

White Paper

APSWC ROUND TABLE 2019

21st – 22nd March 2019, Kuala Lumpur, Malaysia

Asia Pacific Spa and Wellness Coalition

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Foreword

This White Paper seeks to give guidance to all industry stakeholders on issues faced by the industry, current and future. It seeks to be an authoritative guide designed to inform concisely about industry issues and their perceived solutions. Penned from the collective comment and input of industry leaders from 12 countries at the APSWC's Round Table held in Kuala Lumpur, March 2019, it is targeted to help all stakeholders, industry and government.

The release of this paper reflects the ability of the APSWC to bring together key leaders with the singular objective of facing up to industry home truths. We as an industry take ownership of the paper, but it is up to individual stakeholders to take action in order that this document achieves its intended value.

The paper is not created simply to validate the discussions, but rather to be a catalyst for action once the key issues and the steps to be taken are identified. Some issues can be resolved with a bit of hard work and commitment by individual operators or business owners, while others require the input or assistance of third parties. It is, naturally, up to us as stakeholders to proactively request that assistance.

The Asia Pacific region has over 46,000 spas and almost 26,000 hot springs, generating a combined annual revenue in excess of USD58 billion, and a combined workforce of over 2,000,000 persons (spas almost 900,000; hot springs 1.2M) (Source: Global Wellness Economy Monitor 2018).

Based on the above, the average spa has 19 employees and generates USD545,000 in annual revenue, with China, Japan, India, South Korea and Thailand collectively accounting for 71% of the spa operators and spa revenues in the region.

Given the reliance that our industry has on human resources, recruitment challenges have yet to be resolved. Governments seek to protect jobs for local workers, but when local workers have little interest in working in the industry, spa and wellness entrepreneurs are forced to look further afield. Governments often strictly limit options for employing foreign workers, leaving a dearth of manpower with which to build businesses.

This shortfall of employees can be attributed to a number of additional factors including industry reputation and perception (as addressed in the 2018 White Paper), which continue to be key issues.

Within spas and wellness centres, exploring energy work can add a new dimension to service offerings and can raise the bar from purely pampering to a more holistic wellness offering. These may not be for everyone, but Reiki, crystal healing, Chiron, Kinergetics and Sufi Healing options, to name a few, are available for entrepreneurs to explore.

Marketing remains a challenge for many (and is perhaps another reason the industry still labours under a perception problem). The changing times and increased technology that it brings potentially only further confuses the issue. Which of the many marketing options is the best and most cost effective for your business?

Marketing via partnerships and synergies has opened the door for greater exposure, revenue and even regional cohesiveness, while providing a plethora of opportunities for those that seek to make the most of potential opportunities.

Looking forward to meet again in Da Nang, Vietnam for the next APSWC Round Table in March 2020.

Andrew Jacka
Chairman
Asia Pacific Spa & Wellness Coalition

APSWC



ASIA PACIFIC

SPA & WELLNESS COALITION

The Asia Pacific Spa & Wellness Coalition (APSWC) is a not-for-profit organization officially registered in Singapore in July '07. The result of an informal roundtable where spa and wellness industry professionals from across the region gathered in Singapore in May '06, it seeks to map out a development strategy to improve and promote the spa industry for the benefit of all. Originally established as a bridging mechanism across national spa associations, the base has grown to be more representative of the region, now even encompassing countries where no industry associations exist. It offers a one-size-fits-all membership model for all stakeholders and those interested in the industry, be they individuals, companies or organizations. The current board has members based in Hong Kong, Japan, Malaysia, Nepal, Singapore, Thailand and Vietnam.

In the lead up to the 2020 Round Table in Vietnam the APSWC calendar will provide an expanded offering of educational opportunities with local, focused events in Indonesia, Malaysia, Philippines, Thailand and Vietnam and on a regional basis in Hong Kong.

To learn more visit www.apswc.org

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APSWC Round Table

Senior managers and key decision makers from all aspects of the spa and wellness industry, including senior spa directors and managers, owners, suppliers, trainers and educators, allied health professionals, wellness consultants, government officials and media, are invited for this annual gathering. It is designed to be a 'by invitation' event for industry and government, with a 'white paper' outcome. The format gives all participants the opportunity to offer input, provide guidance and ensure the output is a 'voice of the people'.

There is no grandeur – this is about organic discussions and real issues. The Round Table is expected to evolve in future years into a multi-day educational event with workshops and presentations, and open to all levels of the industry.

An interactive event with presentations and active dialogue, it is an opportunity for regional players to network and discuss current issues with industry peers, while addressing the content of the white paper. APSWC events have a record of attracting delegates from multiple countries across the region.

Part One: Team Empowerment: A Cross Boarder Challenge?

The industry is promoted as a key tourism feature in many nations, so why are there so many obstacles to sourcing and securing professional, qualified therapists to deliver quality therapeutic and beauty focused treatments to our guests?

Issue: Governments have to secure employment for the citizens of their own country, but when the locals are not able or interested to work in the spa and wellness industry, what options remain?

Solution 1: Elevate the reputation of therapists: Spa and wellness industry players should commit to upholding the minimum business and therapies qualifications for their therapists in order to build their reputation and professionalism while helping remove the skewed perception of the industry. Accreditation and certification in all forms builds pride and professionalism.

The industry is also encouraged to adhere to the ASEAN Spa Services Standard in order to increase professionalism in all respective fields (i.e. human resource development, service, management, environment, etc.).

Valuing therapists should start within the company. Employers must be sure to recognize and respect the professionalism of their employees, especially their therapists, and appreciate their value to the business.

Solution 2: Offer a career path: Employers must offer a defined career path for all their employees detailing educational or qualification requirements for each position attained. This ensures that all staff know what the future holds for them and what additional or supplementary education or training is required to achieve a higher position and revenue if they so choose.

Solution 3: Work with health insurance companies: The APSWC should investigate with the regional health insurance companies the potential claimability of services offered in the spa and wellness industry. When alternative health solutions can be claimed on insurance policies, this is seen as giving greater respect to the industry and our therapists, resulting in a higher retention rate and income, and, potentially, easier recruitment.

Solution 4: Team up with cross-border businesses: Industry associations are encouraged to work together and commit to open-door communications within and across borders. International platforms can offer forums on which to share ideas, problems and solutions for the long-term advancement of the industry.

Part Two: Making Energy Work for your Busine\$\$

Reiki, Chiron Healing, Kinergetics, Sufi Healing are just some of the energy based therapies available today. Can these and other 'energy work' therapies add \$\$ to your bottom line?

Issue: Energy work is an intangible therapy and despite centuries of practice by traditional healers, its reputation is much maligned. While it is understood that it may not be for everyone, what opportunity is there available for energy work (in any and all its forms) to benefit the profitability of your business, given it could be considered a controversial move?

Solution 1: Know your market: Industry operators need to first determine if it is viable to increase the level of energy work being provided in their own businesses given local market demands.

Solution 2: Educate your clients: The introduction of energy healing into spa service offerings must be clearly indicated and guests allowed to give informed consent rather than offered unknowingly as a hidden/extra part of a treatment. Following full explanation the client must give their approval and acknowledgement before the therapist proceeds.

Solution 3: Training is key: For those that start the journey, team members must be educated appropriately. Experiential training will enable therapists to increase their confidence level in performing energy healing therapies, whether as a stand-alone therapy or incorporated into other therapy modalities. This training is an essential step in the introduction of any new therapy or skill.

Solution 4: Use energy work to add personalisation:

The integration of energy work can add value to the industry and individual businesses, helping to expand service offerings and enhance the healing experience provided in the rejuvenating atmosphere of a spa and wellness facility. Energy-based therapies can offer an increased level of personalization of service protocols, while expanding marketing opportunities, which could reasonably lead to an incremental increase in business revenue.

Part Three: The Impact of Influencers

Marketing today is being driven by social media, and an online presence is key, while third party recommendations are catalysts to exposure. Using social media, writers, bloggers and vloggers are evolving into Influencers. Just how much power do they have and how can influencer marketing help your business?

Issue: We do not yet have a cognitive understanding of what an Influencer is and how or even if they can help with the marketing of our business.

Solution 1: Understand influencers: Influencers can help expand a marketing manager's options, offering an expansion of traditional advertising and marketing mediums (i.e., newspaper, magazines, billboard, etc.). They are not necessarily a replacement thereof, and may not be suitable for every business. The reach of the right influencer can be very powerful when giving recommendations and reviews in the digital world with the inclusion of relevant/appropriate hashtags.

Both conventional and online mediums can be paired to create the ultimate exposure to your target audience.

Micro influencers (social media users with approximately 5,000 plus followers) can be a better option for organic and local market reach, and newer influencers may even be willing to work for barter. Macro influencers (celebrities, sports professionals and those who consider social media as a prime income source with multiple thousands if not millions of followers) will have a much larger audience, but will cost more and may be more useful for brand awareness than business sales.

Solution 2: Get to know specific influencers: Just as you would research a magazine to understand the profile of their readers, you must research (like, follow, comment upon and share) influencers to understand their profiles and followers to ensure that they are consistent with your business needs.

Influencers can be a useful addition to a resort, hotel or spa's marketing direction and campaigns as they bring established specific and loyal audiences according to their relevant fields (e.g., travel, wellness, beauty, lifestyle).

Choosing the right influencer can result in a powerful synergy. Start conversations with the ones with whom you and your business resonate on their respective channels; they are hardwired to want to communicate. Grow your relationship online first will likely result in a better business partnership later.

Solution 3: Do not overlook your existing clients. It is always worth considering the influential power of existing customers, who can be offered samples, products and services to spread their own candid and genuine love for your brand via their own social media channels.

A happy client can publish their first hand *real person experience* just as an online influencer can, potentially with greater credibility and even similar results (depending on how digitally connected to your target audience they are).

Part Four: Partnerships, Successful Synergies or Turbulent Times?

Working as an independent business can be fraught with challenges and headaches, even though the rewards may be high. Working with like-minded businesses, or just those open to a win-win approach could be a stress reducer for spa operators.

Issue: How does a business decide to take the steps to create a partnership? In today's increasingly competitive market, how can they insure a cost effective partnership, where all parties gain? What steps need to be taken for a win-win approach?

Solution 1: Think Local. Forge partnerships with like-minded businesses in your area. This can be as simple as sharing websites / QR codes or having marketing materials strategically located. Special offers to each other's clients should also be discussed to provide both businesses with greater exposure and a broader marketing reach.

Leverage your strengths. A spa might find a suitable partner with a nail salon, gift boutique or wedding studio. Other businesses with whom to explore cross reference marketing include local healthy restaurants or food suppliers, fitness centres, allopathic or complementary medical practitioners and various online retailers, to name a few.

These partnerships can help create good opportunities for businesses to broaden their market reach in a cost effective manner. Choose carefully and filter potential collaborations to ensure there is no conflict of interest between prospective partners.

Example A: Partner with a local farmer for the raw ingredients to produce locally sourced or in-house products like body scrubs, soap etc., which can be used professionally within your business or sold as a retail item.

Example B: Partner with hair salons so your clients can complete their spa experience with add-on hair services, and visa-versa.

Example C: Consider out-of-the-box marketing and band together with 'competitors' in your area and participate in local street night markets, which attract heavy footfall.

With the above type of partnerships, you can play a significant role in supporting the growth and sustainability of the local economy.

Solution 2: Act Global: The APSWC is committed to solidifying partnership discussions in various formats with regional industry event organizers to expand industry educational opportunities across the region. Raising industry standards beyond those as established under the ASEAN Spa Services Standard to help broaden social development goals is another goal for benefiting the spa and wellness industry. Check back in the third quarter of 2019.

Example D: The APSWC will pursue discussions with the Agriculture and Food Marketing Association for Asia and the Pacific (AFMA) to establish a spa and wellness friendly criteria for certification of SDG Goals.

Example E: The APSWC will leverage its partnership with event organizers across the region.

Example F: The APSWC will explore partnerships with the Green Spa Network and similar organisations.

Solution 3: Think Government: Local or national government departments do offer a variety of partnerships including taxation incentives, funding and endorsement opportunities especially for SME business operators. Business operators just need to explore what is available to them.

Aside from tax incentives, it is important to understand that benefits to the spa and wellness Industry will also spell benefits to the country's overall economy. Thus, as governments entice tourists and business leaders into visiting and or investing in the country, local spa associations can ride on the government's advertising campaigns and promotional funds to include highlighting the "gentle Asian spirit, the beautiful and friendly people, and their care-giving nature" as featured in the various spa and wellness facilities around the region.

Round Table Participants

Ai Ee, YTL Hotels, Malaysia; Alyssa Lim, Inner Peace Academy, Malaysia; Andrew Jacka, Spa Origins Co., Ltd., Thailand; Arnold Asumbra, Okada Manila, Philippines; Ayu Mudiasih, Cemara Ayu, Malaysia; Barry White, White Living, Hong Kong; Dr. Baskaran Koshti, Malaysian Association of Wellness & Spa (MAWSPA), Malaysia; Bibiana Smith, Bioessentials Sdn. Bhd., Malaysia; Catharine Nicol, spas+beyond blog, Hong Kong; Chaja Kersten, Mandara Spa, Indonesia; Dobashi Tsuguru, Nippon Spa Association (NSPA), Japan; Emily Chong, Gosnok Sdn. Bhd., Malaysia; Faheem Ebrahim, Xin Performance Limited, Hong Kong; Florence Jaffre, By Ytsara Co., Ltd., Thailand; Hana Halim, Spaveda, Malaysia; Hannah Faye Brillo, Okada Manilla, Philippines; Jack Ng, Malaysian Association of Wellness & Spa (MAWSPA); Jackllina Doimi, YTL Spa Academy, Malaysia; Datin Jeanette Tambakau, Association Malaysian Spas (AMSPA) Malaysia; Jessica Jose, E & O Hotel, Malaysia; Jeevakumar, Kaki Kaki Reflexology, Malaysia; Jessica Ong, YTL Hotels, Malaysia; Jojo Struys, OhanaJo, Malaysia; Julie Garrow, Intelligent Spas, Singapore; Lily Tan, Beaubelle, Malaysia; Lisa Hare, Australian College of Vibrational Healing, Australia; Marieppan Ramesh Kumar, Remede Spa, St. Regis Singapore; Dr. Mike Vergara, Centro Holistico, Philippines; Nencey Juli, YTL Spa Academy, Malaysia; Ni Luh Putu, Susanthini, Bali Spa & Wellness Association (B-SWA), Indonesia; Norliza Othmann, Teratak Spa, Malaysia; Patrick Wee, Healthland Malaysia; Pham Thi Vi, Naman Retreat, Vietnam; Phattiraporn Khiewsanun, Milkline Co.,Ltd., Thailand; Faridah Ahmad Fadzil, Tanamera Sdn. Bhd., Malaysia; Rajiv Sethi GlobalSpaOnline, India; Richard Grew, Earthlite (Asia Pacific), Thailand; Rozillikeca Robert, YTL Spa Academy, Malaysia; Ruby Siah, Beaubelle, Malaysia; Sally, Teratak Spa, Malaysia; Sanjay Lama, Amantran

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Gratitude

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