

Spas in Brazil – a market in continuous expansion

By Ana Claudia Freitas – Factor de Solução / The Kline Group

The spread of a healthier way of life among Brazilians is driving growth to the spas industry, especially in large urban areas. The constant growth in health problems such as stress and mental fatigue lead Brazilian people to seek Daily Spas more intensively.

"Stress" is nothing but the result of a reaction of our body when it is stimulated by external conditions. The body deals with this situation activating the production of some hormones, one of which is adrenaline. This hormone in particular keep us alert and prepared to react, which means you can't relax even if your body and mind are tired and need some pause.

The main causes of stress are traffic, financial problems, professional problems, diseases, relationship difficulties and lack of time. These factors trigger fatigue, insomnia, headache and dissatisfaction with you. In general, stress is a big problem and it has been affecting many Brazilians, due to the full dedication to work and little time spent with pleasures of life. Furthermore, not only can the stress response make it difficult for people to think in a clear and functional way, but it can also disable a person physically and emotionally.

Stress is considered a modern issue, and it is a result of modern life problems and the lack of time that people have nowadays. It affects people in different ways, so there is no sole solution to reduce and manage it. In the middle of an urban chaotic environment it is possible to escape to a quiet place, to relax and take care of the body and mind without losing much time. As a result, there are more and more day spas or urban spas which are often located in central areas and offer beauty treatments for relaxing and stress relief in just a day or in a couple of hours.

In their process of evolution, spas had to adopt new positioning to attend the ever increasing demands of society, which became much more diverse, as well. In addition to traditional therapeutic treatments, other services, such as nutrition, weight loss, beauty therapy and aerobic activities were adjoined to spas environment, and ended up being greatly developed.

Currently, the spa industry, with all its segmentations, is among the fastest growing markets worldwide. The services offered by spas are constantly evolving and not restricted to traditional methods and services. If the spas' concept looks any different from last century's, it remains with the very specific original goal: the well-being of body, mind and spirit.

Brazilian Spas Market

The first spa in Brazil was opened 25 years ago, and this concept has already gained great space in the whole national territory. The market is supported by various segments of interest, including physicians, physiotherapists, clients, business, C&T marketers, media in general, among others.

The largest growth in this market is seen in Day Spas (or Urban Spas). With the development of large cities, as well as the stress problems and mental fatigues of everyday life, urban areas represent the largest demand for services offered by spas. There are numerous studies that already show the various benefits that body therapies bring to health. In contrast to earlier times, when people were concerned only about the treatment of diseases and nutrition, preventing illnesses and aging have been seen as essential to the welfare of the human body, and spas concept routes towards this reality. Brazil, as an emerging country, has a growing working class population, which will demand more care for their mind and body, thus representing a fertile soil for spas market to make roots.

Destination Spas, establishments with hosting infrastructure and nutrition programs, totally focused on promoting well-being and quality of life, are the major forerunners of the activities of Spas in Brazil. But it is the Day Spas and Spa Resort / Hotel that has had the largest growth in recent years. According to Factor de Solução study on the area, this happened because there is an increasing public that demonstrates interest in alternative forms of body care and personal health, but do not have enough time to travel to the Destination Spas, which sometimes demand more time and money. Having the ultimate goal of providing customers with a place designed for total personal care, such Spas skilfully adapted to various places where they settled.

The biggest concentration of the Day Spas is in fact in the large urban areas, where the concentration of demand to this sort of service has a greater force. The cities of Sao Paulo, Rio de Janeiro, Belo Horizonte and Brasilia have been the great indicators of trends and innovations in this market. These cities reflect the major global trends, since

they are users from various techniques and the latest technology equipments. On the other hand, Destination Spas are in their vast majority located in the same places they were some years ago. We highlight the states of Sao Paulo, Minas Gerais, Santa Catarina and Rio Grande do Sul as the main centers of this segment.

The market for Spas today has been exploited mainly by small business, many of which run by families. They are still small groups of entrepreneurs with national exposure or with a network of spas with wider coverage. Today we find that some companies of international reputation are installing their business in the country. With extensive experience in the international spas, such companies have seen an unparalleled opportunity in the market place to develop their brands. This differentiation and professionalization of the Brazilian Spas market is very important to the sector, and this will be an example to many Spas that are yet to come.

Trends of the Brazilian Spas Market

The Brazilian C&T market, according to Factor de Solução/ The Kline Group, was estimated on 2008 up to BRL 25 billions. The Spas market represents a little piece of this market. It represents less than 2%, size of the men skin care products, of the skin care category. The Spas products have few highlights because this segment is strongly represented by the direct sales companies, as Avon and Natura, remaining no space to the Spas market.

The growing demand for services in Brazilian Spas has opened a number of opportunities for entrepreneurs seeking to explore this market niche. As a result, sometimes there is a deviation from the ideal structure of the operation of the Spa, due to the lack of regulations and a requirement for professional management of this market. Since there is a large supply of labor therapy, which is the main asset of a spa, some business owners may wrongly imagine that this is an easy business to run. This has led to market inefficiency in the definition of standardization and professionalization.

According to Agency for Entrepreneurship and Small Business Owner (SEBRAE), one of the most important points when it comes to choosing a spa is its location - people seem to favor a place near their neighborhood, home or work. One of the possible trends is that Spas need to be closer to the customer and that implies smaller structures, which favors the opening of micro/small types of businesses. An important factor for this market is that business shouldn't be big and very complex and the structure should be reduced and be able to cover various regions of the city where.

And when it comes to escaping from anxiety or tension, the segment enables entrepreneurs to venture a little more. This is the case Djin Sey-Spa, a small company in Sao Paulo, which adds this kind of service to dental treatment. According to the proprietary, Lúcia Yamakawa, the idea came from her personal experience: the fear of going to the dentist and the distress in the waiting room. She decided to open a business in which the person that seeks for dental treatment could also rely on services such as relaxation massage with Chinese techniques such as shiatsu.

Among the key factors for the growth of this market is the increased longevity of the Brazilian people, the problem of obesity that begins to affect more people, plus the high levels of stress, which is making people seek for beauty and the pleasures of living.