



Spa Ceylon's Co-Founder, **SHALIN BALASURIYA,** on coping with the pandemic and the future

Shalin is the co-founder of Spa Ceylon, Sri Lanka's leading luxury lifestyle brand, which launched in 2009, and has since witnessed exponential growth both locally and internationally. The brand that repositioned Ayurveda is now the largest Luxury Ayurveda brand in the world, with over 100 locations in 26 countries.

Under the leadership of Shalin and co-founder Shiwantha Dias, the brand continues to do exceedingly well and is recognized with several awards for its extensive product range and signature spa concept.

Spa Ceylon appears to be steadily extending its global presence. What does your retail store portfolio presently consist of and where are you heading?

We have set up 106 branded locations across 27 countries. Our presence is strong in Asia and Europe and we intend to further expand within these regions. We also have plans to enter the Middle Eastern and African markets and we feel that

2023-24 onwards would be ideal to enter the American market.

Spa Ceylon's product range is quite vast. Are all of your raw materials locally sourced?

Approximately 80% of the raw materials required are locally sourced, leaving only a small proportion to be externally sourced. External raw materials bear taxations that manufacturers are subjected to.

Considering Spa Ceylon's global reach, who would you consider as your main competitors?

We face global competition as opposed to direct competition in Sri Lanka. Our global competitor, for the time being, would be L'occitane, who are our closest parallel in the context of product, branding and shop approach. This global competition is to be considered more seriously with our expansion into Europe.

Sri Lanka has been through a rough couple of years. How have your stores in Sri Lanka been impacted given the Easter attacks and the global pandemic?

The Easter attacks occurred at a time when operations were running smoothly and tourism was displaying promising upward trends of yearly growth. The attacks coerced us into adjusting to the tough changes in which we were recovering by the end of 2019.

The pandemic was another shock to us and despite it opening our eyes to evolving methods, planning for more than two weeks has been conflicting with rising unpredictability and drastic overnight changes.

2020 was a significantly challenging year for us due to the curtailed mobility of consumers and the lack of tourism. However, as time progressed, it had increased considerably, fuelling an expansion in the local market. Despite the chaos, the local market became our new focus and we view this as a catapult to a better place in contrast to falling tourism.

Presently, we are based in over 35 branded locations in Sri Lanka. With the exception of a few locations in tourist areas, which were temporarily halted, all branches are operational. Our spas, which employ the highest number of staff in the Sri Lankan spa industry, were only fully operational for a total of four months in 2020.

Our shopping experience is highly explorative and dependent on sensory communication. The pandemic has thus pushed us to rethink our marketing and interaction strategies, bringing about wastage reduction and efficiency prioritisation in every possible function.

A global pandemic raises uncertainty and is a time where we must all work together to move forward. What kind of assistance has the Government given you during these trying times?

We got Government assistance for our crucial export component of the business, allowing us to continue production in our packing facilities to freely carry out exports even during the lockdown. Authorities such as the

Board of Investment (BOI) and the Export Development Board (EDB), helped us obtain passes while maintaining protocols. The low-interest loans also helped us as an industry.

High-end mall locations are the new and upcoming trend in the retail industry in Sri Lanka. Have you had specific challenges in such locations over the recent past?

The evolution of retail into malls is evident in Sri Lanka, especially reaching a phase with the rise of high-end malls. Although retail malls are on the rise, it is a matter of sustaining the local clientele, mainly because the high-end spending category is still a minority in Sri Lanka. However, these locations have a captive audience with neighbouring office towers, hotels and apartment complexes, which are more attractive, as opposed to standalone stores.

From a general standpoint, the challenge of setting up in a mall would be the cost. Initial set-up costs would include air conditioning, fire equipment and working alongside expensive, designated contractors. Despite the costly setup, the trade-off is in the footfall created. A mall location would offer footfall along with security, backup infrastructure and staff facilities. This advantage is not seen with standalone stores where footfall will have to be created independently. Malls offer walk-ins accompanied by impulse-driven shopping, whereas standalone stores are dependent on focus driven shopping where impulse has to be created on our own.

However, as the number of cases spiked before the lockdown, numerous customers were hesitant to visit malls, opting to collect their items from nearby standalone locations. Fortunately for our brand, customers felt comfortable enough to visit our standalone locations due to lesser crowds in comparison to malls. This stimulated our curbside delivery strategy, providing safety and comfort for our customers.

Nevertheless, mall locations are recognised to follow necessary protocols and all things considered, they have been nothing short of supportive of their tenants. Their provision of concessions and a safe shopping

environment has been promising for the retail sector when it comes to the future of the pandemic.

The pandemic has brought changes to people and businesses across the globe. What type of changes has Spa Ceylon seen, in terms of product and service level offered?

We have ventured into new methods by embracing technology which has worked out tremendously well. This has led to an overall outstanding result where digital consumer interactions are considered. The restructuring of our digital presence would certainly be helpful when extending our reach globally.

Additionally, the extent to which our brand has increased locally has been promising with many of these new-found strategies proving to be useful in the future.

This pandemic has taught us to hold on to optimism and work more efficiently while realising that working from home is also an available option for most teams. We need to let go of the negatives and move forward instead.

What kind of impact would upcoming projects such as the Port City have on your brand from a retailer's perspective?

I am positive that the Port City will result in more awareness and attraction towards the company. Conceptually, the Port City has strong potential for Sri Lanka in the long term if handled well. Attracting multiple national companies to set up would, without fail, create vast amounts of employment and facilitate access for expatriates entering Sri Lanka.

Speaking about the future, what aspirations do you have?

Our aspiration is and has always been, to be a global leader in the natural cosmetics industry. Historically, post-pandemic settings generally lead to booms, specifically in travel and retail and can, therefore, be the light at the end of the tunnel for us and other nations.