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Skin Deep

Keeping Up Appearances, No Matter the Dow



LAST year, the idea of opening a luxury [spa](#) at [the Plaza Hotel](#) in Manhattan sounded like a perfect business opportunity to Mathilde and Bertrand Thomas, the founders of the French skin-care company Caudalie. Their goal was to create a luxurious haven for their grape- and wine-based spa treatments, along the lines of Caudalie's original spa on the grounds of Château Smith Haut Lafitte, a grand cru [winery](#) in Bordeaux owned by Ms. Thomas's parents.



Kelly Shimoda for The New York Times

\$510 for the Impériale massage and facial at the Waldorf-Astoria.



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\$400 for the house facial, Le Soin Sislēya Anti-Age, at the Carlyle.

And so, with the Dow Jones Industrial Average soaring, the Thomases began to invest about \$6 million in building a 8,000-square-foot space called the [Vinothérapie Spa by Caudalie](#) above the Plaza’s Palm Court restaurant.

But as they prepared to open this month in the midst of the worldwide [credit crisis](#), the couple anxiously wondered how many people would be eager to spend \$550 for services like the 100 Percent Grape Ritual — a combination of treatments, including a body scrub with crushed cabernet seeds.

“We are scared,” Ms. Thomas said as she sat in the spa’s glass-walled wine lounge where a sommelier prepares tastings for clients between treatments. “We are opening at the worst possible time.”

“I prefer to call it unfavorable circumstances,” her husband said.

Worst-possible-timing syndrome is not limited to the Caudalie enterprise. Several classic grand hotels in New York have introduced multimillion-dollar spas amid the financial meltdown.

Against the backdrop of a wildly fluctuating stock market, these palaces of pulchritude seem retro, a throwback to the conspicuous consumption of the Reagan years. Even as luxury consumers are tightening their Hermès belts, the concentration of so many extravagant beauty emporia is raising industry concerns about market saturation.

“You are obviously going after a very high-end, upper 1 percent audience, a limited audience,” said Francis X. Acunzo, the chief executive of Acara Partners, a spa consultant in Branford, Conn. In his 25 years in the industry, Mr. Acunzo has owned and operated more than 75 day and medical spas, he said. “In New York, you have a higher concentration of that audience,” he said, “but still, are there enough people who want to spend that kind of money?”

A handful of high-end hotels think so.

In September, the Waldorf-Astoria introduced the Guerlain Spa, a \$23-million center that covers 14,000 square feet. An immense sculpture, made from deconstructed Czech crystal chandeliers, greets guests in the foyer. At [the spa](#), one of the signature treatments, a massage and facial called the Waldorf Impériale, costs \$510.

And earlier this month, at a cost of \$6 million, the Carlyle hotel opened [Sense, a Rosewood Spa](#), which features Sisley, the luxury French skin-care brand. To reach the treatment rooms, guests descend a staircase whose arched ceiling is covered with platinum mosaic tiles. The house facial, called Le Soin Sislëya Anti-Age, costs \$400.

Not to be outdone, the Peninsula Hotel is revamping its [three-story, 35,000-square-foot spa](#), which is scheduled to reopen in mid-December.

The spate of premium spas tied to prestigious cosmetics brands is no coincidence. Just like restaurants created by chefs who have Michelin star ratings, brand-name spas are playing an increasingly important role in a hotel’s ability to gain or maintain elite status.

New York already has two venues that industry analysts describe as “five-star spas” — properties with opulent décor, lavish treatments and stratospheric pricing. One of them, [The Spa at the Mandarin Oriental Hotel](#), has an Asian-themed V.I.P. suite worthy of a Thai prince, with a sweeping view of northern Manhattan. The other, [Cornelia Day](#)

[Resort](#), is a 22,000-square-foot spa on Fifth Avenue, between 52nd and 53rd Streets, that cost \$15 million to build and has its own roof deck.

“The market is not saturated for that level of spa,” said Cornelia Zicu, who has since left the Cornelia spa, which she helped found, and who is now the chief creative officer of Red Door Spa Holdings. In a booming economy, Manhattan could support 20 spas of such grandeur, suggested Ms. Zicu, who was born in Romania. “But now, to open that size in this economy with that prices, I am not optimistic.”

There were about 18,000 spas in the United States last year, compared with about 9,900 in 2003, according to the International Spa Association. Last year, the American spa industry generated \$10.9 billion in revenue, up from \$7 billion in 2003, the group said.

But the industry may be vulnerable. A recent e-mail survey of about 400 spas by Spa Finder, an information and marketing company, reported that two-thirds of them had fewer bookings this September compared with September 2007. Moreover, 50 percent of day spas, 55 percent of resort and hotel spas and 64 percent of medical spas in the survey reported that their revenues were lower in the first nine months of this year compared with the same period last year, the company said. Last month, there was a 25 to 30 percent increase in the number of spas offering discounts on [Spafinder.com](#) over the same period last year, the company said.

Susie Ellis, the president of Spa Finder, said that luxury spas in fancy hotels may be better able to weather consumers’ cost-cutting. Such spas have a captive audience in hotel guests and residents who have bought hotel condos. In a time of heightened stress in their professional lives and plunging stock values, some patrons may even seek out such spas as a refuge, she said.

“There is always that high-end luxury consumer,” Ms. Ellis said. But now, she said, “there may be fewer of them.”

Indeed, earlier this year, her company stopped publishing *Luxury SpaFinder*, its glossy magazine, because of the limited audience for high-end pampering. The company will begin distributing a Webzine to a more general audience this year, she said.

Spa and hotel executives said new luxury spas in New York are not impervious to the economic climate. But the executives said that they are optimistic that unique features and customized services would distinguish their spas from the competition.

Sense, at the Carlyle, is a lavish jewel box, with ornate chandeliers and marble sinks. Yves Durif, a hairstylist with a devoted Upper East Side following, has just moved his salon into the space.

“Of course, you’d prefer to open in 2000, or last November at the height of the market,” said James W. McBride, the managing director of the Carlyle. “But if you deliver an exemplary product with exemplary service in an exemplary environment, your customer will say, ‘I want to go there because it is the very best.’ ”

Meanwhile, at the Guerlain Spa at the Waldorf-Astoria, each guest is assigned a spacious treatment room, with its own bathroom, in which to change and receive massages or body wraps.

Kimani Roquemoire, the director of the Guerlain Spa, said a steady stream of clients has come in since the opening last month. But, as the economy takes a toll on consumers, she predicted a change of mind-set, in which customers will seek results-oriented treatments over leisure and beautification.

“There is the perception, with deep-tissue massage, that you are getting more for your money,” Ms. Roquemoire said. “People think, ‘That will work out all of the knots, and that will last me longer than the Swedish massage.’ ”

At Caudalie’s Vinothérapie Spa at the Plaza, Ms. Thomas said the unusual treatments would draw people interested in natural beauty remedies.

“Where else can you have a fresh grape massage or be wrapped in wine yeast and honey?” she said. Musing on the competition, Ms. Thomas added, “The treatments are half of the price of the Mandarin Oriental.”

About 10 to 15 people a day have had treatments at the spa since it opened last week; on average, each client had three treatments, Ms. Thomas said.

Mr. Acunzo, the spa consultant, said that it would take years for such spas to see a return on their investments.

He said that many five-star hotel spas are not designed to be profitable per se, but to increase the number of hotel guests, raise the amount each guest spends, lure celebrities and heighten the visibility of cosmetics brands.

The question, he said, is whether, in any economic climate, this town is big enough for so many over-the-top spas.

“There is not enough market share in Manhattan,” Mr. Acunzo said. “Six five-star luxury spas seems like way too many.”