

spaissues

an INSIDER'S guide

writer **Judy Chapman**

On a recent stay at a high-end resort in Bali I discovered a range of yummy spa products in my bathroom. But just as I was about to unwrap these luxurious creams and smooth them on to my skin, I caught a glimpse of a very discreet (and expensive) price tag. When it comes to ways to boost the daily revenue, what will spas think of next?

there's no question global interest in spa's is on the increase. While several years ago guest capture rates in hotels were around six percent, today a city hotel averages around 10 percent while resorts can boast up to 20 percent. But these are competitive times and from complimentary upgrades to guests hounded on check-in, nagged at breakfast and followed through hotel lobbies, the approaches to inspire guests to take a spa treatment are increasingly wide and varied. So what's working and what's not?

"Ultimately every guest can and will decide for themselves what they want or need," says Sheila McCann, Director of Spa for Shangri-La Hotels and Resorts. She says the selling of the spa must compliment the end experience or the credibility is lost. "Everyone loves a bargain," she says. "But price is a strong indicator of quality in a spa. Discounting signals too much of a commodisation of spa. In my opinion, value added is preferable."

"I don't like to mention the 'D' word," agrees Richard Williams, Director of Spa for The Peninsula Shanghai. "While discounted spa has a place in the market its not in the five-star category. "Turn-downs are lovely but upgrades and complimentary add-ons

are winners. They enhance the guest experience without having a negative impact on your revenue." He says creative gifts to guests create memorable experiences and repeat business and positive 'word of mouth'.

Williams explains that the days when hotel spas could sit back and know their hotel occupancy would generate business are over and spas have to work harder to capture their local audience. "In a way this is good as it means spas really have to pull their socks up and take a good look at their product," says Williams. Those who are inflexible, unable to be innovative or achieve targets for their partners or owners will fail." He says that some spas in Hong Kong hotels actually have a higher external market than internal which has been their redemption during the current economic climate business-wise.

Jennifer Cikaluk, Spa Director of i.sawan Residential Spa and Club in Bangkok confirms that while hotels are seeing a gradual increase in spa utilisation, there are now more choices. "It has become increasingly apparent that the increased awareness and use of spa is not enough to fill the beds," she says. "We must be the best at what we do to satisfy our guests and to bring them back. A spa must consistently review its offerings and stay current with

the needs of guests in order to capture their attention and maintain loyalty."

"Try not to confuse the guest with too many promotions," Cikaluk warns. "Create a great added value promotion and communicate it clearly." She believes guests are looking for value but still with a quality experience so discount lowers the experience. "Added value such as buy one get one free or buy a massage and get a scrub free can be good."

"I don't like in-villa spa products for sale," says McCann. "I tried this idea many years ago but frankly, the cost of the losses offset any additional revenue earned." However, she says what she does like is frequent user clubs and bundled offers, including spa treatments and off-peak offers.

"Coupons are great," agrees Cikaluk. "Offering special pricing based on a commitment of multiple treatments is a great way to build retention without direct discounting." She attests that while everyone likes a gift, it should be relevant and useful. "For facials, product samples are great and allow guests to try the retail." Adds Williams, "Grace and manners go a long way. Hand written cards, welcome letters from a Spa Director engender warm and lasting relationships that endure." 