

In the Time of Crisis: Recession Created Demand for Spas

According to Euromonitor International, the impact of the global economic crisis, along with hectic lifestyles and increasing urbanisation are just some of the factors behind the trend towards increased spa demand and the personal wellness lifestyle trend.

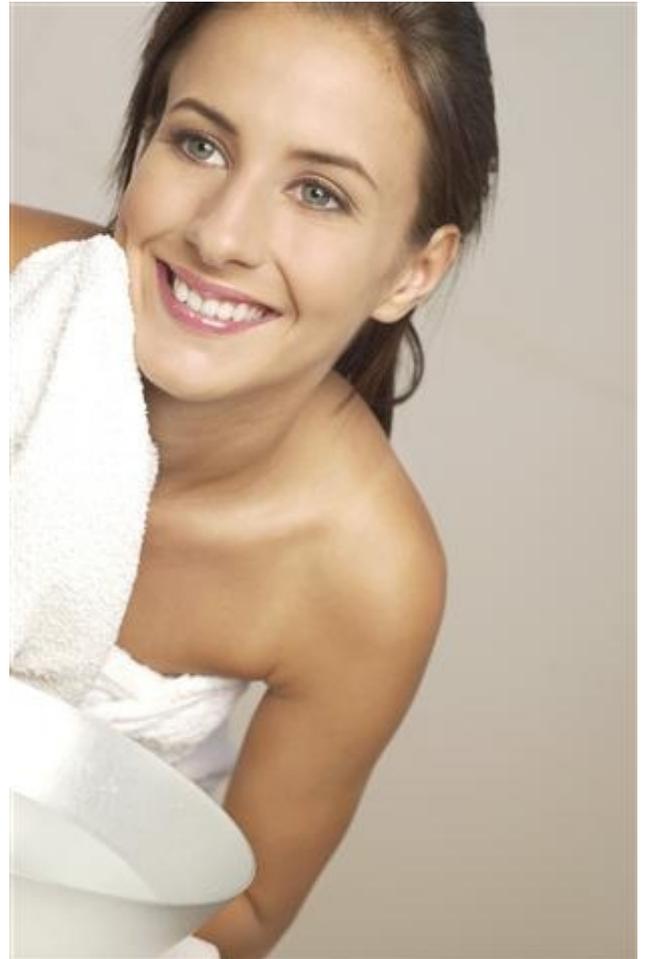


The global traveller is scaling back on purchasing. Consumer price sensitivity has increased and more than ever consumers are demanding high quality services at more affordable prices. Moreover, consumers are foregoing all luxuries and consoling themselves with small indulgences such as spa treatments as a result of the 'lipstick effect'.

Faced with growing competition many hotels and key market players identified spa facilities as a deciding factor when hotel guests choose accommodations for events or vacations. 2009 thus brought a wide spectrum of new spa packages and discounts for travellers and clients.

Key Regions

Key performer in terms of global health and wellness sales in 2008 was Asia Pacific which registered US\$27 billion. Strong popularity of health and wellness in Japan, where visiting spas is an ever-popular type of domestic holiday and the increasing competitiveness of Thailand are some of the factors triggering this boom in the region.



According to Euromonitor International, the Middle East and Africa is another strong region to consider in terms of health and wellness sales, recording US\$5.6 billion in 2008. The positive performance is directly related to the great offers and services in countries such as Jordan, Oman and UAE, along with the growth in luxury hotels and spas. Dubai is set to become “the” regional and a global spa capital in 2010. A population of young expatriates and the increasing stress of modern life are likely to contribute to a boom in wellness retreats and spas.

Eastern Europe is expected to see strong development in health and wellness activity by capitalizing on increasingly health-conscious inbound tourists, mainly from Italy and Germany. Spas in Bulgaria, Slovenia, Poland and Hungary are becoming popular spots for short breaks for Western European tourists due to lower prices, developing infrastructure and natural springs of mineral water known for their healing properties (e.g. Bulgaria has 600 mineral springs at more than 300 locations).



Opportunities

Spas have become essential for luxury hotel guests, but they can also provide extra revenues through usage by non-residents. Spa memberships can be a strong marketing tool as identified in the US. Similar to a gym membership, it allows spa-goers to experience spas at a lower cost. A 12-month membership could include unlimited use of the facility and discounts on additional monthly services.

Organic spas are expected to grow quickly, offering more environmentally friendly products and services and featuring outdoor treatments and facilities.

Hotels and resorts worldwide have developed aggressive promotions allowing children to stay free, offering extra free nights and credits for spas to boost demand and avoid losing sales to less expensive options.

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