

Letters

KATIE BARNES, MANAGING EDITOR, SPA BUSINESS

Do you have a strong opinion, or disagree with somebody else's point of view on topics related to the spa industry? If so, *Spa Business* would love to hear from you. Email your letters, thoughts and suggestions to theteam@spabusiness.com

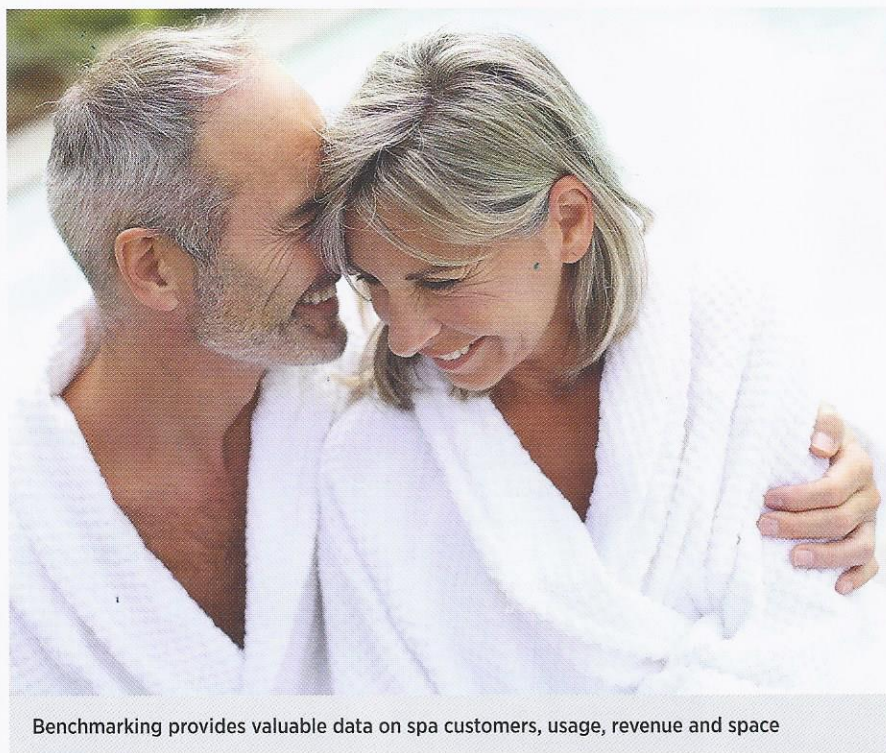
How can we get spas to sign up to benchmarking?

Anne McCall Wilson,
owner, McCall & Wilson

The profit and loss allocation in hotel spas will always raise an abundance of opinion, as highlighted in the recent article in *Spa Business* (see SB13/4 p42), but I continue to be perplexed at the lack of participation in benchmarking programmes – something which can have an even bigger impact on spa balance sheets.

At the first Global Spa & Wellness Summit in 2007, a benchmarking session was standing room only, which prompted Smith Travel Research (STR) to set up a standard reporting system for spas (see SB08/2 p21). After several years, participation still remains very low. Everyone agrees it's needed, but how do we get businesses to actually participate? Maybe we need owners, lenders and asset companies to ask that question.

STR collects stats on spa revenue, utilisation and space. We can lament unfair cost allocations but this is often just a left pocket/right pocket financial transfer or budget discussion and doesn't put the focus on what drives real value. We need to focus on building the spa top line. This means not only building revenue management skill sets and tools for our leaders, but also developing a revenue culture in our businesses.



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Benchmarking provides valuable data on spa customers, usage, revenue and space

Focusing on the top line forces critical thinking about the customer. Knowing who the customer is drives everything – space, design and programming. A spa in an urban business hotel with a 65 per cent male audience might be completely different to another urban hotel positioning itself as a neighbourhood meeting place. I wish more projects developed a strategy in the concept phase and determined the

main role of the spa: whether to increase asset value, enhance positioning, drive weekend room nights, be a key profit centre, or simply provide an amenity. We would have many more profitable projects if we identified the customer and the right revenue plan and space allocation at an early stage. Interestingly, these are almost the exact statistics that the STR benchmarking system collects.

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