



2016

U.S. SPA INDUSTRY STUDY

INTERNATIONAL SPA ASSOCIATION



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Introduction

This report presents the findings from the 2016 U.S. Spa Industry Study. The study was commissioned by the International SPA Association (ISPA).

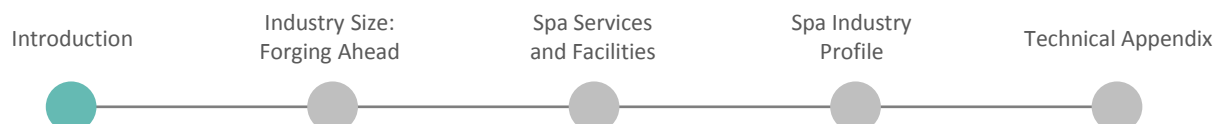
Established in 1991, ISPA has been recognized worldwide as the professional organization and voice of the spa industry, representing health and wellness facilities and providers in more than 70 countries. Members encompass the full spectrum of the spa experience, from resort/hotel, destination, mineral springs, medical, cruise ship, club and day spas, to service providers such as physicians, wellness instructors, nutritionists, massage therapists and product suppliers.

ISPA advances the spa industry by providing educational and networking opportunities, promoting the value of the spa experience and speaking as the authoritative voice to foster professionalism and growth.

This 2016 study marks the seventeenth anniversary of the Spa Industry Study which was first conducted in 2000 highlighting the spa industry in 1999. The inaugural study was subsequently updated in 2002, 2004, 2006, 2007, 2010, 2011, 2012, 2013, 2014 and, most recently, 2015. Shorter tracking studies were commissioned in 2003, 2005, 2008 and 2009.

This report presents the state of the industry in 2015, as indicated by the change in revenues, spa visits, average revenue per visit, the number of spa locations and staffing levels. These are referred to as the 'Big 5' statistics.

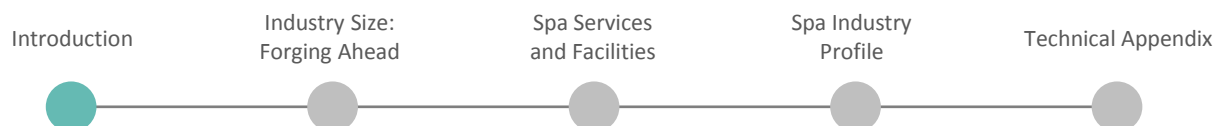
The 2016 Study also collected information on a range of employment related issues, including: compensation levels of full-time employees in the spa industry; factors affecting compensation levels; compensation structures in respect of paid time off, paid education/training or paid sick leave; and unstaffed positions for service providers. Those topics are the subject of a separate supplementary report, which is being provided only to survey respondents.



Research Objectives

The research objectives of the 2016 U.S. Spa Industry Study are as follows:

- Determine the size of the spa industry in the United States; specifically in terms of the 'Big 5' statistics:
 - Number of establishments;
 - Revenues;
 - Number of visits;
 - Revenue achieved per visit; *and*
 - Employment.
- Estimate the growth rate of the industry.
- Determine current and future industry trends and challenges.
- Develop a profile of the U.S. spa industry using criteria such as regional distribution, spa type, ownership structure and service/product offerings.
- Evaluate compensation levels of full-time employees within the spa industry. A separate supplementary report has been prepared on that topic.
- Manage the ISPA database of key industry statistics.



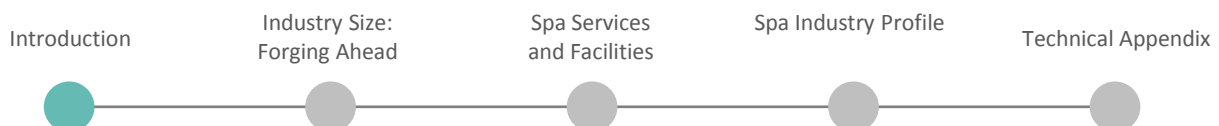
Definitions

For the purpose of the ISPA Study, a spa is defined as a place of business that enhances the overall well-being of a person through a variety of professional spa services that encourage the renewal of mind, body and spirit. To be qualified as a spa, a business must offer at least two of the following three services: massage (full body); skin care treatments (i.e. facials); or body treatments (i.e., hydrotherapy or body wraps/scrubs).

The spa industry categories used in this study are as follows:

- Club spa: Primary purpose is fitness, offers a variety of spa services on a day-use basis.
- Day spa: Offers spa services to clients on a day-use basis.
- Destination spa: Historically a seven-day stay, encompassing spa services as part of a program whose primary purpose is guiding individual spa-goers to develop healthy habits.
- Medical spa: Operates under the full-time on-site supervision of a licensed health care professional. Primary purpose is to provide comprehensive medical and wellness care in an environment that integrates spa services.
- Mineral springs spa: Offers on-site source of natural mineral, thermal or sea water used in professionally administered hydrotherapy services.
- Resort/Hotel spa: A spa located within a resort or hotel.

Throughout the report, data is analyzed by type of spa. Day and resort/hotel spas are generally listed with the remaining spas combined into the 'other' spa category, due to their sample sizes in the survey undertaken for this study.



Structure of Report

The remainder of the report is structured as follows:

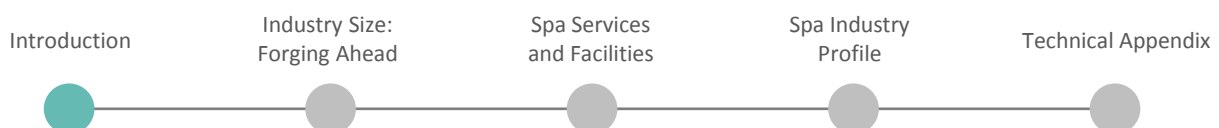
Section 2 Industry Size – Forging Ahead: This Section provides an industry level overview and commences with the 2016 Industry Study findings for the 'Big 5' statistics. It then reviews recent trends in key business indicators before concluding with a look-ahead to 2016, including confidence, plans and respondents' views on key trends.

Section 3 Spa Services and Facilities: This Section presents a picture of the facilities and services that spas offer to their visitors. This Section comprises five main parts, including the main elements of indoor space occupied by spa establishments, core spa services, the retail component and the programs and treatment offerings that spas had in place in 2015, including the facility to book online.

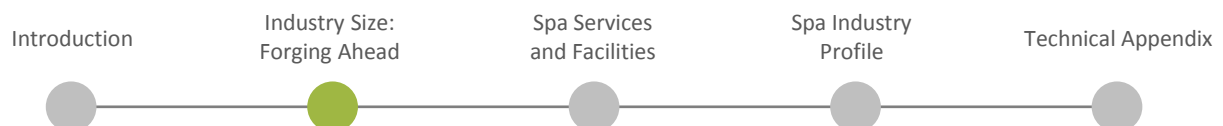
Section 4 Spa Industry Profile: This Section presents a profile of spa establishments, including composition by type of spa, size differences and the geography of the industry.

Section 5 Technical Appendix: This Section contains some more detailed information on how the survey was undertaken.

Note: All percentage calculations are based on un-rounded figures; therefore, totals or sub-totals may differ due to rounding.



Section 2 | Industry Size: Forging Ahead



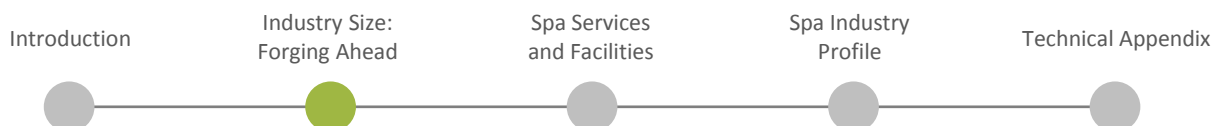
Section 2: Introduction

This Section presents the survey findings for the size of the U.S. spa industry.

The following topics are addressed:

- What is the size of the spa industry in the U.S., as measured by revenues, visits, locations and employment?
- What is the average revenue per client visit?
- What are the more recent trends in client visits, spending per client visit, revenue and staffing?
- How did the sector perform in terms of profitability in 2015?
- Looking ahead – how confident are spas of an increase in revenues in the next six months? What do they plan to add or create to improve the business in 2016? What are the next 'big' trends in the sector?

This Section commences with an overview on the national economic context, especially the pace of growth in the U.S. economy during 2015 and into the first half of 2016.



The Economic Context

The U.S. economy remained on an upward growth path over the course of 2015, as measured by a range of economic indicators.

As measured by the Gross Domestic Product (GDP), the growth in the level of economic activity nationwide averaged 2.6% in 2015, marking six successive years of positive annual growth since the Great Recession of 2008-09.

Employment continued to rise, up by 2.6% in 2015, accompanied by a further drop in the unemployment rate, which fell from 6.2% in 2014 to 5.3% in 2015.

Fuelled by the growth in jobs, compensation of employees increased by 4.8% in 2015. Personal consumption expenditure on services was similarly robust, rising by 4.8% in cash terms and 2.8% after adjusting for price changes.

Inflation remained subdued in 2015, with the consumer price index (CPI) for all items rising by just 0.1%.

The U.S. economy:

Selected indicators, annual percent change

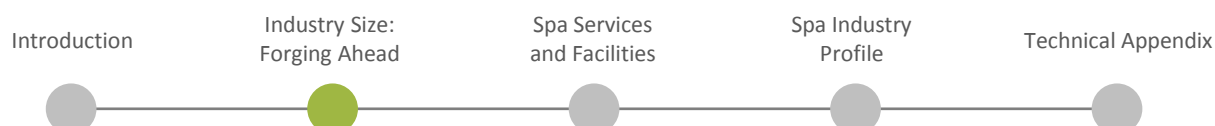
	2014	2015	2016(Q1)
GDP (Constant 2009 \$)	2.4%	2.6%	1.2%
Employment	2.2%	2.6%	1.8%
Unemployment	6.2%	5.3%	4.9%
Compensation of Employees			
Current \$	4.6%	4.8%	2.6%
Personal Consumption Expenditure *			
All services			
Current \$	4.9%	4.8%	5.5%
Constant (2009) \$	2.3%	2.8%	3.0%
Consumer Price Index			
All items	1.6%	0.1%	1.1%

Sources: Bureau of Economic Analysis (BEA); Bureau of Labor Statistics.

*Personal consumption expenditure is a measure of how much consumers spend on durable goods, consumer products, and services. The figures shown above relate to spending on services.

GDP, income and expenditure data extracted from revised estimates published by BEA in July 2016.

Rates shown in constant (2009) \$ are adjusted for inflation.



The Big Five Statistics: 2015 Out-Turn and Percent Change Over 2014

Similar to the national trend, the spa industry also experienced continued growth in 2015. Total revenue is estimated to have increased by 5.0%, up from \$15.5 billion in 2014 to \$16.3 billion in 2015. The increase in spa revenues was driven by a rising number of spa visits (+2.1%) combined with increased revenue per visit (+2.9%) and expansion in the number of spa locations (+1.8%).

New spa openings are estimated to have exceeded spa closures by a margin of 360 in 2015, bringing the total number of spa locations up to 21,020 from 20,660 in 2014 (+1.8%).

The number of spa visits remained on an upward path in 2015, from 176 million in 2014 to 179 million in 2015 (+2.1%). With revenue growth outpacing the increase in visits, the average revenue per visit increased from \$88 in 2014 to \$91 in 2015 (+2.9%).

Overall total employment is estimated to have remained broadly stable, at 359,300 as at May 2016, compared with 360,000 as at May 2015 (-0.2%).

	2014 (Year End)	2015 (Year End)	% Change
Revenue	\$15.5 billion	\$16.3 billion	5.0%
Spa visits	176 million	179 million	2.1%
Locations	20,660	21,020	1.8%
Revenue per visit	\$88	\$91	2.9%

	2015 (May)	2016 (May)	% Change
Total Employees	360,000	359,300	-0.2%
Full-Time	153,800	162,000	5.3%
Part-Time	164,500	157,800	-4.1%
Contract	41,700	39,500	-5.3%

Spa Establishments

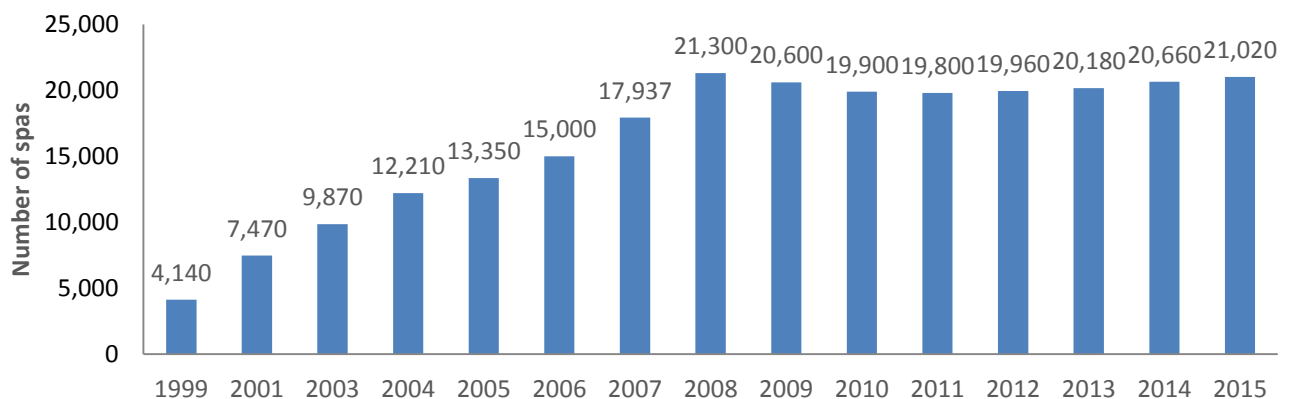
With the total number of spa locations increasing to 21,020, the 2015 out-turn represents the first time that spa locations have exceeded 21,000 since the pre-recession peak in 2008, when the number of locations stood at 21,300.

The number of spa locations is estimated to have increased from 20,660 in 2014 to 21,020 by the end of 2015, an increase of 1.8%.

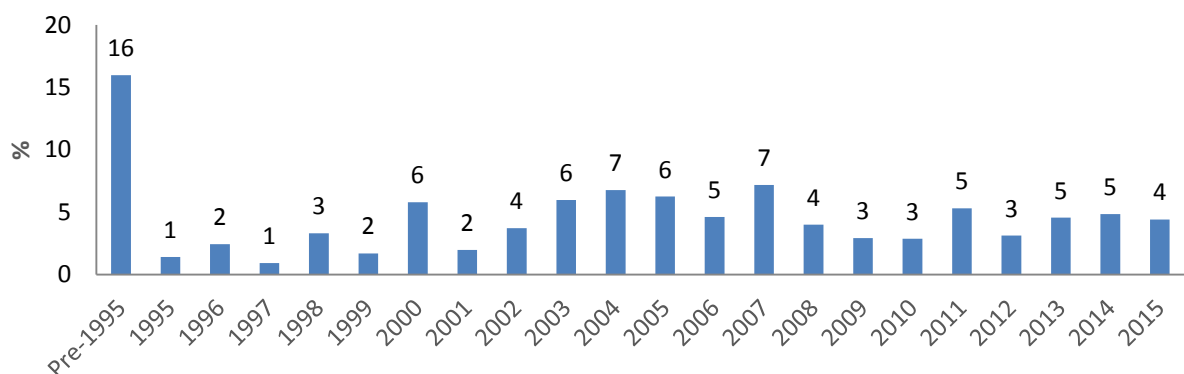
The increase in the number of spa locations reflects the excess of new spa openings over closures of existing spas.

In 2015, there were an estimated 890 new spa openings, adding 4.4% to the number of spas in operation at the end of 2014. The new spa openings were partly offset by an estimated 530 spa closures over the course of 2015, representing 2.6% of the end-2014 stock. The net effect was the addition of around 360 spa locations during 2015 (+1.8%).

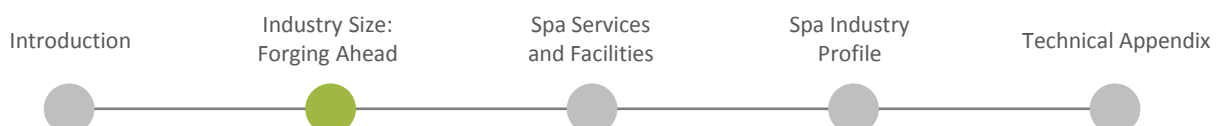
Total spa establishments in the U.S.



Year spa opened



Note: Year spa opened based on responses to 2016 survey.



Establishments by type of spa

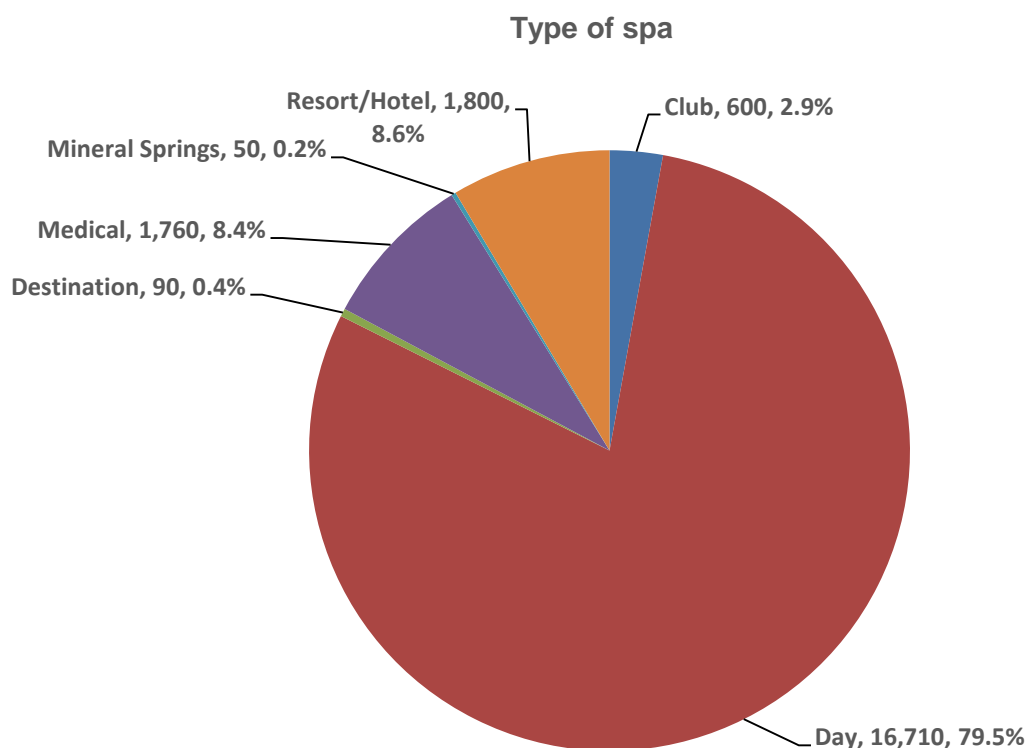
As in previous years, day spas continue to account for a large majority of spa locations (79.5%).

According to the latest industry study estimates, there are now over 16,700 day spa establishments operating across the U.S., an increase of +1.8% compared to the 2014 estimate (16,400).

The number of resort/hotel spas at the end of 2015 is estimated at 1,800 representing a rise of 1.3% on the 2014 level (1,780).

The number of medical spas (1,760) is estimated to have risen by 2% compared to the 2014 position (1,720).

Club spa locations are estimated to have risen to 600, a growth of 2.3% on the position in 2014.



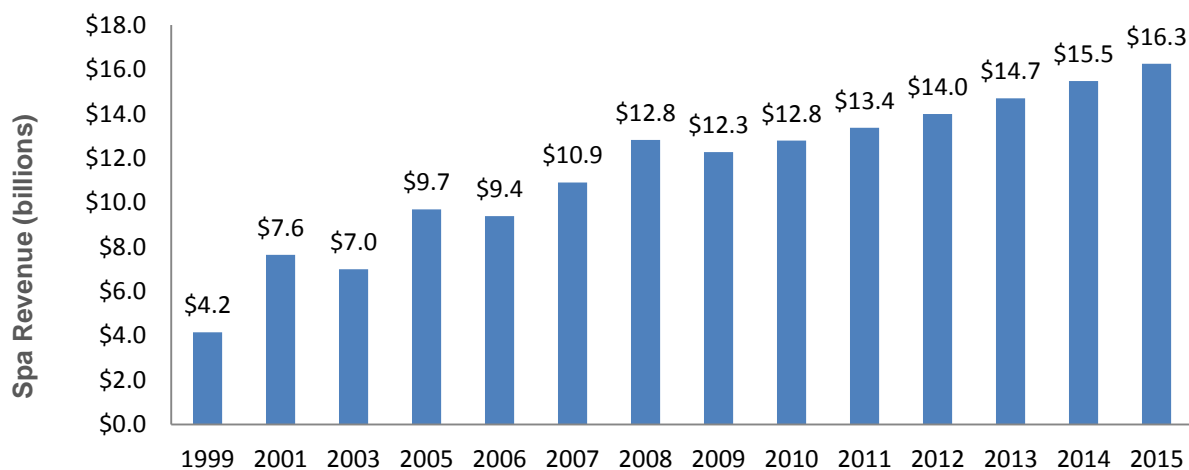
Spa Revenues

Total spa revenues for 2015 are estimated at \$16.3 billion, an increase of \$0.8 billion (+5%) on total revenue in 2014 (\$15.5 billion)

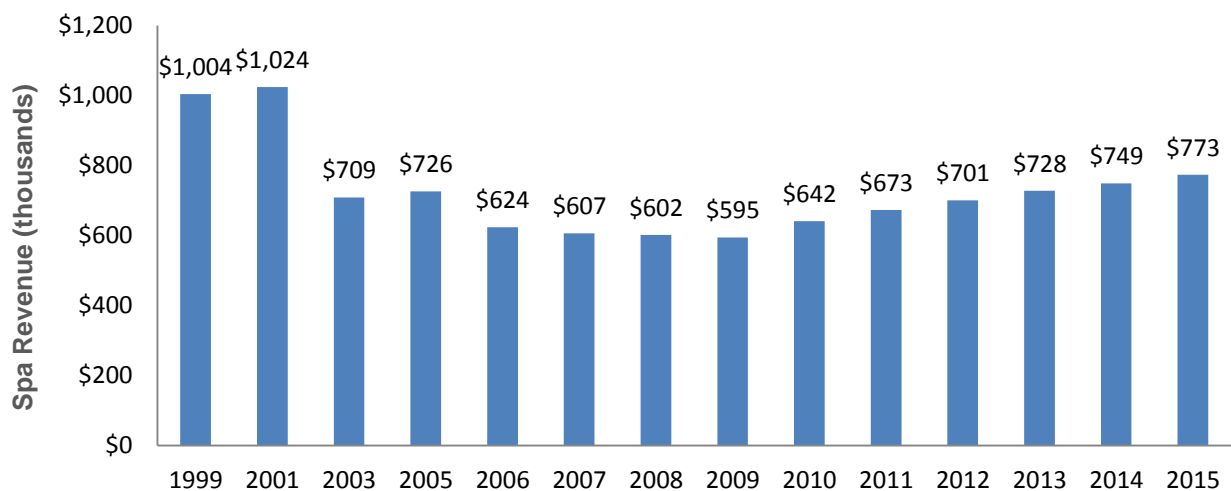
The total growth in spa revenues was on par with the overall expansion in consumer spending on services in the U.S, which rose by 4.8% in cash terms.

Average revenues per spa location rose to \$773,000 in 2015, an increase of 3.2% on the 2014 average of \$749,000.

Total spa revenue in the U.S. (billions)



Average revenue per establishment (thousands)



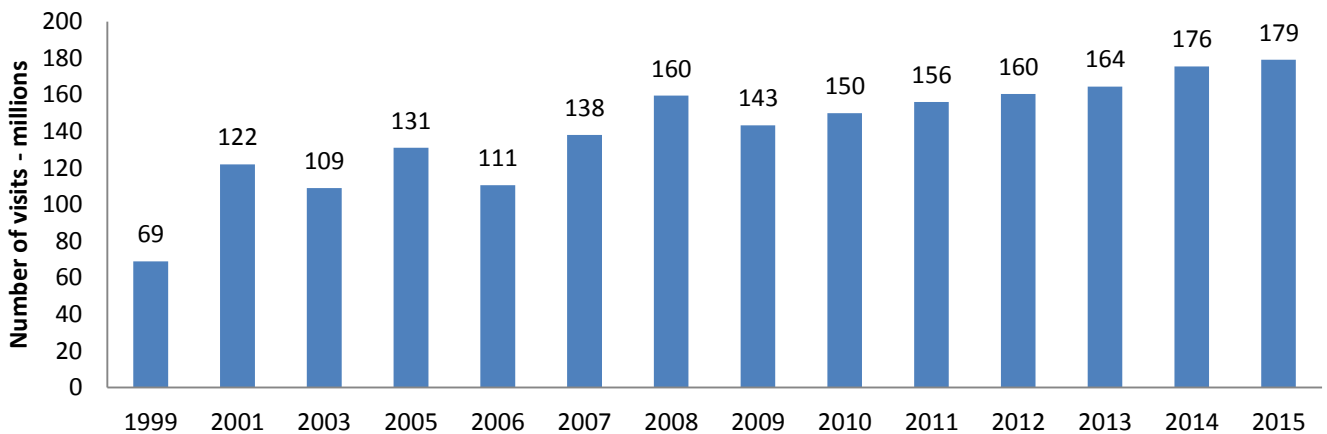
Spa Visits

The total number of visits to spa establishments is estimated to have risen from 176 million in 2014 to 179 million in 2015.

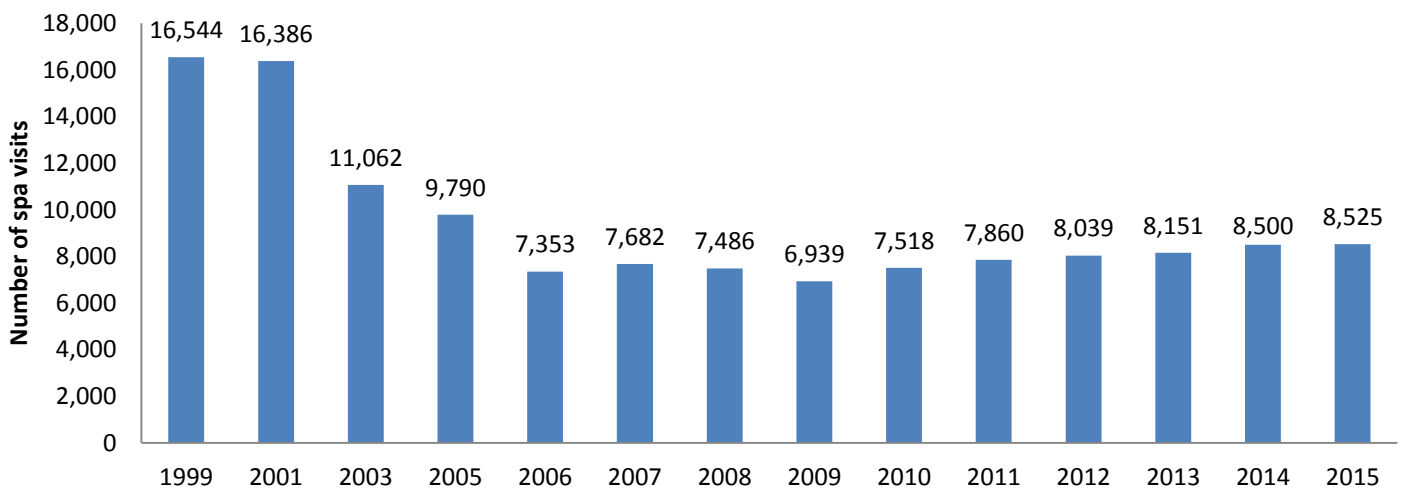
In 2015, total spa visits were 2.1% higher than in 2014.

Average visits per spa rose to 8,525, slightly up on the estimated average of 8,500 visits per spa in 2015. Nonetheless, it can be noted that the average visits per spa have been on a consistent upward trend since 2009, when the average fell below 7,000 in the wake of the Great Recession of 2008-09.

Total spa visits in the U.S. (millions)



Average visits per establishment



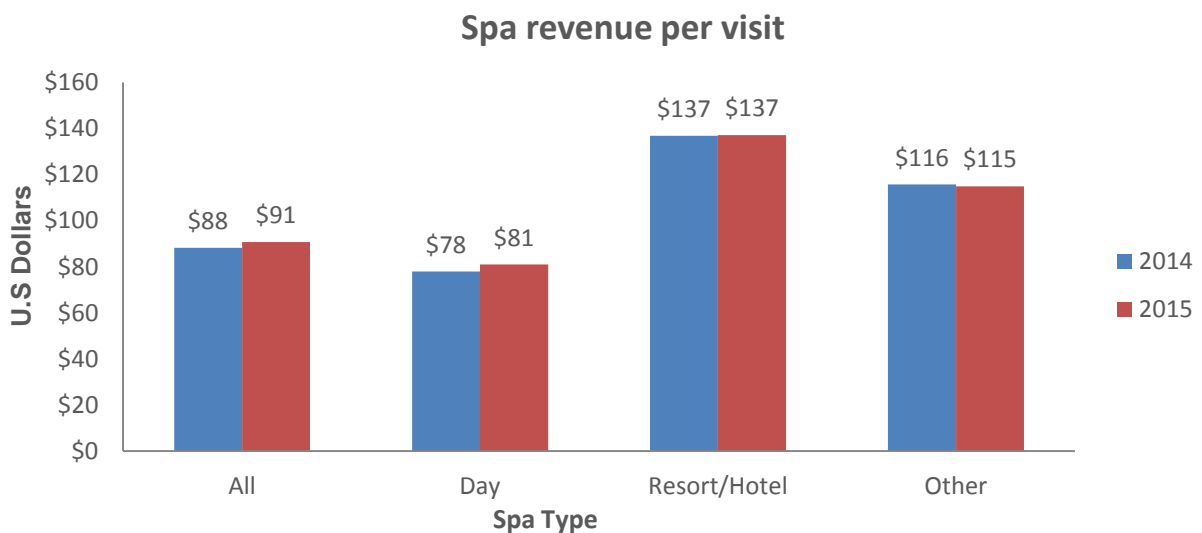
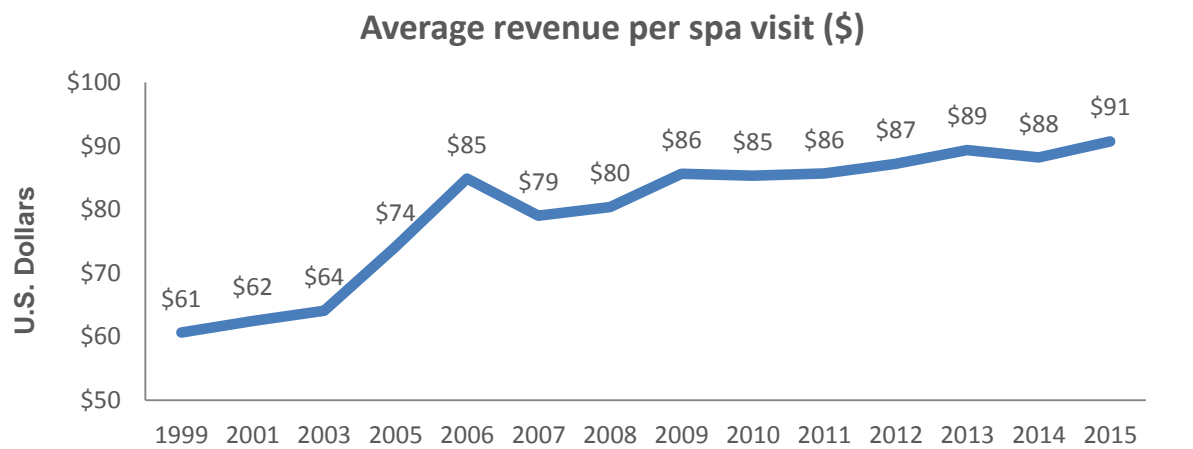
Average Spa Revenue Per Visit

The average revenue per visit in 2015 is estimated at \$91, an increase of 2.9% on the 2014 out-turn (\$88).

Average revenue per spa visit has tended to fluctuate somewhat from one year to the next. That reflects the range of factors that can affect the average amount that clients spend when they visit a spa, including: the use of incentives such as discounting; pricing in a competitive marketplace; and changes in the menu of spa offerings, such as the introduction of shorter or express treatments.

Nonetheless, it can be seen from the historical trend that the per-visit average has been moving in a broadly upward direction. The estimated out-turn for 2015 represents a reversal of the fall in revenue per visit that occurred in 2014, when the average dropped from \$89 in 2013 to \$88.

Average spend per visit also varies by spa type, ranging from \$81 for day spa visits to \$137 for resort/hotel visits.



Employment

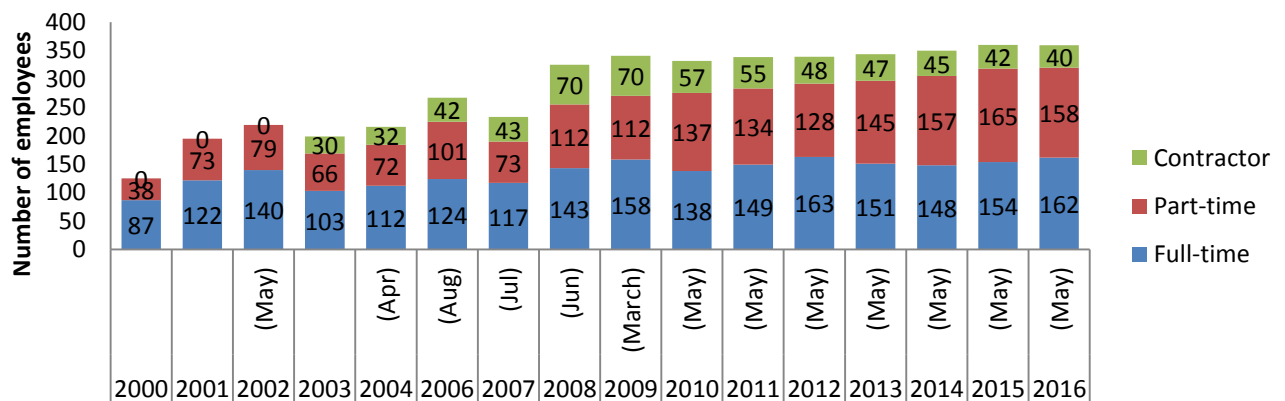
Overall total employment is estimated to have remained broadly stable, at 359,300 as of May 2016, compared with 360,000 as of May 2015 (-0.2%).

The 2016 out-turn represents a contrast between robust growth in the number of full-time employees (+5.3%) alongside a fall in the number of part-time workers (-4.1%). Consequently, in May 2016, the estimated number of full-time workers (162,000) was slightly in excess of the number of part-time employees (157,800).

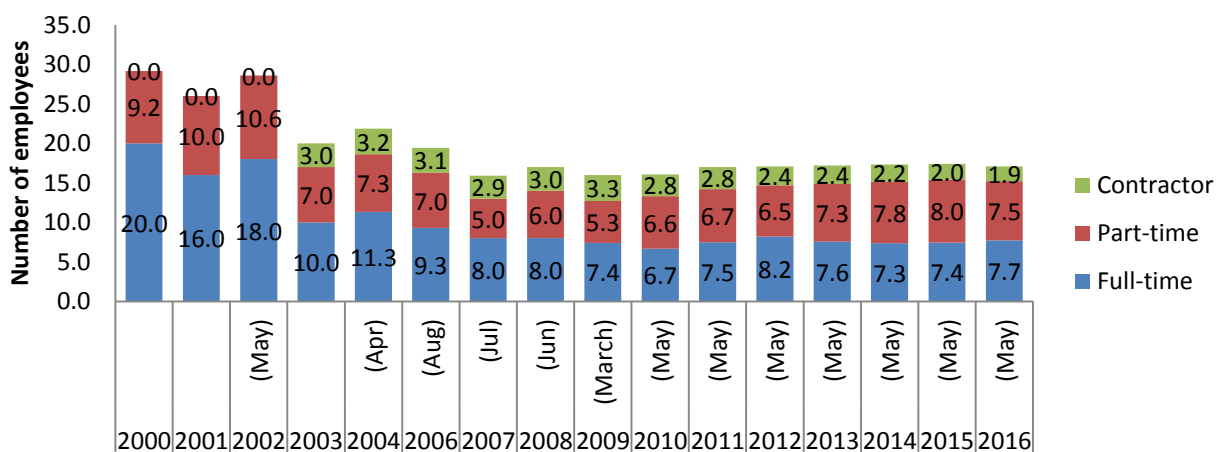
In recent years, the number of part-time workers had been rising at a faster pace than the full-time workforce. It remains to be seen whether the reversal in that trend in 2016 is temporary or longer-lasting. Nonetheless, the rise in the number of full-time positions would suggest that spas have been accommodating the recent growth in demand by increasing higher weekly hours worked by their employees.

The number of independent contractor positions is estimated to have declined over the period from May 2015 to May 2016, from 44,600 to 41,700 (-6.5%). The reduction in the share of employment filled by independent contractors reflects an ongoing trend, evident since 2010.

Total employees in the U.S. (thousands)



Average employees per establishment



Comparative Size of the Spa Industry

The accompanying chart shows the size of the spa industry in 2015 compared with the estimated sizes of other U.S. leisure industries, as measured by annual revenues. With revenues of \$16.3 billion in 2015, the spa industry falls within the middle of the range of leisure industries shown below.

The estimated 5% growth in spa industry revenue ranked ahead of the percentage change in amusement/theme park revenue (+4.6%), Broadway show gross receipts (+0.6%) and golf fees and dues (-1.3%). Spa revenue growth was slower than the estimates for health and racquet club revenue (+6.6%), box office receipts (+6.4%), ski resort ticket revenues (+6.7%) and timeshare sales (+8.9%).

Estimated sizes of U.S. Leisure Industries



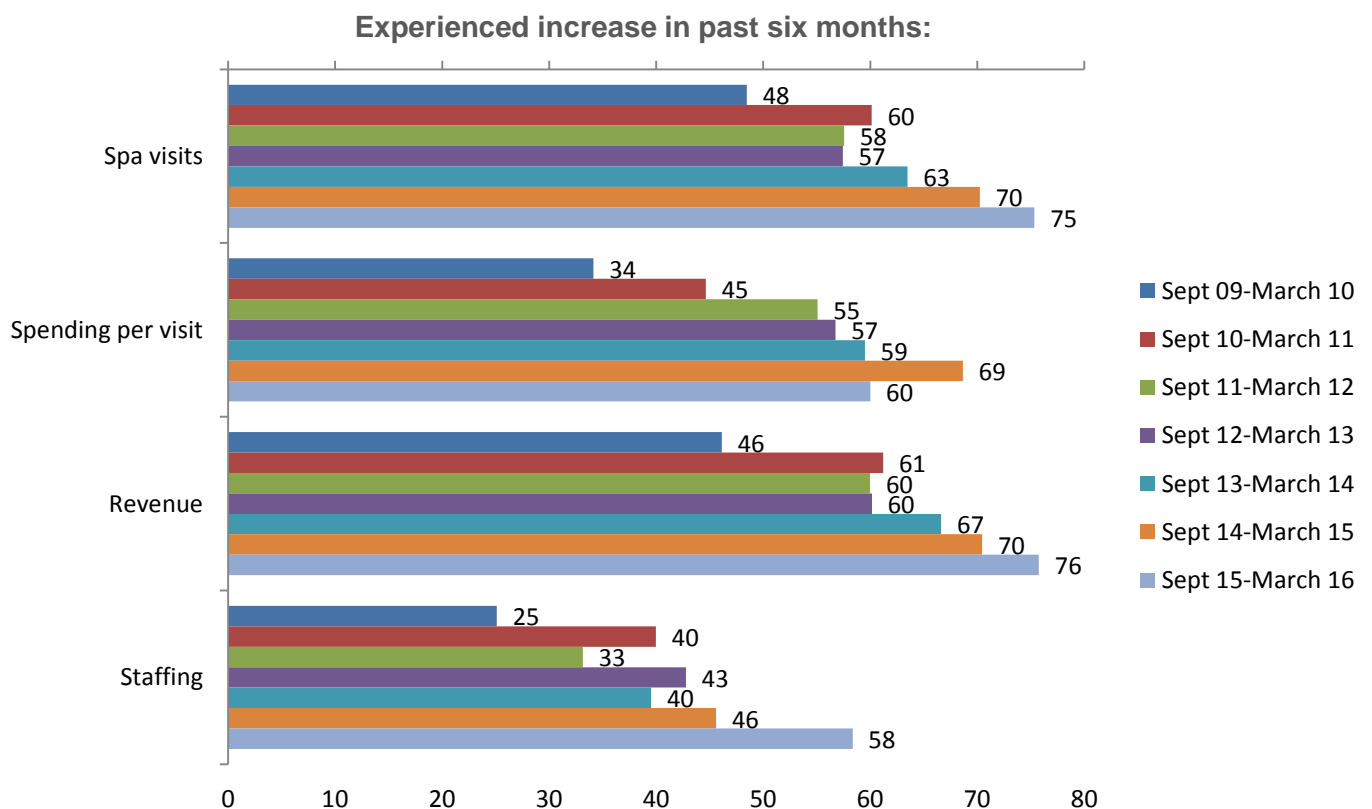
Recent Demand Trends

When asked about their more recent experience in the six months prior to the survey (September 2015 to March 2016), three in four spas (75%) reported an increase in revenue (75%). A similar proportion reported an increase in visits (76%) while 60% said client spending was on a rising trend compared to the same period in the previous year. The proportions reporting increasing revenues and visits were at their highest levels since the recent trends question was first posed to survey respondents in the 2010 Industry Study, indicating that growth in the spa sector remains on an upward path.

The proportion stating an increase in staffing levels (58%) was also at its highest since the tracking of recent trends commenced in the 2010 Industry Study.

In order to gauge more recent trends in the industry, survey respondents were asked to say whether, in the period from September 2015 to March 2016, they had experienced an increase, decrease or no change in relation to client visits, spending, revenue and staffing levels, when compared to the same period the previous year. The results by spa type are reported in the following pages.

Summary of experience in the past six months (September 2015 to March 2016) compared to the same periods in 2009-2010, 2010-2011, 2011-12, 2012-13, 2013-14 and 2014-15



Recent Demand Trends by Spa Type

The survey results for recent demand trends by type of spa are shown in the table overleaf. Judging from the recent trends in spa visits, client spending, revenues and staffing, demand would appear to have remained healthy through the early part of 2016.

Spa visits

In the six months from September 2015 to March 2016, three in four spas (75%) said they had experienced an increase in the number of visits. Only 11% of spas reported a decrease.

The proportion reporting an increase in visits did not vary greatly by type of spa, ranging from 76% among day spas to 71% in the resort/hotel sector.

Client spending per visit

Client spending per visit was on an upward trend for the majority of spas (60%). A little under one in three spas (32%) reported no change in client spending per visit with just 8% saying that spending per visit had fallen.

Spending per visit was slightly more buoyant among resort/hotel spas, with 66% reporting an increase compared to 57% of day spas.

Revenues

Reflecting the positive trends in both spa visits and client spending per visit, over three in four spas (76%) said that revenues had increased in the past six months compared to the same period one year previously. Just 8% of spas said revenues had decreased.

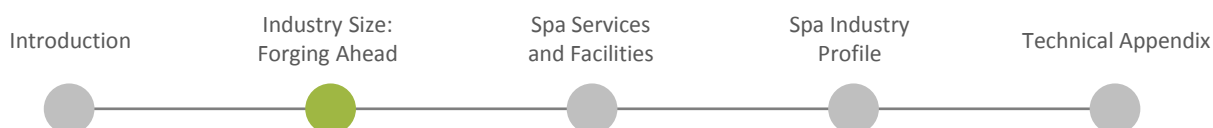
Day and resort/hotel spas were equally likely to say that revenues had increased (75%).

Staffing levels

Almost three in five spas (58%) said they had increased staffing levels in the last six months compared to the same period in the previous year. Fewer than one in five spas (18%) said their staffing levels were decreasing with the remaining 24% saying that staffing levels had remained unchanged.

The trend toward increasing staffing levels was strongest among day spas, with 61% saying they were increasing employment. Among resort/hotel spas, 41% indicated an increase in staffing levels. A similar proportion of resort/hotel spas (41%) said staffing levels had remained unchanged in the six months from September 2015 to March 2016, compared to the same period one year previously.

Staffing issues, including unfilled positions and compensation levels, are examined in greater detail in the Compensation report, published separately.



Recent Demand Trends

Experienced increase in past six months (September 2015 to March 2016):

Spa visits	All	Day	Resort/Hotel	Other
Decreased	11%	10%	15%	17%
No change	13%	14%	13%	10%
Increased	75%	76%	71%	74%
Client spending per visit				
Decreased	8%	7%	14%	8%
No change	32%	36%	20%	18%
Increased	60%	57%	66%	74%
Revenue				
Decreased	12%	12%	16%	10%
No change	12%	13%	10%	9%
Increased	76%	75%	75%	81%
Staffing levels				
Decreased	18%	18%	18%	17%
No change	24%	20%	41%	32%
Increased	58%	61%	41%	51%

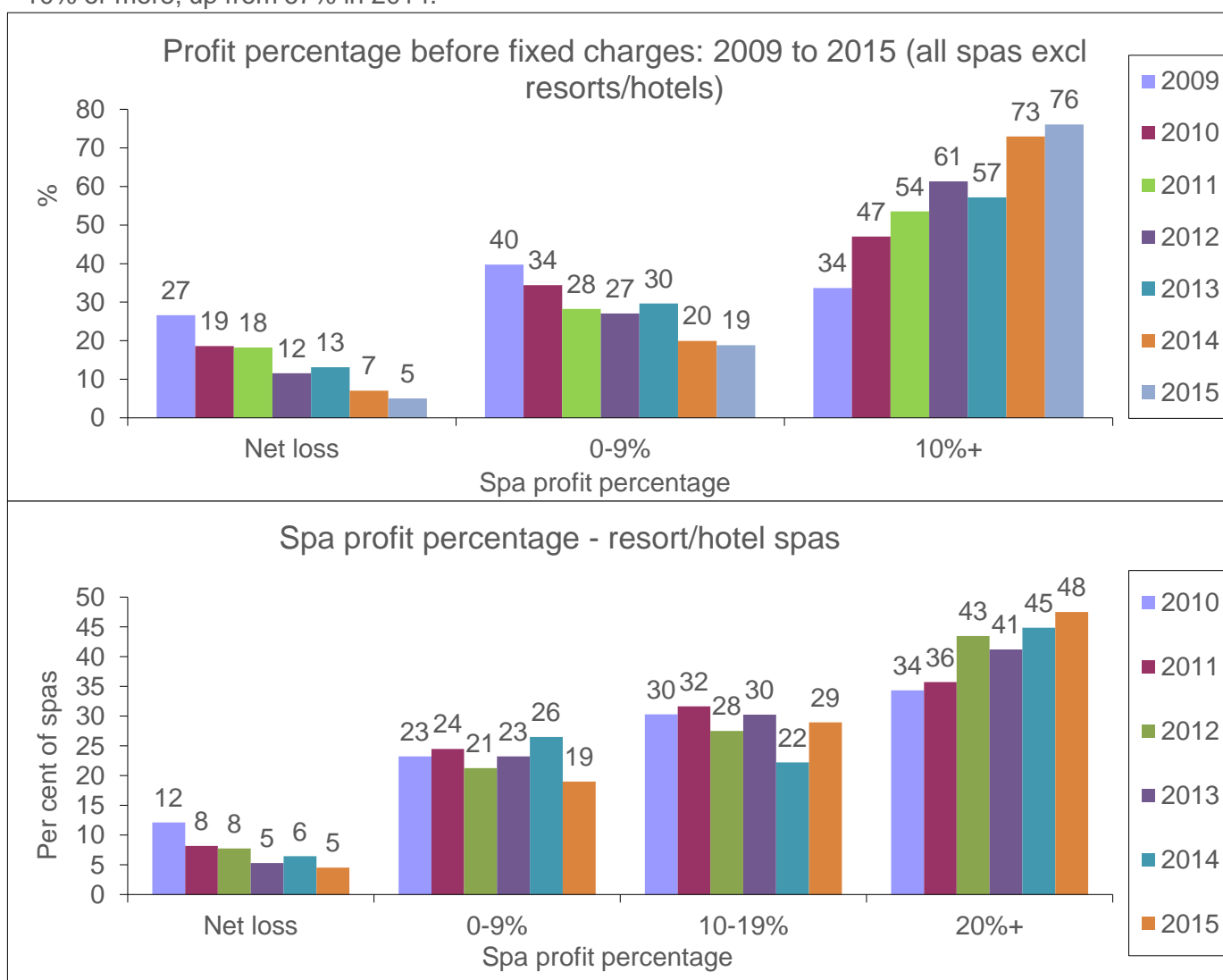
Profitability

Against a backdrop of continued revenue growth, profitability in the spa sector remained on an upward trajectory in 2015.

Since many resort/hotel spas are part of a larger enterprise, survey respondents in the resort/hotel sector were asked to give their approximate spa profit percentage, for the spa operation only and not the entire business. All other types of spa establishments were asked to give the approximate spa profit before fixed charges percentage.

Excluding the resort/hotel sector, over three in four spas (76%) reported a 2015 profit percentage in excess of 10%, the highest level reported since the Great Recession of 2008-09. The proportion reporting a net loss fell to just 5% in 2015, the lowest reported since 2009.

Within the resort/hotel sector, almost one in two spas (48%) reported a spa profit percentage in excess of 20% for 2015 with a further 29% saying that the profit percentage was in the range of 10-19%. Overall, therefore, over three in four resort/hotel spas (77%) reported a profit percentage of 10% or more, up from 67% in 2014.



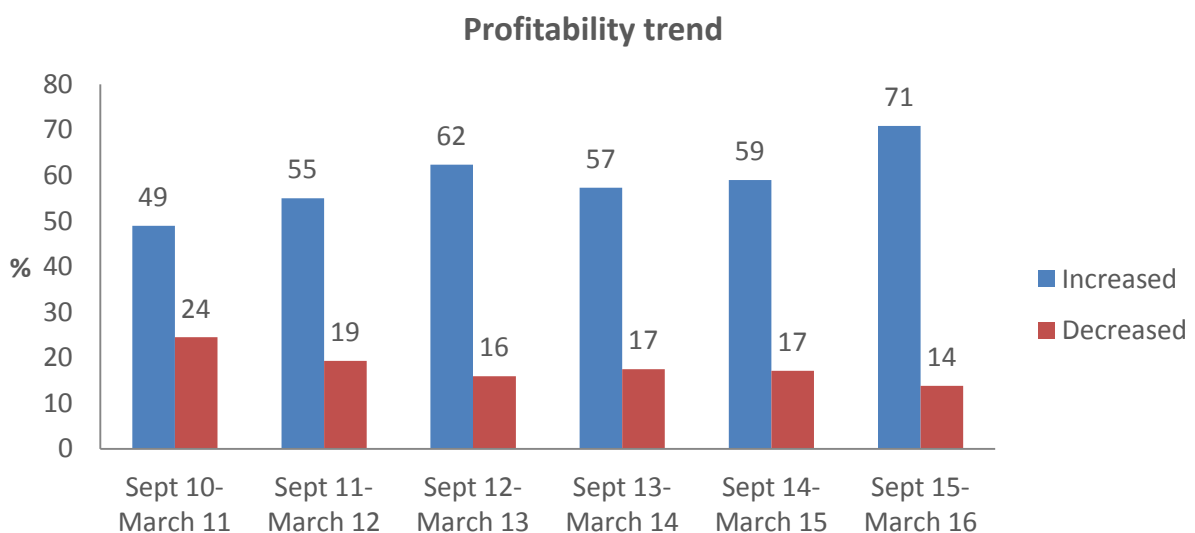
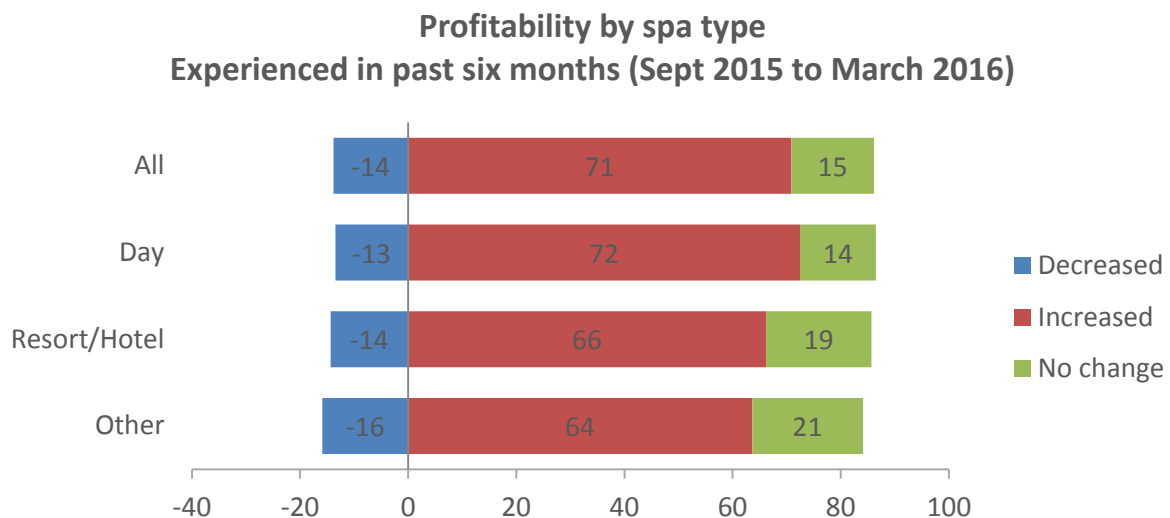
Profitability: Recent Trends

When asked about their more recent experience in the six months prior to the survey (September 2015 to March 2016), 71% of spas said that profitability had improved compared to the same period one year previously.

The proportion reporting increased in profitability was slightly higher for day spas (72%) when compared with resort/hotel spas (66%).

Relatively few spas said that profitability had fallen in the six month period, 15% overall and varying little by type of spa.

At 71%, the proportion of spas saying that profitability had increased in the six months through March 2016 was 12 percentage points higher than the same period in 2015 (59%). Indeed, the 2016 proportion was the highest recorded since the profitability trend question was first posed in the 2011 Industry Study.



Looking Ahead: Confidence

The overwhelming majority of spas are confident that revenues will continue to increase in 2016. Almost nine in 10 spas (87%) said they were 'confident' (49%) or 'very confident' (38%) of an increase in revenues in the next six months.

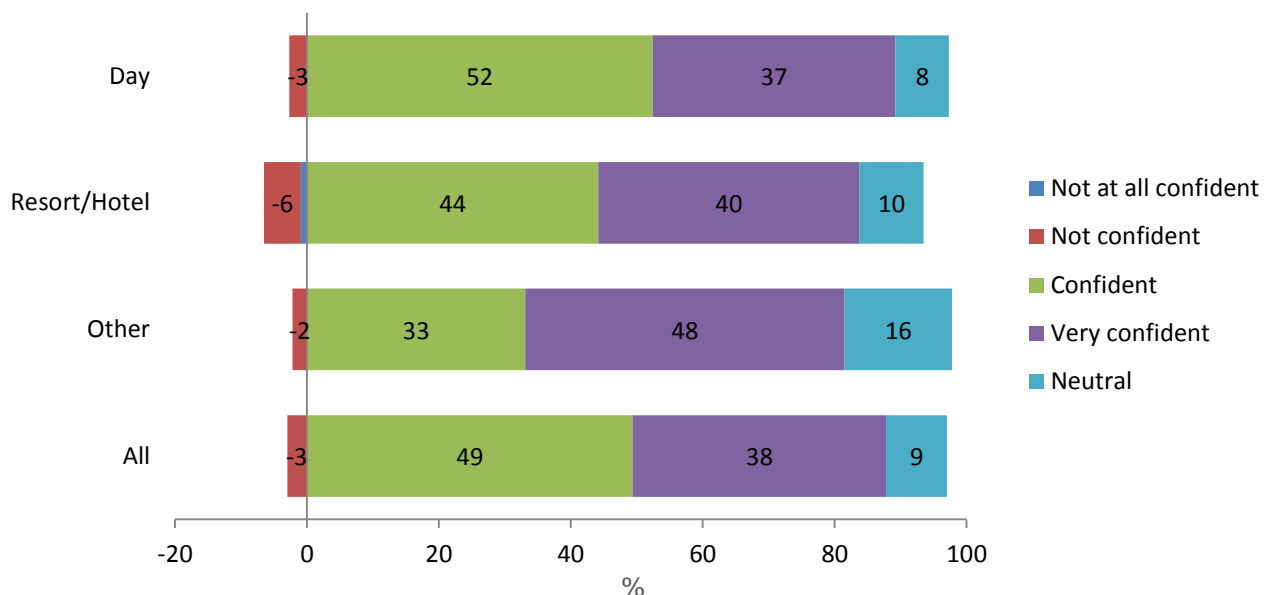
Among day spas, 89% said they were 'confident' (52%) or 'very confident' (37%) of an increase in revenues.

Resort/hotel spas were also expecting revenues to remain buoyant over the next six months, with 84% indicating they were 'confident' (44%) or 'very confident' (40%).

The combined other spa sub-sector was similarly upbeat, with 81% expressing confidence that revenues will increase.

Very few spas (3%) said they were not confident of an increase in revenues in 2016

Confidence in increase of revenues in the next six months



Looking Ahead: Plans for 2016

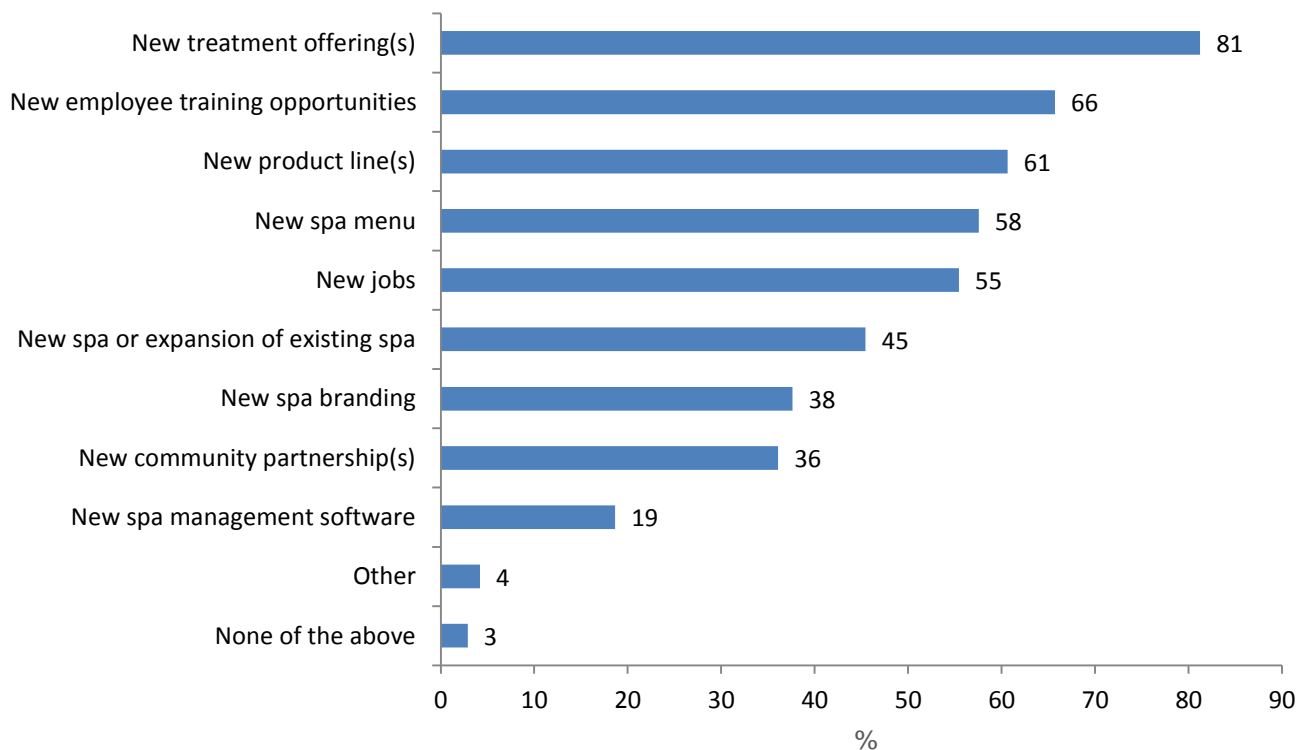
Spas continue to position themselves for further growth. When asked about their plans for 2016, almost all spas said they were planning to add or create a range of enhancements to their business.

Over four in five spas (81%) said they would be adding or creating new treatment offerings for their clients. Complementing those plans, 61% of spas said they would be introducing new product lines and 58% planned the creation of a new spa menu.

Spas also plan on taking measures to ensure they have the capacity to take their business forward in 2016, with 66% saying they intended adding or creating new employee training opportunities. Over one in two spas (55%) said they planned to create new job opportunities in 2016. A new spa or expansion of an existing spa was mentioned by 45% of spas.

On the marketing side, 38% of spas intend creating a new spa branding. Over one in three spas (36%) said they planned to add or create new community partnerships.

Planning to add or create in 2016



Looking Ahead: New Trends Shaping the Spa Industry

Survey respondents were asked to give their views on what they believe will be the next big new trend that will shape the spa industry over the next year or so. The following is a summary of their responses.

The most frequently identified trends related to wellness, health and fitness were referenced by over one in three spas (34%). Within that context, corporate wellness also received a number of mentions, mainly in the resort/hotel sector. On the wellness theme, respondents also pointed to integration of spa services and healthcare.

Other frequently mentioned trends, which resonated with wellness, health and fitness included:

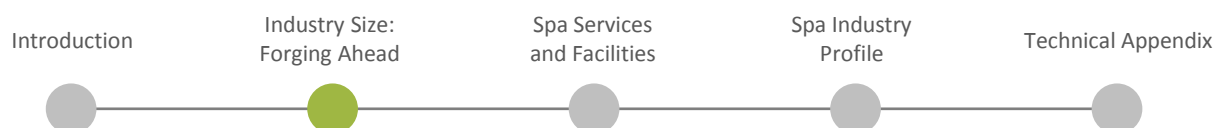
- The use of organic/natural products and treatments, including reference to natural cures, wellness treatments with organic products, alternative and holistic health and salt treatments. Variations on this trend were identified by almost one in five respondents (18%) .
- Advances in skin care, including a general increase in technology, results-oriented treatments and greater use of high-tech equipment. Mentioned by 9% of respondents.
- Customization and catering to individual needs of clients, including personalized packages, to help distinguish spas in a competitive environment. Highlighted by 5% of respondents.
- Stress management – 4% of respondents pointed to trends around this topic, such as incorporation of stress reducing treatments and programs into clients' daily lifestyles.
- Healthy ageing – mentioned by 4% of respondents, comments around this trend tended to focus on technology and skin-care treatments.

Other trends cited by respondents were more about ways of delivering services to clients or making the spa experience more accessible, including:

- Spa on demand – including more options for 'at home' and mobile services. Cited by 6% of respondents.
- Express/convenient – including shorter or express treatments and allowing clients to check in themselves. This trend was mentioned by 4% of respondents.
- Memberships – 3% of spas highlighted more trends around the topic of memberships, such as membership/loyalty programs and memberships for monthly massages.

A number of respondents also highlighted demographic trends, pointing to growing demand from different age groups, such as millennials (4% of respondents) and also men (3%).

Fifteen percent of respondents cited a diverse list of other trends, though it was apparent that some comments were more about challenges that those spas face in their business e.g. training/staffing issues, discounting, competition.



Key Points Summary

The economic context

In 2015, the U.S. economy continued to expand. As measured by the Gross Domestic Product (GDP), the growth in the level of economic activity nationwide averaged 2.6% in 2015. Personal consumption expenditure rose by 4.8% in cash terms and 2.8% after adjusting for inflation.

The industry in 2014: Forging Ahead

Similar to the national trend, the spa industry also experienced continued growth in 2015. Total revenue is estimated to have increased by 5.0%, up from \$15.5 billion in 2014 to \$16.3 billion in 2015. The increase in spa revenues was driven by a rising number of spa visits (+2.1%) combined with increased revenue per visit (+2.9%) and expansion in the number of spa locations (+1.8%).

New spa openings are estimated to have exceeded spa closures by a margin of 360 in 2015, bringing the total number of spa locations up to 21,020 from 20,660 in 2014 (+1.8%). The 2015 out-turn represents the first time that spa locations have exceeded 21,000 since the pre-recession peak in 2008, when the number of locations stood at 21,300.

The number of spa visits remained on an upward path in 2015, from 176 million in 2014 to 179 million in 2015 (+2.1%). With revenue growth outpacing the increase in visits, the average revenue per visit increased from \$88 in 2014 to \$91 in 2015 (+2.9%).

Overall total employment is estimated to have remained broadly stable, at 359,300 as of May 2016, compared with 360,000 as of May 2015 (-0.2%). The 2016 out-turn represents a contrast between robust growth in the number of full-time employees (+5.3%) alongside a fall in the number of part-time workers (-4.1%). Consequently, in May 2016, the estimated number of full-time workers (162,000) was slightly in excess of the number of part-time employees (157,800).

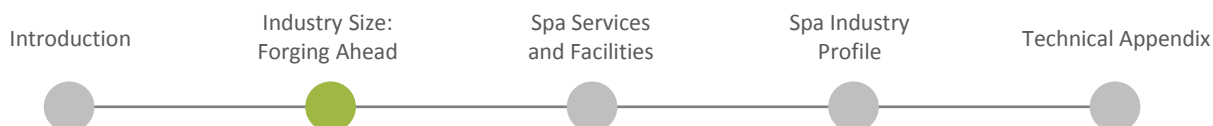
The rise in the number of full-time positions would suggest that spas have been accommodating the recent growth in demand by increasing higher weekly hours worked by their employees.

The number of independent contractor positions is estimated to have declined over the period from May 2015 to May 2016, from 41,700 to 39,500 (-5.3%). The reduction in the share of employment filled by independent contractors reflects an ongoing trend, evident since 2010.

Profitability

Profitability remains buoyant in the spa industry. Excluding the resort/hotel sector, 76% of spas reported a 2015 profit increase of 10% or more, slightly above the 2014 outturn (73%). The proportion reporting a net loss dropped to 5% in 2015, from 7% in 2014.

Within the resort/hotel sector, over three in four spas (77%) reported a spa profit increase in excess of 10% for 2014, representing an improvement on the 2014 position when 67% reported a profit increase over 10%. The proportion saying they experienced a net loss was 5%, broadly unchanged from 2014 (6%)



Key Points Summary

Recent trends: Buoyant Demand

When asked about their more recent experience in the six months prior to the survey (September 2015 to March 2016), three in four spas reported an increase in revenue (75%). A similar proportion reported an increase in visits (75%), while 60% said client spending was on a rising trend compared to the same period in the previous year. The proportions reporting increasing revenues and visits were at their highest levels since the recent trends question was first posed to survey respondents in the 2010 Industry Study, indicating that growth in the spa sector remains on an upward path.

Almost three in five spas (58%) said they had increased staffing levels in the last six months compared to the same period in the previous year. Less than one in five spas (18%) said their staffing levels were decreasing, with the remaining 24% saying that staffing levels had remained unchanged.

The overwhelming majority of spas are confident that revenues will continue to increase in 2016. Almost nine in 10 spas (87%) said they were 'confident' (36%) or 'very confident' (53%) of an increase in revenues in the next six months.

Looking ahead: Enhancing the Experience

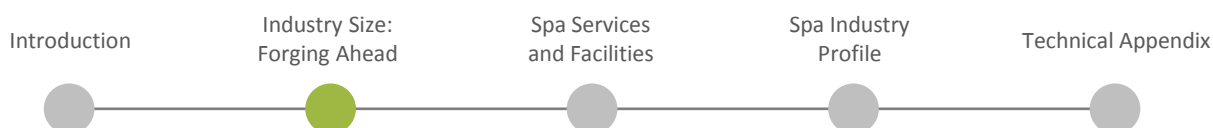
Spas continue to position themselves for further growth. Almost all spas said they were planning to add or create a range of enhancements to their business in 2016.

When asked about their plans for 2016, 81% said they would be adding or creating new treatment offerings. Complementing those plans, 61% of spas said they would be introducing new product lines and 58% planned the creation of a new spa menu.

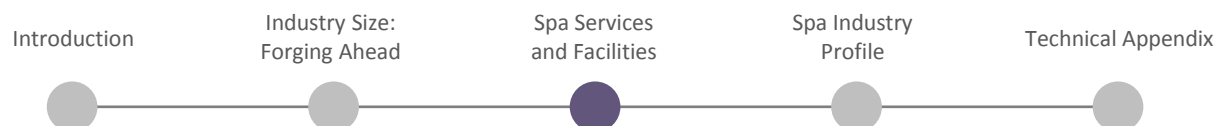
Spas also plan on taking measures to ensure they have the capacity to take their business forward in 2016, with 66% saying they intended adding or creating new employee training opportunities. Over one in two spas (55%) said they planned to create new job opportunities in 2016. A new spa or expansion of an existing spa was mentioned by 45% of spas.

On the marketing side, 38% of spas intend creating a new spa branding. Over one in three spas (36%) said they planned to add or create new community partnerships.

Survey respondents were also asked to give their views on what they believe will be the next big new trend that will shape the spa industry over the next year or so. The most frequently identified trends related to wellness, health and fitness, referenced by over one in three spas (34%). Within that context, corporate wellness also received a number of mentions, mainly in the resort/hotel sector. A continued trend towards organic/natural products and treatments was identified by almost one in five spas (18%). Other trends included technological advances in skincare (9%), on-demand spa services (6%), healthy ageing (4%), men (4%) and other demographic groups such as teens and millennials (4%).



Section 3 | Spa Services and Facilities



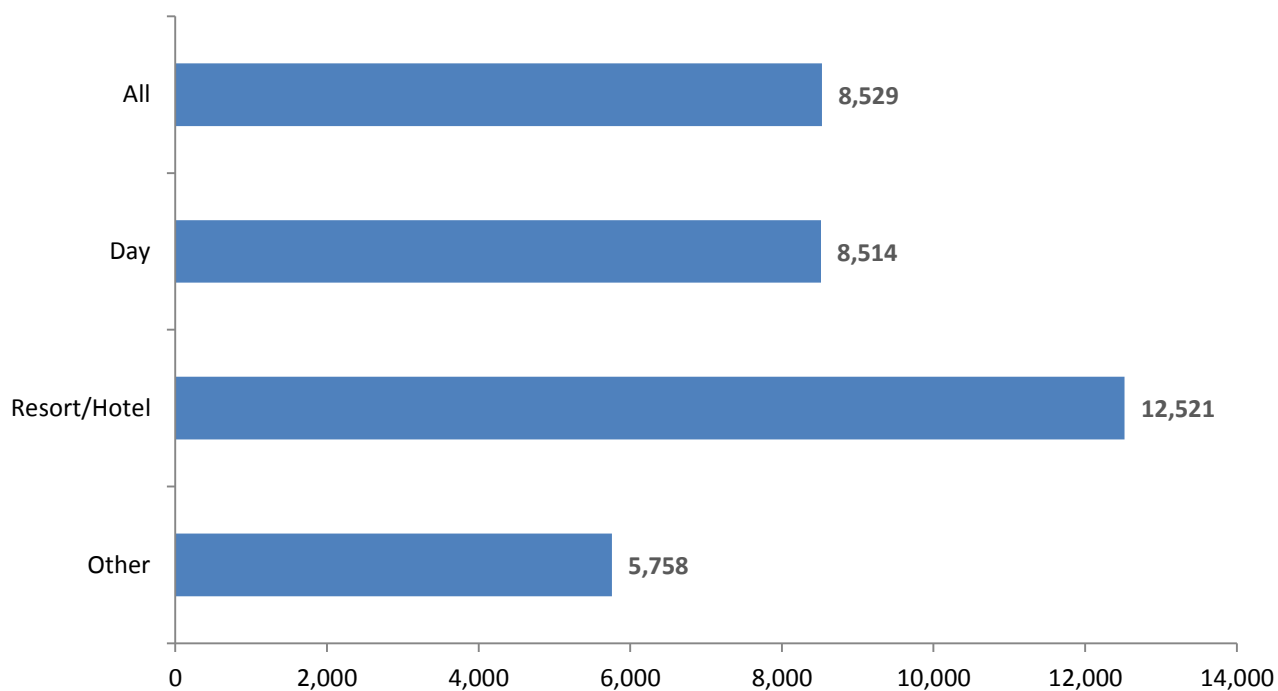
Section 3: Introduction

In 2015, spas received an estimated 179 million client visits. This Section describes the facilities and services that spas offered to their clients.

This Section presents the Industry Study findings for the following topics:

- The total square footage of spa facilities and the average by type of spa.
- The elements included in the facilities that spas operate.
- The core types of services offered by spas and average prices per service.
- The retail element in spa facilities – range of product types and average value of purchases per guest.
- Spa treatment offerings.
- Packages targeted at demographic and other groups.
- Spa treatment bookings made online.

Average number of spa client visits per spa



Total Square Footage

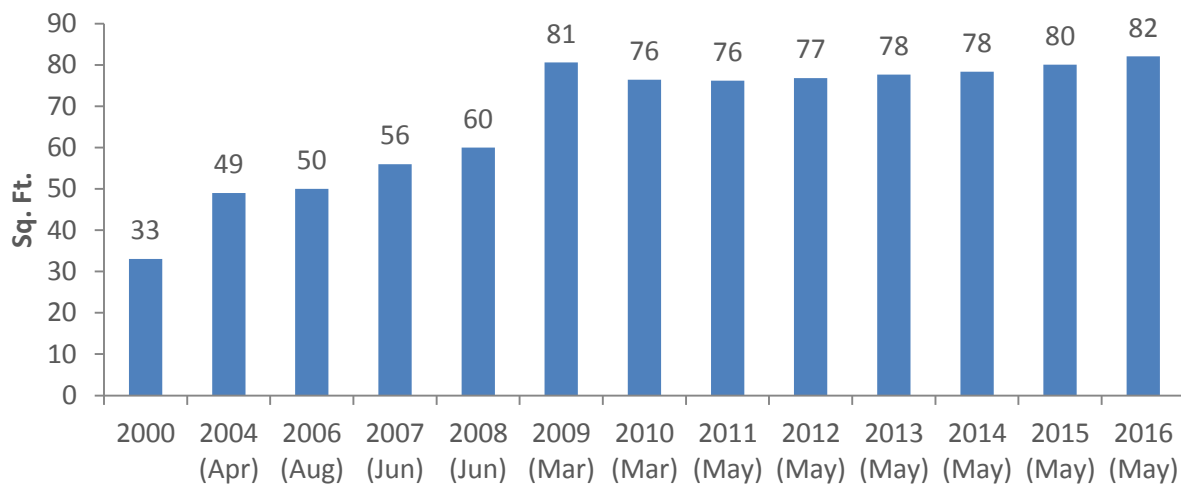
As of May 2016, total indoor floor space stood at an estimated 82 million square feet, an increase of 2.5% compared to May 2015.

The estimated total square footage as of May 2016 represents a historical high point for the spa industry, exceeding the pre-recession record of 81 million square feet estimated for 2009.

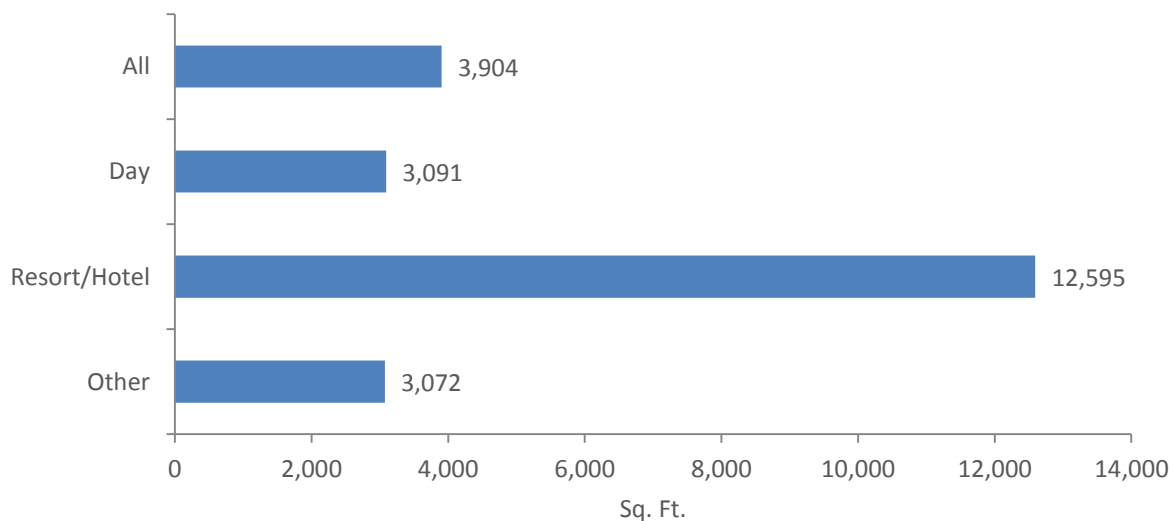
The average square footage per establishment as of May 2015 was 3,900, very slightly below the May 2014 estimate (3,900).

Average square footage varies by spa type, from 12,600 in resort/hotel spas to 3,100 in the day spa sector.

Total square footage in the U.S. (millions)



Average square footage per establishment



Indoor Square Footage: Elements

Treatment rooms and a retail component are found in nearly all spas, regardless of the type of spa. The incidence of other elements of indoor square footage varies by type of spa.

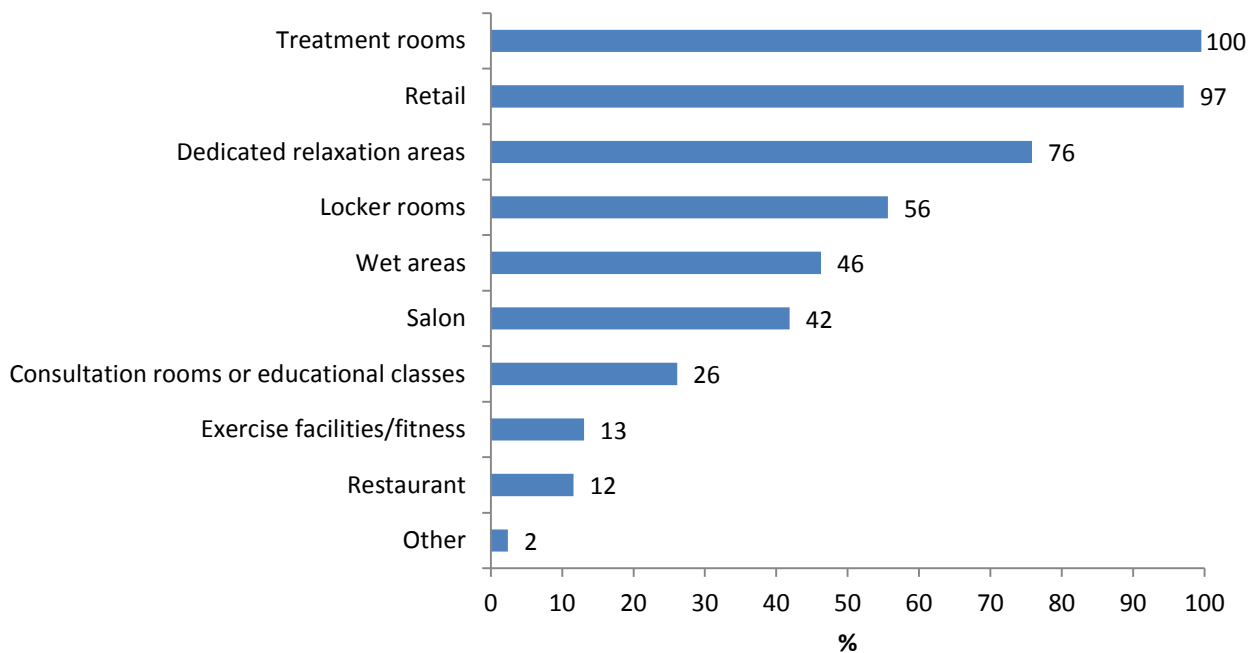
The table following this page shows the elements of indoor square footage by type of spa.

Almost all resort/hotel spas contain locker rooms (96%) and dedicated relaxation areas (95%). Wet areas are also frequently available in resort/hotel spas (83%). Almost three in four resort/hotel spas also contain a salon (74%) while 61% offer exercise and fitness facilities. The average resort/hotel spa contains seven of the elements listed in the accompanying chart.

Day spas typically contain five of the main elements of indoor square footage. In addition to treatment rooms (100%) and retail (97%), over three in four day spas (76%) contain dedicated relaxation areas. Over one in two day spas (54%) make locker rooms available to their clients. Wet areas are available in 45% of day spas while 42% contain a dedicated salon element.

The other spa category comprises a mix of spa types (club spas, medical spas, destination spas and mineral springs spas) and that is reflected in the wider range of indoor floor-space elements. The inclusion of medical spas within the other category is reflected in the proportion citing consultation rooms or educational classes; 60% compared to the overall average of 26%. Similarly, the club spa influence is reflected in an above-average proportion of spas in the other category saying they have exercise or fitness facilities; 25% compared to the 13% average for all spas. By contrast, salon areas are less frequently contained within the other category; 20% compared to an overall average of 42%.

Elements of indoor square footage



Indoor Square Footage: Elements by Spa Type

	All	Day	Resort/Hotel	Other
Treatment rooms	100%	100%	100%	96%
Retail	97%	97%	98%	98%
Dedicated relaxation areas	76%	76%	95%	58%
Locker rooms	56%	54%	96%	39%
Wet areas	46%	45%	83%	31%
Salon	42%	42%	74%	20%
Consultation rooms or educational classes	26%	21%	25%	60%
Exercise facilities/fitness	13%	6%	61%	25%
Restaurant	12%	13%	14%	2%
Other	2%	2%	2%	4%
Average number of elements	4.9	4.7	6.6	4.4

Types of Services Offered

The main services provided by spas are skin care services (96%) and massage services (94%), followed by body services (76%) and salon services (61%). That picture is unchanged from previous Industry Studies.

The range and mix of services offered varies by type of spa. Reflecting their larger size, resort/hotel spas typically offer a wider range of services; an average of 6.1 types of services compared to 4.3 among day spas.

Body services are widely available in resort/hotel spas (100%) compared to 78% of day spas and 49% of spas in the combined other spa category. Salon services are available in 90% of resort/hotel spas compared with 60% of day spas.

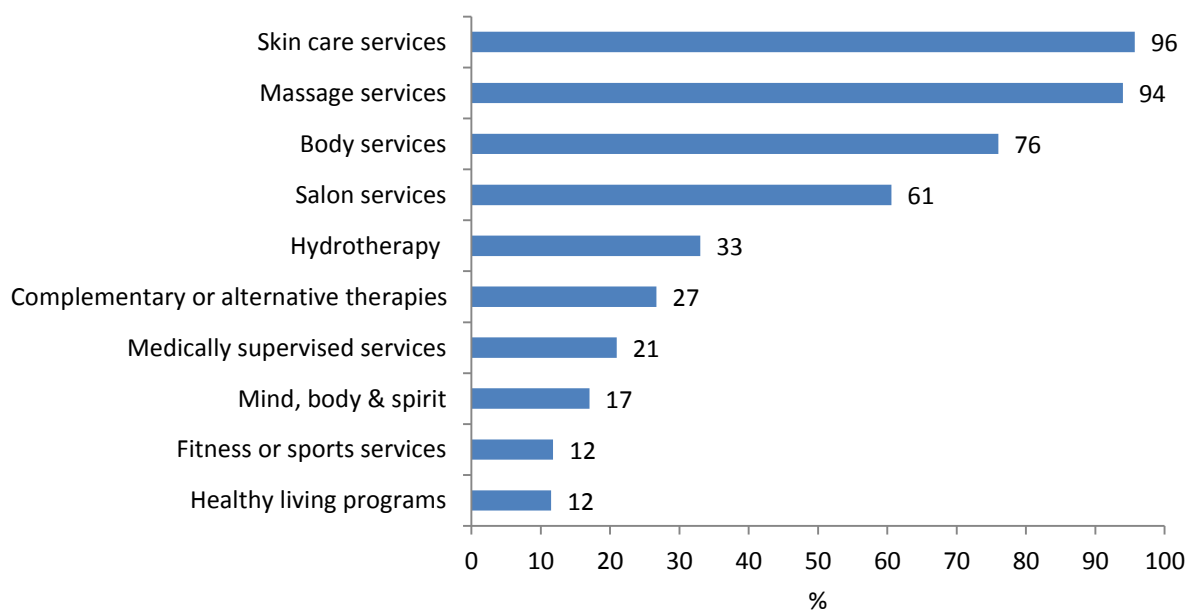
In addition to their core spa and salon services, many spas offer their visitors a diverse range of treatments and programs.

Hydrotherapy services are offered by one in three spas (33%), ranging from 47% of resort/hotel spas to 34% of day spas and 16% of establishments in the other spa category.

Complementary or alternative therapies, such as reiki, energy work and acupuncture, are available in 27% of spas. Mind, body and spirit programs are available at 17% of spas. These programs typically include yoga as well as meditation and relaxation classes.

One in eight spas (12%) said they offer healthy living programs (i.e., smoking cessation, weight loss, etc.), most frequently in the combined other spa category (33%), which includes medical spas, club spas and destination spas. Fitness or sports services are most often found in resort/hotel spas (62%) .

Types of services offered



Product Offering: Core Spa Services

	All	Day	Resort/Hotel	Other
Skin care services	96%	97%	100%	87%
Massage services	94%	97%	100%	72%
Body services	76%	78%	100%	49%
Salon services	61%	60%	90%	42%
Hydrotherapy	33%	34%	47%	16%
Complementary or alternative therapies	27%	25%	29%	39%
Medically supervised services	21%	17%	11%	58%
Mind, body & spirit	17%	12%	56%	24%
Fitness or sports services	12%	5%	62%	19%
Healthy living programs	12%	8%	13%	33%
Average number of services	4.5	4.3	6.1	4.4

Price Per Service

The average price per spa service in 2015 is estimated as \$90, up by 2.6% compared to 2014.

Based on the responses to the 2016 Industry Study, the percentage change in actual average prices varied by type of service.

The average prices per massage (\$93) and facial services (\$100) are estimated to have increased by +5.4% for massage services and +2.8% for facials.

Average prices for other spa services are estimated to have changed as follows:

- Body treatments – up from \$105 in 2014 to \$110 in 2015 (+5%).
- Hair service – up from \$76 in 2014 to \$82 in 2015 (+7.5%).
- Nail service – down from \$45 in 2014 to \$43 in 2015 (-5%).

Considering the historical trend, it can be seen that average prices of spa services have edged upward in the period since 2013. Previously, prices had remained relatively flat in the wake of the Great Recession of 2008-09.

Average prices, 2015 compared to 2014, 2013, 2012 and 2011

	2011	2012	2013	2014	2015
Per massage	\$85	\$87	\$91	\$88	\$93
Per facial	\$88	\$94	\$100	\$97	\$100
Per body treatment	\$96	\$97	\$102	\$105	\$110
Per hair service	\$70	\$66	\$73	\$76	\$82
Per nail service	\$42	\$42	\$43	\$45	\$43
Per service	\$80	\$82	\$88	\$88	\$90

Note: For each type of service, survey respondents are asked to report the ‘actual’ average price based on their 2015 P&L statement, rather than the ‘list’ price of treatments’

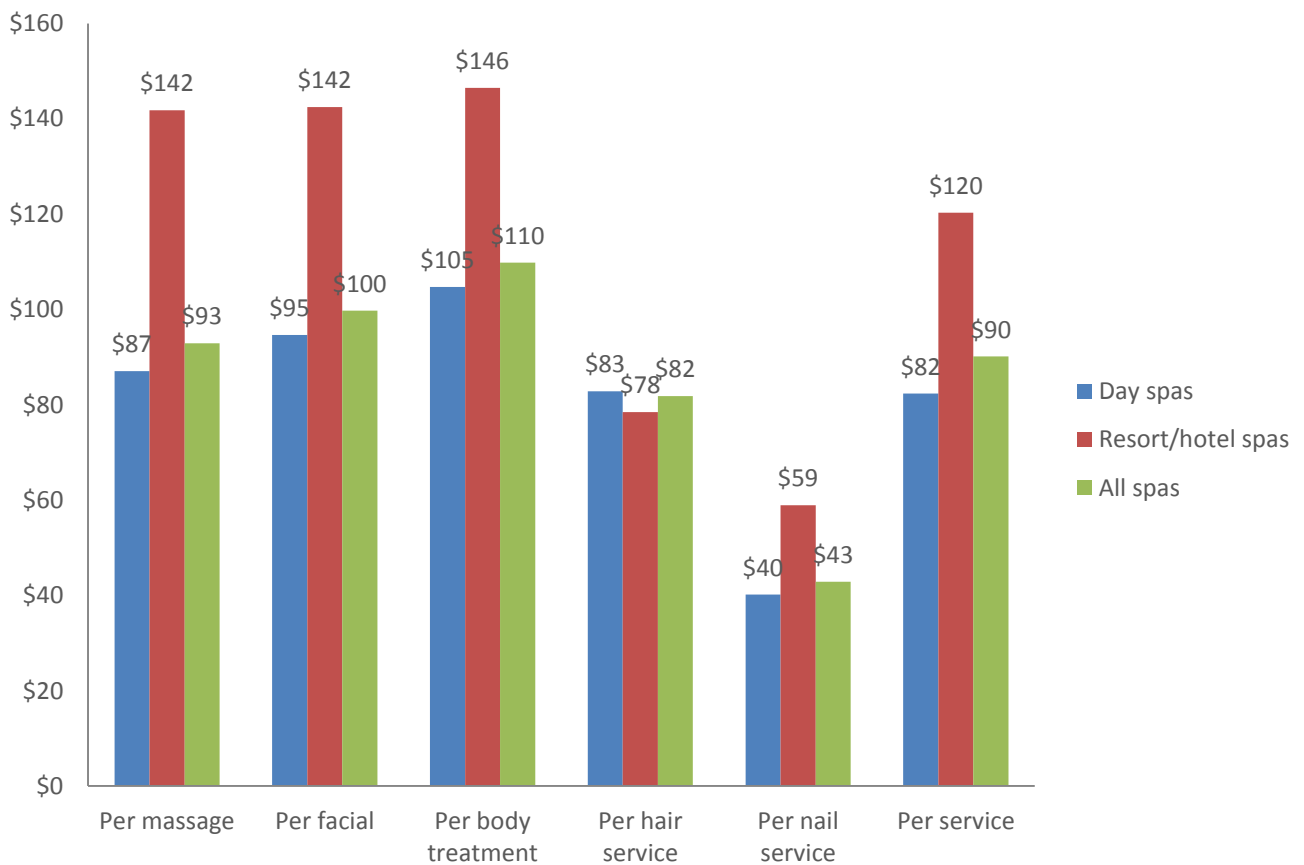
Price Per Service by Type of Spa

The average price per spa service tends to be higher in resort/hotel spas than in day spas.

In 2015, the overall average price per service in resort/hotel spas was \$120 compared to \$82 per service in day spas, a differential of 46%. The largest differential between resort/hotel and day spas was for massage services, as the estimated average price per massage service in resort/hotel spas was \$142 compared to \$87 in day spas, a difference of 63%. Similar differences were observed in relation to facials (51% higher on average in resort/hotel spas), nail services (47%) and body treatments (40%). By contrast, there was little difference in the average price of hair services between day spas (\$83) and resort/hotel spas (\$78).

Price comparisons by type of spa should be made with a degree of caution. The averages shown in the accompanying chart will vary across individual spas according to a range of factors such as location.

Average price per service by type of spa



Retail: Product Types

Almost all spas (97%) contain a retail element. Within those spas, skin care products are most frequently offered (99%) followed by cosmetics (66%) and nail care products (70%).

Resort/hotel spas tend to offer a wider range of retail products when compared with the industry average. When asked about the types of products that they sell as part of their retail operation, the typical resort/hotel spa mentioned five of the six categories listed in the accompanying table. Among day spas, the average number of product types sold was 3.5.

Compared to resort/hotel spas, day spas are almost as likely to offer skin care products (99% compared to 100%) but less likely to offer other retail products such as hair care (53% compared to 84% of resort/hotel spas), nail care (73% of day spas compared to 89% of resort/hotel spas) and apparel (32% of day spas compared to 72% of resort/hotel spas).

The average dollar value of retail purchases was \$41 in 2015.

	All	Day	Resort/ Hotel	Other
Apparel	35%	32%	72%	21%
Skin care products	99%	99%	100%	95%
Hair care products	53%	53%	84%	32%
Cosmetics	66%	65%	82%	59%
Nail care products	70%	73%	89%	28%
Other	31%	29%	41%	38%

Average dollar value of retail purchases per guest				
Average	\$41	\$36	\$37	\$74
Median	\$25	\$22	\$25	\$60

Base: Spas with a retail element (96% of all spas)



Spa Treatment Offerings

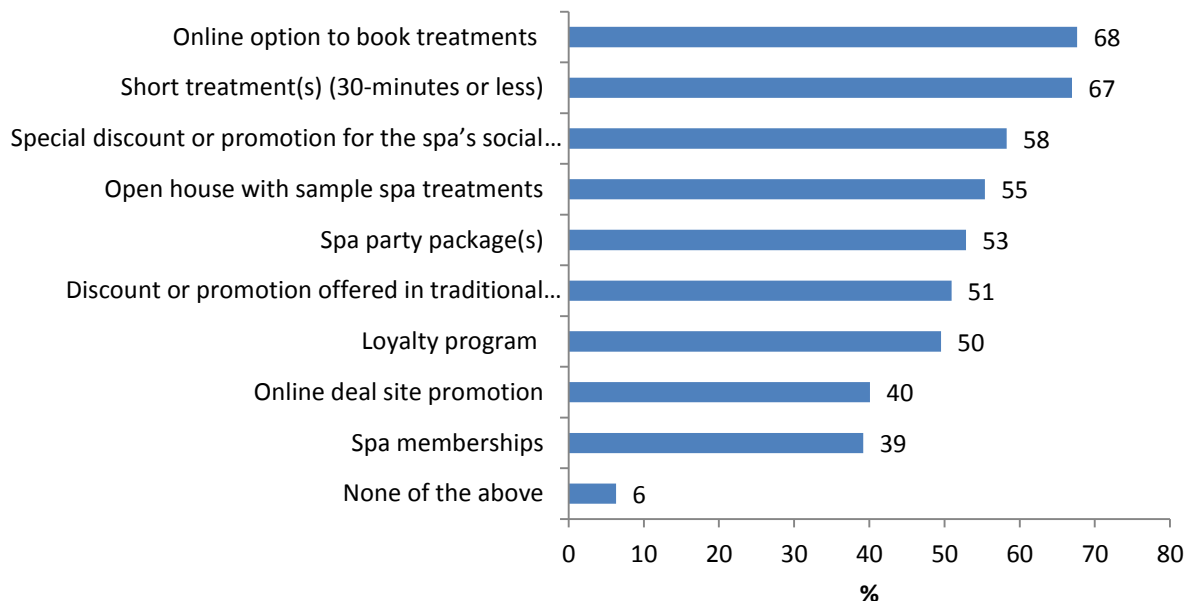
When asked about offerings in place to attract and engage with customers in 2015, two in three spas (68%) said they have an online option to book treatments, up from 54% in 2014. Short treatments remain popular, offered by 67% of spas, followed by special discounts or promotions for the spa's social media audience (58%).

The table following this page shows treatment offerings by type of spa. The proportions offering short treatments in 2015 did not vary greatly by type of spa; 69% of day spas and 65% of resort/hotel spas. Discounts or promotions for the spa's social media audience were also mentioned by similar proportions of day spas (59%) and resort/hotel spas (60%).

In other respects, the mix of offerings varies by type of spa:

- Almost three in four day spas (74%) have the option of booking treatments online compared with one in two resort/hotel spas (48%). Though, it can be noted that the availability of online booking increased strongly across both day spas (up from 55% in 2014) and resort/hotel spas (up from 38% in 2014).
- Day spas were also more likely to offer discounts or promotions in traditional media sources (54% compared to 39%)
- Day spas were more likely to offer a loyalty program (52% compared to 28% of resort/hotel spas), spa party packages (57% compared to 45%) and a spa membership option (42% versus 37%).

Spa treatment offerings



Spa Treatment Offerings

	All	Day	Resort/Hotel	Other
Online option to book treatments	68%	74%	48%	39%
Short treatment(s) (30-minutes or less)	67%	69%	65%	51%
Special discount or promotion for the spa's social media audience	58%	59%	60%	50%
Open house with sample spa treatments	55%	59%	46%	41%
Spa party package(s)	53%	57%	45%	34%
Discount or promotion offered in traditional media sources (i.e. newspaper, magazine, direct mail, TV, radio)	51%	54%	39%	42%
Loyalty program	50%	52%	28%	51%
Online deal site promotion	40%	43%	31%	29%
Spa memberships	39%	42%	37%	21%
None of the above	6%	7%	3%	7%
Mean number of packages	4.8	5.1	4.0	3.6

Packages Targeted at Demographic and Other Groups

Spas continue to cater to their clients' diverse needs and tastes by offering packages aimed at various demographic and other groups. Around two in three spas offer packages specifically for women (69%) and men (69%) with a similar proportion (68%) offering treatments for couples.

The table following this page shows targeted packages by type of spa. The average number of spa packages does not differ greatly between day spas (3.8) and resort/hotel spas (4.4).

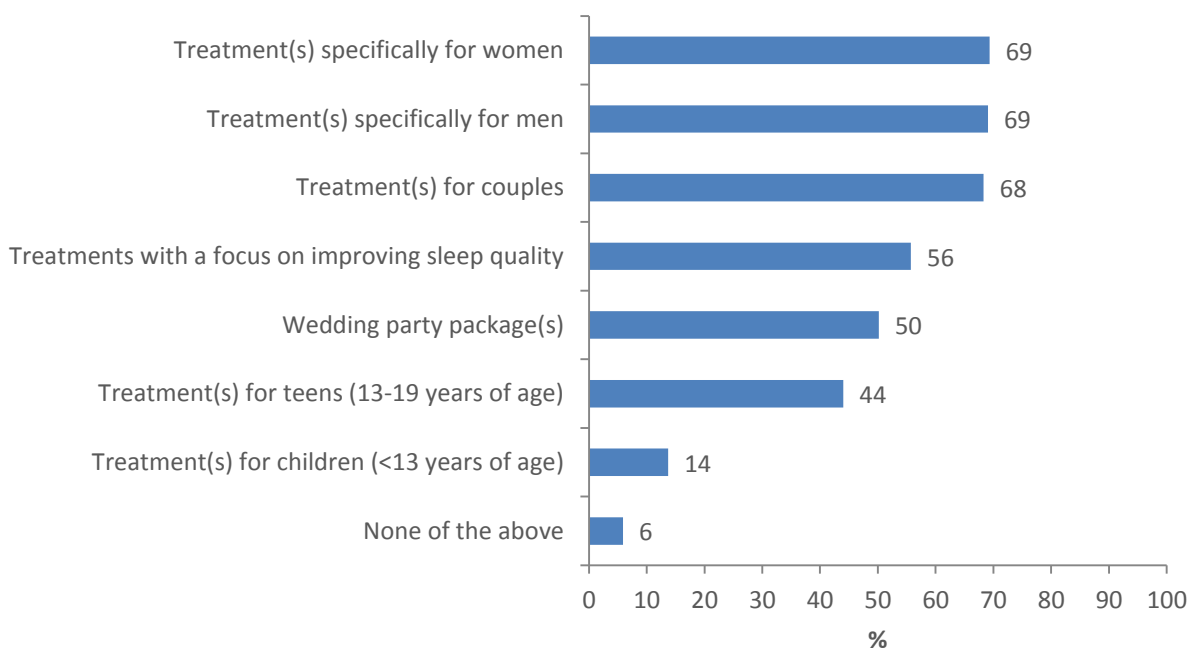
Broadly similar proportions of day and resort/hotel spas offer treatments specifically for women; in 2015, 71% of day spas and 69% of resort/hotel spas. Resort/hotel spas are slightly more likely than day spas to offer treatments specifically for men (77% compared to 71%). The availability of treatments for teens (13-19 years of age) also does not differ much by type of spa (44% of day spas and 41% of resort/hotel spas).

There are a number of points of contrast which are highlighted as follows.

Packages targeted at couples were mentioned by over nine in 10 resort/hotel spas (94%) compared to 71% of day spas.

Wedding party packages were more frequently mentioned by resort/hotel spas (70%) than day spas (51%).

Special packages



Packages Targeted at Demographic and Other Groups

	All	Day	Resort/Hotel	Other
Treatment(s) specifically for women	69%	71%	69%	58%
Treatment(s) specifically for men	69%	71%	77%	50%
Treatment(s) for couples	68%	71%	94%	32%
Treatments with a focus on improving sleep quality	56%	59%	60%	31%
Wedding party package(s)	50%	51%	70%	29%
Treatment(s) for teens (13-19 years of age)	44%	44%	41%	48%
Treatment(s) for children (<13 years of age)	14%	11%	31%	18%
None of the above	6%	4%	2%	23%
Mean number of packages	3.7	3.8	4.4	2.7

Company Websites and Online Bookings

Spas continue to enhance their ability to avail of the opportunities offered by internet access.

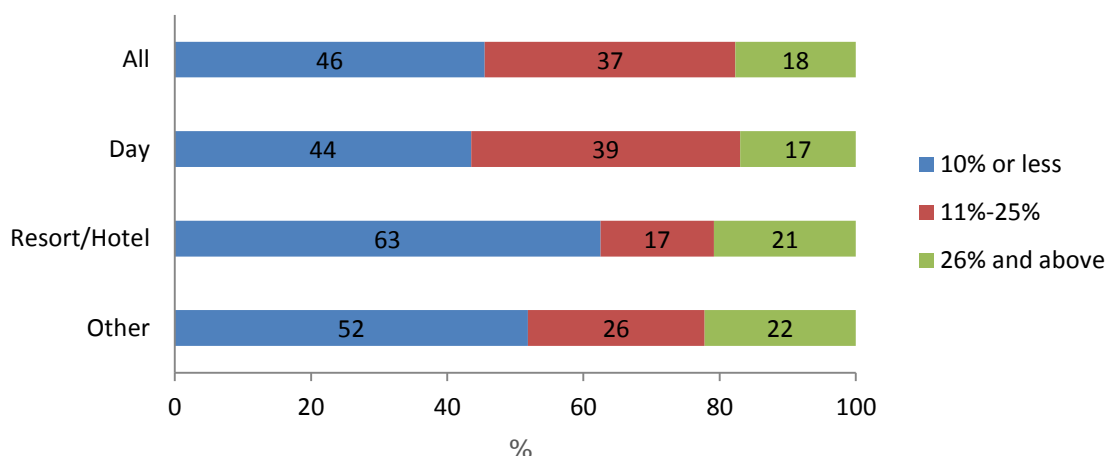
Almost all spas (98%) now have a website to promote their services with two in three (68%) offering the option to book online.

Among those spas which have that option available to their clients, the proportion of bookings made online in 2015 is estimated at 17%. In 2014, the proportion of bookings made online was 20% among spas with that option.

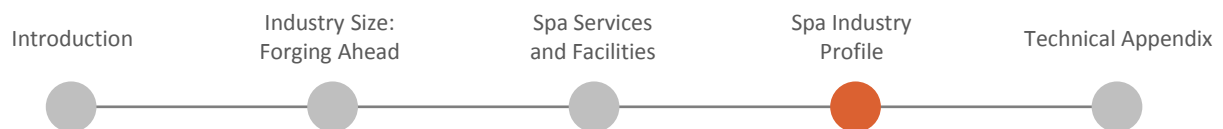
However, there has been a sharp increase in the proportion of spas with the online booking option (up from 54% in 2014 to 68% in 2015). In that context, use of online booking by clients is likely still at an early stage in those spas which have more recently adopted that option. Perhaps reflecting more recent adoption of the online booking option, almost one in two spas offering the online option said that bookings made online accounted for 10% or less of their bookings in 2015, compared with 33% in 2014.

	All	Day	Resort/ Hotel	Other
Company website				
% of spas	98	98	100	100
Online booking option				
% of spas	68	74	48	39
Percent of spa bookings made online (Base=spas with online option)				
Mean	17	17	17	26

Spas with online option – treatments booked online (%)



Section 4 | Spa Industry Profile

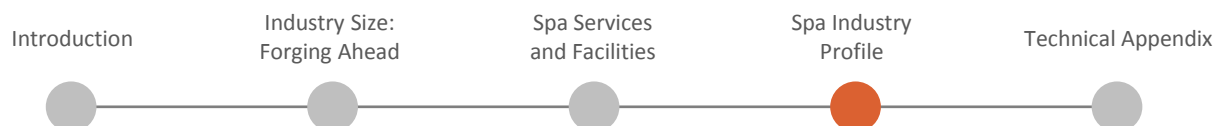


Section 4: Introduction

This Section presents a profile of the estimated 21,020 spa industry establishments located across the U.S. The spa industry is diverse, with establishments varying by size, facilities, range of services offered, as well as the people who work in spas and the clients they serve.

This Section focuses on the following spa establishment categories:

- What is the composition of the industry by type of spa?
- What are the main contrasts by type of spa establishment in respect to industry size statistics, i.e., average revenues, visits, floor space and employment?
- Where are spas located?
- What is the age profile of spa establishments, as measured by year of start-up?
- How many spas are single location operations or affiliated to a larger entity?



Key Ratios

Key size indicators vary by type of spa. As in previous years, average revenues and visits per resort/hotel spa are higher than those for day spas.

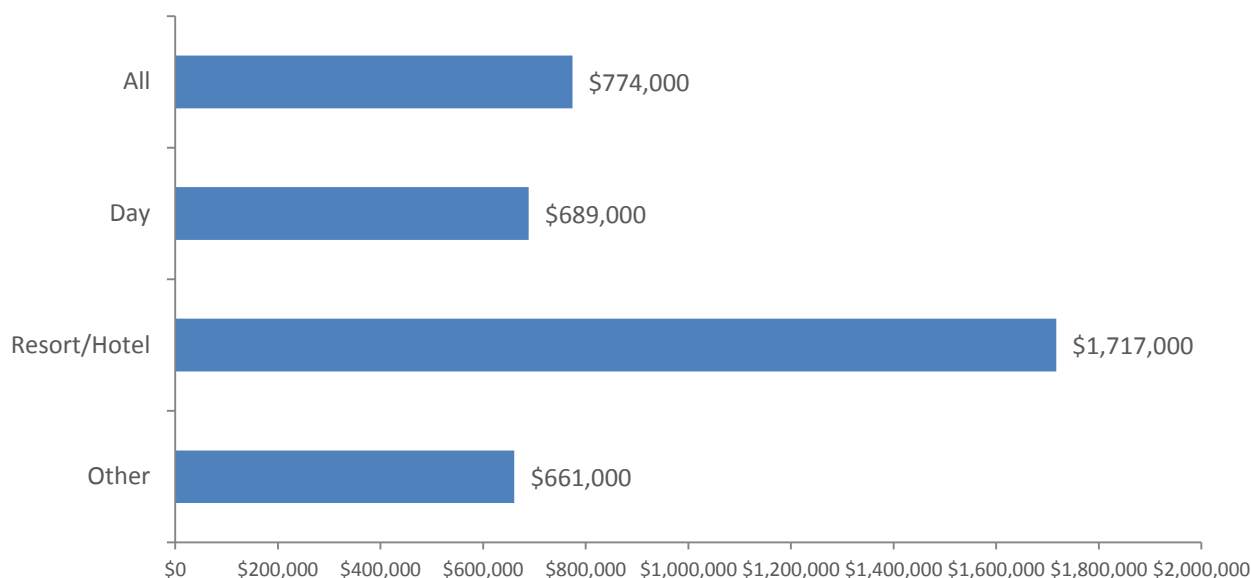
The key size indicators are shown for the main spa types in the Key Ratios table on page 46. For comparability with previous studies, floor space ratios are also shown.

Also shown are revenue ratios, including revenues per visit, per square foot of floor space and per employed person. Resort/hotel spas generate higher average revenues per visit (\$137) compared to day spas (\$81).

By contrast, and reflecting their more intensive use of floor space, revenue per square foot of floor space tends to be higher in day spas (\$220) than in resort/hotel spas (\$140).

Reflecting their larger average size, revenue per resort/hotel spa (\$1.7 million) was approximately 2.5 times the average for day spas (\$689,000) in 2016. Similarly, average total employment per resort/hotel spa (35.2) is more than twice the day spa average (15.5).

Average revenue by type of spa



Note: The key ratios by spa type should be interpreted with caution. They are estimates based on a sample of spa establishments and will therefore be subject to variability from sampling error. Special care should be taken in making comparisons with previous Spa Industry Studies as the estimates in those previous reports will also exhibit variability due to sampling error.

Key Ratios by Spa Type

	All	Day	Resort /Hotel	Other
Revenue per spa	\$774,000	\$689,000	\$1,717,000	\$661,000
Per visit	\$91	\$81	\$137	\$115
Per sq ft	\$200	\$220	\$140	\$220
Per employed person	\$45,250	\$44,420	\$48,740	\$45,060
Visits per spa	8,529	8,514	12,521	5,758
Square footage per spa	3,904	3,091	12,595	3,072
Total employees per spa	17.1	15.5	35.2	14.7
Full-Time	7.7	7.1	15.9	6.1
Part-Time	7.5	6.7	16.7	6.2
Contract	1.9	1.7	2.6	2.4

Note: As they are based on a sample of spas, the key ratios by spa type should be interpreted with caution. Please see note on previous page when making comparisons with previous Spa Industry Studies.

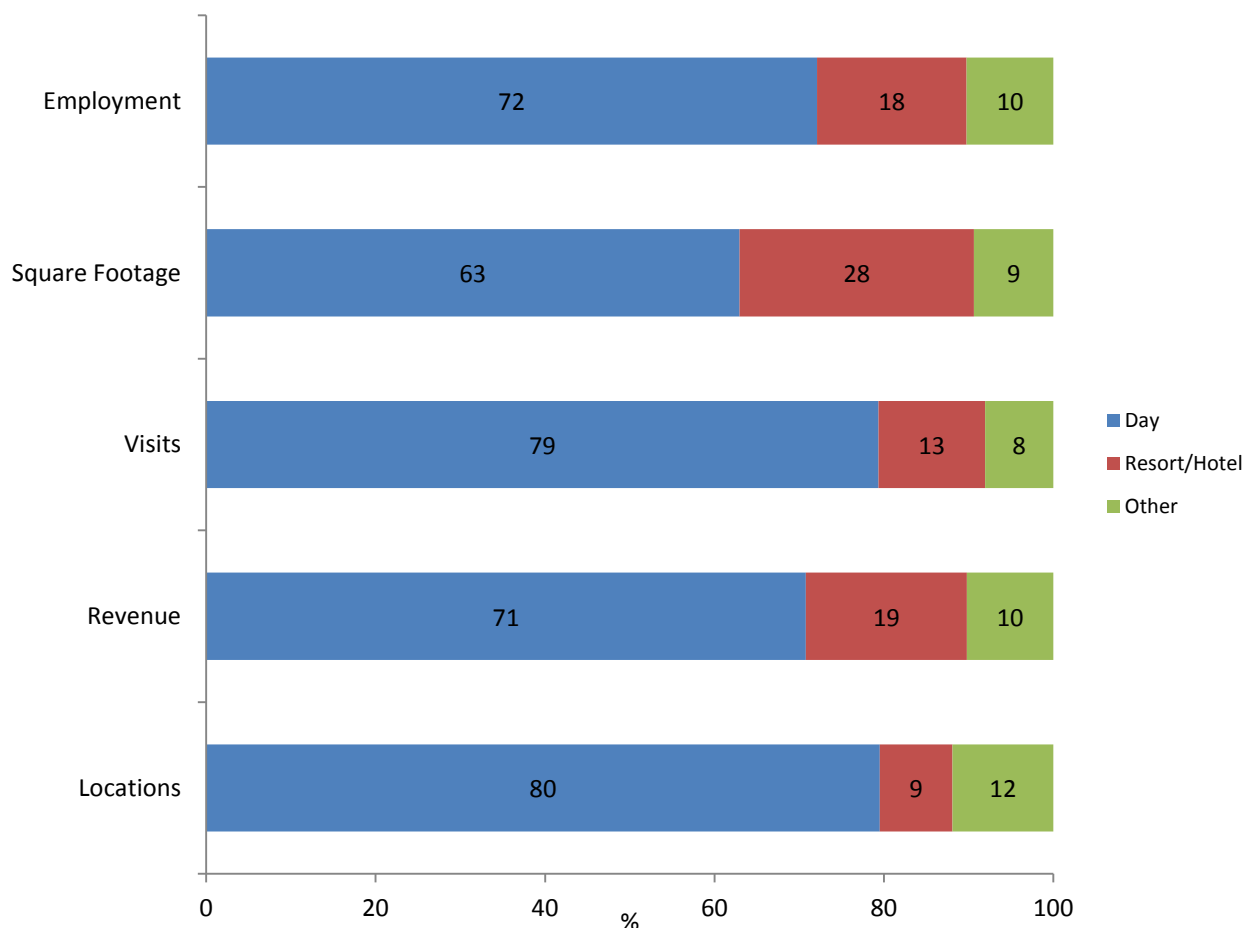
The Big 5: Composition by Spa Type

The composition of various size indicators by spa type varies according to differences between spas in key ratios such as average revenues and visits.

While they account for 9% of locations, resort/hotel spas account for almost one-fifth of total spa industry revenue (19%) , 28% of total square footage and 18% of employment. The contrast reflects the larger scale of resort/hotel spas compared to the industry averages for revenue, square footage and employment.

Day spas account for 80% of spend per visitor in the day spa sector (\$81) is below the industry average (\$91), the day spa share of total industry revenues (71%) is below its 79% share of visits.

Composition by spa type



Geography of the Spa Industry: Distribution of Spa Types by Region

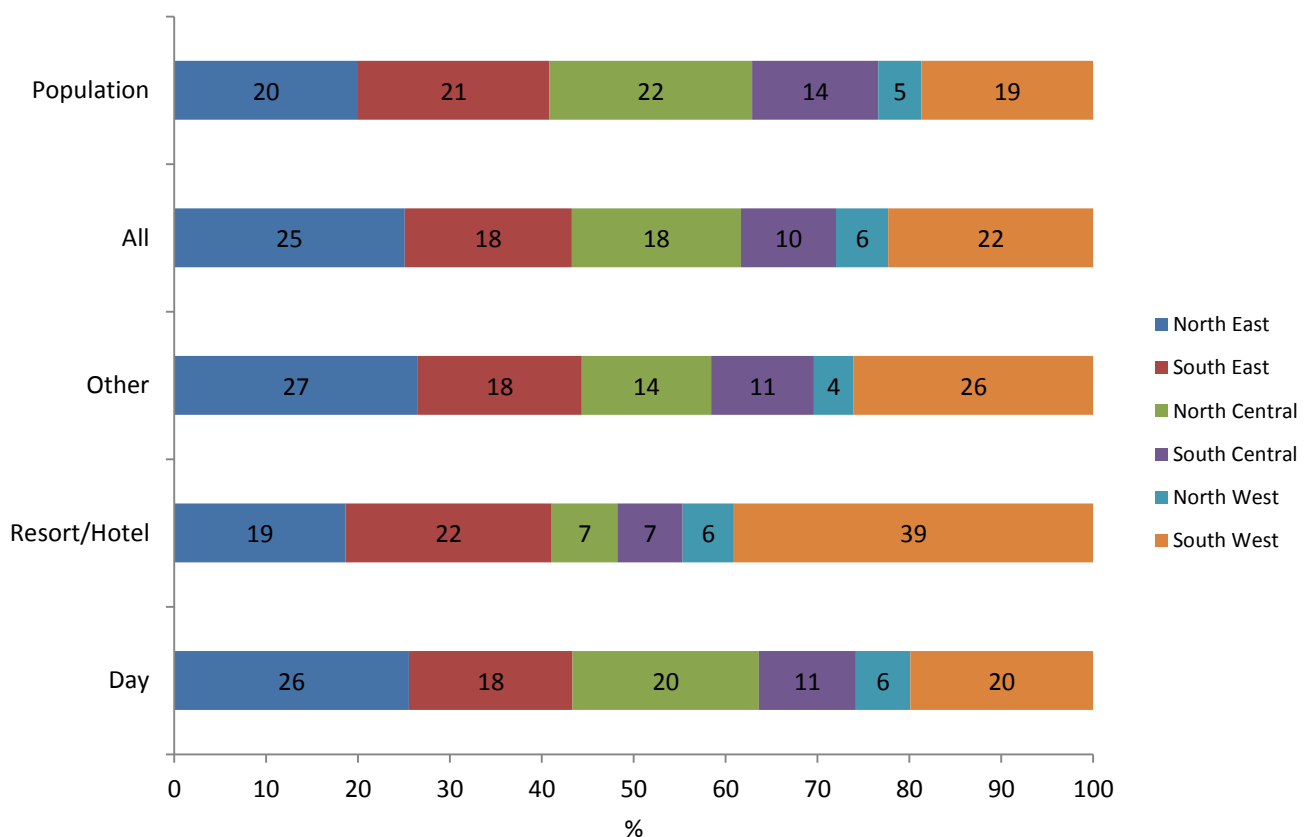
The distribution of spa types by region in 2015 shows little change from the historic pattern.

Compared to the general population, resort/hotel spas are more heavily concentrated in the South West region; 39% of such spas are located in the South West, over two times the region's 19% population share.

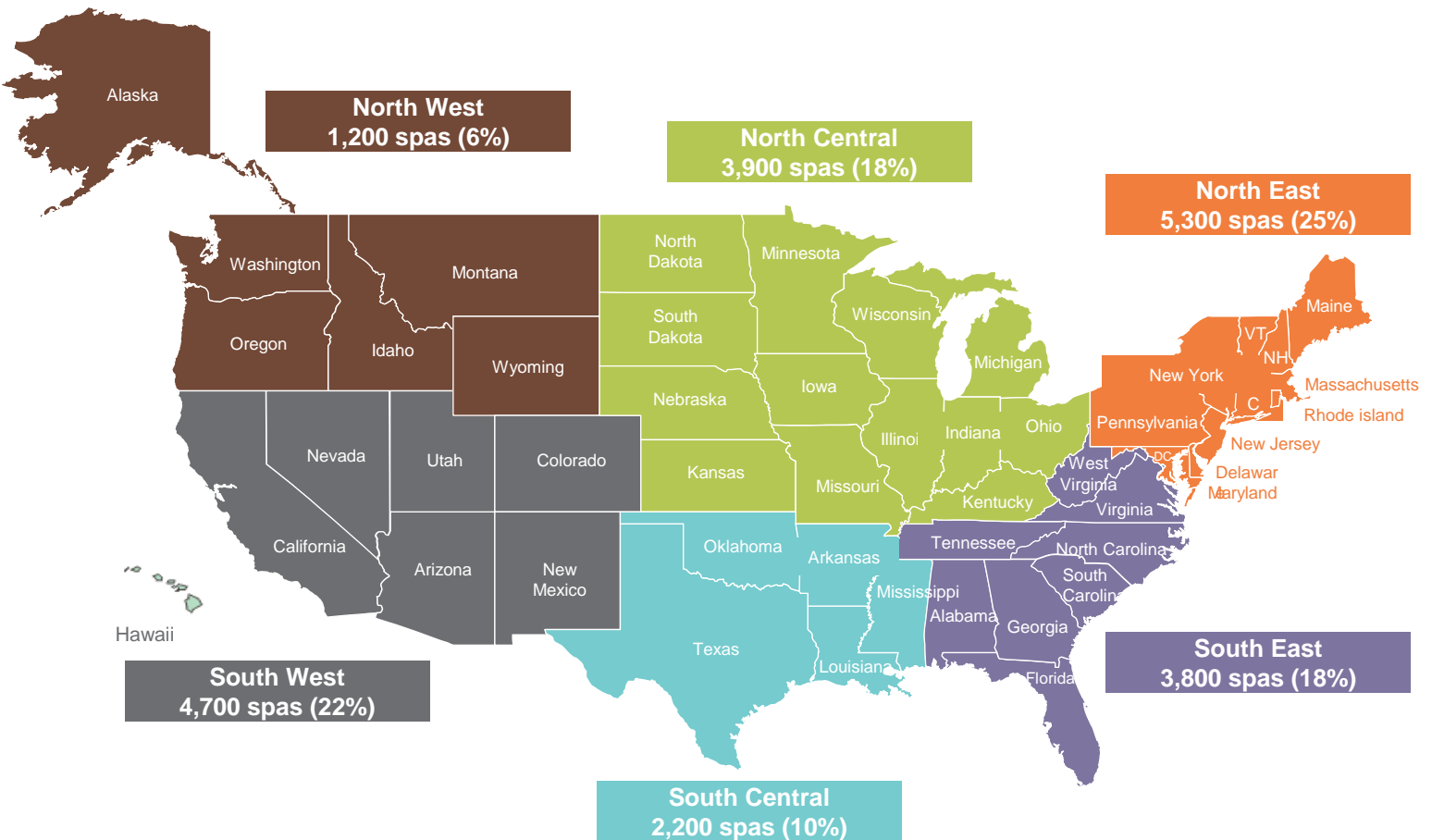
The regional distribution of day spas more closely follows the general population, as such spas typically serve the population living in the areas where they are located.

The map of spa establishments by region is shown on page 49. Key ratios by region are shown in the table on page 50.

Distribution of spa types by region



The Distribution of Spa Establishments by Region



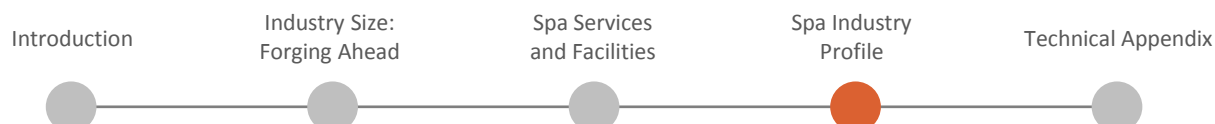
Note: Number of spas rounded to the nearest 100

Key Ratios by Region

	All	North East	South East	North Central	South Central	North West	South West
Revenue per Spa	\$774,000	\$738,000	\$760,000	\$712,000	\$826,000	\$793,000	\$847,000
Per visit	\$91	\$92	\$88	\$83	\$91	\$86	\$99
Per sq ft	\$200	\$200	\$200	\$200	\$220	\$250	\$180
Per employed person	\$45,250	\$47,340	\$43,460	\$42,500	\$44,580	\$49,620	\$46,060
Visits per Spa	8,529	8,034	8,624	8,551	9,127	9,237	8,532
Square Footage	3,904	3,735	3,874	3,626	3,735	3,189	4,610
Total Employees	17.1	15.6	17.5	16.8	18.5	16.0	18.4
Full-Time	7.7	6.7	7.9	7.6	9.8	7.5	7.9
Part-Time	7.5	7.2	7.4	7.2	7.7	6.9	8.3
Contract	1.9	1.7	2.3	1.9	1.0	1.6	2.2
Locations*							
Total	20,600	5,200	3,800	2,100	2,100	1,200	4,600

*Regional number of locations rounded to the nearest hundred.

Note: The key ratios by region should be interpreted with caution, particularly when comparing with the national average statistics. Similarly, changes compared to previous years will reflect sampling variability. Please see key ratios note on page 46.

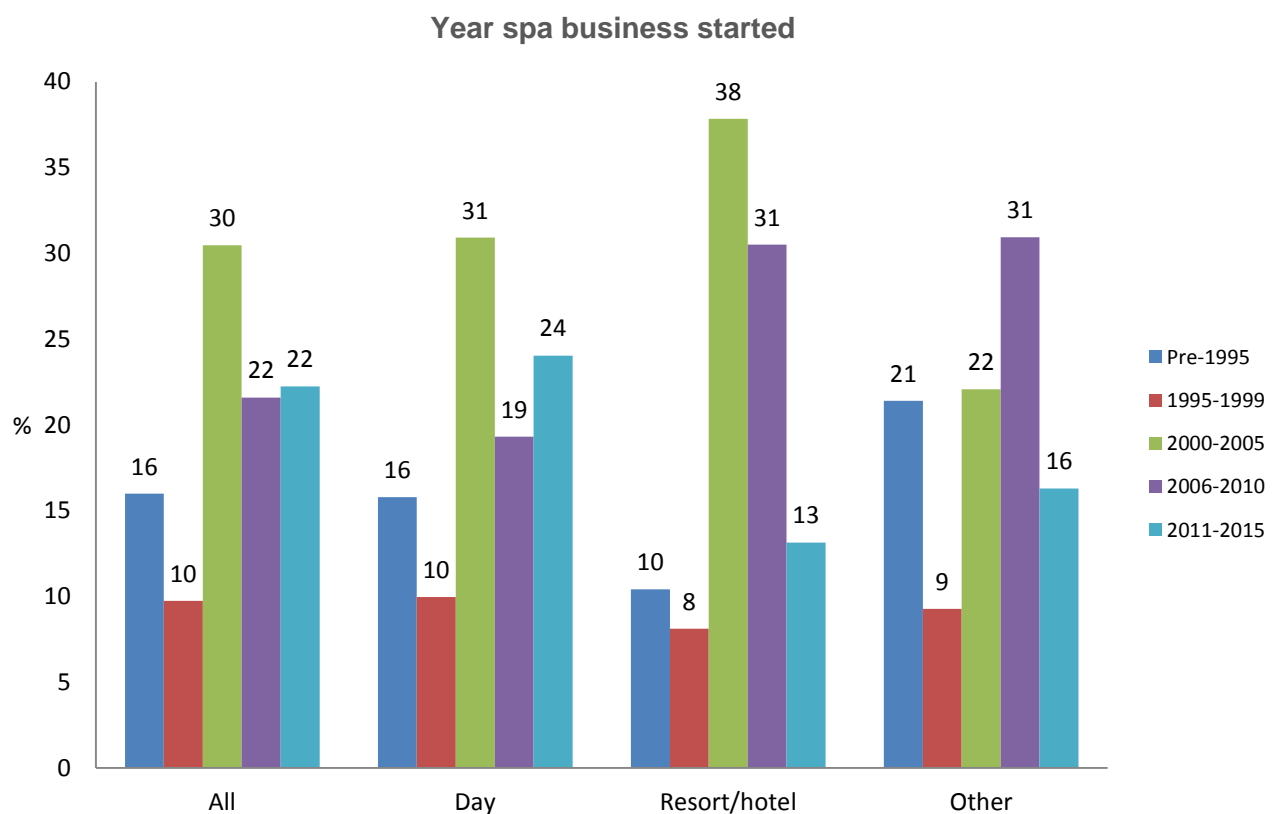


Year Spa Business Started

Among those spas in business at the end of 2015, 30% said they started in the period from 2000 to 2005. A further 22% said they started between 2006 and 2010. Over one in five (22%) started in the more recent period from 2011 to 2015.

The proportion opening in the decade from 2000 to 2010 was highest among resort/hotel spas, with 69% opening in that period compared to 50% of day spas.

By contrast, day spas were more likely to say that their business started in the more recent period, from 2011 to 2015, i.e., 24% of day spas compared to 13% of resort/hotel spas.



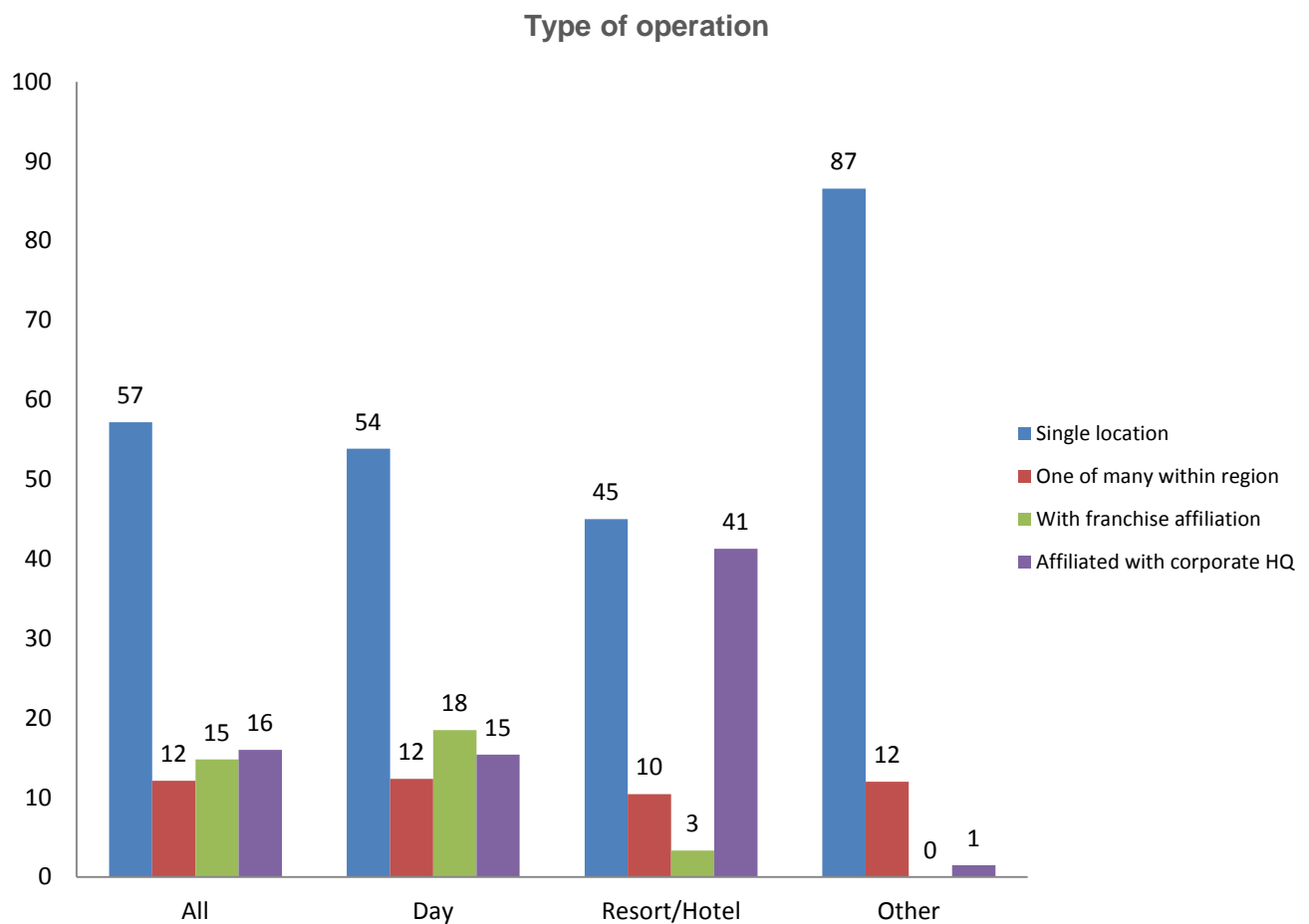
Type of Operation

The majority of spas (57%) describe themselves as single location operations.

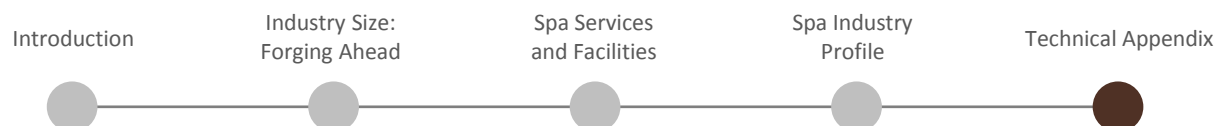
Twelve percent of spas said they are one of a number of locations within the same state or region and owned by the same owner/company.

Operations with a franchise affiliation account for 15% of spas. The proportion is highest among day spas (18%).

Sixteen percent of businesses said they are affiliated with a national corporate headquarters. The proportion with such an affiliation is highest among resort/hotel spas (41%).



Section 5 | Technical Appendix

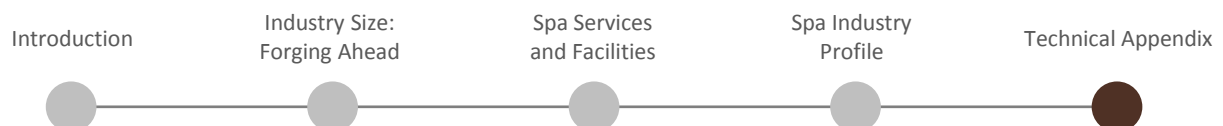




Section 5: Introduction

This Section describes the approach to the 2016 U.S. Spa Industry Study, under the following headings:

- Overview on the methodology;
- The questionnaire;
- Survey outcomes; and
- Comparability over time.

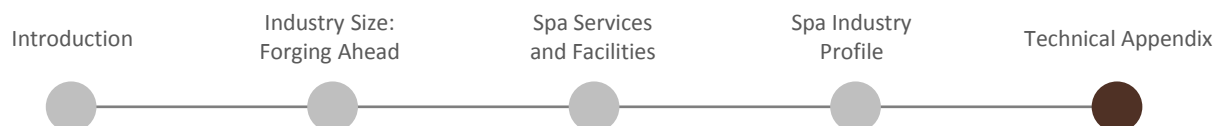


Survey Methodology

A large scale quantitative survey of spa establishments was undertaken to collect the information required to estimate the key statistics for the ISPA 2016 U.S. Spa Industry Study. The full survey was launched in January 2016 and completed in April 2016.

The survey questionnaire was divided into two main parts. The first part asked respondents to provide details for each of the 'Big 5' key statistics. The second part sought information on operating characteristics of spas, such as core spa services and compensation of employees. Spas were also asked about recent trends in their experience of key indicators, i.e., visits, client spending, revenues, hiring and profitability.

Contact details for spas invited to participate in the survey were obtained from the ISPA database of spa locations, containing information on 10,400 qualified spas. The ISPA database also provided the main data source for estimating the number of spa locations by type and region. The ISPA database is estimated to represent 49% of the industry.



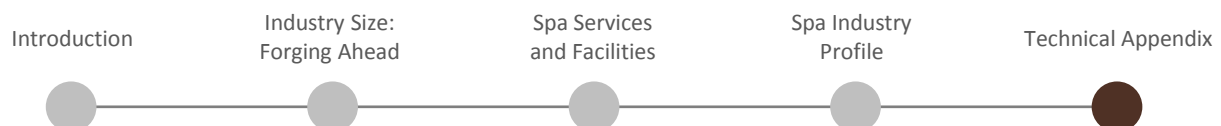
The Questionnaire

The questionnaire for the 2016 Industry Study was based on the questionnaire used for the 2015 Industry Study. This was to ensure continuity and consistency with the 2010, 2011, 2012, 2013, 2014 and 2015 U.S. Spa Industry Studies. The questionnaire was developed in consultation with ISPA and refined through expert review and in-house testing of the structure and routing of the questionnaire.

As in the previous Industry Studies, the final version of the questionnaire comprised two main parts. The first part focused on collecting the information necessary to estimate the key statistics per spa establishment, i.e. revenues, visits, and employment. This section also asked spas about their indoor floor space and profits.

The second part of the questionnaire asked respondents to provide information on the operational aspects of their spa establishment under the following headings:

- Staff compensation and benefits;
- Product offering: Core spa services;
- Retail products and revenues;
- Market trends.



Survey Outcomes

The survey was launched on a bespoke Internet registration site in January 2016 and ran until April 2016.

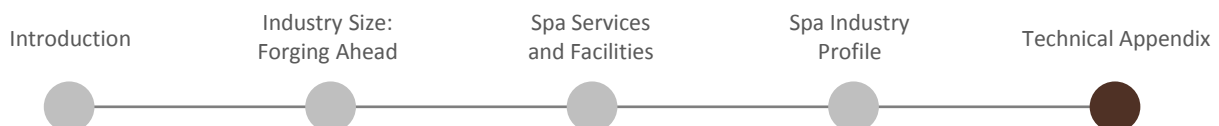
Results represent responses from 1,805 establishments. Those establishments were based on 531 survey returns that were submitted for either single locations or composite returns for multiple spa locations.

When compared to their share of all spa establishments, resort/hotel spas were over-represented in the sample while day spas were under-represented. The findings reported in this study have, therefore, been weighted to reflect the distribution of establishments by type of spa.

As the information for this study was collected from a sample of spas, the findings will inevitably be subject to margins of error. For proportions based on all respondents, the indicative margins of error at the 95% confidence level are $\pm 4.3\%$.

The margins of error are wider for sub-samples. Thus, for proportions based on all day spas, the margins of error are $\pm 6.2\%$. For proportions relating to resorts/hotels, the indicative margins of error are $\pm 6.7\%$.

Key ratios by spa type and region should be interpreted with caution. They are estimates based on a sample of spa establishments and are therefore subject to variability from sampling error. Special care should be taken in making comparisons with previous Spa Industry Studies as estimates in those studies will also exhibit sampling error variability.



Comparability Over Time

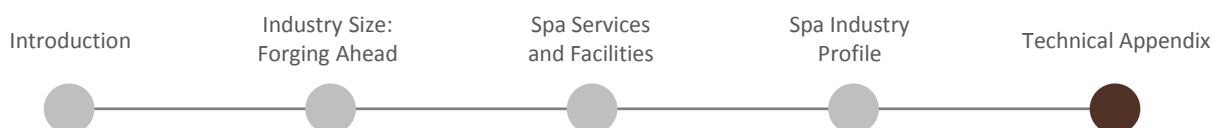
In 2005, ISPA undertook a census of the North American spa industry to formally qualify and classify spas. Through this process, ISPA developed specific product/service based criteria for qualifying and classifying spas. The spa type definitions are listed on page 5 of this report.

In order to develop revised estimates of the trend in the number and distribution of spas, data from previous studies was adjusted to be consistent with the revised definitions. Further detail on the re-estimation procedures can be found in the ISPA 2007 Spa Industry Study.

In particular, with the exception of destination spas, per spa estimates of revenue and square footage no longer include accommodations. Similarly, on-site retail and fitness operations that were not contained within the spa were specifically excluded from the statistics. Using data on the allocation of space and revenue from previous studies, these components were removed and the averages recalculated for comparability purposes.

The methodological changes were made to reflect the changing industry. As a result of the methodological changes, a greater emphasis was placed on narrowing the statistics to those activities that relate only to the spa.

While the estimates for studies undertaken prior to 2006 were adjusted to facilitate comparability and identification of industry trends, the pre-2005 estimates shown in pages 9-15 should nonetheless be treated with a degree of caution.



International SPA Association

For more information on ISPA, write to, call or email:
2365 Harrodsburg Road, Suite A325, Lexington, KY 40504;
USA Domestic Telephone: 1.888.651.4772 or Direct: 1.859.226.4326;
Email: ispa@ispastaff.com
www.experienceispa.com

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International Survey Unit

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