



# Snapshot Survey Results Report

— *Word-of-Mouth Marketing* —

February 2015

## FEBRUARY SNAPSHOT SURVEY RESULTS REPORT

ISPA Snapshot Survey | February 2015

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 February Snapshot Survey requested information on using word-of-mouth marketing to attract new customers.

Spas are creatively finding ways to encourage existing clients to help spread the word about their treatments and products. Among ISPA spa members, 39 percent have a referral program in place to incentivize customers to refer new clients. Referral programs are being used significantly more by day spa member respondents than resort/hotel spa member respondents (64 percent and 16 percent respectively). Loyalty cards and points systems which result in discounted or free treatments or products are two of the most popular programs being used. Other referral incentives included giving customers free upgrades on services, gift cards to redeem for the products or services and percentage discounts on services and treatments.

Thirty-five percent of all spas reported they do not recognize customers who refer a new client in any way. Nearly half (48 percent) of all resort/hotel spas stated they give no recognition for referrals, with day spas reporting this number to be much lower at just 20 percent. The most popular means of recognition reported was expressing gratitude in person the next time the customer visits the spa, with 42 percent of all spas using this form of recognition. A large majority of all spas (81 percent) reported that they do not have any sort of incentive in place for employees who refer new clients.

When asked to rate the impact of word-of-mouth marketing to attract new customers, 70 percent of all spas rated it as extremely valuable. Respondents shared details on successful word-of-mouth marketing campaigns implemented by their spa. A wide range of responses were provided including the use of social media to hold contests to encourage customers to write reviews in exchange for free or discounted services. Sixty-two percent of all spa respondents reported having software, online tools or technologies that encourage customers to share reviews.

Eighty-one percent of ISPA resource partner members reported not having a program in place to incentivize customers for referrals. When asked how they thank a customer for a referral, the most popular means was sending a thank-you email (63 percent), followed by reaching out via a personal call (46 percent) and expressing gratitude in person the next time the customer visits (39 percent).

The results analysis includes answers from all respondents who took the Snapshot Survey in an eight-day period from Friday, February 20, 2015 to Friday, February 27, 2015. During this time, 280 ISPA members responded to the survey. The categories "all spas" and "ISPA Spa Members" referred to within this report include data from all spa respondents (day, resort/hotel, medical and destination spas).

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## ISPA SPA MEMBERS

Does your spa have a referral program/initiative in place that encourages and/or incentivizes customers to refer others to visit your spa?

### Referral Program to Incentivize Customers to Refer Others | All Spas



### Referral Program to Incentivize Customers to Refer Others | By Spa Type

Day Spas  
 Yes: 64%  
 No: 36%

Resort/Hotel Spas  
 Yes: 16%  
 No: 84%

Respondents were asked to describe how their spa’s referral program for existing customers works. A sample of the responses are below.

- \$10 off next visit or complimentary add-on for referrals.
- We give our clients special gift cards and have them write their name on the back of the card. We ask them to give these cards to their friends and family when the card comes back to the spa with the new referral we can see who referred them and both the new client and the old client will receive a free enhancement.
- Bonus loyalty points card.
- Bonus reward points.
- Bring a friend for a service on the same day with you and save on both treatments.
- By word of mouth from other clients or employees, they each receive ten percent off their next visit with us.
- We have several referral programs in place. Client brings "new" guest and gets 20 percent off their service. Bring a new spa party of six or more people and your cost for the party is free as a hostess gift.
- Clients earn 10,000 points for referring new clients. 50,000 points = \$40 in spa credit.
- Each service purchase and selected retail purchase award points at point of sale. All collected points can be used for services only. It is designed so that if you are getting ten services annually and shopping retail, you would be awarded enough points to have one free service.
- First we recognize and reward returning guests with special turn-down and arrival gifts based on their number of return visits. In addition, when they bring a friend for the first-time they receive a discount off of their package price.

- Five referrals, client receives a complimentary eye treatment.
- For each dollar amount they spend it goes towards credits they can receive to use towards new services and discounts on products as well.
- For every five new guests referred the person receives a 30-minute free service.
- For every ten new guests a person refers to our spa, they receive a complimentary service for themselves to enjoy.
- Get points for referrals and pre-booking.
- If a guest of the spa refers another guest and they become a member of the spa, we give them a \$25 credit on account. In some cases, we have cards that entitle both referrer and new guest a \$25 credit, so they are both given incentive.
- If they refer a friend, they receive a spa credit.
- If they refer someone within 30 days after becoming a member they get a free one-hour massage. If they refer someone after they've been a member for 30 days they get a free half hour upgrade.
- It is combined with our "frequent visitor" program. A local's club guest gets a 10<sup>th</sup> service for free for every nine they purchase. If they bring a referral into the spa that has never been here before they get a credit towards their 10<sup>th</sup> free service.
- Loyalty Program awards ten points (= \$10) for each referral of a new client. Additionally, we have a 20/20 program that service providers offers clients for referrals. Regular client receives a card by preferred service provider. Client gives to friends, family or colleagues, who will receive \$20 off when they present the card during their first scheduled appointment with preferred service provider. Referee receives a \$20 thank you off future visit for referral of a new client.
- Members receive time upgrades for referring new members.
- Our employees can give their guests a referral card and they write their name on it and give it to a friend and they both receive 20 percent off their next service.
- Re-book now, ten percent when you rebook at check out.
- Refer a friend and get a discount on your next visit.
- Refer a friend and receive \$20 off a service of \$100 or more (must be new), and the referring friend receives \$20 off their next treatment.
- Refer a guest with in 30 days and receive a free massage.
- Refer five people get a free massage.
- Refer two new clients and receive 20 percent off your next service.
- Referral cards.
- Referring client gets \$20 off next appointment and guest coming in gets \$20 off first appointment.
- Send in three new clients and you receive a complimentary service.
- The program is part of our booking software and it functions similarly to a "frequent flyer" program to reward guests with points for dollars spent. We also use an email follow up program that automatically sends a "we miss you" return offer to guests who haven't been back in a few months.
- The repeat guest gets a discount along with their first time guest on a return/new program.
- We have packages designed for couples and girlfriends that encourage spa-ing with friends.
- We are launching our rewards program on March 1. Gives them one percent back on purchases and basically a \$10 credit on their account for a referral. We track referrals from our intake form.
- We ask our existing spa patrons to refer a friend or family member. If the guest comes in and mentions his/her referral, we issue a discount to the new member, as well as the referring member.

- We have a concierge referral program. For every ten spa treatments the concierges from other hotels send to us, they earn a \$100 American Express gift certificate.
- We have a demand force system that sends out reminders to customers that have not been with us in two to three months. We also have our therapist make calls to clients to follow up with home care routines or to check on when they would like to come back for another appointment.
- We have a locals program, where guests get a punch for each time they come in. For each first time guest that they bring in, they receive an additional punch. After ten punches, they receive a free service.
- We have a loyalty program where if you get someone to join you get an additional service. We run specials often where we give either a percentage discount, gift or wine, etc. when someone is referred.
- We have a points system (like frequent flyer miles). Referring a new customer gives the customer 10,000 points.
- We have a points system that rewards points for certain behaviors. Referring a friend gets the highest number of points!
- We have a 'refer a friend, get 10 percent off' program.
- We have an ambassador program where selected influential people in the city introduce us to the community and they have yearly benefits into our facilities.
- We have an email database that allows for re-bookings at a discounted price or same day re-booking in the spa, as well to local discounts that apply with proof.
- We have referral agents who are compensated for getting people to sign up for our three-week program, which includes services at the spa.
- We offer \$20 spa dollars for every referral that a current guest refers as long as the new guest includes their full name.
- We offer a \$25 referral to both the new client and referee.
- We send emails out to our guests offering them a discount if they refer a new guest.
- We use an online points system when customers check in and when they refer.
- We use perkville points. Refer a friend and receive 250 points. Earn 1000 points and receive \$75 off towards spa service or retail. Earn 2000 points and receive \$250 off service or retail.
- When they refer three clients who come in we give them a complimentary treatment in another department.
- With a very transient clientele, we have a referral program set up with concierge, vendors and other local venues to encourage their guests to come and visit us. With every referral card redeemed the guest receives 10 percent off their 60-minute or longer service and the person who referred the guest receives gift certificates to use at our property.

Which of the following actions, if any, does your spa take to recognize an existing customer who refers a new customer to your spa?

### Actions Taken to Recognize Customers Who Refer Others | By Spa Type

	All Spas	Day Spas	Resort/Hotel Spas
Mail a handwritten thank-you note	13%	16%	8%
Send a thank-you email	17%	26%	9%
Reach out via a personal call to express appreciation	12%	18%	8%
<b>Express gratitude in person the next time the referring customer visits the spa</b>	<b>42%</b>	<b>46%</b>	<b>39%</b>
<b>Do not recognize referring customers in any way</b>	<b>35%</b>	<b>20%</b>	<b>48%</b>
<b>Other</b>	<b>11%</b>	<b>18%</b>	<b>4%</b>

“Other” responses provided by respondents for the question above included:

- Award points in our rewards system. Points can be used for discounts and free services.
- Discount to new and existing clients.
- Experiential gifts.
- Free points towards money off spa services or retail.
- Gift certificates to use at our property.
- Discounts.
- Monetary compensation.
- Refer a friend program.
- Referral credit.
- Reward points.
- We occasionally give free upgrades to clients when they are loyal or send us new clients.
- We will give them either a \$10 or \$25 type postcard format off on their next visit.

Does your spa offer employees an incentive for referring new clients to your spa?

Incentive for Referring New Clients | All Spas



Incentive for Referring New Clients | By Spa Type

Day Spas	Resort/Hotel Spas
Yes: 24%	Yes: 17%
No: 76%	No: 83%

Using the following five-point scale, please rate the impact “word-of-mouth marketing” has on your spa’s efforts to attract new customers.

Impact of Word-of-Mouth Marketing | All Spas

	1 - Not valuable at all	2	3	4	5 - Extremely valuable
Value of “word-of-mouth” marketing	2%	3%	9%	16%	70%

Impact of Word-of-Mouth Marketing | Day Spas

	1 - Not valuable at all	2	3	4	5 - Extremely valuable
Value of “word-of-mouth” marketing	0%	0%	7%	15%	78%

Impact of Word-of-Mouth Marketing | Resort/Hotel Spas

	1 - Not valuable at all	2	3	4	5 - Extremely valuable
Value of “word-of-mouth” marketing	3%	6%	12%	20%	59%

**Respondents were asked to share details about word-of-mouth marketing campaigns or promotions they implemented that successfully engaged customers and increased buzz for their brand. A sample of the responses are below.**

- Contest on Facebook with people submitting videos on why they should get a scholarship to our program.
- Local customers: invite the press to the spa for an event.
- Our Ambassadors are rewarded for attending events and promoting the brand to their friends and new clients that are still on the fence deciding.
- Our clients are very excited about sending us new clients. We send them a handwritten thank you and enclose a \$10 off card towards any service that has no restrictions. They can accumulate the cards and use them with other specials or discounts, etc. Our new client numbers have increased 20-30 percent each month since inception.
- Our referral program has resulted in a 147 percent increase in referrals year over year.
- Our guests are given referral cards when they check out. They fit in a wallet and are two-fold, with the referring side detachable. They can give that side to their friend, with their name on the back. When the guest comes in for a service, the new guest receives a "new guest" discount and the referee receives the credit if they join our H-Circle wellness plan.
- The referral bonus is something we have discussed in several meetings, and our loyalty club would allow, we just have not gotten to it for any number of reasons. Given the personal nature of the services, word of mouth is, by far, the most important advertising we can hope for, along with editorials.
- This winter, we have implemented our "Think 80" program for the resort reservations team and others who book/refer spa appointments. We are encouraging all staff members to recommend our 80-minute services versus 50-minute services for a greater value. We gave away a lot of free services before and now after the program to those who sold the most 80-minute treatments.
- Trip Advisor.
- We are a residential community spa only open to residents or their guests. We have events to promote our new spa services. We depend on satisfied customers or refer their neighbors and encourage such. We have not created a referral program as of yet but plan to in the future.
- We do open house nights for our surrounding communities.
- We have been doing cold calling businesses and workers of our area.
- We have introduced a 50 percent discount for Moroccans and Foreign Moroccan Resident Card Holders. This will be communicated only by word-of-mouth to not impacting publicly our reputation but we need this market to obtain our budget and goals. For communication we target key people in local market to inform who then speed the word for us. Whenever local customers come to our spa we communicate, local vendors are informed, e-mail blast to local community, etc.
- We have set up chair massage in our Spa Lobby on days we are extremely busy in the fitness center to promote the benefits of massage. In return they talk to their friends and we have picked up in business in doing this.
- We hold events for local clients and offer discounts for bringing a new guest.
- We have done 'Bring a friend and receive 25 percent off your services Monday-Thursday (specific dates/time frame)'
- We offer a frequent guest discount of 20 percent Monday to Thursday to anyone that has been here at least once. They may bring a new guest with them who will also receive the discount.



- We work with local schools and charities on a regular basis to get the name of our Spa out into the community.
- We offer incentives for posting reviews on Yelp and Facebook, posting selfies on Facebook, and direct referrals.

**Does your spa use any type of software, online tools or technologies that helps/encourages customers to share reviews or highlight their positive spa experience with others?**

**Tools Used to Encourage Customers to Share Reviews | All Spas**



**Tools Used to Encourage Customers to Share Reviews | By Spa Type**

Spa Type	Yes	No
Day Spas	58%	42%
Resort/Hotel Spas	61%	39%

**Respondents were asked to identify the software, online tools or technologies their spa uses to encourage customers to share their experience at their spa with others. A sample of the responses are below.**

- All guests receive a survey online upon departure. All surveys that are returned are shared with the appropriate associates.
- Book4time. (2)
- Booker.com (2)
- Clarabridge (Market Metrix).
- Company blogs (multiple target audiences). (2)
- Constant Contact.
- Demandforce. (9)
- Digital Alchemy.
- Electronic guest surveys and Revinate.
- Email. (3)
- Email questionnaires for shared experiences. (4)

- Every guest receives an email guest survey from our resort with five questions pertaining to the Spa.
- Facebook. (31)
- Foursquare.
- Front desk comment cards.
- Gallup.
- Genbooks.
- Google +1, YouTube and webpage testimonials.
- Harms Millennium.
- Inmoment.
- Instagram. (5)
- It is built in to the software- MindBody online. We formerly used Demandforce. We are looking into Listen360. We are building a new mobile app that will also have referral engine. We are about to do a constant contact special offer that our current guest list will send to their friends via email or social sharing and receive a \$10 credit just for sharing.
- Live Love Spa.
- Magazine Award nominations.
- Market Metrix.
- Market Metrix customer service response asks if they would like to post a comment on Trip Advisor.
- Medallia. (2)
- Millennium auto-generated e-mail to encourage reviews after visit.
- MindBody.
- Of course all social media comes to mind as a fantastic option. We encourage our guests after they had a positive experience to share online via yelp, Trip Advisor, etc.
- Online surveys. (4)
- Our e-newsletter encourages clients to describe their stay on Trip Advisor (2).
- Our own software.
- Perkvil.com If they post positive experiences on Facebook or Twitter they receive free points. This works so well that people post weekly. (2)
- Resort Suite
- Review sites. (2)
- Spa Booker survey - a link to complete the survey is on the bottom of all emailed receipts.
- SpaFinder. (2)
- Surveys and social media.
- Travelocity.
- Trip Advisor. (25)
- Twitter (16)
- Unifocus.
- Various social media. We direct them to our Facebook page, Instagram and Twitter. Have done contests in the past where guests share their best WOW moment they've had in the spa and get entered to win a spa package for four ladies.
- We ask them to review us on social media. (2)
- We have business cards that send guests to our Trip Advisor site!

- We have Digital Alchemy for the guests who have stayed in the hotel to offer feedback about their spa visit in addition to paper comment cards which are readily available at the spa and front desk counters.
- We have NPS scores.
- We have them "check-in" using Facebook when they come in for a service.
- We send follow-up emails to guests asking them to share about their experience. These emails are generated through Demandforce.
- We use Booker, emails to remind people that they need to come in and we give them a discount for booking.
- We use Demandforce. It sends a reminder of their appointment, we miss you for \$10 off your next service, \$10 off for birthdays as well as a survey after they receive their service.
- We use Demandforce. This allows clients to complete a survey and review of their experience. They are also able to send their friends a referral to our salon and spa. Their friend will then receive \$25 towards their services and the referee will also receive a credit on their account for \$25.
- Website.
- Whatsapp.
- Yelp. (14)

## ISPA RESOURCE PARTNERS

Does your company have a referral program/initiative in place that encourages and/or incentivizes clients to refer others to your company?

### Referral Program to Incentivize Customers to Refer Others | All Spas



Respondents were asked to describe how their company's referral program for existing clients works. A sample of the responses are below.

- Case by case. Discount on next order, gift or gift card.
- Clients get a referral bonus (check or gift card) for anyone they refer that signs up with our program.
- If one of our existing partners refers another potential partner to us and they become a partner we offer them a 20 percent discount on their next order.
- On the clinical side we have an affiliate program where members can earn commission for referrals sales.
- We use affiliate marketing whereby we pay affiliates a commission on all sales they generate for us. This program is open to anyone, including our customers.
- When there is a referral, clients are awarded with loyalty points and value-add services for both the existing and the new client.

Which of the following actions, if any, does your company, take to recognize an existing client who refers a new client to your company?

### Actions Taken to Recognize Customers Who Refer Others | Resource Partners

Mail a handwritten thank-you note	34%
Send a thank-you email	63%
Reach out via a personal call to express appreciation	46%
<b>Express gratitude in person the next time the referring customer visits the spa</b>	<b>39%</b>
<b>Do not recognize referring customers in any way</b>	<b>15%</b>
<b>Other</b>	<b>10%</b>

Respondents were asked what their company's top resource for identifying new spa clients. A sample of the responses are below.

- Asking at time of booking, using our software to measure quantity.
- Asking spa directors who we have taken the time to build real relationships with, "do you know anyone who might also like to carry our product in their spa?".
- Dealers nationwide and personal relationships formed by affiliates.
- ISPA connections.
- LinkedIn.
- Networking events.
- Networking with current customers.
- Other divisions within the company and cross referrals.
- Product experience or cold call.
- Prospects.
- Prospects reach out to us by email and phone.
- Referrals.
- Referring to our list of current spa accounts then checking the list against that new customer list.
- SmartBrief and social media.
- Spa consultants.
- The internet.
- Trade publications.
- Trade shows.
- Word of mouth from other spa industry contacts.

Using the following five-point scale, please rate the impact “word-of-mouth marketing” has on your company’s efforts to attract new customers.

### Impact of Word-of-Mouth Marketing | Resource Partners

	1 - Not valuable at all	2	3	4	5 - Extremely valuable
Value of “word-of-mouth” marketing	0%	0%	5%	23%	73%

Does your company use any type of software, online tools or technologies that helps/encourages customers to share reviews or highlight their positive experience with others?

### Tools Used to Encourage Customers to Share Reviews | Resource Partners



Respondents were asked to identify the software, online tools or technologies their company uses to encourage customers to share their positive experience with their business with others. A sample of the responses are below.

- Bazaarvoice.
- Comment cards at spa locations.
- Company website and social media.
- Facebook.
- Instagram.
- LinkedIn.
- Lumiary.com insights and our BigCommerce.com platform.
- Our Booker software, yelp, and social media outlets.
- Referral candy and social media campaigns.
- Reviews can be placed directly on our website.
- Social media.
- Twitter.
- Woobox and WordPress plugin.