

Business Models in the Women's Spa Industry in Taiwan: A Case Study of Bonjomay Spa

Abstract

The global spa industry is expected to exceed US\$185 billion by 2030. This study investigates how spas can respond to competition and risks and operate sustainably.

Despite advances in technology, beauty spas cannot avoid direct person-to-person contact. Such contact is necessary to convey service value and establish trust. The company examined in this case study is able to flourish despite fierce competition and survive the effects of the COVID-19 pandemic because (1) the company effectively integrates its founding mission into its corporate vision to create a resilient corporate culture and (2) the company is committed to treating its customers and employees sincerely and kindly.

Keywords: women's beauty spa, vision, qualitative case study

1. Introduction

Spas epitomize several concepts related to health and leisure. Spas offer services from bathing to fully customized care. In 2021, the global spa market was worth US\$53.3 billion; it is expected to be worth US\$119.3 billion by 2028 (QYResearch, 2023). The present study explores how spas can select business models, create business strategies, and allocate resources to operate sustainably.

1.1 Research background and motivation

The beauty spa industry depends on the manual provision of professional services to customers and requires quality services and professional skills (Henderson & Kivel, 2002). Spas rely on labor that must continually improve or innovate. Despite the maturity of the beauty spa industry in Taiwan, most spas are small businesses that experience difficulty resisting environmental risks (Gitnux, 2023). Additionally, discrepancies in labor quality can discourage customer trust (Bjurstam, 2010).

1.2 Research objectives and questions

Intense involution, risks associated with economic development, changes in consumer habits, rapid changes in market environments, and labor shortages within the beauty spa industry pose major survival challenges to all spa businesses (Smith & Puczkó, 2014). Management must prioritize responding to external market changes and adjusting business strategies, consolidating internal resources, and developing core competencies.

This study addresses the following research questions:

1. What does the future hold for spas in Taiwan?
2. How can women's beauty spas in Taiwan position themselves clearly and effectively in their markets to succeed?

2.Literature review

2.1 Competition within the women's spa industry in Taiwan

1. Beauty techniques and beauty services

The beauty industry provides cosmetic, hair styling, fitness, and aromatherapy services (Green, 1998), in addition to researching and developing, manufacturing, testing, and marketing cosmetic products; planning and managing these processes; and offering beauty education and training (Hunter & Whitson, 1992). Conventional cosmetic services typically involve one-on-one relationships, regardless of differences in skills, service characteristics, and business models (Baszanger, 1998). This study specifically explores cosmetic, fitness, and aromatherapy businesses.

2. Positioning of women's cosmetic and fitness businesses and case studies

Cosmetic and fitness businesses vary in their business models and positions due to differences in investment capital, size, decoration and layout, and advanced beauty equipment (European Travel Commission, 2006). Table 1 presents a taxonomy of the beauty industry by scale.

Table 1 Competitive advantages and disadvantages by business scale

Factors	Large-scale regular chains (52 stores).	Small- and medium-sized businesses (1–2 stores).
Brand influence	Powerful, with established brand names and loyal customer bases.	Weaker, with limit brand recognition and influence.
Market coverage	Broad, comprising multiple geographical locations.	Limited, mainly relying on local markets.
Resources and investments	Ample capital that can be invested in equipment, advertising, and employee training.	Limited resources that must be allocated cautiously.
Service standardization	High standardization and consistent quality of services and products.	Variable quality of services and products.
Personalized customer service	Standardized services that may be less flexible than those provided by smaller enterprises.	Strong personalization of services.
Operating costs and efficiency	Higher operating costs, but more cost-efficient through the economies of scale.	Lower operating costs but lack the economies of scale for cost efficiency.
Risk diversification	Single-market risks are distributed among multiple stores.	Poor risk diversification due to being limited to fewer markets.
Market reaction speeds	Slower responses to change due to processes that require decisions at multiple levels.	Faster reactions to change due to simpler decision-making processes that enable responding rapidly to market changes.
Innovation and adaptability	Structured innovation processes that may be slow to adapt to market changes.	Greater flexibility in implementing innovative ideas rapidly.
Legal and financial responsibility	Larger scale may lead to more legal and financial risks.	Less risks, but risks are fully borne by individuals.

Compiled in this study.

3. Research design

3.1 Methods

Qualitative research methods are particularly well suited to the exploration of domains that remain poorly understood (Edmondson & McManus, 2007). As such, this study employs qualitative research in the form of a case study, investigating the business mentality of the case company and analyzing how the company responded to social, economic, environmental, and fashion changes and the challenges of COVID-19.

3.2 Participants and sample

An unscoped interview with the founder of the case company provides both a general and a comprehensive understanding of the company. Concepts exemplified by the company vision, customer service, and corporate governance were recorded from an objective, third-party point-of-view. The interview results were synthesized, analyzed, interpreted, and summarized.

4. Case study

This section describes how the founding principles of Bonjomay Spa are integrated seamlessly into the company's operations—how internal consensus and resources are consolidated and implemented to respond rapidly to changing market environments—and summarizes how the company responds to risks without deviating from its vision.

4.1 Founding vision and business mindset

Bonjomay Spa was founded by a woman for women and is one of Taiwan's largest professional beauty spas. Nevertheless, Bonjomay Spa has remained true to its founding mission. The ability of Bonjomay Spa to thrive without compromising its principles is particularly impressive because its founder's mission was not to create sales but to provide women with an independent and relaxing space where they could be confident and beautiful.

1. Heartache—birth of the business mission

Tsuen-Mei Peng, the founder of Bonjomay Spa, grew up in poverty in rural Taiwan; her family was only able to afford the bare necessities. Her mother was a traditional homemaker whose purpose in life was to care for her husband and children. She recalls her mother waking up before dawn to handwash the family's laundry despite the pain of the freezing cold water, and her mother's small body bent under the weight of the vegetables she was selling. Pained by her mother's sacrifice, after graduating high school, Peng used her first paycheck to buy a washing machine for her mother, which her mother never used out of a desire to save on electricity bills. Her mother ultimately passed away at a young age due to long years of

overwork. This story of the washing machine conjures memories of the tragedy of being unable to care for her mother and feelings of regret at her death, causing Peng constant heartache. Her reflections on the value of women born from these memories became her mission for starting her own business: “I was deeply influenced by my mother’s life experience. I believe that women should be strong as beggarticks rather than pliant as rapeseeds; women should be able to enjoy life, and a healthy body is key to quality of life.” Peng therefore devoted herself to wellness and beauty from the age of 20 years.

2. Immersion, practice, and entrepreneurship

To fulfill her dreams, Peng opened a beauty salon after graduating high school, but it failed due to poor management. This failed venture taught Peng the crucial elements of the beauty industry and is a major resource driving her business today.

- (1) Support from loyal customers
- (2) Solid cosmetic techniques
- (3) “Trust” as a component of product value
- (4) A group of steady employees

Despite the failure of her first venture, Peng did not abandon her dream and continued to hone her skills, study management, and steadily accrue capital as a beautician. In 1997, thanks to the coming together of various opportunities and circumstances, Peng began developing a blueprint for business on the basis of her sophisticated skills and passion for cosmetology, one marked by an insistence on partnership and skill for employees, sincere hospitality and care for her customers, and her youthful convictions to realize her dreams.

3. Opening locations and capturing the market

Integrating the lessons from her first venture, the foundations of Peng's brand management journey were talent cultivation and skills transfer. She implemented a unique rolling system of education and training to rapidly replicate talents (discussed in the later section of this study) and leveraged her staffing and capital to open multiple locations at an explosive pace. To date, her company has grown to a medium-large-sized beauty chain, employing over 500 highly trained and experienced staff in over 50 locations throughout Taiwan. Throughout this process, she has never wavered in her commitment to quality, service, and integrity for her employees and customers.

In 2008, the brand Bonjomay was created by expanding Peng's commitment to high-quality beautician techniques to beauty products, commissioning a manufacturer of skincare products with 100 years of experience in Milan, Italy to create customized Bonjomay Spa skincare products. Each shipment of products, after passing through customs, was sent to a designated quality certification agency (SGS Taiwan) for testing to ensure customers' peace of mind and satisfaction.

4. Knowledge is power

As her business grew increasingly complex, Peng required a group of strong employees. Therefore, in 2009, she pursued an executive master's of business administration at Fudan University in Shanghai, China and at Feng Chia University and National Chung Hsing University in Taichung, Taiwan. She also encouraged her

employees to further their studies while working and cooperated with many schools to offer special in-service classes. She even offered interest-free student loans to encourage employees to pursue further education. These measures reflected her firm belief that “the secret to impeccable quality is the intrinsic qualities of our employees.”

5. Brand spirit—Beggartick

The beggartick, also known as butterfly needles or shepherd’s needles, grows roots and flourishes under any conditions in Taiwan, blooming in both winter and summer. This flower was chosen as the brand logo of Bonjomay Spa to encourage other women to demonstrate the same strong qualities and perseverance to survive and to suggest that the business was resilient as this wildflower. The logo conveys the images of “a group of friends gathering together for a spiritual feast” and “friendships, determination, and a delightful life” and is a reminder that Bonjomay Spa was created to provide such opportunities through an “authentic” merging of products, techniques, equipment, and space to create a wellness paradise exclusively for women.

4.2 Marriage of the founding mission, company vision, and strategy

If a company makes business decisions solely on the basis of the needs for survival and turning a profit and does not consider its founding

mission, it becomes a soulless tool for making money.

1. Vision

On the basis of her childhood experiences, Peng was convinced that “women should be strong as beggarticks rather than pliant as rapeseeds; women should enjoy life, and a healthy body is key to quality of life” and that “women should put their health first if they want a happy family and a high quality of life, and having a space of their own will elevate their spirituality and allow their feminine beauty to shine.” Peng’s business philosophy is not to generate revenue by any means necessary but to provide women with the space to improve their spirits and thus earn her profits. This belief is at the core of Bonjomay Spa’s business philosophy and informs its objectives and plans. These are revised in response to environmental and business scale changes to ensure that the whole business continues to develop without deviating from Peng’s vision.

2. Strategic implementation

To develop a self-owned brand that embodied her creativity, was strongly competitive, and possessed sufficient brand power to respond to market trends, Peng implemented several strategies. For example, individual independent conventional workshops were integrated through unified brand management into a chain business. To achieve creativity, competitiveness, and brand power, Bonjomay Spa invested most of its energy and resources into operations, marketing, and talent recruitment. Peng’s unique focus on talent recruitment and training are examined in the following section.

4.3Secrets to survival and development

Despite advances in technology, beauty spas cannot avoid direct person-to-person contact (International Spa Association, 2009). Beauticians must convey service value and gain trust and ratings through physical contact with their customers (Kyricos, 2010), creating brand loyalty. Per the law of equivalent exchange, a company's "touch" determines whether a customer is willing to continue patronizing the business. Beauticians' skill also determines whether the business will flourish or flounder (Linkedin, 2023). Without touch, beauty spas have no value. Therefore, staff are the lifeblood of a beauty spa.

Bonjomay Spa prioritizes talent and staff and has established various talent recruitment, training, and incentive programs. Its distinctive—even pioneering—"staff replication" program differs from other human resource and cultivation efforts in the industry and can be summarized as follows:

1. Talent recruitment: Holding industry training collaborations together with government vocational training teams and Ministry of Labor regional vocational training centers and collaborating with higher vocational or technical vocational schools to provide cooperative education and industrial-academic partnerships and internships.
2. Protection for new employees: Preservice training, one-on-one, aptitude-based mentorship, preference-based assignments, guaranteed income during training.
3. Rolling education and training: Establishing a dedicated staff training

department to offer refresher courses according to varying levels of employee proficiency: “Able,” “Competent,” “Skillful,” and “Masterful.”

4. Rewards and incentives: Achieving an equitable environment with shared interests through incentives such as overseas travel, profit sharing, and employee stock ownership to enhance company spirit and establish a people-oriented management model within the service industry, one that involves a hierarchical division of labor and regular monthly education and exchanges.

5. Conclusion and suggestions

5.1 Conclusion—Operational principles of Bonjomay Spa

Bonjomay Spa flourished despite restrictions and disruptions caused by the COVID-19 pandemic because of the company's long history and established cultural heritage.

1. Products and services

Bonjomay Spa has persevered in its corporate mission, focusing on creating a serene leisure space for women and providing state-of-the-art spa and beauty services. According to Peng, “products” in beauty services should include cosmetics techniques, meeting customer needs, and integrating the five senses with environmental physical, mental, and spiritual relaxation elements to create a space of leisure specifically for women.

2. Talent cultivation and technical training

Success in the service industry requires the ability to provide customers with first-rate experiences of consistent quality. Peng possesses a thoughtful and sensitive personality and has made numerous professional partners over the years with whom she has jointly developed spa and beauty techniques. Together, Peng and her partners have established a technical education center in the company headquarters to extend and replicate various operational techniques and service procedures. Stable staffing and standardized techniques enable the company to expand its service locations and create intangible brand image.

3. Corporate governance

- a. Setting annual goals and profit sharing to enhance internal unity and create a corporate culture that benefits all stakeholders.
- b. Pioneering a system in which each store is a profit center that sets its own annual goals and shares profits as part of a community of interests.
- c. Increasing managers' sense of responsibility, identification, and belonging according to a spirit of "intrapreneurship," establishing a solid foundation to open additional locations.

Talent and labor are the most vital intangible assets of a company. Thus, talent retention and creativity are the most critical management tasks for Bonjomay Spa. This study finds that profits are not the primary reason for Bonjomay Spa's development, although steady profits are necessary to support the development and improvement required to fulfill the company's mission and offer broader and stabler protection for employees.

5.2 Suggestions

This study suggests that Peng's beliefs can form the essence of her corporate brand and that effective management is critical to the successful management of a women's spa. The following suggestions may assist Bonjomay Spa in reinforcing the company's management and development strategies:

1. Adhere to the founding mission to solidify consumers' awareness of the brand.
2. Use technology-assisted marketing strategies such as online promotions and social networking services and narratives

to attract visitors.

3. Invest in employee training and development by offering comprehensive training programs for women's spa center employees, ensuring that they have the requisite skills and knowledge to provide high-quality services.
4. Conduct market surveys regularly to identify target markets, customer preferences, and industry trends.

This study has some limitations such as a lack of empirical data specific to the women's spa industry and a limited range of sources. Future research should address these limitations and provide insights into specific industries. Additionally, women's spas should be compared and analyzed across regions and cultures to offer a broader understanding of the factors influencing their success.

COMPETING INTERESTS DISCLAIMER:

Authors have declared that they have no known competing financial interests OR non-financial interests OR personal relationships that could have appeared to influence the work reported in this paper.

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