ISPA

CONSUMER SNAPSHOT

VOLUME VIII

Retail

INTERNATIONAL SPA ASSOCIATION FOUNDATION

AUGUST 2017

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Setting the Scene

The ISPA Foundation commissioned PwC to conduct a nationally-representative survey program to provide timely consumer insights relevant to the spa industry in the United States. The Consumer Snapshot Initiative generates invaluable quantitative data for the spa industry on real-life attitudes and opinions of a sample of the population at a specific point in time. This eighth edition of the Consumer Snapshot Initiative focuses specifically on retail.

Consumers find themselves in a powerful position. With greater choice than ever before and a whole new world of options available at the click of a button, retailers face a constant battle to remain both competitive and relevant. Spas, naturally, find themselves at the heart of this ever-evolving landscape, with retail products providing a potentially lucrative way to enhance a spa's offering and improve the company's bottom line.

This study looks through the lens of the consumer at the worlds of spa and retail, and aims to shine a light on how spas can maximize their retail offerings to their clients.

The study begins by examining some spa attendance metrics and characteristics more generally, and then focuses on retail, looking first of all at consumers' habits and attitudes towards retail before diving into the world of retail in the spa.

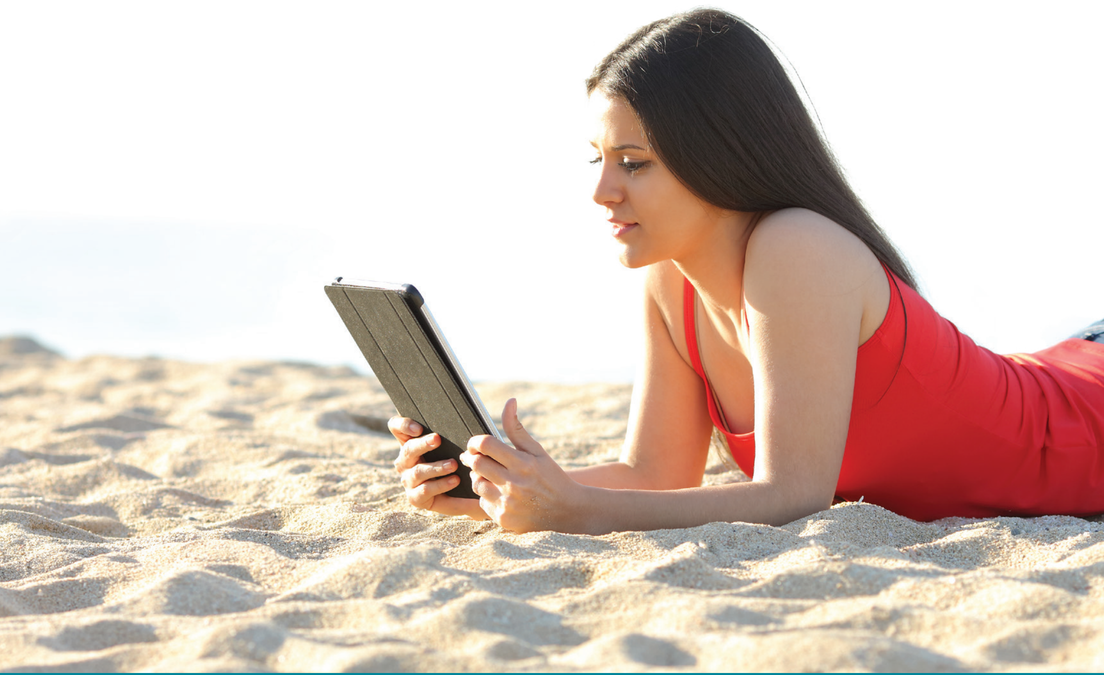
The survey was conducted using a representative sample of the US population and the results were analyzed to look at patterns according to gender, age and location, as well as spa-goers and non-spa-goers.

For the first time in the Consumer Snapshot series, and building on the successful seventh edition which looked solely at millennials, this study analyzed the results to look at patterns within different generational groups, with striking differences often apparent.

People born within five generational groups were analyzed in the study:

- The Homeland Generation (also known as Generation Z) (born 1996-present)
- Millennials (born 1982-1995)
- Generation X (born 1965-1981)
- Baby Boomers (born 1946-1964)
- The Greatest Generation (born pre-1946)

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



Key Reasons for Spa Visits

WHY DO PEOPLE VISIT SPAS?

A very positive headline for the industry is the number of people choosing to visit spas is on the rise. In 2013, two thirds of participants (67%) in the Consumer Snapshot were non-spa-goers. Less than half a decade later, this figure continues to move from strength to strength, with exactly half of all participants having visited a spa once or more in the past year. In the last edition of the Consumer Snapshot, which specifically targeted millennials, an encouraging picture emerged. Over half of all millennials (56%) had visited a spa once or more in the past 12 months. This time around, this figure sits at 76%, showing steady progress. The future for the spa industry looks bright as millennials take center stage.

Of the overall spa-goers, 51% were female and 49% were male. The desire to reduce or relieve stress is still the main reason to visit a spa (28%), with one in five reporting a desire to improve their appearance making it the second largest incentive. More females found this to be a primary motive (at 23% compared to males at 17%). Looking back to earlier results from Volume III of the Consumer Snapshot Initiative less than five years ago, there has been a noticeable rise in the proportion of male spa-goers, with exactly half of spa-goers now being male. Spa-going is now well established as a core part of the male wellness regime.

A similar picture is painted throughout with regard to the main demographics. Taking a look at the reasons for attending a spa on the basis of generational cohort, income and gender—both the desire to 'reduce/relieve stress' and 'improve my appearance' come out as main reasons for attending a spa. The one exception is Baby Boomers, who voted 'treat myself/indulge' as their primary reason for visiting a spa (27%). Clearly the big move to a focus on wellness in the spa industry is resonating and has a willing audience.

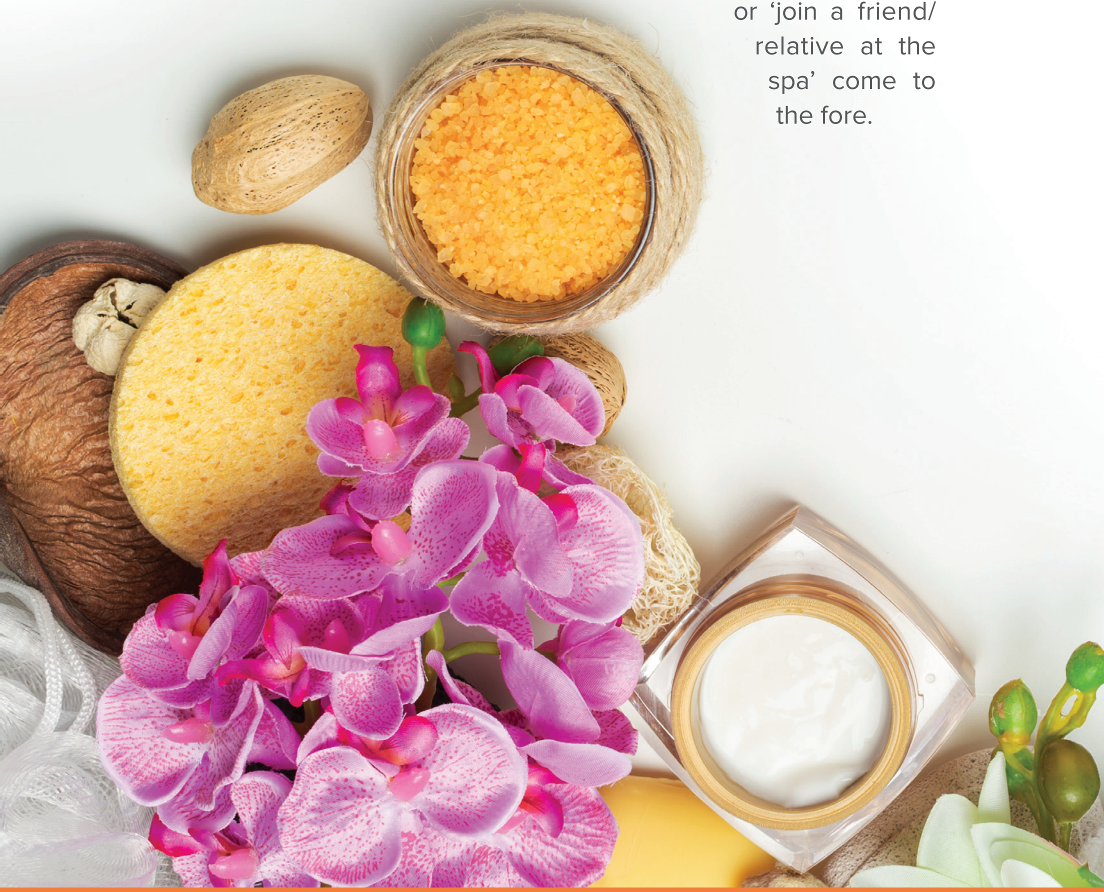
Breaking down the different age groups, those between the ages of 25 and 34 years old attend spas most frequently, with 45% visiting a spa five or more times per year. Those within this age bracket are of course considered to be the 'millennial cohort.' They are at the beginning of their working careers and often, as a result of having fewer financial responsibilities, see attending a spa as less of a treat (only 7%, unlike the Baby Boomers at 27%), but rather an investment in overall wellness (23%—more than any other generational grouping). Of those aged 55+, only 3% classified themselves as frequent spa-goers, attending five or more times per year.

SPA-GOERS: REASON FOR VISITING A SPA

	TOTAL	MALE	FEMALE
Improve my appearance	**20%**	**17%**	**23%**
Invest in overall wellness	**11%**	**13%**	**10%**
Join a friend/relative at the spa	**10%**	**12%**	**9%**
Lose weight	**3%**	**4%**	**2%**
Recover from injury/illness	**2%**	**3%**	**0%**
Reduce/relieve stress	**28%**	**30%**	**26%**
Soothe sore joints/muscles	**9%**	**10%**	**9%**
Treat myself/indulge	**13%**	**10%**	**15%**
Utilize a gift card/certificate	**3%**	**1%**	**5%**
Other	**0%**	**0%**	**1%**

The desire to relieve and reduce stress remains the key reason for spa-going across the generations allied with 'improving my appearance' at number two. Notably, this proved to be a greater incentive for the younger cohort, and the desire to 'soothe sore joints/muscles' a greater incentive for those between the ages of 45 and 64.

On the basis of income, the trend continues with all spa-goers reporting their desire to attend a spa as driven by the need to reduce and relieve stress. However, for lower income spa-goers, the desire to 'improve my appearance' is considerably less of an incentive to attend a spa, but other reasons such as to 'soothe sore joints/muscles' or 'join a friend/relative at the spa' come to the fore.



Barriers to Spa Visits

WHAT ARE THE BARRIERS TO VISITING A SPA?

Understanding why exactly half of the survey respondents don't visit spas is perhaps as important for the industry as why people do visit. Unsurprisingly, the main reason for not attending a spa in the last 12 months is the belief that spas are 'too costly,' with over half (54%) of non-spa-goers citing this as the main reason for not attending a spa. Forty-six percent of males and 62% of females ranked this the top reason for choosing not to attend a spa. Income also plays a part in why individuals have decided against attending a spa, with excess cost being the top reason for not attending across all income brackets below $100,000.

There is little in the way of a generational split as to why people do not attend spas. Consistently across the cohorts, the responses remain highest for spas being too costly and people not having enough time to attend one. Interestingly, when it comes to not visiting spas because 'spas are for women,' this option was selected by less than 1% of non-spa-goers in the Homeland and millennial groups. However, it was selected as an option by one in ten (11%) of the Generation X, Baby Boomer and Greatest Generation groupings.

This suggests the perception of the spa experience among the older generations as being a 'women-only activity' is still held by some in the more mature age groupings. The fact that this finding does not hold in the millennial and younger groups, perhaps shows changing attitudes across the generations.

NON-SPA-GOERS: REASON FOR NOT GOING

	ALL	MALE	FEMALE
Do not have spas available in my area	**20%**	**19%**	**20%**
Do not have enough time	**18%**	**14%**	**22%**
Not comfortable/embarrassed about visiting a spa	**17%**	**14%**	**19%**
Not familiar with a spa environment and/or spa etiquette	**21%**	**22%**	**21%**
Too costly	**54%**	**46%**	**62%**
Too indulgent	**11%**	**13%**	**10%**
None of my friends go	**9%**	**9%**	**8%**
Do not see any perceived benefits	**19%**	**27%**	**10%**
Spas are for women	**9%**	**17%**	**0%**
Spas have an unfavorable reputation	**2%**	**4%**	**1%**
Other	**5%**	**3%**	**6%**

REASONS NON-SPA-GOERS CHOSE NOT TO VISIT A SPA BY GENERATION

	ALL	HOMELAND GENERATION	MILLENNIALS	GENERATION X	BABY BOOMERS	GREATEST GENERATION
Do not have spas available in my area	20%	42%	25%	17%	17%	19%
Do not have enough time	18%	38%	31%	21%	13%	7%
Not comfortable/ embarrassed about visiting a spa	17%	12%	16%	14%	20%	9%
Not familiar with a spa environment and/or spa etiquette	21%	42%	21%	19%	20%	20%
Too costly	54%	54%	57%	62%	51%	46%
Too indulgent	11%	8%	3%	15%	13%	7%
None of my friends go	9%	23%	9%	12%	6%	9%
Do not see any perceived benefits	19%	15%	6%	13%	21%	33%
Spas are for women	9%	4%	0%	10%	12%	7%
Spas have an unfavorable reputation	2%	4%	1%	3%	2%	0%
Other	5%	4%	1%	4%	5%	7%

WHO BUYS WHAT?

Before asking respondents about their purchase of spa-related products, the survey posed more general questions regarding health, beauty and wellness products, such as what products they have bought in the last year and where they purchased each of those products. The focus then switched to the main influencers and inspirations respondents identified when buying health, beauty and wellness products.

The top three health, beauty and wellness products that respondents reported purchasing were:

- Hair care products (70%)
- Bath and body products (65%)
- Vitamin or health supplements (60%)

Females were more likely to purchase these products than men with significant differences evident, especially with make-up (63% females vs. 11% males) and nail products (53% females vs. 11% males). Although, with patterns of purchasing continually changing, some might say the fact that more than one in 10 men are now buying either makeup or nail products is an interesting development in itself. Even within the top two products identified overall, there is a 20% difference between male and female, with four in five females (80%) selecting 'haircare products' compared with three in five males (60%) and 75% of females selecting 'bath and body products' compared to 55% of males. The only health, beauty and wellness product that bucked this trend was 'vitamin and health supplements,' with 61% of males selecting this option compared to 59% of females.

Differences also appear when a generational lens is applied. Bath and body products are the most selected products for the Homeland Generation (68%) and millennials (75%); however, this changes to hair care products for both Generation X (71%) and Baby Boomers (74%). The Greatest Generation stated that vitamin

and health supplements were their top product purchased (74%). It is interesting that while hair care products and bath and body products remain consistently high across the generations, vitamin and health supplements become noticeably more prominent the older people get (29% of the Homeland Generation selected vitamin and health products, 56% of millennials, 60% of Generation X, 67% of Baby Boomers and 74% of the Greatest Generation).

Income appears to have limited influence on the purchase of health, beauty and wellness products with the top three products selected remaining unchanged across all income bands. Vitamin and health products tend to become more popular as income increases; however, this could be explained by the positive correlation between age and income.

Although the top three products identified between spa-goers and non-spa-goers were the same, spa-goers were significantly more likely to purchase all health, beauty and wellness products, the exception being hair care products (selected by 73% of non-spa-goers and 66% of spa-goers), as well as vitamin or health supplements, although the difference here was subtle, with spa-goers and non-spa goers similarly likely to purchase (62% and 59% respectively). Anti-aging skin care products showed the biggest difference between the groups with almost half (47%) of spa-goers selecting this product compared to 17% of non-spa-goers.

WHO BUYS WHAT

	ALL	HOMELAND GENERATION	MILLENNIALS	GENERATION X	BABY BOOMERS	GREATEST GENERATION
Anti-aging skin care product	32%	21%	43%	37%	26%	8%
Other skin care product (i.e. face cream, moisturizer, serum, etc.)	49%	54%	55%	49%	44%	36%
Bath & body product (i.e. shower gel, body scrub, etc.)	65%	68%	75%	70%	58%	36%
Candles & aromatherapy products	32%	34%	40%	37%	25%	7%
Hair care product (i.e. shampoo, gel, mousse, etc.)	70%	68%	66%	71%	74%	64%
Makeup product	37%	53%	47%	37%	30%	13%
Nail product	32%	40%	43%	31%	26%	15%
Self-tanning product	12%	10%	21%	12%	6%	5%
Sun care product (i.e. sunblock, after sun lotion)	41%	18%	47%	48%	38%	31%
Vitamin or health supplement	60%	29%	56%	60%	67%	74%
Yoga apparel & accessories	13%	6%	27%	12%	4%	0%
None of the above	5%	4%	3%	5%	7%	13%

PURCHASES: SPA-GOERS VS. NON-SPA-GOERS

	ALL	SPA-GOER	NON-SPA-GOER
Anti-aging skin care product	32%	47%	17%
Other skin care product (i.e. face cream, moisturizer, serum, etc.)	49%	58%	39%
Bath & body product (i.e. shower gel, body scrub, etc.)	65%	74%	57%
Candles & aromatherapy products	32%	40%	24%
Hair care product (i.e. shampoo, gel, mousse, etc.)	70%	66%	73%
Makeup product	37%	44%	31%
Nail product	32%	38%	27%
Self-tanning product	12%	19%	5%
Sun care product (i.e. sunblock, after sun lotion)	41%	47%	36%
Vitamin or health supplement	60%	62%	59%
Yoga apparel & accessories	13%	20%	5%
None of the above	5%	2%	9%

Where They Buy

WHERE DO THEY BUY?

For each of the products respondents stated they had bought in the last year, they were asked to select where they had purchased them. Focusing on the top three products identified (hair care products, bath & body products and vitamin or health supplements), grocery store/supermarket was the top location in each category (49% for hair care products, 57% for bath & body products and 44% for vitamin or health supplements). The department store was the second most stated location for bath and body products (39%) and for hair care products (34%), whereas ‘pharmacy’ was the second most popular location for buying vitamin or health supplements (40%).

While traditional shopping methods dominated here, with physical store purchases accounting for as much as 86% of purchases in some products, the online presence cannot be ignored. Yoga apparel (50%), self-tanning products (33%), make-up products (31%), anti-aging skin care products (31%) and other skin care products (29%) are the top five health, beauty and wellness products respondents bought online. Looking at these top online purchases, females were more inclined to purchase online compared to men for three of them—anti-aging skin care products (34% females vs. 26% males), self-tanning products (36% females vs. 30% males) and yoga apparel (52% females vs. 44% males). 'Other skin care products' was tied at 29% for both males and females and 44% of males purchasing make-up bought online compared to 29% of females.

When looking at the different age profiles and where they purchased their health, beauty and wellness products, grocery stores/supermarkets and department stores dominated across the board.

The prevalence of the online platform for purchasing each of these products peaks for the 35–44 year olds before falling away again for the older age brackets, and 18–44 year olds are also more likely to purchase health, beauty and wellness products in

WHERE SPA PRODUCTS ARE PURCHASED

	GROCERY STORE/ SUPERMKT	DEPT. STORE	PHARMACY	SPA/SALON	ONLINE
Anti-aging skin care product	46%	33%	33%	29%	31%
Other skin care product (i.e. face cream, moisturizer, serum, etc.)	42%	35%	32%	19%	29%
Bath & body product (i.e. shower gel, body scrub, etc.)	49%	39%	22%	17%	18%
Candles & aromatherapy products	36%	55%	17%	21%	21%
Hair care product (i.e. shampoo, gel, mousse, etc.)	57%	34%	23%	15%	14%
Makeup product	38%	46%	24%	17%	31%
Nail product	40%	34%	23%	19%	20%
Self-tanning product	36%	38%	34%	32%	33%
Sun care product (i.e. sunblock, after sun lotion)	44%	35%	30%	12%	17%
Vitamin or health supplement	44%	24%	40%	9%	24%
Yoga apparel & accessories	18%	61%	11%	20%	50%

a spa compared to those aged 45+. Looking specifically at hair care products, almost a quarter (23%) of those aged under 45 bought their products at a salon, compared to just 8% of those aged 45+. This split could highlight a change of behavior between the generations with the younger generations more receptive to tailored advice they may not get at a grocery or department store.

Once again, grocery/supermarkets and department stores continue to be the top avenues for purchasing health, beauty and wellness products for both spa-goers and non-spa-goers. However, purchasing products online is, in some cases, significantly higher for spa-goers versus non-spa-goers.

Key Influences

WHAT ARE THE BIG INFLUENCES?
With the rise of social media and the ever expanding world of ‘celebrity’, the main influencers in health, beauty and wellness products were explored.

MAIN INFLUENCERS

	ALL
Company reputation	**68%**
Discounts/promotions	**67%**
Word of mouth	**54%**
Online reviews	**46%**
Social responsibility	**43%**
Advertisements	**40%**
Celebrity endorsements	**27%**

*Data represents respondents who selected “Influential” or “Highly influential”

Company reputation came out on top with over two thirds (68%) of respondents seeing it as influential when buying health, beauty and wellness products. This is followed very closely by ‘discounts/promotions’ (67%). These top two influencers are the same for both males and females, but more females identified company reputation (72%) and discounts/promotions (70%) as influencers compared to males (64% for both). Spa-goers were significantly more likely to find the options influential compared to non-spa-goers.

Company reputation is more influential to spa-goers (80%) than non-spa-goers (56%) and three quarters of spa-goers found discounts/promotions influential compared to 60% of non-spa-goers. It is worth noting that discounts/promotions were the greatest influence to non-spa-goers.

MAIN INFLUENCERS: SPA-GOER VS. NON-SPA-GOER

	SPA-GOER	NON-SPA-GOER
Company reputation	**80%**	**56%**
Discounts/promotions	**75%**	**60%**
Word of mouth	**71%**	**37%**
Online reviews	**67%**	**26%**
Social responsibility	**62%**	**24%**
Advertisements	**60%**	**21%**
Celebrity endorsements	**50%**	**5%**

*Data represents respondents who selected “Influential” or “Highly influential”

When looking across the generations, millennials appear to be most influenced by a range of factors when purchasing health, beauty and wellness products. Four in five found company reputation influential. This compares with 63% of the Homeland Generation, 71% of Generation X, 60% of Baby Boomers and 44% of the Greatest Generation. The ‘celebrity endorsement’ influence was also greatest for millennials (55%) - surprisingly only 35% of the Homeland Generation found them influential, proving again that the new kids on the block are not just made in the image of the millennials, rather they are forging their own identity. It would appear that this younger generation finds online reviews far more influential than the thoughts of a star, with over two thirds (68%) finding them influential. This is the second biggest influencer for the Homeland Generation behind discounts/promotions (69%).

INFLUENCERS BY GENERATION

	HOMELAND GENERATION	MILLENNIALS	GENERATION X	BABY BOOMERS	GREATEST GENERATION
Company reputation	63%	80%	71%	60%	44%
Discounts/promotions	69%	77%	73%	59%	39%
Word of mouth	53%	72%	61%	38%	28%
Online reviews	68%	73%	51%	22%	10%
Social responsibility	50%	65%	45%	26%	11%
Advertisements	43%	61%	46%	25%	7%
Celebrity endorsements	35%	55%	30%	5%	2%

When looking at income, it is no surprise that discounts/promotions are the biggest influence for those in the lowest income brackets. For those earning less than $25K, 69% selected discounts/promotions. There appears to be an interesting correlation between income and celebrity endorsements with 17% of those in the lowest income bracket selecting this option, increasing right up to 50% of those in the top income bracket of $150k or more.

The Role of Social Media

SOCIAL MEDIA & RETAIL: DOES IT PLAY A ROLE?

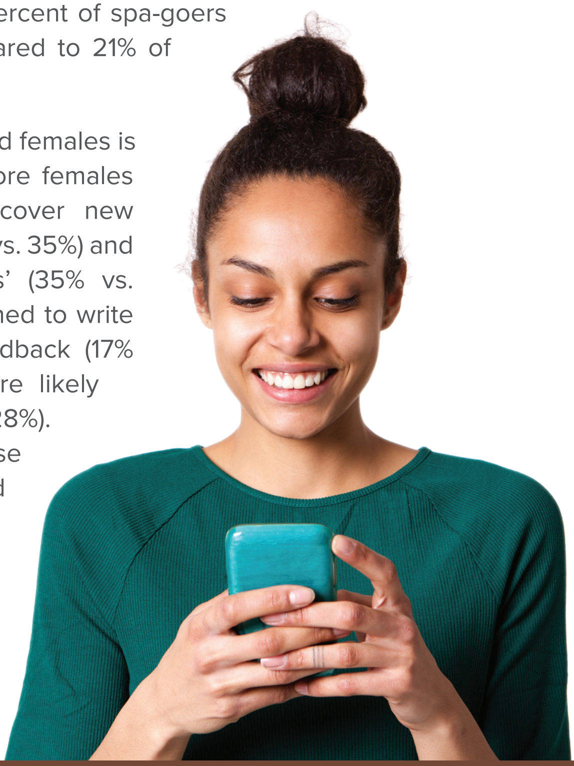
The three top uses for social media as part of a shopping experience are:

- To discover new brands and products (39%)
- To access promotional offers (32%)
- To read reviews, comments or feedback (32%)

It is worth highlighting that a significant number of respondents (37%) stated they didn't use social media in this way. However, this number is primarily driven by Baby Boomers (63%), the Greatest Generation (82%) and non-spa-goers (60%). Males (40%) were also more likely to select this option compared to females (33%).

From the data, it seems that spa-goers embrace social media as part of their shopping experience. The biggest difference appears when using social media to discover new brands and products. Fifty-eight percent of spa-goers selected this option compared to 21% of non-spa-goers.

The split between males and females is more balanced. Slightly more females use social media to 'discover new brands and products' (44% vs. 35%) and 'access promotional offers' (35% vs. 29%). Males are more inclined to write reviews, comments or feedback (17% vs. 12%), with women more likely to read them (35% vs. 28%). Both males and females use social media equally (and quite minimally—8%) to see which brands celebrities are endorsing online.



SOCIAL MEDIA USE IN SHOPPING

	ALL	SPA-GOER	NON-SPA-GOER
To discover new brands and products	39%	58%	21%
To access promotional offers	32%	44%	21%
To associate with particular brands or retailers	19%	30%	9%
To view advertisements	25%	37%	14%
To write reviews, comments or feedback	14%	24%	5%
To read reviews, comments or feedback	32%	42%	22%
To purchase products directly	19%	30%	9%
To see which brands celebrities are endorsing online	8%	15%	1%
I don't use social media in this way	37%	14%	60%

The younger generations are most likely to embrace social media as part of the shopping experience compared to all other generations. The most cited way they use social media is to discover new brands and products (63% for The Homeland Generation and 62% for millennials). This drops to 46% for Generation X and 16% for Baby Boomers. Again millennials lead the way in terms of embracing social media, ahead of even the Homeland Generation. Millennials are also more likely to purchase products directly on social media (35%) and to write reviews, comments or feedback (28%) than the other generations. It is telling that although the Homeland Generation is more likely than millennials to read reviews, millennials are more likely to write them.

SOCIAL MEDIA USE IN SHOPPING: HOMELAND GENERATION VS. MILLENINIALS

	ALL	HOMELAND GENERATION	MILLENNIALS
To discover new brands and products	39%	63%	62%
To access promotional offers	32%	43%	46%
To associate with particular brands or retailers	19%	25%	35%
To view advertisements	25%	37%	41%
To write reviews, comments or feedback	14%	13%	28%
To read reviews, comments or feedback	32%	46%	43%
To purchase products directly	19%	22%	35%
To see which brands celebrities are endorsing online	8%	9%	17%
I don't use social media in this way	37%	10%	9%

Inspiration for Purchases

WHERE DOES THE INSPIRATION TO PURCHASE HEALTH, BEAUTY AND WELLNESS PRODUCTS COME FROM?

Respondents were asked to rate how inspirational they found various online platforms when making health, beauty and wellness purchases. The top three inspirational channels for participants were:

- Multi-brand retail sites (47%)
- Individual retail websites (43%)
- Facebook (40%)

Again, spa-goers were more inspired than non-spa-goers when using online platforms to make health, beauty and wellness purchases. Focusing on the top three platforms mentioned previously, multi-brand retailer websites saw a big difference between spa-goers and non-spa-goers, with 68% of spa-goers finding this inspirational compared to 26% of non-spa-goers. For individual retailer websites, 62% of spa-goers found this inspirational compared to 23% of non-spa-goers and for Facebook, 64% of spa-goers found this inspirational compared to 17% of non-spa-goers.

There is very little difference between males and females when looking at their inspirations. Forty-seven percent of both males and females found multi-brand retailer websites inspirational, 44% of females compared to 41% of males found individual retailer websites inspirational and 41% of females compared to 40% of males found Facebook inspirational. In this arena, gender does not appear to be a factor.

There is an interesting shift across the generations with 70% of millennials finding Facebook inspirational. This compares to 43% of the Homeland Generation and 47% of Generation X. Multi-brand retailer websites were the second most attractive for two thirds of millennials (67%), with individual retailer websites and Instagram tied for 3rd (65%). This is interesting because no other generation

found social media platforms as inspirational as the millennials. Even Twitter, which was seen as one of the least inspirational at an overall level (29%) jumped with more than half (57%) of millennials seeing it as inspirational. These results are fascinating in posing a broader key question—does the celebrity-focused era begin and end with the millennials?

INSPIRATION IN HEALTH, BEAUTY AND WELLNESS PURCHASES

	HOMELAND GENERATION	MILLENNIALS	GENERATION X	BABY BOOMERS	GREATEST GENERATION
Blogs	28%	59%	33%	6%	2%
Facebook	43%	70%	47%	17%	7%
Twitter	43%	57%	31%	7%	0%
Instagram	53%	65%	35%	5%	0%
Individual retailer websites	47%	65%	48%	24%	13%
Multi-brand retailer websites	62%	67%	53%	29%	15%
Digital press and magazines	31%	55%	41%	16%	5%
Mobile apps	49%	56%	33%	9%	0%

Retail Products at the Spa

As an add-on to treatments, offering retail products is a potentially lucrative way that spas can increase revenue and broaden the offering they give to their customers. This edition of the Consumer Snapshot asked spa-goers about their experiences and habits with retail products at the spa.

Having the option of making a purchase at the spa is appealing for spa-goers across the board, with almost two thirds (65%) saying that it is important to them that a spa provides retail products. It is the millennials who value this most, with more than four in five millennial spa-goers (81%) saying they find it important that a spa offers retail products to purchase. It is perhaps unsurprising that this much talked-about generation is also significantly more likely to make a purchase 'every time' they visit a spa (39% compared to 28% overall) and are more likely to spend their cash in higher amounts, with more than three in five millennial spa-goers (61%) spending at least $60 on their most recent spa visit (compared to 47% of Generation X and just 17% of Baby Boomers).

HOW MUCH DO SPA-GOERS SPEND ON RETAIL?

At an overall level, spa-goers as a whole seem content to supplement their treatments with healthy spending on products. When asked about the last time they visited a spa, only 14% said they spent less than $20 on products, and almost one in five (19%) said they made purchases totaling at least $100.

For spas, targeting the highest earners could prove to be a big win, with a little under half (42%) of those earning at least $100,000 annually spending more than $100 in retail during their last visit. Despite this apparent encouraging level of spending by spa-goers, this study shows that spas still have ground to make up when it comes to selling products, with almost a quarter of spa-goers (23%) saying they 'hardly ever' or 'never' make a purchase. High prices are overwhelmingly the reason behind this statistic, with almost three quarters (74%) saying they avoid purchasing because the cost is too high. A 'lack of available products at the spa' is a distant second at just 9%.

AVERAGE SPENT ON RETAIL PRODUCTS DURING LAST SPA VISIT

	ALL
$20 or less	**14%**
$21 to $40	**20%**
$41 to $60	**19%**
$61 to $80	**16%**
$81 to $100	**12%**
$101 to $150	**9%**
> than $150	**10%**

HOW DO SPA-GOERS MAKE A PURCHASE AND HOW OFTEN?

To go a little further than the front doors of the spa itself, spa-goers were asked how often they buy spa products across a range of different platforms.

There are few surprises in the data, with more than half of spa-goers stating that they buy spa products at least once a month in a store, online, or in a spa, salon or retail store. Arguably the most interesting finding in the data is the prevalence of wearable devices for making a purchase. While it may still be the least commonplace of the options, it is still striking that two in five spa-goers purchase a spa product at least once a month using wearables. In an era of rapid technological developments, this will be an interesting figure to track to see whether their popularity as a consumer platform grows.

SPA-GOERS' RETAIL HABITS AT THE SPA

At the overall level, a sizeable majority of spa-goers agreed or strongly agreed that:

- They only purchase products they have experienced during a treatment (70%)
- They buy spa products in the spa immediately after receiving a treatment (69%)
- They consider themselves loyal to a particular brand (67%)
- They buy spa products online after receiving a treatment (62%)
- They purchase retail products in various spa locations (61%)

When looking at spa-goers' habits when it comes to purchasing spa products, it is the generational groups that highlight the biggest differences in attitudes. By segmenting the data by the generational groups that took part in this wave of the Consumer Snapshot, some of the nuances are striking, with the results showing that it is the millennials and the Baby Boomers that have the most divergent opinions.

SPA-GOER PURCHASES BY PLATFORM

	ONLINE	IN A SPA	IN A SALON	IN A RETAIL STORE	USING WEARABLE DEVICES
Weekly	30%	20%	20%	23%	19%
Monthly	27%	35%	30%	42%	21%
A few times a year	24%	23%	25%	22%	18%
Once a year	7%	16%	12%	8%	13%
Never	13%	6%	13%	5%	29%

The vast majority of millennial spa-goers (85%) purchase products in the spa immediately after a treatment, and three quarters only buy if they have experienced that product during a treatment. For their older Baby Boomer counterparts, things are markedly different. Only 38% agree they buy spa products right after receiving a treatment, fewer than half the number of millennials. Slightly less than half (46%) agree they only buy products they have experienced during a treatment.

When it comes to loyalty, the generations are once again divided. Millennials are the most loyal of all the generational groups, with exactly three quarters claiming they are loyal to a particular brand, compared to less than half of Baby Boomers (45%). Millennials seem keen on shopping around, with almost three quarters (74%) happy to purchase products at various locations compared to just over one quarter of the Baby Boomers (28%).

What might be behind this? Across the board, unsurprisingly, getting value for money is vital. Price is the main reason for going elsewhere, with 35% overall saying it is the number one influence on their decision. However, cost is not the only factor to have a bearing on this decision. The range of products available and the expertise of staff are the number one reason for shopping around for 25% and 18% of participants respectively.

With this in mind, if a spa can find the elusive balance that combines competitive prices with a wide and relevant range of products sold by knowledgeable staff, it could make a sizeable difference to overall revenues.

RANKING OF INFLUENTIAL FACTORS ON RETAIL PURCHASE DECISIONS AT SPA

	ALL
Price	**35%**
Range of products available	**25%**
Expertise of staff	**18%**
Discounting / promotions	**7%**
Loyalty program	**8%**
More favorable return policy	**2%**
Product packaging/aesthetics of product display	**5%**

TRYING NEW PRODUCTS

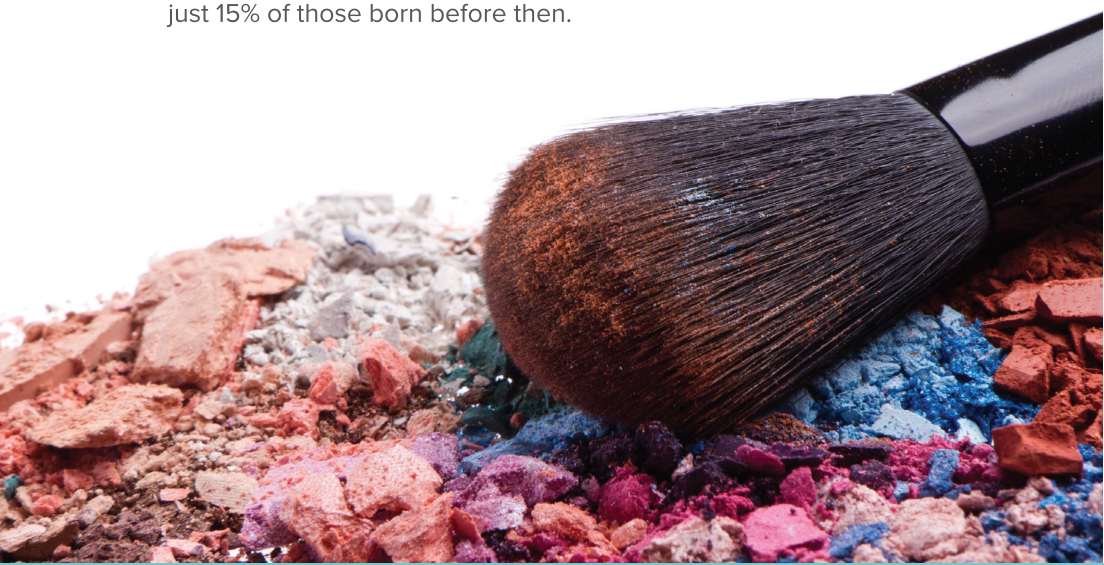
With new products constantly arriving on the market, it is valuable for spas to know what factors have the most influence over their customers when it comes to trying a new health, beauty or wellness product. This study suggests that spa-goers are attracted by things that help them feel they are getting something special from their experience.

At the overall level, the research reveals the top three influences to be:

- Recommendations provided by the therapist (80%)
- Promotions/discounts (79%)
- Complimentary products/samples (77%)

At a more granular level in the data, it is noticeable that particular groups are influenced by different elements to varying degrees.

With social media and reality TV giving an ever increasing reach to the world of 'celebrity,' endorsements by stars are clearly more important for a younger generation. More than half of those surveyed who were born after 1965 said they would find a celebrity endorsement 'quite' or 'highly' influential (56%), compared to just 15% of those born before then.



Social media recommendations hold more importance for higher earners—four in five of those earning $100,000+ annually said it was an influence compared to just over half of those earning $100,000 or less (56%).

With many high-end hotels and spas providing products from their carefully chosen supplier, it's a similar story when it comes to the influence exerted by these in-room amenities on the spa-goer—79% of the highest earners ($100,000+) say it influences their decision to try a new health, beauty or wellness product compared to 64% of the remainder.

HOW DO SPAS GET PEOPLE TO BUY MORE?

The big question for spas remains how to get their customers to buy more. The spa-goers who took part in this study were asked about the top three things that would encourage them to buy products at the spa more frequently.

Continuing the theme of getting 'more bang for your buck,' discounts on branded products is the top option (48%), followed by products tailored to the customer's individual needs (42%)—the personal touch once again proving a hit with spa-goers. Online shopping capabilities follow closely behind (37%). With this study highlighting that over half of spa-goers (57%) purchase spa products at least once a month, this could signal vast untapped potential for spas that have not yet ventured into the world of online shopping.

The high-earning, high-spending consumers are a powerful market when it comes to getting customers to buy more products. For those earning $100,000+ annually, having products exclusive to a particular spa is the most commonly chosen option (48%), reinforcing once again the idea consumers like to get something special from their experience.

Interestingly, being rewarded for loyalty does not appear to be a big influence in encouraging greater spending, with ‘members only’ discounts on spa products’ and ‘a loyalty program for consumers,’ both featured at the bottom of the list (both chosen by 23%).

RETAIL PRODUCT PURCHASE ENCOURAGEMENT

Please rank which of the following would encourage you to buy retail products at a spa more frequently (Top 3 Rank %)	ALL
Online shopping capabilities	**37%**
Discounts on branded products	**48%**
Products exclusive to a particular spa	**35%**
Products tailored to your individual needs	**42%**
Members' only discounts on spa products	**23%**
More knowledgeable staff	**29%**
Greater range of products	**28%**
Discounts associated with a particular treatment type	**33%**
A loyalty program for customers	**23%**

Survey Methodology

This survey for Vol. VIII of the Consumer Snapshot Initiative gathered responses from a total of 1,005 responses from a sample of consumers in the US. The survey was undertaken using a nationally representative sample, which ensured the study achieved responses representative of the gender, age, regional distribution and income of the US population as a whole. The survey utilized a panel technique and did not target spa-goers in particular. Therefore, the natural fall-out in the survey allowed PwC to monitor the incidence of spa-going in the population. It is important to remember that the results regarding spa attendance are self-reported by the snapshot participants and are not official statistics, nor can they necessarily be expected to be in line with what spas report in terms of overall spa-going numbers or the demographic composition of those using the facilities.

About the Foundation

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

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

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

A special thank you is extended to the following supporters who made generous donations which helped make this research possible:

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