



Cornell University

Students: Mariko Fujiko-White, Andrea Menotti
Hamid Pezeshkian, Yuliya Teterina

Advisor: Professor Mary Tabacchi

Architect: Hugo Gagnon

The Need

- Millions of Americans struggle to keep a consistent exercise routine
 - 50% of new gym members quit within 6 months of signing up ¹
 - 54% of Americans believe that physical exercise is very or extremely important, but only 27% are happy with their own level of exercise ²

Why?



The obstacles I face that prevent me from being consistent with physical activity are not largely logistical or pragmatic; rather they are emotional and mental.



A traditional gym experience has always made me somewhat uncomfortable. The ambience is usually heavy on “macho” and somewhat competitive.



I wish the gym was a place to relax and unwind,
and not just a place I dread going to after work.



I belong to a higher-end gym, Equinox, which is cleaner than any others I've seen, but which caters to the twenty-something/early thirties crowd, always blasting music, forgetting that there are older members too.



I like the idea of having a clean, serene space to go to, whether I was going for a class, hanging out before or after a class, or maybe just going to have a quiet place away from the pace of everyday life.



Having opportunities where I can regularly engage in learning and development will help inspire and motivate me [to exercise].

The Need

- A place to exercise for those who need to **relax**
- A place to exercise that **inspires and engages the mind**



What can **the spa industry** do to address this need,
and through this, bring new customers to spa?

The Concept

Mente Spa and Studio is a spa and movement studio for people who want an approach to fitness and wellness that exercises the body, relaxes the spirit, and engages the mind.



The Service Offering

Mente members pay a monthly fee to enjoy:

Fitness:



- Movement classes: yoga, dance, Pilates, tai chi, qi gong, and stretch.
- Workout and stretch studio

Spa:



- Members earn \$30 in “spa dollars” each month
- Yoga-themed spa with meditation room
- Signature treatment: Massage with guided meditation

Mind:



- Free bi-weekly seminars in wellness topics
- Book clubs and monthly seminars on topics in the arts and sciences

The Target Market

Primary:

- Highly educated women, 35 to 54

Secondary:

- Highly educated women and men, 55 and older
- Highly educated women and men, 28 and older



Target Locations

- Yoga-active suburbs with population above 50,000, median household income greater than \$75,000, high percentage of bachelors and masters, median age of 35 and above

Bethesda Row,
Bethesda, Maryland



Population: 61,612
Bachelor's: 30.10%
Master's: 24.49%
Median Income: \$137,790
Median Age: 43.3

Stanford Shopping Center,
Palo Alto, California



Population: 65,214
Bachelor's: 30.28%
Master's: 26.67%
Median Income: \$128,042
Median Age: 40.2



MIND

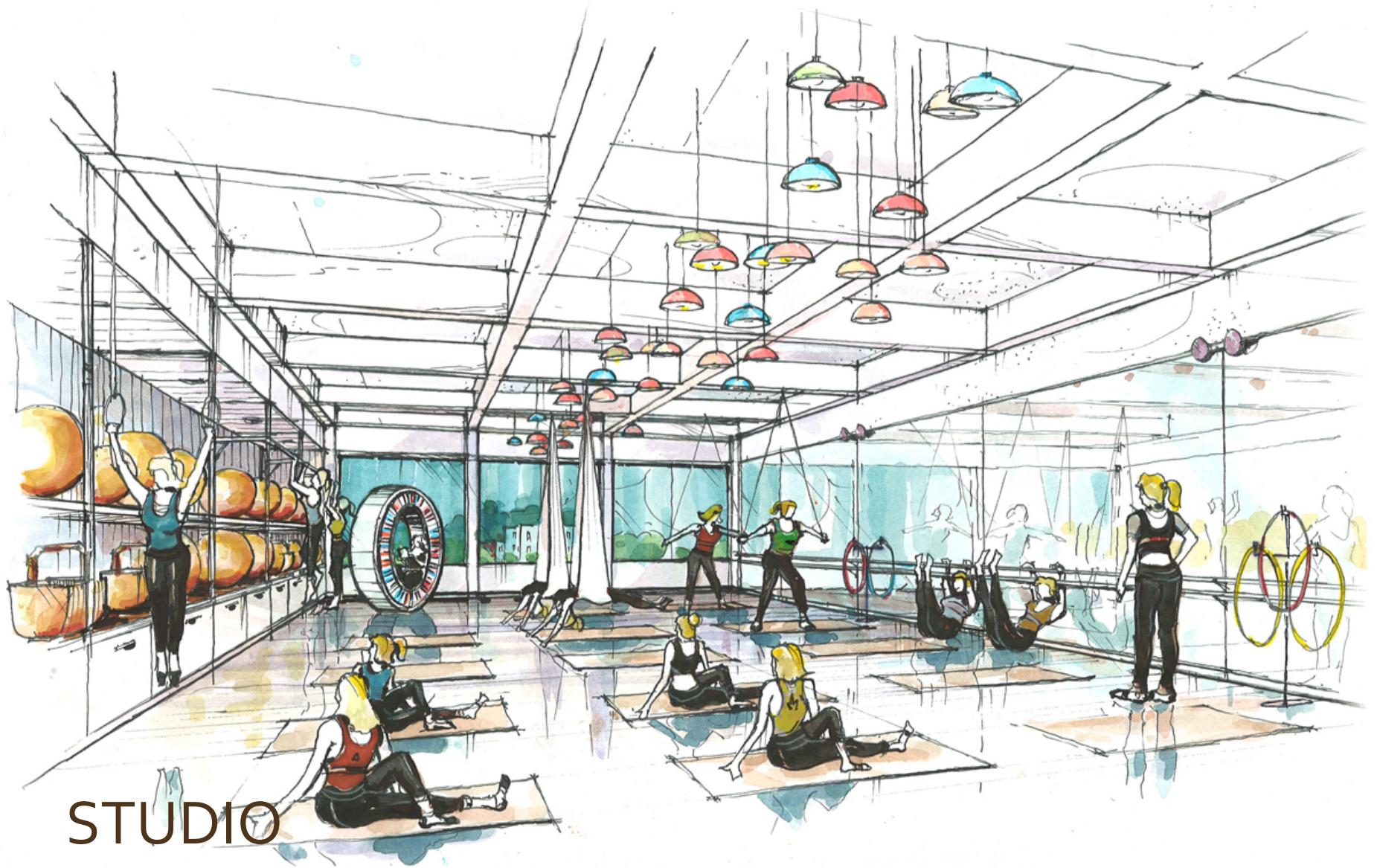
The Design

mente
spa and studio



SPA

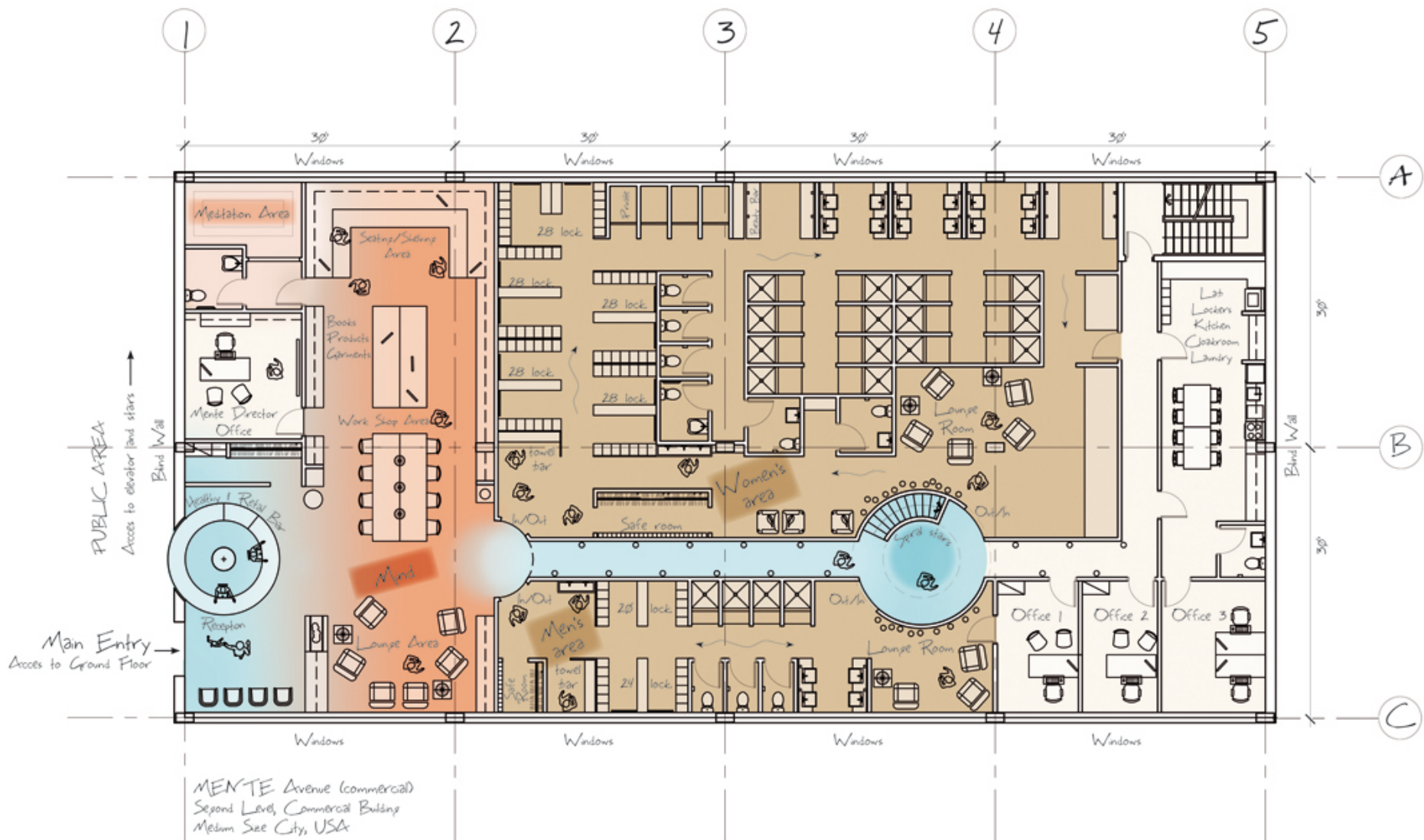
The Design



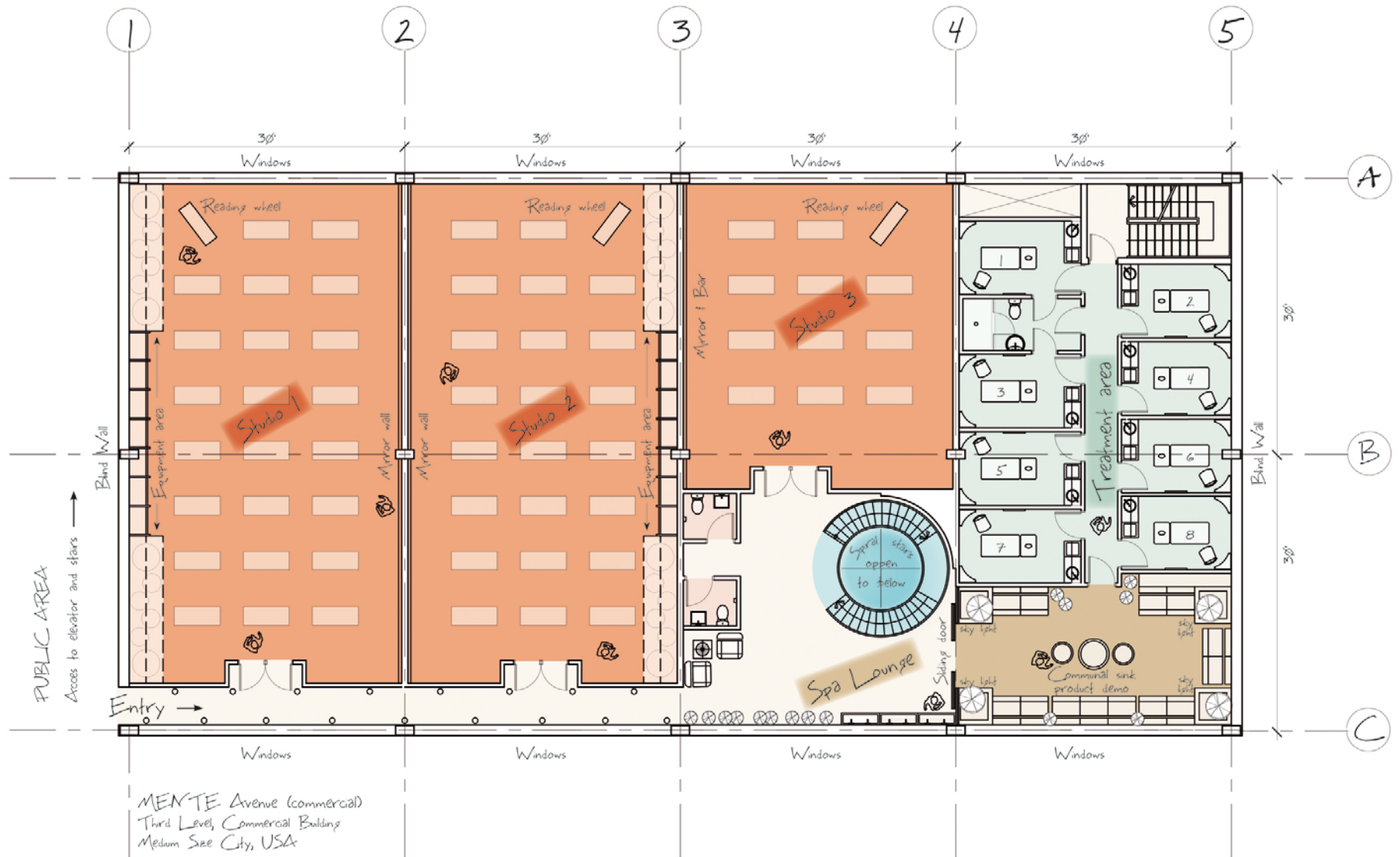
STUDIO

The Design

mente
spa and studio



The Design



The Design

Spa Services

- Scientifically-proven body work with less emphasis on beauty-based treatments
- Branded treatments using Sanskrit words and concepts
- Pre-treatment ritual: tea, foot soak, guided meditation
- Packaged treatments with an emphasis on meditation before and during the treatment



Spa Menu

Om Massage – *Mente Classic Massage*

50 min: \$115, 100 min: \$220

Cobra Massage – *Mente Back Massage*

50 min: \$115

Lotus Facial – *Mente Classic Facial*

50 min: \$130, 100 min: \$250

Prana Massage – *Thai Massage*

50 min: \$130, 100 min: \$250

Chi Massage – *Shiatsu Massage*

50 min: \$125, 100 min: \$240

Happy Baby Massage – *Prenatal Massage*

50 min: \$125, 100 min: \$240

Reiki – *Energy Healing*

50 min: \$115

Yoga Toes Massage – *Reflexology plus Massage*

50 min: \$125, 100 min: \$240

Mente Recovery – *Guided Meditation, Massage, & Facial*

100 min: \$250

Ru (Light) Massage – *Lomi Lomi Massage*

50 min: \$115, 100 min: \$220

Nidra Massage – *Hot Stone Massage*

100 min: \$250

Studio Services

- Yoga
- Pilates
- Dance
- Tai chi and Qi Gong
- Guided stretch
- Workout/stretch studio



Mind Services

- Guided meditation
- Tranquility and library room
- Book clubs
- Bi-weekly seminars on wellness-related topics such as nutrition, sleep, posture, meditation, stress reduction
- Monthly seminars and discussions on literature, art, architecture, science, history, travel



Mind Services

Seminar Topics

Wellness

- Healthy Skin
- Sleeping Well
- Meditation Techniques
- Nutrition

Intellectual

- Travel: Must-see secrets of Paris
- Art: Watercolor with a local artist
- Architecture: Chat with a Gaudi expert over wine and tapas
- Science: How to spot a planet in the evening sky



Mind Services

Guided Meditation

- A recorded, soothing voice will guide you through the different stages of meditation
- Enforces the spiritual/mental aspect of Mente
- The masseuse can work on the different body parts associated with the meditation recording



"Bring your awareness to your hands, that hold and touch, and caress and pet, and open, and close and applaud, and squeeze. The arms and shoulders that carry, and hug, and lift and stretch. Our feet, our toes, the gift to wiggle them, stretch, transport us, walk, run, dangle, dance, kick, fold, leap and point."

-davidji, Guided Meditation on Gratitude

Mente Online

[Home](#)[Services](#)[Mente Online](#)[Contact Us](#)

VIDEOS



Introducing Mente Online. So you can stay balanced whenever, wherever.

We know you're busy and that you can't always make it to class, whether you need to tend to things at home or you're traveling for work. Mente Spa and Studio has put together videos that will allow you to practice nearly all of our offerings wherever you have access to internet. We have provided some of our yoga, Pilates, dance, and guided meditation and stretch classes for member-use only. If you'd like to check out some of our free offerings, feel free to go to our YouTube page.

Pricing Strategy

- A Mente membership includes
- **Initiation Package (\$200):**
 - 60-minute spa treatment
 - 30-minute personal training consultation
- **Monthly fee:**
 - Top tier designed to match local yoga studio package rates (roughly \$18 per class) assuming 2 classes/week (\$144/month)
 - Full anytime membership: **\$145**
 - Off-peak membership: **\$110**
 - Two-day-per-week membership: **\$90**
 - **Rates will be adjusted to be competitive in each market**

Revenue Management

- **Issue:** 50% of members surveyed want to exercise from 5 to 9 p.m.
 - **Solution:** Memberships based on **time of day** allow members to save by exercising at off peak times
 - **Solution:** Flexible design and space allows for multiple uses depending on demand
 - **Solution:** Peak evening classes (5:30 to 7:30) scheduled at 15 minute intervals to accommodate high demand
- **Issue:** Traditional gyms oversell memberships and bank on members not showing up. Can lead to overcrowding and attrition.
 - **Solution:** Memberships based on **day of week** allow us to offer savings, level out demand, and help members develop consistent exercise habits



Loyalty and Retention

- Anniversary gifts that reward and reinforce behavior as well as add value to membership
- Members receive bonus spa dollars for referrals
- Reduced rate for monthly auto-renewal

Anniversary	Gift
6 weeks	Reusable water bottle
12 weeks	20% off retail coupon
24 weeks	\$20 spa credit (in addition to regular credit)
1 year	Free private training session

Retail Experience

- **A showroom for our intellectual spa brand**
- **Products**
 - Red Flower: an organic holistic line based on pure essential oils and founded on the principles of world traditions, sustainable sourcing, and well-being.
 - Body and skincare products
 - Candles
- **Yoga gear**
 - lululemon athletica
 - prAna
- **Books**
 - Classic wellness books; inspiring fiction like *Lost Horizon*
 - Ancient books such as *The Mahabharata* and *Siddhartha*.
- **Meditation CDs**



Marketing Plan

Events

- Open houses:
 - Local community (invitation by mail)
 - Press
- “Yoga in the park” events
- Sponsorship of local arts festivals
- Flyer handouts during commute hours



Advertising

- Ads on commuter rail
- Outdoor ads on commuter thoroughfares
- Program ads at local performing arts events
- Ads and inserts in community newspapers, particularly geared toward parents

Marketing Plan

Online

- Search Engine Optimization
 - Terms: spa, gym, yoga, dance, Pilates for local area
- Attractive, “sticky” content on web site:
 - **Free online yoga classes** (password access for members to more classes)
 - **Articles** on wellness topics like sleep, mediation
- Facebook marketing:
 - Members incentivized with spa dollars to like us and post on wall
 - Use Facebook’s “Sponsored Stories” to broadcast to nonmembers
- Blogger outreach:
 - Court blog posts from local influencers



Development Cost

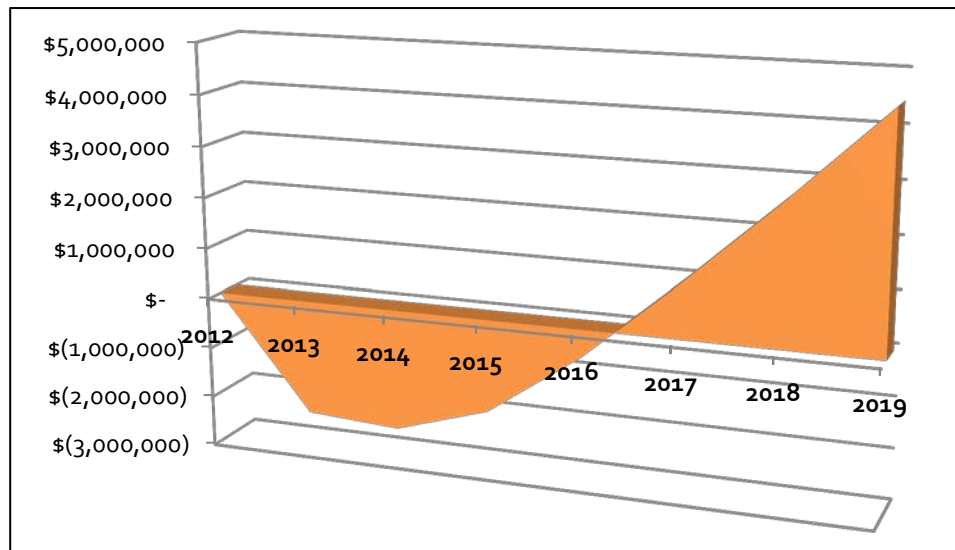
- Build-out cost: \$1,797,250 (\$125.0 per SF)
 - 50% (\$890k) covered by landlord as tenant improvements, and amortized
 - Balance paid by Mente Spa and Studio
- Studio equipment cost: \$612,000
- Total initial Capital Expenditures \$1.5 M



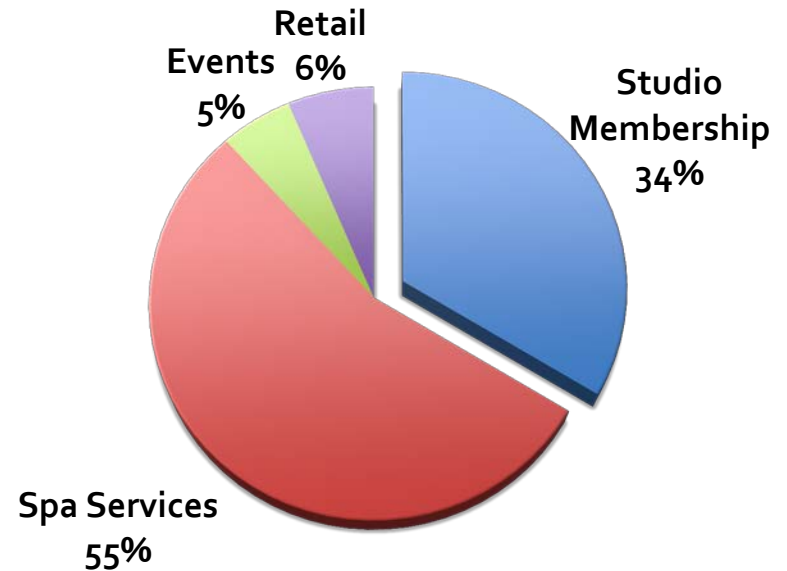
Financial Projections

- Stabilized Net Income: \$1.6 MM (2017)
- Annual return (IRR) to investors: 26% (2019)

Annual use and accumulation of cash



Sources of Profit



Growth Plan

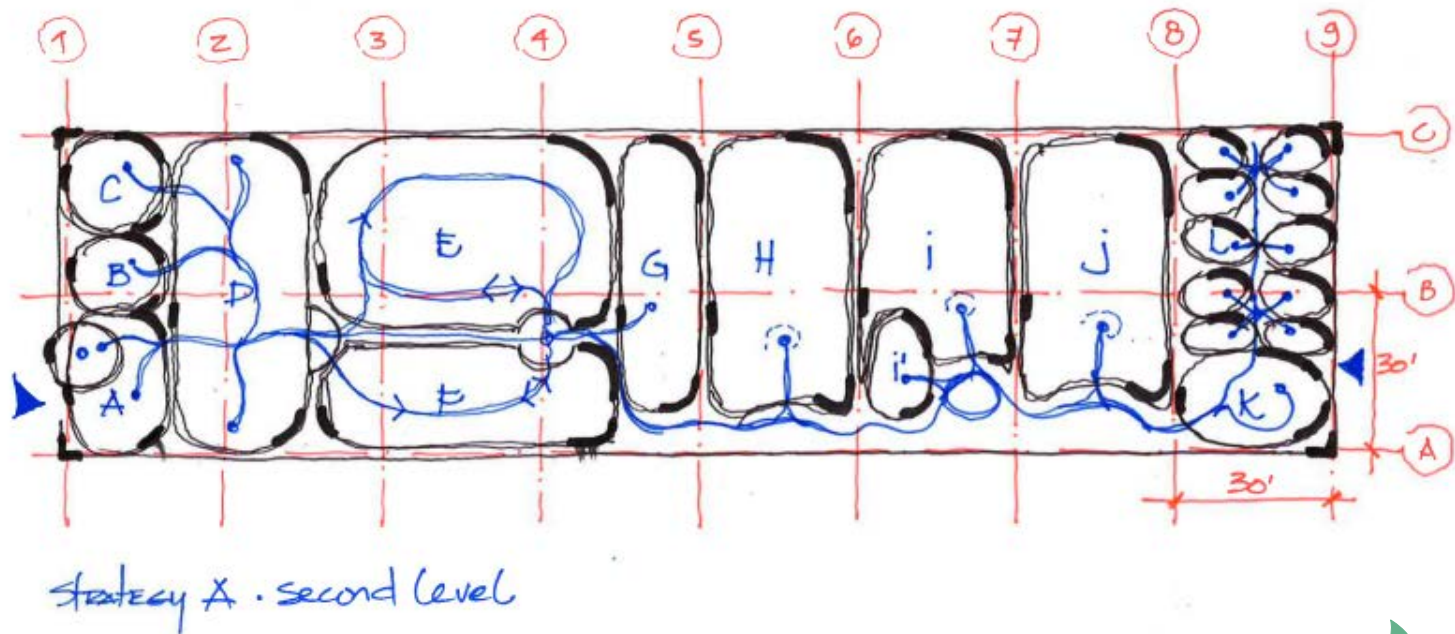
- **Our Goal**
 - To position Mente as a nationally recognized wellness brand within eight years of opening our first location
- **Expansion into other wealthy suburban markets into the U.S.**
 1. Franchise plan with regional representatives (like Massage Envy)
 2. Ownership in key metropolitan areas
- **Examples of wealthy suburban markets we will target:**
 - Mill Valley, CA
 - Gaithersburg, MD
 - Scarsdale, NY
 - Greenwich, CT
 - Maplewood, NJ

Flexibility of Design

The design can be modified to suit three suburban contexts:

- High-density suburban downtown, 2nd floor

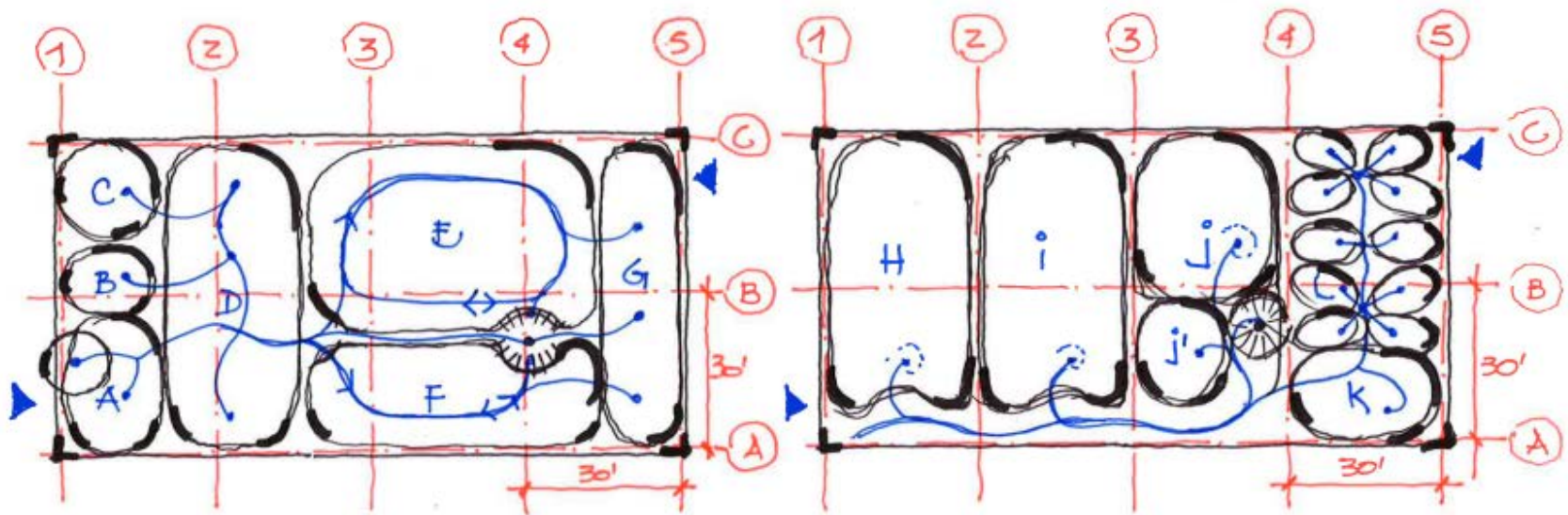
A	Reception
B	Director's office
C	Meditation
D	Seminar/Retail
E	Women's changing
F	Men's changing
G	Back of house
H	Studio
I	Studio
J	Studio
K	Spa



Flexibility of Design

The design can be modified to suit three suburban contexts:

- High-density suburban downtown, **two floors**
- 2nd and 3rd floors

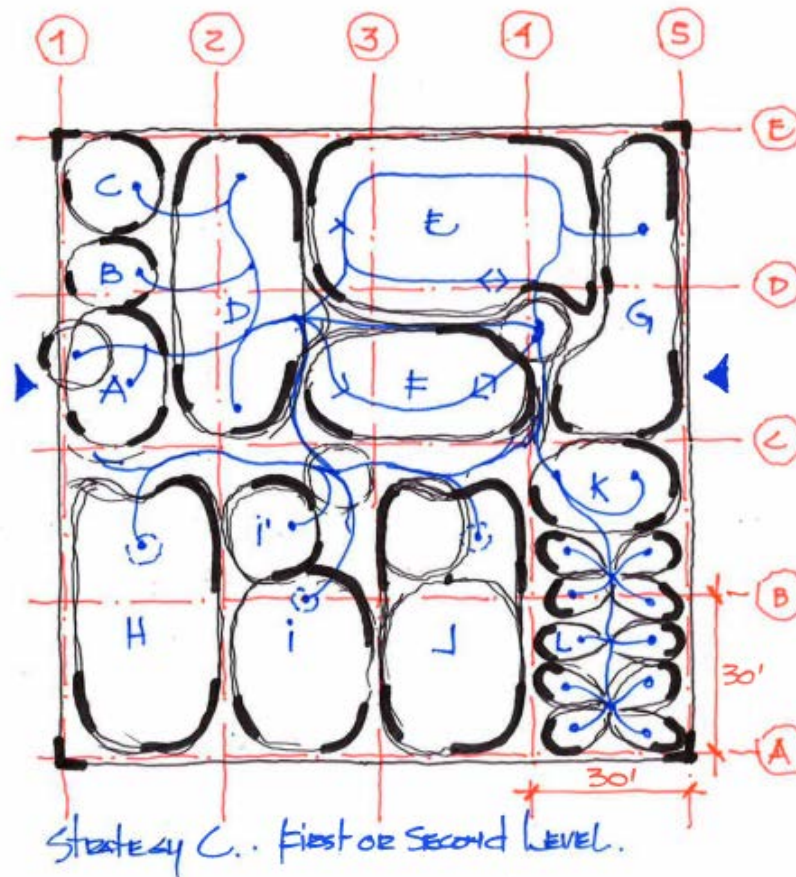


Strategy B - Second + Third Levels






Flexibility of Design

The design can be modified to suit three suburban contexts:

- Indoor mall



Competitive Advantages

Competitor	Contrast to Mente
 red door spas Elizabeth Arden	Lacks mind and fitness options. Targets mostly women.
	Lacks mind and fitness options. Mente offers a more sophisticated atmosphere and high-end service.
	Machine-based workout in low-budget setting; lacks spa & mind aspects, lacks sophistication
	High energy, go-go-go vibe, loud music. Targets younger professionals. Urban.
	More expensive than Mente; primarily urban.
Local yoga studios	Lack variety in movement class types, no spa or mind

Conclusion



Mente Spa and Studio offers a “whole person” fitness and wellness experience that integrates spa, moderate exercise, and intellectual enrichment.



We believe that engaging the mind is the key to bringing new and valuable customers to spa and fitness.



By engaging the mind, we create a motivating environment to help our members achieve their fitness and wellness goals, and to help them relax, restore, and reinvigorate both body and mind.

Thank you

- **Professor Mary Tabacchi**, our heroic advisor who continually challenged and supported us
- **Hugo Gagnon and Delphine Beauchamp**, our architecture team whose fantastic ideas and vision inspired us all
- **The DCYSA Architecture and Design team**, whose excellent renderings brought Mente to life
- **Amy McDonald, Terri Erin, and Michael Lahm at Under a Tree** for connecting us with Hugo
- **Stephani Robson** (Cornell) who advised us on the space requirements of our concept