



The Wellness Era

Posted By: bianlijun on: November 13, 2018 In: Interview No Comments

Interview with Mr. Ingo Schweder, Founder and CEO of GOCO Hospitality

As CEO and founder of GOCO Hospitality, Mr. Ingo Schweder has more than 30 years of experience in the fields of spa and hospitality and has been involved with the design, development and worldwide operation of iconic hotels and wellness destinations. He has been a board member of Mandarin Oriental and earlier Group Director of Operations for Oberoi Hotels & Resorts.

Ingo's vision for GOCO Hospitality is to grow the company in the vastly expanding wellness real estate and hospitality segment. GOCO provides a turnkey solution for wellness-centric developments – from preliminary market research and feasibility work to pre-opening support and management services. The company's reputation after only 10 years now speaks for itself. GOCO has become "the" go-to wellness company for hospitality giants like Bulgari, Ritz-Carlton, Viceroy Hotels & Resorts, Wynn Resorts, MGM and many more. In addition, GOCO Hospitality purchased 85-acre Glen Ivy Hot Springs in southern California, the USA's highest grossing hot spring resort, and is expanding it with additional wellness real estate anchored by a 125-room GOCO wellness retreat.

SpaChina interviewed Mr. Ingo Schweder to share his insights into the wellness hospitality markets both abroad and in China.

From your perspective, which country has the strongest wellness market and the most diverse range of wellness options?

For an individual country, Germany displays the highest spend per person in regard to its wellness market and the wide diversity of options available. However, as a continent, America is leading by dollar spend. The highest amount of dedicated spa trips is Europe as a continent, with Germany displaying the highest number of trips per person. China leads particularly in terms of bathhouses and water-related bathing. Recent data from the Global Wellness Institute shows that China was the No. 1 market in the \$56.2 billion global thermal/mineral spring industry with annual revenues in 2017 of \$17.5 billion, followed by Japan, Germany and Russia.

You are now based in Bangkok and your projects are spread all over the world. What is your opinion on the different requirements for wellness from customers in different regions?

The most important aspect of wellness tourism is authenticity. When people visit a country, they are looking to explore what it has to offer, not necessarily what they have at home. They seek to experience the country, its culture and people in order to widen their experience horizon. This means that spas need to reflect the destination in which they are located with locally-inspired treatments, wellness modalities and design.

What are the popular wellness modalities at present? What about Hot Spring holidays in particular? What are the reasons for their popularity?

Worldwide, we are seeing a renaissance in bathing. The market is expected to grow at a very healthy 6.5%. Currently worth \$56.2 billion, this is expected to reach \$77.1 billion by 2022.

At GOCO Hospitality, we bought the Glen Ivy Hot Spring in California in 2016. We have a combination of the hot spring bathing, a comprehensive spa, mud scrubs, facials, several thermal and hot/cold facilities as well as various healthy F&B outlets serving organic-food-based menus. The whole experience is highly popular, and we get around 600 guests per day and over 200,000 guests per year.

Our bodies are composed of 60% water. Water gives us life. It is a deep part of who we are as human beings. We have a strong desire to be in, on and near water. We don't strictly have to eat every single day, but we can't survive without drinking water. We also see that real estate near to bodies of water experience significant price premiums. We are constantly drawn to water, and therefore, I am sure that water-related spa activities will continue to grow in popularity.

Hot spring bathing is increasing in popularity in China. Hot spring trips booked through travel platform Ctrip doubled between 2016 and 2017, with 70% of these being booked by women.

How do you better infuse the concept of "wellness" into the whole hotel context?

Firstly, we need to re-educate hotel GMs, the leaders managing the day-to-day activities of most hospitality operations. The background and education of hoteliers obtained in hotel schools is mostly F&B, rooms or marketing centric, thus their career and professional background is not exposed to wellness at its early stages, leading to most hoteliers having a limited understanding of wellness as a business and how to optimise it as a profit center.

Secondly, wellness needs to be created, designed and operated as an independent outlet within the hotel, rather than being treated as an amenity. Spas should be designed by specialist spa designers, rather than regular hotel designers. There is a need for expert knowhow. The best hotel restaurants are designed by restaurant designers, not general hotel designers.

What are the advantages and risks of working in China in hotel and resort development?

The risks are that currently there are insufficient skills and technical knowledge in terms of design, development and operations for wellness hotels. The advantages are that China is a growing market where – outside of the most developed cities such as Beijing, Shanghai, Shenzhen, and Tianjin – there is a relatively low level of globally benchmarked lifestyle hotel inventory. A lot of what exists often looks the same and there is a lot of room for more avant-garde offerings.

There are much more famous resorts in Europe which provide wonderful and wellness activities, water facilities rehabilitation, and medical support, better than in China. Which would you recommend?

Europe has a long tradition of merging integrated medical and lifestyle wellness modalities and traditional healing. The apothecary emerged from Europe, and healing and combatting unwell bodies with herbs is as old as ancient monasteries, where these remedies were studied and developed before they went mainstream. There is a deep heritage of the Roman baths and thalassotherapy.

In Germany, Chancellor Otto von Bismarck created the model of "Kuring", where social systems were developed so that part of every insured worker's health benefit was to go every year for 1-2-3 weeks to dedicated health-stimulating resorts. It's part of the benefit of European society and the reason why the European model of central healthcare is far more successful than in the USA and the Far East. The government support for these workers' health trips and resorts allowed the creation of a large number of health resorts. When government support was reduced in the late 1990s, many of the best invested in improving their facilities in order to compete internationally, creating the world-class wellness resorts we see today.

Today, we have Lanserhof Tagernsee, Brenner's Park, Ayurveda Parkscholesschen, and Schloss Elmau – all established properties with world-class reputations that integrate medical with alternative healing modalities. We have over 350 health resorts and spa towns that combine traditional medicine with alternative healing as well as 1,000 approved wellness hotels.

In modern-day Germany, health insurance not only covers you when you are sick, but may even reimburse you for preventative activities such as taking a yoga class. Preventative healthcare is much more efficient than curing the eventual sickness.

What kind of potential do you see for the wellness hotel industry in China?

China has a population of 1.5 billion people that is getting more affluent and aspiring to be part of the ever-evolving and growing middle-class. The domestic economy is strong. These are good fundamentals for the future. Along with this is a general rising interest in living a healthy lifestyle. People see the crisis in obesity and diabetes that is negatively affecting people's lives and want to avoid these problems. People are eating more natural and organic foods; are avoiding fast food, meat and sugary beverages; and are reducing their salt intake. These are all very positive signs for the future.

Could you recommend the 5 top European resorts in your heart?

In no particular order:

- Daios Cove in Crete
- The JW Marriott Venice Resort & Spa
- Lanserhof in Germany
- The Aman Sveti Stefan in Montenegro
- Our GOCO Ayurvedic village currently under construction on the Algarve in southern Portugal