



ASIA-PACIFIC: *Singapore*

The saying goes that when the United States sneezes, the world catches cold. This time, the US has not only sneezed but also caught cold, and the world is suffering a very bad chill. There is no miracle cure; we can only ease the symptoms as best as we can. It will take time, but we will recover, and hopefully emerge with stronger immunity.

SINGAPORE BEFORE THE CHILL

Singapore was a top spender on spas, according to the 2008 International SPA Association Global Consumer Study. The average active spa goer spent US\$937 per year.

Things are not quite as rosy today. Several factors are at play. Although tourism receipts in 2008 reached a record US\$14.8 billion – up 4.8 per cent from 2007 – visitor arrivals to Singapore in March 2009 registered a decline of 13.2 per cent compared to March 2008. This could point towards a loss in tourism spending. Over and above this, Singaporeans themselves are becoming more conscious about where their money goes.

IS THE SPA AN ANTIDOTE TO STRESS?

If this were entirely true, spas should be doing a roaring business in light of the economic turmoil. However, this is not the case – at least, not in Singapore. Some Singapore spas are seeing their business dip as much as 40 percent. At one hotel-affiliated spa, treatments booked by hotel guests dropped six per cent when compared to the same period last year. This particular spa anticipates an even higher drop, possibly 15 per cent, in the number of treatments booked in the months to come. As expected, treatments booked by overseas hotel guests are predicted to fall hardest.

Economic slowdowns have a way of ensuring that only the fittest survive. Some spas will shrink their operations to stay viable, while others may cease operations altogether. But bad times will not deter players who are confident of their product.

Slated to open in the heart of the city centre at the end of 2009 is the five-star Marina Bay Sands Integrated Resorts, where guests will enjoy access to exclusive spa facilities, along with gaming facilities, trendy restaurants and entertainment outlets. Over in Singapore's 'paradise island' of Sentosa, two new spas will join the more established, award-winning Spa Botanica. Auriga Spa of the six-star Capella Singapore will begin operations sometime this year and EPSA of Resorts World Sentosa is soon to follow.



SPA INDUSTRY BRIEFING: *Singapore*

These three new entries will add variety to the 250 licensed Singapore spas to be found in selected hotels, exclusive clubs, shopping malls, housing estates, a public park and a farm.

To ensure their survival, many of these spas say they will ride the tide by taking into account the changing demographics of spa-goers and altered spa patterns.

IN HARD TIMES, PEOPLE WANT ADDED VALUE FOR MONEY

In a move to attract new clientele, some spas are offering discounts of as much as 50 per cent. Desperate? Perhaps. Dangerous? Possibly. Undercutting undermines any service industry and there is a real risk of such companies collapsing under the strain of high overheads and low returns.

Other spas are going for more moderate, long-term solutions – for example, introducing membership schemes with special membership privileges, or getting clients to sign up for packages to keep them coming back. Yet others are upgrading their premises, introducing new treatments and improving services to promote customer loyalty.

To widen its scope, The Sentosa Resort & Spa recently launched Seven Eden as the active ageing arm of Spa Botanica. Seven Eden caters to hotel guests and private individuals looking to medical aesthetics and alternative therapies such as Traditional Chinese Medicine to stay youthful. Treatments like acupuncture are often used to treat lifestyle-related ailments such as rheumatism, obesity and infertility.

In addition, Seven Eden's initiative to partner local and international medical specialists has resulted in programmes addressing the early intervention of lifestyle diseases. Many of these will go in tandem with spa services.

SPAS ARE NOT MERELY THE BY-PRODUCT OF STRESS

They are the happy outcome of people conscious of a healthier lifestyle. Since the first modern spa appeared in Singapore in the mid-1980s, its initial concept has changed. From targeting the well-heeled Singaporean and the upscale tourist, spas are now well within the reach of the everyday consumer. Recent years have seen the growth of more 'neighbourhood' spas. These spas are in the heartlands, home to the vast majority of Singaporeans living in public housing.

Spas are no longer the exclusive domain of women either. More men in Singapore are accepting that spas are a great way to relax and promote health, whether it is a simple massage, a facial to counteract sun-damage or a treatment to tackle baldness.

SINGAPORE TAKES WELLNESS SERIOUSLY

Spa operators are members of professional bodies such as Spa Association Singapore and Spa & Wellness Association Singapore. These organizations work closely with government bodies, one of which is the Workforce Development Agency (WDA), to uphold best practices and standards among spa professionals. WDA grants training subsidies to companies with a view to encouraging spa operators to send their staff for further training.

The Singapore Government itself actively promotes a healthy lifestyle – fitness corners and reflexology paths in every park and heartland estate attest to this. The Health Promotion Board organizes regular health and wellness events for the masses throughout the year. In addition, the year 2007 saw the inauguration of the Active Ageing Festival. This four-month festival aims to encourage Singaporeans of all educational levels and socio-economic strata to put the “active ageing, active living” mindset into action. Festival activities run the gamut from musical performances to go-karting.

While these activities are aimed at people living in Singapore, plans are in place to attract consumers further afield. SingaporeMedicine is a multi-agency initiative committed to strengthening Singapore’s position as leading medical hub. Its efforts are paying off: in 2006, some 410,000 patients travelled to Singapore specifically for healthcare. This number is expected to rise, as word spreads and times get better.

Many spa operators view the current global crisis as a temporary setback and are confident that the spa industry will get back on its feet before long. Driving this new growth will be the expected increase of upmarket tourists and the increasing number of local spa-goers.

With spa presence in Singapore spanning two decades, the multifarious benefits of spa treatments are no longer seen as something only the privileged few are entitled to. Trends set by resort and hotel spas trickle down to humbler establishments offering basic amenities ranging from cookie-cutter reflexology stations to sparsely fitted massage rooms barely curtained off from the next spa-goer.

WHAT LIES AHEAD

More people today are viewing healthcare, beauty enhancement and spa therapy as convergent paths leading to one destination – total wellness. This has not been a sudden development but rather a gradual progression. As early as 2004, Singapore’s national newspaper The Straits Times reported that spa-goers want the benefit of spa packages that combine hotel stays with Botox treatments and magnetic resonance imaging screenings.

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With spas providing medical-related services, and healthcare providers offering spa treatments, Singapore is clearly heeding the voice of the consumer. For, ultimately, it is the consumer that decides whether your business has what it takes. It is the consumer that determines if your business stays afloat or sinks. And this is true, in good times or bad.

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