



NORTH AMERICA: *United States*

ECONOMIC CLIMATE

We cannot look at the state of the current U.S spa and wellness industry exclusively from the point of view of the recent “economic climate.” In the past two decades we’ve witnessed the substantial growth of an industry often referred to as “the boom” with year after year growth not just in revenue, but also in number of locations which drove the industry to the point of over-saturation and a desperate need for differentiation. Now if you factor in the economic climate of the past couple of years and the slowdown in spa revenue, results are predictable. However, this may lead to a new window of overall opportunity that will completely reposition the industry and take it to new heights.

Speaking in broad and general terms, over the past couple of years, the U.S spa market has had to navigate through some rough waters. The conveyor belt of new clients is no longer in action due to the loss or threat to disposable income. As much as we all know the importance of visiting a spa and building it into our lifestyles, the reality is that the majority of consumers still see it as luxury, pampering, or vanity.

Initially we are seeing “survival of the fittest,” unfortunately the smaller businesses do not have staying power, and the drop in revenue has forced many closures. The ripple effect is that the stronger and larger locations are maintaining and even indicating some growth during this time. The businesses with a strong focused strategy and a level of creative thinking to tap into new business models or opportunities will look to maximize the stress on smaller businesses.

One such example in the past year has been the entry of a new business model to the industry, the entry of the franchise model. One of the most noted and most successful examples is Massage Envy. It has managed to bring in a new model to the market that has a small footprint, easily reproduced with affordable service prices, resulting in professional services becoming more accessible.

The more accessible our services are, the more end consumers will be exposed to our industry. The franchise model is heavily monitored, managed, and supported with strong internal educational programs which secure high and consistent service standards.

STATISTICS

The most interesting statistic to us as a manufacturer is the growth of our top tier accounts and the increase in our professional services. Going back to the opportunities that are coming out of the recent turmoil, we see top tier accounts working with us very closely on minute-by-minute strategic plans and programs to make sure they are limber enough to meet the needs and expectations of our ever-changing clients. We have seen a tremendous amount of growth in our professional services, which we believe is due to a shift in consumer priorities. Clients are working with smaller budgets and are therefore moving from extensive cosmetic procedures to more results-oriented aesthetic ser-

vices. There has been a very intentional shift for the prestige spa sector to increase and improve their spa revenue by promising results. These properties are seeing luxury, pampering, and sensual journeys as a given standard of service and are now focusing on marketing their results-oriented services as the reason “why” guests should visit their spa while vacationing with them.

INNOVATION

Speaking as a visionary, I would say we are on the cusp of some very exciting times. Historically, beauty, wellness, prevention, and health have been seen as parallel industries whereas I see them as one. The way of the future is what I call The Inclusive Health model. Under this umbrella, all of these industries will work together to create the ultimate destination for clients. An inclusive health spa could be housed in a hospital, urban setting, resort/destination, corporate structure, etc. and will become part of everyday living offering affordable and manageable lifestyle programs for all, with a focus on topical skin health, internal cellular health, and a sense of self.

Unlike ordinary preventative care, which aims to prevent specific conditions, or integrative care which uses a multi-disciplinary approach to remedy specific conditions, inclusive health is an approach rooted in the Science of the Water Principle that is designed to protect and promote health on the cellular level. Respecting that the whole body is connected, we are able to improve the health of every cell in the body over a period of 10 weeks.

With the influence of the health care and medical communities, it is imperative that these inclusive health spas operate on a philosophy that is rooted in science and can show the client progress with measurable results. The traditional expectations of visiting a spa for relaxation, pampering, and self indulgence will be a given byproduct with the consumer’s focus clearly shifting to measurable wellness results. The consumer’s mindset is changing to a view that lack of disease is not enough and that the real goal is optimal health and wellness. The consumer will build Inclusive Health into their lifestyle and hence our industry will become more mainstream.

As much as the current economic climate is causing turmoil in our industry, it is also forcing us and navigating us toward contributing in a way we could never have imagined before in our changing lives. Here are some hard facts that we are facing and frankly the picture is pretty much the same across most developed countries:

- We have a disease management health care system with less than 5% of our annual budget being spent on any form of preventative care
- More than 50% of major illnesses are lifestyle based
- The explosion of childhood obesity leading to this generation of children being potentially the first to be outlived by their parents
- It is estimated that close to 50% of annual foods purchased are fast food
- Cultural stress, which is constant and pervasive stress, is contributing to a record number of prescriptions for anxiety and sleep disorders.

And the list goes on and on, making it very clear to see the opportunity for the Inclusive Health spa to focus on taking care of the entire person with strong coaching and education on lifestyle choices. Seeing the success of our inclusive health model in our partnership with the Christus Hospital group tells me the future of the spa industry is very strong.

On another note, any time an industry makes such a large shift, we have to also consider the change that needs to take place within the standards of education for the staff in the industry. Although there are some isolated elements of strong educational programs currently available to our service providers, we still have a lot of work to do in terms of creating consistent post-graduate level education which will meet the needs of the changing industry. With this in mind, we will be launching the University for Inclusive Health, UIH. UIH will be opening its doors with a 40 hour inclusive health practitioner program designed to support the occupational growth of service providers world-wide. It is very apparent to me that not all service providers have a desire to grow into management or education. Their passion continues to lie with helping people and with this certification; they are able to work one-on-one with clients to ensure they are at their optimal health versus simply performing a facial or massage for example.

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