

LUXURY HOT SPOTS

• 2nd Quarter
2017

CELEBRITY

**JOAN
SMALLS**

APPOINTED W HOTEL'S
GLOBAL FASHION INNOVATOR

**HOW TO
FEED YOUR
MILLENNIAL**



A PERSONAL
“WOW”
STORY

TECHNOLOGY TRENDS
(RE)SHAPING THE
TRAVEL INDUSTRY

CHANGING THE FACE OF
FUTURE HR
THROUGH STRATEGY

SPOTLIGHT ON

Roger Allen

Group CEO – Resources for Leisure Assets



Roger and his team pioneered the concept of wellbeing hospitality, working with hotel owners and investors across four continents to better understand this mega-trend influencing the hotel industry. He talks about how wellbeing touchpoints need to be integrated throughout the hotel experience and how owners and investors need to determine the right balance of real estate investment and activities for their target market to generate a worthy ROI.

HOW ARE THE WELLBEING NEEDS AND DESIRES OF HOTEL GUESTS HAVING AN IMPACT ON THE HOSPITALITY INDUSTRY?

The benefits of attaining a greater sense of wellbeing are growing daily as society becomes more informed and technically in-tuned with health consciousness and increasing longevity expectations. Additionally, travel and the new experiences it brings are more accessible than ever before, which is further driving a higher demand for attractions and service provisions that meet a wide range of health and wellbeing needs within hospitality destinations.

Today's hotel guest is interested in alternative wellbeing experiences and personalized healthier options which may not even be labeled 'healthy' or 'wellness'. No longer are guests exclusively looking for a place or a dedicated space, per se (such as a spa or wellness center). As a result, more developers recognize that wellbeing is not just a trend but a tremendous opportunity to innovate and differentiate their hotel property and meet the needs of diverse consumer demographics. From hi-tech millennials, to Gen X to the baby boomers and the senior category, in addition, gender preferences, guests are not uniform and the evolution of the market will result in specific expectations from different market segments. These diverse categories of specialization require careful market analysis to determine the "wellbeing" concept and selection of amenities and services that will best meet the needs of a hospitality group's target markets. Proactive organizations recognize they need to be positioned to meet market expectations for wellbeing programs and services that are reflected in every department, not just in a spa or wellness center.



Kempinski Hotel Mall of the Emirates, Dubai - UAE

RLA COINED THE PHRASE ‘WELLBEING HOSPITALITY’, CAN YOU TELL US WHAT THIS MEANS AND HOW IS IT RELEVANT TO HOTEL INVESTORS AND OPERATORS?

Wellbeing hospitality is an overarching approach to improving health, happiness, and contentment within hospitality and destination assets via forms of wellness, leisure, recreation, travel and healthcare.

We believe the integration of broad-based wellbeing activities are fundamental to the success of a hotel whilst the understanding of how ‘wellbeing’ activities influence the value of real estate i.e. hotels, puts the ‘hospitality’ into wellbeing hospitality.

The influence wellbeing activities have on real-estate needs to be tangible

and measurable. Recognizing that wellbeing activities can be expansive and expensive particularly in a resort development, where they can require considerable real estate such as sport and recreational facilities. It’s fundamental that owners and operators evaluate what activities contribute to tangible value and deliver an ROI.

The hospitality industry cannot deliver the same conceptual wellness experiences that make-up, for example, hotel brand standards that were formulated decades ago. Technology alone has made consumers much more knowledgeable about their health with a variety of devices such as smartphones, electronic calorie counters, movement and sleep trackers, and the launch of health apps on wearable health/fitness watches.

Online streaming workouts are all further revolutionizing how informed and engaged people are actively pursuing activities to support their daily wellbeing.

HOW CAN A LUXURY HOTEL APPLY WELLBEING HOSPITALITY PRINCIPLES?

Luxury hotels tend to invest tremendously in space, décor or other tangible elements, whereas wellbeing hospitality recognizes the actual needs of ‘luxury’ travelers in terms of their consumption patterns, lifestyles, expectations, and perceptions. These intangibles provide hotel groups an opportunity to design all-encompassing guest experiences at every touch point from arrival to departure. Crafting wellbeing service concepts with corresponding brand



The Ritz-Carlton Paradise Valley, Arizona - USA

identity can significantly redefine a hotel product and the compset it benchmarks against.

HOW WILL HOTEL SPAS CHANGE IN HOTELS OF THE FUTURE?

Hotel spas in the traditional cross-border definition of a hotel spa will in the future be downsized from many of the oversized spas we see today! It's a bold statement but there are two trends that will influence this direction.

The first is that few spas ever deliver on the ROI objectives that were planned from the outset and cross-selling or optimization of such spaces are practiced at a very low rate. Owners and investors will demand much more clarity in how these spaces deliver an ROI and will put a cap on spas being over built and justified solely by 'aesthetic rhetoric'. In my co-authored contribution to the book 'Hotel and Resorts: An Investor's Guide' David Harper and myself provided clarity on how to determine the financial performance of a spa facility and its correlation to the property value, and this is something that rarely happens in the planning stage of a new hotel spa. If such principles occur the hotel

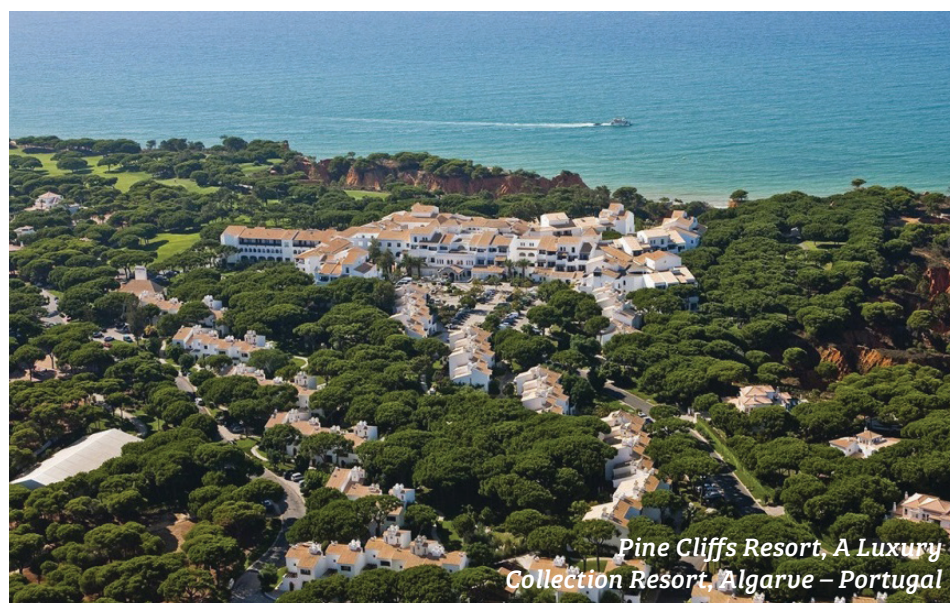
spa concept and its related investment will be kept in check and high likely keep the spa development under fiscal control.

The second is the influence of societies' wellbeing demands are changing how experiences are translated into facility and service provisions to serve both the guest's wellbeing expectations and facilitate a competitive element to the hotel property positioning.

BENEFIT TO HOTELS HAVING A WELLBEING CONCEPT?

We have seen an increase of up to 20% in TRevPAR for properties planned and operated with a wellbeing hospitality principles applied. Therefore, applying a vital wellbeing DNA thread throughout the hotel by integrating healthier consciousness and a wellness influence rather than it offered solely as a dedicated spa and wellness space brings significant benefits to both owner and operator.

WHAT'S THE FINANCIAL



Pine Cliffs Resort, A Luxury Collection Resort, Algarve – Portugal