INTERNATIONAL SPA ASSOCIATION®

ISPA 2006 | SPA-GOER STUDY

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Preface

About the International SPA Association

ISPA is recognized worldwide as the leading professional organization and voice of the spa industry. Founded in 1991, ISPA's membership is comprised of more than 2,700 health and wellness facilities and providers from 75 countries. ISPA strives to advance the professionalism of the spa industry by providing invaluable educational and networking opportunities, to promote the value of the spa experience to society, and to be the authoritative voice of the spa industry.

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About The Hartman Group

The Hartman Group, founded in 1989, is a full-service consulting and market research firm offering a wide range of services and products focused on health and wellness consumer understanding. We specialize in the analysis and understanding of consumer lifestyles, uncovering why consumers shop and purchase wellness products and services, and identifying opportunities that can be derived from these behaviors.

Disclaimer

Although the information in this report has been obtained from sources that The Hartman Group believes to be reliable, its accuracy and completeness cannot be guaranteed. This report is based on survey responses from surveys conducted in 2005 and 2006. This report is for information purposes only. All opinions and projections included in this report constitute the interview respondents' and The Hartman Group's judgment as of this date and are subject to revision. Forecasts are subject to uncertainty and evolving trends: actual results may vary from forecasted or projected results.

Spas are entities devoted to enhancing overall well-being through a variety of professional services that encourage the renewal of mind, body and spirit.

Executive Summary

The Diverse Population of Spa-Goers

The increasingly diverse interests of spa-goers make it more challenging than ever to satisfy the needs and desires of the spa-going consumer population. Roughly 32.2 million adults in the U.S. and 3.7 million Canadian adults visited a spa in 2005. These consumers come from all walks of life in search of indulgence, escape and self-improvement from their spa visits. Because not all spa-goers are looking for the same benefits, catering to their varied likes and dislikes can prove to be a difficult task. The current report is intended to make that task easier.

Using data collected in 2005, this report presents an in-depth look at spa-goers from the U.S. and Canada. Throughout the report, special attention is paid to differences across countries, as well as spa-goers' demographics (particularly their gender and age) and their intensity of participation in the spa "world."

Consumer Segmentation in the World of Spas

The "World of Spas" is a shorthand way of referring to all of the individuals and businesses that use, maintain, manage, support or otherwise deal with spas. Among consumers, not all participate in the spa world to the same degree. We can think of spa-goers as falling into three distinct contingents or "segments," depending on how involved they are in the World of Spas. At the heart of this world is a relatively small segment of Core spa-goers who feel that learning about and going to spas is important to their lifestyle; they view cosmetic services as superficial and approach spas with more therapeutic ends in mind. At the other extreme is a Periphery segment of spa-goers who enjoy going to spas but otherwise show little interest in them; they typically seek indulgent and cosmetic services to make them feel special and look beautiful. Between these two segments is the largest segment: Mid-level spa-goers who are interested in learning more about spas but lack the commitment and passion of the Core spa-goers; they strive to strike a balance between pure pampering and transformative mind, body and spirit experiences.

ISPA's Examination of the Spa World

As a follow up to the *ISPA 2004 Consumer Trends Report: Variations & Trends on the Consumer Experience*, the International SPA Association commissioned The Hartman Group to conduct quantitative and qualitative research to gain greater understanding of spa-going consumers in the US and Canada. The current report – *ISPA 2006 Spa-goer Study: U.S. and Canadian Consumer Attitudes and Spa Use* – represents the third in a trilogy of these recent ISPA-sponsored examinations of the spa industry. Previously, ISPA in partnership with the Canadian Tourism Commission funded a study of U.S. and Canadian spa travelers (consumers who visit spas while traveling away from home), resulting in a 2006 report entitled *Identifying the Spa Traveler: A Look at US and Canadian Consumer Attitudes and Motivators for Spa Vacations*.

More recently, The Hartman Group conducted qualitative research to provide a comprehensive look at consumer perceptions and expectations of spas across spa type and consumers' intensity of participation in the spa "world." The findings are presented in the report *ISPA 2006 Consumer Report: Spa-goer and Non-Spa-goer Perspectives.*

The current report provides a quantitative counterpart to the *Consumer Report*. By analyzing the online survey responses from over 3600 spa-goers in the U.S. and Canada, quantitative researchers at The Hartman Group describe common demographic, behavioral and attitudinal characteristics of spa-going consumers and their spa experiences. Throughout the report, attention is also paid to differences across countries and spa-goers' demographics, particularly those of gender and age.

Key Findings from the Current Study

Below are listed some of the key findings contained in this report.

Overview of the Spa-Going Consumer Population

Description of Spa Types

This study examines seven primary types of spas common in North America. For purposes of presenting results, we usually classified these seven types into three general categories of spa: day, resort/hotel and other (the latter consisting of destination, medical, club, mineral springs and cruise ship spas). Findings for which spa-goers are classified by spa type are based on the type of spa *last visited* by the spa-goer.[1]

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[1] We use the last spa visited in order to ensure that spa-goers relate the concrete experiences of their most recent spa visit rather than attempt to recall their "usual" experiences on multiple past occasions.

Prevalence of Spa-goers

In both the U.S. and Canada, about one quarter of adult consumers (26% of Americans and 25% of Canadians) has visited a spa. These percentages translate into roughly 57 million U.S. adults (aged 18 and older) and 6.3 million Canadian adults. More recently, 15% of all Americans and 14% of all Canadians have visited a spa within the previous 12 months. These active spa-goers, representing 3.7 million Canadian consumers and 32.2 million U.S. consumers, are the focus of this study.

Duration as a Spa-goer

Active U.S. spa-goers have on average been going to spas longer than their Canadian counterparts. While 71% of U.S. spa-goers have been going to spas for at least 3 years, only 57% of Canadians make that claim. And while only 15% of U.S. spa-goers are newcomers in their first year of spa-going, a full one-quarter (26%) of Canadian spa-goers are in their first year. Although women are much more likely than men to go to spas, there is essentially no difference between male and female spa-goers in terms of how long they have been going to spas. Notably, in the U.S. but not Canada, there is a sizable portion (15%) of older users (ages 55 and over) who are long-time spa users, visiting spas for more than 20 years.

Aging and Impediments to Going to Spas

We find that some impediments to spa-going actually decline in significance as the individual gets older, a sign of increasing experience and knowledge. For example, not knowing what to expect at a new spa is a common concern among the youngest spa-goers, but negligible among the oldest spa-goers in the U.S. The barrier found disproportionately among older spa-goers turns out to be lack of interest.

Spa Types

Gateway Spas

Spa-goers in both countries typically enter the spa world through day spas; 49% of U.S. consumers and 60% of Canadian consumers initially visited a day spa.

Spa Types Visited

Of the seven different spa types, day spas are the most popular in both the U.S. and Canada, while resort/hotel spas also enjoy considerable use by consumers. Just over three-quarters of spa-goers in both the U.S. and Canada reported visiting a day spa in the past year. The second most popular spa type in both countries is clearly the resort/hotel spa, though it is more popular among U.S. spa consumers (64% of spa-goers visited one in the past year) than among Canadians (48%). Among the remaining spa types, cruise ship spas are more popular among U.S. spa-goers (21% vs. 10% of Canadian spa-goers), while medical spas have a larger following among Canadians (20% of spa-goers) than in the U.S. (12%).

Type of Spa Last Visited

Another way to compare the popularity of spa types is to assess which type of spa has been visited more recently by each respondent. Using this classification, day spas are again clearly the most popular type of spa in both the U.S. and Canada. Just over half (52%) of the survey's U.S. respondents and 59% of its Canadian respondents reported day spas as the spa type they most recently visited. And again, the second most popular spa type is undoubtedly resort/hotel spas, visited most recently by just over a quarter of both U.S. and Canadian spa-goers. Among the remaining spa types, U.S. spa-goers tend to favor cruise ship spas (with 8% visiting most recently), while Canadians prefer medical spas (6%).

Recent Changes in Types of Spas Visited

Compared to 2003, spa visits to club spas have fallen sharply among spa-goers in both countries. In 2003, a much greater percentage of spa-goers went to club spas than did in 2005. Interestingly, the drop in club spa visits was made up by visits to others kinds of spas in differing ways in the U.S. and in Canada. Canadian spa-goers increased (by four times) their propensity to visit resort/hotel spas. U.S. spa-goers, on the other hand, favored day spas while in Canada spa-goers decreased their day spa visits. In addition, U.S. spa-goers decreased their use of medical spas while Canadians were increasing their use.

Spa Services

Gateway Spa Services

Body massage is the most common spa treatment initially experienced by spa-goers, but this is much more true in the U.S. (where 68% of spa-goers experienced it first) than in Canada (45%). Manicures and pedicures are about twice more likely to be gateway treatments for Canadians than for U.S. consumers. Women are much more likely than men to have started out with spa services to enhance their appearance, focusing on those elements (e.g., face and hands) that are most often on display. More to the point, these services are indicative of the typical entry point into the spa world and demonstrate that men are more likely to have started at the Mid-level, while a significant percentage of women began at the Periphery.

Spa Services Experienced

In large part, the popularities of specific spa treatments are strikingly similar in both countries. The six most popular spa services (though not necessarily in the same order) in both countries are standard full-body (Swedish) massage, manicure, pedicure, facial, deep tissue massage and sauna/steam bath. But Swedish massage is more popular in the U.S., while energy work (such as Reiki and reflexology) enjoys more popularity in Canada than in the U.S. Not surprisingly, in both the U.S. and Canada, female spa-goers are much more likely than men to receive manicures, pedicures and facials. Conversely, while men visit spas in lower numbers than do women, those who do go are (in both countries) more likely than female spa-goers to have received a Thai massage. And Canadian men don't stop there. Among Canadian spa-goers, men are also more likely than females to experience Tai Chi and the following additional types of massages: Swedish full-body, deep tissue, Shiatsu and couples.

Recent Changes in Use of Spa Services

Manicures, pedicures, facials and sauna/steam baths have all grown in popularity since 2003. Also, body scrubs/wraps (especially in the U.S.) and aromatherapy (especially in Canada) have increased in popularity. Among lesser-used treatments, movement classes have shown notable gains in popularity since 2003. Overall, these findings provide more evidence that spa-goers are increasingly willing to explore new spa experiences, expanding beyond the conventional treatments of Swedish massage, manicure/pedicure/facial and sauna/steam bath.

Average Spa-goer Profile

We conclude this chapter by presenting a profile of the typical, or "average," spa-goer based on a compilation of the statistically most common (modal) characteristics exhibited by spa-goers, as follows. For example:

> While many spa-goers are male (31% of U.S. spa-goers, 29% of Canadian spa-goers), the typical spa-goer is female (69% U.S., 71% Canada), non-minority (85% U.S., 70% Canada) and in her early to mid 40s (average age of spa-goers in both countries is approximately 44). She has been going to spas for over a year, but not as long as 9 years (60% U.S., 55% Canada) and her first spa visit was to a day spa (49% U.S., 60% Canada)…On that first visit, she had a body massage (68% U.S., 45% Canada) or facial (13% U.S., 20% Canada). Over time she's added other services, especially manicure (57% U.S., 54% Canada, receiving it in the past year), pedicure (56% U.S., 52% Canada) and deep tissue massage (48% U.S., 33% Canada).

Planning for Spa Use

Prevalence of Spa Travel

U.S. spa-goers are more likely to visit a spa while traveling than are their Canadian counterparts. While nearly two-thirds (63% or 20.3 million) of U.S. spa-goers visited a spa while on an out-of-town, overnight trip in the past year, not quite half (49% or 1.8 million) of Canadians did so.

Favored Spa Facility Types

Not surprisingly, resort/hotel spas are far and away the type of spa facility most favored for spa vacations; four out of five U.S. spa travelers and almost three-quarters of Canadian travelers visited a resort/hotel spa. The next most popular facility type, especially among Canadians, is a day spa affiliated with, near or recommended by the place where they are staying.

Preferred Destinations

While most of the U.S. spa travelers prefer spa vacation destinations that included domestic spas, less than half of the Canadians feel the same way. Still, among both groups of travelers, domestic spas are the most popular destination choice, followed by Mexico/Caribbean.

Spa Trip Planning

Currently, most travelers who visit spas appear to plan their visits as part of their trip, but a very large minority does not. Roughly one-third of those who go to spas while traveling have not taken a planned spa vacation in the past two years, despite having been to a spa while traveling in the past year.

Motivations for Visiting Spas

U.S. and Canadian consumers agree on the four top reasons for which they go to a spa: relieving stress, reducing stress, soothing sore joints/muscles, and feeling better about oneself. But U.S. spa-goers are more likely than Canadians to cite stress reduction, while Canadians are more likely than Americans to select the following reasons: feel better about myself, improve my appearance, contribute to overall wellness, and recover from injury. Gender accounts for many differences in the reasons given for going to spas. Men are much more likely than women (especially in Canada) to mention physical ailments as a reason for going to spas. Women are more likely to be working on their appearance or self-confidence and some are just looking for an opportunity to get away with friends.

Benefits Sought from Spa Vacations

The three most important benefits sought by spa-goers who visit spas while traveling are to relax/relieve stress, get a break from one's day-to-day environment, and be pampered. Thus, the key spa drivers among travelers are related to escape and indulgence rather than "work."

Hindrances to Increased Usage

In both the U.S. and Canada, spa consumers cite expense and time constraints as the main reasons they don't go to spas more often. A range of secondary factors are also invoked, but these reasons do not prevent as many from going to spas as perceived cost and lack of time. Interestingly, day spa consumers are especially likely to regard expenses as a problem Men and older spa-goers are more likely to feel they go to spas often enough already. And although cost is a consideration for nearly all spa-goers (especially those in the Mid-level and Periphery), it plays a role in the decisions of more female spa-goers than male spa-goers.

Advance Times for Planning Visit

We find considerable variation in how far ahead consumers start planning their spa visits, but are able to highlight some of the most common advance times, depending on the type of spa and the spa-goer's gender. For example, U.S. spa-goers are more likely to begin planning a day spa visit 4-7 days prior to visiting, while Canadian spa-goers consumers either 2-3 days or 1-2 weeks prior to visiting day spas. Women, especially in Canada, tend to plan their spa visits farther in advance than do men.

Views on Spa Costs
Opinions on the costs of spas are remarkably similar across countries. Solid majorities of U.S. and Canadian consumers agreed with the statement that "I can see spending the money on spa treatments occasionally, but they're too expensive for me to purchase regularly."

Spending Alternatives
While most spa-goers cite the cost of spas as the major factor limiting their spa use, spa visits are also cited as the most enticing activity on which spa consumers would like to spend discretionary money. Sizable minorities of U.S. and Canadian spa-goers also valued dining, shopping and travel.

Attitudes Toward Spas

Interest in Innovative Spa Types
U.S. and Canadian consumers are very similar in the assessments of various innovative spa types. The three most enticing types (in terms of the percentage of consumers at least "Fairly interested") are home visit ("house call") spa, family-oriented spa and country club spa. As would be expected, there are considerable differences across age in the interest in some types of specialty spas – in every instance, youth drives interest.

Benefits Sought by Spa Consumers
When presented with a list of possible benefits sought (or highly valued) on most spa visits, U.S. and Canadian spa-goers concur on the top five benefits they seek: relaxation, calm/quite/peacefulness, pampering, time out for themselves, and refreshment. Canadian consumers are significantly more likely than U.S. consumers to seek/value the following qualities: energized, maintaining appearance, journey and rebirth. Women have much better notions of what they're seeking; females in both countries tended to select more benefits than did men. But one benefit is significantly more valued by men in both countries: physical therapy.

Effectiveness of Marketing Options
U.S. and Canadian spa consumers are extremely similar in reacting to marketing options to increase spa visits. In both countries, the three most effective marketing strategies – gift certificates, advertised sales and complimentary bonus services – will be more effective when used for day spas and least effective when used for "other" spas. In Canada, this pattern also holds true for offering complimentary accessories.

Trusted Information Sources
When seeking information on which spas to visit, consumers (in both countries) are most likely to trust friends, followed by family members and coworkers. Interesting differences across countries are that Canadians spa consumers are more likely than Americans to trust doctors and

local newspapers for spa information, while Americans are more likely than Canadians to trust travel magazines.

Use of Spas

Spa Treatments

Treatments Most Often Experienced

While U.S. and Canadian spa consumers have similar patterns in terms of the type of treatment experienced within the past year, there are differences in terms of the frequency and timing of such treatments. For example, while U.S. and Canadian spa-goers share the same set of most popular treatments (Swedish full-body massage, facial, manicure and pedicure), for each of these treatments U.S. spa-goers are more likely to have experienced it multiple times in the past year.

Consumer Familiarity with Treatments

When asked to indicate which spa treatments they have "sufficient knowledge [of] to know what to expect," spa consumers rank particular treatments (in terms of familiarity) with striking consistency across the two countries. But overall, U.S. spa consumers know – or at least claim to know – more about spa treatments than do their Canadian counterparts. One exception: Canadian spa consumers are more likely (than U.S. consumers) to be familiar with energy work (e.g., Reiki, reflexology).

Treatments: Familiarity vs. Exposure

It turns out that some types of treatments are better known than actual exposure would suggest, particularly in the U.S. Such findings help to identify treatments that are relatively familiar to spa-goers who have yet to participate in them and thereby present plausible areas of potential growth in customer use. For example, two and a half times as many U.S. spa-goers profess familiarity with lifestyle classes as have actually participated in such classes. Other treatments showing unexpectedly high familiarity (given their actual participation rates) in the U.S. are body scrub/wrap and hot stone massage. Only one treatment type shows a similar pattern of having much greater familiarity than exposure in Canada: lifestyle classes.

Interest in Untried Treatments

Even among consumers who have not yet experienced them, there is substantial interest in trying some of the most popular treatments, especially Swedish full-body massage, hot stone massage, sauna/steam bath, deep tissue massage and shiatsu massage.

Treatments: Familiarity vs. Additional Interest

Naturally, spa-goers often show interest in spa services they have never experienced. By assessing the percentage of spa-goers who are very interested in receiving a particular service that they have yet to experience (especially in comparison to the percentage of spa-goers who have already experienced the service), it is possible to identify services with potential opportunities for additional usage. On that basis, the strongest candidates for expansion are Thai massage, hot stone massage and couples massage.

Interest in Medical Spa Treatments

Canadians show somewhat more experience with medical treatments, as well as more interest in trying them, than do their American counterparts. While interest in chemical peels/facials and microdermabrasion are about equally prevalent in the two countries, Canadians show somewhat more interest than do Americans in natural weight loss, laser hair removal, cellulite treatments and photofacial rejuvenation.

The Spa Experience

Importance of Customer Service

Regardless of country or spa type, the most important aspect of customer service for spa consumers is the availability of convenient treatment times. But there are differences as well. Staff hospitality and treatments starting on time are more important among day spa goers than with other spa types, especially in the U.S. Also, staff expertise and credentials are more important (across all spa types) among Canadian consumers than in the U.S.

Importance of Amenities and Features

Clearly the most important amenity or feature for spa consumers in both countries, regardless of spa type, is the atmosphere (ambience) in the spa. Among less vital features, Canadian consumers show more interest in a spa being eco-friendly than do U.S. consumers.

Importance of Products and Services

The three products or services that are most important to spa consumers (regardless of country or spa type) are the quality of products used in services, a wide range of available treatments and the ability to customize any treatment. Interestingly, Canadian spa-goers tend to identify more products and services as "essential" than do Americans, regardless of spa type, suggesting that Canadians have higher standards for their spa-going experiences.

Typical Accompanying Parties

Generally, spa consumers in both countries most often go to spas alone; an exception is when Americans visit resort/hotel spas: they are more likely to be accompanied by a spouse or domestic partner. Overall, spa-goers who don't visit alone are most likely accompanied by at least one close female friend (day spas) or a spouse or domestic partner (other spas).

Time Spent at a Spa

Naturally, the amount of time spent on a spa visit will differ significantly depending on the type of spa, but also, in some instances, by the consumer's country. One interesting finding is that Canadians have a tendency to stay longer on day spa visits than do their American counterparts.

Purchasing of Spa Products

The percentage of spa-goers who have bought, or plan to buy, particular spa products only at establishments *other than a spa* is highest for bath products and body care products. The percentage of spa-goers purchasing a particular type of spa product at *both a spa and elsewhere* is quite low.

Teenagers' Use of Spas

The estimated number of spa-goers who are quite young – teenagers – is considerable: nearly four million (3.9 million) in the U.S. and over half a million (.6 million) in Canada. In both countries, the most common treatments received by teenaged spa-goers are the most popular treatments of spa-goers overall: manicure/pedicure, full body massage and facial. Overall the range of treatments received by teenagers is more diverse in Canada than in the U.S.