

Trends in Private Label Usage by Hotels, Spas & Clubs Q & A with Chris Smith, Executive Vice President

Why do properties seem to like private label?

Chris - From my perspective, properties like private label solutions for two main reasons. First, private label allows them to extend the reach & visibility of their brand. Visibility is extremely important in today's busy and cluttered world where properties need to stand out.

Secondly, private label opens the door to potential retail sales. If a guest uses a private label personal care product on a property and likes it, why not let them buy a bottle or two for home? That's delivering a positive guest experience, the property gets to open a new revenue stream that can be very profitable, and it reinforces their brand. It's a win-win for everyone.

Where does private label work best?

Chris - We've seen private label work in a variety of situations, but one that stands out is at larger hotels with a spa on property. When a line of private label products are used in the hotel room and a guest likes them, they are motivated to check out the spa which uses the same products. Then, these products are offered for sale in the spa's retail area as well as in the hotel's gift shop. It's an extremely powerful combination that we call "Private Label Integration."

We've even seen a recent trend supporting this integration at many of our customers. We now see the spa director being called into discussions with housekeeping to provide input about what products should be offered in-room. This cross-department coordination is a positive trend for both properties and guests.

Have you seen any new trends in terms packaging?

Chris - While rounded bottles like a Boston Round are always popular, we've definitely seen a move toward taller, slimmer, sleeker bottle designs. The aluminum bottle has also been an interesting addition to the mix and is popping up here and there where it makes sense to support a specific property's brand.

Regarding fragrances, have you seen any change in interest levels?

Chris - We certainly have. Citrus blends and green tea lemongrass have been extremely popular for the last few years, but we've also seen a trend toward more subtle & classier fragrances. We encourage



customers to avoid the fragrance trends and pick a scent that supports their brand and the overall experience they're trying to deliver.

What private label products sell the best at the retail level?

Chris - Great question. We highly recommend that properties initially focus their private label retail lines on body care products. Start with body wash, body lotion, hand soap, body cream, a scrub, lip balm and bath salts. These products will always be your best sellers. Plus, they will promote your signature scent. You can also let guests sample these products by using them in your locker room and in treatments.

When it comes to hair care products, guests are far more particular and will generally gravitate toward salon-quality brands. These products are a nice addition to a body care offering, but add them last and only if there is demand from guests. We also encourage properties that get into private label retail to offer more than one fragrance because guests are drawn to different scents and one fragrance can't satisfy them all.

Have you seen any changes in the size of properties that explore private label solutions?

Chris - Historically, private label has only been available to larger properties due to high minimum requirements used throughout the industry that were not economical for smaller properties. With advancements in technology and a more competitive market, there are many more private label options that properties of all sizes can explore. Some suppliers like ReadyCare even go down to a minimum of 50 units per product which opens the private label market to many smaller properties. However, not all private label suppliers are equal in terms of experience, design expertise and packaging options. It's important to select a partner that will expertly guide you through the package, design and fragrance selection process.

How long does take to develop a private label program?

Chris - It depends but typically the private label development process is 2-3 months. The hard work is figuring out what a property wants to accomplish and getting all of the internal stakeholders in agreement regarding packaging, design and fragrance selection. If you select an experienced private label partner like ReadyCare, the development process should be both efficient and timely.



Chris Smith is Co-Founder and Executive Vice President at ReadyCare, and manages all of ReadyCare's customer-facing teams including: sales, account management, product management & marketing. Chris is an expert in the use of private label within the hospitality industry to deliver improved guest experience. Prior to joining ReadyCare full time in 2005, Chris managed the Western U.S. sales team for Oracle's Major Accounts division. He is a graduate of the University of Denver.

About ReadyCare

ReadyCare is a leading provider of personal care solutions to world-class hotels, spas, health clubs & golf clubs that value product choice, service quality & expert advice. For over 25 years, Denver-based ReadyCare has helped thousands of properties deliver great member & guest experiences by ensuring their personal care offering aligns with their clientele & brand. For more information, visit www.readycare.com or contact us at 800-477-4283 / info@readycare.com.