

HVS Monday Musings: Hotel Spas – Rewriting the Narrative

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Spas have become a standard amenity at most hotels in recent decades, with several hotel chains placing a strong emphasis on offering top-notch spa facilities to guests. According to a **Global Wellness Institute report**, prior to the pandemic, the spa industry was growing at a CAGR of 8.7%, reaching US\$111 billion in revenue in 2019; hotel and resort spas accounted for over 40% of the industry’s revenue. However, the growth story of this high-touch segment was adversely impacted by the pandemic, with revenue declining by 39% to US\$69 billion in 2020. Nonetheless, the pandemic has also resulted in a greater emphasis on “wellness” and a general increase in people’s awareness of their own physical, mental, and emotional well-being. This is expected to help the spa industry in regaining lost ground, with revenue expected to grow by 17% annually to US\$150.5 billion in 2025.



Similar trends are anticipated in India as well, but despite the fact that most hotels in the country have spas, their service menus have hardly changed in the last ten or so years. With the exception of a few chains like **IHCL**, **ITC**, **Six Senses**, and **Four Seasons**, as well as destination spas like the **Ananda in the Himalayas**, the rest have not really been able to take advantage of the sizable opportunity that this sector presents in the nation. Since consumer behavior and preferences are changing, spas can no longer focus solely on standard beauty treatments and indulgent massages that encourage relaxation. More sophisticated and integrated therapeutic and preventive wellness experiences that support overall physical, mental, and emotional well-being are in high demand. As a result, hotel chains and owners should start over and reinvent the spa so that it is no longer just viewed as an add-on facility but rather is established as a core service that can improve guest experience, and loyalty, and drive ancillary revenue.

Designing unique spa services geared toward various customer groups with varying demographics or services that support local resources or alternative therapies can be the first step. In the future, technology advancements like artificial intelligence (AI) and virtual reality (VR) will be crucial for tailoring the spa experience for visitors, so hoteliers should consider these options. For instance, Four Seasons and **Sensync**, a company specializing in immersive wellness, are testing a multi-sensory VR wellness experience for guests. Additionally, hotels in India have long overlooked the significance of curating spa services specifically marketed to the locals, which is a missed opportunity for developing a regular, loyal clientele. Hoteliers can also evaluate partnering with

Summary

With evolving consumer behavior and preferences, spas can no longer solely focus on traditional beauty treatments and luxurious massages that promote relaxation. Hotel chains and owners must rewrite the narrative around spa services. Read on to know more.

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or leasing spa spaces to independent, established spa brands on a revenue-share model, which can help elevate the guest experience and establish the hotel as a 'spa destination' for both hotel resident guests and locals.

About **Mandeep S Lamba**



Mandeep S. Lamba, President – South Asia, oversees the HVS global hospitality practice for South Asia. He has spent over 30 years in the hospitality industry of which the last 19 have been in CEO positions. Having worked with leading International and domestic Hotel Companies such as IHG, Radisson & ITC Hotels, he also set up joint venture companies with Dawnay Day Group UK and Onyx Hospitality, Thailand to own and operate hotels in India giving him a broader exposure to the hospitality business.

An established industry leader, Mandeep has won several awards and recognitions in India and abroad for his accomplishments and contribution to the hospitality industry. He is a Certified Hospitality Administrator from the American Hotels Association (CHA), a member of the Royal Institute of Chartered Surveyors, UK (MRICS) and a member of the Tourism Council of CII (Northern India). His views are often solicited for television and print media as a spokesperson for the hospitality & tourism sector.

Prior to joining HVS in 2018, Mandeep was the Managing Director, Hotels & Hospitality Group for JLL.

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