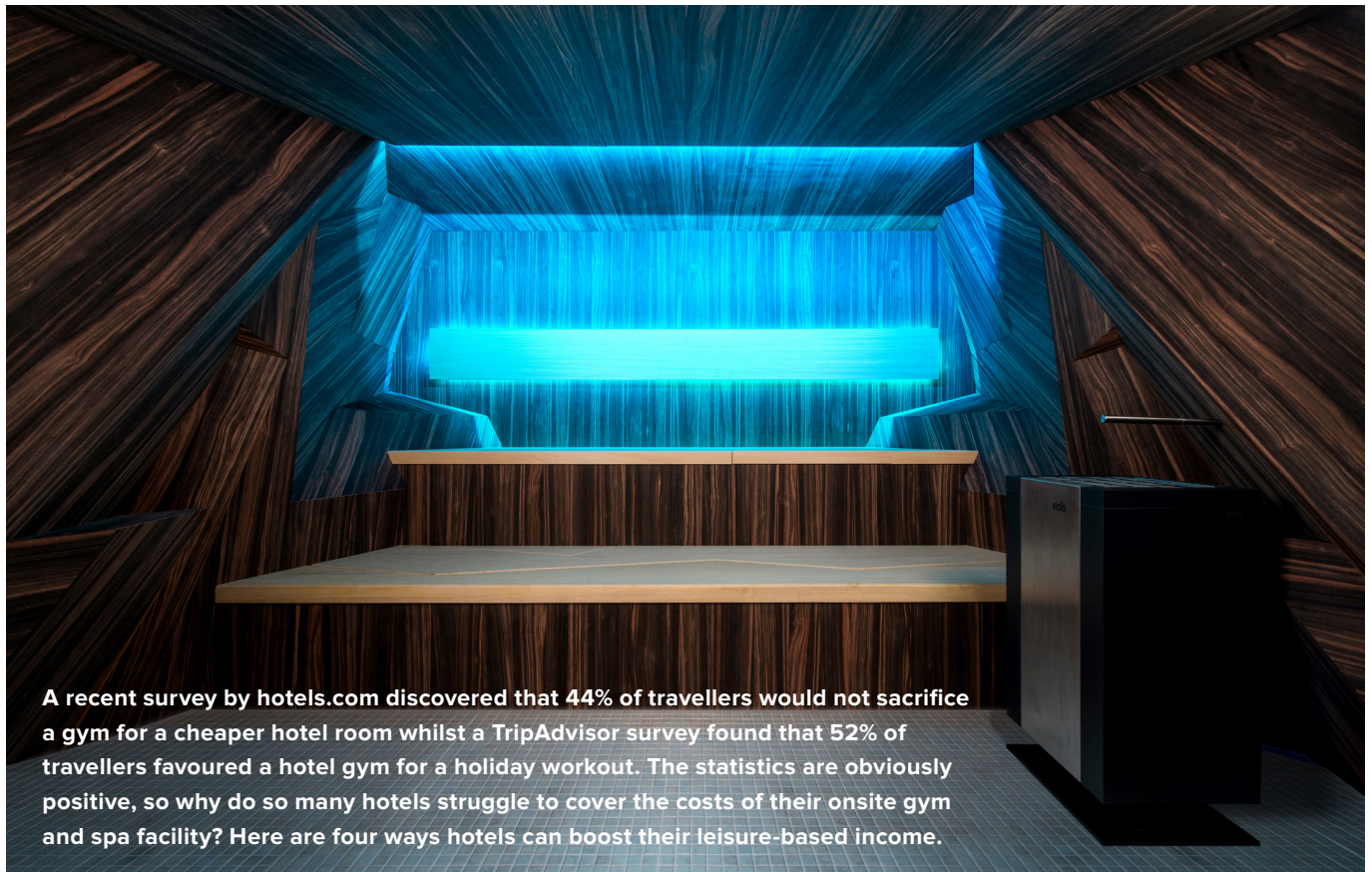


GENERATING REVENUE FROM A HOTEL GYM & SPA

In the past, hotel gymnasiums were small, poorly equipped and under used. Nowadays a gym and spa forms an integral part of the overall hotel experience.



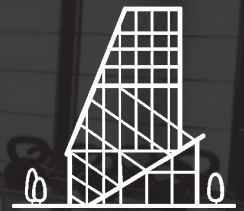
1 EMPLOY AN INDUSTRY SPECIALIST

The first, and possibly most important, aspect to look at is the management of the gym and/or spa. Most hoteliers do not have an in-depth knowledge of what is required to run a gym and spa facility. In light of this, there are two viable options to successfully manage a gym and spa.

Employing a Spa Director to manage the facility is quite often the easiest option, as this will retain the control over quality and standards that a hotel is striving for. Spa Directors do not come cheap (£60,000-£80,000/ annum) however their ability to drive sales through additional services is excellent. That said, this option is only really suited to those facilities with a large spa offering. For those who only have one or two treatment rooms, but a larger fitness offering, a health club general manager might be more suited.

Subcontracting to a specialist management company is the other main option. These companies will have a huge amount of experience in running multi-faceted facilities and, aside from the occasional meeting with hotel management, can be left to run the facility. Provided clear guidelines are given as to the service level that is expected, management companies will have their own quality control procedures that are maintained via area managers who visit the site on a regular basis. These visits ensure that the standards set by the hotel are being met.

Bringing in a management company can also limit liability for the hotel, as the health and safety management of the spa is taken on by the management company. Another benefit is that, unlike a Spa Director, management companies will have managers who are experienced not only in the fitness and pool aspects but also the spa treatment side of the facility.



2 OFFER SERVICES TO OFFSET OPERATIONAL COSTS



Offering additional services is a great way to increase revenue. Having one treatment room delivering just 6 hours of treatments per day can generate in excess of £130,000 of income per annum (based on an average treatment price of £60); this should equate to close to £40,000 of profit once therapist costs, product costs etc. are taken into consideration. Further to this, the sale of spa products is hugely lucrative, with margins in excess of 50%.

Personal training is slightly trickier to deliver in hotels as most gym users will have their own preferred trainer at their local gym. Group exercise classes offer a great alternative, as they still provide the user with an instructor-led session they will enjoy but won't detract from any one-to-one training they do with their own trainer back home. Swimming lessons are quite similar in that the majority of travellers will build a relationship with a coach at their local pool who will be familiar with their progress etc. so pool-based classes would be a preferential alternative here too.



3 INVITE EXTERNAL MEMBERS TO JOIN

Offering an external membership to a limited number of local residents is the easiest way to generate additional income for the facility. With a membership of 200, we would envisage between 30 to 40 additional users per

day, which may seem like a lot but, when they are spread out across the 16 or so hours of opening, the impact is in fact fairly small. 200 members paying £50/ month in membership fees will give a guaranteed income of £120,000 per annum; additionally, these members are far more likely to take up personal training and swimming lessons, as your hotel would become their local gym or pool.

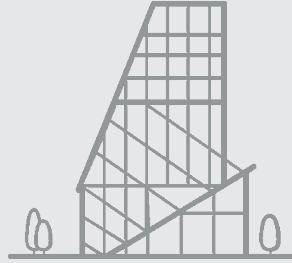
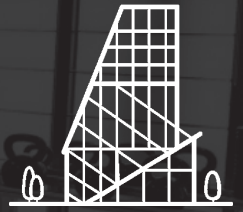


4 ENTICE GUESTS WITH GREAT VALUE PACKAGE DEALS

Offering a "bolt-on" to a room as a package deal is also a great option to entice guests to use the hotel's leisure facilities. Adding a massage onto a guest's hotel booking could automatically deliver an extra £60 of income per room booking. An alternative option is to offer a 25% discount for any treatment bookings made in advance. Margins on treatments (provided an agency isn't used) can be up to 60% so offering a small discount will not overly impact the bottom line.

There are so many different options to ensure that a hotel gym & spa facility is a real contributor to the overall profitability of the business. motive8 is a specialist management company who can tailor its services to suit the needs of any hotel - we offer a wide range of services from consultancy, management support and training to delivering full management of a hotel gym and spa facility.





HOTELS

GYM AND SPA DESIGN

