

Health, wellness focus within resort hotels

by Misty M. Johanson

This study analyzes the rising importance of the development and enhancement of a health and wellness focus within resort hotels. Market trends, consumer demands, revitalization efforts, and bottomline impacts are examined as they relate to the resort spa industry of today.

Once only sought after by the rich and famous, the spa segment of the lodging industry has evolved from a luxurious amenity offered only at elite resort destinations to a necessity for resort hotels as spas have become an integral amenity for a growing number of travelers today.¹

Gone are the days when resorts focused their spa marketing and development efforts on designing fitness facilities to attract guests. Today, resorts are focusing on wellness tourism as a more holistic approach to physical conditioning, essentially redirecting marketing and development efforts on spa amenities that center on mind, body, and being.² As fitness still

remains an integral part of the wellness experience, the exercise-focused spas of the early '90s no longer can compete with modern facilities that offer life-enhancing, stress-reducing, and skin-improving techniques.³ Resort properties that identify this trend and allocate their resources toward a health and wellness focus will dominate the resort market.⁴

Trend is growing

Some organizations have successfully capitalized on this growing trend. The Charleston Place in South Carolina, for example, recently completed a six-month spa renovation in order to enhance its facilities to focus on health and wellness; marketing efforts are now targeted toward high-end customers.⁵ Several other resort properties such as the Peaks Resort (Colorado), the Golden Door Spa (California), the Regent Spa (Hong Kong), and the La Quinta Resort and Spa (California) have

taken the same approach and have found the renovations to be a tremendous revenue builder for all operational departments throughout the properties.⁶

Changing demographics and a pursuit for healthier lifestyles have produced a strong demand for wellness spas. "If there is a single reason for spa owners to look to the future with confidence, it is the fact that its target audience – adults with disposable income – is growing and aging. There are 80 million baby boomers and none of them are getting any younger."⁷ Health Fitness Dynamics, a Florida spa consulting firm, recently conducted a study on user trends of over 36 resort spas focusing on health and wellness tourism, asking nearly 3,000 spa-goers if they would choose one resort over another because of the enhanced spa center; 82 percent of women participants and 78 percent of male participants responded affirmatively.⁸

Compelling statistics have sparked a flurry of resort spa renovations aimed at attracting guests by offering the best services and facilities money can buy.⁹ In addition, properties without existing spa services are implementing and expanding their facilities at an unprecedented rate.¹⁰

Chains are varied

Spa experts have suggested that the recent renovations are creating different types of new and emerging spas. First is the amenity spa, or resort spa, and second is the

destination spa, or spa resort. The difference is that within an amenity spa the resort's bottom line is not necessarily built around the success of the spa. In this type of property the spa is viewed by the guest as added value, not necessarily acting as the main profit center for the organization.

However, the spa resort is a destination spa, where the resort's main function and purpose for being is built around the success of the spa amenities offered. Here the spa is a revenue generator for the property rather than existing to cover costs. While both types of spas have grown in number over recent years, the majority of the growth has occurred with amenity or resort spas.¹¹

Spas need updating

Throughout the 1990s spa amenities relaxed resort guests and kept owners rich.¹² However, to compete effectively in today's market, resort operators need to update and refurbish their spas to meet the changing demands of spa-goers. In a recent study, researchers probed to find out why spa travelers visited resort spas; 41 percent of men stated stress was the reason, while only 22 percent of women suggested this was their purpose for going. On the other hand, 45 percent of women said they visited because they "felt like splurging"; 26 percent of men so responded. While 39 percent of women admitted going to the spa to "take care of themselves," only 19 percent of men suggested that was the

reason for their visit. In addition, males do not seem to value the experience as much as women, since only 30 percent wanted to return, versus 50 percent of women.¹³

These statistics suggest that spas may not be currently focusing on or sufficiently delivering their promise in terms of customer satisfaction, creating a memorable experience, having a well-maintained and well-staffed spa, or being male-friendly.

Spa focus detailed

A series of case studies details the successful implementation of a health and wellness focus within the resort spa setting of today.

• **Domestic resort hotel:** In an effort to reposition Hawaii's visitor industry products, a strategic plan was created to position the islands as the health care and wellness center of the Pacific. Resort hotels throughout the Hawaiian Islands are doing their part to enhance their existing facilities in an attempt to meet the needs of the growing demand, of travelers for a health and wellness focus in the market.

The Hilton Hawaiian Village in Oahu, a four-star, 2,545-room resort, has currently undergone a \$95 million spa marketing and development enhancement in its existing property, the largest of its kind world-wide. In 2001 the Hilton opened a 42,000 square foot Spa and Wellness Center in the newly-built Kalia Tower. The spa is equipped with high tech treat-

ment facilities and staff, including an open air, state-of-the-art Cardiovascular Center labeled "Holistica Hawaii." The Holistica Center markets advanced wellness amenities such as electron beam topography scanning equipment that allows for the detection of internal diseases and pre-cancerous conditions.

• **Business resort hotel:** The Peabody Orlando in Florida is yet another example of a resort which revitalized its spa to offer wellness and health amenities to guests. Their wellness center focuses on cholesterol screenings, stress tests, exercise consultations, risk assessments, and other health-related demonstrations by a team of exercise physiologist lifestyle specialists.¹⁴ These enhancements have been found to benefit the resort because of added revenue from the traveler who otherwise would not have taken the time from a busy schedule to try these procedures.

"A major advantage to installing cutting-edge equipment is that people who exercise regularly are fascinated with new paraphernalia. Using it while they are attending a meeting or on vacation eliminates the need to search for a club at home and spend extra money to try the equipment. A combination of being ahead of the curve in knowing about the equipment and saving guests time and money is tough to beat."¹⁵

• **International resort hotel:** The successful implementation of health and wellness within the resort spa setting can also be found

within the operations of the Movenpick Resort and Spa Dead Sea in Jordan. At this resort, the marketing and development strategies are centered around “a strong sense of place,” as only “beneficial rays” from the sun can extend to this level below the sea; virtually no UV radiation exists to cause skin-related problems.¹⁶

For these reasons individuals from all over the world suffering from such illnesses as psoriasis travel to the sun, fun, and beach resort in Jordan without hesitation. Interestingly, German health funds pay for visitors’ single occupancy at the spa.¹⁷ “The wellness business not only provides a ready market, especially since the lower cost of Jordan’s labor force would mean very competitive rates, but also a long-stay market that could help balance seasonal troughs.”¹⁸

Spas incur growth

According to the International Spa Association’s 2000 Spa Industry Study conducted by Pricewaterhouse Coopers, U.S. spa revenues increased 129 percent in the latter half of the 1990s; half this growth is accounted for by an increase in spa visitor spending, while the other half represents nearly a 20 percent annual growth rate in the number of resort spas. More astonishing is that over a two-year period, between 1997 and 1999, resort spa visits increased by nearly 60 percent, while revenues climbed 30 percent during this same period.¹⁹

Most convincing are the findings from a nation-wide study of resort spas suggesting the following would increase as a direct result of renovation of existing spa facilities:²⁰

- room rate, 57 percent
- perceived value for room rate, 70 percent
- occupancy, 73 percent
- length of stay, 43 percent
- marketing advantage, 97 percent
- revenue per occupied room, 83 percent
- number of people per occupied room, 27 percent

Spas are focus

Resorts that focus on wellness tourism as a more holistic approach to physical conditioning by essentially redirecting marketing and development efforts on spa amenities that center on mind, body, and spirit will dominate the resort market since spas have become an integral amenity for many travelers today.

Future research in the area of spa management needs to be expanded in the area of service quality. As the demand for and number of resort spas continue to increase, marketing for the guest will become even more competitive. Service quality is the key factor that is suggested to differentiate one luxurious spa from the other.²¹

Future studies will need to address specific research questions such as the following:

- What is the relative importance of various health and wellness spa attributes within the resort?
- What is the performance of resort spa employees in providing these services to their guests?

One reliable and valid way to measure these research questions is by using quantitative methodology such as an importance/performance analysis (IPA). A study analyzing data evaluating the importance and performance of health and wellness attributes offered at a resort spa in Hawaii using a software program called PINPOINT is currently being conducted. Final tabulated results of the importance/performance scores will present a two-dimensional grid revealing the strengths and weaknesses of the variables (services and features) being offered by the resort spa. As a result of such research, significant marketing and management implications as well as the identification of areas for service quality improvements for the resort spa can be determined.

Few authors have applied the IPA technique to identify service failures and successes within the hotel industry. Hudson and Shepard measured service quality expectations through the IPA method within an Alpine ski resort.²² Verhoven and Masterson

used the IPA technique in measuring time-share owners' satisfaction within the interval vacation segment of the lodging industry.²³ Martin employed the IPA method when evaluating guests' perceptions of service quality within budget hotels.²⁴

However, this type of analysis has not been implemented in order to determine health and wellness importance or performance within a resort spa environment. Future research should focus on the implementation of the IPA technique within the resort spa industry as a powerful tool in marketing and development for those properties developing or enhancing their spa facilities.

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