



Hot Off the Press

Introducing the Latest Global Industry Data and Research

General Session

Monday, May 18, 2009 11:00am – 11:45am

La Salle Cote Jardin, Victoria Jungfrau Hotel and Spa, Interlaken, Switzerland

Presenters:

Industry Research: Stu Garrow, Co-Founder, Intelligent Spas, Singapore

Consumer Research: Sharilyn Abbajay, Treasurer, ISPA & COO, Neill Corporation, USA

Scribe: Benjamin Robert (Ecole hôtelière de Lausanne)

Global Spa Benchmarks, Intelligent Spas

The first-ever Global Spa Benchmark Report was conducted by Intelligent Spas and the results were first presented at the 2009 Global Spa Summit. This inaugural report provides over 1,850 spa industry benchmarks including global statistics and regional breakdowns for the Americas, Europe, Middle East/Africa and Asia Pacific. Many items show historical data from 2005 to 2008 and forecast data for 2009 and 2010. Key survey findings presented included: 1) Impact of the Global Financial Crisis on the Spa Industry 2) Treatment Room Occupancy, Therapist Productivity Rate, Average Treatment Rate 3) Revenue per Available Minute, Capture Rate of Hotel Guests, Spa Business Models

For more information on the Global Spa Benchmark Report, please visit

www.intelligentspas.com.

Stu Garrow

Intelligent Spas is a global company (100% independent) focusing on the spa industry. We have built a large database of Spa research since 2001. The Custom Report presented was prepared specifically for the Global Spa Summit.

In order to be able to compare the businesses consistently year over year, the definition of Spa used is “a business offering water-based treatments practiced by qualified personnel in a professional, relaxing and healing environment.”

The impact of the global financial crisis

The research confirmed the spa industry is not immune to the affects of the global financial crisis, with operators receiving 13% less visits in 2008 compared to their original forecasts, although revenue achieved was 8.5% higher than expected. Predictions for 2009 revenue and employment have been revised down by 9.4% and 15% respectively, however the outlook for 2010 is more positive with all major regions predicting increases in average revenue and visits per spa.



Treatment room occupancy:

- Asia Pacific is consistent
- Middle East and Africa have seen an increase
- Americas have suffered a decline

Therapist productivity rate:

- In 2007 and 2008 there was a decrease in Asia Pacific and ME/Africa

Average visits per Spa:

- The US dominates in visits per Spa
- In the Asia Pacific region there are great differences from country to country

Financial benchmarks

Annual revenue per Spa:

- Americas – US\$ 2,000,000
- Europe – US\$ 1,000,000
- Asia – US\$ 500,000

Average treatment rate:

There was a decline in average treatment rate between 2007 and 2008 in the US market.

Average revenue per visit:

- Increase in Asia Pacific and the US
- Drop in ME/Africa
- In Europe a significant growth is expected

Revenue per available minute:
Europe has taken over the US in recent years in this category

Revenue per available treatment room:
The revenue per available treatment room is expected to drop

Revenue per square meter:

- In Europe a drop in revenues is expected
- In the Asia Pacific region a boost is expected

Employment benchmarks

Average employees per Spa:

- The US number is significantly higher
- In Europe there were consistently less people over the last few years

There is a large difference in salary costs between different countries (i.e. Bali), but in some regions consistency can be seen. The productivity rate is stable around the world.

Capture rate of hotel guests:

A large number of Spa visitors are not hotel guests. If the hotel actually owns the Spa the capture rate is higher.

US Hotel Group Spa analysis

Spas with Vichy Showers usually have more treatment rooms, charge higher rates and have more visitors. The revenues are usually three times as high.

Trends in the industry – from qualitative research

Product ingredients:

Customers today want to know what is inside the products that are being used on them.

Service expectations:

Customers want to be able to customize their treatments.

Spa research can only work if:

- Everyone participates
- The Spa industry collects their own data
- Spas benchmark within their industry



2008 ISPA Global Consumer Report

This quantitative study explores global spa-goer and non-spa-goer consumers around the world. Reasons why consumers spa and why they don't spa, amount consumers spend while at a spa, their perception of spas, customer service attitudes, treatment preferences and more are revealed. Countries surveyed include: Austria, Australia, Canada, China, France, Germany, India, Italy, Japan, Russia, Singapore, Spain, Thailand, United Kingdom, and the United States.

For more information on the 2008 ISPA Global Consumer Report, visit www.experienceispa.com/education-resources.

Sharilyn Abbajay

It was conducted online in September 2008 to October 2008. The survey respondents were categorized as active Spa goers, inactive Spa goers and non Spa goers. With a total of 15,000 surveys, 1,000 surveys were distributed in each country.

Some results:

- Singapore has a high number of Spa-goers as a percentage of population
- France has a low number of Spa-goers as a percentage of population
- North America's Spa-goer rate is lower than that of Asia and Europe
- 81% of respondents who are Spa-goers visited a Spa in the past month
- On average, Spa-Goers visit spas 4 times per month

The type of treatments received:

- Massages were the most frequently requested treatment
- Manicures had a high in the US and Russia

Some more facts:

- Spa goers spend the most in Singapore
- Spa retail is the highest in Italy, Russia, and Singapore
- Gift certificates and complimentary products are good incentives to get customers through the door
- The primary reason people go to a Spa is relaxation
 - In India it is to look better
 - In China it is to look younger
- More than half of people surveyed feel they cannot afford to visit a Spa



Delegates: Please reference your GSS flash drive for Intelligent Spas' Custom 2009 GSS Spa Benchmark Report and ISPA's Global Consumer Data 2008.

For additional information on these reports, please contact:

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The Global Spa Summit is an international organization that brings together leaders and visionaries to positively impact and shape the future of the global spa and wellness industry.