



SPA 2020

A Special Report from The Hotel Yearbook for Spa and Hospitality Professionals Worldwide

Susie Ellis visualizes how today's trends might shape the spa business a decade from now

Andrew Gibson on the evolving nexus of hotels and spas

Alison Howland predicts the needs and expectations of four generations of spa consumer in the year 2020

Ingo Schweder on the Asianization of spas

Ralph Newman on challenges in the US market

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What will it take to serve the needs of the spa consumer in 2020?

That's the question we posed to ALISON HOWLAND, President of SPA SUCCESS CONSULTANTS in Palm Beach. To answer it, her systematic approach was to look at the special characteristics of each age segment, fast-forward to 2020, and visualize their future expectations. Here are the fascinating results of her thought process.

This unique "spa" industry, which virtually didn't exist 30 years ago and is predicted to hit the trillion-plus dollar mark globally, has grown and evolved into a variety of spa/wellness domains influencing everything from the hotel/leisure industry to the medical community to product manufacturers to education and insurance.

So why has this industry grown so much over the past three decades?

The rising cost of healthcare and the availability of high-quality information via the Internet have driven many people to de-stress; to learn how to take charge of their wellness and practice preventative care, rather than the reactionary care of traditional Western medicine.

This aspect of taking responsibility for one's wellness will be a deeper influence as spas grow and evolve – as we have witnessed with the growth of medical tourism and its influence on the spa industry.

Knowing that the spa industry is destined to grow is a no-brainer. But understanding what is going to drive that growth led me to research the unique characteristics of each generation and the need to understand the nuances particular

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to each. This will most certainly influence how spas evolve to serve their clients in the year 2020.

BABY BOOMERS (AGES 47-65)

This generation of approximately 80 million (in the US) has

brought revolutionary changes to our social and cultural scene, and built vast, far-reaching corporate empires. They have helped weave the social, political and economic fabric of America, and their many achievements have made them one of the greatest generations of all time, with greater wealth and influence than any other generation today.

This generation is known as "value shifters," playing a major part in social reform and advancement, and whose influence was experienced in the past US presidential election. They are worker bees who embrace innovation and whose strong work ethic birthed the age of technology. Being hardworking, dedicated and driven, this generation had to put their retirement on hold, but their spirit of independence will win out in the long run.

Fast-forward 7 years:

Baby Boomers will range in age from 54-72, although this is a demographic segment that for all intents and purposes refuses to age like their parents did. This generation brings new meaning to the concept of "senior" as it still rocks with its heroes like Mick Jagger, who at 69 years (typifying what is being called the "golden boomers") still struts on stage selling out concert arenas globally. The Baby Boomers do not take aging lightly: the proliferation of the ways and means to look, feel and stay youthful have been pioneered and popularized by this generation, which after all helped to birth the day spa, medi-spa and the entire well-being "movement."

What this generation will not admit to is a need for help – an admission that would make their aging a reality. Thus implementing ways to make the spa experience easy and safe should be done in a subtle way. Think about spas with no-slip floors; elegant handrails; no stairs but beautiful, gently sloped ramps; treatment tables that are easy to get on and off. Treatments that address the challenges of aging will also be in demand: heat therapy, stretching, thinning skin, treatments that ease aching or painful joints, pedicure chairs that aren't treacherous to get into or out of... This generation will continue

What will it take to serve the needs of the spa consumer in 2020? *cont.*

spa-ing in the manner to which they've become accustomed, i.e. in traditional spas, with a high level of customer service, offering treatments and services that further aid in their quest for wellness and youthfulness – with a subtle safety vibe.

GENERATION X (AGES 27-47)

Also known as Millennials, this generation's luminaries are pushing the limits, re-shaping corporate culture, re-thinking film, and revolutionizing entertainment. They are accelerating the speed of life and are an estimated 50 million strong in the US. This is a highly educated and sophisticated generation, and they are pragmatic, so data as well as a practical approach are essential ingredients to reach this demographic. They enjoy their thrills with a degree of danger, such as snowboarding, skateboarding and skydiving. Some members of this generation suffer from the "middle child" syndrome, feeling that they "got the shaft," so to speak: the Baby Boomers are growing older; Gen Y is coming of age – what about us? For this generation, with the recession still keenly affecting their lives, finding work is vital. They are the generation that created themselves as CEOs of their own companies, blazing their own career path as entrepreneurs.

Fast-forward 7 years:

Gen X'ers will range in age from 34-54, so the fringe will just about be middle aged. This generation has been profoundly affected by the Great Recession, which I believe will ensure that they seek value when making purchases. For them, deals that fit their budget and lifestyle will be what and how they spend their disposable income (Groupon, Living Social). Spas that offer true value, and allow them to customize their experience in as many aspects as possible, will appeal to the Millennials. This is the generation that "created" themselves as corporate leaders, so they will demand the best for themselves and will need to be strategically marketed to. They will seek out the unusual – not quite mainstream – as they will feel an entrepreneurial kinship with companies that have unique offerings.

Think about massage on demand: the ability to have the type/kind of treatment at the price they deem appropriate, at a time

and location convenient for them. Think about extending your spa to Spa Vans: a complete spa on wheels, available 24/7.

GENERATION Y (AGES 17-27)

From green activism to anime, Gen Y is a complex generation with diverse interests. Immersed in the digital world from an early age, this generation is at the forefront of mashing up how we communicate, entertain and innovate. This social

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generation consists of "connectors" as evidenced in the rapid rise of Facebook and the need to stay current, with the iPhone among their favorite products. By staying connected, they have the ability to be "forerunners" and are two steps ahead, intellectually curious to discover the latest trends, news, music, green issues. They are also escapists, and have the need to disengage from the hectic world around them via gaming, anime, cartoons. This generation has seen the impact of the failure of big corporations, and there is a desire for a more personal branding of business. This is a skeptical generation.

Fast-forward 7 years:

The Gen Y's will be reaching 24-34, just barely into adulthood. Technology is natural to them, as is a keen interest in nature. Spas that are authentic, that offer the ability to connect while disconnecting, spas that bring nature inside while retaining a technology edge will appeal here. This generation will seek the ability to disconnect yet still "chat" with their friends about what they are experiencing – talk about the best word of mouth advertising, instantaneously! The flexibility of treatments that are offered in group settings will be important (or they may choose

What will it take to serve the needs of the spa consumer in 2020? cont.



one-on-one). So think about revamping a pedicure area to be more group-friendly, and a place to recharge an iPhone/iPad (or future devices not yet created), as they will tell all their friends about this fabulous spa and fabulous experience, while posting the news via social media to extensive groups of friends.

GENERATION Z (AGES 7-17)

Also called Generation Next, this pre-teen generation is approximately 23 million strong (US) and growing, and its members are considered true digital natives, having grown up on iPods and iPads, making them true multi-taskers, with an

What will it take to serve the needs of the spa consumer in 2020? *cont.*



expectation of instant gratification. They have grown up with social communities and are open books, finding little value in privacy. This generation will be “micro miners” who will thrive on information in bite-sized, manageable pieces à la Twitter and micro-blogging platforms like Tumblr.

Fast-forward 7 years:

Generation Z, now aged 14-24, the first generation truly birthed in the digital age, will not have any of the old paradigms about spas and wellness. This is the generation that will learn quickly, make decisions even faster, and will seek companies that can keep pace with them. For them, information is taken in via small bites, and they'll probably want their treatments the same way. Where we once thought of “express spa treatments” being mini-versions of a full treatment, for this generation, getting their wellness via micro-time yet still delivering a total experience will be a key to success. This is the generation that will be getting a 30-minute spa treatment while watching a movie and communicating with friends – even scheduling their next treatment – all at the same time.

IN 2020...

For future spas to succeed, they will need to clearly identify their branding as well as their target customer, and create a laser-focused campaign to capture that customer – using the communication tools and channels that that customer wants to be communicated with. Analyze your spa and business, and determine what your brand is and what you stand for; then develop a five-year plan to achieve it. This way, when 2020 hits, you will already be handling the future.

It may be a tricky path, but with the perseverance this industry has demonstrated in the past few years, I am confident it will evolve, adapt and succeed with spa consumers far beyond 2020.

Demographic information on Baby Boomers, GenX, GenY, and GenZ sourced from SPARXOO Report:

<http://www.sparxoo.com/2010/03/02/examining-baby-boomers-stats-demographicssegments-predictions> ●

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