

HOTEL yearbook 2009

What to expect in the year ahead

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Bringing new professionalism to bear on ancient practices

The spa industry mixes time-honored practices and rituals with cutting-edge applications. Assessing their top five expectations for the spa industry in 2009 are **INGO SCHWEDER**, Managing Director, and **BRAD FIXLER**, Chief Marketing Officer of Bangkok-based **SPATILITY INTERNATIONAL**.

Rooted in ancient traditions and long-established regional customs, the practice of spa is centuries old, yet the spa industry is relatively young. The industry's noticeable growth of the past two decades finds it caught, not unpleasantly, in the inexorable yin-yang of the time-honored practices that have nothing to do with financial models and profit, and of, well, financial models and profit.

It's this juxtaposition that's truly fascinating; it's also what makes predicting trends in the spa business a worthy exercise. An exercise that beckons us to view the potential on the horizon while gently reminding us why *Salus Per Aquam* («health through water») exists in the first place. With this in mind, here are five trends we expect to see in 2009.

Slower growth globally, but some regions will remain vibrant

Let's go ahead and state the obvious: the industry will experience an overall slowdown. But certain regions, particularly Middle East/North Africa (MENA), and parts of Asia-Pacific where access to capital isn't so restricted, will continue a healthy pace of development.

The most accurate and recent figures for capital investment are provided by SRI Research in its report of the 2007 Global Spa Economy. They show capital expenditures in spa at \$1.0 billion and \$3.6 billion for MENA and Asia-Pacific, respectively. These figures may actually increase in 2009, especially in MENA, a region where the spa industry (notice we didn't write «practice»), is coming into its own as it grabs a greater share of the global spa economy.

More specialization

Like any young industry riding the crest of explosive growth, spa is experiencing a wave of specialization where guest preferences are met with unique offerings that focus on a specific need or desire. To be sure, there are already myriad day spas/salons, destination spas, health resorts, medical spas, pure pamper plays for the luxury set, and the list goes on.

However we expect even greater specialization as spa brands differentiate themselves and the experiences offered. Take Tangua Luxury Trains (debuting in the spring) that will offer exquisite luxury journeys along two historic and highly scenic routes from Beijing to the pristine locations of Lhasa on the Tibetan plateau and Lijiang in the Shangri-la region. ►



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These ultra-unique experiences afford guests a beautiful array of landscapes, cultures and cuisines. Think of it as a five-star cruise, except on land. And, of course, spa will play a significant part: a five-star spa on a five-star train for a five-star traveler who will expect nothing less than a five-star experience.

Spas on a train? That's the kind of specialization we're going to see a lot more of in 2009 and beyond.

A more professional approach to branding

For too long, spas have played the part of « necessary utility » to upper upscale and luxury hospitality properties. Recently, however, the industry has undergone a healthy transformation. In some cases this transformation has been so successful that guests choose a particular hotel because of its spa.

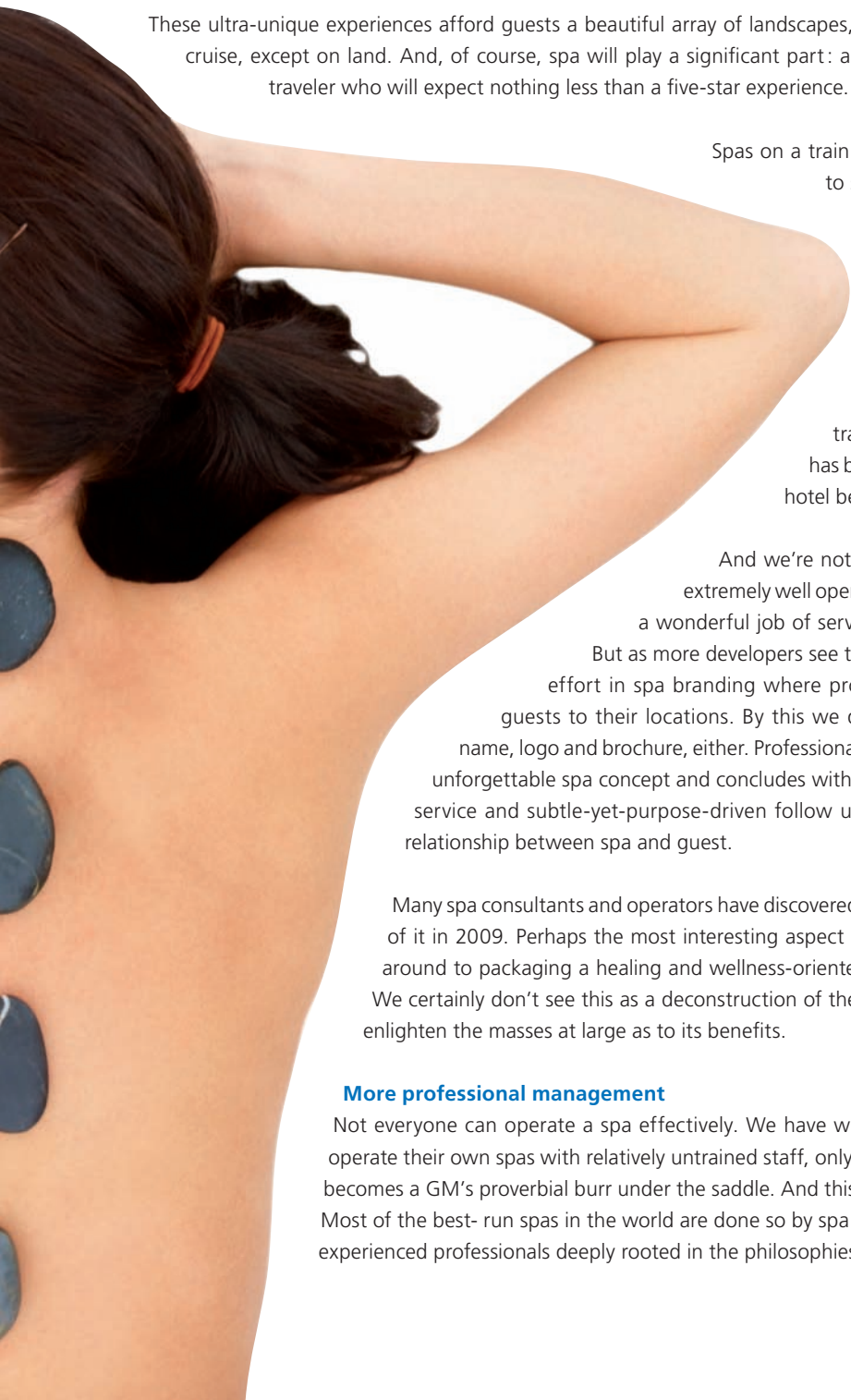
And we're not just talking about destination spas, but about extremely well operated spas within a hotel or resort that have done a wonderful job of service delivery and surpassing guest expectations.

But as more developers see the power of the potential, we will see a greater effort in spa branding where properties will use spa as a major draw to woo guests to their locations. By this we don't simply mean the development of a nice name, logo and brochure, either. Professional branding begins with a unique positioning and unforgettable spa concept and concludes with exquisite treatment delivery, intuitive customer service and subtle-yet-purpose-driven follow up after the guest has left in order to foster a relationship between spa and guest.

Many spa consultants and operators have discovered this magic formula, and we will see much more of it in 2009. Perhaps the most interesting aspect of « spa branding » is that we're finally getting around to packaging a healing and wellness-oriented tradition that has been around for centuries. We certainly don't see this as a deconstruction of the practice's roots, but rather as the best way to enlighten the masses at large as to its benefits.

More professional management

Not everyone can operate a spa effectively. We have witnessed too many hotel operators attempt to operate their own spas with relatively untrained staff, only to experience dismal failure. That's when a spa becomes a GM's proverbial burr under the saddle. And this isn't good for the property or the spa industry. Most of the best-run spas in the world are done so by spa management companies whose employees are experienced professionals deeply rooted in the philosophies and best practices of the industry. ►



STRATEGY IS ONLY THE START

Making it happen is what counts

That's why successful companies come

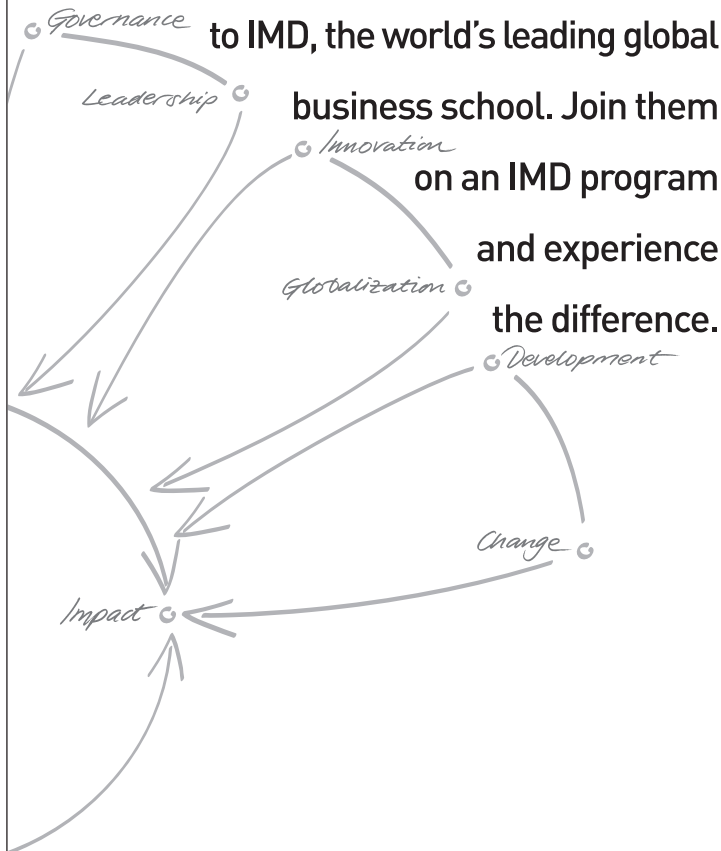
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EXECUTIVE EDUCATION

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As more hotel companies cut costs in 2009, we'll see more reliance on outsourced assistance from professional spa management companies. In the recent past, a handful of spa product companies have delved into the design and management arena, but with little to no positive effect being brought to the property and its brand. This isn't the same as proper spa management from a proper spa management company. But the shift is coming in 2009 and we expect to see a significant uptick in the outsourcing of management for spas to dedicated spa management companies in the coming year.

A more roots-based approach

This brings us back to the juxtaposition of a young industry coming to terms with its historical practices. We're going to see a much more roots-based

approach to spa treatments becoming the norm. Gimmicks like 24 karat gold-leaf bodywraps and fish-nibble pedicures never last for more than a moment and tend to fade away, as will these kinds of approaches.

As an industry, we are going to truly embrace our history and apply this notion with a modern yet reserved sensibility.

We'll see more regionally influenced treatments next year, such as hammams, traditional Chinese medicine, ayurvedic-influenced menus, and the like. Because, after all, when one truly grasps one's roots, one is enlightened. And we'd like to think that our young industry has finally reached that place. ■