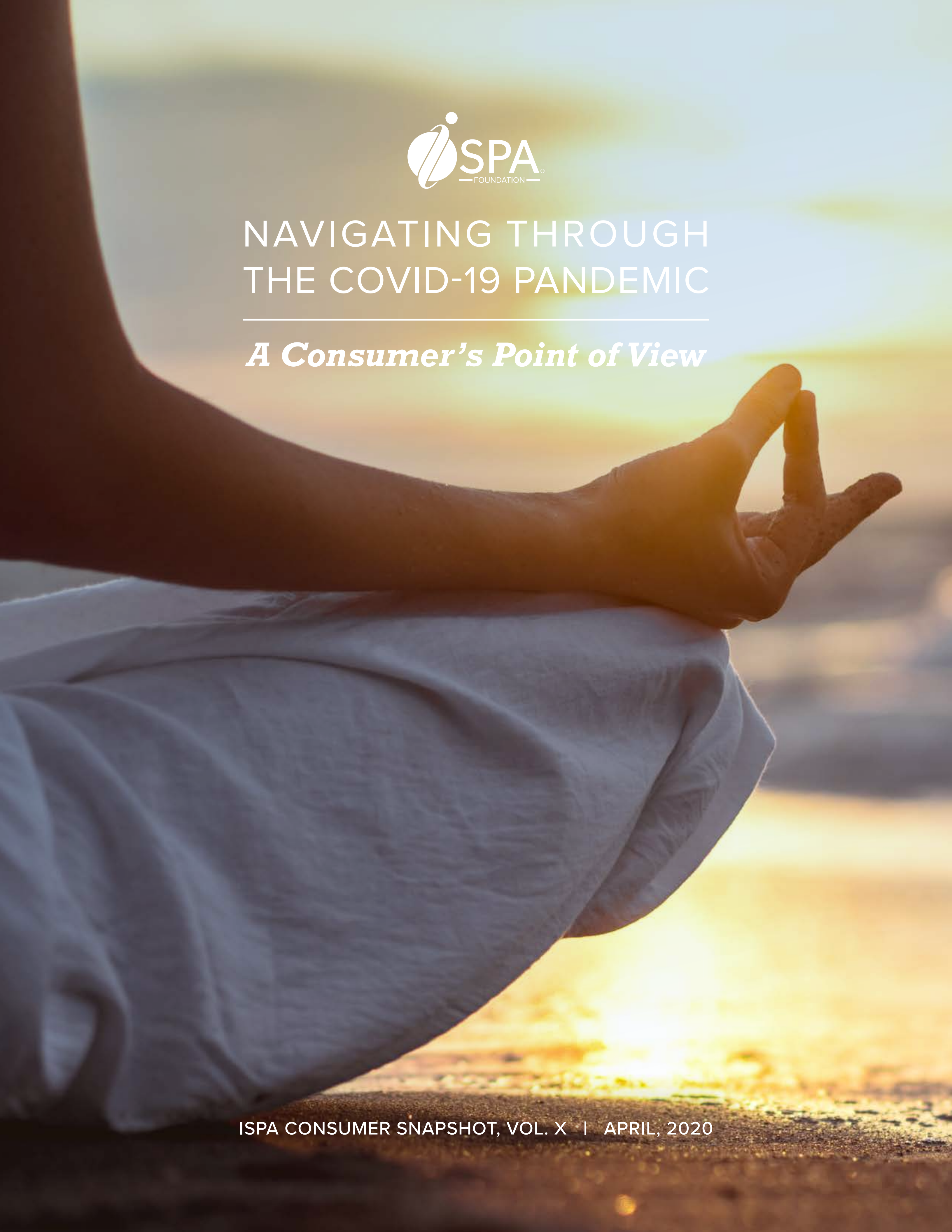


NAVIGATING THROUGH THE COVID-19 PANDEMIC

A Consumer's Point of View

ISPA CONSUMER SNAPSHOT, VOL. X | APRIL, 2020

Contents

Executive Overview

The ISPA Foundation commissioned PwC to conduct a survey program to provide key consumer insights relevant to the spa industry in the United States. The Consumer Snapshot Initiative generates invaluable quantitative data for the spa industry on the real-life attitudes and opinions of a sample of the population at a specific point in time. This tenth edition of the Consumer Snapshot Initiative focuses specifically on the COVID-19 pandemic and its effects on consumer attitudes toward spa visits and treatments, as well as their expectations for and concerns about returning to “normal life” after the pandemic.

75 percent of the survey’s respondents are spa-goers (defined as people who have visited a spa in the last 12 months) and 25 percent are non-spa-goers (defined as those who have not visited a spa in more than 12 months). The results offer a number of insights into the feelings and expectations of both groups. Among those insights are consumers’ anticipated priorities following the reopening of businesses and the easing of travel and social distancing restrictions, their relative nervousness about entering public spaces following the pandemic and how their wellness habits have evolved during isolation.

In order to obtain a reliable snapshot from the industry’s consumers, the survey gathered insights from a broadly representative section of the U.S. population.

Key Insights for Spas

The end of the pandemic won't mean an end to nervousness among spa-goers. Even when restrictions are lifted, consumers will likely still have some reservations about returning to public spaces, especially in situations where they have less control over their interactions with others. Notably, this caution was not confined to a particular age group.

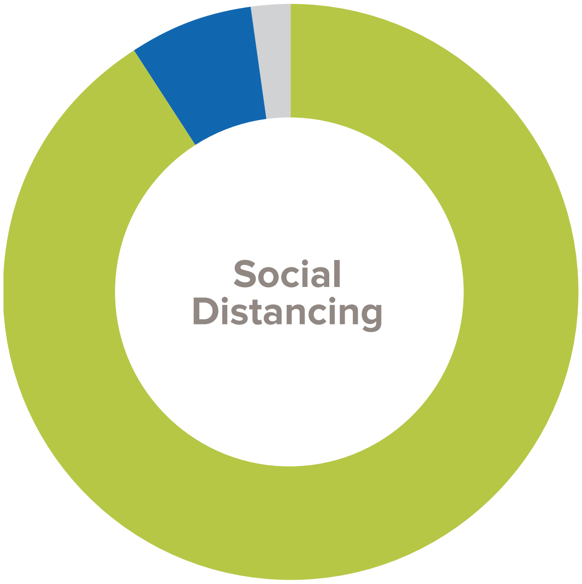
Spa-goers say they will return, but spas will need to take steps to make them feel safe. Consumers are likely to pay close attention to and be influenced by spas' enhanced sanitation and hygiene efforts. Spas will need to adjust their practices to satisfy consumer concerns and clarify for guests how the spa-going experience will be different (i.e. what measures are being taken to protect guests, what a "socially-distanced" spa will be like, etc.). Consumer expectations, then, will likely drive spas' decision making in these areas.

During the isolation period, DIY wellness has become a larger part of spa-goers' lives. Given the nervousness many consumers may have about entering public places following the pandemic, spas will likely need to reemphasize the value of professional treatments and build the spa experience back into guests' lives while navigating a general climate of worry.

Social Distancing

As expected due to governmental restrictions across the U.S., the majority of consumers are practicing social distancing. As spas reopen, consumers may still be nervous about high-touch treatments and activities that occur in proximity to others. To address these concerns, spas will likely need to develop standard operating procedures that allow guests to continue practicing some version of social distancing while using the facility.

Are you currently practicing social distancing?



90%	**YES** I'm only leaving the house to do vital tasks (i.e. grocery shopping, visit the pharmacist)
7%	**PARTIALLY** I'm still going out (i.e. to restaurants/bars/gyms) but I'm keeping my distance from other people
2%	**NO** I'm still living my life as normal

**Base: Spa-goer and non-spa-goer respondents. Due to rounding, some percentages may not total to precisely 100%*

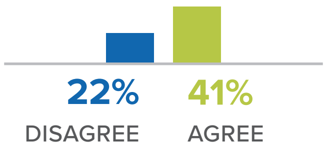
Consumer Habits During the Pandemic

Compared to what you usually do, how much do you agree with the following statements in relation to the current crisis?

I am eating more healthily.

STRONGLY DISAGREE	DISAGREE	NEITHER AGREE NOR DISAGREE	AGREE	STRONGLY AGREE
5%	17%	36%	28%	13%

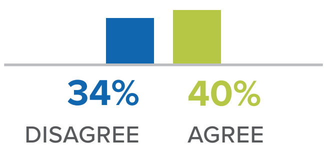
Summary



I am doing more physical exercise.

STRONGLY DISAGREE	DISAGREE	NEITHER AGREE NOR DISAGREE	AGREE	STRONGLY AGREE
10%	24%	26%	27%	13%

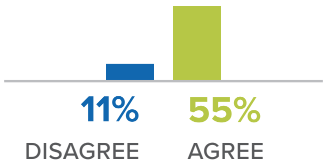
Summary



I am doing more to look after my mental well-being.

STRONGLY DISAGREE	DISAGREE	NEITHER AGREE NOR DISAGREE	AGREE	STRONGLY AGREE
3%	8%	33%	38%	17%

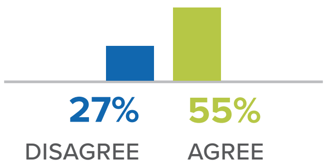
Summary



I am spending less time on personal grooming tasks (i.e. hair styling, nail care routines, etc.).

STRONGLY DISAGREE	DISAGREE	NEITHER AGREE NOR DISAGREE	AGREE	STRONGLY AGREE
7%	20%	19%	34%	21%

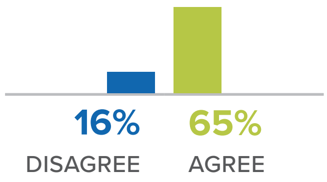
Summary



I am feeling more isolated.

STRONGLY DISAGREE	DISAGREE	NEITHER AGREE NOR DISAGREE	AGREE	STRONGLY AGREE
5%	11%	19%	39%	26%

Summary



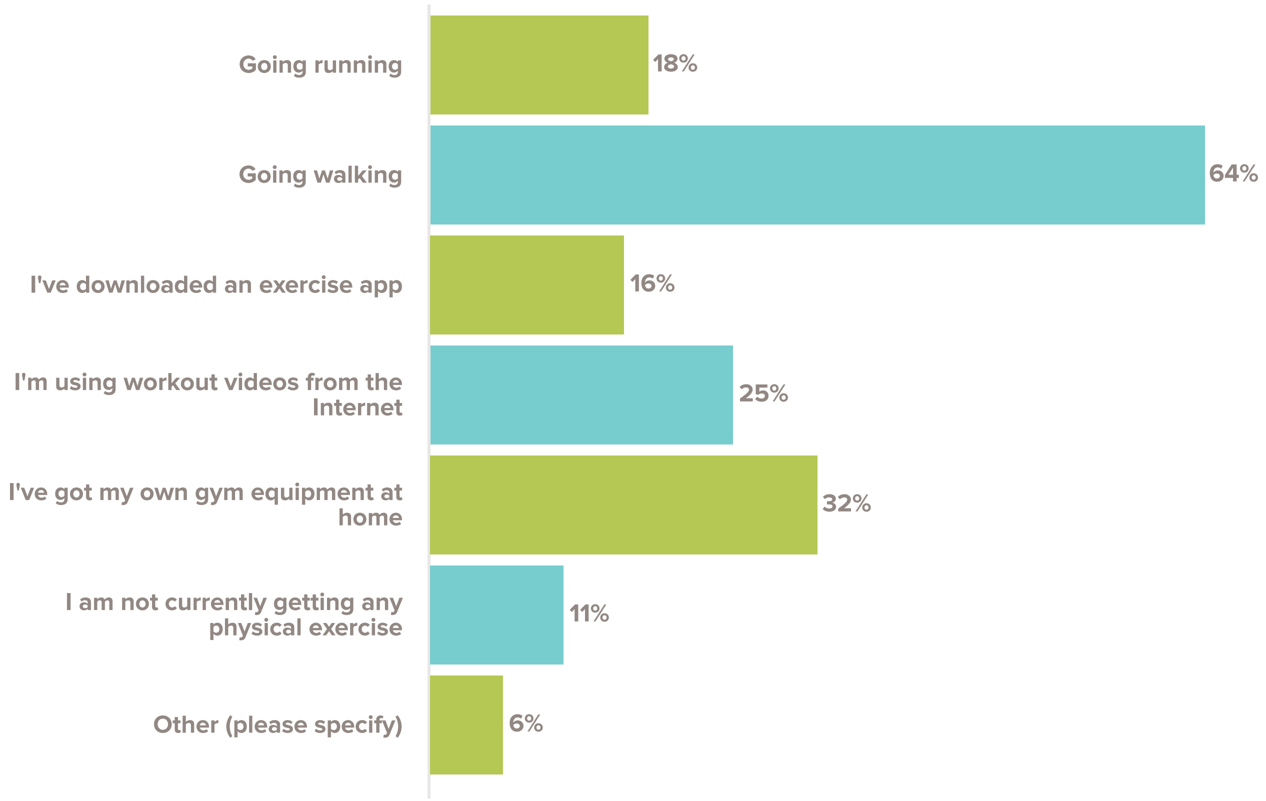
Largely, consumers reported increased levels of healthy eating, physical exercise and attention paid to their mental well-being during isolation. This may suggest that, following the COVID-19 crisis, there will be an increased appetite for the self-care, stress relief and physical wellness opportunities spas often provide.

At the same time, a significant number of consumers reported spending less time on personal grooming, including hairstyling and nail care routines. Because so many consumers have not had access to professional service providers during isolation, they may be eager to visit spas in search of the services they offer.

**Base: Spa-goer and non-spa-goer respondents. Due to rounding, some percentages may not total to precisely 100%*

Physical Exercise

How are you currently getting physical exercise?



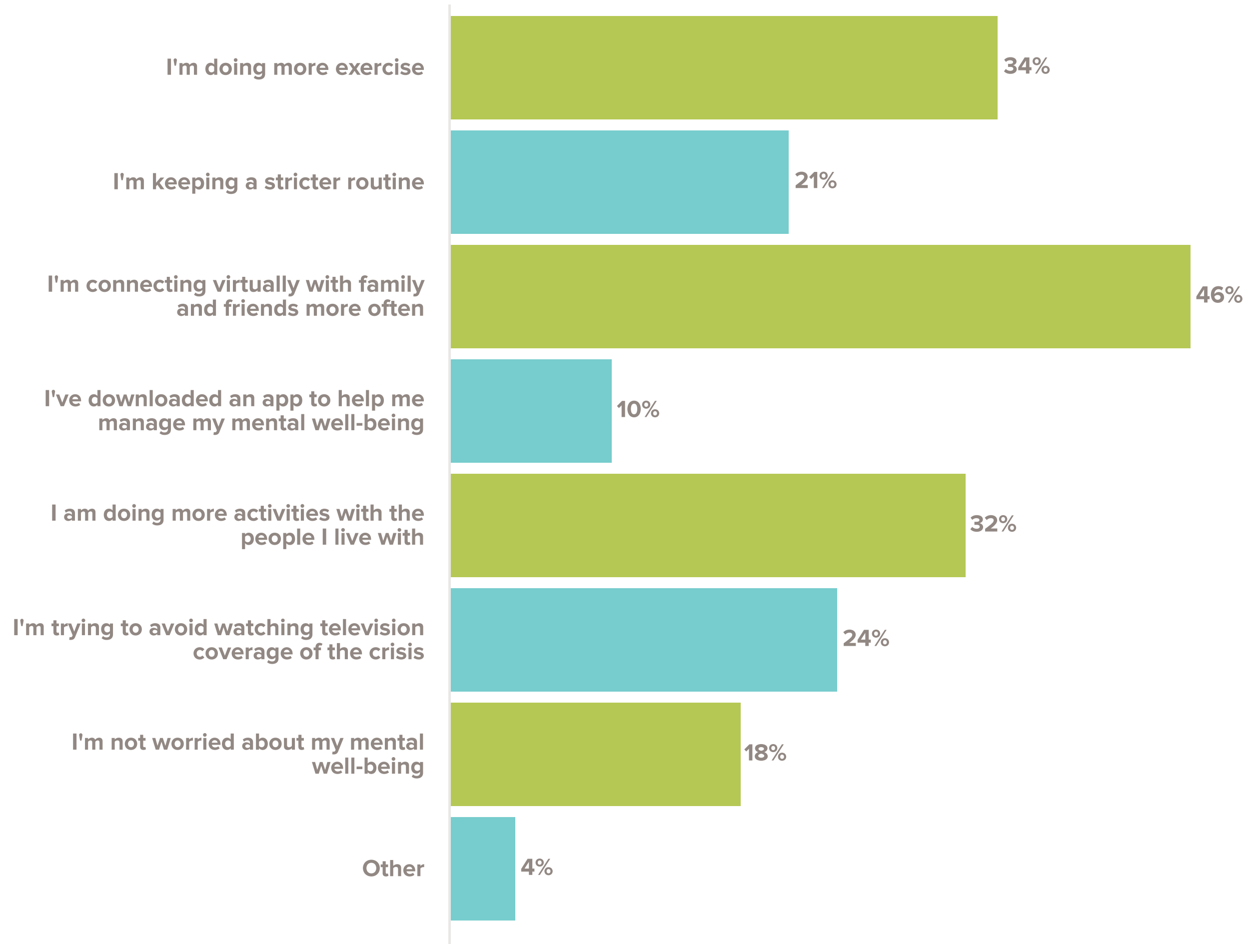
Without ready access to fitness facilities, it seems respondents are relying upon exercise methods that can be more conveniently practiced at home, such as walking (64%), using home gym equipment (32%) or finding workout videos from the internet (25%) and exercise apps (16%). At the same time, more than a tenth of consumers say they are not currently getting any exercise.

It is possible that consumers are opting for these tools and activities primarily out of convenience and that, as fitness facilities and spas reopen, they may be eager to take advantage of the more various and tailored equipment and classes those facilities offer. However, spas should also be mindful that some consumers may continue the home fitness routines they have adopted during isolation. As consumers emerge from isolation, spas may have to re-emphasize their value with specific regard for fitness, as well as other aspects of personal well-being.

**Base: Spa-goer and non-spa-goer respondents. Due to rounding, some percentages may not total to precisely 100%*

Mental Well-being

What are you doing to look after your mental well-being during the Coronavirus pandemic?



Notable percentages of respondents cited at least one step they have taken in the interest of their mental well-being during the pandemic. Connecting virtually with family and friends more often (46%), doing more exercise (34%) and doing more activities with the people living with them (32%) were the most frequently cited methods for looking after mental well-being, while more than one in five respondents said they were trying to avoid television coverage of the crisis (24%) or keeping a stricter routine (21%). Just 18% of respondents claimed to not be worried about their mental well-being.

These responses suggest that consumers are roughly as attentive to the pandemic's effects on mental well-being as on physical health. Because spas are so often seen as havens of self-care, stress reduction and relaxation, they may consider positioning spa visits as another way of attending to their mental well-being following the stress and uncertainty of the pandemic.

**Base: Spa-goer and non-spa-goer respondents. Due to rounding, some percentages may not total to precisely 100%*

Spa Routines

How are you maintaining your spa routines during the Coronavirus outbreak?

	I AM STILL GOING OUT FOR THIS SERVICE	I AM GOING WITHOUT	I AM DOING IT MYSELF
Mind/body experiences (i.e. guided meditation, Reiki, Chakra alignment, etc.)	**10%**	**38%**	**52%**
Massage	**6%**	**74%**	**22%**
Skin care regimens	**6%**	**36%**	**58%**
Medically supervised services (i.e. botox, dermatology etc.)	**11%**	**64%**	**25%**
Aromatherapy	**8%**	**47%**	**45%**
Haircuts/hair appointments	**7%**	**63%**	**31%**
Manicure or pedicure	**6%**	**44%**	**50%**

Although small percentages of respondents reported still going out for services often associated with spas, most consumers have had to choose between going without these services or performing some version of them in their homes.

Most frequently, respondents said they were going without massage treatments (71%), medically supervised services (64%) and haircuts and other hair appointments (63%). However, consumers reported performing facials (58%), rituals focused on the mind and body (53%) and nail treatments (50%) themselves at relatively high rates.

The simplest view of these figures is perhaps that the services spas often provide have remained in high demand during the pandemic, regardless of whether consumers have had access to professional service providers. Upon reopening, spas may find guests eager to receive professional treatments, but they shouldn't underestimate the degree to which consumers have adopted at-home versions of spa treatments as part of their routine. It may benefit spas to emphasize the professional quality of their services in contrast to what consumers might be able to do on their own.

**Base: Spa-goer respondents. Due to rounding, some percentages may not total to precisely 100%*

Buying Behaviors

How have your buying behaviors for the following products changed during the current crisis?

	I AM BUYING MORE THAN USUAL	I HAVEN'T CHANGED MY BEHAVIOR	I AM BUYING LESS THAN USUAL
Shower/bath gels	12%	70%	19%
Anti-aging skin care product	13%	65%	22%
Moisturizer	12%	68%	21%
Self-tanning products	17%	52%	31%
Shaving products	8%	68%	24%
CBD Cannabidiol products	20%	53%	27%
Makeup	10%	55%	35%
Nail polish	11%	58%	31%
Aromatherapy/candles & scents	14%	60%	26%
Hair styling products	10%	62%	28%
Vitamins/supplements	20%	69%	11%

Even though some respondents reported buying more than their usual amount of the products they were asked about, the vast majority of consumers reported no change to their buying behaviors or a decrease in the amount they bought.

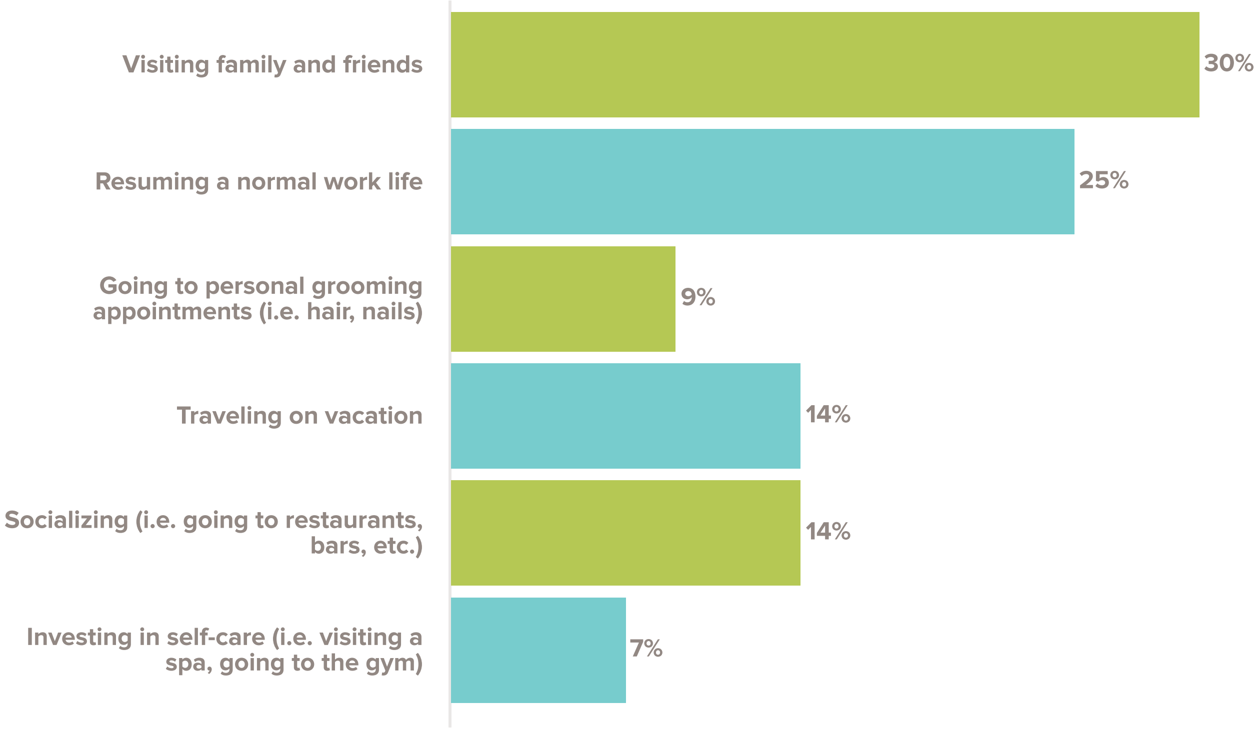
For example, more than one in five consumers said they bought less moisturizer (21%) and makeup (35%), as well as fewer anti-aging skin care products (22%), shaving products (24%), CBD products (27%) and self-tanning products (31%).

It's possible that the widespread changes in behavior during the pandemic (fewer trips out of the house, more people working remotely, etc.) have reduced the appetite for these products, many of which are cosmetic in nature. However, as those behaviors slowly return to normal, these buying behaviors may do the same. Upon reopening, spas may encounter guests who have been buying fewer of the kinds of products listed above and might be eager for retail offerings that were part of their routine prior to the pandemic.

**Base: Spa-goer and non-spa-goer respondents. Due to rounding, some percentages may not total to precisely 100%*

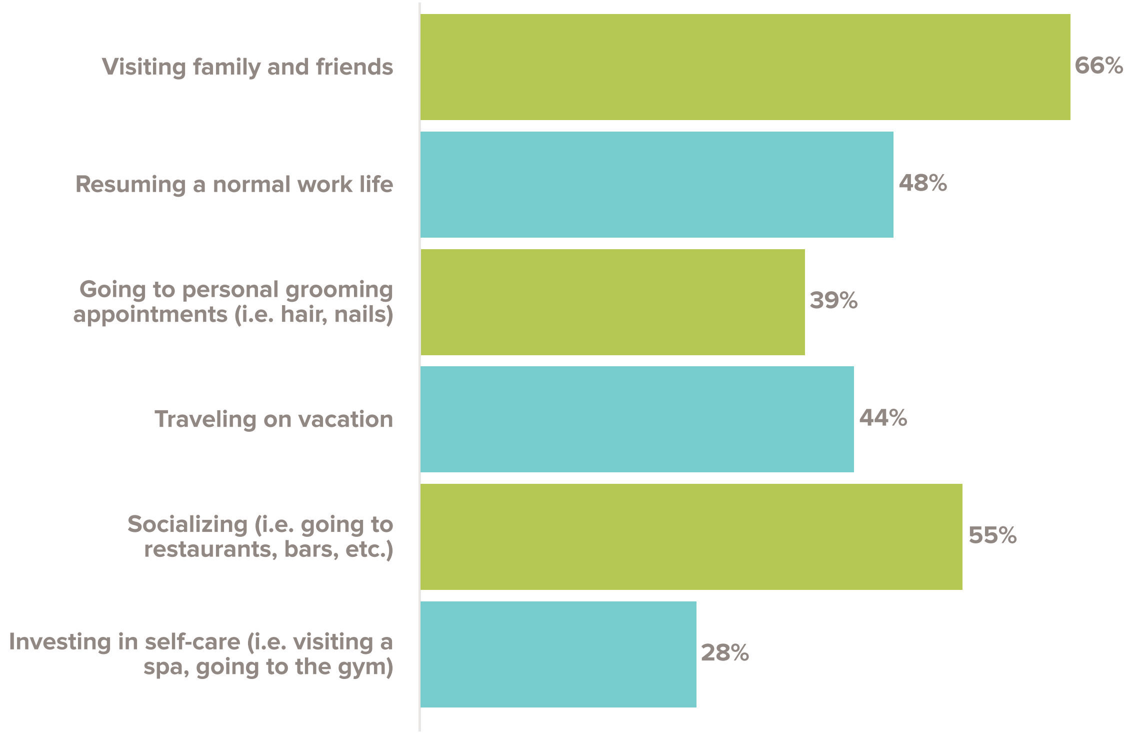
Post-Covid-19 Priorities

Looking ahead to after the crisis ends, which of the following will be your top priorities? (Ranked as top choice)



**Base: Spa-goer and non-spa-goer respondents. Due to rounding, some percentages may not total to precisely 100%*

Looking ahead to after the crisis ends, which of the following will be your top priorities? (Ranked top 3)



Respondents' most commonly cited top priorities after the coronavirus crisis ends were visiting family and friends (30%), resuming a normal work life (25%), traveling on vacation (14%) and socializing (14%). Going to personal grooming appointments (9%) and investing in self-care (7%) were cited less frequently, suggesting that spas will likely not be top-of-mind for consumers as social restrictions around the country are eased.

This may mean that spas should be thoughtful in their marketing messages and outreach to customers and members as the transition out of isolation occurs.

**Base: Spa-goer and non-spa-goer respondents. Due to rounding, some percentages may not total to precisely 100%*

Post-Covid-19 Activities

Once the Coronavirus pandemic ends, do you expect to spend more, less or the same amount on?

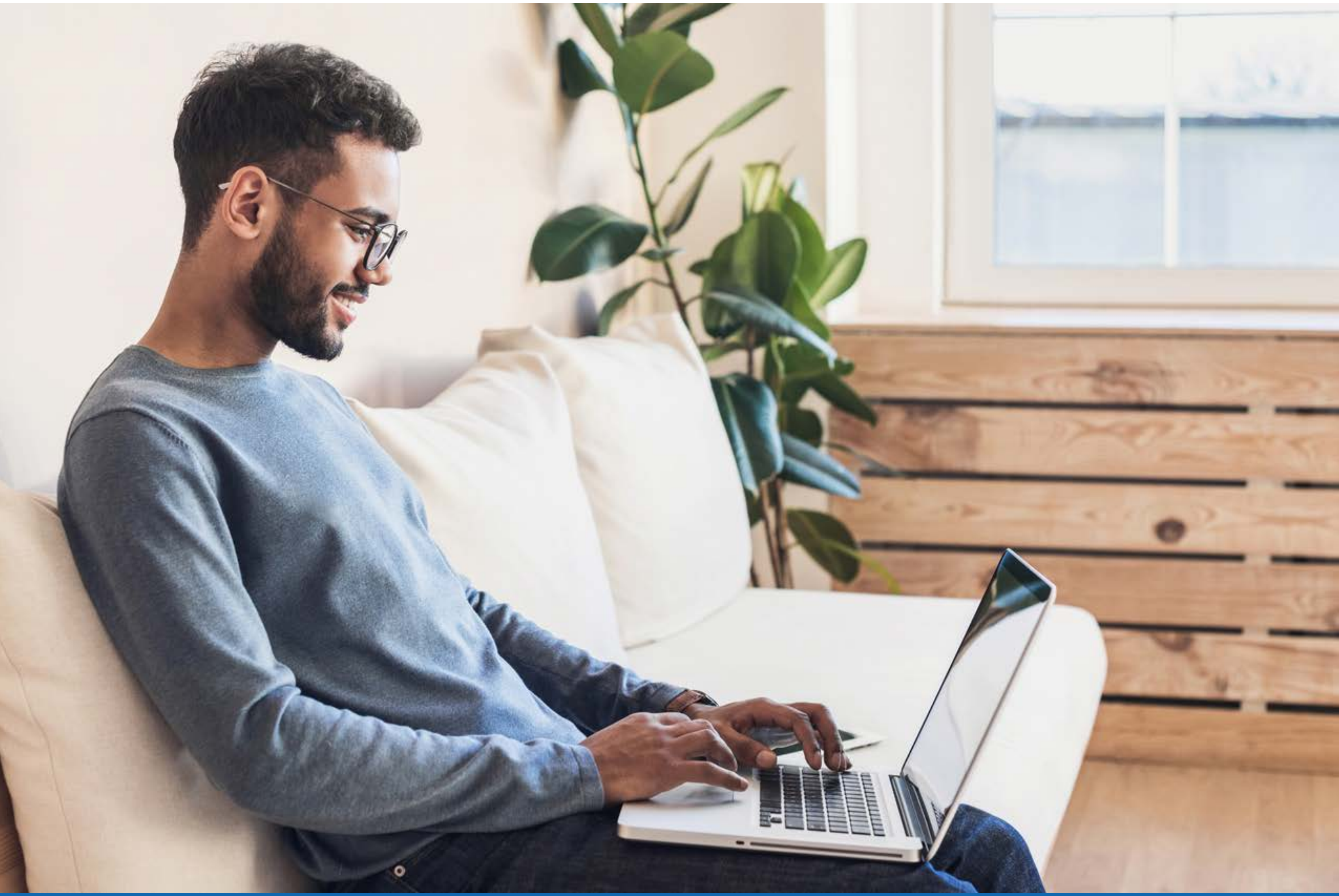
	I EXPECT TO SPEND MORE	I'LL SPEND THE SAME AS USUAL	I EXPECT TO SPEND LESS
Online shopping	18%	64%	19%
Shopping in stores	25%	58%	17%
Beauty products	13%	71%	15%
Spas	16%	65%	19%
Salon services	17%	70%	13%
Fitness center/gym	22%	64%	14%
Travel	31%	51%	18%
Leisure activities	28%	61%	12%
Eating out	31%	51%	17%

**Base: Spa-goer and non-spa-goer respondents. Due to rounding, some percentages may not total to precisely 100%.*

Consumer expectations regarding spending on spas does not vary wildly from expected spending on other activities, with more than 80 percent of respondents reporting that they will spend as much or more on spas after the pandemic ends as they did before. However, the survey results suggest a general 10 to 20 percent reduction in spending on the products and services respondents considered, including spas (19%), online shopping (19%), shopping in stores (17%), travel (18%) and eating out (17%).

The relatively even splits among these responses indicate that while a significant segment of the consumer population plan to resume their pre-pandemic activities and spending habits (or spend even more), a notable number expect to reduce spending. Spas may encourage this latter group to visit through discounted treatment options or tiered offerings on treatment menus in the initial period following the pandemic.

**Base: Spa-goer and non-spa-goer respondents. Due to rounding, some percentages may not total to precisely 100%.*



Reopening Nervousness

Following the pandemic, consumers will likely exercise a great deal of caution as they re-enter public spaces, especially those where practicing social distancing may be a challenge. 38 percent of respondents said they would feel very nervous about taking a flight, for example (a number that may affect guests' eagerness to visit resort or hotel spas in the short term), while 30 percent reported feeling that way about attending a work-related conference or convention.

A quarter of consumers surveyed said that a spa visit would make them feel very nervous, which is essentially on par with visiting a shopping mall (27%), getting a nail service (25%) and eating at a restaurant (25%). The key factors in these figures seem to be the typical crowd size in each space and the degree of control the respondents would have regarding their proximity to others. Airports and conventions tend to feature large crowds of people packed tightly together, which would make social distancing more difficult. And though malls, restaurants and spas can be crowded, they can much more easily take steps to allow guests to practice social distancing.

Spas should be mindful of these concerns as they reopen. Guests are likely to be most nervous in communal spaces such as locker rooms, lounges and wet areas. Those areas may need to be temporarily closed or adapted during the initial reopening phase to alleviate some of those guest concerns.

Once the Coronavirus situation improves and businesses reopen, how nervous are you about doing any of the following?

	NOT NERVOUS AT ALL	A LITTLE NERVOUS	VERY NERVOUS
Attending a work-related conference/convention	28%	42%	30%
Getting a nail service (i.e. manicure, pedicure)	31%	44%	25%
Getting a haircut at a salon	37%	46%	17%
Participating in a group fitness class/activity	27%	44%	28%
Visiting a spa	28%	47%	25%
Eating out at a restaurant	27%	51%	23%
Going to a shopping mall	27%	47%	27%
Visiting family or friends	48%	39%	13%
Taking a flight	19%	43%	38%

**Base: Spa-goer and non-spa goer respondents. Due to rounding, some percentages may not total to precisely 100%.*

Spa-goer Expectations

Unsurprisingly, the pandemic has raised awareness about hygiene and sanitation in public spaces. For spa-goers, that heightened awareness will likely lead to exercising a notable degree of caution as they return to spas. In addition to the high percentages of respondents who said they would likely wash their hands more often (83%) and bring hand sanitizer into the spa (72%), 64 percent claimed that they will avoid using shared amenities. The same percentage said they would avoid shared or communal areas in a spa. 60 percent of spa-goers plan to ask about or seek information about their spa's hygiene and sanitation practices, while more than half (53%) report an intention to avoid treatments that require touching of the face.

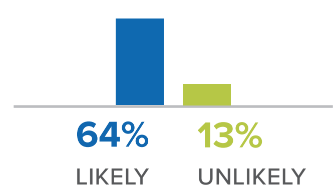
Spas will need to be proactive as they account for the apprehension guests will feel regarding sanitation practices. Clearly communicating to guests the high sanitation standards spas maintain—along with any new practices and policies that have been adopted to raise these standards in the face of the pandemic—will likely be crucial to satisfying their concerns. Adjusting treatment menus to provide low-touch services and reducing occupancy in communal spaces may also help in that regard. No matter what, spa-goers will likely need to see clear evidence that spas understand their worries and are taking demonstrable steps to mitigate them as they adjust to a "new normal."

Thinking ahead, once the Coronavirus situation improves and you next visit a spa, how likely are you to do each of the following?

I will avoid shared/communal areas (i.e. sauna, hot tub, meditation room)

HIGHLY LIKELY	LIKELY	NEITHER/ NOR	UNLIKELY	HIGHLY UNLIKELY
30%	34%	24%	9%	4%

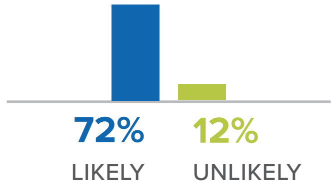
Summary



I will bring hand sanitizer with me

HIGHLY LIKELY	LIKELY	NEITHER/ NOR	UNLIKELY	HIGHLY UNLIKELY
38%	34%	16%	9%	3%

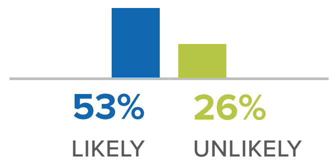
Summary



I will bring my own towels

HIGHLY LIKELY	LIKELY	NEITHER/ NOR	UNLIKELY	HIGHLY UNLIKELY
28%	25%	22%	18%	8%

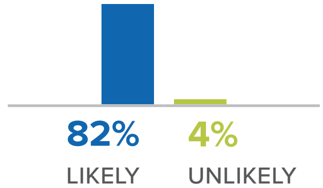
Summary



I will wash my hands more often

HIGHLY LIKELY	LIKELY	NEITHER/ NOR	UNLIKELY	HIGHLY UNLIKELY
49%	33%	14%	2%	2%

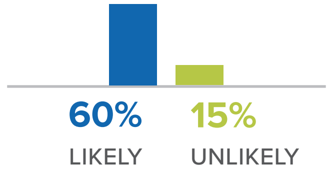
Summary



I will ask about or seek out the spa’s sanitation/hygiene practices

HIGHLY LIKELY	LIKELY	NEITHER/ NOR	UNLIKELY	HIGHLY UNLIKELY
25%	35%	24%	10%	5%

Summary



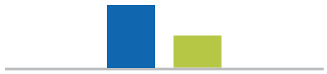
I will avoid treatments that involve touching of the face				
HIGHLY LIKELY	LIKELY	NEITHER/ NOR	UNLIKELY	HIGHLY UNLIKELY
24%	29%	27%	13%	7%

Summary

53% LIKELY
20% UNLIKELY

I will ask for my therapist to wear gloves				
HIGHLY LIKELY	LIKELY	NEITHER/ NOR	UNLIKELY	HIGHLY UNLIKELY
22%	24%	29%	16%	8%

Summary



46% LIKELY
24% UNLIKELY

I will avoid using shared amenities (i.e. water dispensers, hair dryers, etc.)				
HIGHLY LIKELY	LIKELY	NEITHER/ NOR	UNLIKELY	HIGHLY UNLIKELY
30%	34%	22%	8%	5%

Summary

64% LIKELY
13% UNLIKELY

I will ask for my therapist to wear a mask				
HIGHLY LIKELY	LIKELY	NEITHER/ NOR	UNLIKELY	HIGHLY UNLIKELY
18%	24%	31%	19%	9%

Summary

42% LIKELY
28% UNLIKELY

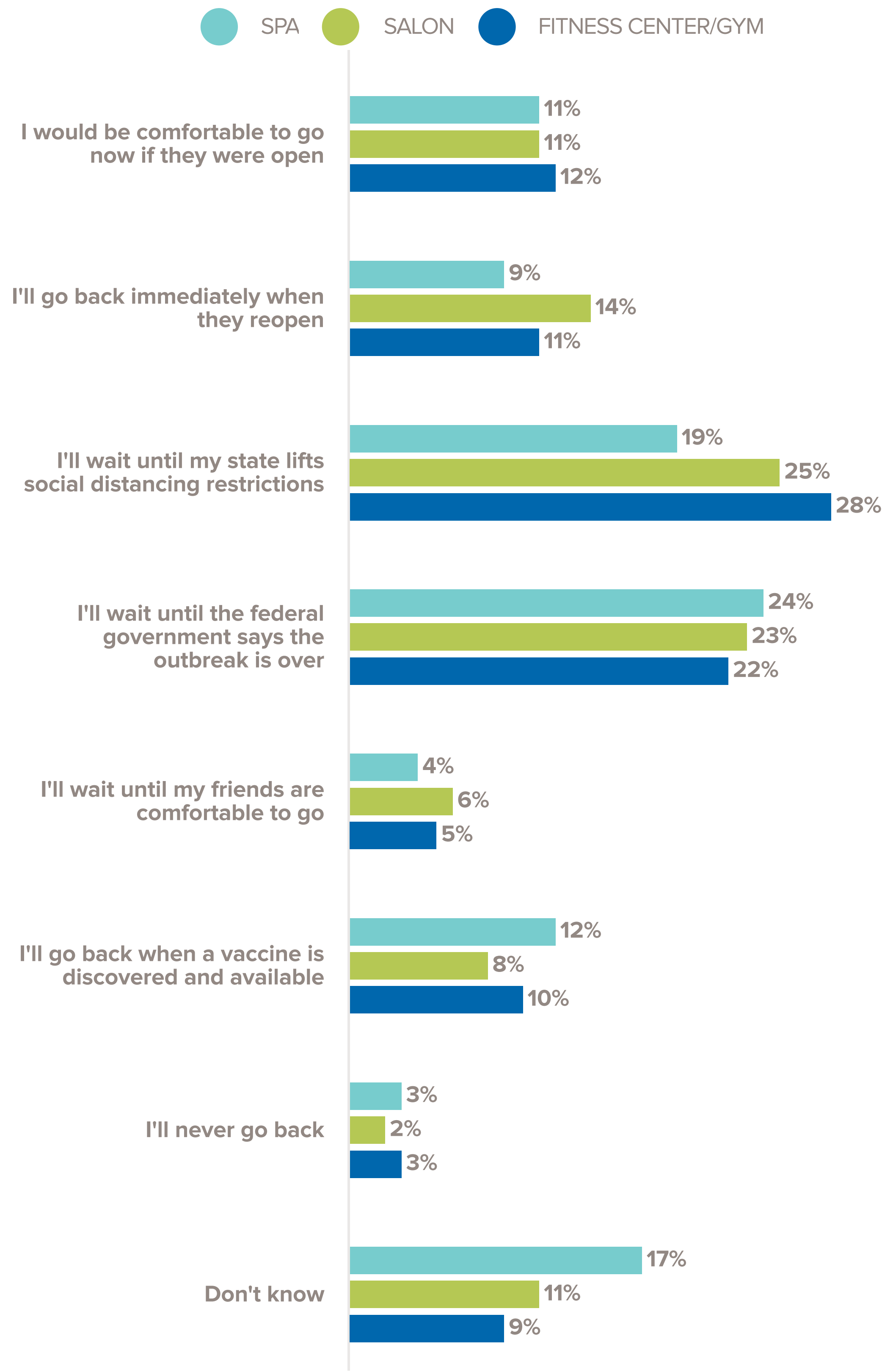
**Base: Spa-goer respondents. Due to rounding, some percentages may not total to precisely 100%.*

Spa-goers' Level of Comfort

97 percent of spa-goers expect to visit a spa again in the future, though when they will be comfortable doing so varies widely. Just over one in five people say they would go to a spa now if they were open or that they will go back immediately when they reopen, but more than 40 percent of spa-goers will wait for guidance from state or federal authorities before they return. A further 12 percent of respondents plan on waiting until a vaccine is available, while 17 percent simply don't know when they'll feel comfortable walking back into a spa.

Given the high percentage of spa-goers taking their lead from public officials, spas will need to pay close attention to the requirements for reopening set by local, state and federal governments to make sure they can reopen in way consistent with the expectations of their cautious returning guests. What will make each guest feel safe in a spa varies, of course, but for those who are uncertain about returning to a spa or those waiting for a vaccine, the adoption (and visibility) of heightened hygiene and sanitation practices may be critical to that feeling of safety guests seem likely to crave following the pandemic.

When would you be comfortable to next visit the following?



**Base: Spa-goer, salon-goer, and gym-goer respondents.*
Due to rounding, some percentages may not total to precisely 100%.

Survey Methodology

This survey for Vol. X of the Consumer Snapshot Initiative gathered responses from a total of 1,019 responses from a sample of consumers in the U.S. The survey was undertaken using a broadly representative sample, which ensured the study achieved responses from a comprehensive cross-section of the U.S. 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) to the annual ISPA Foundation Auction supporters who continue to make these research projects and the work of the Foundation possible.