latest medical treatments both cheaper than would be the case domestically and in a beautiful location such as India, Thailand or South Africa - the aforementioned Mintel report found that 12% of British adults would consider having surgery or an operation abroad because it is cheaper whilst 25% stated that they would be interested in recuperating in a hotel after an illness or operation.

Medspas are not, however, the extent of niche enterprise within the spa industry and innovative new concepts are continuing to demonstrate the breadth of market potential. Led by the Canyon Ranch Living Community in Florida for example, **'Spa Communities'** are thriving, with the ageing baby boomers warming to the idea of combining everyday living with treatments, health education, organised activities and so on. Meanwhile, **Mobile Spas** are bringing the spa experience to the home or office, **Casino Spas** are facilitating the combination of exuberant leisure with luxuriant treatment and **Eco Spas** are helping to communicate the synergies between global health and personal health.

towards sustainable principles in design and operation. An acknowledgement of the value of the spa in providing a shared rather than solely independent experience may also be necessary. Recently, however, the industry has developed further still to encompass new incarnations of the spa experience. Of these, the Medical Spa has had the greatest impact and seems set to reshape the industry as we know it.





Images courtesy of Clinique la Prairie

## Clinique La Prairie, Switzerland

Located on the shores of Lake Geneva in Montreux, Switzerland, Clinique La Prairie is a celebrated spa clinic offering a range of medical and paramedical services with the intention of combating the effects of ageing and prolonging life. The centre brings together 60 consultants representing almost every medical specialisation. Diagnoses are offered within the fields of health, beauty and well-being.

Clinique La Prairie reflects the extent to which the spa industry has developed in a relatively short period of time and particularly the shift in emphasis away from indulgence towards health and well-being. The resort is considered to be one of the world's leading medical spas and offers the following facilities and services:

- A full range of medical services including internal medicine, surgical procedures, weight management, medical checks, specialised consultations (aesthetic medicine, menopause medicine and dental clinic) and paramedical services (acupuncture, massage, relaxation, sophrology and hypnosis).
- Revitalisation therapy, focusing on preventative medicine derived from ovine liver cells and supported by a scientific research institute.
- The 'Beautymed Center', combining beauty treatment and aesthetic medicine within a range of individually tailored programmes such as anti-wrinkle, anti-cellulite and slimming.
- The Spa and Thalassomed, offering more traditional spa treatments such as a pool, Jacuzzi, sauna and terrace, fitness centre and saltwater pool and beauty cabins arranged in a petal shape beneath the water level of the pool to create optimum lighting effects.
- A range of specialist products including vitamins, transdermal medicines and cookery books.
- Accommodation in a range of luxury suites and rooms.
- A gastronomic restaurant with views of the lake and the mountains.
- Manicured gardens and terraces looking out onto the lake and the mountains.



### Looking to the future

To say that the spa industry is flourishing is something of an understatement. It remains to be seen whether some of the newer concepts such as the Mobile Spa have genuine longevity, but with an ageing and wealthier consumer market in which concepts such as wellness, stress prevention, detox and spiritual fulfilment have become guiding lifestyle forces, it is difficult to project anything but a healthy prognosis.

From the perspective of resort development, spas are no longer a nice option, but an absolute necessity if they are to compete in an increasingly competitive market in which consumer satisfaction is paramount. Crucially, in the context of an ageing consumer base, the trend towards shorter holidays taken more often, and the





Images courtesy of Four Seasons

## Four Seasons Resort, Chiang Mai, Thailand

The Chiang Mai Four Seasons Resort currently occupies the coveted top spot in Condé Nast's list of the world's best resorts. Situated amidst the mountains and rice fields of Thailand's Mae Rim Valley, the prestige of the resort suggests a great deal about the prevalent trends in the spa and resort industry, notably: the importance of luxury in design and operation; the growing prominence of Asian destinations (in 2006, first place in the list went to the Sereno Spa in Goa); the popularity of holistic, indigenous treatments; and the importance of authentic design.

Rooms are offered in Lanna-style pavilions, a number of which feature their own plunge pool and none of which can be secured for less than \$468 a night.

The exceptional facilities available at the Four Seasons Resort, Chiang Mai include:

- A world-class spa organised across seven independent treatment suites and offering:
  - Outdoor showers, private herbal steam rooms, outdoor soaking tubs and tropical rainshower massage tables.
  - Lanna style beauty salon.
  - A range of treatments inspired by ancient Thai rituals using native herbs, spices and aromatic oils created through traditional rural methods and focusing on the use of organic ingredients.
- A 20-metre, infinity-edged swimming pool and smaller adjoined infinity-edged pool, whirlpools and residence pool.
- Two floodlit tennis courts and resident professional coach.
- Children's amenities and baby-sitting services.
- A full range of business amenities and services.
- Authentic Thai cuisine and cookery classes.

growing popularity of resort living, spas are valuable for their ability to transcend both ages and seasons. The fact that spas now generate more revenue than the ski industry in the US encapsulates the shifting emphasis in the resort world particularly well.

The evolution of the spa industry will also be guided by continued geographical diversification. Internationally, the Asian influence continues to grow, both in terms of design and the ascendancy of natural, holistic treatments. Southeast Asia is becoming a Mecca for the discerning spa goer and is home to some of the world's most celebrated spas such as the Sereno in Goa, the Banyan Tree in Bangkok and the Six Senses in the Maldives.

This growth seems set to continue and spas find themselves in the unusually privileged



position of being able both to shape and respond to change. Equally, they are faced with a core market whose emerging psyche and demographics make them particularly disposed towards their product offer. Unquestionably, spas have become dominant forces in the international resort and tourism industry, no longer components of a broader whole, but attractors in their own right.

In a world increasingly pre-occupied by health and well-being, the future of the spa industry seems very healthy indeed.

**Clover Colquhoun is a Research Consultant at Locum Consulting**