



## Trilogy Case Study 2

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**The Hotel Spa:** Well & Being Spa, Fairmont Scottsdale Princess Resort, Scottsdale, Ariz.

**Background:** In 2012, Fairmont Hotels & Resorts and the luxury property's owner at the time, Strategic Hotels & Resorts, decided to revamp the existing Willow Stream Spa, with its focus on pampering, with a broader spa concept that would be unique in the market, and appeal to a wider range of customers. As part of the changeover, Strategic was prepared to invest \$2 million in upgrades to the 44,000 sq. ft., freestanding facility with its 30 treatment rooms.

**Trilogy's Challenge:** In a market with numerous pampering-focused, destination resort spas, Trilogy had the opportunity to introduce its Well & Being Spa concept, in the process giving the AAA Five-Diamond Scottsdale Princess a distinct competitive advantage. Approximately 70% of the resort's business is high-end corporate and in 2012, this segment was still in recovery from the recession.

**Objective 1:** To introduce a total wellness spa concept embodying the idea of intentional living in a relaxed, non-regimented atmosphere. Offerings would include exercise physiology, nutritional counseling, alternative healing modalities (including Chinese medicine, acupuncture and yoga) along with traditional spa massages and facials, salon services, select healthy eating options on site and a refocused retail component.

**Objective 2:** Trilogy identified four market segments: the luxury leisure guest, the group market, those in the local community who paid to be members and locals who patronized the spa occasionally. The resort's previous spa marketed primarily to the luxury leisure guest, but to be truly successful, Well & Being needed to generate significant demand from all four segments.

**Strategy (meeting the luxury leisure guest's expectations):** By offering an integrated menu of services, classes and consults, both traditional and more cutting-edge (i.e. Aerial Hammock Yoga), Well & Being would appeal to a broad range of leisure guests, including significant numbers of men and members of the emerging millennial generation, who have been hesitant to embrace traditional beauty spas.

**Strategy (satisfying the group market):** Post-recession, corporations are most interested in underwriting wellness programs that can be positioned as educational. Wellness, after all, promotes healthy living, which, in turn, helps increase employee productivity and morale, while helping keep a lid on escalating health care costs.

**Strategy (introducing targeted dynamic pricing):** Members from the local community visit the spa regularly, some as often as daily. But the local who books a treatment occasionally will respond positively to value pricing at times of the day or days of the week when other market segments are less likely to be available.

**Strategy (integrating the spa into the larger resort):** As part of ownership's investment, the spa's open air atrium was enclosed, creating an attractive new pre-function space that has proven popular with corporate meeting planners. Separately, the resort's team of culinary experts works with Well & Being nutritionists on healthy menus not just for the spa café, but also for banquets generally.

**Strategy (revitalizing the retail component):** Also as part of ownership's CapEx program, Well & Being's retail operation was enlarged and given more exposure. Equally important, the product line was rationalized to tie in with the new wellness approach. Products and remedies are now available that allow patrons to continue the healthy regimen begun during their visit.

**Results:** The debut of Well & Being has succeeded on two fronts. It has established the Fairmont Scottsdale Princess as a leading spa provider in the market, in terms of guest satisfaction, revenues and profitability. It has established Well & Being as a spa concept that's relevant to the sensibility of today's luxury spa goer, a concept that can be replicated successfully in resort and city center locations around the country.