

INTERNATIONAL SPA ASSOCIATION®



ISPA
2006

CONSUMER REPORT
Spa-Goer and Non-Spa-Goer Perspectives



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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 consumer responses to surveys and face-to-face interviews 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.

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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

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 the spa-going and the non-spa-going consumer in the US and Canada. With the exception of Chapter II, this report is based on the qualitative research conducted by The Hartman Group.

A main focus of the qualitative research was on gaining an understanding of consumer perceptions and expectations of spas across four types: day spa, destination spa, resort/hotel spa, and medical spa. In order to understand product consumption as well as services, particular attention was given to understanding consumer perceptions of spa products in the spa environment. Given that spa-going is not a mainstream feature of North American life, we explored non-spa-going consumer lifestyles to understand the underlying barriers to spa involvement.

Defining the Spa World

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. The notion comes from a generalized model of consumer behavior designed to understand the attitudes and behaviors of consumers engaged in a given set of activities. In this case, the set of activities are those normally associated with spas. There are three categories of spa-goers (the two extremes of high and low involvement and the middle ground) who constitute three distinct segments of the Spa World. We refer to these segments as **Core** (most involved), **Mid-level** (somewhat engaged) and **Periphery** (least involved) spa-goers.

The defining characteristics of each segment were first identified through in-depth ethnographic and qualitative research conducted for ISPA in 2004.¹ Central to these differences is the degree to which consumers approach their spa experiences as part of a holistic, long-term orientation to

¹ ISPA 2004 Consumer Trends Report: Variations & Trends on the Consumer Spa Experience is available at www.experienceispa.com.



health and well-being (i.e., Work) rather than a form of Escape or Indulgence. Core spa-goers view their treatments and experiences at spas as part of a larger wellness lifestyle, and even though they are not above being pampered, their main perspective of spas is in relation to health and wellness (Work). By way of contrast, Periphery spa-goers see their time at spas as Indulgence (though perhaps necessary to balance an otherwise stressful life). For the most part, Periphery spa-goers have not made strong connections between their spa visits and their health and wellness. Mid-level spa-goers fall somewhere between these extremes, with some of their spa experiences purposely linked to wellness pursuits and others decidedly intended purely as an Escape or Indulgence. These motives, Work, Escape, and Indulgence, can be interpreted as spa drivers.

Major Themes

The major themes that echo throughout this report include:

- imagery of spas as havens
- spa-goer confusion around spa distinctions
- the necessity for spa experiences to be fully guided and psychosocially safe
- the desire for customization of spa experiences and environments
- spa-goer perceptions of spas as service rather than retail environments

A major theme that emerged from studying the non-spa-goer is their similarity to spa-goers in that they both orient to the spa drivers Escape, Indulgence, and Work but the non-spa-goer is more self-sufficient in satisfying these needs.

The following key findings and recommendations are taken from the body of this report.

The Size of the Spa World

- About fifteen percent of the adult consumer population in Canada (14%) and the U.S. (15%) have received services from a spa within the past 12 months
- Participation in the Spa World assumes greater importance in the lives of consumers as they move from Periphery to Core
- Consumer evolution into the Spa World typically entails information gathering, experimentation, evaluation and lifestyle negotiation. Thus, not only do few spa-goers enter the world at the Core, but migration towards the Core is an evolutionary process that takes years to achieve
- Fewer than 10% of U.S. or Canadian spa-goers indicate being extremely comfortable with being shown spa products for purchase, waiting for a treatment and expressing concerns regarding a visit

Spa-Goer Perceptions of Differences among Spa-Types

Day Spas

- Day spas serve as the spa model against which all other spas are compared
- The proliferation of day spas across urban landscapes means that multiple images abound in the minds of spa-goers
- Most spa-goers maintain an experimental approach to day spa-going (i.e., they want to see what else is out there)
- Time pressure is the most common issue detracting from experiential value of day spa visits as spa-goers feel internal pressure to get back to their daily obligations
- There is an emerging quality continuum for day spas

Destination Spa

- Spa-goers tend to equate destination spas and resort/hotel spas in their minds
- Many spa-goers want help linking the intentions of their destination spa visits to their everyday lives
- Mid-level and Periphery spa-goers seek life-altering changes at destination spas
- Core spa-goers seek lifestyle tune-ups and exposure to latest trends at destination spas
- Escape is a strong motive to visit destination spas but social and economic pressures there often undermine a spa-goer's ability to Escape

Resort/Hotel Spa

- Vacationing and business traveler spa-goers do not typically organize their trips around resort/hotel spa visits. Primary motives in trip selection generally include the location/destination and accompanying experiences
- Perception that resort/hotel spas are expensive leads to expectations of high quality experience and risk of poor value
- Spa-goers are especially drawn to indigenous treatments and practices at resort/hotel spas
- Outdoor treatments are especially alluring to vacationers for whom vacation means "being outside"
- Business travelers want spa experiences that are removed from vacationers and vacation culture

Medical Spa

- Many spa-goers maintain unfavorable and inaccurate images of medical spas
- Medical spas often seen as “last resorts” for attaining physical states that are seemingly unachievable through conventional spa treatments
- Medical spa treatments are perceived as posing short-term risks and long-term unanticipated consequences
- Newbies to medical spas contemplate and anticipate “getting Work done” at a medical spa for quite some time before committing to the process
- Medical spas are perceived and experienced as high sales pressure environments

Spa-Goer Perceptions of Nuances of the Spa Experience

Transitioning Into the Spa Experience

- Spa-goers on all levels strongly expect that their entire spa visit will be tightly structured. This is especially true during transitional points in their visits, when many spa-goers regularly experience feelings of uneasiness
- Spa-goers typically feel most “settled in” to a spa visit during the early stages of their treatments
- Being “transported” out of normal waking consciousness is a key marker of a quality spa visit
- **Trend:** Mid-level and Core spa-goers value opportunities to customize their spa visits as much as possible to their specific tastes and desires
- **Trend:** Services that are on the horizon include: microdermabrasion, spa time for mother and baby, spa services for preadolescent children (e.g., spa birthday parties)

Common Problems During a Visit

- Treatments often end on awkward notes due to ambiguous language of therapists/technicians
- Spa-goers take “tipping” for granted but spas very often mismanage the tipping process
- Spa-goers typically express discontent by simply not returning to the spa

Experiential Barriers to Evolution in the Spa World

- Spa-goers tend to languish at their given level of involvement for extended periods of time due to values preventing them from experimenting with new treatments. In particular, many goers feel blocked from evolving further into the Spa World due to concerns about nudity
- **Trend:** Massage will continue to grow and dominate spa experiences

Spa-Goer Perceptions of Spa Products

The Role of Product Sales at Spas

- Products are not top of mind for spa-goers, but services are
- Despite industry attempts to the contrary, consumers perceive spas as poor places for learning about skin care, but excellent resources for product purchases. The problem is in executing the knowledge transfer in a way that seems consumer-centric rather than sales-centric
- Traditional retail sales and marketing tactics threaten the sacred quality of the service environment expected at spas
- Spa-goers expect to find products in the lobby areas but do not want these retail spaces to be cluttered or extensive
- **Trend:** Drug stores are competition as spa-goers are finding high quality skin care products and consultations in convenient places
- **Trend:** Gender-specific products are in demand; especially men's skin care and traditional shaving products

Best Practices for Product Sales

- Spa products are best sold after treatments during transitional moments where conversation is feasible and appropriate between the spa-goer and therapist/technician. Along these lines, spa products are best sold through therapists/technicians spa-goers are interacting with during their visit.
- Spa products are best sold through consumer-led sales tactics drawing on the art of listening. Consumers are most open to product purchases when sales efforts are combined with empowering, individually tailored information from therapists
- Spa-goers crave customized skin care knowledge tied to concrete solutions

- **Trend:** Spa-goers are purchasing products through the Internet to capitalize on low prices. New product trial is difficult, however, as there is no sensory experience

Spa-Goer Perceptions of Merchandising at the Spa

- Sampling is key to driving product switching/experimentation in skin care, which is the category spas generally play in most logically in spa-goers' eyes
- Product categories that focus on the following tend not to be great for spa merchandising: everyday skin care for body regions (e.g., moisturizers, skin cleansers, exfoliants) generally covered by clothing, and hair care
- Strong product categories at spas include those that extend well done service experiences, re-create spa ambiance at home, and products with indigenous active ingredients
- Spa-goers perceive spas as excellent resources for facial care products, but not for education
- Spa-goers are in a perpetual state of openness to the "silver bullet" facial care product

The Non-Spa-Goer

Spa Drivers in the Lives of Non-Spa-Goers

- Non-spa-goers respond to the same drivers as spa-goers (e.g., Escape, Indulgence, and Work) but they typically fulfill these motives through experiences they can provide for themselves (e.g., at home facial)
- There is a hierarchy of drivers for non-spa-goers: 1) Work, 2) Escape, and 3) Indulgence

Work

- Work is everywhere in non-spa-goers' everyday life, and this necessitates Escape and Indulgence from time to time
- Receiving an authentic and trustworthy experience is key for non-spa-goers to have Work done in order to perform better in all areas of their lives

Escape

- Escape is equated with “me time,” seeking solace and solitude, and needing to Escape the pressures of home life
- Culturally, Escape is achieved through a sense of being “away”

Indulgence

- Indulgence is construed as a “guilty pleasure,” something to be managed and practice self-control, but can be engaged in with balance and moderation
- Acceptable pathways to Indulgence include: rewards, consolation, breaks, treats, special occasions

Barriers

- Barriers to spa-going include:
 - Negative impressions and stereotypes (e.g., spas are fluffy places for fluffy people)
 - Spa-going is indulgent
 - No social network driver (i.e., family, friends, etc.) to motivate participation
 - Gender role influences
- **Trend:** When considering the Spa World, non-goers express a need for a credible testimonial-based guide to spas (e.g., Zagat)
- **Trend:** Male spa-goers are increasing and they desire spa menus that are oriented to men. The metrosexual male spa-goer may even desire spas that are exclusively male