



Snapshot Survey Results Report

Retail

March 2013

Retail

ISPA Snapshot Survey | March 2013

Monthly Snapshot Surveys provide ISPA members with a valuable look into the state of the spa industry, spa industry trends and also help to identify the needs of spa professionals. Snapshot Surveys are conducted on the third Friday of each month, with full results provided only to respondents two weeks from the release date of the survey. Knowledge is a valuable tool and these quick surveys provide a wealth of information shared by ISPA's members. The March 2013 Snapshot Survey requested information on retail.

When asked what percentage of their company's total spa revenue is derived from retail sales, the largest group of spa respondents (32 percent) fell within the 10 – 14.9 percent range. Seventy-nine percent of spa respondents offer a retail sales incentive to their front desk staff. Eighty-six percent of resort/hotel spas offer their front desk staff retail sales incentives compared to 68 percent of day spas. When asked to identify how they motivate massage therapists to promote and sell retail products, prescription pads/cards for customized recommendations for their clients was mentioned by several respondents.

A large majority of spa members (80 percent) use spa management software to track retail purchases by customer. Ninety-four percent of day spas use their spa management software to track customer retail purchases versus 75 percent of resort/hotel spas. Fifty-six percent of ISPA spa members do not use retail purchase history collected within their spa management software for targeted marketing efforts encouraging future or repeat purchases. In regards to retail sales initiatives used in 2013, the largest group of spas (74 percent) said they had used free product samples with a treatment/service. When asked to share one retail tip or idea with their spa peers, the importance of educating and training team members was a recurring theme among spa respondents.

In regards to ISPA resource partner members, 78 percent said they send representatives to visit existing spa clients at their place of business. In regards to how often they send representatives to visit existing spa clients, 41 percent said that, on average, they send them more than three times a year. Seventy-two percent of resource partner respondents said the frequency of these visits depends upon the size of the account. In terms of the number of new products they plan to introduce in 2013, 50 percent of resource partners fell in the one to three range. When comparing the number of new product launches in 2013 versus 2012, 50 percent of resource partner members said the total number increased. Resource partner members were also asked to share one retail tip or idea with their spa peers. A sample of tips offered includes: keeping the testers clean, do not clutter shelves with multiple brands/types of products, and be sure to focus on your clients' needs, not your own.

The results analysis includes answers from all respondents who took the Snapshot Survey in an eight-day period from Friday, March 15, 2013 to Friday, March 22, 2013. During this time, 359 ISPA members responded to the survey. The category "all spas" referred to within the charts includes data from all spa respondents (day, resort/hotel, medical, destination spas, spas under development and corporate spa headquarters). The resource partner category includes spa consultants.

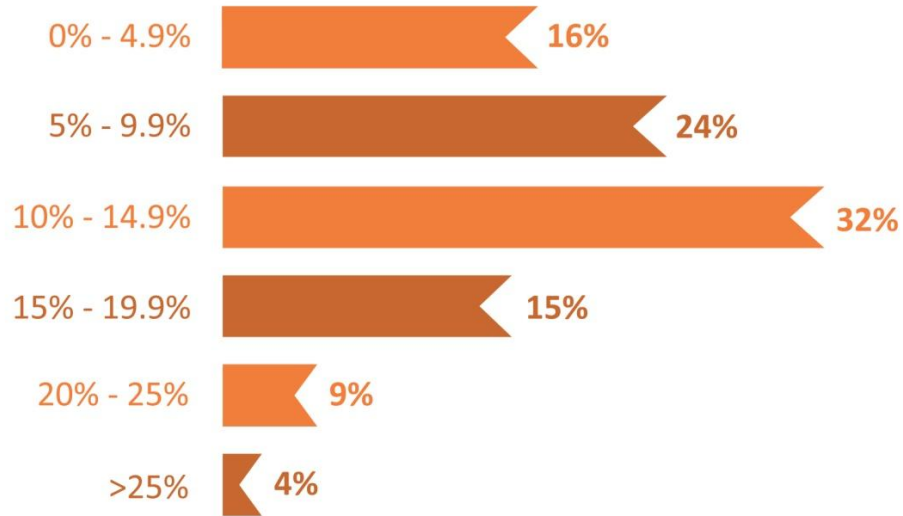
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ISPA SPA MEMBERS

What percentage of your company's total spa revenue is derived from retail sales?

Spa Revenue Derived from Retail Sales

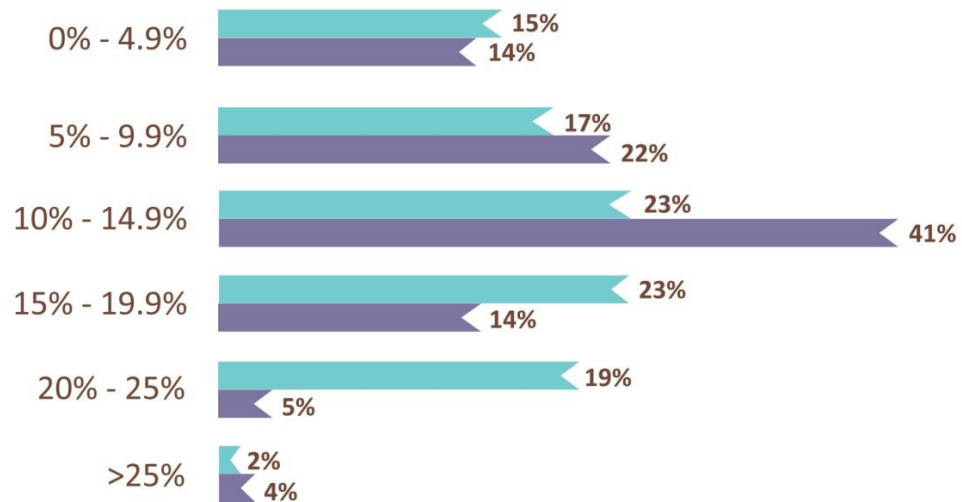
All Spas



Spa Revenue Derived from Retail Sales

By Spa Type

Day (teal) Resort/Hotel (purple)



The following table outlines the percentage of ISPA members who carry the following types of products in their retail area.

Types of Retail Products Carried by ISPA Members By Spa Type



Respondents were then asked to identify what percentage of total retail revenue is derived from each product category. The average percentage of total revenue is identified below for each category.

Retail Revenue Derived From Products Carried by ISPA Members By Spa Type



Apparel

All Spas: 14%
Day: 7%
Resort/Hotel: 15%



Bath & body

All Spas: 18%
Day: 16%
Resort/Hotel: 19%



Books & media

All Spas: 3%
Day: 2%
Resort/Hotel: 3%



Candles & scents

All Spas: 8%
Day: 10%
Resort/Hotel: 7%



Hair products

All Spas: 12%
Day: 22%
Resort/Hotel: 9%



Jewelry

All Spas: 7%
Day: 8%
Resort/Hotel: 7%



Makeup products

All Spas: 9%
Day: 12%
Resort/Hotel: 8%



Nail products

All Spas: 6%
Day: 6%
Resort/Hotel: 5%



Nutritional supplements

All Spas: 5%
Day: 4%
Resort/Hotel: 6%



Private label

All Spas: 12%
Day: 12%
Resort/Hotel: 11%



Skin-care products

All Spas: 42%
Day: 46%
Resort/Hotel: 41%



Snacks & beverages

All Spas: 3%
Day: 2%
Resort/Hotel: 3%



Yoga apparel & accessories

All Spas: 6%
Day: 5%
Resort/Hotel: 6%



Other

All Spas: 11%
Day: 12%
Resort/Hotel: 8%

Does your spa offer a retail sales incentive for front desk staff?

Retail Sales Incentive for Desk Staff

All Spas



Retail Sales Incentive for Desk Staff

By Spa Type



Day

Yes: 68%
No: 32%



Resort/Hotel

Yes: 86%
No: 14%

Respondents were asked to describe the retail sales incentive(s) offered to their spa's front desk staff. A sample of responses is provided below. For response options that were submitted multiple times, the number of responses is listed in parentheses following the response.

Commission

- \$100 + eight percent, \$500 + 10 percent, and \$1,000 + 12 percent.
- Percent commission and products for reaching goals.
- Percent sales commission and free products with sales.
- .01 percent of total retail sales divided equally among employees.
- Ten percent commission (38).

- Ten percent of retail sales sold by the coordinator specifically. They are to give credit to the professional staff if the product was referred by the tech or if they have repurchased the item within the year following their service with that tech.
- Ten percent of sales after deduction of providers' sales.
- Ten percent retail commission on any retail sold that isn't directly related to a service.
- Ten percent up to \$500 and 12 percent for those over \$500.
- Twelve percent commission.
- Twenty percent commission on products sold.
- Three percent commission (3).
- Three percent of total personal sales, once specific goal is achieved.
- Four percent of all retail sales are put into a "pool" and divided amongst desk staff based on the hours they work.
- Four percent retail commission.
- Five percent after they sell \$1,500.
- Five percent commission (2).
- Five percent commission on sales once they meet a minimum goal each month and supplier product incentives - free product from supplier if they reach assigned goal.
- Five percent commission on all retail sales and we offer contests with prizes monthly.
- Seven percent of the net price of the product.
- Seven and a half percent commission on all retail products sold.
- Eight percent commission and 10 percent over goals.
- Eight percent of retail sales (2).
- A percentage once they reach an assigned goal and a higher one if they exceed it.
- Base salary plus six percent.
- Based on special promotions and requirements - not straight commission.
- Bonus opportunity when the retail goal is achieved (2).
- Can be either individual goals or broken down into teams. We offer prizes (usually products) for the person or team that sells the most in dollar value.
- Commission + free product incentives.
- Commissions, products and dinners.
- Commission and retail competitions.
- Commission on items sold, free products for meeting quota and movie tickets for monthly top retail earners.
- Commission percentage (2).
- Different vendors run contests and we have a sliding scale for commission.
- Each skin-care company provides a sales incentive based on sales volume. The spa also has a retail compensation structure in place where commissions are issued on level of sales.
- Each staff earns an individual five percent commission on all items other than skin care. They are meant to close the deal for the estheticians; therefore, they do not earn an individual percentage for skin care but do earn a "group" commission on overall retail revenue (one percent) if forecasted budget is met and based on hours worked.
- Front desk staff receives a 10 percent commission on retail products sold to guests, unless the product was recommended by the spa technician who would then receive the 10 percent commission.

- Given a monthly target for total retail of spa percent compared to budget.
- Group monthly incentive. When the monthly goal is reached, employees receive a \$1 bonus for each hour they have worked that month, e.g. a full time employee would get \$160 bonus per month. Front desk managers get \$2 per hour or a \$320 bonus per month.
- If budget is achieved, staff receive 10 percent split by hours worked.
- If monthly goal is met, front desk staff will receive a small percentage of overall sales.
- Incentive is the same for all spa hosts and providers – 10 percent on skin care/body care and products used in treatments; three percent on clothing, swimwear, sandals and jewelry. There is no incentive on the remainder of products.
- Individually they receive a commission depending upon total sales after they reach \$1,500. They have a group goal and if reached, each associate receives a spa treatment.
- It is linked to the products used during the treatment; this offers a great opportunity for staff to sell.
- Monthly retail incentive. Take monthly retail total x 8%/the number of front desk staff, which equals each retail commission. For example: \$5,000 x 8% = \$400/5(FD) = \$80 each.
- Percentage based on meeting budget goals.
- Percentage if goals are met.
- Percentage of total sales.
- Pool based on meeting threshold and tiered up based on net sales.
- Retail commission on "non-treatment" products and gifts.
- Sliding scale of five percent to 12 percent based on reaching weekly goals set for each individual.
- Small percent of electronic facial device.
- Staff receives a small percentage of retail sales. We also work with vendors to have programs where they earn product based on the amount of product sold and routinely hold different types of contests.
- Team commission if budget reached and individual product incentive program by vendors.
- The desk staff has a retail goal set for every month (the goal is 35 percent more than last year or 35 percent over the budgeted amount). If the goal is met, the desk staff receives a commission of 1.5 percent of total retail sales, which is split among them by the number of hours worked.
- They have a goal they need to reach together and if they reach their goal then they split three percent of the total sales for the month between them based on the percent of hours worked.
- They receive a one percent override on all retail sales apportioned based upon the number of hours worked in a pay period.
- They receive a percentage of sales generated per associate.
- Tiered commission structure and contests, etc.
- Tiers of commission based on sell-through of product. Sell-through to meet quota - 10 percent of sales, 50 percent of quota = five percent, less than 50 percent = no commissions.
- Under \$750 in personal sales = 10 percent commission; over \$750 in personal sales = 15 percent commission.
- Under \$800 means there is no commission. Ten percent commission starts at \$800 and increments go up from there. After \$1,500, they get 15 percent.
- Up to 10 percent commission; sliding scale.
- Varying scale from two to 10 percent, depending on sales.
- We offer 10 percent for sales up to \$500 and 15 percent for those over \$500.
- We offer a five percent retail commission to our desk team and 10 percent for therapists.

Products/services

- \$25 credit towards the boutique retail if they sell the highest retail number per month.
- Complimentary product based upon percentage of retail sales to service revenue.
- Free retail products with sales.
- Gift cards based on certain goals.
- If they hit their monthly goals, they are able to win gift cards for various restaurants and stores. In addition, there are vendor sponsored gifts and incentives.
- It's a competition based on quantity of product or revenue - they win a different prize (products, dinner, tour, etc.).
- Opportunity to earn free products, free service for highest sales quarterly, treasure chest grab bag when you reach a certain dollar amount each month.
- Reach a goal and receive retail product or service.
- Retail credit for retail sales goal achieved.
- Spa gift to the best seller.
- Spiffs added to paychecks, product gratis.
- Spiffs and products.
- Vendor sponsored product giveaways for top performers.
- Vendors give free products which are distributed among all staff that sells (beauticians, massage therapists, and receptionists) according to how much they sold.
- We also offer gift card prizes for whoever has the highest retail sales.
- We give services for a certain dollar amount sold. We also give products.
- We offer monthly contests that consist of free product or visa gift cards.

Other

- It varies by month and depends upon our promotion.
- Monthly bonus if individual and department goals are met.
- Monthly flat fee bonus when achieving sales goals.
- Monthly incentive for amount of retail rung up.
- The front desk staff does not get retail bonuses; they get quarterly bonuses based on all sales.
- Varies from month to month.
- We do a dollar amount incentive. We do a bingo game for front desk.
- We have one retail specialist that has a cash incentive but the rest of the front desk team gets product and treatment incentives.
- We partner with our suppliers to run incentives based on sales.

Respondents were asked to identify any new or creative ways their spa uses to motivate massage therapists to promote and sell retail products. A sample of the responses provided is below.

- Twelve percent commission, Starbucks coffee cards, and prepackaged three item body line - easy to go to.
- Twenty percent commission on products sold.
- Actually, we give commission on each retail product sale, so it motivates them to sell and make profit.
- Add-on embellishments of snippet services highlighting certain products.

- All therapists are benchmarked with a retail percent of total goal. Massage therapists are benchmarked at three to five percent of total sales should come from retail. These individual totals are tracked and shared in bi-weekly meetings for all associates. In addition, retail performance is referenced at annual reviews and contributes to overall review scores and possible wage increases.
- As long as you use products of high quality and the therapists approve of them, they will educate the guests as to the benefits of the product and most likely the guest will purchase.
- Contests each month for upgrades and retail.
- Contests highlighting one item to win a treatment.
- Contests - whoever sells the most in a month receives a complimentary product.
- Cross-marketing retail massage products with back bar massage products. Therapists must recommend product to every client.
- Daily/weekly figures posted. Schedule requests for top sellers.
- Discussing with all guests the benefit of the professional oils and lotions for at-home care.
- Each therapist had to provide a list of three items they would recommend as home care to most clients; we purchased them for retail so they are comfortable making recommendations rather than "selling".
- Free giveaways for therapists that sell the most in a month. Normally with a different giveaway each month.
- Gave them each a section in the boutique to sell. They have a shelf that is just for body treatment and massage. They are responsible for stocking and knowing the product. They receive a 10 percent commission on items sold in their family of products. We also offer 10 percent to our guests to purchase products the day of service. We use the concept of "remember me" instead of selling which involves the ability for the guest to remember the therapist at home and remember to take care of themselves.
- Give commission, print up customized recommendation sheets to make it easy, and have retail reps hold trainings and give samples.
- Goal achiever receives an extra day off.
- Goals, games and results board.
- Have samples readily available and create contests for the team.
- Implemented a program that links employment standards to the seniority of spa bookings. This requires that the spa practitioner provide great service, comply with spa standards, sell retail, be positive and be an overall stellar employee to be booked first for treatments. It's a great way to hold staff accountable and create a healthy, positive work environment.
- In addition to the commission they receive on product, if massage therapists hit their monthly goal they get to take a spin on our prize wheel at the monthly meeting.
- Incentive, free products, and a preprinted card for the treatment realized.
- It is a performance review requirement to make personal recommendations to each guest - goals are set by service revenue to retail sales as a percentage to achieve weekly.
- It's their job - they must recommend. Their retail performance results have a bearing on their booking priority for appointments.
- Let them experience the products first. Let them become part of the selection process.
- Maintain percentage or go through progressive discipline.
- Massage therapists and cosmetologists receive 10 percent of retail on any products on prescription sheet given to client.

- Ongoing meetings and recognition of those who sell. Training and education throughout the year. The ability for them to see what others are doing with retail sales and the understanding of the additional income that they can make with very little effort.
- Part of review process.
- Partnering with suppliers to have them supply comp product for reaching sales goals.
- Prescription card to recommend products.
- Priority booking for highest retailers.
- Prizes for reaching sales goals.
- Product and treatment rewards. Our resort has many retail outlets and does not pay straight commission.
- Provide the prescription list of the product to present to the guest in order to know the product used.
- Providing opportunities to purchase product at cost and providing gifts when they sell a certain amount of retail. Ten percent commission. Nothing really works that well!
- Quarterly sales are worth priority points that add to seniority level. The more you sell, the more bookings you get.
- Recommendation forms and incentives.
- Retail commission and best seller extra bonus.
- Retraining around the consultation and close to connect to guests' needs. Retail training during technical training. Taking little product knowledge tests for prizes.
- Run sales contests targeted especially at massage team.
- Rx cards that are given to guests and giving product samples to associates.
- Selling the items they believe in and biannual sales goals.
- Seminars and contests and products that are targeted to therapists, i.e. heated neck pillows, antflame and body care.
- Set group goals and offer creative incentives like manicures/pedicures on company time.
- Spa therapists are involved in retail product line selection so they feel part of the selection process and that ensures they love and know what they are selling. For any amount of retail sales they get points that give them priority in treatment assignation, so the more the therapist's retail sales are up, the more treatments we assign to them. At the end, they get more commission in treatment and retail sales.
- Staff training/demos and sampling program.
- Team incentives where the entire department has a goal; when one or two people do not contribute, the team gets angry - great (positive) pressure!
- They can get a higher percentage on their service commission depending upon their retail sales as a percentage of their service sales. They also have more opportunities to sell retail since we train them to do all kinds of body treatments (using products), not just massage.
- They earn a commission percentage of the item sold. Our "seniority" system is not based on longevity but on a point system to include maintaining or exceeding a specified percentage of both retail and enhancement sales as compared to their overall treatment sales.
- They get to purchase retail products at cost directly through the suppliers.
- Tiered incentives: reach your goal and receive a product, exceed your goal by 10 percent and receive a product valued higher, exceed that 10 percent and receive a surprise.
- Upgrade goals with a prize at the end.
- Up-sells are accomplished through the front desk at check-in. Both therapists and front desk staff are provided commission on these up-sells.

- We are offering the top retail sales to service ratio a complimentary dinner for two at our location's restaurant.
- We bring in new and fresh products such as oils, salts, teas, candles, bath products and also bring in products to help relieve pain and tension at a low price point. We have "prescription" pads to give to the guest upon check-out. The therapist also puts out a tray for the guest specific to his/her needs upon check-out.
- We did an exercise where we would have someone bring something small in to sell to the other therapists. It was a great way to see how people sell and we were able to give some good feedback.
- We have established a strong bond between the therapists and the products so it feels more like sharing than selling.
- We have implemented a performance booking system which changes the booking order quarterly and is based on clientele requests, retail sales, revenue per hour worked, etc. It motivates the staff to sell retail with the hopes of advancing in the booking scale. We also provide product knowledge training on a regular basis with our vendors and hold retail sales contests frequently as well.
- We have played product bingo for prizes like gas cards and grocery cards. Free products and gifts are big incentives.
- We have quotas in addition to commissions.
- We introduced some new service enhancements to help the techs have more at-home products to recommend based on the enhancements.
- We just increased our retail sales commission, but we also give gifts to the highest seller(s) each month.
- We required them to give each guest a prescription pad, and put the products they used into a basket, bring it up to the desk, and make sure they communicate to the guest all of the products they used on them. We also require all massages to use hand relief, foot relief, blue oil or active oil on the back and every guest chooses their aroma, so each guest is experiencing four products during the massage.
- We run contests for the most retail volume sold.
- We select a product that each department (massage, esthetics, finishing) will focus on and track sales each quarter. If we, as a group, are able to reach our goal, we celebrate with food at monthly staff meetings. We also offer a tiered retail commission incentive for technicians - the more you sell, the more you earn.
- We set it as our spa goal for each tech to make a minimum of one retail recommendation each day. There is a poster that tracks this and they are in competition with each other. It is the wig program by Stephen Covey and it has been improving our results.
- We simply talk about retail every day.
- Written prescription is given to the guest in order to know what steps were done and what products were used.

Does your company use spa management software to track retail purchases by customer?

Spa Management Software for Tracking Retail Purchases

All Spas



Spa Management Software for Tracking Retail Purchases

By Spa Type



Day

Yes: 94%
No: 6%



Resort/Hotel

Yes: 75%
No: 25%

Does your spa use retail purchase history collected within its spa management software for targeted marketing efforts encouraging future or repeat purchases?

Retail Purchase History Used for Targeted Marketing Efforts
All Spas



Retail Purchase History Used for Targeted Marketing Efforts
By Spa Type



Day
Yes: 46%
No: 54%



Resort/Hotel
Yes: 44%
No: 56%

Respondents were asked to share an example of how their spa uses a customer's retail purchase history to encourage future or repeat purchases.

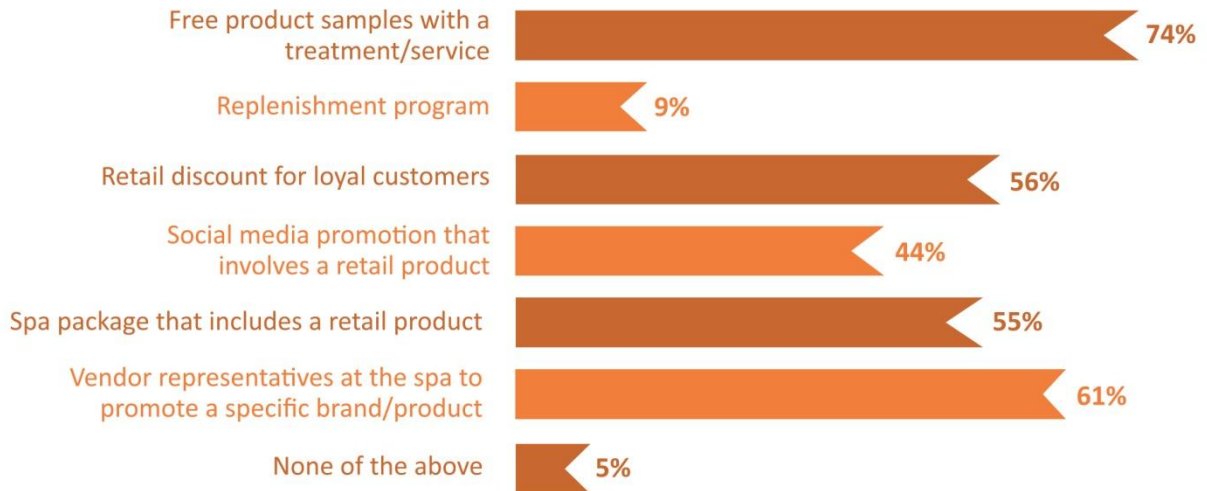
- All past purchases are printed on work ticket for each guest. The therapists review the past history and make retail recommendations based on past product purchases and length of time from last purchase.
- Based on purchase history, they receive a special invitation to promotional events.
- Based on what a customer has purchased in the past, we make recommendations for new items for future purchases.

- By looking at what the customer has bought in the past, it is a good way to know what to try to sell to them in the future.
- Can refer to past history to use as guide for future recommendations.
- During our last two makeup events we sent invitations to anyone who had purchased makeup during a targeted timeframe.
- Girls night out events and invites.
- Hair guests who do not purchase hair care and so on. Highlight to come in for samples or gift with purchase.
- Include top five items in promos - those products purchased most frequently.
- In-store events, email blasts, checking out clients, and promoting new products.
- It stores all purchases and comes up on the client's demographics each time we check that client out. It tracks date of purchases and how many times that item has been purchased.
- Only if the guest is back for more services do we look up their previous purchase.
- Personal profiles to keep preferences.
- Restocking reminder notes via emails, Christmas lists and new product arrival announcements.
- Segmented emailing based on purchases.
- Service providers are encouraged to look at the customers purchase history and refer to that during the consultation, asking how the products are working out, etc.
- Target product event to those who purchased.
- The guest profile is edited with their purchase history and the front desk agents ask the guests at check-out time about their products and new arrivals or similar products they may like.
- Therapists are encouraged to be familiar with sales history so that they can recommend products during the visit.
- Tracking past sales helps providers to recommend products and understand a guest's sales pattern.
- We contact frequent guests for reorders.
- We encourage service re-book compared to previous visits, then during re-book we encourage retail sales based on home products of favorite services, as the retail reflects the spa.
- We have 35 percent repeat guests so we track the guest history and we send out samples to our guest at check-in of the skin-care product they bought last time.
- We keep customer records on each purchase so we notify them when the next purchase is due.
- We look at the best-sellers and send out email blasts to re-purchase or highlight.
- We might send special email promotions based on past sales history.
- We pull the information and are able to reach out to guests when we have events.
- We send marketing regarding promotions to previous customers.
- We send them reminders that they can purchase online.
- We trace the guest usage and one to three months later contact the guest when we believe their product has likely been used up.
- We watch the timeframe of the usage, i.e. if a product is a 90-day supply, we remind the guest that they may wish to purchase again.
- We write notes on reservations to remind therapists of repeat guests and their preferences.
- When a guest returns to the spa we will ask them if they would like to purchase "x" product to replenish their supply or offer to add a new product from the line that they use.
- When the purchase is about "to run out" follow-up is possible.
- When we hold special events we mail out special invitations for the event to top retail spenders.

Which of the following, if any, retail sales initiatives has your spa used in 2013? (Respondents were allowed to choose multiple responses)

Retail Sales Initiatives Used in 2013

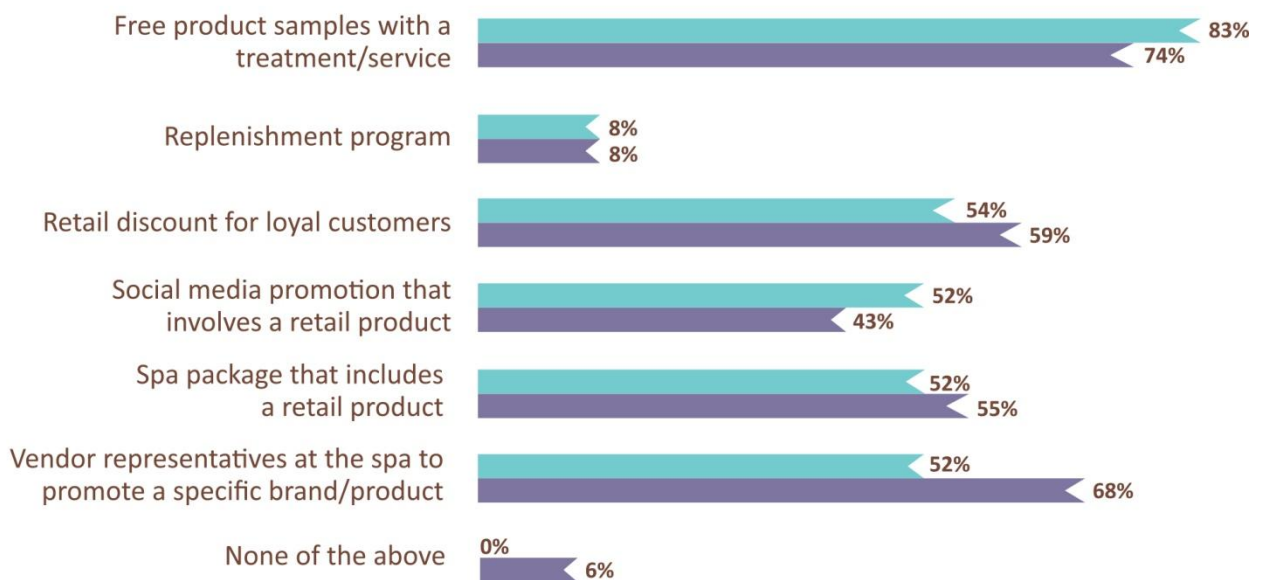
All Spas



Retail Sales Initiatives Used in 2013

By Spa Type

Day Resort/Hotel



Respondents were asked to share one retail tip or idea with their spa peers. Below is a sample of responses provided.

Education

- Educate staff on each retail line to get them excited about selling. Set individual goals for staff to reach instead of holding everyone to the same standard.
- Educate your staff - both front and back of the house - on all retail lines. The more they know, the more they sell.
- Education and vendor participation/partnership.
- Education for the staff. The more the staff knows the more likely they are to talk about the products and sell them.
- Education is key to successful sales.
- If offering a skin-care retail gift with purchase, always provide education along with it.
- Intimate knowledge of the product.
- Keep it simple. Encourage a culture of education, not sales.
- Making sure that the reception staff is knowledgeable about the products on the shelf.
- Product knowledge is key. If staff knows what's on the shelf, they can sell more confidently and effectively.
- Teach your estheticians how to sell - they do not learn how to sell in school.
- Teach your staff to educate their guests instead of "sell them product". No one enjoys being bombarded at the end of their treatment with an onslaught of product suggestions that are out of left field. Plant the seed with the guest throughout the treatment to let them know you would like to provide them with further information about home care so they are able to continue to see the result they are looking to achieve.
- To continuously have ongoing product knowledge and motivational speakers. We have our salon development partner at every staff meeting, we offer samples, review scripting for products, have hands-on experiences at our meetings, and show statistical data that supports the products, etc. We also have continuous product knowledge on each domain quarterly.
- Train staff on selling points for all retail (2).
- Train your staff. Provide samples.
- Training on how to sell is just as important as product knowledge training. Most technicians understand the products they are using, but have fear about how to sell.
- We educate our guests with our expertise. My team knows it is of utmost importance and I tell them "why" then tell them "how".

Employees/team

- Accountability for everyone on the team. Retail is a constant conversation and informing each member about their progress is essential. You must remove all excuses.
- All of the promotions in the world will not take the place of getting the service providers excited about a product. First, sell the product to them and they will take care of selling it to the guests.
- As we know, the sale starts in the treatment room; therefore, ensuring estheticians are taking the time to identify areas of concern, addressing those concerns and educating the client on the features and benefits of the products that they are recommending is extremely important.
- Discuss it with your team every day and make it part of their performance goals.

- Find something your techs can believe in to recommend. It's a lot easier for them to get on board to recommend/sell products once they start with something they stand behind and see that guests really do listen to them.
- Let your team touch, feel and use products to be able to sell to a guest.
- Link it to estheticians' pay scale and dollar incentives for other staff.
- Hold your team accountable, make it fun, and listen to your team's ideas on product because if they like it they are more likely to sell it.
- Make it part of your review process and enforce the consequences.
- Motivate staff to sell. The more knowledgeable/enthusiastic the staff is about a product, the easier it will be for them to sell it.
- Over-communicate and emphasize retail with the team. Be sure that each member of the staff is aware of promotional offers and new items within the retail space. It is important to share the impact of retail sales with the team - retail sales positively impact overall net sales and allows the spa to "spend" more on equipment and other items in the "want" list.
- Setting team goals is a good idea that works.
- Share retail sales commissions between all spa team members and only after goals have been reached.
- Staff utilizing product recommendation cards for at-home care. Pulling the products and leaving the recommendation card and the products in a basket at the front desk for them to close the sale.

Promotions

- Ten percent same day discount on recommended product.
- Bounce back coupons have worked really well for us when attached to a sample.
- Contests with free robes, skin care, makeup or clothing rewards were very successful for us.
- Customers love complimentary samples; find a way to create a sales promotion using samples.
- Do a special promotion to launch all new products with samples.
- Free products with spa packages is always popular and it reduces the cost of the service as you are using the product that you are sending them home with without using back bar.
- Free shipping for repeat purchases from guests from out of state.
- Get the right people on your team. The right people will deliver results and the wrong people won't no matter what training you offer or incentive you try.
- Monthly spa retail reception with mini-treatments focused on one vendor, pre-book three 10-minute treatments per guest for \$25 and give them a \$20 retail voucher. Have the vendor rep be at the event. Just a two-hour event brings us between \$1,500 - \$3,500 in retail sales each time.
- Spa product tester along the display of the monthly promo.
- Start hosting regular retail-driven events during the week with a spa or salon tie-in.
- Tie in a free service with purchase of three+ retail items.
- We offer a percent discount to clients on products that are purchased the day of treatment. When we need to move product or if sales are down, we offer a buy one, get one 50 percent off, which totally drives retail.

Products/vendors

- Be sure you are selecting the right products for your guests, ensure your team knows their role in hitting retail budget goals and keep the shelves stocked and full.
- Believe in whatever you are retailing.

- Don't sit on dead stock. If it doesn't move quickly, put it on sale and get rid of it!
- Don't buy what you like and those items that are pleasing to your aesthetic because everyone is different. Do the research and buy what has proven to sell.
- Ensure vendors are supporting you with education and ideas to move their lines.
- Even though it sounds cheesy, seasonal merchandising significantly increases customer interest.
- Great merchandising is a driver and having at least six pieces on the shelf.
- Have the products used during the service at the front desk ready for purchase for each guest.
- Having your vendors come into the spa at least twice a year to educate front desk staff and therapists.
- Know what sells and put more money into that item.
- Knowing and believing in your product is convincing.
- Listen to what your customers are asking for; don't buy for your own taste.
- Including retail in a special service is a winner. We offer a spa facial bar for younger guests and a skin-care starter kit is included in the price.
- Incorporate the products into treatments.
- Make sure the retail you are carrying is relevant to your spa and customers. Do not carry something just because you like it or it is popular at the moment. Make sure there is a purpose and reasoning behind it.
- Make sure you have a real story about the product and that you believe in the product.
- Manage your inventory, replenish your top sellers.
- Monitor your top five items per homecare line and never be out of stock. Try new programs and gift items through vendor trunk shows or consignment programs.
- Samples, samples, samples (2).
- Take advantage of your vendors' knowledge and resources and hold special events with them on a regular basis. We rotate through all of our skin care/body care lines and hold quarterly events with each of them, ranging from boutique events, evening cocktail events, and lunch & learn events with speakers. Our vendors will usually supply door prizes and gifts with purchase. Also, make sure you coordinate staff training with each line when the rep is doing an event. It is very important to have your staff up-to-speed and well-educated on the many different products offered.
- Variety in merchandise.
- Watch the inventory close to see what is moving and what is not. Then focus on why it is moving.
- We do a product of the week and highlight it in the boutique by printing out detailed information about the product.
- We do best by having a vendor event for guests and members and couple it with in-house training.
- Work with your resource partner to make the spa products available at-cost to your employees. The more they use them, the more they'll sell. It's a big benefit to them, increases enthusiasm, creates genuine buy-in and costs you nothing (unless you want to make a profit on your employees' purchases).

Other

- Be practical and honest about what your guests will spend and concentrate on that price point.
- Constant conversation.
- Create an enhancement menu for therapists, estheticians and nail techs. Each enhancement must relate directly to a retail product. These enhancements do not add additional time to the treatment but simply "enhance" the treatment. This gives a talking point (not to mention the offer of a prescription sheet) for the therapist or tech to refer to the corresponding retail item.

- Don't give up! I hear so many people say "they just won't sell" - well, ask your staff what would help. Often it is simply getting the right vendors and products, so staff feels like they have input and everyone can sell what they believe in!
- Ensure every service carries a retail attachment. Stock big ticket items to achieve your goals quicker.
- Free trips to the vendor lab/factory/plant.
- Identify a problem and offer a solution.
- Keep your price point at a spot your customers can afford.
- Make it mandatory.
- Merchandise the store so that it makes sense for the guests and the therapists to sell.
- Offer retail to every guest. They want to know what to buy.
- Personalized recommendation cards with display of recommended products waiting in reception.
- Plan your retail features six months in advance. Give your front desk a calendar of events for retail and stick to it.
- Retail is an integral part of every spa and salon service. Service offered is incomplete without at least mentioning products used and recommended take-home products.
- Retail needs to be managed like anything else; it won't happen on its own.
- Take it to your guest. We have our staff in our relaxation lounge and out by the pool applying products and informing guests of their efficacy.
- Whatever you do, make sure that it is done consistently and over a long period of time. The development of sales takes time but is worth the effort.
- You must show three to sell one. Typically, guests won't make a purchase if less than three items are displayed. Showing three is the minimum to sell one.

ISPA RESOURCE PARTNERS

Does your company send representatives to visit existing spa clients at their place of business?

Representatives Sent to Visit Existing Spa Clients Resource Partners



On average, how often does your company send representatives to visit existing spa clients at their place of business each year?



Frequency of Representatives Sent to Visit Existing Spa Clients Resource Partners



Is the frequency of visits to an existing spa client dependent upon the size of their account?

Frequency of Visits to Spa Clients Depends on Size of Account

Resource Partners



Respondents were asked to describe how the number of spa client visits is determined by their company.

- Accounts are visited one time per month or by account preference.
- All clients receive a visit on a six- to eight-week rotation.
- Based on annual sales, but every client is visited at least two times per year no matter their size or annual sales numbers.
- Based on our travel schedule, so clients are visited more frequently. It also has to do with area of country, resort area and climate.
- Based on sales volume.
- Based on training and support needs.
- Based on volume.
- Depending on their threshold of sales per year - we send reps based on the size of the accounts' sales.
- Depends on how large the account is and what kind of support they request. If we can provide support through sampling, Skype training, and promotions, we do that. If the spa wants to set up special events with us, we try and arrange those when we will have a representative in the area of the spa to attend and help out.
- Depends upon level of opportunity and need.
- Determined on the basis of updated information about the products, training the specialists on how to use the products, and evaluating the performance of the spa in using and marketing the product.
- Geography and programs offered.
- It is a mix of volume, location (accessibility), account potential and if the spa has annual events.

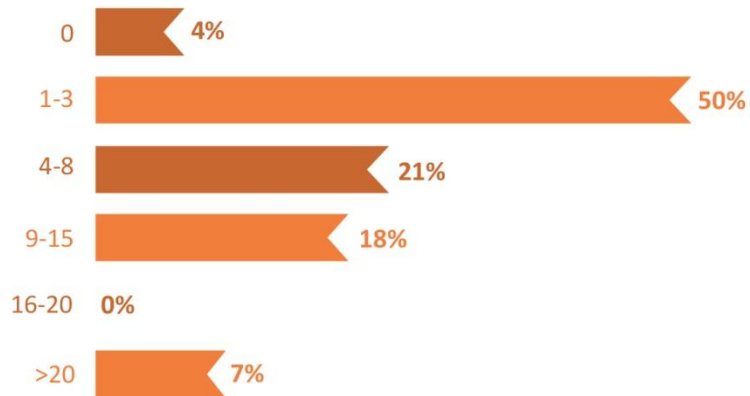
- It is determined by how much in-person support they want and need. Some spa directors want a lot and some do not. We are happy to visit three to four times a year. Some directors want less.
- It's based on what and how much they order and also on how often their staff turns.
- It's based on specific account needs.
- It's not only based on revenue but the potential for revenue. You need to invest to see the rewards for the future.
- Location and size - how much does it cost to send representatives?
- Need by season.
- Number of therapists and size of account.
- One visit quarterly and at least one monthly follow-up call for an account no matter how large or small. We also look at the need of the spa, the location, budget, and growth, which all have an impact on if more attention is given to the spa.
- Size of the account combined with size of the territory determines frequency of visits.
- The bigger accounts will get visits every four weeks. Some small accounts are visited four times a year, depending on accessibility. If it's more than a six-hour drive, then it's four times a year.
- The number of spa client visits varies based on the following criteria - Is it a high image account? Is it a high volume account? Is it easy to service? Competition in the territory? Potential of the territory? Strategic account upon a corporate group? Growth potential within the property? Optimization of rep's road maps, etc.
- Top 20 percent and new openings.
- Visits are determined by geographic location and availability of the company to meet demand.
- We decide this on a case-by-case basis.
- We do not have field reps. The account managers are able to travel away from corporate headquarters when client needs make the decision a good decision.
- We do not travel extensively, usually locally and cities close to Los Angeles like Phoenix, Vegas, Palm Springs and San Diego.
- We try to visit as many times as possible. Often it's dependent upon sales rep availability and schedule.
- We visit accounts committed to generating \$10,000 per year minimum with us.

How many total new products does your company plan to introduce in 2013?



Total New Products Planned to Introduce in 2013

Resource Partners



How does your company's total number of new product launches for 2013 compare to 2012?



New Product Launches 2013 Compared to 2012

Resource Partners



Respondents were asked to describe what they consider to be the most valuable marketing or educational resource their company provides to its spa clients.

- Adequacy of products and proposals to concept and fundamentals of the proposal of each spa. Customized proposals.
- Available marketing support tools that tell the story of the product and the company behind it.
- Catalog, bi-monthly magazine, and website.
- Continuing education.
- CEU accredited training and online learning platform for therapists to stay knowledgeable.
- Client cards and brochures.
- Communication with our sales team.
- Complimentary product for sales staff to learn about the brand and wear the product on the sales floor.
- Educational webinars and one-on-one business review meetings with the spa director. Our regional are not only sale people but more so business partners. Also, in regards to marketing, we specialize in co-branding initiatives and the art of merging two brands to create a harmonious partnership, which shows in our events, marketing, sales, etc.
- Esthetician training.
- I sell wellness interior design products. At this point, word-of-mouth and Facebook are my most valuable marketing resources.
- Excellent on-site education, seasoned spa advisors, events, and online education.
- Giving them product to take home and use.
- Hands-on education and skill sets to our clients.
- I believe the most valuable tool is to provide educational resources to your company's spa clients because if you do not know the benefit of the product you use, you'll not be able to market it.
- I treat each spa as a unique entity and make recommendations based on THEIR needs not what I have to offer.
- It's difficult to identify just one because all of our offerings work in tandem from training of the staff to events to help the staff sell through at the point of sale.
- National print advertising campaign.
- On-site training.
- On-site training with opening order.
- On-site training plus online video access
- On-site trainings from an international expert.
- Our outstanding customer service agents available by phone five days per week. Collateral support materials that we provide to all accounts.
- Our regional sales managers with on-site meetings.
- POP displays and PK training.
- PR firm.
- Product education and incentive programs.
- Product orientations.
- Providing new approaches and insight into new or lesser-known wellness brands that perform and can better support the spas mission.
- Representative and customer care rep.

- ROI sheets, menu planning, sales education to all spa staff, and in-person event support and planning.
- Sales people who are on the road and make one-on-one appointments.
- Sample orders that include full-size runs and a snapshot of our line styles. It better helps to fill their retail space and guides the buyer when placing an order.
- Samples.
- Shelf talker.
- Shelf talkers for marketing and for education, we provide a complete training manual on each product. Our detailed training manual lists ingredients, uses, benefits and recommendations for use to help spa retail and back bar services for each product our company offers.
- Social media.
- Training manual and monthly newsletters.
- Using email and social media outlets to inform clients of new products, specials and upcoming educational classes and events. Keeps us connected with clients and industry trends.
- We provide a strategic business plan for each client outlining how we will provide a partnership so that they are successful which includes marketing, training, promotions and suggestions. This plan is specific to each spa.
- Word-of-mouth and recommendations.

Respondents were to share one retail tip or idea with their spa peers. Below is a sample of responses provided.

- Clean, attractive testers.
- Consider relevance to activity of body part and how it changes throughout the year as activities change with the season.
- Dedicate someone at the spa to performing regular merchandising and tester maintenance/updates. Lcky testers = poor sales.
- Don't be afraid to bring new items to create/maintain the interest of the consumers.
- Don't be afraid to invest in retail items. We have the tendency to avoid too much retail as it creates more stocking; however, more retail and well-organized retail, increases impulse buying, stimulates senses and definitely increases overall retail sales. Slow sellers? Of course you will always have some, but if you sell them sometimes, that means you have a demand and if you cannot support the demand, they'll go somewhere else. Just adjust your inventory; have three in stock instead of six and 12.
- Don't mix different brands together on displays. Displays should be inviting and easy to see, not jumbled or crammed.
- Education of the product, know the product, sell the product well.
- Education on selling.
- Education sells product.
- Establish Internet Partner Program so spas with mostly tourists that do not return can share in the revenue from future online retail product sales.
- Focus on the client's needs and concerns rather than trying to fill their bathroom with all of your products. Building trust by offering solutions to their immediate issue will keep them coming back again and again.
- Giving samples to spa staff is a great way to get them on board with your line and an incentive to sell more.
- Good communication.

- Have your vendors train the staff on how to use samples to increase retail sales.
- Highlight prize winners/bestsellers - and keep it clean.
- In my robe world they need to start carrying a few larger sizes.
- Incorporate retail sales performance into the employee's compensation package and review process. Feature products in multiple locations, prominently to increase the allure for purchasing.
- Involve the client in the decision-making so it is not a "pressure" situation.
- Know who you are dealing with; Look for clients, vendors that want long-time partnerships.
- Light a candle and let the clients experience them first-hand.
- Listen to your customer. This is the #1 mistake made in sales - lack of listening.
- Make shelf talkers with your press.
- Merchandising is everything.
- Offering samples can bring repeat clients or spark new interest in products.
- Pay attention to your customers; they give many physical clues to their needs. Be observant.
- Promotional planning - don't wait until the month of to plan a promotion. Plan promotions for the year in advance, set goals, set monthly training with staff and track your results.
- Pulling together staff to receive live training is challenging, but it offers an invaluable learning experience about the brand.
- Put your retail on your website.
- Remember that 80 percent of your retail sales will come from 20 percent of your team; focus on them and reward them accordingly.
- Samples and education on the product.
- Share ingredient stories with your clients.
- Shelf display is the most important.
- Social media tie-ins with spa, customer and product vendor all together - the customer is in the middle of special attention from both the spa and the product vendor.
- Spend time educating the therapists on retailing or recommending with integrity.
- Stand behind the product and provide outstanding customer service with a fast turnaround time.
- Teach your staff to not decide for the client what they can or cannot afford. It harms the natural sales process.
- Testers.
- Think OUTSIDE the box and try as often as you can to incorporate your retail products into the overall experience, as giving something unexpected will deliver a memorable experience and set you apart from everyone else.
- Train the entire spa staff - estheticians, retail, etc.
- Training is key. We see spas that allow us to come in and keep the team trained and motivated have sales about four times higher than those directors that d not. We see many directors are too overwhelmed and busy and don't make time for very important training time.
- Use your brand resources for help.
- We are selling to our clients' needs, not our own. Find out what your clients need and provide them with the solution.
- Whatever item you are selling, encourage the estheticians to use it in their facials. This will triple your retail sales in the spa.
- When your client asks a question about a service turn it into a retail sale.