



SNAPSHOT SURVEY RESULTS REPORT

Retail

MAY 2017





Retail Survey Results

ISPA Snapshot Survey | May 2017

Monthly Snapshot Surveys provide ISPA members with a valuable look into the state of the spa industry, spa industry trends and helps 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 May Snapshot Survey explores retail trends in the spa industry.

Nearly all spa members surveyed responded that they sell retail in their spas (99 percent); however, only 20 percent of spa respondents sell retail products directly to consumers online. This shows that spas continue to be mainly be brick-and-mortar retailers when it comes to selling products.

Retail sales make up for between five and 15 percent of total revenue for over half (57 percent) of all spas. This number was slightly larger for resort and hotel spa respondents, with 65 percent reporting that retail sales made up for between five and 15 percent of their total revenue.

Spa respondents noted an increase in retail sales for several product categories over the past year. Apparel (36 percent), bath and body products (50 percent), jewelry (39 percent), makeup (30 percent) and skin care (66 percent) all had the largest segment of respondents report an increase in sales over the past year. Respondents also shared some of the hottest products that are flying off their shelves within their spas (see page 6).

One out of every three resource partner respondents reported they would be releasing between nine and 15 new products for 2017 (33 percent). The most common months to release new products were in the spring and fall, as monthly totals were as follows: April at 33 percent, May at 33 percent, June at 33 percent, August at 33 percent, September at 17 percent, October at 33 percent and November at 17 percent.

The results analysis includes answers from all respondents who took the Snapshot Survey in an eight-day period from Friday, May 19, 2017 to Friday, May 26, 2017. During this time, 261 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 sell retail products?



The following questions were asked to ISPA Spa Members who do sell retail products.

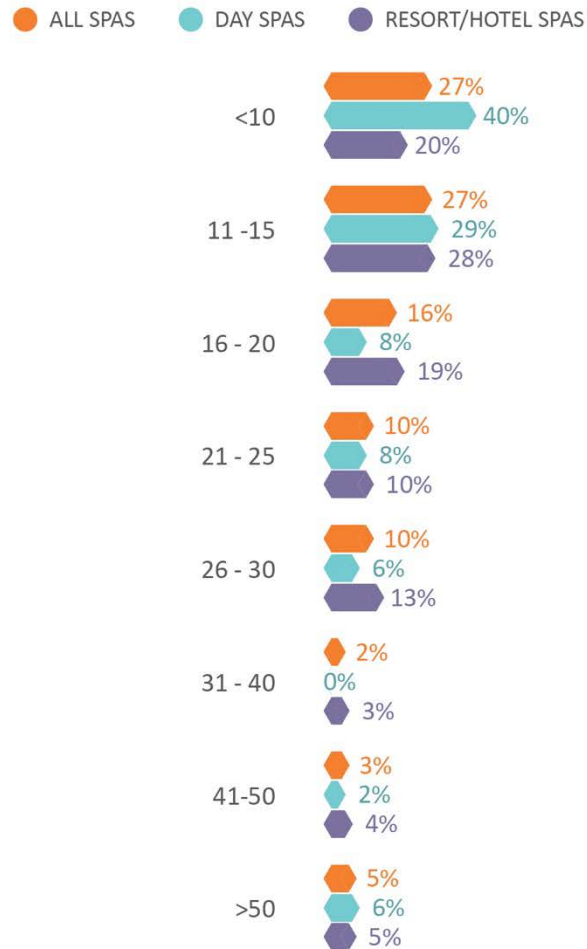
What percentage of your company's total spa revenue is derived from retail sales?

	ALL SPAS	DAY SPAS	RESORT/HOTEL SPAS
< 5%	12%	17%	11%
5% – 9.9%	31%	23%	36%
10% – 14.9%	26%	21%	29%
15% – 19.9%	15%	17%	13%
20% - 25%	8%	10%	8%
>25%	7%	13%	4%

Approximately how many total NEW product lines will your spa introduce in 2017?

	ALL SPAS	DAY SPAS	RESORT/HOTEL SPAS
0	4%	6%	4%
1-3	58%	71%	54%
4-8	31%	17%	35%
9-15	4%	2%	6%
16-20	1%	2%	0%
>20	2%	2%	1%

How many total vendors does your spa purchase products from for its retail area?



Respondents were asked to identify their spa's highest selling retail product based on volume sold over the past 30 days along with its price point below (excluding food and sundries). A selection of responses can be found below.

Allergan, Latisse	Comfort Zone Essential Cleanser \$35
Apparel	Comfort Zone Skin Regimen Juvenate Pro Booster \$137.50
Apricot body oil \$30	Dermalogica Stress Positive Eye Lift \$65
Arcona Triad Pads \$37 (32pcs \$1126)	District 78 candles-\$24
Aromatherapy Associates \$1135	Elemis Instant Refreshing Gel
Aveda Wedding Mask \$55	Elemis's Pro Collagen Facial Cream \$120
Aveda's Thickening Tonic \$29	Elemis-Spa at Home Instant Refreshing Gel \$55.50
Babor Lip Repair \$14	EmerginC ranging from \$45-90
Babor (2)	Eminence Coconut Age Corrective Moisturizer \$58
Bare Minerals	Eminence Coconut Moisturizer \$58
Beauty through balance lavender soy cleanser \$36	Eminence Facial Recovery Oil - \$76
Biologique R - P50	Eminence Strawberry Rhubarb Dermafoliant \$50 (2)
Boxed Emery File \$1.50	Epicuren eye alive serum \$47.50
Branded retail-- \$100 to \$150.00	Essential C Day Moisturizer \$63.00
Circadia Myo-cyte \$156	European spa source eucalyptus sprays \$25/bottle- 30 sold
Clarins Skincare - \$64 avg	Eurospa Source Showerspa Mist \$34
Cleansers \$20-\$25	Farm House Fresh fizz balls 3/\$6.50
Clear My Head Roll On \$14.00	Farm House Fresh Melt Balm \$12.50
CocoMango lotion, shampoo conditioner (from our amenity in the locker rooms and in the hotel rooms)	

- FHF's Honey Heel Glaze \$25
- Glycelene Femme de Rose Lip Remedy \$44.00
- Hempz Age Defying Moisturizing Lotion \$5.00
- Hualani Travel Lotion \$12
- HydraAromatherapy Stress Buster shower burst, \$6
- Hydramemory Mask from Comfort Zone \$35
- Hydra's Assorted Shower Bursts - \$6 each
- HydroPeptide plumping lip gloss \$39
- HydroPeptide's Eye Authority Eye Cream \$76
- Image Skincare Ormedic Lip Complex \$18.00 (3)
- Image Skincare The Max Creme - \$96
- Jack Black Lip Balm \$8 and Eyes by ToGoSpa \$15
- Kai Eau de Parfume 1.7oz \$78.00
- Kaplan MD skin care
- Kashwere Robes: \$120
- Kerastase Densite Masque \$43.99
- Kerstin Florian Multi-Vitamin Day Cream \$60
- KFI's neroli water travel size \$20
- La Bella Donna - Loose Minerals \$55
- Lucie and Pompette Lip Batter \$18
- Luxury Therapeutics Neck Wraps - \$40
- Mario Tricoci ultimate sculpting spray \$16
- Maui Jim sunglass \$200-\$400
- Maxi Lip Vivant (Lip Plumper) - \$28
- Milk + honey everything oil roll on \$16.00
- Mind in Motion - Unbreakable journal \$16
- Mini Trios 21 Drops \$26.00
- Mirbeau Private Label boy lotion \$20
- Misc. logo sportswear \$85
- Moroccan Oil Hair and Body \$18.00-100.00
- Murad Cleansers
- Naturopathica Argan Peptide Eye Cream \$42
- Naturopathica Body Care Retail \$38
- Naturopathica Sweet Cherry Peel \$79
- Neroli Water from Kerstin Florian \$35
- Ola Hawaiian bath and body passionfruit lotion
- Organic Mint and Arnica Salve - our own logo brand \$15
- Oribe Hair Care Products
- Original Rad Roller \$24
- Our customized bracelet from Mala + Mantra \$25
- Peepers readers \$22
- Poo-pourri spray \$4.95
- Pure C by Cosmedix \$54
- Shannon Martin Manicure Kit \$15 and Clear Skin Probiotic Masque \$58



Signature Body Lotion \$18

Signature Line of Products \$28-\$50 depending on the size

Signature Rosemary Mint Body Lotion - \$25.00

Skin Authority: Super C Serum \$99

Skin care, Eminence

SkinCeuticals C&E serum

SkinCeuticals Retexturing Activator \$80

SkinCeuticals (3)

Sonoma Lavender accessory products

Speedo goggles, \$26

Strut Smoothly Ingrown Hair Wipes \$26.50

Sundara Signature Body Polish \$29

Supracor SpaCells Facial Sponge \$14.25

Temperpedic pillow \$106

Tension Relief gel by Pevonia

T-Shirts with company's logo \$40

Vitamin C kit \$40

Wishgarden Allergy remedie 2 oz \$19.99









Yogi Balm \$43.00 (2)

Yon-Ka Lait Nettoyant (cleanser) \$39

Zents - lotion \$31.00 (3)

Zoya Springlette Mini Nail Polish, \$5+tax








Please identify which of the following best describes your change in retail sales, if any, for the following product categories for the first half of 2017 compared to the same period in 2016.

	INCREASED	DECREASED	NO CHANGE	DO NOT OFFER
 APPAREL	36%	8%	21%	34%
	16%	7%	19%	58%
	48%	10%	23%	20%
 BATH AND BODY PRODUCTS	50%	12%	33%	6%
	44%	15%	29%	12%
	55%	11%	32%	1%
 BOOKS AND MEDIA	7%	16%	17%	60%
	9%	12%	12%	67%
	6%	18%	18%	58%
 CANDLES AND SCENTS	33%	14%	40%	13%
	23%	12%	44%	21%
	41%	16%	35%	9%
 HAIR PRODUCTS	26%	12%	30%	32%
	37%	5%	14%	44%
	23%	16%	37%	24%
 JEWELRY	39%	3%	22%	35%
	26%	7%	21%	47%
	47%	1%	24%	28%
 MAKEUP PRODUCTS	30%	15%	25%	30%
	33%	14%	14%	40%
	27%	16%	34%	24%
 NAIL PRODUCTS	25%	12%	41%	22%
	26%	14%	28%	33%
	20%	13%	52%	16%

● ALL SPAS
 ● DAY SPAS
 ● RESORT/HOTEL SPAS



(Continued) Please identify which of the following best describes your change in retail sales, if any, for the following product categories for the first half of 2017 compared to the same period in 2016.

	INCREASED	DECREASED	NO CHANGE	DO NOT OFFER
 NUTRITIONAL SUPPLEMENTS	6%	3%	9%	83%
	7%	5%	7%	81%
	4%	0%	11%	85%
 PRIVATE LABEL PRODUCTS	28%	7%	26%	40%
	23%	9%	12%	56%
	27%	6%	36%	30%
 SKIN CARE PRODUCTS	66%	15%	18%	1%
	59%	16%	25%	0%
	68%	16%	16%	1%
 SNACKS AND BEVERAGES	16%	3%	15%	67%
	14%	5%	7%	74%
	16%	1%	21%	62%
 SUNCARE PRODUCTS	38%	4%	45%	13%
	33%	5%	47%	16%
	41%	4%	42%	13%
 SUNLESS TRAINING PRODUCTS	11%	6%	25%	59%
	14%	5%	19%	63%
	9%	6%	30%	56%
 YOGA APPAREL AND ACCESSORIES	21%	4%	17%	58%
	7%	5%	7%	81%
	28%	4%	25%	42%

● ALL SPAS
 ● DAY SPAS
 ● RESORT/HOTEL SPAS

Respondents were asked if their spa has a new retail product that has been flying off the shelves in 2017, and, if so, to share the details about their spa's hottest retail product. A selection of responses can be found below.

- 21 Drops Essential Oils. My staff loves them and they make for an easy sell.
- A three-way tie between our customized bracelet from Mala + Mantra, Bio Republic sheet masks, and Chuao Chocolate bars.
- All Comfort Zone products!
- Allergy Zapper by Sumbody.
- Amika hair products.
- Aveda's Tulasara Wedding Masque, an overnight cream that helps brighten skin and smooth out fine lines in one application.
- BABOR Collagen Booster Cream.
- Babor's ampoules!
- Circadia's Vitamin C serum. Staff loves it so they sell it.
- Clear My Head Roll-on moves every day. We use the pump version in the treatment room after our massages and the therapist love to sell it.
- Coola Sun Care has been the most consistently reordered item. Being a Florida resort, sun protection is priority number one.
- EmerginC Multi-Vitamin Serum.
- Eminence Organic Skincare Tropical Vanilla Sun cream SPF 32. Men's swimwear has been really popular and OKB sandals for women.
- Euro Spa Eucalyptus Spray.
- European Spa Source Shower Mist and Pillow mist. In 30 days we sold for \$888 and it's a very new item we received in 2017.
- Foreo.
- Gehwol Salve for Cracked Feet.
- HydraAromatherapy shower bursts and Green Envee chakra oils.
- I wouldn't say flying, but the highest volume so far is Esthechoc 21pk.
- Image's - Yaya Collagen Supplement.
- Keratin Care hair products.
- Laboratory of Flowers aromatherapy products. These were introduced into our spa as our new Wellness Treatments.
- Lids by Design by ContourX and Perfect Pout by Kaplan MD.
- Lucie and Pompette lip balm and lip crayons. Can't keep them in stock.
- MaeMae and Melis Jewelry lines.
- Mala Mantra chakra line.
- Oka B Sandals.
- OSEA skin care line has been a huge success since we started offering it at our downtown location almost a year ago and the same results have been seen at our Galleria location once we brought it on in the last 6 months. OSEA is active, organic and natural luxury skincare products that are easy-

to-use essentials made for individual skin types. OSEA deliver results by nourishing the skin with potent, bioavailable ingredients such as seaweed.

- Our clients are loving Coola sunscreen products as we head into the summer months on the East Coast. In addition, our Babor ampoules are selling very well along with the entire Babor skincare line!
- Poncho-wrap apparel from Savvy Jewels, sold for \$32 variety of colors.
- Rapid Fire Relief Original Wintergreen Spray! It's nature's solution to pain relief and provides temporary relief of discomfort associated with arthritis, muscles, joints, tendons, ligaments, sprains, and strains. It's a 100% all natural proprietary blend of pure therapeutic grade Wintergreen, Peppermint, USP Grade Menthol, Spearmint, Camphor, and Fractionated Coconut oil. Our clients can't get enough of it!
- Revita lash and brow.
- SkinMedica HA5 Rejuvenator.
- Spi Belts.
- Sugarfina!
- Tai Jewelry earrings. Price points \$20-58.
- Tao of Tea. We offer it as a sample in our waiting room and people just have to have it right now.
- The ZENTS Collection!
- ToGoSpa Eyes- great product and great margins.
- Unbreakable journals.
- Water drench moisturizer.
- We are just launching Lululemon in one location and project the brand to be huge for us. We have also introduced Sundries recently which is doing very well as well as beauty must haves.

Which of the following incentives has your spa used in 2017 to promote retail product sales?

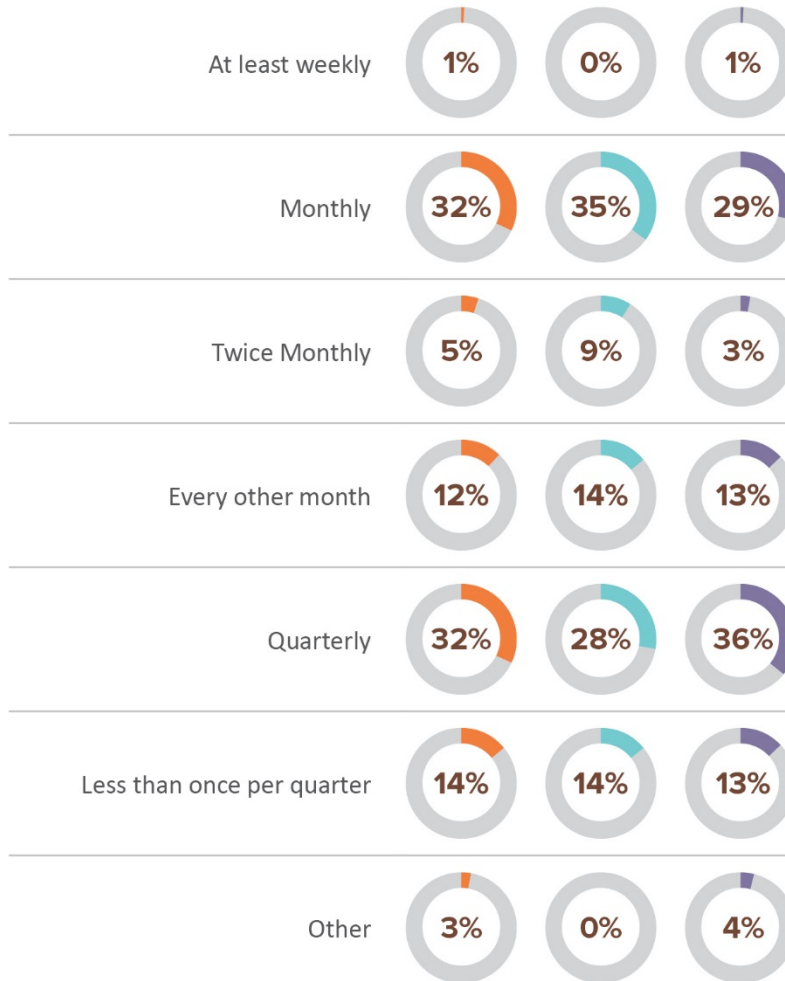
RESPONSE	ALL SPAS	DAY SPAS	HOTEL/ RESORT SPAS
Coupon or discount that can be applied toward a future purchase	41%	43%	37%
Drawings or giveaways	31%	43%	24%
Email to customers promoting a specific product and/or discount	44%	69%	29%
Free gift with purchase	66%	57%	74%
Free product samples with a treatment/service	60%	64%	59%
Free product with gift card purchase of a select amount	24%	31%	19%
Loyalty program that incentivizes repeat purchases	23%	29%	16%
Promotional spa experience package that includes retail products	22%	17%	24%
Retail area open house or social event	37%	50%	31%
Social media contest	13%	19%	9%
Vendor representative at the spa to promote a specific brand/product	38%	36%	41%
Other	6%	5%	6%

Does your spa sell retail products directly to consumers online?



Which of the following best describes how often your spa introduces a new retail promotion?

● ALL SPAS
 ● DAY SPAS
 ● RESORT/HOTEL SPAS



Respondents were asked to describe a successful strategy their spa has used to help move stale products off the shelves that haven't been selling. *A selection of responses can be found below.*

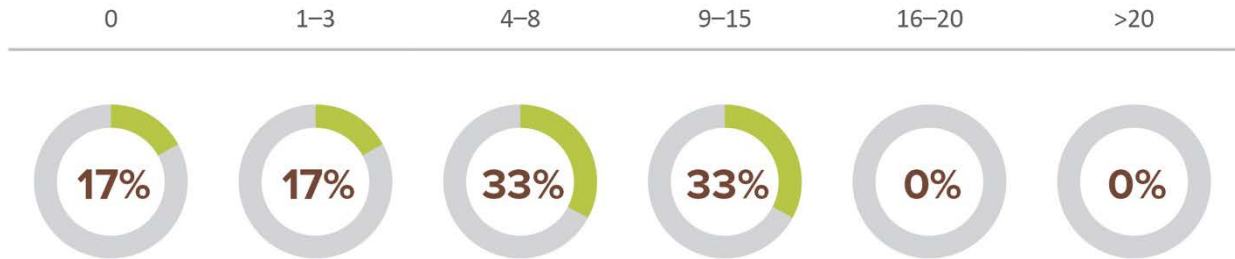
- "We're Sad to See Them Go" Section.
- 2-for-1 sales, discount product table display over holidays.
- 30% off or greater. transfer inventory to a discount store we have on site.
- Always move it around. It is then new to someone. Remember the "like with like" concept. You can merchandise it with a like color and create a different story. Retail is all about selling the story behind the product. Also, if you have multiple stores in your resort you can transfer an item that is not selling to a place where it might. We have also put the item if it's appropriate at the spa check in counter.
- As well create a package which includes those products to take ways after the treatment.
- Bathroom sampling.
- Be creative about it. Who is the target audience and why is it not selling are questions you ask before coming up with a strategy. If people just don't know the product I will get an additional tester/display to show people the specific product. If it has past it's time in the lime light I will often use it in a raffle at one of our events or gift it to a VIP as a token of our appreciation. Sometimes even just resetting our retail set up changes what the hot items are and will change the buying pattern. I also incentive the staff on specific items- it gives them a charge to sell the misfit item but also other retail as they are in that mode.
- Bundle into a "themed" basket.
- Bundle them with better sellers at a discounted price.
- Bundle with a service, relocate to a more visible area, other staff incentives when they sell them.
- Buy one, get one free.
- Changing placement.
- Changing up our display, putting it on discount, and just talking it up to everyone.
- Clearance Section; Gift with Purchase; Use as POS display.
- Combining the product with a gift card purchase.
- Discount program/associate sale/vendor buy back.
- Displaying them more visible to the guests with big discounts.
- Donate to a local women's shelter and receive tax credit.
- Encourage team to use and promote combined with promotional offers.
- Flash sales and social media.
- Gift with purchase.
- Having free mini facial events every 3 months. We have raffles, snacks, discounts etc. to introduce facials and pre-booking them for future.
- Higher Incentives to Front Desk Team to sell plus contests.
- I have had a monthly special. I have also sent hand written invitations to our members (we are a resident spa) and offered an additional 10% off on services.

- Identifying a need with a client and using it on them.
- If retail products do not sell with discounts we will transfer them to another revenue center for liquidation.
- If you have a spa service you get \$10 off certain items.
- Internal Colleague Sale.
- Make an appreciation promo, giving away the stale products, forcing a specific group of clients to try it. For example, for teachers' appreciation week, we gave away a set of bath bombs to all clients that are teachers that were serviced that week.
- Making sure the shelves are properly stocked with items being used in the treatment rooms. Very basic concept but moves product. If product isn't selling we pull them into a treatment and create a new use for the product.
- Member Lawn Sale of slow moving or discontinued items.
- Monthly promotional discounts correlating with service.
- Open house / events.
- Packaging them with another item, creating a BOGO. Using them in charity donation packages.
- Pair it with a seasonal special treatment.
- Placing educational information around the spa with benefits on a particular product is also helpful.
- Re-introduce it to spa staff and move product closer to check out.
- Re-merchandising.
- Sale. (4)
- Sales and moving products around the space at least once per month. Location does have an impact on sales and we feel it is important to stay vigilant with product locations.
- Selling at high discounts to spa staff!
- Side Walk Sales, gift with purchase.
- SPA Products that are also used professionally are put into the treatment rooms for use.
- Staff incentives, whoever sales the most of a product, or products needing to be moved will get a gift (gift card or a product from the spa).
- Staff sale in our hotel cafeteria at 50% off.
- The moment product slows down because of lack of interest, age or non-use in our treatments we mark them down 25%, 50% a month later, then 75% if need be. We have a very clean inventory.
- Transferring them to back bar and using in services, offering a discount on the product if special service is booked.
- Use as guest recovery gifts.
- We are a seasonal resort open October to June. At the midpoint of our season we have a "Sale" moving out stale items. At the end of the season we offer a discount on products to clear our inventory for the Summer months.
- We do discount merchandise that isn't selling, becoming increasingly aggressive with aged merchandise.
- We have a 50% off Sale area, that is for products that have been deemed unsuccessful for us and we will often use those items in giveaways, charitable contributions, silent auction basket donations.

- We have a deeply discounted sale cart outside that moves items quickly so they do not accumulate. If I have seasonal carry over and it is not that salable, I put it out on the cart before the holiday.
- We have advertised them as featured and included a discount.
- We have discounted products to help move it off the shelf. We sometimes collect the stale products and give them as staff incentives or gifts.
- We highlight products at the Front Desk, or combine product together at a discount.
- We move retail often. We often change our point of sale, and keep a combination of high dollar products and quick buys. We've also learned that combining education with staff incentives during a promotion period provides a huge push in sales.
- We move things around that aren't selling. If they still don't move we discount.
- We pull them to the front with a fun eye-catching display. Run a contest with the team to sell the most of that product.
- We run promotions and offer gift with purchases. We also use our point of sale to deplete inventory on some products and run staff contests to increase the incentive to push the sales.
- We sold \$5 tickets for a \$500 jewelry draw for Mother's Day. We sold out the tickets and some of the higher priced pieces that hadn't been moving were selected by the winner of the draw.
- We use a quarterly promotion for items that are slow movers or we partner a slow mover with a hot product - usually buy one get the second free.

ISPA RESOURCE PARTNERS

How many total new products does your company plan to introduce in 2017?



Please identify which of the following months your company has launched or plans to launch a new product or service in 2017.

