



Innovative Spa Marketing Campaign: Mexico

General Session: Panel

Tuesday, June 5th 2012 3:00pm – 3:40pm

McNulty Gathering Room, Doerr-Hosier Center Building, The Aspen Institute

Speakers:

Moderator: Alfredo Carvajal, EVP, Universal Companies, U.S. (Chile)

Panelists: Pedro Aspe Armella, Senior Managing Director & Co-Chairman, Evercore Partners, Mexico

Gina Diez Barroso de Franklin, President & CEO, Grupo Diarq, Mexico

Diana Mestre, Owner, Mestre & Mestre Consulting, Mexico

Transcription:

Taylor Gannon, Assistant Marketing Coordinator, Global Spa & Wellness Summit

ALFREDO CARVAJAL: We're going to talk today about innovative campaigns in Mexico particularly. Let me tell you something that I have learned by being in the country — which [is] we only know what the media tells us, and the media loves bad news. They love to tell bad news to everybody in the world. I travel to Mexico consistently, and for me, it's probably one of the best nations where you can really retreat from everything and have one of the best treatments – speaking from not only in the spa side, but as a person, as a human being in the part of hospitality.

It's an honor and pleasure for me to introduce this panel. Let's take marketing for a second: Have you seen this picture? Actually 99 percent of all of us have used this in our spa. There are probably 300 editions of that image. That doesn't tell anybody what you do, what we do, or what we are trying to aspire to convey to our public. The same like this one — it's basically like something in my bathroom, but you've probably seen in some spas too or a website.

The problem we have is our industry doesn't have what F&B (food and beverage) does very well. By the way, have you now noticed that the menus have become smaller — very fine restaurants, four pages, very simple, very easy to understand? The waiter who tells you about this bottle of wine, about this meat that was prepared by the chef, seared for a couple of weeks, and this fresh food found on the table that Aspen is so famous for. It makes you salivate and crave this food before even tasting

it. What happens in spas? We keep showing people this picture of a lady with stones on her back. It doesn't tell you much. I'm not surprised that most spas in the world sells a Swedish massage 70% of the time and the other 10-15 percent is a basic facial. Everything you've worked so hard on - in creating these amazing experiences - is basically done probably by your therapists once a month. It's like asking you to ride a bicycle once a year and be called Lance Armstrong — you will never do it. That is what's happening today. We don't convey the messages of the most beautiful thing we got.

We're going to talk about a concept today that I learned in Mexico. First of all, here's a very short video that a friend of ours gave us — a beautiful project. I will tell you that this concept of “wellness playground” — which is a new word that I have been hearing around about a place where you don't just go and have a treatment, [but] a place where you go and discover yourself, [and] a place where you go and explore — is what the video that we are going to see next conveys. If you tell me, “Send me to this website to see this property; I will think that it is located in a huge resort somewhere in Thailand.” No — it's in the middle of downtown Mexico City, and it's basically a community, not even a hotel.

[Video]

Let me tell you, this project was built with the participation of Diana Mestre, and we're going to talk about her later. Let me introduce you right now to a great panel. I have a treat for you, three different perspectives about this country's development and renaissance when it comes to business, education and when it comes to spas. The first person is Gina Diez Barroso; she is president and CEO of the group of the Arc, and this group teaches people at universities how to become better designers, film and media artists. She has done a terrific job on that side, and we will see more about that in a few minutes.

Pedro Aspe is a really a treat; he just arrived a few minutes ago to present to us. He's the former Minister of Finance for the country of Mexico under the presidency of President of Salpingo Salitre, has served multiple boards, including the AAG company, also is one of the advisory board members at Stanford for International Studies, and I could keep going on and on. This is a very accomplished individual we have the blessing to have here this afternoon.

The next person is Diana Mestre, who is the principal and founder of Mestre & Mestre Consulting. Almost every hotel has an imprint of her work, so let me first introduce Gina. And please, Gina, if you could come to the stage, and you guys are going to have a great time right now. Thank you very much.

[Gina Diez Barroso]

Thank you very much Susie for having me. First, I'm going to show a video of creativity, a few leaders from Mexico talking about creativity and what innovation is.

[Video]

I think that after science and technology, the digital revolution, the driving force behind innovation is creativity. Creativity has become the model behind successful and sustained growth by first finding solutions to old problems, new solutions to new problems, and also finding solutions to problems we didn't even know existed.

Can creativity be taught? That's the question, and definitely, we think it can. Sixteen years ago, we decided to break the barriers of how the young generations of creative students and individuals were being taught in the traditional universities. For seven years, we traveled the world, seeing, listening, talking to the experts in universities, doing research, looking for the problems to find the solutions; finally, we were able to create a model that could let this group of very talented, young individuals to create, to imagine, to innovate, and then to make a real change, not only in their lives, but also in the world they live in. In this very difficult time when the world is upside down, when everybody talks about an economic crisis, there are also major opportunities, new industries that need to be created, environmental issues that need to be addressed, and required assigned interventions. The need for good collaboration between participants is essential. The need to find peace and serenity in every day of this hectic life that we live — before, maybe it was an option; now, it is a necessity. The obligation to make a difference in the world we live in and also to make a difference in the life of the less fortunate is not an option.

A good example of this is a presentation I saw in New York, "The Signing of the Other 90." This was the signing of the 90 percent of the big population that lives on extreme poverty, which was as easy as transferring water from point A to point B. Talking about water seems so simple, but a woman needs to be carrying water on her shoulders from point A to point B. Also, designing the spoon, a good design of a spoon is a difference when a person with Parkinson's can eat with dignity or not. Or the development of the stem cell research in Mexico City for the people with Lou Gehrig's Disease or spinal cord injury that now is on an amazing stage of human clinical trials already approved by the FDA.

I could go on forever on examples of the great opportunities of innovation and creative economy, but I want to go back to the actual practice of teaching creativity, and I'm going to tell you a few of the success stories. In just eight years of operation of Centre University, we have over 2,500 students; where we have 40 percent of them on scholarship; where their work has been presented in places like the Venice Film Festival; where they have won the Croatia film award. The students show their work in museums in Milano [and] at the MOMA museum in New York; they won the world-acclaimed ADD award in England, DaVita prize, and just a week ago, we were involved in the film that won the world-famous Cornfield Festival. All of these were — and it is — because they have the ability to innovate, to create without limits, to change existing models of education, to see and to listen, to work in a multi-disciplinary way, to imagine the imaginable, to design without boundaries, and to break the traditional way of thinking. They think big, and they see the impossible possible.

Thank you very much.

[Pedro Aspe]

Thank you very much. I am very happy to be back here at the Aspen Institute. When I team up with Gina, I say, "What an honor. It's always a pleasure to work with her, one of the most imaginative entrepreneurs of Mexico." I'm going to spend eight minutes on the economy; after hearing wonderful things on innovation, this is going to be a little more boring, but I hope it's a little bit useful.

First the surprise: The surprise is Latino America, after years and years of being all the time in crisis, crisis, crisis, finally, Latino America looks all right. The country that has done everything, seal the debt, seal the deficit, 10 percent growth. Peru is doing really well, Brazil you know, Columbia very well, and even Mexico now is starting to grow five percent without inflation for the first time. So when you look at Latino America relative to the world, we don't look that bad for the first time in years.

If you look at growth: same thing. Chile, Peru, Columbia are going extremely well — we are growing at five percent and increasing. Of course, we have the 2009 crisis, and Mexico was overexposed to trade to the U.S. and to the automobile industry, but we recovered in one year.

Mexico in terms of employment is one-tenth of the U.S., so when the U.S. in 2009 lost 8.5 million jobs, Mexico lost 850,000, but we recovered them in 12 months. Now we have added three times that. So far, in terms of employment, things are going well. Manufacture exports now are growing at two digits, high two digits.

[For the] first time in 50 years, we have the lowest inflation in Latino America, and we have a very competitive economy. Mexico exports three-and-a-half times more than the rest of Latino America combined; of course it's geography — but three times. Ninety percent of our exports that are not commodity driven are manufactures, and we have now 42 trade agreements with almost one half of the world: European Union, NAFTA, and now we are into opening with the Pacific.

We concentrate a lot on the U.S. and in Canada, and we have to diversify this more, which is true, but our exports are growing at 30 percent to Latino America. When China entered the World Trade Organization, we were really hit hard, and let me tell you why (which is this graph on the lower left-hand side). China entered very low with labor costs, and it hit us hard, but as you know, the competitiveness of China has changed a lot, and now we are with lower costs.

Let me tell you one story with names. Bell Helicopters — they were produced in Chihuahua in 1998, they left Mexico, and they took their plant to Shanghai: 1,200 jobs. We are in an open economy, have to be more competitive; we have been doing the turnaround, we have been innovating a lot. Let me tell you, I was invited last November in Chihuahua — the plant is back. It was tough, it was tough especially for the people of Chihuahua, but it is back, and it is back with 1,500 jobs. I was really happy that after 12 years we got the lesson, we have learned, and very entrepreneurial trading is there. Now the Canadians just announced Bombardier Inc., the Canadian jet manufacturer is going to be producing in Querétaro, Mexico, now. They said they need a university next to the plant because they want to hire 217 engineers. So big things are moving.

I know that you saw a very wonderful presentation explaining that the world is going to change a lot — the emerging markets, which were 25 percent and the developed markets were 75 percent — is going to be exactly the other way around. The last figures in the sense of Mexico changed completely. From five children per family, we have gone to 1.7 in only 25 years. Migration is going to completely fall. George Shultz, the famous secretary of labor, treasury and estate in 2010, said, “Mexico is not going to provide us with migration anymore.” It's happening. The data shows that finally because of the growth of employment, we have stabilized the market. This was very important for the U.S., very important for Mexico, and especially very important for the thousands of lives that would have risked crossing the border and the legality of all these things.

Here's the graph of where the growth is going to come. It's going to come from China, India, and that's where America will be at the front. We still have problems,

but just a couple things to remember. Mexico's exports already: \$1 billion dollars a day of manufacturers, only of manufacturers. Mexico is supporting \$400 billion a year. Employment is at a record level, international reserves, and the demographic transition is already here. This is the best news we have had, the change of altitude, the change of education, especially with Mexican women.

One last tragic point. Obviously, violence has been increasing because of the wars, which is the thing that you see all of the time on *CNN* and the newspapers. It's true. [That] we have it lower than most of Latino America is also true, but it's at the border and this very delicate. Finally, for the first time, it's reversing itself, but this has been a real tough eight years, but finally this thing is turning around.

I will want to stop here and tell you two things. First: from a totally close economy, government owned, totally regulated, highly undemocratic. Two: an open society with democracy, with alternative political powers, with clean elections, and with a very private sector. So this is what has happened in the last years and will look now to a better future.

Thank you.

[Diana Mestre]

Well, now you know why you should come to Mexico to invest and innovate, right? Innovation through indigenous inspiration — truly a journey of imagination — innovation through indigenous inspiration is the birth of a cultural spa movement. Culture is the heritage of society, which is passed from generation to generation, thus preserving a better quality and value of human leaving. Spa science empowered by innovation that draws inspiration from native methods of healing, ancient indigenous wisdom, knowledge of the land, these people and traditions open a new dimension of wellness.

Spas can integrate a better living standard in the community by supporting, promoting local traditions, producing crafts and skills. Spas of the future can influence and participate in the delicate balance in coexistence with natural resources and can have a direct impact on global consciousness.

Innovating spas at this level creates a one-of-a-kind healing space, which combines ancient, indigenous philosophy, rituals, medicines, herbalism principles [and] healing methods with modern concepts and techniques that will possibly enrich the spa experience.

Like the richness and the wealth of knowledge of the [Asian] and Middle East cultures, the American Indian [is] well-documented in Mexico. The pre-Hispanic culture brings a rich heritage that has inspired unique spa treatments and rituals. Today we would like to unveil some of the extraordinary indigenous treatments.

Mexico's gift to the world. The Mayan, the Aztec, the cultures in the pre-Hispanic Mexico [are] a resource of inspiration for some of the country's most prestigious spas. Shamans and Mexican body artisans participate in unique rituals that keep Mexico so alive. Rather than reading, I'm going to tell you a little bit about each one.

The **Nopal** is a very aromatic resin that was used in the ancient times to have a connectivity with the gods, and every spa in Mexico that has Hispanic treatments starts with what is called "Limpia," or a purification where a shaman or a body artisan (I call them [these] rather than therapists) will do a cleansing of the aura with the copal. This is a beautiful initiating ritual that has a profound value and connection to the ancient times.

Temazcal: How many of you are familiar with temazcal? Temazcal comes from "calli," which means home, and "temaz," which means steam, and it has this shape of the mother womb. It's been a part of Mexico's tradition to really incorporate a balance of both body and spirits. Today, spas really incorporate like a shorter version of the real strong two hours that you do, so it's a shorter concept — but it's to leave all your problems, to live in the present moment, to have a moment of mindfulness, to empty of everything you don't need in life, and I've seen incredible transformations on guests that go through a temazcal experience. It's kind of magical, that circle, that center, and it has that really amazing experience.

Manteada: an ancient massage. Manteada used to be used by the midwives in Mexico to align the spine and help with childbirth. Spas today use this to balance and stretch your body, so we call it the Mexican Thai massage. It's a beautiful treatment, amazingly relaxing and balancing — this is a very special experience that we hope will take over in many of the spas around the world.

The **Kukulkan** massage is based on the Mayan culture roots, and it represents the Mayan culture vision. It's actually performed by two therapists, or two body artisans, and it has a very special choreography that integrates three special animals that were very representative of the Mayan culture: the jaguar, which is the keeper of the underworld, the serpent, which represents the earth at the present moment, and the eagle, that represents the ethereal — the connection with the gods. This is also starting in the Cancun area at a holistic school of Mayan therapy. It is really, truly an

experience that leaves patients with an impact of a cultural experience of where they are going.

The **Sacred Obsidian** massage. Obsidian is made out of glass — in the ancient times they used tools and ornaments — and this was considered a magical stone, an element for self-discovery. There are different shapes of the obsidian stone. Now it's combined with many of the modern techniques to create the obsidian experience. It's truly different from the river stone — it [has] really special elements that are used throughout the entire massage.

Finally, there is a unique treatment I've never seen at any party in the world, and it was created by a team of therapists when they opened this very special spa. It's for couples, and it starts with a special drink made of honey and anise liqueur, and you do the limpia with the nopal [and] shaman, and you're placed inside holey tree trunks. Inside the holy tree trunks the body artisans begin to pour seeds, very light, bird-like seeds, and they start raining down the body with all these seeds, and once the tree trunk is full of the seeds, they begin to do a massage with [the blanket of seeds]. This is accompanied by drums and songs of fertility and abundance for your body, mindfulness and personal connection with the earth.

There is a special Mayan word I'm going to leave [with] you to learn because it's magical, and it says, “ah yum hunab ku evam maya ema ho”: “May the cosmos in nature be within all of us.” I hope the treasures that Mexico can bring into the world can be exported, and we can see this all over the world as well. When we talked yesterday...this is truly relevant, innovation through indigenous inspiration really makes a connection with the land, with the people, with the aromas. So I invite the entire world to be inspired by their cultures because then we will have a much richer spa industry.

And, of course, you will be able to find all of these wonderful treatments in our special book, *A Gift from Mexico and Gina to You*. Thank you very much.

[Alfredo Carvajal]

I wanted to thank everybody in the panel today. Actually, I was just thinking about the group of people we [have] — I can compare it to the renaissance time. In one part, I will have Medici family member: That would be Gina; I will have the Prince of Machiavelli: Dr. Aspe; and I will have a Michelangelo: Diana Mestre.