



ASIA: *Singapore*

ECONOMIC CLIMATE

When the global financial crisis hit in shockwaves starting as early as 2008, it was no surprise that the declines in consumption and investment hit the spa sector hard, especially hotel spas, in which the overall hotel occupancy rate for 2009 dropped 4.6 percent, compared to 2008. For award-winning Spa Botanica, revenue increased by 2 percent because of strong marketing support and interest from the domestic market.

The outlook for 2010 is markedly optimistic, with all regions expecting growth between 8 and 32 percent, according to Intelligent Spas' Global Benchmark Report. The Consumers Association of Singapore recently reported, "Although there are more than 2,000 spas here, just 28 closed down in the past three years." These numbers remain comparatively positive in no small part due to strong governmental support to promote Singapore as a competitive Southeast Asian spa hub. This national backing is a telling indication of Singapore's social and economic profile.

STATISTICS

Our cosmopolitan island city-state has few natural resources, but, by positioning itself as a popular travel destination, tourism is now one of Singapore's largest industries. Although down from 10.1 million visitor arrivals in 2008, tourist numbers managed to reach 9.7 million last year, spending an estimated total of S\$12.4 billion. The Singapore Tourism Board targets 17 million visitors by 2015—a staggering number considering Singapore's current population of 4.99 million.

Along with two new integrated resorts with casino licenses (the first ever granted in Singapore) and other major events such as the Singapore Formula 1 Grand Prix, the spa sector is considered by Singapore Tourism Board to be an integral part of this draw.

It is not only tourists that Singapore's burgeoning spa sector hopes to attract. Locals are also huge supporters of the spa industry. According to a recent survey conducted by BeautyAsia 2010, the region's most established annual beauty and wellness trade exhibition, 75 percent of Singaporeans are happy with their current spending on beauty products and treatments and will not cut back on spending despite the economic downturn.

INNOVATION

Recognizing the enormous potential for continued growth in the spa and wellness industry, the Singapore Workforce Development Agency and the Tourism Industry Skills and Training Council jointly developed the Tourism Workforce Skills Qualifications system (WSQ), launched in October 2007. Spas like Spa Botanica would have at least 80 percent of their therapists professionally qualified.



SPA INDUSTRY BRIEFING: *Singapore*

These government-subsidized training programmes, ranging from Certificate to Diploma levels, ensure that Singapore's spa industry maintains its high standards. Through extensive hands-on training, new as well as experienced industry practitioners are equipped with industry-recognized skills, such as facial treatment, body massage, waxing and reflexology, to build on and advance their careers in the spa sector.

TRENDS

As Singapore forges ahead in establishing itself as a spa and wellness capital, its spas have also moved along with the times and with consumers' wants and needs. Offering a wider range of services to appeal to well-seasoned spa-goers, spas in Singapore have increasingly begun to diversify and branch into health and aesthetics to complement their regular spa services.

The additions of formerly "alternative" health treatments, including acupuncture, follow the global shift towards a more holistic approach to health and beauty. Consumers are more discretionary in their spending, but the demand for spa services remains strong as spa-goers increasingly view beauty and wellness treatments as an important day-to-day necessity related to their overall health and well-being, rather than a luxury.

For example, foot reflexology has long been a popular alternative medicine therapy in Singapore to improve general health. The market for this therapy has grown in recent years as it is incorporated into spas along with "mani-pedi" services. In our fast-paced, digitally driven era, time is a precious commodity, and spas have become convenient, multi-purpose places to relax and recharge, even on lunch breaks.

An increasing number of Singaporeans and Southeast Asians in general are also looking to aesthetic surgery to dramatically improve every aspect of their appearances, from their eyelids to their calves. Spas have jumped on the bandwagon, offering various non-invasive cosmetic medical procedures along with spa treatments.

As beauty, health and wellness are inextricably interlinked; there has been a revival in popularity of traditional Asian therapies. And as spas look to corner the convergent beauty and health markets, they are introducing age-old treatments to spa-goers who are increasingly aware of the value of these therapies and healing techniques. The adoption of these traditional Asian therapies in tandem with spa treatments is a natural progression that the burgeoning spa sector must undertake in order to address the need for value through holistic programmes.

Spas are diversifying and expanding, and the integrated hybrid spa is on the horizon. Traditional Chinese Medicine is being offered, and exercise, nutrition, weight loss programmes, and non-invasive aesthetic treatments are being sought.

Today, consumers are more health-conscious, and they are often turning to spas to help maintain their healthy lifestyles. Spas are attracting new demographics from men to seniors, who are seeking

individualised total wellness rather than simple treatments targeting only one or two areas and are identical from one spa-goer to the next. This trend has been ongoing and spas can no longer get by with a one-size-fits-all attitude. From coffee to bespoke designer goods, customisation is now the norm in almost every aspect of the consumer landscape. To retain existing customers and attract new clients, spas must dynamically reinvent themselves from “pure spas” to multifaceted hybrids that address spa-goers’ broadening demographics, diverse needs and changing expectations.

MEDICAL/HEALTH/WELLNESS TOURISM

Medical and health tourism is clearly big business in Asia. It is the most popular destination for medical tourists in the world, and medical tourism is rapidly growing in Asia with the number of medical tourists to Asian countries increasing by about 20 to 30 percent each year. It is estimated that the medical tourism in Asia will be worth US\$4 billion by the year 2012. Singapore hopes to attract two million medical tourists in 2010.

The relationship between spas and medical aesthetic clinics is a mutually beneficial one with considerable overlaps. Following these developments, more spas are bringing in medical doctors and specialists to augment their existing services. By offering what has come to be known as “wellness tourism,” spas broaden their appeal with popular medical aesthetic enhancement procedures, like Botox, dermal fillers, laser rejuvenation, preventative services and non-invasive treatments to meet the rising demand.

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