

Feeling the Pinch yet?

(How one Resort Spa deals with growing competition in its area)

By Jay Wahono, Taman Sari Royal Heritage Spa, Whistler, B.C.

Member of Leading Spas of Canada

Member of International Spa Association

Member of Tourism Whistler

Spa Vacation Industry is booming all over North America. Every resort in US and Canada are increasingly aware of this trend and actively promote their properties as a Spa Vacation destination. Problem down the road though, many resorts will feel the pinch from more competitions in their area and need to figure out what they should do to sustain growth for long term. Taman Sari Royal Heritage Spa offers a perspective in how to deal with this issue.



Surveys conducted over the past ten years show a continued booming growth within the North American Spa Industry. This trend has encouraged hotels and resort operators to add increasingly larger, more sophisticated and more lavish spas to their resorts, each often claiming to be different from and/or superior to their competitors in treatment styles, modalities and atmosphere. These spas, for the most part, are independent businesses within their respective hotels, and competing for the same seasonal Vacationer in a highly competitive market. The challenge to these operators, many of whom are not part of their hotels' much larger marketing budgets, is to capture their market share despite the competition from restaurants, retail, other

leisure activities and, of course, other spas. This is especially true when the spas are located in markets with a large share of international travelers. For Taman Sari Royal Heritage Spa, this presents a challenge as well as an opportunity.

In Whistler, the growth in spas over the past five years has nearly doubled, while the number of tourist visits has been in a decline since 2001. This has been attributed partially to lower recorded snowfalls in 2003 and 2004 and to growing competition from other B.C. ski areas, according to the Tourism Sector Monitor, August 2005. Some hotel operators are asking whether the ski industry alone will be enough to sustain a healthy economy for the resort in the future. Is this why spas are proliferating in so many of Whistler's hotels? Why aren't Hotel operators opening larger restaurants, more retail stores or other leisure activities operators? Why do we need more Spas in the Resort? Could it be due to the promise of higher tourist volumes leading up to the 2010 Olympic Games slated for Whistler? Or is it due to market demand and consumer driven? What could we do to sustain growth for the long term and yet maintain profitable business year round?

"Some hotel operators are asking whether the ski industry alone will be enough to sustain a healthy economy for the resort in the future."

The reality is that Spas and other Health and Wellness providers have the potential of providing a balance to other conventional Whistler attractions. Unlike Ski and Golf, spas are neither seasonal

nor weather dependent and can be easily incorporated into any of the other activities planned by the visitor. Spas, by their very nature, offer a more personalized service to their customer and give them an atmosphere within which they can rest, de-stress and relax, providing them with an alternative to outdoor activities like ski and golf. Not only that, they can be enjoyed either individually or as a group.

“One aspect of particular note to Whistler spas is that Spa Travelers are savvy travelers and travel virtually all year round in pursuit of their dream spa vacation - a perfect match for Whistler as it looks for a niche market to complement the Ski industry”.

Last year the International Spa Association/Canadian Tourism Commission survey focussing on the Spa Traveler in North America was presented at the Leading Spas of Canada Annual Conference. The emerging Spa Vacation market now has between 20-25 million adult followers in North America alone and has the potential for a 20% growth per year for at least the next three years. One aspect of particular note to Whistler spas is that Spa Travelers are savvy

travelers and travel virtually all year round in pursuit of their dream spa vacation - a perfect match for Whistler as it looks for a niche market to complement the Ski industry.

The real question, then, is whether the Spa Vacation Industry can become the third pillar in the Resort's economy, in addition to Ski/Winter and Golf/Summer vacations. Is it capable of filling hotel rooms in the shoulder seasons and spreading economic benefits to other businesses in the resort in the process? Responding to the confidence of industry players that this is so, Tourism Whistler formed a Health and Wellness subcommittee to facilitate a collective, coherent marketing campaign beyond the Resort. The aim is to promote not only Spas, but also conventional Health and Wellness providers like Dental and Medical Clinics, Psychologists, Physiotherapists, Chiropractors, Nutritionists, Personal Trainers and even New Age and Herbal Stores. The ultimate goal is to make Whistler known as a premier Wellness Destination in North America. Taman Sari Royal Heritage Spa has played an active role in this effort to help voice the common challenges from Spa Industry point of view in promoting a Wellness destination.

The unique combination of winter and summer activities, its proximity to the international hub of Vancouver and the 2010 Olympic Games will continue to spotlight Whistler Resort as a top tourist destination. How the spa community responds to the challenge of growing and integrating the Spa Vacation industry as part of the Tourism/Hospitality Industry over the next few years will be key. We believe that, working together, we can provide our guests, and especially the Spa Traveler, a variety of excellent reasons for returning to Whistler throughout the year.

“How the spa community responds to the challenge of growing and integrating the Spa Vacation industry as part of the Tourism/Hospitality Industry over the next few years will be key.”

If the Spa Vacation market is to become a new engine for growth in this ski-oriented resort, several things need to occur so that it is sustainable in the long term:

1. Spas must be seen as part of the Tourism/Hospitality Industry. Hotel operators need to embrace spas as a complementary tourist activity, just as they have ski and golf in the past. This includes joint marketing activities and cross promotions.

2. Spas need the support from other businesses. Since the Spa Traveler enjoy activities such as dining out, shopping and going to the theatre. Spas are not in the business of providing these services, so they have to come from other businesses in the community.
3. Spas need to be seen as an integral experience in the eyes/minds/hearts of our guests. The Spa Traveler needs to have a reason to visit Whistler throughout the year and satisfy his/her desire for Education and Entertainment, in addition to traditional spa services. Special event organizers can be engaged to provide these services.
4. Spas must work together collaboratively in order to look professional in the eyes of the Spa Traveler. No one spa is capable of providing all the services mentioned above; consequently, some information and cost sharing among the many operators is desirable.

In fact, the Spa Vacation has revolutionized the Tourism/Hospitality Industry in Asia and across Europe in the past few years. As spas are added to hotels and resorts, attitudes and philosophies are subtly altered in dealing with the guest. The personal touch (and service) becomes increasingly more important, not just to the guest but to the entire staff. Has this happened in North America? Probably not to the extent that it has in Asia and elsewhere in the world. Asian and European Wellness destination also relied on their long-standing heritage and deep-rooted Spa culture to lure Spa Vacationers to their location. Many North American Wellness destinations don't have this luxury and will have to be more innovative with their message to Spa Vacationers.

The big question for many emerging North American Wellness destination like Whistler, then, is whether or not their Tourism/Hospitality Industry is willing to embrace this new reality. Will the Spa Vacation industry be left to find its own way? Or will the Tourism/Hospitality industry recognize the desirability of incorporating it and speed up the process? In any case, while we find the answers to these questions, resorts in Europe and Asia are not standing still. They are in the process of transforming themselves into premier spa vacation destinations, marketing not only to their own geographic markets, but also aggressively to North American consumers. In Whistler, we don't have other choice but to work together to ensure that we stay in the leading edge of this trend and engage all our tourism partners in a meaningful way.

“The big question for many emerging North American Wellness destination like Whistler, then, is whether or not their Tourism Hospitality Industry is willing to embrace this new reality.”

To contact Jay Wahono



Taman Sari Royal Heritage Spa
4359 Main street, Whistler, BC V0N1B4
Phone: 1-604-9385982
Email: jay@tamansarispacom
www.tamansarispacom