



Corporate Spa Directors (Past or Present) – Invitation Only

Breakout Discussion Forum

Facilitator

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Conversation Participants

Corporate spa directors

Overview

This session was structured as an invitation-only open dialogue among corporate spa directors. It was the first of its kind session at GWS. Because it was an open conversation, the ideas below will be presented generally and without attribution to specific participants.

Question: Some spa directors are seeing many younger (18-30) and older (80s and 90s) people using their services. Is this common among what you're all seeing? Is it possibly the beginning of a new wave?

- Millennials are just starting to personally opt-in to the spa world. Consequently, some spas are developing new products, based off of market research, that target younger consumers. These products, often leveraging social media, are designed to be educational – explaining and informing them about the value and opportunities inherent in spa experiences.
- Four viable generations are now coming to the spa. How can we intelligently develop differentiating factors between generations? It might possibly be the biggest need. However, in many cases, it might not even make sense for spas to try and cater to all four generations simultaneously. Or, alternatively, should spas simply adopt a “one size fits all” approach?
- Some spa directors are experimenting with separate resorts tailored toward kids, while their parents enjoy more traditional spa services in a neighboring facility. So far, the response has been very positive to this example of overt segmentation.
- We may see increased regulation around marketing spa experiences to kids. As it stands, spas who cater to them use completely separate facilities.
- Integration of technology into the teen spa experience is key. However, as they grow older, will they evolve to appreciate low-tech spa experiences?

- In the end, it's most important to align the specific brand with the key demos for that brand. Are you a sophisticated brand? A traditional brand? A fun brand? A family-friendly brand?

Question: How are spas integrating technology into their operations? Does technology conflict with, or enhance, traditional spa operations?

- One spa organized a meeting between spa directors and IT. The spa tasked the IT professionals with designing their idea of a technologically-integrated spa of the future.
- The traditional spa model of *high-touch/low-tech* is morphing into a *high-touch/high-tech* model. Most spa directors in the room agreed that high-touch is unlikely to go away. It remains integral to most spa experiences. However, they further agreed that high-tech will become an increasingly important ingredient.
- Some spas have looked into administering sensitive questionnaires to determine a customer's right age through biomarkers.
- Other spas are looking more extensively into delivering express treatments. These treatments not only cater to busy professionals, but also generally optimize the increasingly scarce resource of *time* for all customers. Automated menus and custom chairs are being offered as part of express treatments. And, some rooms are being designed in their entirety to better leverage technology (e.g., visual meditation room using virtual reality).
- A difficult problem for many spas: How do you navigate between telling people not to use their own personal technology, but use "ours?" It's not necessarily tech, on its own, that's the problem – it's people's use (and misuse) of technology during the spa experience.
- Some spa directors even mentioned robotics as a possible future efficiency. They acknowledged that meaningful robotics may be a few years away, but it *is* coming and could really impact the spa experience. How would this impact the expectations of younger consumers? And would robotics first disrupt the less-specialized positions within a spa (versus higher-end therapists)?
- Not everyone agreed that technology should be part of the spa experience. One director said that this was all no good for the industry, as it represents a departure from what the spa experience really should be.
- In the end, the group reached a fair consensus that it will not be all or nothing. Most spas *will* integrate technology, especially to attract new customers – they just have to do so meaningfully, seamlessly and intelligently.

Question: What are other topics/disruptions that people want to discuss?

- *Loneliness*. People are now so connected, but at the same time they are equally disconnected. Are spas the one place where it is socially acceptable and comfortable (and/or *comforting*) to be disconnected, by yourself and *anti-social*?
- On the flip side, is there *social* value behind the spa experience?
- The question was asked: How many of your roles are changing from "spa" to "wellness?" And how does that dictate what you do and how you do it? Most of the directors in the room acknowledged that the scope of their responsibilities

now encompasses many more aspects of wellness than just traditional spas. It has to, as the discipline is becoming so much more holistic.

- The last several minutes of the discussion revolved around how we can create communities of spa directors at the local level. Currently, no such communities really exist – at least not ones that are effective. Many spa directors are technically competitors, and can't share proprietary information with one another. However, there seemed to be a strong appetite among most people in the room for some sort of network and/or shared resources that could further the interests of the industry.

Fast Forward: What This Will Mean in the Future?

Time Space: One of the growth areas of the future is something we call *time space*. If you were to ask people to define a luxury in basic economic terms – something which is in extremely high demand but extremely short supply – and then ask them to identify the #1 luxury for them today, most people would respond with “time.” This is universal, and it cuts across geography. Time is fast becoming one of the most important value propositions for *any* business. Spas will have to consider how to best optimize time for their customers in the future. This could include:

- Express treatments as brief as 5-10 minutes (for busy professionals)
- More automation- and technology-based efficiencies
- Better advance knowledge of the customer, in advance – through data analytics

Cybrids: The generation coming up behind Millennials is commonly referred to as Generation Z. We refer to them as *Cybrids*. They are the first generation to have a fully symbiotic relationship with technology from the moment they're born. This will impact everything they do – including how they play, learn, work and behave as consumers. The leading edge of this generation turned 19 years old this past year, and will soon be part of the global spa consumer market. It's important to pay attention to this group. While they will be the most technologically advanced generation ever, they have also evolved beyond Millennials in interesting ways. They already show signs of being a more community-oriented, globally-connected, altruistic and values-based generation. They also show signs of being more concerned about stewardship of the planet. It's certainly conceivable that this generation will be more spiritual than their predecessors. And they may well have a greater appreciation, at an earlier age, for more holistic – and, in some cases, traditional – spa and wellness experiences.

Othersourcing: Many spas will begin to source historically human-based labor to smart software, systems and robots – a process we call *othersourcing*. It's already happening en masse in other industries. And while the spa industry may be more traditional than most, there are clear business efficiencies to be had through a selective and careful use of othersourcing. Corporate spa directors will have a better chance to experiment in this area than will their smaller counterparts. Othersourcing will conceivably take place in less-specialized areas of spas first – for example, reservations and bookings. It'll likely be a much longer time before we see robotic

massage therapists, for example. But we will likely also soon see the integration of virtual reality (VR) technology as an enhancement for relaxation, meditation and stress-relief.

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