



All-Party Parliamentary Group on Beauty, Aesthetics and Wellbeing

Minutes of Meeting

Panel session: The impact of COVID-19 on beauty and wellness online platforms

Date: Thursday 21st May 2020

Time: 2pm

Location: Zoom

Chair: Judith Cummins MP

Minutes taken by: Louise Abraham, Interel UK (Secretariat)

Members present

- Judith Cummins MP, APPG Co-Chair
- Carolyn Harris MP, APPG Co-Chair
- Harriet Main – Office of Alberto Costa MP, APPG Member
- Caitlin Prowle – Office of Nick Smith MP, APPG Secretary
- Dr Lisa Cameron MP – APPG Member

Speakers

- Giorgia Rossi – COO of Treatwell
- Abi Wright – Founder of Spabreaks.com
- Jack Tang – CEO and Co-founder at Urban

Audience

- Ruth Jones MP
- Caroline Larrisey, NHBF
- Katherine Morgan, APPG Secretariat
- Victoria McNish, APPG Secretariat
- Louise Abraham, APPG Secretariat
- Jo Lloyd, Office of Carolyn Harris MP

Minutes of the Meeting

Judith Cummins MP opened the meeting, welcomed the attendees, and invited the speakers to introduce themselves.

Giorgia Rossi introduced herself and Treatwell. She explained that Treatwell is Europe's leading online marketplace for booking hair and beauty treatments. Treatwell helps customers through the appointment process and they are also the leading software provider for the industry. Treatwell operates in 11 different countries and they have had the experience in closing the industry across all markets, while reopening the industry in nine other markets. Treatwell represents over 8000 partners in the UK and they are running online community forums focussing on the main concerns of the industry. Therefore, they have a good view of industries' concerns.

Giorgia Rossi explained that there is scope for the industry to continue to grow post-coronavirus, if the situation is managed properly. She explained that Treatwell's three main focusses are to inspire consumer confidence in the industry, to support their salon partners and to ensure that as many of their partners can re-open. She noted that up to 5% of businesses have gone out-of-business in the other markets, and this is likely to be the situation in the UK as well. She concluded by stating that the first step is to make sure that their partners are able to reopen.

Jack Tang introduced Urban as an online platform that is designed for independent professionals, in particular self-employed practitioners. He said that Urban provides mobile practitioners with the software which acts as their online salon. He explained that Urban has a vetting process to ensure their practitioners are qualified, have the correct insurance and credentials. The platform also facilitates peer reviews.



Jack Tang stated that Urban represents over 4000 practitioners in the UK. Urban is being used to legitimise the credentials of many practitioners and that they represent around 60% of the workforce that is self-employed. He also added that he has been a part of the COVID 'working safety in other people's home' taskforce and wants to make the key point that there needs to be very clear guidance for mobile workers as the industry is currently being underserved. He adds that without clear guidance, he fears the black market will continue to grow. He explained they have reopened in France and have seen positivity around recovery and hopes for a similar level of recovery in the UK, with help from the Government.

Abi Wright introduced Spabreaks.com, which is the UK's largest spa break booking platform. They work with over 900 spas in the UK and Ireland and 99% of their business is domestic. The platform sends about 7000 people to spas every week and about 1 million people visit their site every month. Spabreaks.com works heavily in the cancer and personal wellness sector. Abi said that she sits on the Board of the UK Spa Association and advises from a consumer point of view around spas encouraging those that have disabilities and cancer into enjoying spas.

Abi Wright explained that Spabreaks.com operates under a hybrid model, which means that customers can book online and by telephone. All elements of their business have been heavily affected by COVID-19 and will continue to be. She explained that they have 10 people employed in business development, who travel across the country building relationships with spas. She asks for greater clarification around hotel versus spa guidance in re-opening. She wants guidance to be communicated properly as it is a challenge communicating the difference in guidance between spa and hospitality, both to consumers and their spa partners.

Judith Cummins MP opened up the discussion by asking whether the current Government advice is clear on when the self-employed can start providing treatments to customers again.

Jack Tang responded that the advice is very unclear. He referenced the COVID secure guidelines on working in other people's homes, which had removed the provisions for wellbeing workers in the last publication of the draft document on 11 May 2020. He explained that Urban had since written to the Secretary of State for further clarification.

Jack Tang added that the lack of clarity has caused further confusion amongst federations and associations in the industry. However, a lot of their community partners feel lost as they are suffering from insurance issues and confusion around when they can re-open because the Government's advice has been unclear. He stated that there is an urgent need for Government to clarify what category the industry falls under, for example, does the industry sit in the non-essential retail, personal care, or hospitality? Furthermore, he highlighted that the self-employed have been hit the hardest by COVID-19.

Carolyn Harris MP then asked **Abi Wright** what are Spabreaks.com's business development people currently doing.

Abi Wright replied that Spabreaks.com has a call centre, where there are a number of employees dealing with telephone requests, however, they have furloughed a large amount of their staff. She has a product team of two people who have been active during COVID-19 to keep the spa partner relationships going.

Abi Wright added that Spabreaks.com had over 7000 bookings from the end of March to the end of May that needed to be changed. She emphasised that communication has been key in this process and that Spabreaks.com have tried to be proactive to ensure that their spa partners have forward bookings and they are in regular contact with spa partners about when they are planning to re-open, how they are planning to reopen and what packages they would like to offer. She also explained that their customers can book online, and have been able to book spa breaks and spa days for the last ten weeks, for dates post 1 September 2020.

Abi Wright explained that Spabreaks.com have been in constant communication with their spa partners to support them, such as through the re-opening process, health and safety issues, and she explained that they have been a bridge in what spas want to communicate to customers and also identifying what consumers want to know

Carolyn Harris MP asked **Abi Wright** to clarify if Spabreaks.com can take bookings from 1 September 2020 onwards.



Abi Wright replied that they had set this date, but have had to remain flexible given the current circumstances. She explained that this highlights a bigger issue in that no one is working towards the same date.

Carolyn Harris MP asked **Abi Wright** to clarify what treatments spas will be able to offer on 1 September 2020 and what preparations spas have made in order to provide these treatments.

Abi Wright replied that the response from spas have varied, as some spas have made no changes to their treatment menus, whereas some spas have identified that they only want to re-open with just a hotel stay and with no treatments at all.

Abi Wright highlighted that there is disparity in how their spa partners are understanding the easing of lockdown measures, with some spas believing that treatments will come first, while facilities are going to reopen later, and vice versa.

Carolyn Harris MP asked **Giorgia Rossi** and **Jack Tang** whether they were also seeing other businesses getting ready to re-open.

Giorgia Rossi explained that Treatwell have cancelled millions of bookings from April 2020 to the end of May 2020. They have tried to give their salon partners forward look bookings, but she explained that there is legal ambiguity around this. She said that their platform has opened up to their partners from 4th July and they have seen that their partners are already very booked for all services including, hair, nails, wax and facials.

Giorgia Rossi explained that their plan is to stand with the industry when the guidance is released. She explained that when Germany reopened, only hair appointments were permitted. Therefore, Treatwell closed down the beauty treatments from the menus on behalf of their partners. Treatwell have seen hundreds of thousands of bookings already made for 4th July in the UK. She clarified that Treatwell have not given any advice to their partners as to what treatments they should or should not be offering.

Giorgia Rossi stated that the industry needs granular and specific advice. Furthermore, if there are specifics around certain policies such as social distancing, Treatwell can support their partners in thinking about their yields and how to create gaps in their salons.

Carolyn Harris MP asked **Giorgia Rossi** about the gap between the practitioner and the client.

Giorgia Rossi stated that from a software point of view, Treatwell can only provide guidance on best practice. However, Treatwell can help their partners limit their bookings to create those gaps in the salon. However, she highlights that not every business in the industry takes bookings as many operate on walk-ins.

Jack Tang added that staggering treatments might not be the best idea as the patience of practitioners might run out. He is aware that treatments are still being carried out, and as a consequence there is a growing black market. He stated that Urban is educating their practitioners to give them the best judgements when doing treatments.

Furthermore, **Jack Tang** stated that Urban is different because their practitioners deliver at home, and customers have responsibility and ownership over their own environment. He explains that this is why there needs to be separation in the guidance between mobile workers that operate in homes and the rest of the industry.

Jack Tang added that enforcement is also important. He used the example of food hygiene standards as a comparison. He stated that if there was enough time, it would be helpful to have companies and independents publish risk assessments online, to show what the company is doing around safety. He argued that this would drive consumer confidence as customers would feel comfortable receiving treatments.

Jack Tang also mentioned that traceability is available on all three platforms. Therefore, they have the capability to perform risk assessments and track if someone has symptoms. He stated that this traceability could be the way forward in reactivating the industry.

Caroline Larissey also added that salons need to be reminded of doing skin tests, medical forms and other procedures as they prepare for re-opening.



Katherine Morgan asked when the panellists would like the industry to re-open.

Giorgia Rossi said that she thinks the industry wants to reopen when it is safest to do so but there is a livelihood problem. However, there needs to be strict guidance on what restrictions there will be on physical distancing and what treatments should be available. She added that clarification is also needed on what relief and support would be available.

Abi Wright added there is a need to incorporate communications between hotels, spas, food and drink and overnight stays, as consumers need to be aware of what they can or cannot do. She also echoed what **Jack Tang** said about instilling confidence in their customers.

Judith Cummins MP asked how online platforms can help to rebuild consumer confidence.

Giorgia Rossi replied that while Treatwell were concerned about consumer behaviour initially, the platform has seen people returning. She said that the priority in rebuilding consumer confidence is that small businesses are promoted and hygiene practices should be made clear to the public.

Giorgia Rossi further described three trends that Treatwell are seeing. Firstly, more people are headed online because they want to manage their day and minimise queuing. Secondly, there are less peak hour bookings and a spike in demand during late afternoon. Lastly, less partners are willing to offer discounts which highlights the precarious cash flow position of the many businesses in the industry.

Carolyn Harris MP asked if online platforms have suspended their service fees for their salon partners and practitioners. She further asked if online platforms have provided their partners with financial support.

Jack Tang explained that Urban is all about financial empowerment for practitioners and Urban takes 25% of the ticket price. On average, practitioner partners are making £800 - £1500 per week on Urban's platform. To support their practitioners, Urban launched an online experience library covering self-massage training, make-up lessons, personal training sessions and yoga lessons. Urban have also helped small, boutique businesses by offering group lessons online. They have also provided financial counselling for practitioners through online webinar. Furthermore, they have a lending partner who have offered short-term bridge financing for the self-employed.

Giorgia Rossi said that Treatwell have waived their software fee until the industry reopens. They also have not charged any new customer bookings throughout April 2020 in all the countries they operate in.

Carolyn Harris MP asked whether it would be possible for the product-side of the industry to support the service-side of the industry.

Abi Wright replied that product houses are being proactive in helping spas to reopen. Furthermore, she has noticed sales in gift vouchers have increased since lockdown and hopes that the spas can benefit from this.

Giorgia Rossi said that Treatwell does not sell gift vouchers, partly because they are worried about out-of-business rates.

Carolyn Harris MP asked whether it would be possible for the product-side of the industry to buy gift vouchers and online platforms can distribute this to smaller salons.

Giorgia Rossi said she believes the product-side of the industry is also in trouble. She thinks the best way to support the industry is by providing a payment break through their partner salons.

Caroline Larissey explained that salons are usually affiliated with specific brands. Therefore, various salons are tied in via contracts but this depends on the agreement between each salon and product provider.

Giorgia Rossi said that in relation to costs, she would put her lobbying power into freezing commercial rent contracts. However in terms of revenue, she would focus on building confidence consumer and trust.

Jack Tang echoed what **Giorgia Rossi** said. However, he argued that the industry needs to utilise brick and mortar services. He said that Urban are in discussion with a large chain about shifting their workers to mobile work as salons know they will be unable to bring back all their staff full-time.



Katherine Morgan asked what the Government can do to make sure people are comfortable going back to salons.

Giorgia Rossi replied that trust and assurance, supporting local community and promoting celebration is very important for rebuilding consumer confidence. She believes that the industry will continue to grow. She also referenced that it is important to give a lifeline to businesses about to go bust and she wants clarity from the Government on re-opening.

Giorgia Rossi added that support for small businesses is key and said that Treatwell would be willing to help with a 'shop local' campaign.

Abi Wright stated that the industry lacks an authoritative voice in the industry. She highlights that this is because the industry does not fall under a specific part of the economy. She called for the industry to be unified and have a 'serious' face.

Judith Cummins MP concluded the session by thanking the speakers for their contributions. She added that she and her co-Chair, Carolyn Harris MP, will be writing to Government about this session and that they will continue to push for clarity on behalf of the industry.

Carolyn Harris MP added that the APPG will work towards a press release on consumer confidence to support the work of online platforms and salons.