

White Paper

APSWC ROUND TABLE 2024

20th – 22nd March 2024, Thailand

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 aims to be an authoritative guide designed to inform concisely about industry issues and their perceived solutions. It is penned from the collective comment and input of industry professionals attending the APSWC Round Table, Thailand, March 2024.

The release of this paper reflects the ability of the APSWC to bring together key leaders with the singular objective of facing up to the realities that the industry faces today. 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.

Looking forward to meeting again at the APSWC Round Table in April 2025.

Andrew Jacka
Chairman
Asia Pacific Spa & Wellness Coalition

APSWC



ASIA PACIFIC

SPA & WELLNESS COALITION

The Asia Pacific Spa & Wellness Coalition (APSWC) is a non-profit organization that was officially registered in Singapore in July 2007. It originated from an informal roundtable that took place in Bali in May 2006, where professionals from the spa and wellness industry across the Asia Pacific region gathered. The primary objective of APSWC is to formulate a development strategy aimed at enhancing and promoting the spa and wellness industry for the collective benefit of all stakeholders. Initially serving as a connecting platform for national spa associations, the organization has subsequently expanded its reach and currently represents over 1,300 spa and wellness operators and related businesses across the Asia Pacific region and beyond. The membership model offered by APSWC is designed to accommodate various stakeholders, including individuals, companies, and organizations, through a standardized approach. The current board of APSWC comprises members based in Indonesia, Japan, Malaysia, Singapore, and Thailand.

In response to the growing prevalence of digitalization, the APSWC calendar undergoes continuous review to incorporate interactive opportunities. These initiatives aim to promote the latest advancements, knowledge, and educational opportunities available within the field.

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APSWC Round Table

The annual event aims to bring together senior managers and key decision-makers from various sectors 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 representatives. The event follows an invitation-only format, with the objective of producing an industry white paper as a productive outcome. The format ensures that all participants can contribute their insights, provide guidance, and collectively shape the final output, which aims to represent the collective voice of the industry.

The Round Table focuses on fostering organic discussions and addressing real issues, rather than emphasizing grandeur or formalities, with a combination of interactive presentations and active dialogue, providing a platform for regional stakeholders to network and engage in discussions on pertinent industry topics with their peers. The content of the white paper serves as a central focus for the event.

APSWC events have a track record of attracting delegates from multiple countries across the region, further enhancing the diversity of perspectives and insights shared during the gathering.

Part One: Navigating the Integration of Artificial Intelligence in the Spa & Wellness Industry

As Artificial Intelligence (AI) technology becomes increasingly ubiquitous, its incorporation into spa and wellness businesses presents both opportunities and challenges, sparking discussions about where tradition meets innovation, the preservation of human values, the enhancement of customer experiences, and the evolution of employee roles.

With the convergence of traditional healing practices, modern healthcare standards, and cutting-edge technology, we aim to effectively navigate AI integration while upholding the industry's core values through a comprehensive analysis of industry trends, ethical considerations, to yield actionable recommendations and guidelines for stakeholders.

The spa and wellness industry in the Asia Pacific stands at a critical intersection, where tradition melds with innovation, and human touch merges with technological advancement. The emergence of AI in recent years has introduced unprecedented possibilities and dilemmas for businesses. As AI permeates society, its integration into spa and wellness establishments raises vital questions about preserving human values, enriching customer experiences, and reshaping employee roles.

We seek to explore the multifaceted implications and utilization of AI adoption in the spa and wellness industry in a dynamic landscape of the Asia Pacific.

Ethical Management

Discussing and drawing upon interdisciplinary perspectives from healthcare, hospitality, technology, and cultural studies among experts and business owners underscores the imperative of ethically managing AI integration within the spa and wellness industry in the Asia Pacific. These conversations traverse various dimensions, encompassing ethical

considerations, training implications, and broader impacts on employee roles shaping the future of the spa and wellness industry in Asia Pacific:

1. **Ethical Considerations:** Transparency with your customers regarding the use of AI in data interpretation.
2. **Human Values vs. Artificial Intelligence:** AI is unable to fully replace human values, particularly in healthcare and customer service, while its efficacy in data processing is recognized.
3. **Training and Employment:** It is important to invest in employee training to complement AI integration, ensuring a symbiotic relationship between human workers and AI technologies.
4. **Implementation in Operations:** AI has potential to streamline back-office tasks while stressing the necessity of human oversight, especially in personalized customer care.
5. **Balancing Efficiency and Human Touch:** AI is important to balance AI-driven efficiency with preserving personalized customer experiences rooted in human interaction.

Implementation and Perspective

It is significant to connect industry practitioners, policymakers, and researchers with both theoretical understanding and practical insights, enabling them to skillfully navigate the transformative path towards seamlessly blending tradition and innovation for optimal wellness outcomes. Ensuring sustainable success in AI integration within the spa and wellness industry demands actionable measures that acknowledge and effectively address the nuanced interplay between AI technology and human engagement to:

1. **Comprehensive Assessment:** Evaluation of current operations will identify areas where AI integration can enhance efficiency without compromising human values.
2. **Stakeholder Engagement:** Fostering transparency and alignment with organizational values in AI implementation.
3. **Ethical Framework Development:** Clear ethical guidelines ensure responsible AI usage, prioritizing fairness, transparency, and accountability.
4. **Continuous Training and Education:** Ongoing employee training ensures effective human-AI collaboration, fostering adaptability amid technological advancements.
5. **Human-AI Collaboration:** Emphasizing the complementary nature of human-AI collaboration maximizes overall operational effectiveness.

6. Monitoring and Evaluation: Mechanisms for monitoring AI's impact on human interactions facilitate ongoing improvements and adjustments are essential.



The model above illustrates the opportunities and challenges associated with the implementation of AI for holistic operations in the spa and wellness industry.

Awareness and Concerns / Risks and Benefits

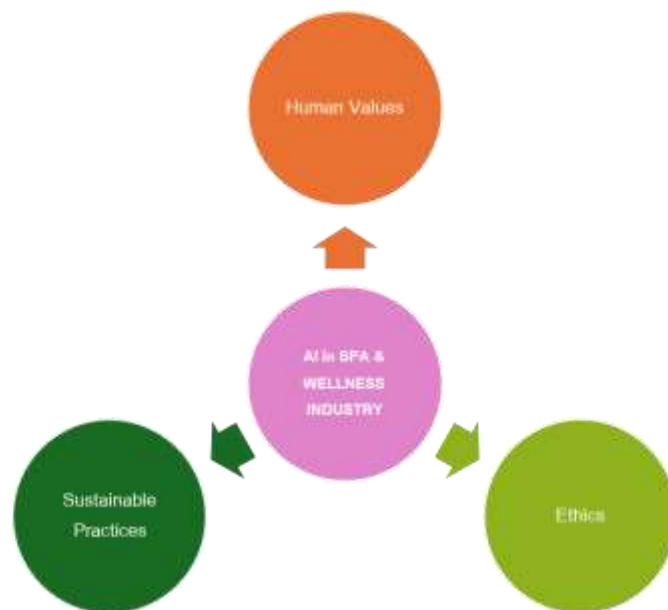
While AI offers significant benefits, awareness about potential risks and the protection of human well-being and rights remains vital following:

1. Task Automation: AI's task automation enhances efficiency but necessitates careful workforce planning to mitigate impacts on workforce dynamics.
2. Decision Support: Ethical oversight is crucial to mitigate biases and ensure fairness in AI's provision of decision-making insights.
3. Collaboration: Ongoing skill adaptation and training are essential for effective human-AI collaboration in task performance optimization.

4. Ethical Considerations: Managing ethical implications, including fairness, bias, privacy, and accountability, safeguards human rights amidst AI integration.
5. Impact on Workforce Dynamics: Proactive workforce planning and development initiatives address changes in job roles and skill requirements due to AI integration.

Sustainable Management

The model below provides a framework for assessing the impact of AI on various aspects of spa and wellness operations, including customer experiences, employee roles, and overall business performance. The model advocates for responsible AI usage that enhances operational efficiency while preserving human-centric values and highlights the need for continuous monitoring, evaluation, and adaptation.



Conclusion

Managing AI integration within the spa and wellness industry requires a balanced approach prioritizing human values, ethics, and sustainable practices while accepting that AI can provide the 'what' and 'how' but not the 'why' of business. By embracing AI as a tool for efficiency enhancement while preserving human-centric values, stakeholders can navigate the transformative journey towards holistic well-being and excellence in the spa and wellness industry.

Part Two: Navigating Environmental Sustainability in Business

In the realm of environmental sustainability, it is crucial to move beyond mere hype and truly comprehend the implications and viability of our actions. While innovative solutions such as solar panels, in-house composters, and atmospheric water generators should be considered for new builds, their implementation can be financial prohibitive for existing operations, regardless of how well intentioned. An element of practicality is essential.

Embarking on the Sustainability Journey

Initiating sustainable practices is a necessary first step, regardless of the specific actions taken. To begin, self-education plays a pivotal role. Exploring current and future possibilities while consulting existing voluntary industry standards can serve as a starting point for industry operators to achieve desirable outcomes. Although the ideal scenario is a business with zero environmental impact, this aspiration remains distant for most.

Consequently, the adage "think global, act local" becomes very relevant.

Assessing local products, skills, and supportive businesses can significantly benefit the environmental impact of your operations. Identifying companies willing to customize products or services and favoring local staff recruitment over external sourcing are examples of such practices.

Revamping Product Offerings

One of the simplest measures to explore is scrutinizing the products you feature in your service menu. Prioritizing locally produced items minimizes transportation requirements and reduces carbon emissions in your supply chain. Emphasizing reusable or recyclable packaging contributes to fewer items ending up in landfills. In-house production can present opportunities for cost savings and enhanced marketing prospects; although this approach demands training and quality control measures to ensure consistency, it also fosters creativity. Cultivating herbs, fruits, and flowers in your own gardens allows for the

inclusion of these elements in your offerings. Even the smallest business can grow pots of herbs in their windows, which can be utilized in herbal teas or to enhance salt or sugar scrubs.

Transparent Communication and Realistic Expectations

It is crucial to convey sustainability initiatives to both current and potential customers, however it is equally important to maintain realism in one's claims. Promising things that you cannot deliver on can lead to negative outcomes, particularly in today's social media-dominated environment. By fulfilling the commitments you make, you can reinforce your credibility and cultivate trust with stakeholders.

Advocacy for Enhanced Environmental Standards

The Asia-Pacific Spa and Wellness Coalition (APSWC) has taken the initiative to engage in discussions with the ASEAN Secretariat to prioritize the review of the ASEAN Spa Services Standard. Notably, the environmental section of this standard now requires substantial expansion. In the original 2014/2015 draft of the standard, environmental clauses were excluded due to the standard's focus on services rather than the environment. However, evolving perspectives now recognize the indispensability of environmental standards within the review process.

Conclusion

Navigating the realm of environmental sustainability in business necessitates a comprehensive understanding of the implications and practicality of sustainable practices. By embracing self-education, local resources, and responsible communication, businesses can make progress toward minimizing their environmental impact. Advocating for robust environmental guidance within industry standards will ensure a collective commitment to sustainability.

Part Three: Understanding Generational Dynamics and Workforce Expectations

The spa and wellness industry are experiencing notable transformations due to demographic shifts, evolving workforce dynamics, and changing consumer preferences. Understanding the generational composition and changes in the industry is key to the success of effective talent management.

Generational Distribution and Trends

Baby boomers, Generation X, Millennials, and Gen Z each contribute to the spa and wellness workforce, with distinct characteristics and roles.

The influence of parental upbringing on Millennials' work ethic and career aspirations is highlighting differences in career motivations and progression across the generations. Hiring practices and managerial preferences are being actively discussed in relation to generational dynamics, but often with minimal results.

Shifting Dynamics and External Factors

The younger generations are not actively seeking entry into the spa and wellness industry. This brings both challenges and opportunities for businesses.

Understanding the generational distribution within the workforce is crucial for addressing productivity concerns and unlocking career growth potential. The impact of technology on workplace adaptation among different generations is also increasingly evident, reflecting the evolving demands placed on business operators. External factors, such as parental influence and societal norms, play a pivotal role in shaping generational attitudes towards work and career progression. Examining these differences in expectations as related to work-life balance and career motivations provides valuable insights into the interplay between the factors, and by proactively considering these external factors, businesses can adapt to the changing needs and dynamics of the workforce.

Attitudes and Behaviours across Generations:

Generational attitudes towards work, career advancement, and work-life balance vary significantly within the spa and wellness industry. The changing landscape of hierarchies within spa businesses, emphasizing the shift towards a more egalitarian approach where everyone contributes as therapists. Managerial expectations and the role of mentorship must be explored in relation to generational attitudes.

Key in this area is the job description of our team members. When the industry started to grow in the late 1990's there was a separation of skills, especially in terms of body and beauty therapies. Today, employers often seek multi-skilled therapists due to operational considerations, frequently overlooking the reality of an average standard of service being provided over a specialised level of service.

For comparison you would not go to a foot doctor to have a face lift, so why is it that we expect a body therapist to be able to provide beauty therapies? It is time to step back and focus on the specialisation of one's individual skills and make the industry more attractive to new entrants first and then with an appropriate level of remuneration for their skill level and a defined career path. This enables the progressive build up from a solid base, and by fostering professional growth and development will ensure a happy loyal worker, (potential future industry leaders) and a more sustainable business operation.

Addressing Workforce Challenges:

Adapting to attract and retain younger talent requires innovative approaches, including offering appealing career paths and mentorship opportunities. Recognizing and accommodating generational differences in attitudes towards work and career expectations are essential for effectively managing and retaining talent across all age groups within the spa and wellness workforce.

Incorporating Modern Recruitment Strategies in the Spa and Wellness Industry

The insights provided in this paper are informed by the expertise of industry professionals who have extensive experience in spa and wellness. Their observations shed invaluable light on the evolving paradigm of talent acquisition within the industry and emphasizes the pivotal role of social media platforms such as TikTok in modern recruitment efforts.

Traditional advertising methods are becoming outdated; instead, they advocate for a shift towards leveraging digital platforms to showcase company culture and attract prospective employees. They highlight the organic recruitment potential inherent in fostering a positive work environment, whereby satisfied employees become brand ambassadors, referring friends and acquaintances to join the organization.

The integration of technology into the recruitment process, advocating for a seamless digital experience that aligns with the tech-savvy nature of younger generations is essential, as is incorporating interactive elements into online applications to enhance engagement and capture the interest of potential candidates.

Industry stakeholders are encouraged to be introspective in their recruitment strategies and explore innovative approaches to appeal to and retain young talent with a deep dive into the unique aspirations and characteristics of younger generations, urging businesses to tailor their recruitment tactics, and employment benefits accordingly.

The insights provided underscore the imperative nature for the spa and wellness industry to embrace modern recruitment strategies that cater to the preferences of younger generations. By embracing creativity and adaptability, businesses can position themselves as attractive employers in a competitive talent landscape.

Conclusion

The importance of understanding generational dynamics and workforce trends in the spa and wellness industry for effective talent management and organizational success is essential. Insights from industry professionals showcases the complexities of managing a multigenerational workforce and the need for strategic adaptation to navigate changing workplace values and technological advancements.

The importance of rethinking and modernizing recruitment strategies in the spa and wellness industry has been highlighted. By adapting current employment offerings and recruitment methodologies together with our expectations of team members skill sets to resonate with the preferences of contemporary generations, businesses will be better able to attract and retain young talent effectively, positioning ourselves as employers of choice in a competitive marketplace.

Part Four: My Life of Addictions – Balancing Customer Demands and Industry Governance

The role of spa and wellness operators in addressing the stressors associated with modern lifestyle diseases and addictions is a pressing concern for preventive healthcare practitioners in today's society. While the need for a digital detox to combat technology addiction, such as excessive mobile phone use, is widely recognized, there are additional addictions stemming from peer pressure or unhealthy lifestyle choices. These may include smoking, vaping, misuse of medical prescriptions (including CBD oil and opioids), and over-reliance on fast food or highly processed foods, potentially leading to sugar and salt dependency.

Recognizing the Limitations

Spa and wellness operators face a delicate task of balancing governance demands and the evolving expectations of customer base, in considering the varying levels of addictions. The industry is confronted with the question of expanding service offerings to address addictive behaviors resulting from modern living, while remaining mindful of our expertise and qualifications. It is important to acknowledge that the spa and wellness Industry alone is not equipped or qualified to directly address addictive behaviors.

Collaborating with Professionals and Operating within Business License Parameters

Individuals grappling with addictions must be encouraged to seek assistance from specialized healthcare professionals who are trained in addiction treatment. In this context, spa and wellness operators can play a supportive role by providing services under the guidance and collaboration of these specialists, aiding individuals in managing their addictive behaviors. Operating within the parameters of one's business license is essential, as the spa and wellness industry has a preventive healthcare role, residing on the periphery of the healthcare sector, and while spa and wellness operators

can offer valuable assistance, they are unable to provide curative healthcare solutions without specialist medical intervention.

Conclusion

Spa and wellness operators face the challenge of meeting the evolving demands of our customers, including concerns related to addiction. To address these concerns effectively, it is crucial to prioritize collaboration with healthcare professionals. By working in tandem with psychologists, psychiatrists, and other qualified experts, spa and wellness operators can play a supportive role in addressing addictive behaviors within the scope of their business license and their preventive healthcare focus.

Round Table Participants

This participant list includes those that requested an invitation or who automatically received them as an APSWC Member, so should be seen as an indicative list rather than a true representation of attendees.

Abishek Kalathil Ramesh, Kairali – The Ayurvedic Healing Village, India; Alexandra Sutopo, Jamu Traditions, Indonesia; Alyssa Lim, Inner Peace Spa Consultancy and Academy, Malaysia; Andrew Jacka, Bliss Now Pte. Ltd., Singapore; Anne Somanas, TTG Asia Media Pte.Ltd. Singapore; Bhupal Rawal View9 Pvt. Ltd., Nepal; Dr. Chaiyod Bunyagidj, Thai SCP Network, Thailand; Chigwang Ko, Pacific Hospitality Group, Japan; Cybille Barcebal, Araw Hospitality Group, The Philippines, Dickson Mah, Joyre Group, Singapore; Dina Anggraeni, Bali Spa & Wellness Association, Indonesia; Eleen Yap, The American Club, Singapore; Faheem Ebrahim, Xin Performance, Hong Kong, Hana Halim, Association of Malaysian Spas (AMSPA), Malaysia; Hendry Luis The Association of Anti-Aging, Aesthetic, Wellness & Regenerative Medicine (PERDAWERI), Indonesia; Jay Puranananda, Beyond Water, England; Khem Dhami, Tranquility Spa & Wellness Sdn Bhd, Malaysia; Mays Wong, Tranquility Spa & Wellness Sdn Bhd; Nithiwadee Ekasiri, Spa Origins Co., Ltd. Thailand; Phattiraporn Khiewsanun, Milkline Co., Ltd., Thailand; Sandra Mae Vicente, Okada Manilla, The Philippines; Sheinette Ivy Gonda Seville, V-Senses Wellness & Spa @ Furama Resort, Vietnam; Susan Stein, Jari Menari, Indonesia; Suwanna Ratanastian, Make Scents Ltd., Thailand; Thị Hồng Anh Duong, V-Senses Wellness & Spa at Furama Resort, Vietnam; Vicky Shrestha, View9 Pvt. Ltd., Nepal; Victoria Kruse, JA Resorts, The Maldives; Wulan Tilaar, Martha Tilaar SPA, Indonesia; Wynn Thor, Malaysian Association of Wellness & Spa (MAWSPA), Malaysia

Gratitude

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