

CONSUMER SNAPSHOT VOLUME VII

MILLENNIAL PERCEPTIONS + PREFERENCES



International SPA Association Foundation | August 2016

ISPA FOUNDATION SNAPSHOT INITIATIVE

The International SPA Association Foundation commissioned PwC to conduct a nationally-representative survey program to provide valuable consumer insight to the spa industry in the United States. The Consumer Snapshot Initiative generates invaluable quantitative data for the spa industry on real-life attitudes and opinions of a sample of the population at a specific point in time. The seventh volume of this initiative focuses on the millennial generation which encompasses those born between 1980 and 1997.

No longer the new kids on the block, millennials have rapidly become a powerful player in commerce in the U.S. and beyond. The millennial generation already account for more than one in four Americans, and as time goes on, their influence over consumer behavior, not to mention their spending power, is only likely to increase.

It is vital for the spa industry to better understand the opportunities and challenges presented by millennials, and by keeping pace with their demands and preferences, the industry can maximize its return from this powerful demographic force.

This study dives deeply into the world of millennials—highlighting their motivations for visiting and not visiting spas, and shining a light on millennials' perceptions of a variety of contemporary issues.

For the purposes of this study, a 'spa-goer' is defined as a person who has visited or attended a spa at least once within the last 12 months. A 'non-spa-goer' is defined either as an inactive spa-goer (a person who has visited or attended a spa before but not within the last 12 months) or as someone who has never visited or attended a spa.

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ABOUT

ISPA FOUNDATION

The ISPA Foundation is the 501(c)3 arm of ISPA and was created in 1999 to serve the educational and research needs of the industry. The ISPA Foundation's mission is to improve and enhance the value of the spa experience; their vision is to advance spa culture to sustain health and well-being.

The ISPA Foundation's objectives include being the educational source for the spa industry, establishing definitive research that validates spa industry-related topics and creating an endowment that sustains the ISPA Foundation in perpetuity.

The ISPA Foundation also wishes to thank the individuals and companies who have given generously over the years including those from the Charter Club Members (found on the ISPA website) who continue to make these research projects and the work of the Foundation possible.

PWC

PwC firms provide industry-focused assurance, tax and advisory services to enhance value for their clients. More than 161,000 people in 154 countries in firms across the PwC network share their thinking, experience and solutions to develop fresh perspectives and practical advice. Research to Insight (r2i) is the PwC global Centre of Excellence for research, insight and analytics. For over 20 years we have undertaken some of the most prestigious and thought provoking research in Europe, the Americas and Asia Pacific, including the PwC Annual CEO Survey — now in its 20th year. PwC delivers insight and analysis for global clients, ranging from Fortune 500 companies to national governments, that informs strategy, drives performance improvement and supports change.

THE BIG PICTURE

For the first time in ISPA's Consumer Snapshot Initiative, the headline finding is that spa-goers outnumber non-spa-goers for a respective audience, with 56% of the millennials surveyed stating they have visited a spa in the last 12 months, compared to 44% who did not. This is striking evidence that millennials are a huge reservoir of demand for U.S. spas.

The highest proportion of millennial spa-goers is found, perhaps unsurprisingly, in the Southwest region (62% visited a spa in the last 12 months). Women make up the highest proportion of millennial spa-goers—54% compared to the 46% who are men. The majority of millennial spa-goers are over 25 years of age (64%), with just over one in three between 17 and 25 years of age (36%). Female spa-goers are more likely to be found frequenting a salon spa, while male spa-goers are more likely to visit resort spas or spas located in a fitness facility.

The educational attainment and employment status of millennial spa-goers also makes for interesting reading. Millennial spa-goers are more likely to be employed full-time than non-spa-goers (64% compared to 52%), and are considerably more likely to have a university degree (63% of spa-goers compared with 48% of non-spa-goers).

The vast majority are 'infrequent spa-goers'—just over four in five visit a spa less than five times a year (83%). Most stay at the spa for no longer than two hours (60%), and spend between \$50 and \$150 on treatments (61%).

*For the purposes of this study, infrequent spa-goers are defined as those who visited a spa up to four times in the last 12 months, whilst frequent spa-goers are those who visited a spa five times or more during the same period.

WHY DO MILLENNIALS VISIT SPAS?

The data shows the most common reason millennials visit a spa is to reduce or relieve stress (32%) and to treat or indulge themselves (20%). Previous Consumer Snapshot surveys have consistently shown these two options to be the main reasons for spa-going across the population.

A closer look at these figures within some of the different demographic groups paints an interesting picture. Reducing or relieving stress as the basis for visiting a spa highlights some noticeable differences between genders. Females seem to weigh this more heavily, with 36% choosing this option as the main reason for their most recent spa visit compared to 27% of men. Likewise, 'treating or indulging yourself' is also more popular among females, with almost a quarter choosing this option (23%) compared to 16% of men. For male millennials, recovery from illness and soothing sore joints is more often the main reason for spa-going (21% compared to 9% of women). This stands to reason, given that a significantly higher proportion of men patronize spas



located in an athletic or fitness facility (14% of men compared to just 3% of females).

The differences are less striking when looking at the different age groups. All the same, a considerably higher number of over 25's put their most recent spa visit down to treating or indulging themselves (23% compared to 15% of those under 25 years of age).

Which of the following best describes the reason for your most recent trip to a spa?

MILLENNIAL SPA-GOERS

	MALE	FEMALE	ALL
Improve my appearance	9%	12%	10%
Invest in overall wellness	9%	7%	8%
Join a friend/relative at the spa	10%	9%	9%
Lose weight	5%	1%	3%
Recover from injury/illness or sooth sore joints/muscles	21%	9%	14%
Reduce/relieve stress	27%	36%	32%
Treat myself/indulge	16%	23%	20%
Utilize a gift card/certificate	2%	3%	2%
Other	1%	0%	1%

WHAT KEEPS MILLENNIALS FROM SPAS?

The reasons millennials do not patronize spas seem to almost entirely reflect what has been discovered in previous Consumer Snapshot studies. Lack of money (45%) and time (25%) are the top reasons followed by familiarity with the spa environment (21%) and spa availability (19%).

The interesting stories emerge when digging deeper into the data. Although cost is the prevailing factor for both women (55%) and men (35%), the difference between the two is pronounced. Also, by grouping 'not familiar with the spa environment' and 'not comfortable visiting a spa' together, almost half of males (46%) cite these as their main barrier to visiting a spa, making it easily their top deterrent.

This research seems to hint that breaking down some of the myths and misconceptions around men and spas could potentially open up an untapped spring of new patrons who were previously less keen on going to a spa.



Why have you chosen not to visit a spa in the past 12 months?

MILLENNIAL NON-SPA-GOERS

	MALE	FEMALE	ALL
Do not have spas available in my area	18%	21%	19%
Too indulgent	10%	10%	10%
Not comfortable visiting a spa	21%	10%	16%
Not familiar with a spa environment and/or spa etiquette	25%	16%	21%
Too expensive	35%	55%	45%
I don't have enough time	26%	24%	25%
Can't get anyone to go with me	6%	8%	7%
Difficulty getting an appointment when I want one	3%	1%	2%
Other	7%	2%	5%

The majority of millennial spa-goers in this study classified themselves as ‘infrequent spa-goers’ (83%) which means they visited a spa four times or fewer in the last year. When asking these spa-goers why they have not visited a spa more often, once again money (65%) and time (51%) come out as the top two reasons.

When looking at millennials, who are often at the beginning of their professional careers, cost is naturally more of an influential factor. For example, in Volume Six of this series of consumer snapshots, only 39% of U.S. consumers (across the wider population) stated cost as the main reason. Interestingly, however, significantly more millennials aged over 25 think spa-going is too expensive, compared to those aged 25 or under (71% compared to 53%). Perhaps this is a little surprising, given that the over 25’s are more likely to be working and earning money than their younger counterparts and, consequently, are likely to have more disposable income. Similarly, 73% of females cited cost as their main reason not to go to a spa more often compared to 56% of men.

The data demonstrates the industry would do well to address how millennial men perceive visiting spas. Not being comfortable visiting a spa or with the spa environment is a big factor behind men not visiting more often with 24% of male spa-goers selecting these two options compared to only 14% of females.

What are the top three reasons that best describe why you have not visited a spa more often in the past twelve months?

MILLENNIAL SPA-GOERS

	MALE	FEMALE	ALL
Do not have spas available in my area	17%	14%	15%
Too indulgent	21%	21%	21%
Not comfortable visiting a spa	10%	5%	7%
Not familiar with a spa environment and/or spa etiquette	14%	9%	12%
Too expensive	56%	73%	65%
I don't have enough time	51%	52%	51%
Can't get anyone to go with me	17%	17%	17%
Difficulty getting an appointment when I want one	14%	16%	15%
Other	2%	2%	2%

What sort of things might enhance the spa experience and encourage millennials to visit more often? When asked the question in this study, the clear favorite across all the demographics is ‘refreshments,’ which was chosen by 52%, almost as much as the second and third most popular options combined (complimentary Wi-Fi (29%) and personalized treatment programs (26%)). Complimentary toiletries proved a popular choice for women (28% compared to 17% of men), whereas men were considerably more likely than women to suggest that contemplation rooms would most enhance their spa experience (19% compared with 12%).



Which of the following amenities would most enhance your spa experience?

MILLENNIAL SPA-GOERS

	MALE	FEMALE	ALL
Contemplation rooms	19%	12%	15%
Waiting area	13%	15%	14%
Showering facilities	22%	13%	17%
Refreshments	51%	53%	52%
Complimentary toiletries	17%	28%	23%
Personalized treatment program	25%	26%	26%
Complimentary Wi-Fi	32%	26%	29%
Tech-free zones	10%	8%	8%
Online treatment booking option	14%	17%	15%
Opportunity to book a spa party	3%	12%	8%
None of the above	5%	5%	5%

SPA TREATMENTS: WHAT DO MILLENNIALS WANT?

When it comes to what treatments millennials want at a spa, their answers do not differ dramatically from the patterns highlighted in previous editions of the Consumer Snapshot Initiative. Historically, massage has always been the most popular treatment, and millennials are no exception to that rule, with 92% of millennial spa-goers stating they have experienced a massage at a spa at some point. Manicures and pedicures come close behind, with around three in four millennial spa-goers (73%) having experienced either treatment at a spa. Facials remain the third most popular treatment, with two thirds (67%) experiencing one at some point.

The survey results help quash some long-held myths and stereotypes about spa treatments. While the proportion of male and female millennials opting for a massage at the spa is close (80% of female spa-goers attest to having a massage in the last year, compared to 76% of men), and largely unsurprising, a closer look at the two genders' treatment preferences suggests that some of the more traditional stereotypes no longer seem to hold. For example, while manicure and pedicure treatments may have traditionally been seen as the domain of females, this survey rejects that assertion, with more male spa-going millennials claiming to have had a manicure or pedicure (52%) than not (48%). Similarly, well over half (59%) of the male respondents state they have had a facial at a spa. These statistics certainly suggest that the millennial man is out to debunk some of the traditional stereotypes around spa treatments.

Which of the following treatments have you ever experienced?

MILLENNIALS

	MALE	FEMALE	ALL
Massage	90%	94%	92%
Manicure/Pedicure	52%	91%	73%
Facial	59%	73%	67%
Body scrub/wrap	54%	46%	50%
Aromatherapy	51%	43%	48%
Hydrotherapy	43%	28%	35%
Fitness/movement classes (i.e. aerobics, yoga, Pilates, etc.)	65%	62%	63%
Mind/body experiences (i.e. guided meditation, Reiki, Chakra alignment, etc.)	53%	40%	47%
Customized spa treatment	53%	44%	49%
Other	21%	27%	24%

MILLENNIAL SPA-GOERS AND TECHNOLOGY

Millennials' affinity with all things 'tech' has been reshaping the way people do business, but is it the same in the spa industry? Not necessarily, says this survey.

When it comes to buying spa products, the internet shopping phenomenon doesn't appear to have raced ahead in the spa industry, with as many millennials still buying spa products in person as online using a laptop or PC (26%). Similarly, two in five millennials (40%) still prefer to book their spa appointment by phone, considerably more than the second most-selected option, online bookings (24%). Looking at preferences by gender shows

an even stronger contrast. Almost half of female millennials (49%) prefer to book an appointment by phone, significantly more than the 30% of men who do the same.



On the contrary, considerably more millennial men like to book their appointment online (29% of men compared with 20% of women). Less than half of millennial spa-goers say they enjoy to use technology in the spa (41%)—47% of men and just 37% of women.

Thinking about your most recent visit to a spa, how did you book an appointment?

MILLENNIALS

	MALE	FEMALE	OVERALL
Website via laptop/PC	29%	20%	24%
Social media	11%	3%	7%
Mobile app	4%	5%	4%
Website via smartphone/tablet	7%	9%	8%
Telephone	30%	49%	40%
In-person	20%	14%	17%

So, are these results surprising from the so-called ‘dot-com’ generation?

The data behind this study suggests that despite some of the more surprising numbers, millennials are still a tech-savvy generation who use it to enhance and simplify their daily lives. Over three fifths of those who took part in the study claimed they kept their phone within three feet for the majority of the day (63%), and just over half (52%) feel they are connected to technology 24/7. Of the millennials surveyed:

- 80% agree that technology helps them manage tasks more easily
- 71% feel technology leaves a positive footprint on their lives
- 68% agree that technology improves their overall quality of life
- 57% agree they need to take a ‘technology time-out’ occasionally, when they feel they need to step away from all things technological for a while.

This study confirms that millennials’ love for technology is alive and well. But it is perhaps surprising that so few millennial spa-goers, and especially females, are booking appointments and buying products online. If the industry is to continue to diversify, perhaps this is something to reevaluate as spas endeavor to keep pace with millennials’ increasingly important wants and needs.



Please identify the extent to which you agree or disagree with each of the following statements (where 1 is ‘strongly disagree’ and 5 is ‘strongly agree’).

MILLENNIALS

	OVERALL MEAN SCORE	SPA-GOER	NON-SPA- GOER
I enjoy using technology*	4.61	N/A	4.61
I enjoy using technology in the spa	3.05	3.05	N/A
Technology improves my overall quality of life	3.91	3.71	4.15
Technology helps me manage tasks more easily	4.23	4.16	4.31
I find using technology stressful/ frustrating	2.27	2.42	2.1
Technology is difficult to use	1.96	2.07	1.83
I try to use technology as little as possible	2.12	2.36	1.83
Technology has had a positive impact on my life	4.01	3.98	4.04
At times I feel I need to take a break from technology ('technology time-out')	3.6	3.74	3.43

**non-spa-goers only*

WELLNESS

In a world where money talks and people find themselves connected 24/7, millennials finding their way in the world could be forgiven for having high stress levels. This Consumer Snapshot survey has found that while only a small fraction of millennials consider themselves to be stress-free, the majority claim only to be 'slightly' or 'moderately' stressed (69%), with no difference in the stress levels of spa-goers and non-spa-goers. Less than one in five millennials see themselves as 'highly' or 'completely' stressed (17%).

Please indicate how you would best describe your current level of stress.

MILLENNIALS

	NON-SPA-GOER	SPA-GOER	ALL
I am stress-free	10%	13%	12%
I am slightly stressed	34%	35%	34%
I am moderately stressed	36%	35%	35%
I am highly stressed	14%	14%	14%
I am completely stressed	4%	3%	3%
Prefer not to respond	2%	0%	1%

At the same time, millennials do appear to be actively interested in their wellbeing. This study has found that three in five millennials feel they are dedicated to and invested in their personal health and wellness. Looking at the data a little more closely shows that this applies more to spa-goers than non-spa-goers, with 65% of spa-going millennials responding positively to the question compared with just 55% of those who say they don't visit spas.

Similarly, seven out of ten (71%) say that if they were given extra resources (i.e. time or money), they would use them on their own health and fitness. Once again, that figure comes out higher for spa-goers than non-spa-goers (73% compared to 67%).



MINDFULNESS

Lately, mindfulness has been a trendy topic when it comes to discussing wellness and reducing stress. This study set out to try to understand millennials' views on mindfulness, ranging from their awareness of mindfulness as a concept, to whether they feel it has a positive effect on their stress levels.

The majority of those who took part in the study responded that they do not practice mindfulness, but that they have at least heard of it or have some understanding of what it is (60%). Almost a fifth commented they actively practice mindfulness (19%).



Looking more closely at this data, of those who are aware of mindfulness and actively practice it:

- 65% are over 25
- 54% are female
- 51% are spa-goers
- 20% have used an app related to mindfulness.

How aware are you of the concept of mindfulness?

	MILLENNIALS		
	NON-SPA-GOER	SPA-GOER	ALL
I have never heard of mindfulness	26%	16%	21%
I have heard about mindfulness but have no understanding of it	22%	30%	26%
I am aware of what mindfulness is but do not practice it	31%	37%	34%
I am aware of what mindfulness is and actively practice it	21%	17%	19%

Looking at the question of what effect mindfulness has on stress levels, this study suggests that it can have some impact, with 65% claiming that it has been ‘slightly’ or ‘moderately’ effective in reducing their stress levels. Among the remainder, just over a quarter say practicing mindfulness has been ‘very’ or ‘extremely’ effective (27%), and 9% say it has had no effect at all.

This seems to tell us that practicing mindfulness is not necessarily the elusive ‘silver bullet’ when it comes to stress relief, and, instead, that it is just one of the many elements that can help in reducing or controlling stress levels.

What effect has practicing mindfulness had on your stress levels?

	MILLENNIALS		
	NON-SPA-GOER	SPA-GOER	ALL
No effect at all	11%	7%	9%
Slightly effective	30%	19%	25%
Moderately effective	34%	45%	40%
Very effective	16%	21%	19%
Extremely effective	9%	7%	8%

CONCLUSION

In conclusion, this study provides the spa industry with invaluable information on millennials' attitudes and what they want from spas—particularly for those who currently fall in the 'non-spa-goer' category. It is a breakthrough study, and contains a wealth of information which can be pored over by spa professionals and help inform their decision-making.

Looking ahead, it intriguingly sets the stage for the next generation of consumers: the much awaited arrival of 'Gen Z' into the workforce, the Homeland Generation, yet further boosting the ranks of spa-goers. Will they be like their older millennial brothers and sisters or will they instead be a throw-back to the baby-boomer generation? Or something altogether different? These are amongst the biggest opportunities and challenges that will face the US spa industry for some time to come.



SURVEY METHODOLOGY

This survey for Volume VII of the Spa Consumer Snapshot Initiative quickly achieved a total of 1,018 responses from a sample of consumers in the United States representative of the regional distributions of those in the population aged from 17-35. The survey adopted a panel technique and did not target spa-goers in particular, so the natural completion levels allowed PwC to monitor the incidence of spa attendance in the population. It is important to remember that the results regarding spa attendance are self-reported by the snapshot participants and are not official statistics, nor can they be expected to be in-line with what spas report (in terms of overall spa-going numbers or demographic composition of those using the facilities).

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The ISPA Foundation wishes to thank the following supporters for their generous contributions:

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To learn more about the Foundation or to make a donation to help support the continuance of the Consumer Snapshot Initiative, please visit experienceispa.com.





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