

american spa
INDUSTRY INSIDER

SPA CONFIDENTIAL

American Spa readers shared their thoughts
on the latest industry trends via a web survey.
Here are the results.

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SPA STATS



HOW MANY YEARS HAS YOUR SPA BEEN IN OPERATION?

0 to 2 Years	15%
3 to 6 Years	28%
7 to 9 Years	17%
More Than 10 Years	40%

WHAT IS THE TOTAL SQUARE FOOTAGE OF YOUR SPA?

0 to 2,000	59%
2,001 to 4,000	22%
4,001 to 10,000	13%
More Than 10,000	6%

HOW MANY TREATMENT ROOMS DOES YOUR SPA HAVE?

1 to 4 Rooms	68%
5 to 9 Rooms	22%
More Than 10 Rooms	10%

WHEN WILL YOUR SPA BE RENOVATED NEXT?

2009	20%
2010	24%
2011	20%
2012	10%
2013	26%



WHICH OF THE FOLLOWING BEST DESCRIBES YOUR SPA?

Day Spa and Salon	32%
Day Spa (No Hair Services)	26%
Medical Spa	8%
Resort/Hotel Spa	8%
Wellness Center	7%
Dermatology/Cosmetic Surgery Practice	2%
Destination Spa	1%
Health/Fitness Club Spa	1%
Nail Salon	1%
Other	14%

PLEASE IDENTIFY YOUR SPA AS ONE OF THE FOLLOWING:

Single Location	93%
Multiple Locations (2 to 5)	6%
Chain (More Than 5)	1%



PLEASE INDICATE REVENUE CHANGE IN:	2008	2009
Decrease 11% or More	18%	26%
Decrease 6% to 10%	13%	15%
Decrease 1% to 5%	17%	16%
0%	12%	6%
Increase 1% to 5%	19%	16%
Increase 6% to 10%	11%	12%
Increase 11% or More	10%	9%

PLEASE INDICATE HOW MANY TIMES PER YEAR YOUR CLIENTS RECEIVE THE FOLLOWING SERVICES:

Manicure	18
Waxing	13
Massage	10
Facial	8
Body Treatment	7
Hydrotherapy	5



WHAT FACTORS ARE MOST LIKELY TO HAMPER YOUR PROFITABILITY IN THE COMING YEAR?

State of the Economy	75%
Maintaining Adequate Cash Flow	44%
Supply Costs	36%
Maintaining Competitive Pricing	34%
Insurance Costs	32%
Increased Competition	25%
Ability to Find Employees	22%
Government Regulations	20%
Retaining Employees	15%
Ability to Develop Leaders	14%
Unmanaged Growth	6%
None of These	4%

WHAT IS THE APPROXIMATE ANNUAL REVENUE OF YOUR SPA?

Less Than \$25,000	11%
\$25,001 to \$50,000	16%
\$50,001 to \$100,000	23%
\$100,001 to \$250,000	14%
\$250,001 to \$500,000	9%
\$500,001 to \$1 million	9%
\$1 million to \$5 million	15%
\$5 million to \$10 million	2%
More Than \$10 million	1%



TOP-GROSSING SPA SERVICES:

1. Massage Services
2. Facial Services
3. Hair (Salon) Services
4. Retail Sales
5. Bodycare Services
6. Nail Services
7. Fitness/Exercise
8. Other

STAFF

WHAT IS THE AVERAGE COMMISSION PAID AT YOUR SPA?

0%	20%
1% to 25%	25%
26% to 50%	47%
51% to 75%	6%
76% to 100%	2%

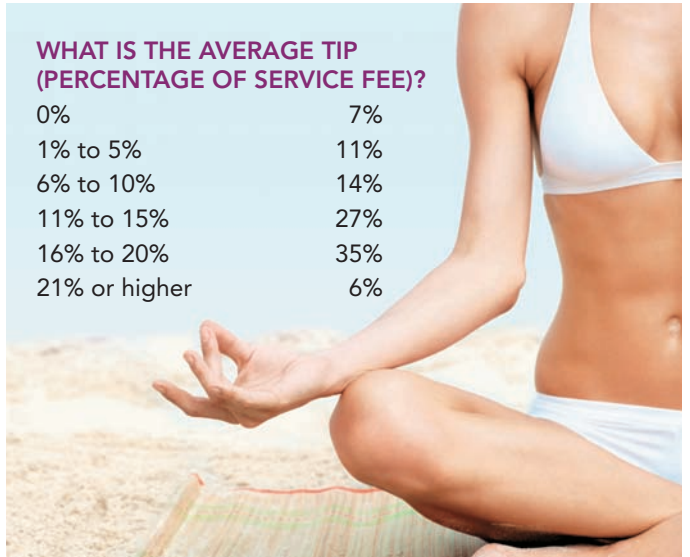
ON AVERAGE, MOST EMPLOYEES UNDERGO EIGHT TO 20 HOURS OF EDUCATION EACH YEAR. WHAT TYPE OF FORMAL TRAINING DOES YOUR STAFF RECEIVE?

Spa-Provided Training	49%
Tradeshaw/Conference Training	47%
Manufacturer-Provided Training	45%
Distributor-Provided Training	35%
Other	36%
None of These	8%



WHAT IS THE AVERAGE TIP (PERCENTAGE OF SERVICE FEE)?

0%	7%
1% to 5%	11%
6% to 10%	14%
11% to 15%	27%
16% to 20%	35%
21% or higher	6%



WHICH OF THE FOLLOWING PRACTICES OCCUR AT YOUR SPA?

Company-Paid Training	50%
Incentive Programs	41%
Flex Time	40%
Job-Sharing Opportunities	26%
Spa-Provided Health Benefits	25%
Career-Advancement Paths	20%
Benchmarking	7%
Association Membership	1%
None of These	22%

PLEASE INDICATE HOW YOUR STAFF IS DIVIDED:

Full-Time (Performing Services)	35%
Full-Time (Management, Support, Admin)	15%
Part-Time (Performing Services)	28%
Part-Time (Management, Support, Admin)	10%
Independent Contractor (Not Employees)	12%

APPROXIMATELY HOW MUCH DOES YOUR STAFF EARN?

	\$0 to \$35,000	\$35,001 to \$70,000	\$70,001 or More
Esthetician	57%	29%	14%
Massage Therapist	53%	32%	15%
Nail Technician	77%	20%	3%
Spa Director/Manager	35%	32%	33%
Stylist	39%	43%	18%

PLEASE INDICATE THE EFFECTIVENESS OF EACH METHOD TO RETAIN EXISTING CUSTOMERS:

	Not Used	Not Effective	Somewhat Effective	Highly Effective
Newspapers	39%	27%	30%	5%
Email/Internet	10%	2%	34%	54%
Telemarketing	63%	17%	14%	6%
Direct Mail/Coupons	28%	12%	38%	22%
Yellow Pages	34%	29%	28%	8%
Loyalty Programs	31%	5%	37%	28%
Charity Events	16%	15%	51%	18%
Referral Programs	14%	1%	38%	47%
Newsletters	39%	4%	38%	20%

WHAT PERCENTAGE OF YOUR CLIENTS ARE REPEAT VS. NEW?

Repeat	73%
New	27%

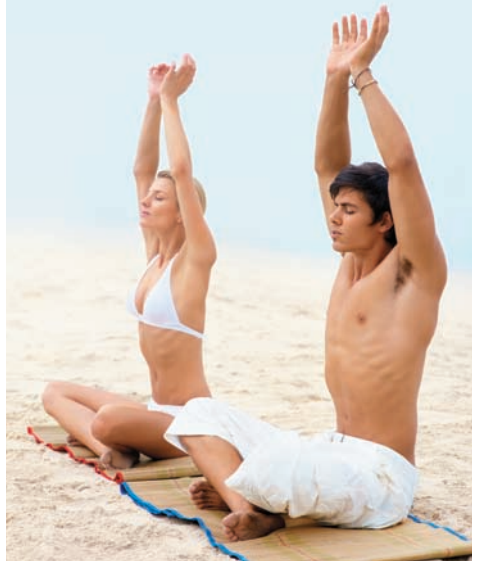


PLEASE ESTIMATE YOUR SPA'S PERCENTAGE OF CUSTOMERS BY ETHNICITY:

Caucasian	69%
Latino	12%
African American	11%
Asian	7%
Other	1%

WHAT PERCENTAGE OF YOUR CLIENTS ARE MALE AND FEMALE?

Female	77%
Male	23%



PLEASE ESTIMATE YOUR SPA'S PERCENTAGE OF CUSTOMERS BY AGE:

13 to 19 Years Old	6%
20 to 30 Years Old	21%
31 to 50 Years Old	43%
51 to 60 Years Old	21%
More Than 60 Years Old	9%

THROUGH WHICH CHANNELS DO YOU PURCHASE THE FOLLOWING?

	Manufacturers Direct	Manufacturer Reps	Distributors	Beauty Store Suppliers	Online	Retail Stores
Supplies/Products	43%	33%	41%	31%	28%	8%
Spa Equipment	40%	23%	44%	16%	20%	4%
Fixtures and Furniture	29%	11%	31%	12%	20%	34%
Business Equipment	31%	10%	32%	8%	26%	3%

DO YOU OFFER A PRIVATE LABEL BRAND IN YOUR SPA?

Yes	36%
No	64%

WHAT PRODUCTS DO YOU RETAIL?

Skincare Products	93%
Bodycare Products	85%
Cosmetics	60%
Candles	51%
Nailcare Products	49%
Jewelry	29%
Tea	24%
Vitamins/Nutritional Supplements	22%
Music	21%
Clothing	20%
Books	16%



WHAT FACTORS ARE IMPORTANT TO YOU WHEN SELECTING SPA SUPPLIES?

Product Reputation	21%
Price	17%
Education Support	8%
Brand Awareness	5%
Unique Ingredients	5%
Manufacturer Reputation	5%
Availability	4%
Innovation/New Technology	4%
Sales Representative	3%
Warranty/Return Policy	2%
All of These	24%
None of These	2%



HOW DO YOU TRACK CLIENT APPOINTMENTS?

Manually	44%
Spa Software	39%
Online/Internet	3%
Mix of Manually/Software/Online	12%
No Tracking	2%

HOW OFTEN DO YOU TYPICALLY USE THE INTERNET?

All Day	61%
At Least Once a Day	37%
A Few Times a Week	2%



TO WHAT DEGREE HAS THE USE OF EACH TECHNOLOGY IMPROVED YOUR SPA'S PROFITABILITY?

	Not in Use	Plan to Use	In Use-No Improvement	In Use-Some Improvement	In Use-Major Improvement
Spa Management Software	37%	5%	10%	20%	28%
Digital Imaging/Photography	66%	8%	7%	12%	7%
Client Management Software	40%	6%	9%	22%	23%
Internet Sales	35%	18%	7%	14%	26%
High-Speed Internet	13%	5%	16%	28%	38%
Spa Website	14%	8%	4%	26%	48%
Email Communications	9%	15%	4%	30%	42%
Social Networking Sites	26%	17%	11%	27%	19%