Soaking Up History
Steaming into the Hot Springs
(R)Evolution
Amy McDonald
Chair of Global Hot Springs Initiative
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CEO, Under a Tree
Mark Hennebry
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Danubius Hotel Group, UK
David Clay Large
Senior Fellow Institute of European Studies
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Historical Perspective
Bad Gastein in Winter
Getting Naked at the Friedrichsbad
Baden-Baden Casino
Tom J. Bauer
COO, VAMED Vitality World, Austria

European Perspective
Demographics & the new expectations
Diversity & the new accessibility
Time & the new level of luxury
Space & the new flexibility
Contemplation
Charles Davidson
CEO & Co-Founder
Peninsula Hot Springs, Australia

Australian Perspective
Australian Hot Springs
Victorian Hot Springs Development Potential

Three styles of hot springs under development or planned development:

1. Hot Springs Relaxation and Wellbeing
   Industry: Tourism
2. Thermal Rehabilitation Health Centers
   Industry: Health / Medical
3. Thermal Water Parks
   Industry: Entertainment / Tourism

KEY
- Thermal Water Park
- Thermal Rehabilitation
- Relaxation Hot Spring
Australian Planned Hot Spring Developments

Phillip Island Hot Springs
Health, Wellness and Tourism Facility

Warrnambool Hot Springs

Tawarri Hot Springs, Perth

before

Coal Mine

after

Geothermal City
Tominori Maruyama (Maru)
Chief Research Consultant & Manager
Mitsui Knowledge Industry Co., Ltd. Japan

Japanese Perspective
Variety of Onsen Facility

- Ryokan
- Club Resort
- Pension / Inn

Onsen (Hot Spring)

- Hotel
- Day-Visit Onsen
## Market Size of Onsen Related Industry (Japan)

<table>
<thead>
<tr>
<th>Types of Accommodation</th>
<th>Annual Turnover (billion yen)</th>
<th>2011</th>
<th>2014</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ryokan</td>
<td></td>
<td>1,425</td>
<td>1,420</td>
<td>-0.4%</td>
</tr>
<tr>
<td>Hotel</td>
<td></td>
<td>949</td>
<td>1,201</td>
<td>26.6%</td>
</tr>
<tr>
<td>Club Resort</td>
<td></td>
<td>264</td>
<td>314</td>
<td>18.9%</td>
</tr>
<tr>
<td>Pension / Inn</td>
<td></td>
<td>73</td>
<td>75</td>
<td>2.7%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>2,711</strong></td>
<td><strong>3,010</strong></td>
<td><strong>11.0%</strong></td>
</tr>
</tbody>
</table>

Source: White Paper of Leisure 2015, Japan Productivity Center

- **About 36% of them uses Onsen**

<table>
<thead>
<tr>
<th>Types of Business</th>
<th>Annual Turnover (2011)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Day-visit Onsen (Public bath without accommodation)</td>
<td>400 billion yen ($4 billion)</td>
</tr>
</tbody>
</table>

Source: http://careerconnection.jp/biz/studycom/content_714.html
Foreign Visitors to Japan

Source: JNTO, JMA

www.japanmacroadvisors.com/mycharts/#2499
Challenges and Efforts by the Japanese Government

• Ministry of Environment (MOE) to promote wellness tourism with new brand values for national parks

• Expect 2 or 3-fold increase in tourism by the Tokyo Olympics in 2020
Examples of Therapeutic Onsen Springs

**Simple Spring: Minakami Onsen**
- **Effects:** General ailments such as neuralgia, muscle/joint pain, bruises, sprains, sensitivity to cold, relief from fatigue, overall health promotion, etc.
- **Elements:** Elements differ from onsen to onsen. Low mineral and gas content.
- **Temperature:** 40-45°C

**Chloride Spring: Arima Onsen**
- **Effects:**
  - External wounds,
  - chronic dermatitis,
  - bruises, sprains,
  - chronic rheumatism,
  - infertility, gout,
  - vascular sclerosis, etc.
- **Elements:** Contains salts, in particular high levels of common salt. Over 1,000mg of dissolved element per 1kg of onsen of which the main element of anions is chloride ions.
- **Temperature:** 90°C

**Sulphur Spring: Kusatsu Onsen**
- **Effects:**
  - acne, oily skin,
  - dermatitis, rheumatism,
  - asthma,
  - gynaecological disorders, etc.
- **Elements:** Contains high levels of sulphur or hydrogen sulphide.
- **Temperature:** 50-96°C

**Radioactive Spring: Murasugi Onsen**
- **Effects:**
  - dermatosis,
  - gynaecological disorders,
  - external wounds, etc.
  - Believed to be particularly effective on gout, lowering blood pressure and circulatory disorders.
- **Elements:** Contains radioisotopes created by nuclear decay of tiny amounts of substances ranging from radium, radon and astatine to mercury.
- **Temperature:** 26°C
Thank you!
Historical Perspective of U.S. Hot Springs & Water Cure Towns
What’s Old is New Again
2015 By The Numbers

U.S. Thermal/Mineral Springs
217

U.S. Thermal/Mineral Springs with SPA
106

U.S. Thermal/Mineral Springs Revenue
$488 million

U.S. Thermal/Mineral Springs SPA Revenue
$327 million
Expansion is HOT
Global Hot Springs Quiz Show
Question:
How many people visit Austrian thermal spas annually?

(a) 3.1M  (b) 5.6M  (c) 9.4M

Answer:
(c) 9.4M
Question:
What Central European spa is associated with Ludwig van Beethoven?

Answer:
Baden-Bei-Wien
Question: What German spa pioneered the development of casino gambling?

Answer: Baden-Baden
Question:
Which country is famous for its Blue Lagoon Geothermal Spa?

Answer:
Iceland
Question:
What is the name of the famous geyser in Yellowstone National Park in the U.S.?

Answer:
Old Faithful
Question: How many hot springs are in the U.S.?

(a) 500  (b) 217  (c) 1100

Answer: (b) 217
Question:
Koshu Nishiyama Hot Spring in Japan holds the world record for what?

Answer:
Oldest Hot Spring Hotel
(1,300 years old)
Question: Where is the largest thermal lake in Europe?

Answer: Heviz, Hungary
Question: What is the German word for Spa?

Answer: Bad
Question:
What are the health benefits of soaking in Lithia mineral water?

(a) improve arthritis     (b) detoxifying
(c) supports nervous system, mood and sleep

Answer:
(c) supports nervous system, mood and sleep
Question:
How many thermal/mineral springs exist on our planet?

Answer:
There are nearly 27,000 thermal/mineral springs in more than 103 countries … generating more than 45 Billion Euro annually.

More than 20,000 do not offer spa-related treatments.
Question: Which European city is known as the City of Spas for its plentiful hot springs?

Answer: Budapest
Question:
Which U.S. hot springs spa will be 150 years old in 2018?

Answer:
Ojo Caliente Mineral Springs
Question:
Which hot springs won the World Luxury Spa Award in 2016?

Answer:
Peninsula Hot Springs
Question: Where is the largest thermal lake in the world?

Answer: Waimungu Thermal Valley, New Zealand
Question:
Where is the southernmost hot springs located in the world?

Answer:
Antarctica
Question: Which Onsen has been awarded "3-Stars" by Michelin?

Answer: Hyotan Onsen at Beppu in Japan
Question:
What kind of hot spring gas is lighter than air?

Answer:
Hydrogen Gas
Question:
How many degrees are required for a fountainhead to be registered as an Onsen in Japan?

Answer:
25 Celsius (77 Fahrenheit)
Why Do Some Hot Springs Smell?

Some geothermal mineral waters contain ingredients with strong odors such as hydrogen sulfide gas which smells similar to rotten eggs.