



# Knowledge to empower you.

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2021 ISPA U.S. SPA INDUSTRY STUDY

## Introduction

This report presents the findings from the 2021 U.S. Spa Industry Study. The study was commissioned by the International SPA Association (ISPA) Foundation.

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 across the globe. 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 report presents the state of the industry in 2020, as indicated by total 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 COVID-19 pandemic was the dominant factor shaping the spa industry in 2020. On March 11, 2020, the World Health Organization officially declared the spread of COVID-19 a pandemic. On March 13, the President declared a national emergency. The restrictions introduced to contain the spread of COVID-19 had their greatest impact on customer-facing industries such as the spa sector.

A key objective of this report is to document the impact of the pandemic on the industry, including the effects on spas' operational capacity during 2020 and the policies and practices that spas adopted as they sought to continue delivering services while also protecting the health and safety of their guests and staff.

This 2021 study marks the 22nd anniversary of the ISPA U.S. Spa Industry Study, which was first conducted in 2000, highlighting the spa industry in 1999. Industry studies were also conducted in the years 2002, 2004, 2006 and 2007. Shorter tracking studies were commissioned in 2003, 2005, 2008 and 2009.

The study has been conducted on an annual basis since 2010, Full Industry Study reports were produced each year from 2010 to 2019. In 2020, the Industry Survey was curtailed due to the onset of the coronavirus pandemic. In that year, only the Big 5 statistics were produced, showing the state of the industry in 2019, immediately prior to the COVID-19 pandemic and therefore serving as a baseline for estimating the impact of the pandemic on the spa industry.

## Research Objectives

The research objectives of the 2021 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.
- Analyze and assess the impact of the COVID-19 pandemic on the spa 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.
- 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.

# Report Contents

## INDUSTRY SIZE: THE ROAD TO RECOVERY

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This Section commences with an overview on the wider economic context shaping the spa industry in 2020. It then presents the survey results for the Big 5 statistics, both for 2020 and in their historical context. To help in understanding the impact of the COVID-19 pandemic, the Section includes also a calendar of spa openings and closings in 2020 as well as policies implemented by spas in response to the pandemic. The Section concludes with a look-ahead to 2021.

## SPA SERVICES + FACILITIES

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This Section presents a picture of the core spa services offered by spas, with a particular focus on how spas have adapted to delivering services in the pandemic. In that regard, spas were asked to say what policies or activities they had newly introduced in 2020, in addition to those previously undertaken. The Section also includes survey findings for average prices per spa service, spas' retail offerings and gift card revenue.

## EMPLOYMENT

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This Section covers three main topics, i.e., staffing responses, recruitment and retention issues in the past year and unstaffed positions.

## SPA INDUSTRY PROFILE

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

## TECHNICAL APPENDIX

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This Section contains 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.*

# Industry Size: The Road to Recovery

*This Section presents the survey findings for the size of the U.S. spa industry, addressing the following topics:*

- **THE ECONOMIC CONTEXT**, which was largely shaped by the pandemic
- **CALENDAR OF SPA OPENINGS AND CLOSURES**, by month, to illustrate the effects of the pandemic on spas' operational capacity
- **THE BIG 5 STATISTICS IN 2020**, i.e., revenues, visits, revenue per visit, establishments and employment
- **PROFITABILITY IN 2020**
- **POLICIES IMPLEMENTED BY SPAS DURING THE PANDEMIC** to protect the health and safety of guests and staff
- **PERSONAL AND PROTECTIVE EQUIPMENT (PPE) POLICIES** during the pandemic
- **SPAS' INTENTIONS REGARDING PROOF OF VACCINATION REQUIREMENTS** for their employees, as of spring 2021
- **LOOKING AHEAD**, what new innovative efforts and processes spas anticipate retaining as they emerge from the pandemic

## The Economic Context

**The COVID-19 pandemic was the dominant factor shaping the economic context in 2020, resulting in a sharp reduction in economic activity and output, leading to job losses and rising unemployment.**

Across the U.S. economy, the value of economic output (GDP) fell by 3.5% in 2020, a larger fall than was seen in the Great Recession of 2009, when output fell by 2.5%. By the end of 2020, employment was 5.7% lower than in 2019 while unemployment had risen to 8.1%, compared with 3.7% in 2019.

In current monetary terms, compensation of employees was broadly unchanged in 2020 (+0.1%), albeit that represented a sharp turnaround from the 4.4% growth in 2019. Though, the scale of direct government relief, including stimulus checks and enhanced unemployment benefits, meant that personal disposable income (the sum of all sources of income, including wages, benefits, pensions and investments, minus taxes) grew by 7% in 2020. That represents an important point of contrast with the Great Recession, when personal disposable income fell by 0.3%. With spending opportunities constrained by the pandemic, personal saving as a percentage of disposable income rose from 7.5% in 2019 to 16.3% in 2020.

While economic activity levels remained muted in early-2021, the indicators for the first quarter of 2021 point to signs of recovery, with GDP rising at an annualized rate of 6.4%, powered by growth in consumption expenditure.

### THE U.S. ECONOMY

Selected indicators, annual percent change

	2018	2019	2020	2021 (Q1)
GDP (Constant 2012 \$)	3.0%	2.2%	-3.5%	6.4%
Employment	1.6%	1.3%	-5.7%	-4.5%
Unemployment (%)	3.9%	3.7%	8.1%	6.0%
<b>Compensation of employees</b>				
Current \$	5.1%	4.4%	0.1%	6.8%
<b>Personal consumption expenditure (all services)</b>				
Current \$	4.9%	4.3%	-5.4%	7.3%
Constant (2012) \$	2.1%	1.8%	-7.3%	4.6%
<b>Consumer price index (all items)</b>				
	2.4%	1.9%	1.2%	2.6%

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 April 2021. Rates shown in constant (2012) \$ are adjusted for inflation.



## Employment in the Pandemic

***The impact of the pandemic was most heavily felt by industries that rely on personal contact with the consumer.***

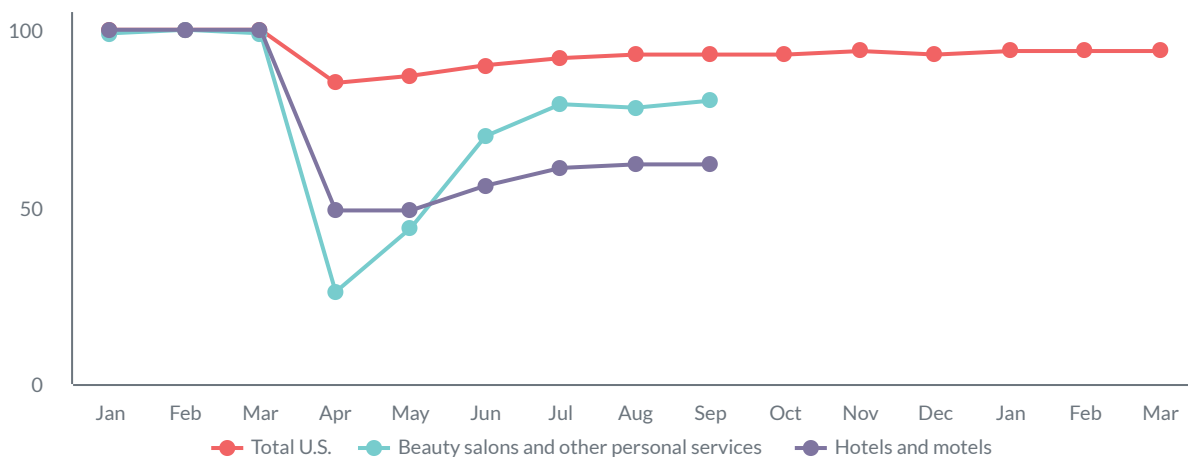
On March 11, 2020, the World Health Organization officially declared the spread of COVID-19 a pandemic. On March 13, the President declared a national emergency. That was followed by stay-at-home orders across the U.S., accompanied by guidance limiting gatherings to 10 or fewer people, social distancing recommendations and advice against international travel. The economic impact was immediate. By April 2020, U.S. employment had fallen by 15% compared to its February level.

In some sectors, the impact of COVID-19 restrictions could be mitigated or even fully managed, i.e., by working from home. However, that option was simply not available to sectors that provide services through personal contact with the consumer. In the personal services sector, which encompasses day spas and salons, employment fell by 74% in April 2020, relative to the February 2020 level. In that same period, employment in hotels and motels was almost halved (-49%).

With an easing of restrictions and adaptation of workplaces to social distancing and other requirements, employment in personal care services staged a partial recovery between May and July. However, by September 2020 (the most recent month for which BLS industry data are available), employment in the personal care services was still 20% below the February 2020 level. Judging from the trajectory of total U.S. employment, the recovery likely stalled with the onset of the second COVID-19 wave in winter 2020.

Employment in hotels and motels has been slower to recover. By September 2020, the number of jobs was still 38% down on the February 2020 level. That is likely to reflect the added impact of travel restrictions in the pandemic.

**EMPLOYMENT, FEBRUARY 2020=100 (SOURCE: BLS)**



## Calendar of Openings and Closings

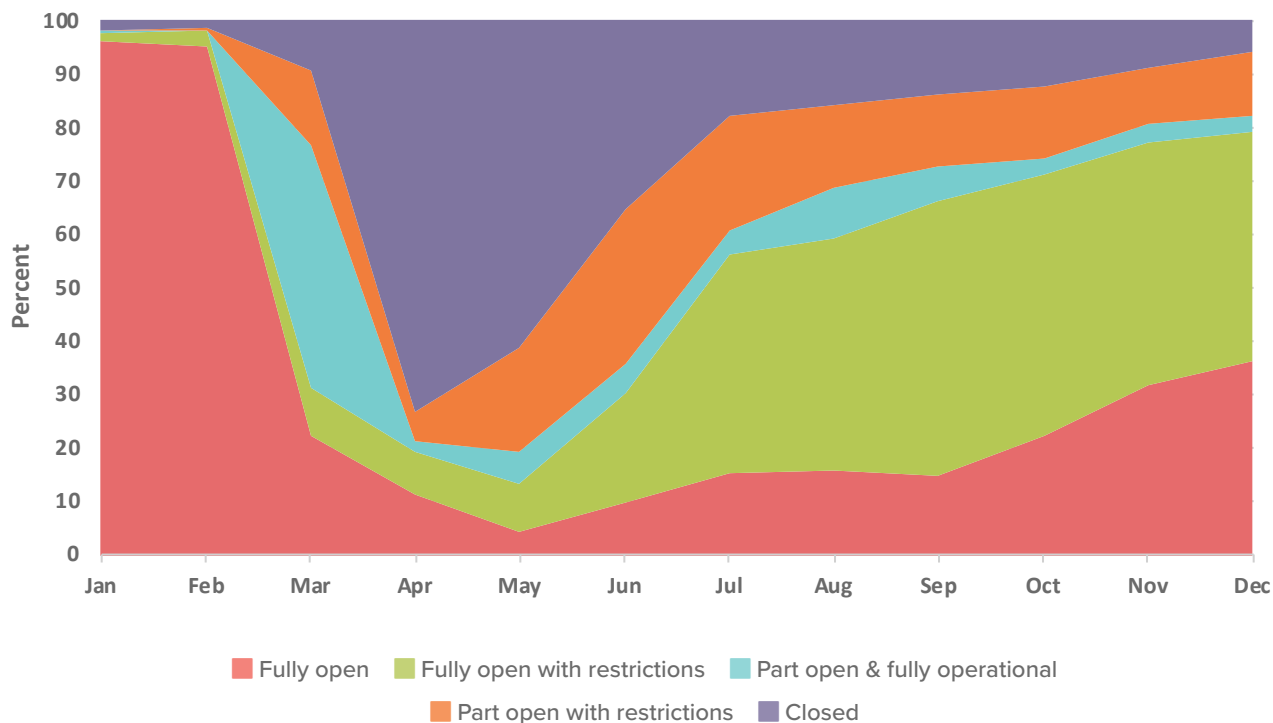
*The COVID-19 pandemic severely restricted spas' operational capacity during 2020. The restrictions were most acute in the spring and early summer months, with widespread temporary closures. The majority of spas were able to re-open from July 2020 onwards, but with restrictions. By December 2020, 79% of spas were fully open (including 36% with no restrictions and 43% with restrictions), 15% were part open and 6% remained closed.*

Following the announcement of a National Emergency in March 2020, the introduction of stay-at-home quarantines and other restrictions led the majority of spas (73%) to remain closed throughout the month of April 2020. A further 7% of spas were part open during that month. A little under one in five spas were fully open, either with no restrictions (11%) or with some restrictions (8%).

As lockdown measures eased in the summer of 2020, spas were able to start reopening, albeit mostly with restrictions or only partially. Thus, by July 2020, 56% of spas were fully open (including 41% with restrictions) with a further 26% partially open (including 22% with restrictions). The proportion of spas that were fully closed fell to 18%, down from 73% in April and 61% in May.

With the second wave of the pandemic emerging in the Fall, the pace of re-opening slowed through the remainder of 2020. Nonetheless, the proportion of spas that were fully open rose steadily, reaching 79% by December 2020, including 36% with unrestricted opening and 43% with restrictions. A further 15% were part open, mostly with restrictions. Just 6% of spas remained closed.

CALENDAR OF OPENINGS AND CLOSINGS (ALL SPAS)





## Openings and Closings in Calendar Year 2020

*On average, spas were fully closed for 2.6 of the 12 months in 2020. They were part open for 2.4 months, including 0.9 months fully operational and 1.5 months with restrictions. Spas were fully open for 3.2 months with restrictions and 3.7 months without restrictions. Overall, therefore, spas were fully operational, with no restrictions, for fewer than one in three months in 2020 (31%).*

Resort/hotel spas were especially hard hit by the pandemic. On average, they were closed for 3.4 months of 2020 and fully open, with no restrictions, for a little under 3 months.

Day spas fared somewhat better. On average, day spas were fully closed for 2.6 months and fully operational for 3.8 months.

The other spa category includes club spas, medical spas, destination spas and mineral springs spas. Collectively, the other spa category was least affected by the pandemic, with the average spa closed for 1.5 months in 2020 and fully open, without restrictions, for 4.2 months.

It is important to appreciate that there will have been considerable variation in individual spas' experiences of opening and closing during 2020.

### OPENINGS AND CLOSINGS IN 2020 (AVERAGE NUMBER OF MONTHS)

	ALL	DAY	RESORT/ HOTEL	OTHER
Fully open	<b>3.7</b>	<b>3.8</b>	<b>2.9</b>	<b>4.2</b>
Fully open with restrictions	<b>3.2</b>	<b>3.2</b>	<b>3.4</b>	<b>3.3</b>
Part open & fully operational	<b>0.9</b>	<b>0.9</b>	<b>1.0</b>	<b>0.6</b>
Part open with restrictions	<b>1.6</b>	<b>1.5</b>	<b>1.3</b>	<b>2.4</b>
Closed	<b>2.6</b>	<b>2.6</b>	<b>3.4</b>	<b>1.5</b>

## The Big Five Statistics: 2020 Out-Turn and Percent Change Over 2019

*Reflecting the impact of the COVID-19 pandemic, each of the Big 5 statistics showed a decline in 2020.*

Total spa industry revenue is estimated to have fallen by \$7 billion, from \$19.1 billion in 2019 to \$12.1 billion in 2020, a drop of -36.4%. An estimated 124 million spa visits were made in 2020, 68 million fewer than in 2019 when spas received 192 million visits. In percentage terms, spa visits fell by -35.1%.

The number of spa locations reduced from 22,430 in 2019 to 21,560 in 2020, a net loss of 870 spas. The average revenue per visit decreased slightly, falling by 2% from \$99.5 in 2019 to \$97.5 in 2020.

Total employment is estimated to have fallen by -20.6%. The reduction in the employment count was less for part-time staff (-16.7%) compared to full-time employees (-20.6%). Contract employment is estimated to have fallen sharply, by -45.3%.

### BIG FIVE STATISTICS

	2019 (YEAR END)	2020 (YEAR END)	% Change
<b>Revenue</b>	\$19.1 billion	\$12.1 billion	-36.4%
<b>Spa Visits</b>	192 million	124 million	-35.1%
<b>Locations</b>	22,430	21,560	-3.9%
<b>Revenue per visit</b>	\$99.5	\$97.5	-2.0%
	2020 (JAN)	2021 (JAN)	
<b>Total Employees</b>	383,700	304,800	-20.6%
<b>Full-Time</b>	177,100	140,600	-20.6%
<b>Part-Time</b>	178,800	149,000	-16.7%
<b>Contract</b>	27,800	15,200	-45.3%

## Spa Establishments

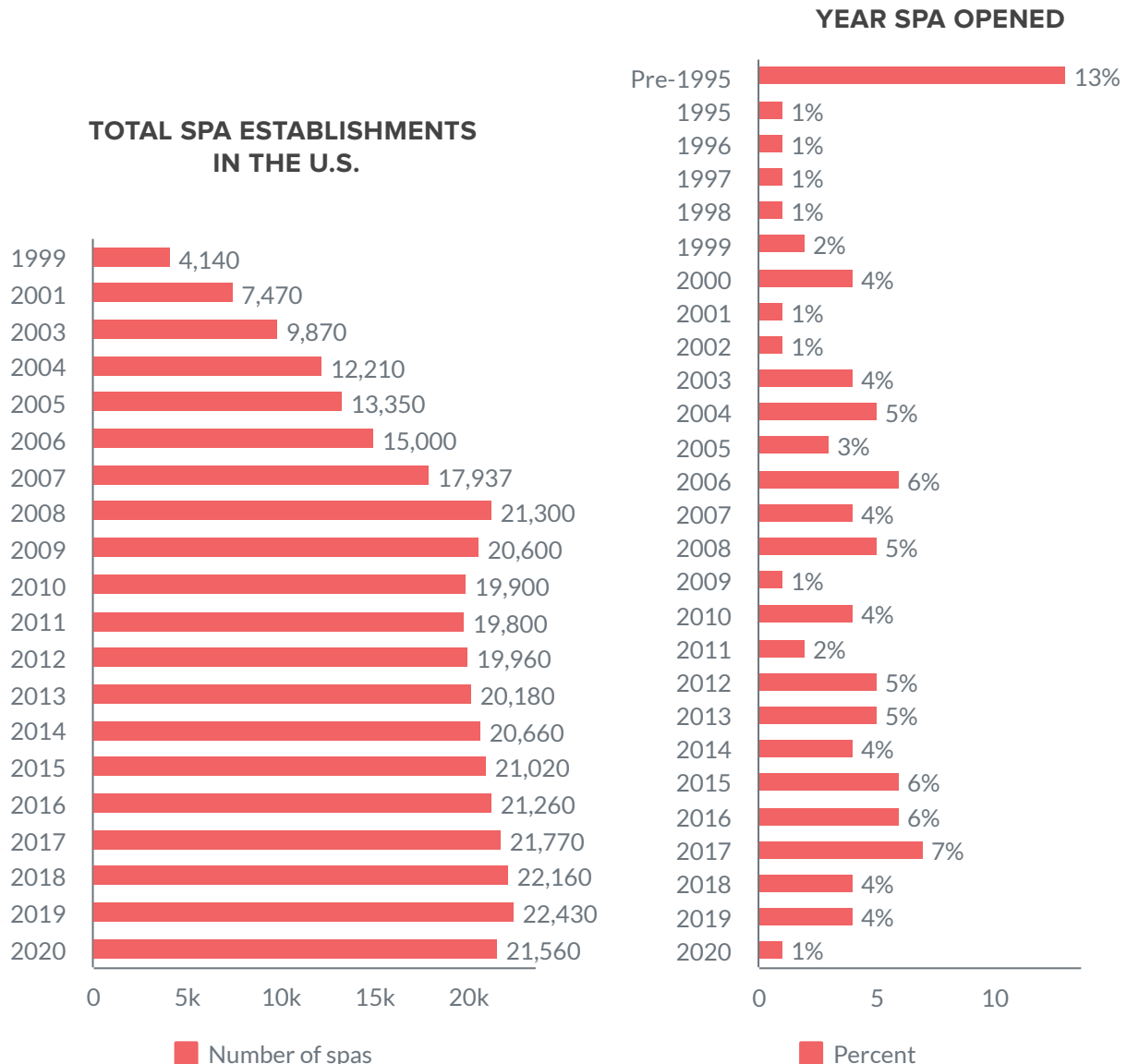
**In 2020, the number of spa establishments is estimated to have fallen by -3.9%.**

The number of spa locations fell from 22,430 in 2019 to 21,560 by the end of 2020.

The change in the number of spa locations reflects the excess of new spa openings over closures of existing spas. In 2020, there were an estimated 270 new spa openings, adding 1.2% to the number of spas in operation at the end of 2019.

However, an estimated 1,140 spas closed over the course of 2020, giving a reduction of 5.1% on the 2019 figure. The net effect was a reduction of 870 spa locations by the end of 2020 (-3.9%).

It should be noted that the estimate for spa closures relates to locations that have permanently closed. A further 6% of spas are estimated to have been temporarily closed at the end of 2020, mainly due to restrictions arising from the COVID-19 pandemic. Those temporarily closed spas have been included in the estimate for total spa establishments.



Note: Year spa opened based on responses to 2021 survey.

## Establishments by Type of Spa

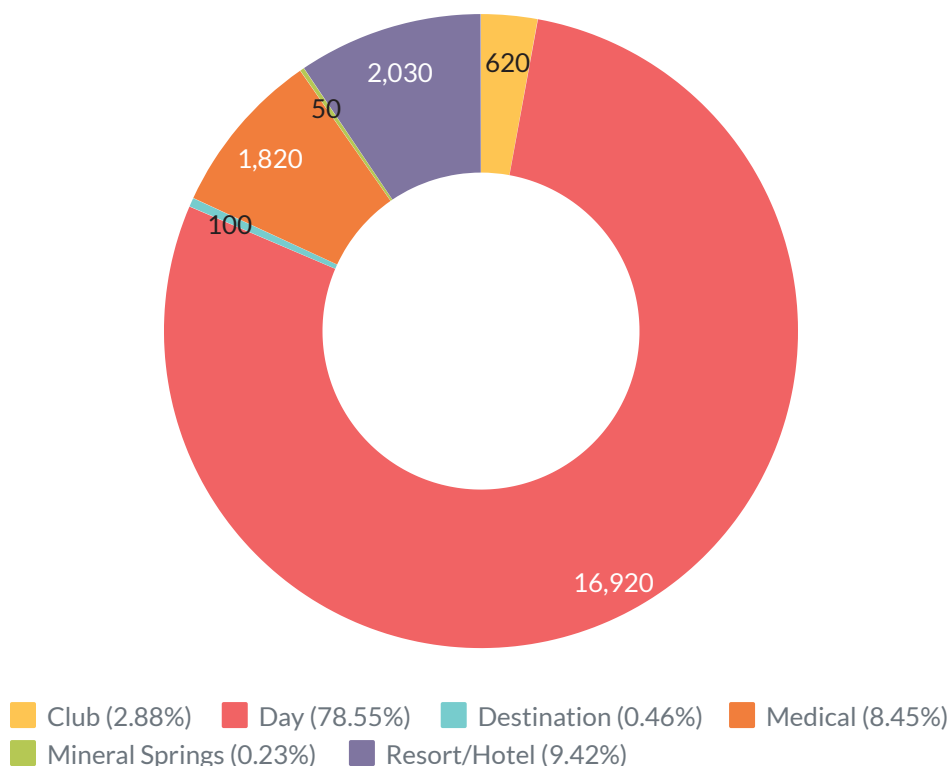
**Day spas continue to predominate within the spa industry, accounting for a little under 79% of the total of 21,560 establishments, followed by resort/hotel (9.4%) and medical spas (8.4%).**

By the end of 2020, there were slightly fewer than 17,000 day spa establishments operating across the U.S., a reduction of -4.6% compared to the 2019 estimate (17,730).

The number of resort/hotel spas at the end of 2020 is estimated at 2,030, unchanged from 2019. Though, resort/hotel spas were more likely to report being temporarily closed at the end of 2020; 11% compared to 6% on average.

The number of medical spas is estimated at 1,820, a decline of -1.3% compared with 2019. Club spa locations are estimated at 620 in 2020, a reduction of -4.5% compared to the number of such spas in 2019.

TYPE OF SPA



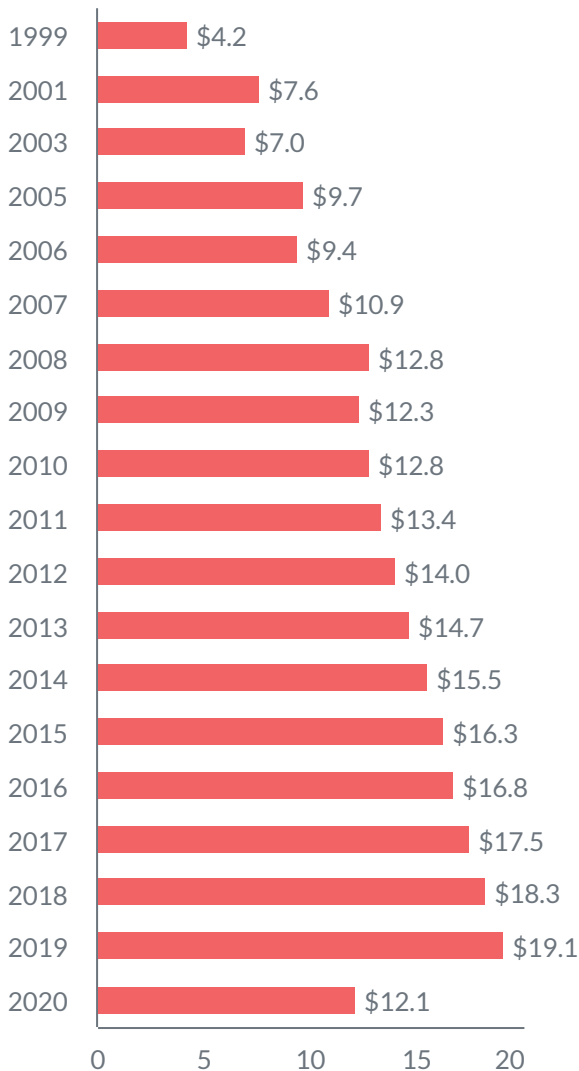
## Spa Revenues

*The impact of the COVID-19 pandemic was clearly evident in the estimated -36.4% decline in total spa revenues in 2020.*

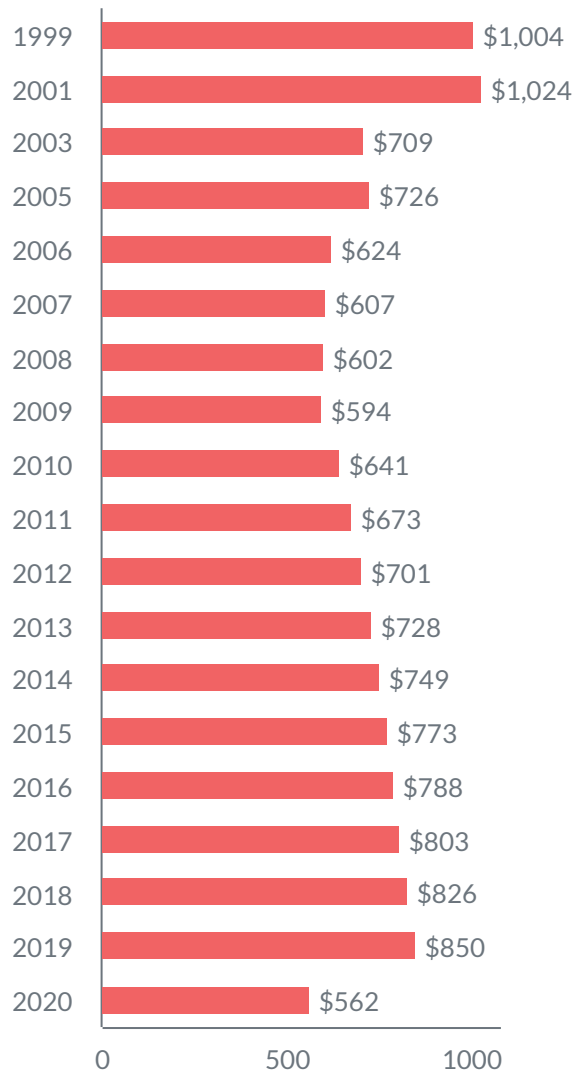
Total spa revenues for 2020 are estimated at \$12.1 billion, a decline of \$7 billion on total revenue in 2019 (\$19.1 billion).

Average revenue per spa establishment fell from \$850,000 in 2019 to \$562,000 in 2020 (-34%).

**TOTAL SPA REVENUE IN THE U.S.  
(BILLIONS)**



**AVERAGE REVENUE PER ESTABLISHMENT (THOUSANDS)**



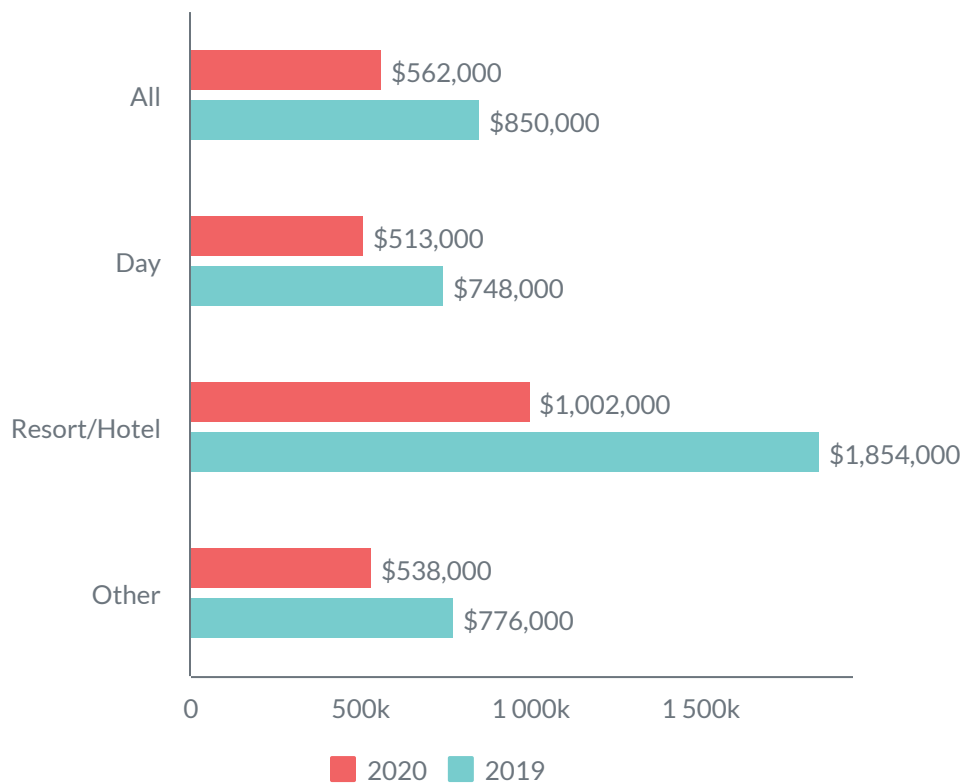
***The effect of the pandemic on spa revenues was most acutely felt in the resort/hotel sector.***

Total revenue in the resort/hotel sector is estimated to have fallen by 46% in 2020, in excess of the -34.6% decline in day spa revenues and -30.8% in the combined other spa category.

Average revenue per spa establishment in the resort/hotel sector is estimated to have fallen from \$1.85 million in 2019 to \$1 million in 2020, a drop of -46%.

In the day spa sector, average revenue per spa establishment declined from an estimated \$748,000 in 2019 to \$513,000 in 2020, a fall of -31.4%.

**AVERAGE REVENUE PER SPA ESTABLISHMENT**





## Local resident/walk-in guests vs out-of-town guests

***With its greater reliance on out-of-town guests, the resort/hotel sector was more exposed to the effects of the sharp downturn in travel that accompanied the COVID-19 pandemic.***

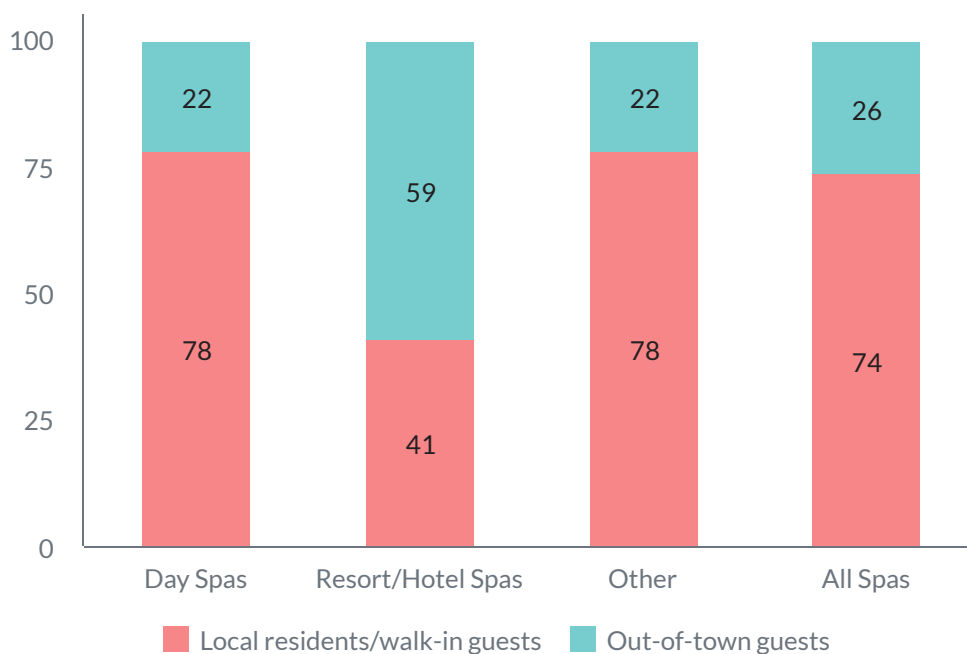
On average, in 2020, almost three in four spa customers (74%) were local residents/walk-in guests with out-of-town guests comprising the remaining 26%.

The profile was much different for the resort/hotel sector, where out-of-town guests made up a substantial majority (59%) of customers.

Compared with other spa sectors, the greater reliance of the on out-of-town guests is likely to have contributed to the larger fall in revenue experienced by resort/hotel spas.

To illustrate the point, in 2020, due to restrictions imposed in response to the pandemic, the annual number of passengers on all U.S.-based flights fell by -62%, ranging from -59% for domestic travel to -71% for international passengers (Source: Bureau of Transportation Statistics). Against that backdrop, the potential for out-of-town visits to spas would have been sharply curtailed, with more adverse consequences for the resort/hotel sector.

**PROPORTION OF CUSTOMERS BY TYPE  
(LOCAL RESIDENTS/WALK IN GUESTS VS. OUT-OF-TOWN GUESTS)**



## Spa Visits

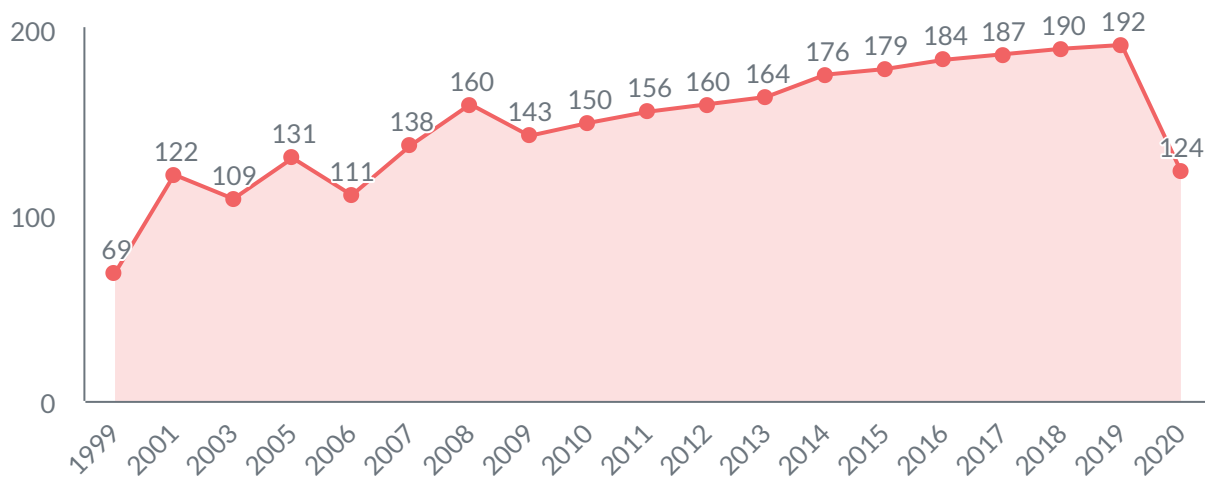
**An estimated 124 million visits were made to spa establishments in 2020, down from 192 million in 2019.**

In 2020, there were 68 million fewer spa visits compared with 2019, a decline of -35.1%.

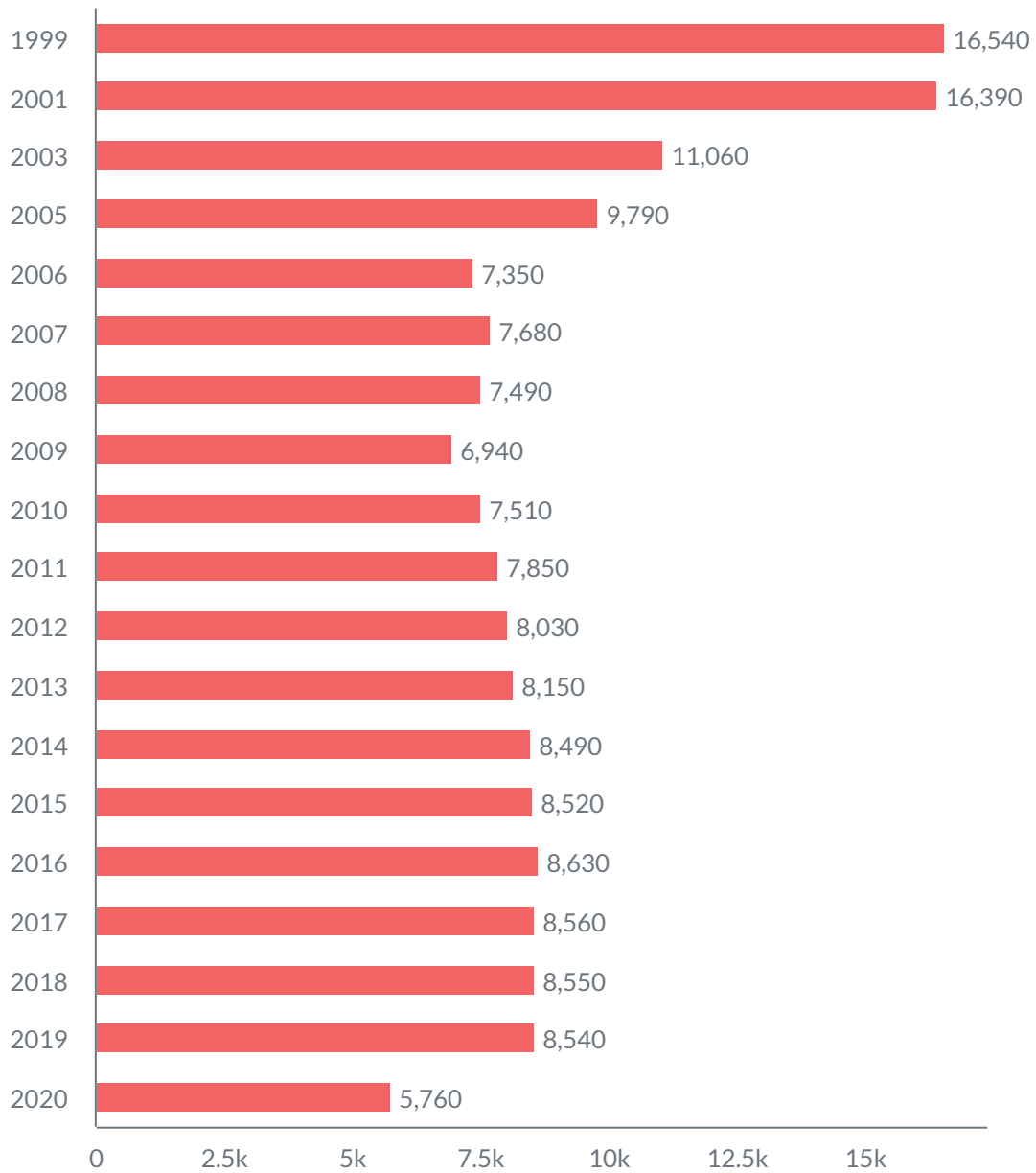
The fall in the number of spa visits was higher for resort/hotel spas (-42.8%) compared to day spas (-34.4%) and the other spa category (-30.1%).

The average number of visits per spa establishment fell from 8,540 in 2019 to 5,760 in 2020.

**TOTAL SPA VISITS IN THE U.S. (MILLIONS)**



## AVERAGE VISITS PER ESTABLISHMENT



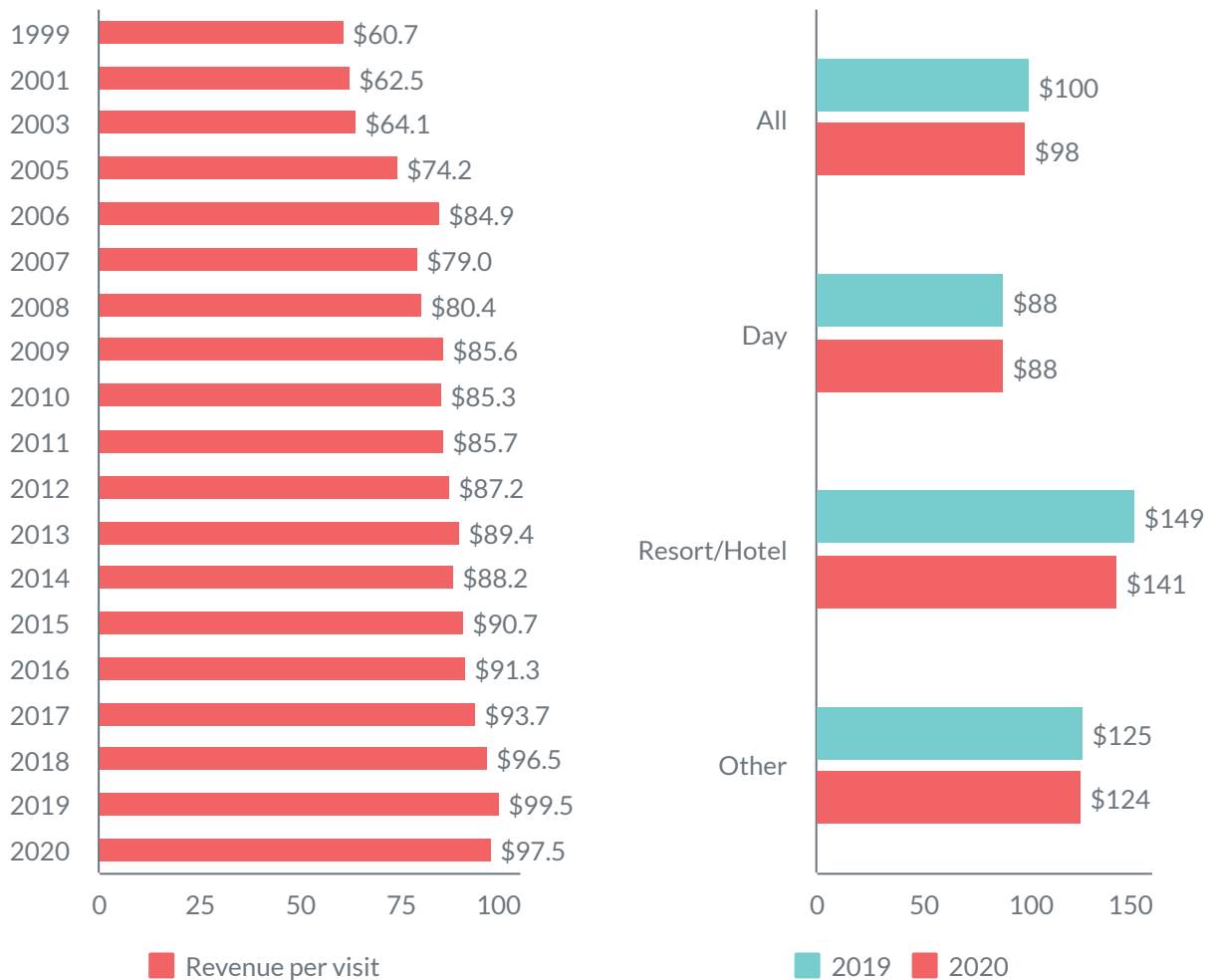
## Average Spa Revenue Per Visit

**The average revenue per visit in 2020 is estimated at \$97.5, a decrease of 2% compared with 2019 (\$99.5).**

The 2% decrease in the average spa revenue per visit reflects a slightly larger fall in total revenues (-36.4%) relative to visits (-35.1%). Average spend per visit varies by spa type, ranging from \$88 for day spa visits to \$141 for resort/hotel visits. Compared to 2019, the average revenue per visit in 2020 is estimated to have fallen by -5.8% in the resort/hotel spa sector. The average for day spas was almost unchanged (-0.3%).

The average amount that clients spend when they visit a spa is influenced by a range of factors, including the mix of services and treatments that clients purchase and the pricing of those services in a competitive market. Within that context, it should be noted that the slight fall in average spa revenue per visit would not seem to be due to falling prices per service, which did not reduce in 2020, on average (see Section 3 in this report for discussion of the trend in average prices per service).

**AVERAGE REVENUE PER SPA VISIT (\$)**



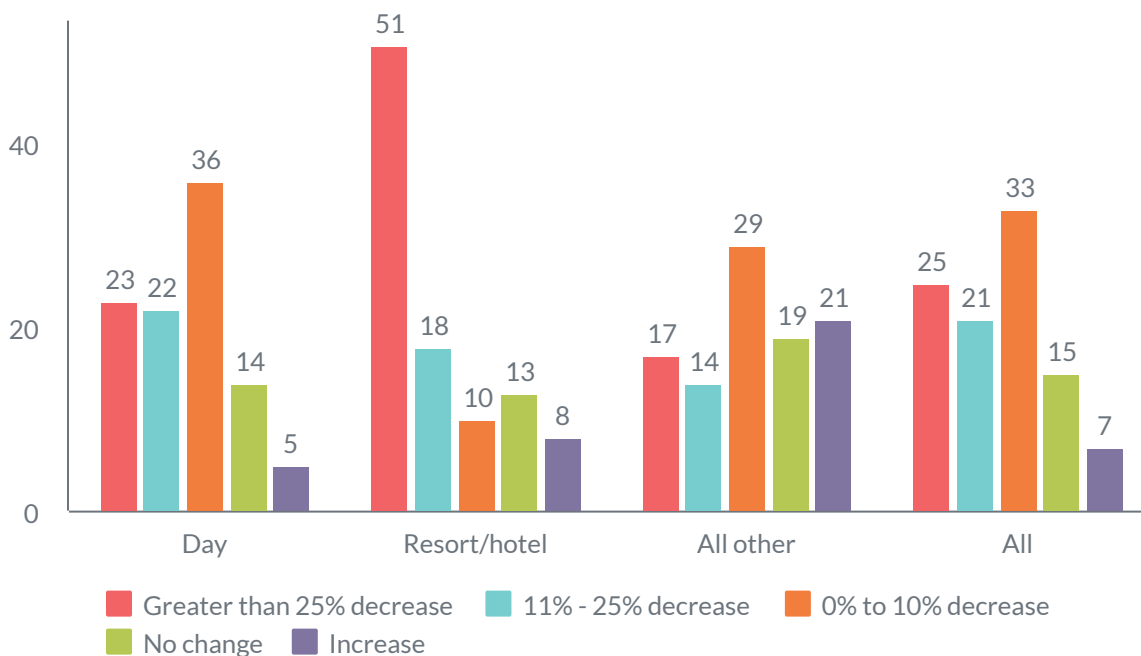
## Employment

***Faced with a sharp contraction in revenues, a large majority of spas (79%) reduced their numbers of staff employed.***

One in four spas (25%) reduced their staff complement by more than 25%. A further one in five spas (21%) implemented a decrease in the range of 11% to 25%. One in three spas (33%) made more modest staff reductions, in the range of 1% to 10%. 15% of spas made no change in staffing numbers. Fewer than one in 10 spas (7%) increased the size of their workforce.

The proportion of spas reporting decreases of greater than 25% was highest in the resort/hotel sector (51%) and lowest in the other spa category (17%). Close to one in four day spas (23%) reduced their workforce by greater than 25%.

**APPROXIMATE PERCENT CHANGE IN STAFF EMPLOYED  
(COMPARED TO JANUARY 2020)**



With a majority of spas reducing their spa workforces, the pandemic led to a reduction in total employment, estimated to have fallen by 78,900 (-20.6%) to 304,800 in January 2021 from 383,700 in January 2020.

The number of full-time employees is estimated to have fallen by -36,500 (-20.6%), dropping to 141,000 by January 2021. Part-time employment fell by almost 30,000 (-16.7%), to 149,000 in January 2021.

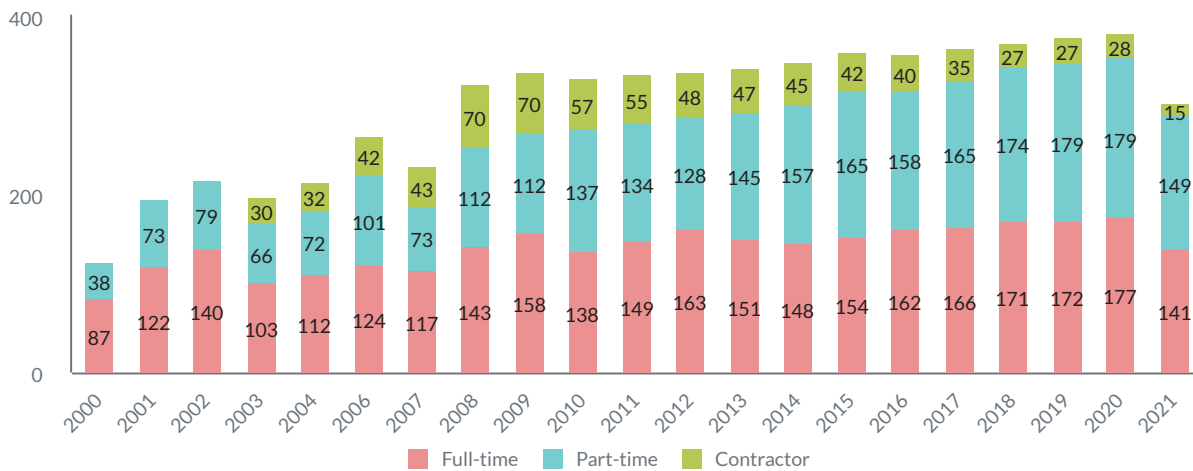
Employment of independent contractors almost halved, falling from 27,800 to 15,200, a drop of 12,600 (-45.3%).

Resort/hotel spas registered the largest percentage fall in workforce numbers, down by -32.1% compared with -18.9% for day spas and -10.6% in the other spa category.

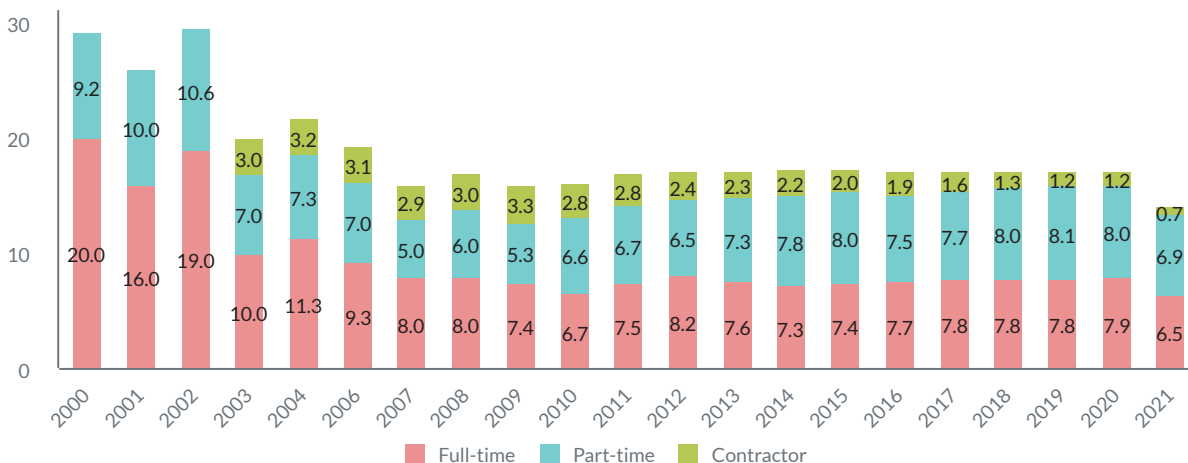
Across the industry as a whole, the number employed per spa location dropped from 17.1 in January 2020 to 14.1 in January 2021.

Note: On average, spa service providers need to work 30 or more hours per week to be considered a full-time employee.

**TOTAL EMPLOYEES IN THE U.S. (THOUSANDS)**



**AVERAGE EMPLOYEES PER ESTABLISHMENT**





## Profitability

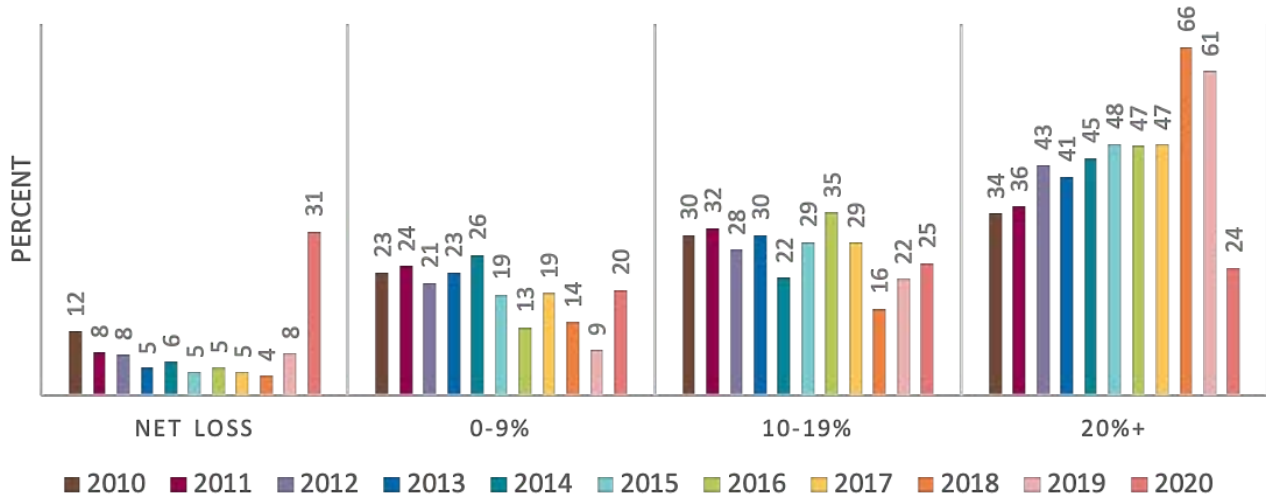
***In 2020, there was a sharp rise in the proportion of spas reporting a net loss. In the resort/hotel sector, almost one in three spas (31%) reported a net loss, up from 8% in 2019. A similar picture emerged in the remaining spa sectors, where the proportion with a net loss rose to 28% in 2020, up from 7% in 2019.***

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.

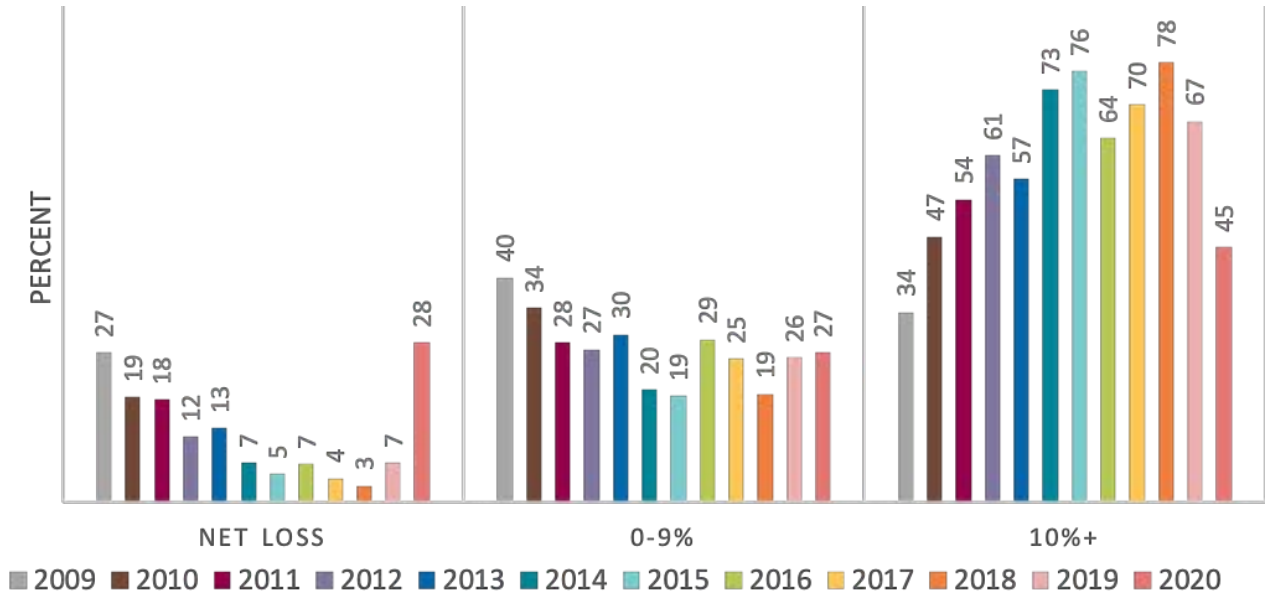
In the resort/hotel sector, a little under one in two spas (49%) reported a spa profit percentage of 10% or more, down from 83% in 2019. A further 20% reported a profit percentage in the range 0-9%, up from 9% 2019. Excluding the resort/hotel sector, 45% of spas reported a profit percentage of 10% or more, down from 67% in 2019.

Despite the large revenue falls arising from the pandemic, the majority of spas were able to report a positive profit percentage, albeit at lower levels than in the previous decade. That is likely to reflect cost-cutting measures, such as the workforce reductions discussed previously.

**SPA PROFIT PERCENTAGE: 2010-2020 RESORT/HOTEL SPAS**



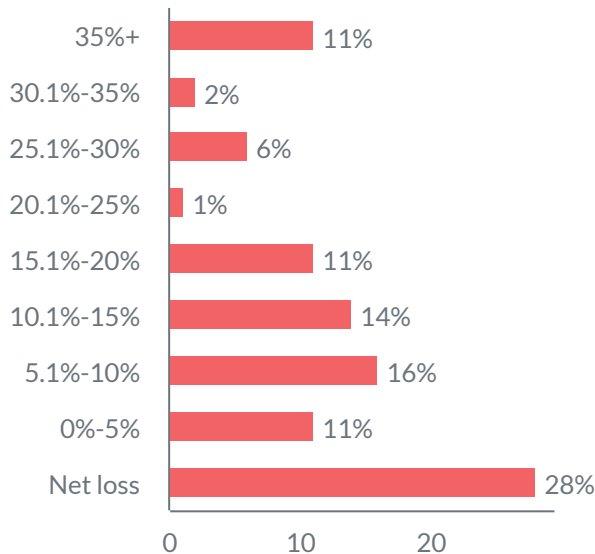
**PROFIT PERCENTAGE BEFORE FIXED CHARGES:  
2009-2020 ALL SPAS EXCLUDING RESORT/HOTEL SPAS**



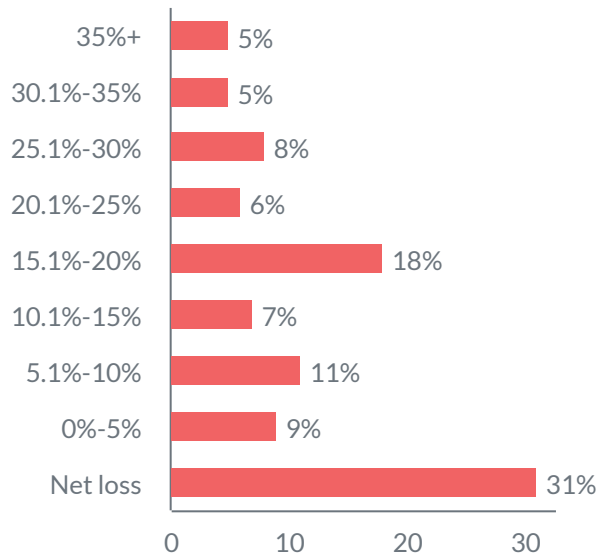
The detailed profit percentage results indicate that in resort/hotel spas in 2020, the most frequently reported profit percentage was a net loss (31%). Almost one in two resort/hotel spas (45%) cited a profit percentage in the range 0% to 20%.

Excluding the resort/hotel sector, the most frequently cited profit percentage before fixed charges was a net loss (28%). A little over one in two (52%) reported a profit percentage in the range 0% to 20%.

**PROFIT PERCENTAGE BEFORE FIXED CHARGES (2020 - ALL SPAS EXCLUDING RESORT/HOTEL SPAS)**



**SPA PROFIT PERCENTAGE (2020 - RESORT/HOTEL SPAS)**



## Policies Implemented During the Pandemic

*Spas implemented a range of new policies and practices to cope with the pandemic. Policies around social distancing, sanitation and cleanliness have been widely adopted to protect the health and safety of guests and staff.*

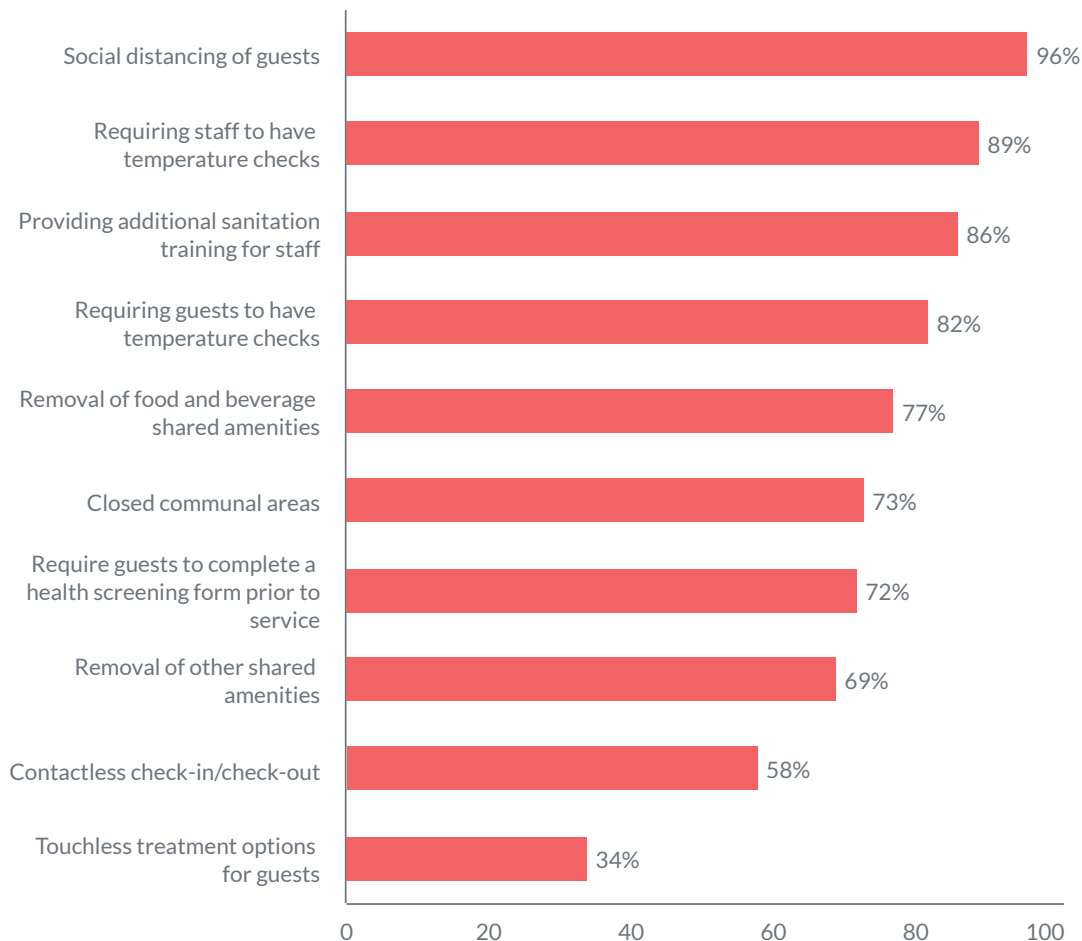
Almost all spas (96%) implemented policies around social distancing of guests while 82% of spas required guests to have temperature checks.

Almost nine in 10 spas (89%) introduced policies requiring their staff to have temperature checks. A similar proportion (86%) provided additional sanitation training for their staff.

Spas also sought to reduce potentially risky interactions. For example, almost three in four spas (73%) closed communal areas, with 77% removing food and beverage shared amenities (i.e., water dispensers, snacks). 58% of spas implemented contactless check-in/check-out. One in three spas (34%) introduced touchless treatments for guests.

The extent and mix of policies implemented during the pandemic did not vary greatly by spa type. As shown in the chart on the next page, broadly similar proportions of day spas, resort/hotel spas and the other spa category implemented policies around social distancing of guests, temperature checks and additional sanitation training.

**POLICIES IMPLEMENTED DURING THE PANDEMIC  
(AT ANY POINT FROM MARCH 2020 TO SPRING 2021)**



## POLICIES IMPLEMENTED DURING THE PANDEMIC

	ALL	DAY	RESORT/ HOTEL	OTHER
Social distancing of guests	96%	95%	98%	98%
Requiring staff to have temperature checks	89%	91%	91%	76%
Providing additional sanitation training for staff	86%	86%	95%	81%
Requiring guests to have temperature checks	82%	84%	76%	72%
Removal of food and beverage shared amenities	77%	73%	92%	96%
Closed communal areas	73%	71%	80%	84%
Require guests to complete a health screening form prior to service	72%	72%	78%	70%
Removal of other shared amenities	69%	64%	92%	88%
Contactless check-in/check-out	58%	56%	61%	70%
Touchless treatment options for guests	34%	35%	29%	25%
None of the above	1%	0%	2%	0%

## Personal and Protective Equipment (PPE) Policies During the Pandemic

**All spas implemented one or more personal and protective equipment (PPE) policies in responding to the need to shield staff and customers from the COVID-19 pandemic.**

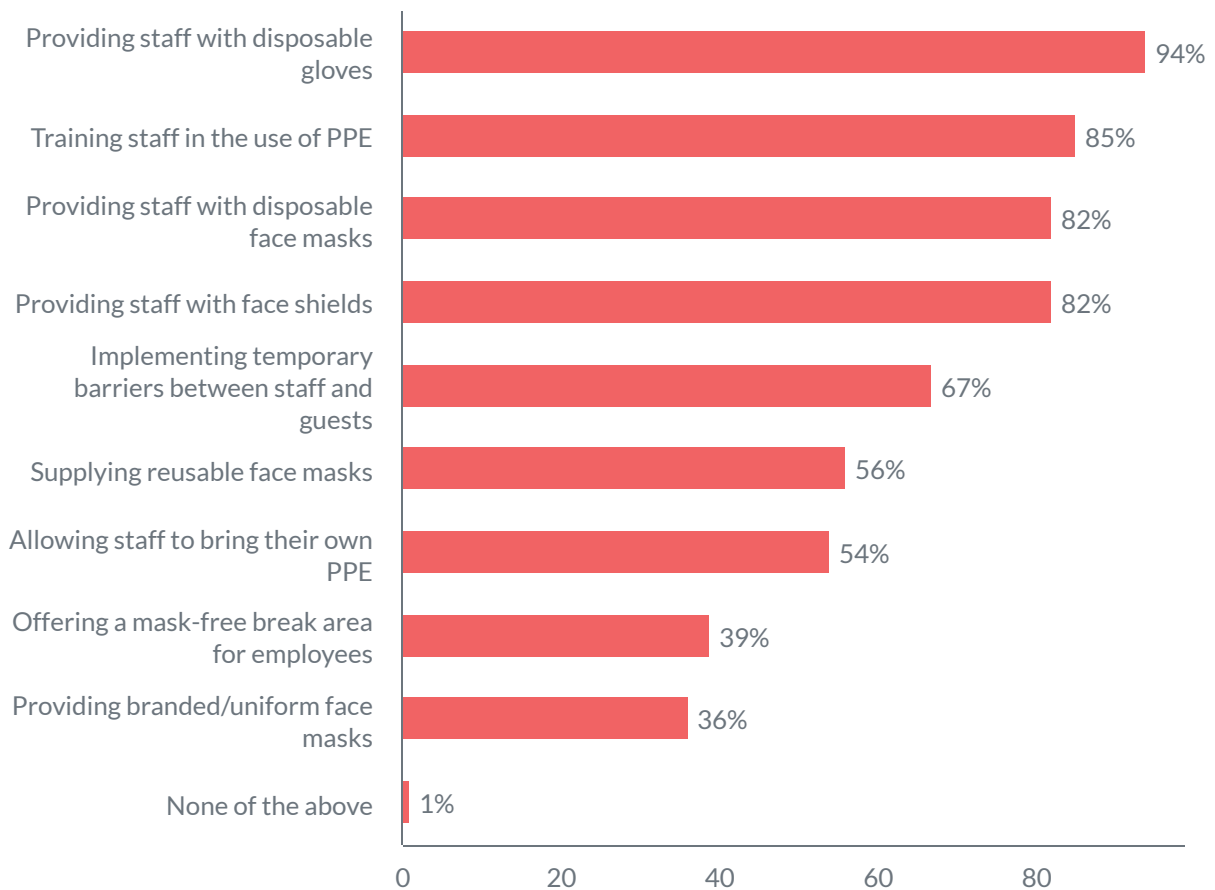
Almost all spas (98%) provided for face masks or shields to be worn by staff, most often through the provision of disposable face masks (82%) and/or face shields (82%), as well as supplying reusable face masks (56%) and branded/uniform face masks (36%).

Over nine in 10 spas (94%) provided staff with disposable gloves.

A large majority of spas (85%) also provided staff with training in the use of PPE, including 96% of resort/hotel spas.

The implementation of PPE policies was widespread throughout the industry. The pattern of provision did not vary greatly by type of spa (see table in chart on next page).

### PERSONAL AND PROTECTIVE EQUIPMENT (PPE) POLICIES IN PLACE DURING THE PANDEMIC



## PERSONAL AND PROTECTIVE EQUIPMENT (PPE) POLICIES DURING THE PANDEMIC

	ALL	DAY	RESORT/ HOTEL	OTHER
Providing staff with disposable gloves	94%	92%	97%	100%
Training staff in the use of PPE	85%	85%	96%	76%
Providing staff with disposable face masks	82%	79%	89%	96%
Providing staff with face shields	82%	79%	87%	97%
Implementing temporary barriers between staff and guests	67%	66%	77%	64%
Supplying reusable face masks	56%	56%	78%	39%
Allowing staff to bring their own PPE	54%	59%	37%	35%
Offering a mask-free break area for employees	39%	37%	44%	49%
Providing branded/uniform face masks	36%	37%	40%	28%
None of the above	1%	1%	1%	0%



## Proof of Vaccination Requirements

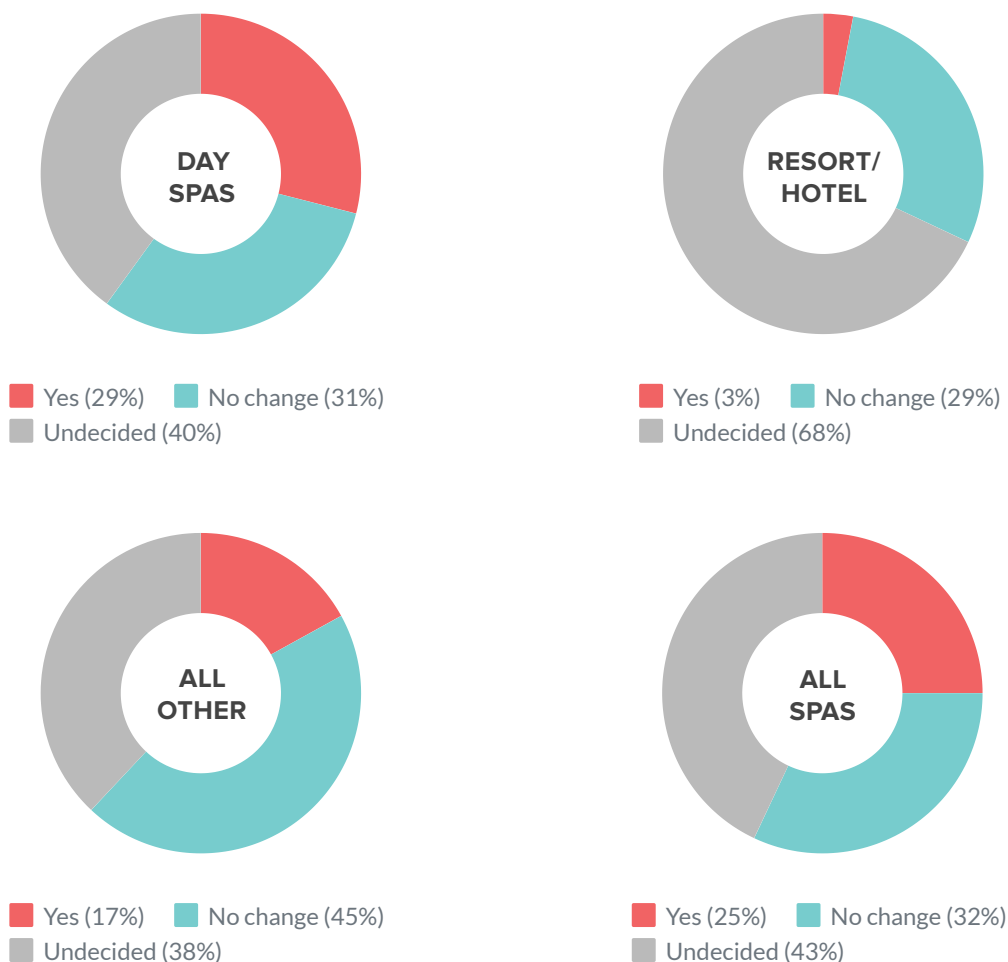
Looking ahead to 2021, with the roll-out of the COVID-19 vaccination program, spas were asked whether they would be requiring their employees to show proof of vaccination. With the vaccination program in the early stages of roll-out when the Industry Survey was conducted, a plurality of spas (42%) were undecided on that issue. One in four spas said they would require proof of vaccination (25%). As of early 2021, when the survey was conducted, almost one in three spas (32%) indicated they would not require proof.

The main contrast was between day spas and resort/hotel spas.

Over two in three resort/hotel spas (68%) were undecided in spring 2021. Among the remaining resort/hotel spas, just 3% said they would be requiring proof of vaccination while 29% had decided not to do so.

Within the day spa sector, 29% said they would be requiring proof of vaccination, while 31% said they would not. The remaining 40% were undecided at the time the survey was conducted (early 2021).

### PERCENTAGE OF SPAS THAT WILL REQUIRE EMPLOYEES TO SHOW PROOF OF VACCINATION



## Looking Ahead: Innovations that Spas Plan on Retaining

*Looking to identify ‘silver linings,’ survey respondents were asked to say which new innovative efforts or processes, implemented as a result of COVID-19, that they plan to keep in place moving forward after the pandemic ends.*

### SAFER, SMARTER SERVICE

Spa operators reported having to pivot to deal with changing regulations. Many saw it as an opportunity to be more efficient while remaining service-oriented and now use technology and touchless platforms more for booking and intake data.

Changes to scheduling and treatment times may also be retained as spas became more strategic about optimizing staff, hours and space.

Technology, sanitation and focus on well-being are the main areas where spas will keep some or all changes. Many plan to keep elements of the new health and safety protocols in some form.

About one in seven (14%) could see no silver lining. Some of those were closed for most of 2020. Of these, a few used the time to renovate.

**Health and safety** was a major theme in the new, enhanced or additional procedures and practices that spas anticipate retaining after the pandemic ends, including additional cleaning processes and methods, more clean time between guest treatments, antivirals, etc. Spas also mentioned continuing with practices such as masking and social distancing during cold and flu season and promoting greater staff and guest awareness about staying safe.

**Booking and check-in/out procedures** have also changed in many spas, with an accelerated shift towards online scheduling, check-in prior to entering the building and contactless payments. Guests provide contact details on arrival. For some spas, these enhanced procedures have resulted in an improved customer data base. Also, there is less demand on staff, as booking, payments and intake forms are completed online before the appointment.

**The delivery of treatments and services** has also evolved. Spas mentioned standardization of treatment times, with staggered shifts and appointments to enable more time between treatments, to better manage guest flows. Spas also pointed to bringing in streamlined, simplified menus. Some discontinued services, while others moved to fewer, more expensive services. Some have added new or more varied treatments, couples’ treatments or an add-on menu to increase spend. Spas also adapted through the use of outdoor and/or curbside services.

**Virtual/touchless elements** were also a theme in spas’ responses, i.e., check-in prior to entering the building, touchless payments and online scheduling. The adoption of paperless menus and the use of QR codes were also cited. Some spas also sought to extend their reach by developing online services, such as wellness consultations for individuals or groups.

## Key Points Summary

### THE INDUSTRY IN 2020 AND THE COVID-19 PANDEMIC

The COVID-19 pandemic was the dominant factor shaping the economic context in 2020, resulting in a sharp reduction in economic activity and output, leading to job losses and rising unemployment. ***The effects were most heavily felt by industries that rely on personal contact with the consumer, including the spa sector.***

***The COVID-19 pandemic severely restricted spas' operational capacity during 2020. The restrictions were most acute in the spring and early summer months, with widespread temporary closures.***

Following the announcement of a National Emergency in March 2020, the introduction of stay-at-home quarantines and other restrictions led the majority of spas (73%) to remain closed throughout the month of April 2020. ***The majority of spas were able to reopen from July 2020 onwards, but with restrictions. By December 2020, 79% of spas were fully open (including 36% with no restrictions and 43% with restrictions), 15% were partly open and 6% remained closed. Overall, spas were fully operational, with no restrictions, for fewer than one in three months in 2020 (31%).***

Reflecting the impact of the COVID-19 pandemic, each of the Big 5 statistics showed a decline in 2020.

- Total spa industry revenue is estimated to have fallen by \$7 billion, from \$19.1 billion in 2019 to \$12.1 billion in 2020, a drop of -36.4%.
- ***The effect of the pandemic on spa revenues was most acutely felt in the resort/hotel sector.***
- Total revenue in the resort/hotel sector is estimated to have fallen by 46% in 2020, in excess of the -34.6% decline in day spa revenues and -30.8% in the combined other spa category
- An estimated 124 million spa visits were made in 2020, 68 million fewer than in 2019 when spas received 192 million visits. In percentage terms, spa visits fell by -35.1%.
- The number of spa locations reduced from 22,430 in 2019 to 21,560 in 2020, a net loss of 870 spas.
- The average revenue per visit decreased slightly, falling by 2% from \$99.5 in 2019 to \$97.5 in 2020.
- Faced with a sharp contraction in revenues, a large majority of spas (79%) reduced their numbers of staff employed.
- Total employment is estimated to have fallen by -20.6%. The reduction in the employment count was less for part-time staff (-16.7%) compared to full-time employees (-20.6%). Contract employment is estimated to have fallen sharply, by -45.3%.

## PROFITABILITY

In 2020 there was a sharp rise in the proportion of spas reporting a net loss. In the resort/hotel sector, almost one in three spas (31%) reported a net loss, up from 8% in 2019. A similar picture emerged in the remaining spa sectors, where the proportion with a net loss rose to 28% in 2020, up from 7% in 2019.

## POLICIES IMPLEMENTED IN THE PANDEMIC

Spas implemented a range of new policies and practices to cope with the pandemic. Policies around social distancing, sanitation and cleanliness have been widely adopted to protect the health and safety of guests and staff.

Almost all spas (96%) implemented policies around social distancing of guests while 82% of spas required guests to have temperature checks.

Almost nine in 10 spas (89%) introduced policies requiring their staff to have temperature checks. A similar proportion (86%) provided additional sanitation training for their staff.

## PERSONAL AND PROTECTIVE POLICIES DURING THE PANDEMIC

All spas implemented one or more personal and protective equipment (PPE) policies in responding to the need to shield staff and customers from the COVID-19 pandemic.

Almost all spas (98%) provided for face masks or shields to be worn by staff.

Over nine in 10 spas (94%) provided staff with disposable gloves.

A large majority of spas (85%) also provided staff with training in the use of PPE.

## PROOF OF VACCINATION REQUIREMENTS

Looking ahead to 2021, with the roll-out of the COVID-19 vaccination program, spas were asked whether they would be requiring their employees to show proof of vaccination. With the vaccination program in the early stages of rollout when the Industry Survey was conducted, a plurality of spas (42%) were undecided on that issue. One in four spas said they would require proof of vaccination (25%). As of early 2021, when the survey was conducted, almost one in three spas (32%) indicated they would not require proof.

## LOOKING AHEAD: INNOVATIONS TO BE RETAINED

Technology, sanitation and focus on well-being are the main areas where spas will keep some or all changes made in coping with the pandemic. Many plan to keep elements of the new health and safety protocols in some form. Spa operators also took the opportunity to be more efficient while remaining service oriented and now use technology and touchless platforms more for booking and intake data. Changes to scheduling and treatment times may also be retained as spas became more strategic about optimizing staff, hours and space.

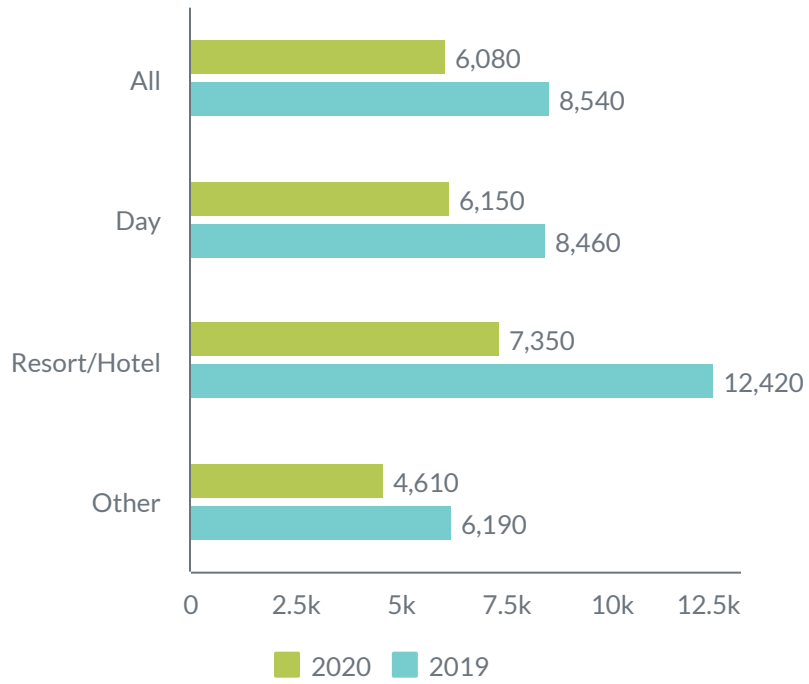
About one in seven (14%) could see no silver lining. Some of those were closed for most of 2020. Of these, a few used the time to renovate.

# Spa Services + Facilities

*This Section describes the facilities and services that spas offered to their clients in 2020, with a particular focus on how spas have adapted to delivering services during the pandemic.*

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

- **POLICIES OR ACTIVITIES** undertaken or newly introduced in 2020
- **SERVICES** that spas continued to offer or newly introduced since the pandemic began
- **AVERAGE PRICES PER SERVICE**
- **THE RETAIL ELEMENT IN SPA FACILITIES**—range of product types and average value of purchases per guest

**AVERAGE NUMBER OF SPA CLIENT VISITS PER SPA**



## Policies and Activities Undertaken or Newly Introduced in 2020

*To improve their ability to continue providing services during the pandemic, spas newly introduced a variety of policies and activities, most frequently changes in the duration of treatments and services (58%), followed by new spa menus (43%) and outdoor/curbside treatments (41%).*

Overall, more than three in four spas (77%) introduced one or more new policies or activities in 2020, including 78% of day spas and 73% of resort/hotel spas. While some changes may have been planned for 2020 anyway, it is highly likely that managing the impact of the pandemic was the driving force in the extent to which spas newly introduced key policies and activities.

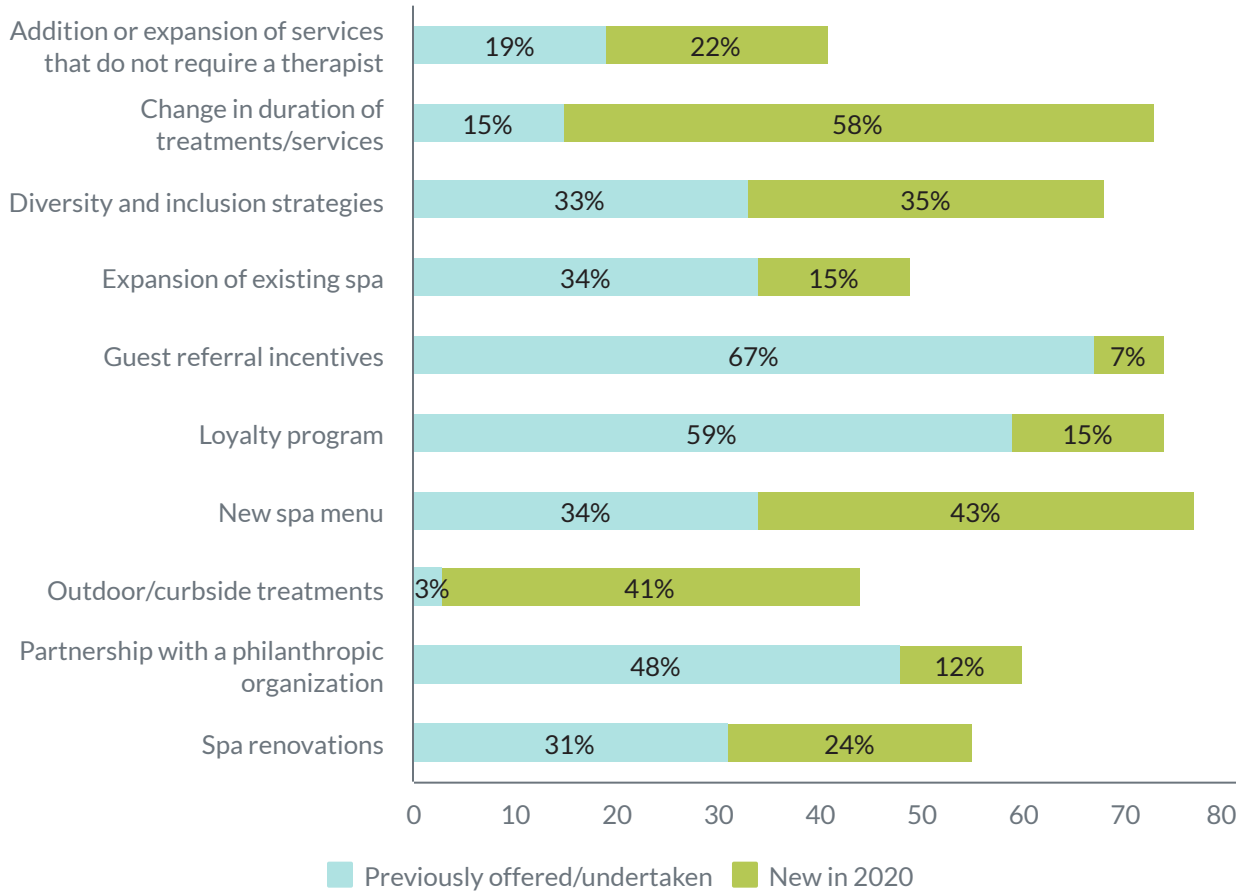
The most popular innovation was to change the duration of treatments and services. Close to six in 10 businesses (58%) newly introduced such changes in 2020. Furthermore, the proportion varied only slightly by type of spa, ranging from 57% of day and resort/hotel spas to 61% in the other spa category.

Other newly introduced policies and practices varied by type of spa. In particular, almost one in two day spas (46%) newly introduced outdoor/curbside treatments compared to 21% of resort/hotel spas. Almost one in four day spas (24%) newly introduced services that do not require a therapist, compared with 7% of resort/hotel spas.

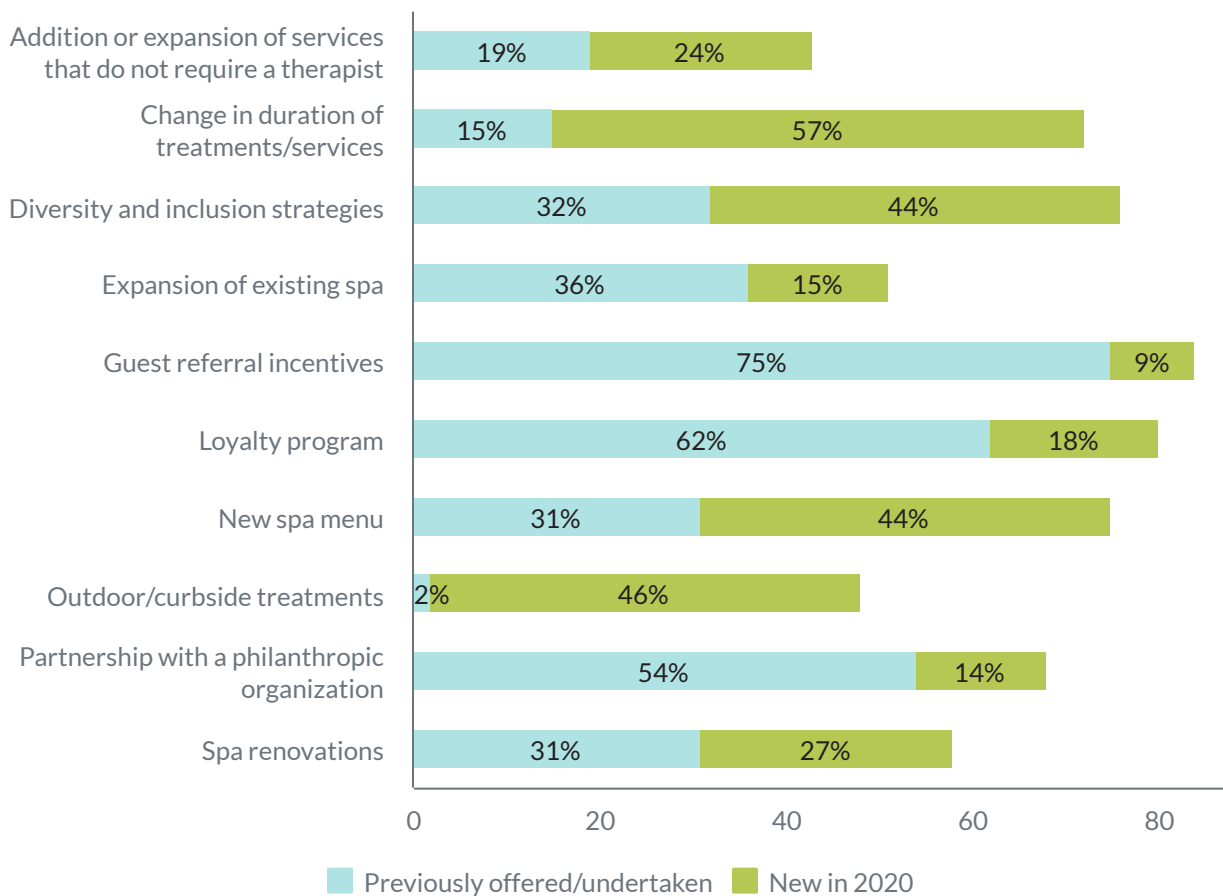
Resort/hotel spas were more likely to say they had newly introduced a new spa menu—55% compared with 44% of day spas.

Spas also took the opportunity to renovate or expand their establishments.

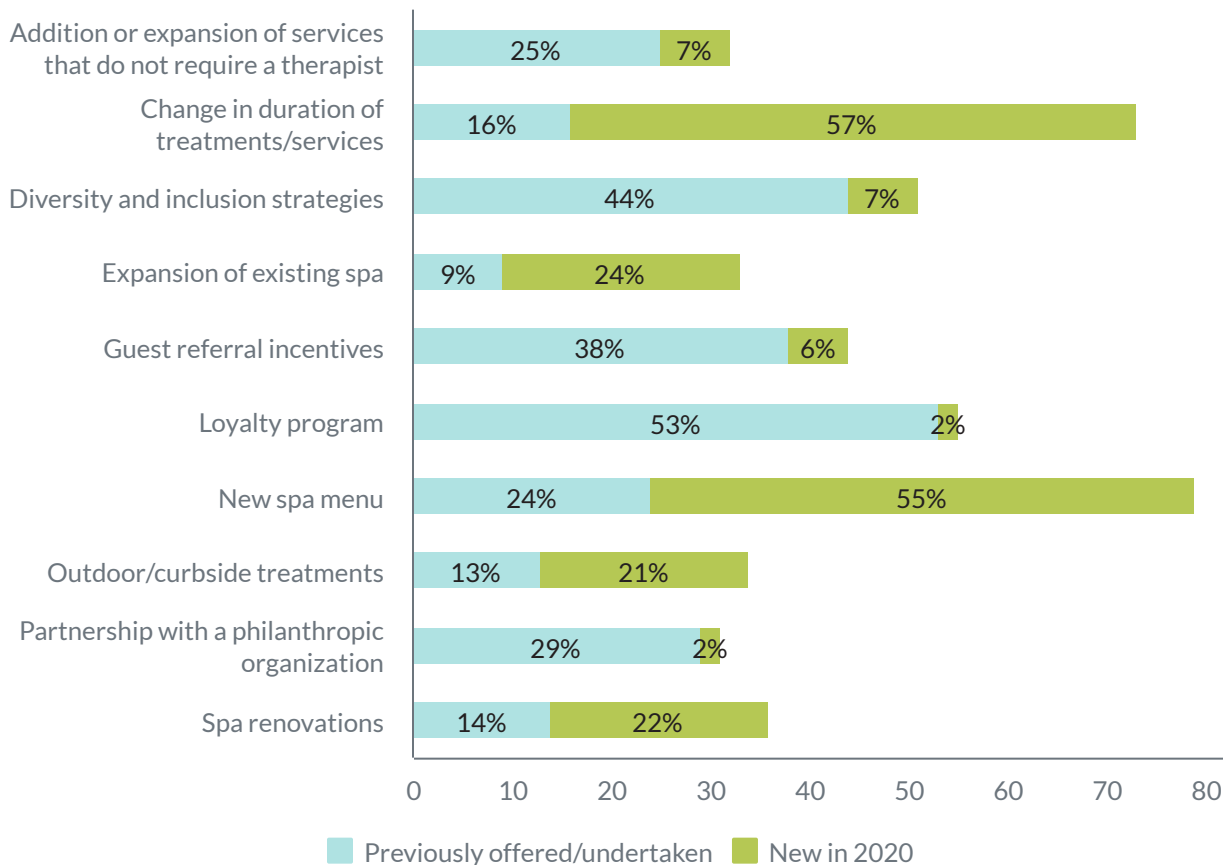
**POLICIES OR ACTIVITIES OFFERED/UNDERTAKEN OR NEWLY INTRODUCED IN 2020 (ALL SPAS)**



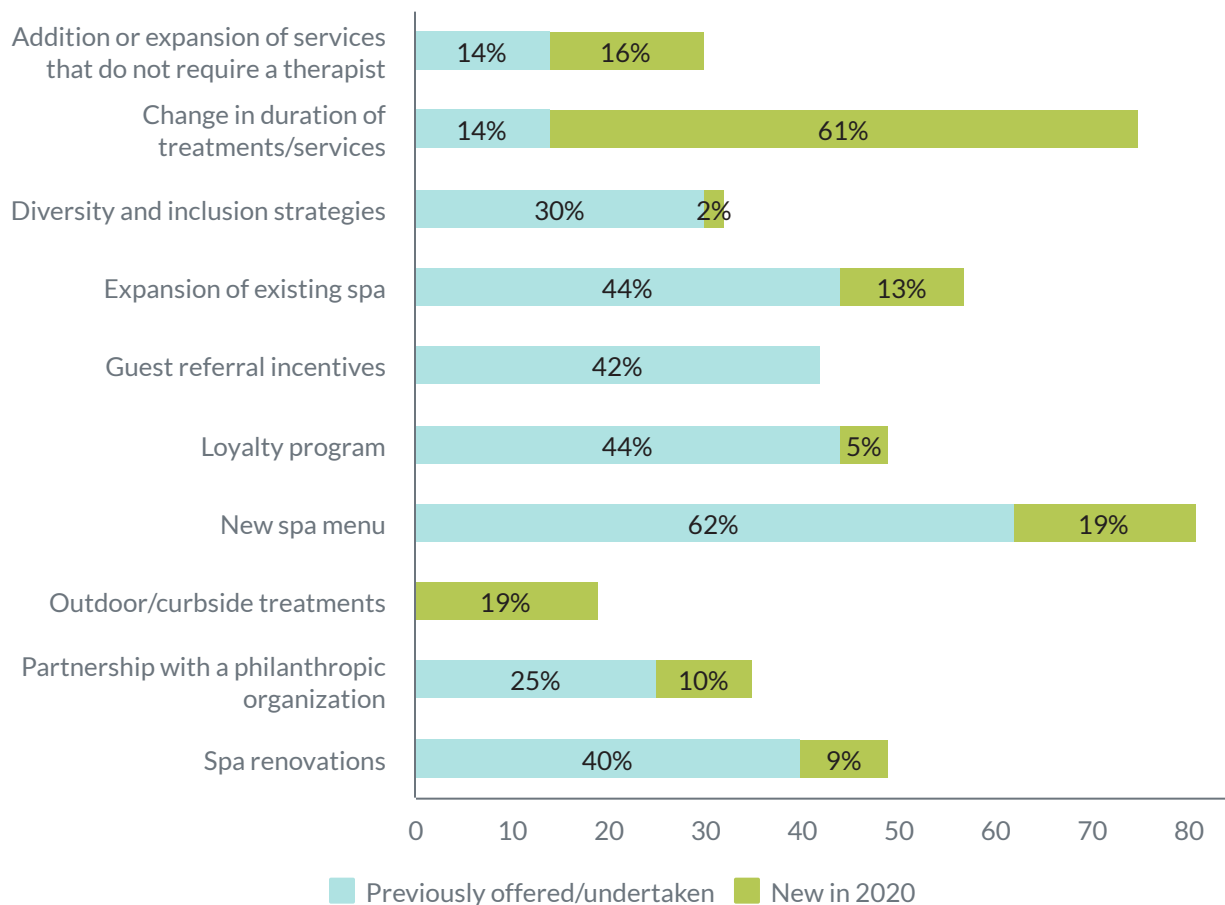
**POLICIES OR ACTIVITIES OFFERED/UNDERTAKEN OR NEWLY INTRODUCED IN 2020 (DAY SPAS)**



**POLICIES OR ACTIVITIES OFFERED/UNDERTAKEN OR NEWLY INTRODUCED IN 2020 (RESORT/HOTEL SPAS)**



**POLICIES OR ACTIVITIES OFFERED/UNDERTAKEN OR NEWLY INTRODUCED IN 2020 (OTHER SPAS)**



## POLICIES AND ACTIVITIES UNDERTAKEN OR NEWLY INTRODUCED IN 2020

	DAY SPAS		RESORT/HOTEL SPAS	
	New in 2020	Previously offered/undertaken	New in 2020	Previously offered/undertaken
Addition or expansion of services that do not require a therapist	<b>24%</b>	<b>19%</b>	<b>7%</b>	<b>25%</b>
Change in duration of treatments/services	<b>57%</b>	<b>15%</b>	<b>57%</b>	<b>16%</b>
Diversity and inclusion strategies	<b>44%</b>	<b>32%</b>	<b>7%</b>	<b>44%</b>
Expansion of existing spa	<b>15%</b>	<b>36%</b>	<b>24%</b>	<b>9%</b>
Guest referral incentives	<b>9%</b>	<b>75%</b>	<b>6%</b>	<b>38%</b>
Loyalty program	<b>18%</b>	<b>62%</b>	<b>2%</b>	<b>53%</b>
New spa menu	<b>44%</b>	<b>31%</b>	<b>55%</b>	<b>24%</b>
Outdoor/curbside treatments	<b>46%</b>	<b>2%</b>	<b>21%</b>	<b>13%</b>
Partnership with a philanthropic organization	<b>14%</b>	<b>54%</b>	<b>2%</b>	<b>29%</b>
Spa renovations	<b>27%</b>	<b>31%</b>	<b>22%</b>	<b>14%</b>

## POLICIES AND ACTIVITIES UNDERTAKEN OR NEWLY INTRODUCED IN 2020

	OTHER		ALL SPAS	
	New in 2020	Previously offered/undertaken	New in 2020	Previously offered/undertaken
Addition or expansion of services that do not require a therapist	<b>16%</b>	<b>14%</b>	<b>22%</b>	<b>19%</b>
Change in duration of treatments/services	<b>61%</b>	<b>14%</b>	<b>58%</b>	<b>15%</b>
Diversity and inclusion strategies	<b>2%</b>	<b>30%</b>	<b>35%</b>	<b>33%</b>
Expansion of existing spa	<b>13%</b>	<b>44%</b>	<b>15%</b>	<b>34%</b>
Guest referral incentives	<b>0%</b>	<b>42%</b>	<b>7%</b>	<b>67%</b>
Loyalty program	<b>5%</b>	<b>44%</b>	<b>15%</b>	<b>59%</b>
New spa menu	<b>19%</b>	<b>62%</b>	<b>43%</b>	<b>34%</b>
Outdoor/curbside treatments	<b>19%</b>	<b>0%</b>	<b>41%</b>	<b>3%</b>
Partnership with a philanthropic organization	<b>10%</b>	<b>25%</b>	<b>12%</b>	<b>48%</b>
Spa renovations	<b>9%</b>	<b>40%</b>	<b>24%</b>	<b>31%</b>

## Types of Services Offered

**Since the beginning of the pandemic, 37% of spas have newly introduced one or more services to their spa offering, including 40% of day spas, 27% of resort/hotel spas and 23% of the other spa category.**

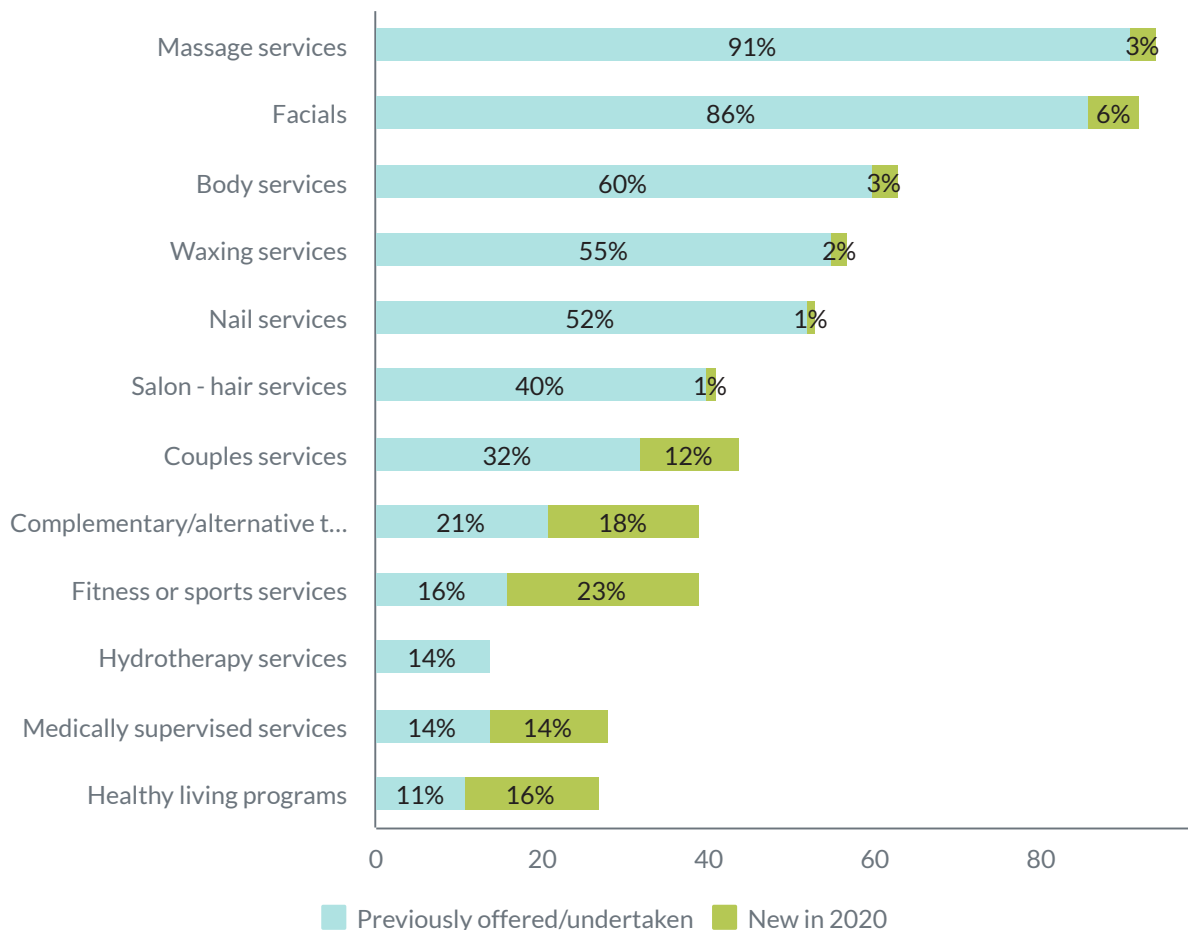
Spas were most likely to say that they had newly introduced fitness or sports services (23%), followed by complementary/alternative therapies or mind, body and spirit programs (18%), healthy living programs (16%), medically supervised services (14%) and couples services (12%).

It is not possible to say if those newly introduced services were specifically in response to the pandemic, as some spas would likely have expanded their service offering anyway. Nonetheless, the results would suggest that a substantial proportion of spas have responded to the pandemic by diversifying their service offering.

When the newly introduced and previously offered services are combined, massage services remain spas' most frequently offered service, provided by 94% of all spas, including 99% of resort/hotel spas, 94% of day spas and 87% of the other spa category.

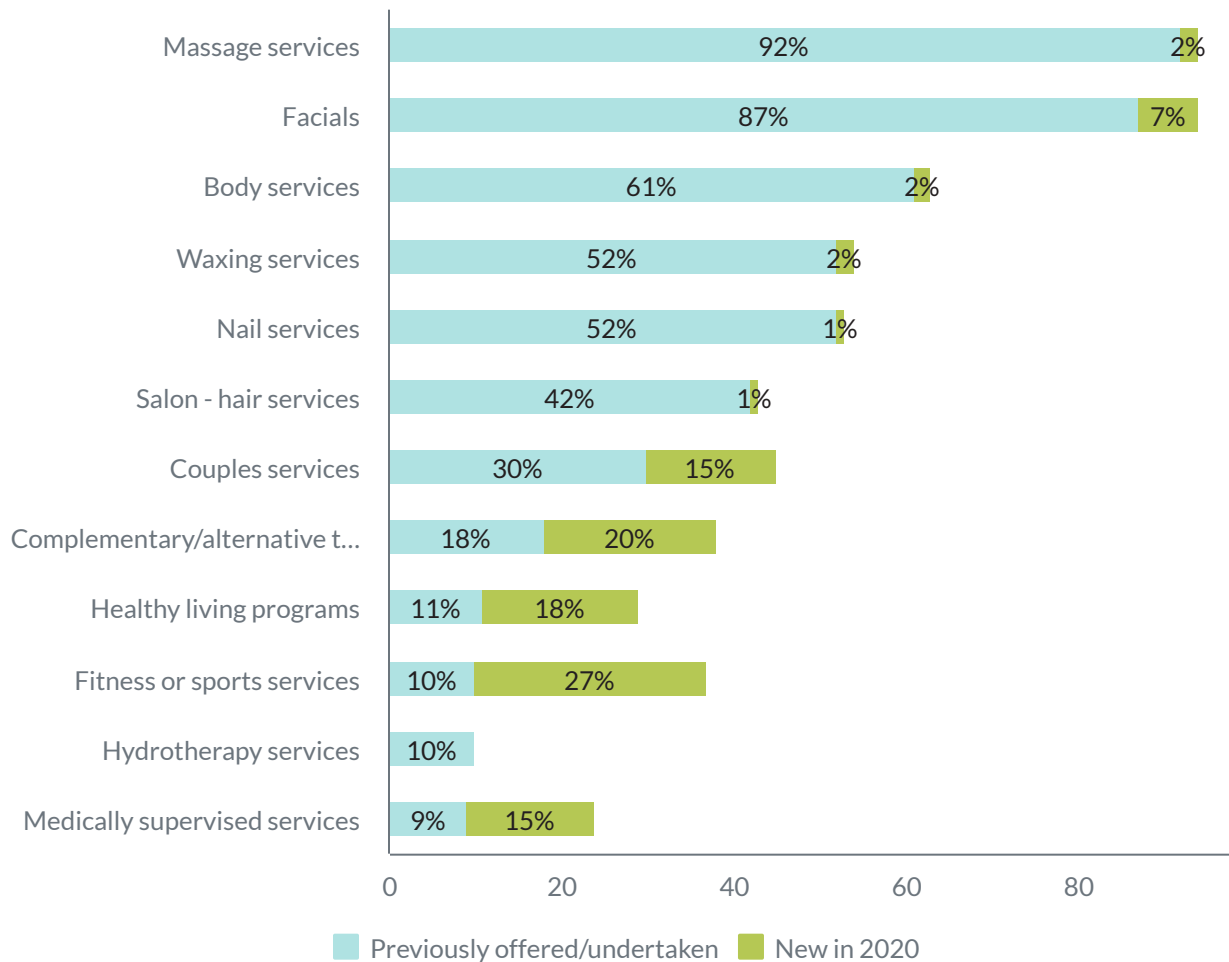
Over nine in 10 spas (92%) offer facials, ranging from 94% of day spas to 86% of resort/hotel spas.

### SINCE THE BEGINNING OF THE PANDEMIC, SERVICES CONTINUED TO OFFER OR NEWLY INTRODUCED IN 2020 (ALL SPAS)

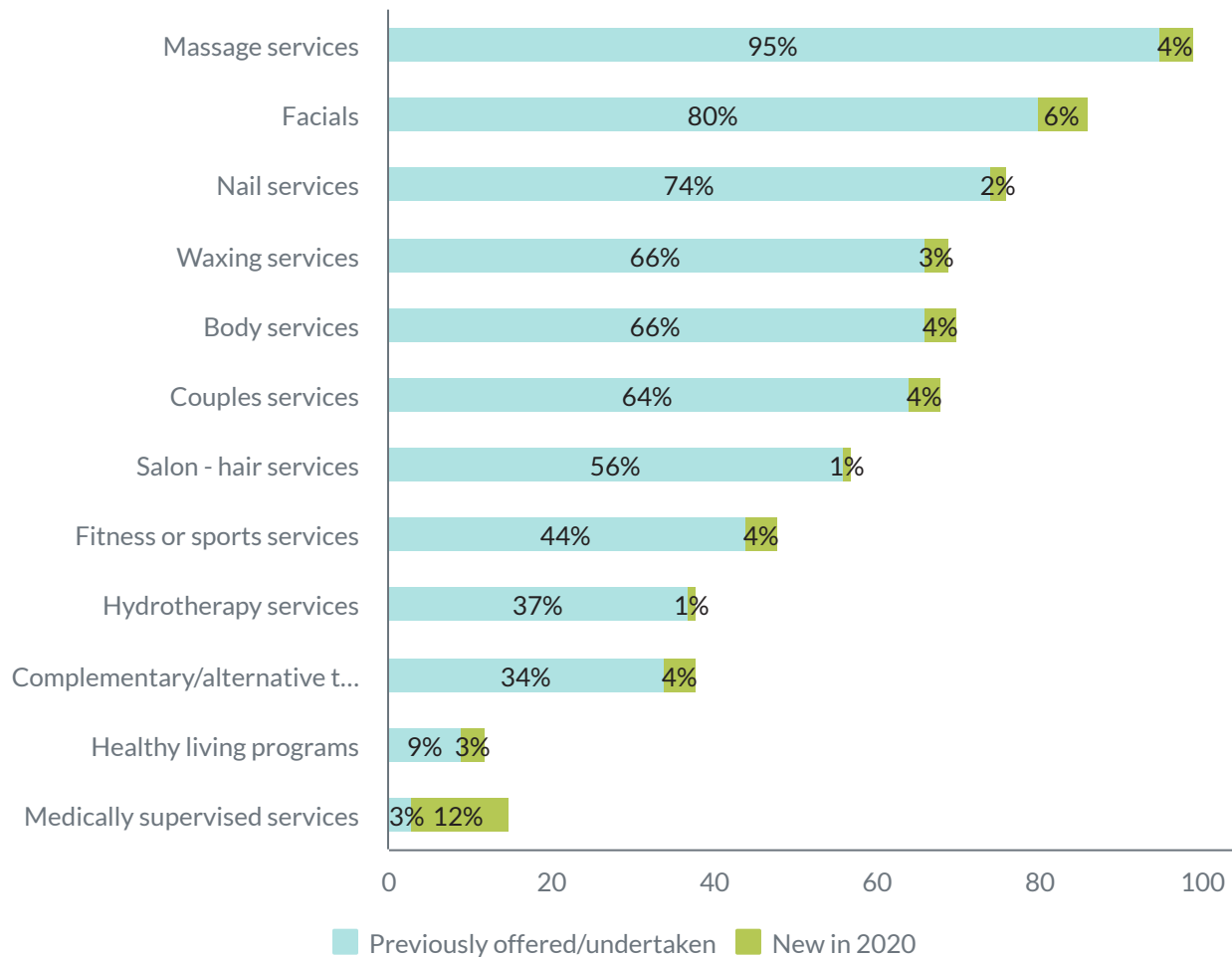




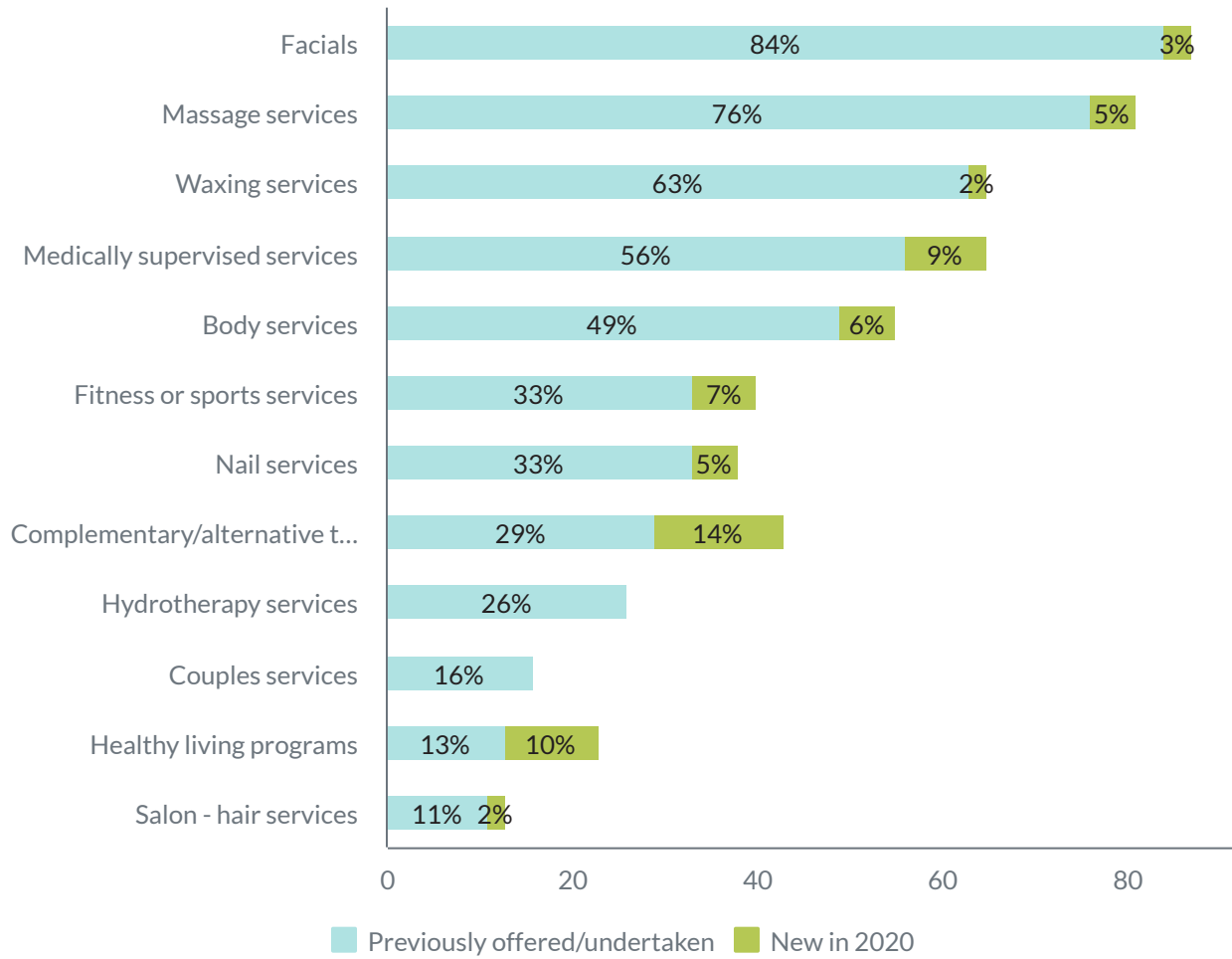
**SINCE THE BEGINNING OF THE PANDEMIC, SERVICES CONTINUED TO OFFER OR NEWLY INTRODUCED IN 2020 (DAY SPAS)**



**SINCE THE BEGINNING OF THE PANDEMIC, SERVICES CONTINUED TO OFFER OR NEWLY INTRODUCED IN 2020 (RESORT/HOTEL SPAS)**



**SINCE THE BEGINNING OF THE PANDEMIC, SERVICES CONTINUED TO OFFER OR NEWLY INTRODUCED IN 2020 (OTHER SPAS)**



**SINCE THE BEGINNING OF THE PANDEMIC, SERVICES CONTINUED TO OFFER  
OR NEWLY INTRODUCED IN 2020**

	DAY SPAS		RESORT/HOTEL SPAS	
	New in 2020	Previously offered/ undertaken	New in 2020	Previously offered/ undertaken
Body services	<b>2%</b>	<b>61%</b>	<b>4%</b>	<b>66%</b>
Complementary/alternative therapies or mind, body & spirit programs	<b>20%</b>	<b>18%</b>	<b>4%</b>	<b>34%</b>
Couples services	<b>15%</b>	<b>30%</b>	<b>4%</b>	<b>64%</b>
Facials	<b>7%</b>	<b>87%</b>	<b>6%</b>	<b>80%</b>
Fitness or sports services	<b>27%</b>	<b>10%</b>	<b>4%</b>	<b>44%</b>
Healthy living programs	<b>18%</b>	<b>11%</b>	<b>3%</b>	<b>9%</b>
Hydrotherapy services	<b>0%</b>	<b>10%</b>	<b>1%</b>	<b>37%</b>
Massage services	<b>2%</b>	<b>92%</b>	<b>4%</b>	<b>95%</b>
Medically supervised services	<b>15%</b>	<b>9%</b>	<b>12%</b>	<b>3%</b>
Nail services	<b>1%</b>	<b>52%</b>	<b>2%</b>	<b>74%</b>
Salon - hair services	<b>1%</b>	<b>42%</b>	<b>1%</b>	<b>56%</b>
Waxing services	<b>2%</b>	<b>52%</b>	<b>3%</b>	<b>66%</b>

**SINCE THE BEGINNING OF THE PANDEMIC, SERVICES CONTINUED TO OFFER  
OR NEWLY INTRODUCED IN 2020**

	OTHER SPAS		ALL SPAS	
	New in 2020	Previously offered/undertaken	New in 2020	Previously offered/undertaken
Body services	<b>6%</b>	<b>49%</b>	<b>3%</b>	<b>62%</b>
Complementary/alternative therapies or mind, body & spirit programs	<b>14%</b>	<b>29%</b>	<b>21%</b>	<b>20%</b>
Couples services	<b>0%</b>	<b>16%</b>	<b>12%</b>	<b>31%</b>
Facials	<b>3%</b>	<b>84%</b>	<b>6%</b>	<b>86%</b>
Fitness or sports services	<b>7%</b>	<b>33%</b>	<b>22%</b>	<b>19%</b>
Healthy living programs	<b>10%</b>	<b>13%</b>	<b>19%</b>	<b>11%</b>
Hydrotherapy services	<b>0%</b>	<b>26%</b>	<b>0%</b>	<b>13%</b>
Massage services	<b>5%</b>	<b>76%</b>	<b>3%</b>	<b>87%</b>
Medically supervised services	<b>9%</b>	<b>56%</b>	<b>14%</b>	<b>15%</b>
Nail services	<b>5%</b>	<b>33%</b>	<b>1%</b>	<b>51%</b>
Salon - hair services	<b>2%</b>	<b>11%</b>	<b>1%</b>	<b>40%</b>
Waxing services	<b>2%</b>	<b>63%</b>	<b>2%</b>	<b>52%</b>

**SINCE THE BEGINNING OF THE PANDEMIC, SERVICES CONTINUED  
TO OFFER OR NEWLY INTRODUCED IN 2020:  
Combined proportions, newly introduced and previously offered/undertaken**

	DAY	RESORT/ HOTEL	OTHER	ALL
Body services	<b>63%</b>	<b>64%</b>	<b>70%</b>	<b>55%</b>
Complementary/alternative therapies or mind, body & spirit programs	<b>38%</b>	<b>38%</b>	<b>38%</b>	<b>42%</b>
Couples services	<b>44%</b>	<b>45%</b>	<b>68%</b>	<b>17%</b>
Facials	<b>92%</b>	<b>94%</b>	<b>85%</b>	<b>87%</b>
Fitness or sports services	<b>38%</b>	<b>38%</b>	<b>48%</b>	<b>40%</b>
Healthy living programs	<b>27%</b>	<b>29%</b>	<b>12%</b>	<b>23%</b>
Hydrotherapy services	<b>15%</b>	<b>10%</b>	<b>38%</b>	<b>26%</b>
Massage services	<b>93%</b>	<b>95%</b>	<b>99%</b>	<b>81%</b>
Medically supervised services	<b>28%</b>	<b>23%</b>	<b>16%</b>	<b>66%</b>
Nail services	<b>53%</b>	<b>53%</b>	<b>76%</b>	<b>38%</b>
Salon - hair services	<b>41%</b>	<b>43%</b>	<b>57%</b>	<b>13%</b>
Waxing services	<b>57%</b>	<b>54%</b>	<b>69%</b>	<b>65%</b>

## Prices Per Service

**The average price per spa service in 2020 is estimated as \$100, up by 2.5% compared to 2019, when the estimated average price per service was \$98.**

Average prices vary depending on the type of service provided, ranging from \$49 per nail service to \$114 per body treatment. At \$100, the average price per massage occupies an intermediate position within that range. The differences in average prices by type of service have been consistent over the past five years. It should be appreciated that these are estimated average prices which will vary across spa establishments depending on type, location, etc.

The average price per massage (\$100) in 2020 was 2.1% higher by comparison with the 2019 average. The average price for facials (\$104) and body treatments (\$114) were unchanged from their 2019 levels.

The average prices shown for hair services and nail services tend to be more variable from one year to the next, due to smaller sample sizes for spas offering those services. Percentage changes should therefore be interpreted with caution.

### AVERAGE PRICES, 2020 COMPARED TO 2019, 2018, 2017 AND 2016

	2016	2017	2018	2019	2020
Massage	\$94	\$96	\$96	\$98	\$100
Facial	\$101	\$102	\$103	\$104	\$104
Body treatment	\$109	\$109	\$114	\$114	\$114
Hair Service	\$78	\$82	\$83	\$81	\$80
Nail Service	\$44	\$45	\$47	\$48	\$49
Per service	\$92	\$94	\$96	\$98	\$100

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

## Prices Per Service by Type of Spa

*The average price per spa service is higher in resort/hotel spas than in day spas.*

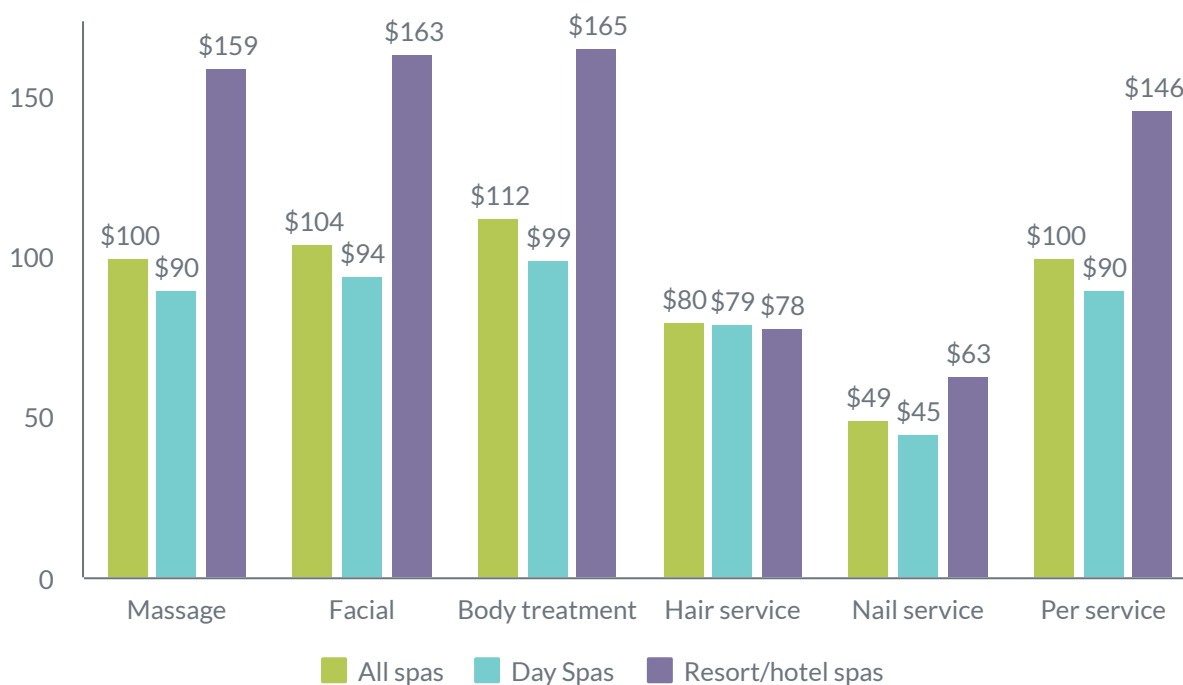
In 2020, the overall average price per service in resort/hotel spas was \$146 compared to \$90 per service in day spas, a differential of \$56 (62%).

The largest difference between resort/hotel and day spas was for massage services, with the estimated average price in resort/hotel spas standing at \$159 compared to \$90 in day spas. Similar differences can be observed in relation to facials (\$163 in resort/hotel spas versus \$94 in day spas) and body treatments (\$165 in resort/hotel spas compared with \$101 in day spas).

Average prices for hair services in day spas (\$79) are estimated to be on a par with 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

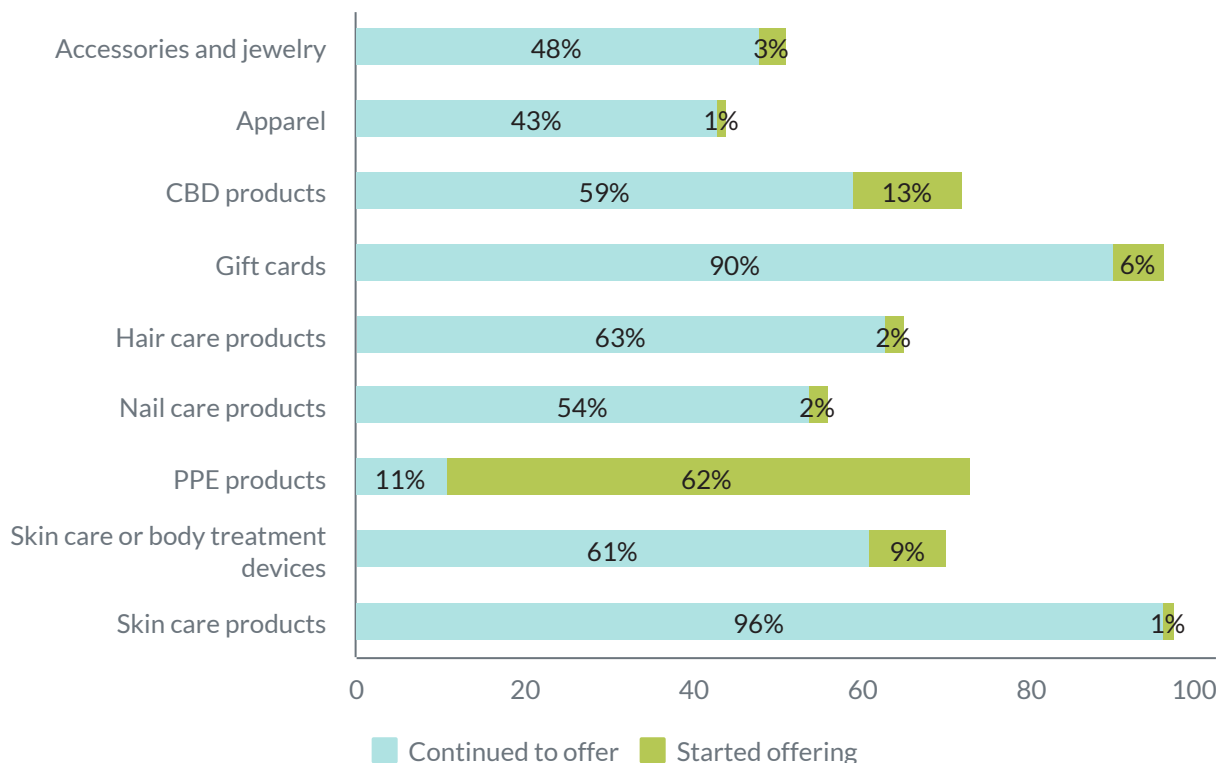
**Over nine in 10 spas (93%) contain a retail element. Skin care products are offered by almost all spas containing a retail element (97%), as are gift cards (95%). The influence of the pandemic is evident in the 62% of spas that started offering PPE products within their retail offering in 2020.**

Apart from PPE products, the range of retail product types offered by spas in 2020 reflects a mix of well-established items and trends that pre-date the pandemic. Thus, skin care products remain the most frequently offered retail product type.

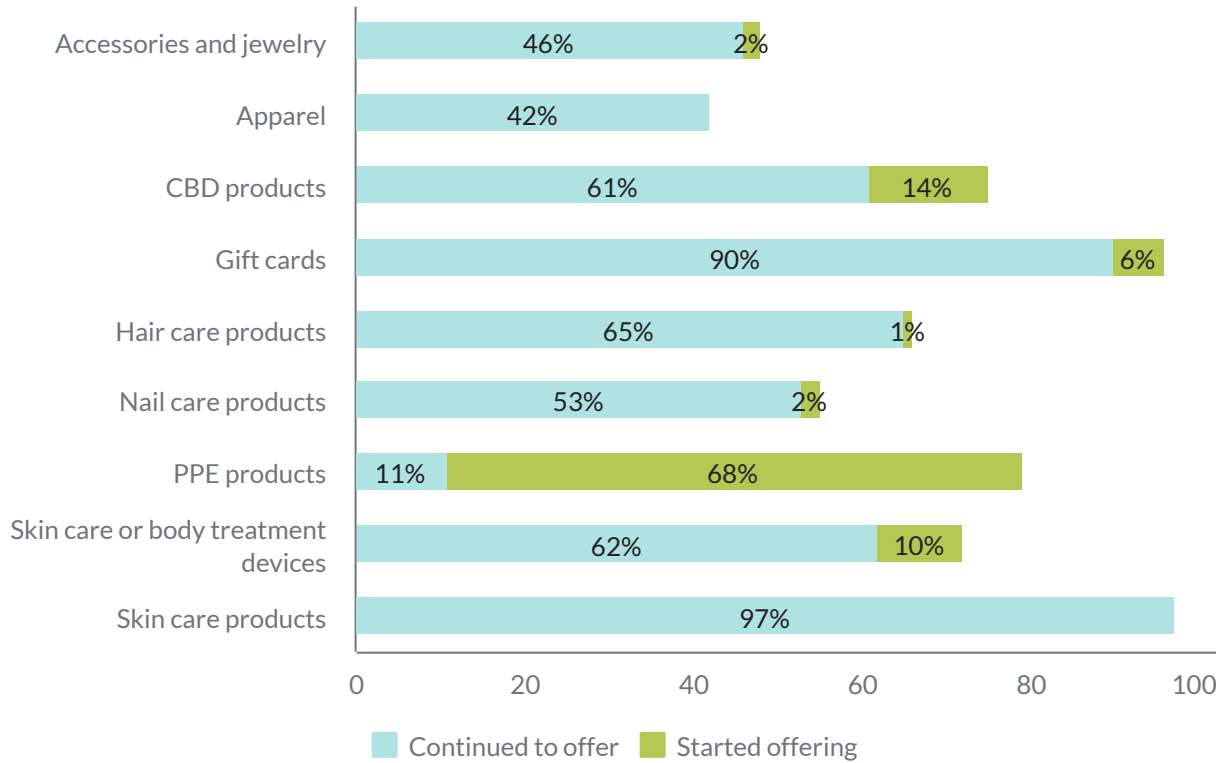
CBD products have been growing in popularity in recent years and that trend continued in 2020, with 13% of spas starting to offer CBD products alongside the 59% of spas that already offered CBD products. The proportion of spas offering skin care or body treatment devices also rose in 2020, with almost one in 10 spas (9%) starting to offer such devices in addition to the 61% of spas where they were already offered.

In 2020, the average dollar value of retail purchases was \$43.

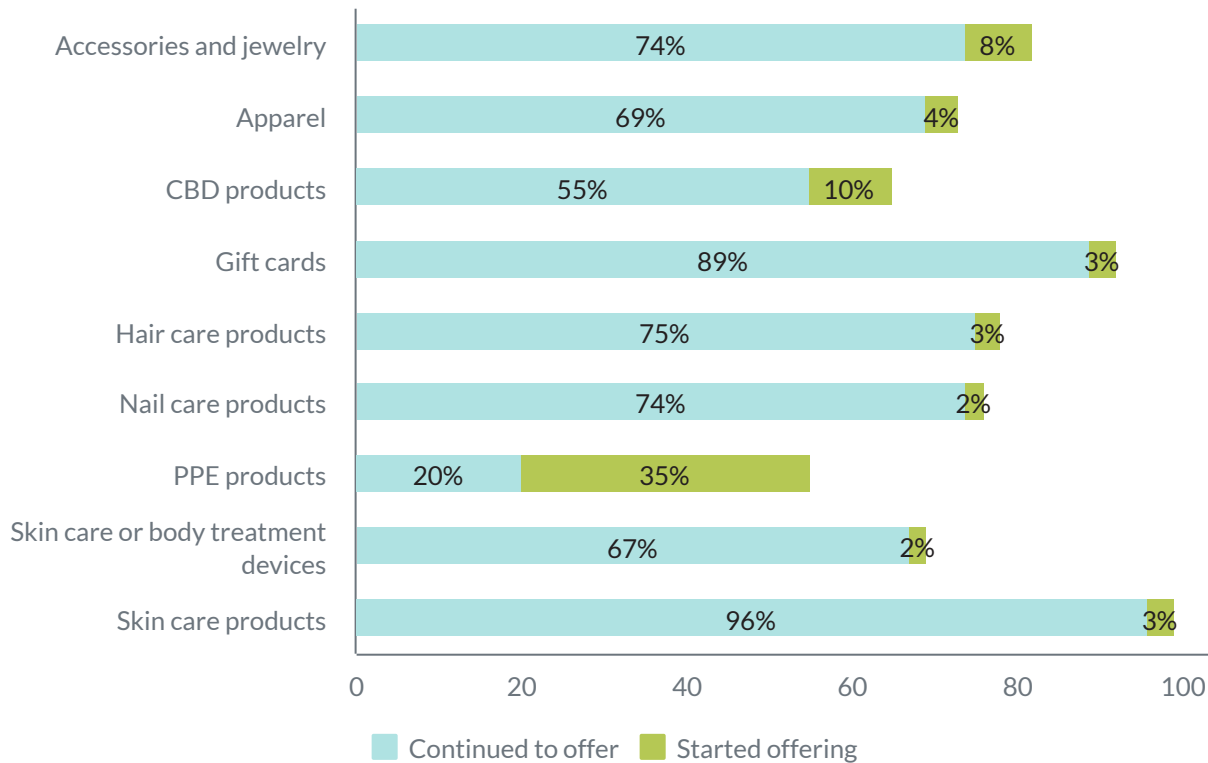
### RETAIL ITEMS CONTINUED TO OFFER OR NEWLY INTRODUCED IN 2020 (ALL SPAS)



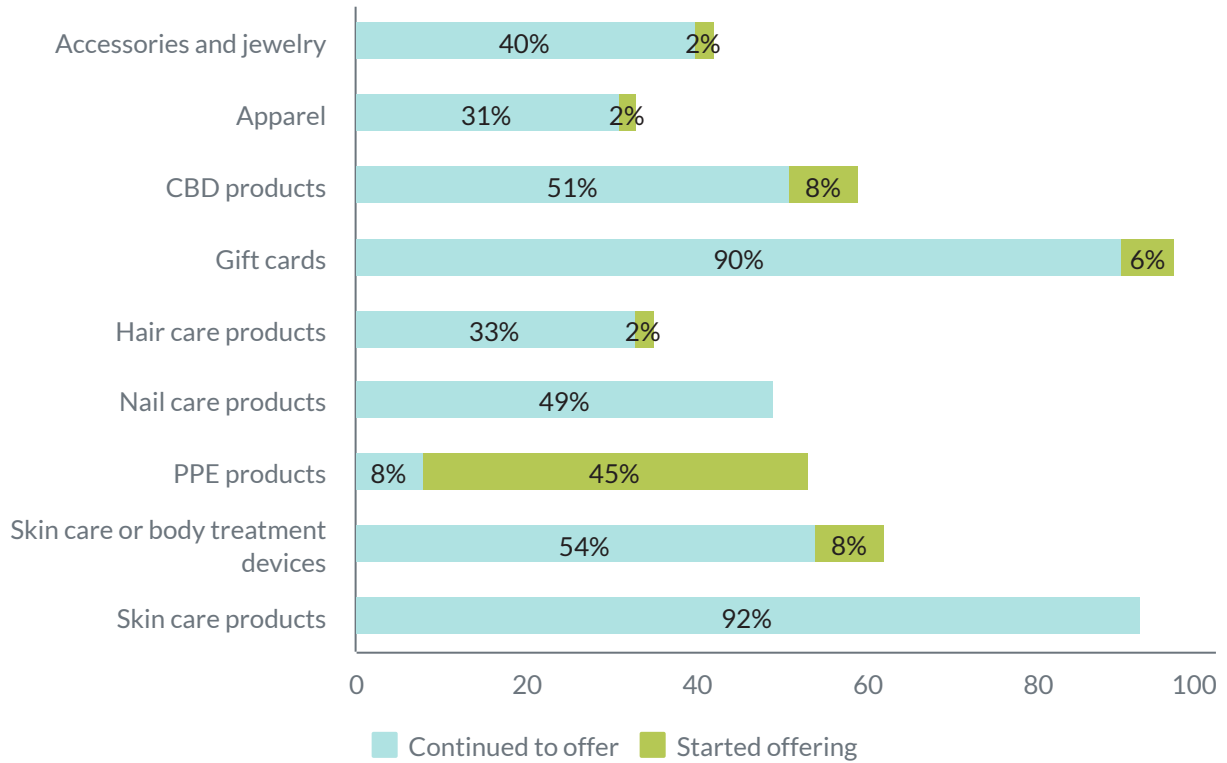
**RETAIL ITEMS CONTINUED TO OFFER OR NEWLY INTRODUCED IN 2020 (DAY SPAS)**



**RETAIL ITEMS CONTINUED TO OFFER OR NEWLY INTRODUCED IN 2020 (RESORT/HOTEL SPAS)**



**RETAIL ITEMS CONTINUED TO OFFER OR NEWLY INTRODUCED IN 2020 (OTHER SPAS)**



## RETAIL PRODUCT TYPES

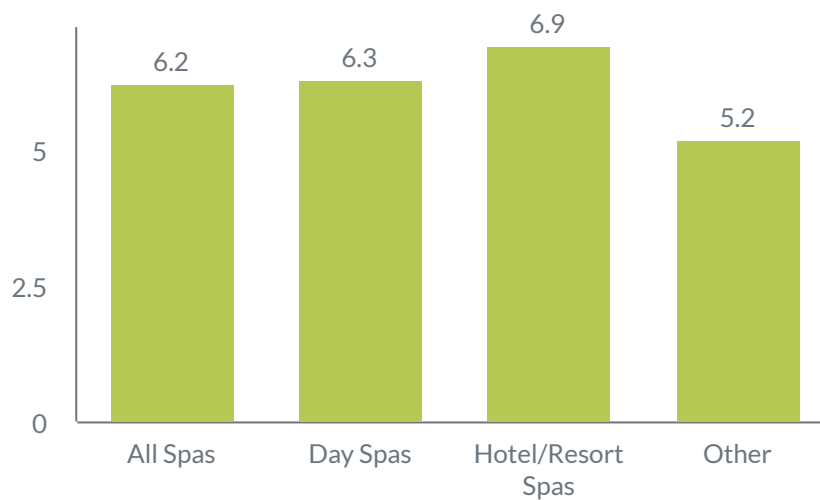
	DAY SPAS		RESORT/HOTEL SPAS	
	Started offering	Continued to offer	Started offering	Continued to offer
Accessories and jewelry	<b>2%</b>	<b>46%</b>	<b>8%</b>	<b>74%</b>
Apparel	<b>0%</b>	<b>42%</b>	<b>4%</b>	<b>69%</b>
CBD products	<b>14%</b>	<b>61%</b>	<b>10%</b>	<b>55%</b>
Gift cards	<b>6%</b>	<b>90%</b>	<b>3%</b>	<b>89%</b>
Hair care products	<b>1%</b>	<b>65%</b>	<b>3%</b>	<b>75%</b>
Nail care products	<b>2%</b>	<b>53%</b>	<b>2%</b>	<b>74%</b>
PPE products	<b>68%</b>	<b>11%</b>	<b>35%</b>	<b>20%</b>
Skin care or body treatment devices	<b>10%</b>	<b>62%</b>	<b>2%</b>	<b>67%</b>
Skin care products	<b>0%</b>	<b>97%</b>	<b>3%</b>	<b>96%</b>

	OTHER SPAS		ALL SPAS	
	Started offering	Continued to offer	Started offering	Continued to offer
Accessories and jewelry	<b>2%</b>	<b>40%</b>	<b>3%</b>	<b>48%</b>
Apparel	<b>2%</b>	<b>31%</b>	<b>1%</b>	<b>43%</b>
CBD products	<b>8%</b>	<b>51%</b>	<b>13%</b>	<b>59%</b>
Gift cards	<b>6%</b>	<b>90%</b>	<b>6%</b>	<b>90%</b>
Hair care products	<b>2%</b>	<b>33%</b>	<b>2%</b>	<b>63%</b>
Nail care products	<b>0%</b>	<b>49%</b>	<b>2%</b>	<b>54%</b>
PPE products	<b>45%</b>	<b>8%</b>	<b>62%</b>	<b>11%</b>
Skin care or body treatment devices	<b>8%</b>	<b>54%</b>	<b>9%</b>	<b>61%</b>
Skin care products	<b>0%</b>	<b>92%</b>	<b>1%</b>	<b>96%</b>

**RETAIL PRODUCT TYPES:**  
**Combined proportions, started to offer and continued to offer in 2020**

	ALL	DAY	RESORT/ HOTEL	OTHER
Accessories and jewelry	51%	48%	82%	42%
Apparel	44%	42%	73%	33%
CBD products	72%	74%	64%	59%
Gift cards	95%	96%	92%	96%
Hair care products	64%	67%	78%	35%
Nail care products	56%	55%	76%	49%
PPE products	73%	78%	55%	53%
Skin care or body treatment devices	70%	72%	69%	61%
Skin care products	97%	97%	99%	92%

**AVERAGE NUMBER OF PRODUCT TYPES**



## Retail: Services

**The pandemic had a major impact on the range of services that spas deploy to facilitate ordering and pickup of their retail products. About four in five spas started offering curbside product pickup, both for retail products (80%) and gift cards (79%). Online retail ordering also surged, with 48% of spas starting to offer their own online service and 19% providing online ordering via a third-party provider. One in two spas moved to cashless payment options in 2020.**

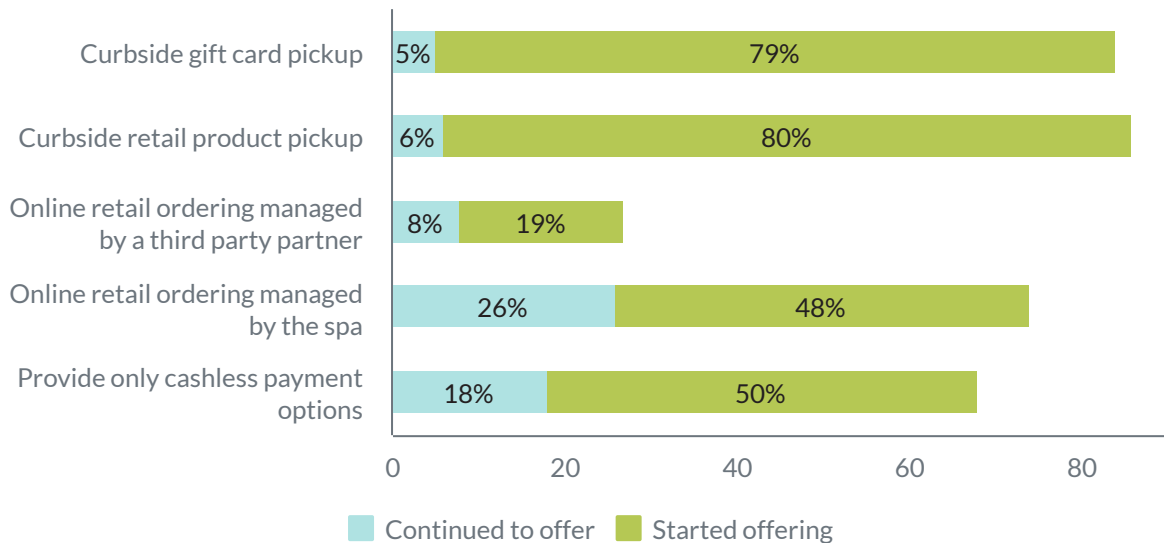
The introduction of curbside retail product pickup was most prominent among day spas, as 85% started to offer curbside retail product pickup in 2020 along with 83% starting to offer curbside gift card pickup. Within the resort/hotel sector, around one in three spas started to offer curbside pickup, whether for retail products (34%) or gift cards (31%).

Day spas were also more likely to start offering online retail ordering. Over one in two day spas (51%) started to offer online ordering managed by the spa and 20% managed by a third-party provider. Within the resort/hotel sector, 13% started to offer online order managed by the spa while 17% opted for a third-party provider.

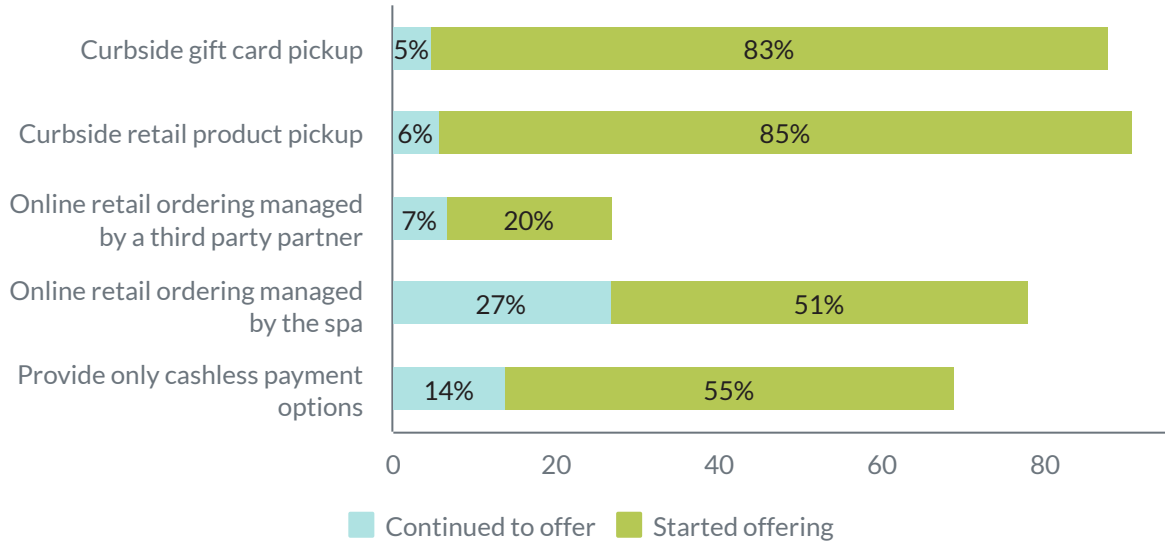
The proportion of spas that started to offer cashless only payment options ranged from 55% of day spas to 36% of resort/hotel spas and 25% of all other spa types.

Spas had already been shifting to online ordering and cashless payment options. For example, 25% of spas already managed an online ordering facility prior to 2020. The pandemic is likely to have accelerated such shifts.

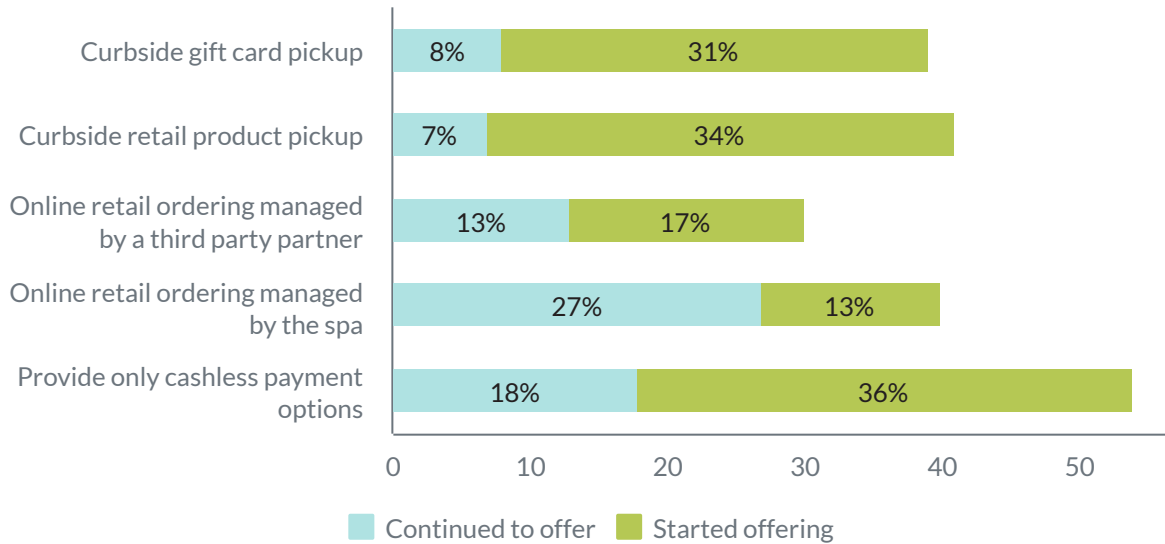
### RETAIL SERVICES OFFERED IN 2020



**RETAIL SERVICES OFFERED IN 2020 (DAY SPAS)**

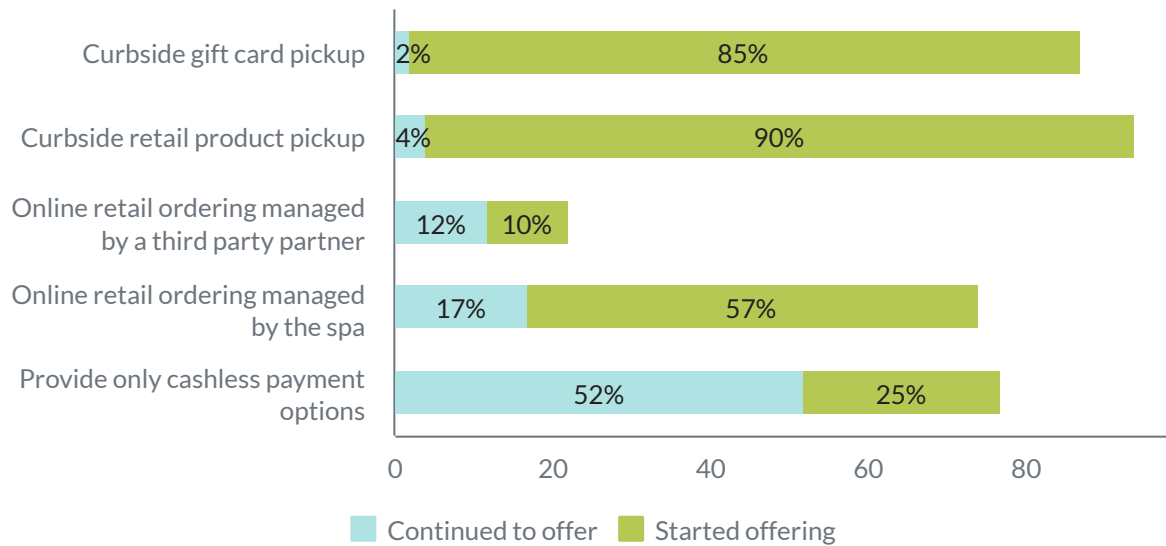


**RETAIL SERVICES OFFERED IN 2020 (RESORT/HOTEL SPAS)**





**RETAIL SERVICES OFFERED IN 2020 (OTHER SPAS)**



## RETAIL SERVICES OFFERED IN 2020

	DAY SPAS		RESORT/HOTEL SPAS	
	New in 2020	Previously offered/undertaken	New in 2020	Previously offered/undertaken
Curbside gift card pickup	<b>83%</b>	<b>5%</b>	<b>31%</b>	<b>8%</b>
Curbside retail product pickup	<b>85%</b>	<b>6%</b>	<b>34%</b>	<b>7%</b>
Online retail ordering managed by a third party partner	<b>20%</b>	<b>7%</b>	<b>17%</b>	<b>13%</b>
Online retail ordering managed by the spa	<b>51%</b>	<b>27%</b>	<b>13%</b>	<b>27%</b>
Provide only cashless payment options	<b>55%</b>	<b>14%</b>	<b>36%</b>	<b>18%</b>

	OTHER SPAS		ALL SPAS	
	New in 2020	Previously offered/undertaken	New in 2020	Previously offered/undertaken
Curbside gift card pickup	<b>85%</b>	<b>2%</b>	<b>79%</b>	<b>5%</b>
Curbside retail product pickup	<b>90%</b>	<b>4%</b>	<b>80%</b>	<b>6%</b>
Online retail ordering managed by a third party partner	<b>10%</b>	<b>12%</b>	<b>19%</b>	<b>8%</b>
Online retail ordering managed by the spa	<b>57%</b>	<b>17%</b>	<b>48%</b>	<b>26%</b>
Provide only cashless payment options	<b>25%</b>	<b>52%</b>	<b>50%</b>	<b>18%</b>

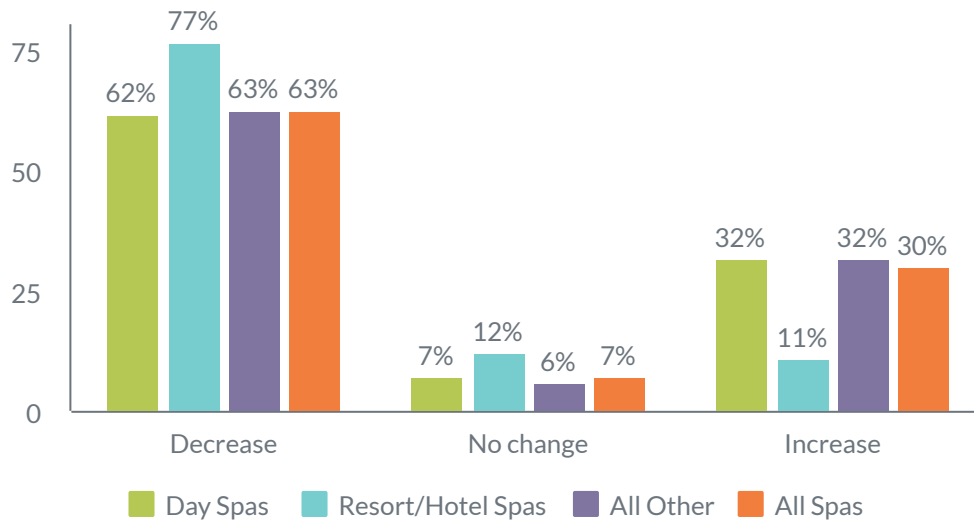
## Gift Card Revenues

**The pandemic sharply curtailed gift card revenues in 2020. Over six in 10 spas (63%) said their gift card revenues had decreased. More than three in four resort/hotel spas (77%) reported a decrease in gift card revenues.**

Resort/hotel spas were least likely to have experienced an increase in gift card revenues—just 11%, compared with 32% of day spas.

Overall, a little under one in three spas (30%) said their gift card revenues had increased, with 22% saying revenues went up by 10% or less and 7% citing an increase of 11% or more.

**CHANGE IN GIFT CARD SALES REVENUE COMPARED TO PRIOR YEAR**



**One in eight spas (12%) said their gift card revenues decreased by more than 50%. The proportion was highest among resort/hotel spas, with 28% saying gift card revenues had declined by over 50%.**

#### CHANGE IN GIFT CARD SALES REVENUE COMPARED TO PRIOR YEAR

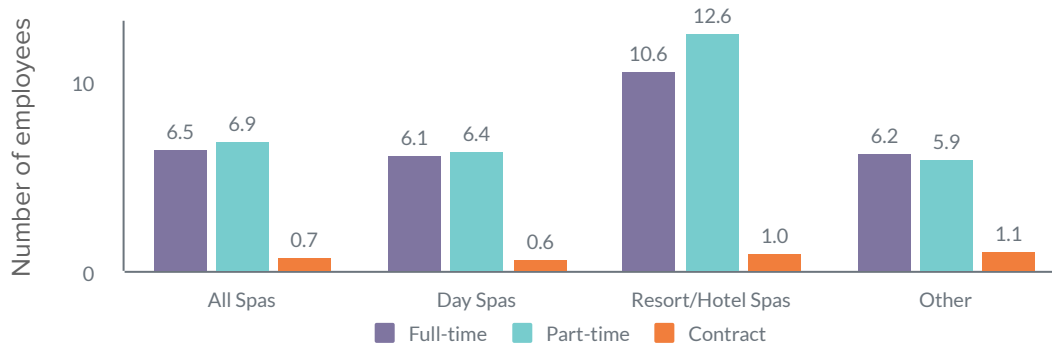
	DAY	RESORT/ HOTEL	OTHER	ALL
Greater than 50% decrease	<b>10%</b>	<b>28%</b>	<b>11%</b>	<b>12%</b>
26% - 50% decrease	<b>27%</b>	<b>26%</b>	<b>30%</b>	<b>27%</b>
Less than 25% decrease	<b>25%</b>	<b>23%</b>	<b>22%</b>	<b>24%</b>
No change	<b>7%</b>	<b>12%</b>	<b>6%</b>	<b>7%</b>
0% to 10% increase	<b>26%</b>	<b>3%</b>	<b>12%</b>	<b>22%</b>
11% or more increase	<b>6%</b>	<b>7%</b>	<b>20%</b>	<b>7%</b>

# Employment

*This Section focuses on employment in the spa industry, under the following headings:*

- **THE CHANGE IN EMPLOYMENT** per spa levels between 2019 and 2020
- **FULL-TIME POSITIONS BY TYPE**
- **MASSAGE THERAPISTS** —recruitment and retention issues in the last year
- **STAFFING ISSUES**, current as of spring 2021
- **UNSTAFFED POSITIONS**

### EMPLOYMENT PER SPA (BY FULL-TIME, PART-TIME AND CONTRACT)

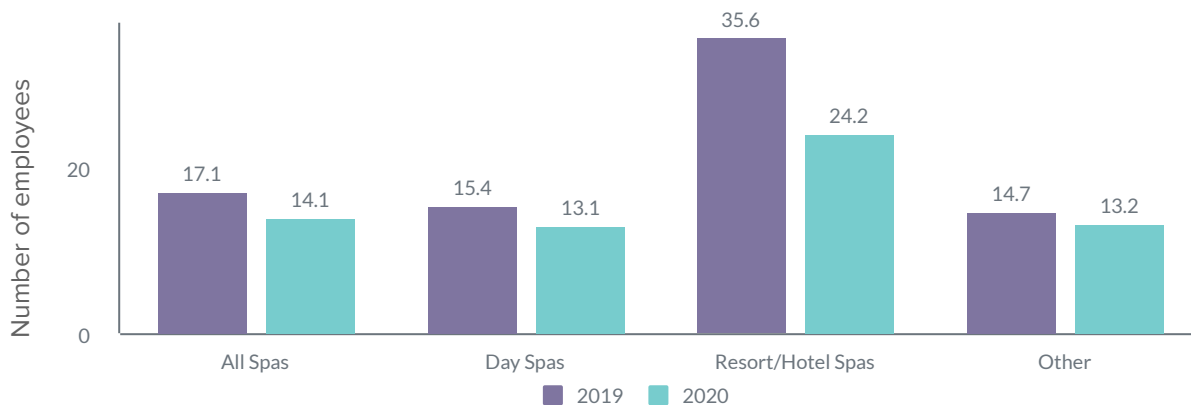


**The total number employed in the spa industry is estimated at 304,800 as of January 2021, comprising 140,600 full-time employees, 149,000 part-time employees and 15,200 contract workers.**

There are 21,560 spa locations across the U.S., with an average of 14.1 workers per spa establishment as of January 2021. It should be noted that the 2020 average reflects the impact of the COVID-19 pandemic. Prior to the pandemic, in January 2020, the average spa employed 17.1 workers.

Employment levels in January 2021 were highest in resort/hotel spas, with 24.2 workers on average compared to an average of 13.1 per establishment in the day spa sector. Both of those averages were reduced compared to their pre-pandemic levels. In January 2020, resort/hotel spas employed 35.6 on average while day spa employment averaged 15.4.

### EMPLOYMENT PER SPA (2020 COMPARED WITH 2019)



## Full-time Positions by Type

*Spas were asked to say whether they employ people on a full-time basis in the positions of spa director, spa manager, esthetician, massage therapist and/or nail technician.*

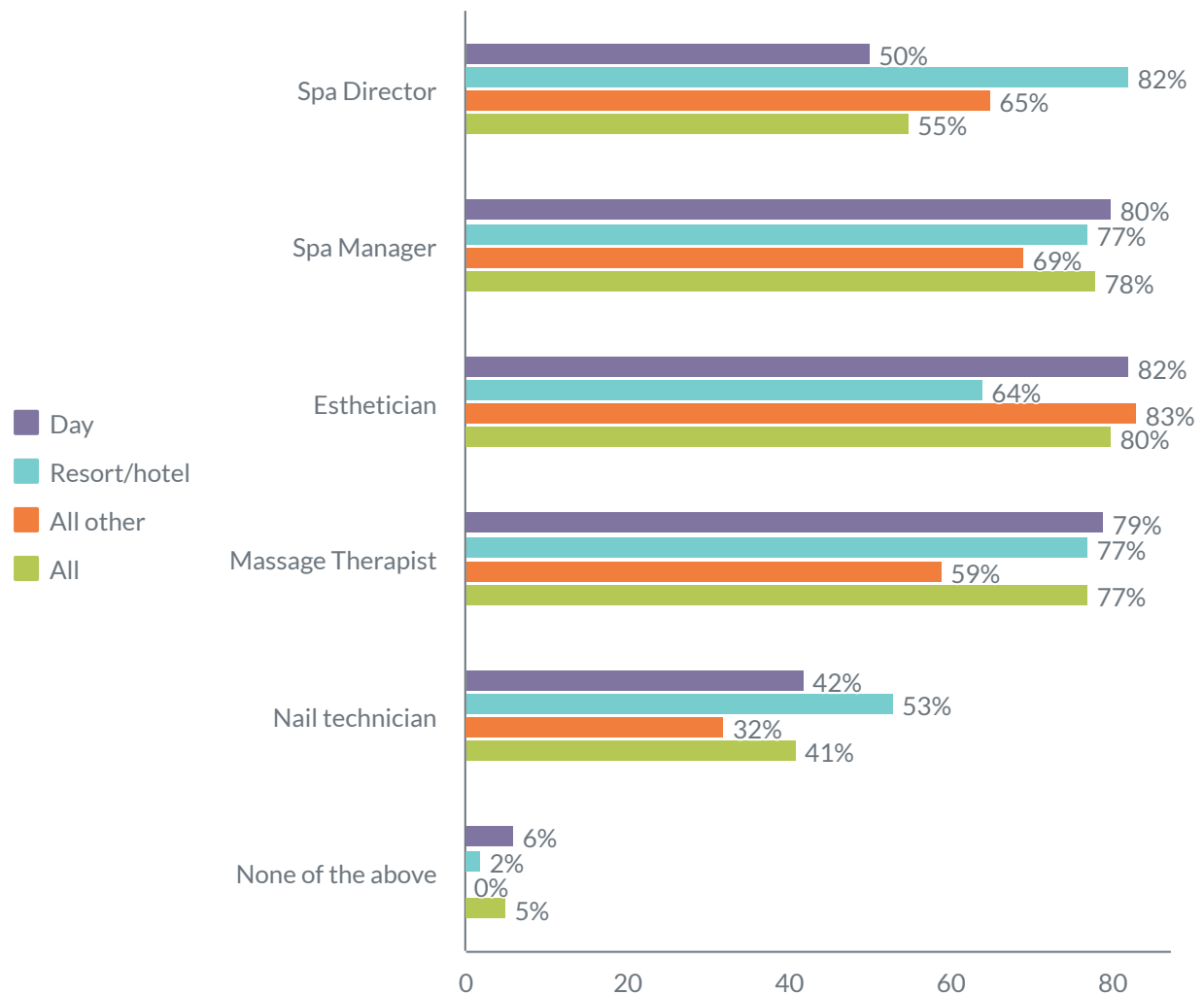
A large majority of resort/hotel spas (82%) said they employ a full-time spa director, compared with 50% of day spas.

Full-time spa managers are employed in 78% of spas, including 80% of day spas and 77% of resort/hotel spas.

The majority of spas employ full-time estheticians (80%) and massage therapists (77%). A little over four in 10 spas (41%) employ full-time nail technicians.

Only five percent of spas indicated that they have no full-time employees in management positions or providing services. These are almost all owner-run spas (88%), primarily in the day spa sector.

**FULL-TIME POSITIONS BY TYPE**



## Massage therapists: Recruitment and Retention Issues in Last Year

**Therapist concerns about close contact with guests (due to COVID-19) was the most frequently mentioned issue around recruitment and retention of massage therapists during 2020, cited by close to three in four spas (73%), including 78% of day spas and 60% of resort/hotel spas.**

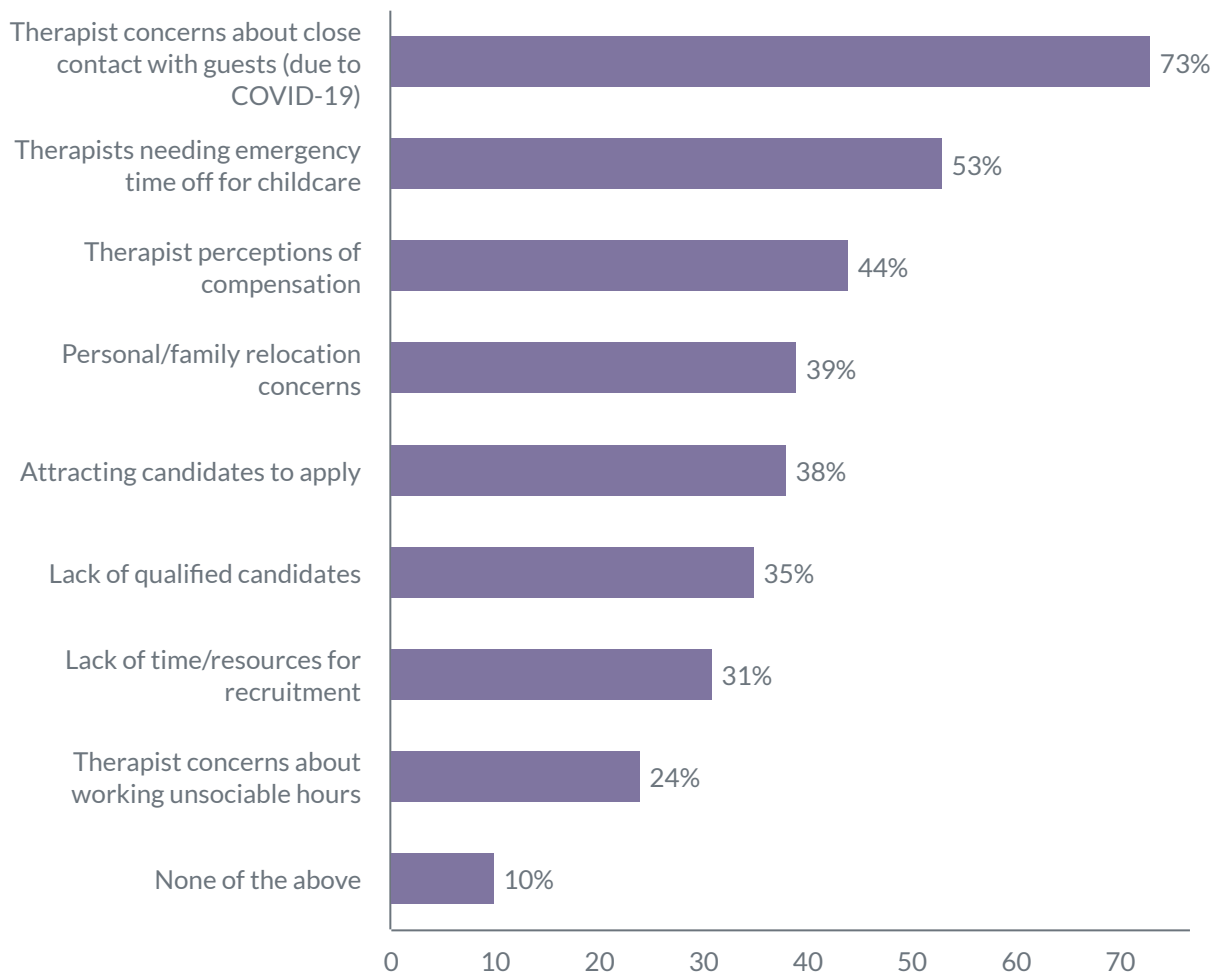
Therapists needing emergency time off for childcare was mentioned as an issue by 53% of spas, including 57% of day spas and 51% of resort/hotel spas.

Spas also reported issues around therapist perceptions of compensation (44%), attracting candidates to apply (39%) and personal/family relocation concerns (38%).

A little over one in three spas (35%) said that lack of qualified candidates was an issue in recruiting massage therapists. The proportion was slightly lower for resort/hotel spas (29%).

One in 10 spas reported no issues around recruitment and retention of massage therapists, ranging from 8% of day spas to 18% of resort/hotel spas.

### ISSUES EXPERIENCED IN RECRUITING/RETAINING MASSAGE THERAPISTS





**MASSAGE THERAPISTS: RECRUITMENT AND RETENTION ISSUES IN LAST YEAR**

	<b>ALL</b>	<b>DAY</b>	<b>RESORT/ HOTEL</b>	<b>OTHER</b>
Therapist concerns about close contact with guests (due to COVID-19)	<b>73%</b>	<b>78%</b>	<b>60%</b>	<b>47%</b>
Therapists needing emergency time off for childcare	<b>53%</b>	<b>57%</b>	<b>51%</b>	<b>27%</b>
Therapist perceptions of compensation	<b>44%</b>	<b>50%</b>	<b>21%</b>	<b>27%</b>
Personal/family relocation concerns	<b>39%</b>	<b>40%</b>	<b>33%</b>	<b>34%</b>
Attracting candidates to apply	<b>38%</b>	<b>43%</b>	<b>36%</b>	<b>7%</b>
Lack of qualified candidates	<b>35%</b>	<b>35%</b>	<b>29%</b>	<b>44%</b>
Lack of time/resources for recruitment	<b>31%</b>	<b>33%</b>	<b>13%</b>	<b>29%</b>
Therapist concerns about working unsociable hours	<b>24%</b>	<b>27%</b>	<b>11%</b>	<b>16%</b>
None of the above	<b>10%</b>	<b>8%</b>	<b>18%</b>	<b>16%</b>

## Staffing Issues, Current as of Spring 2021

*Spas were asked to say whether, as of spring 2021, they were presently experiencing one or more staffing issues. At that time, spas were still responding to the ongoing pandemic, including furloughs and layoffs to manage staff numbers as well as changes to working patterns/hours and staff responsibilities. However, 62% of spas said they were actively recruiting therapists.*

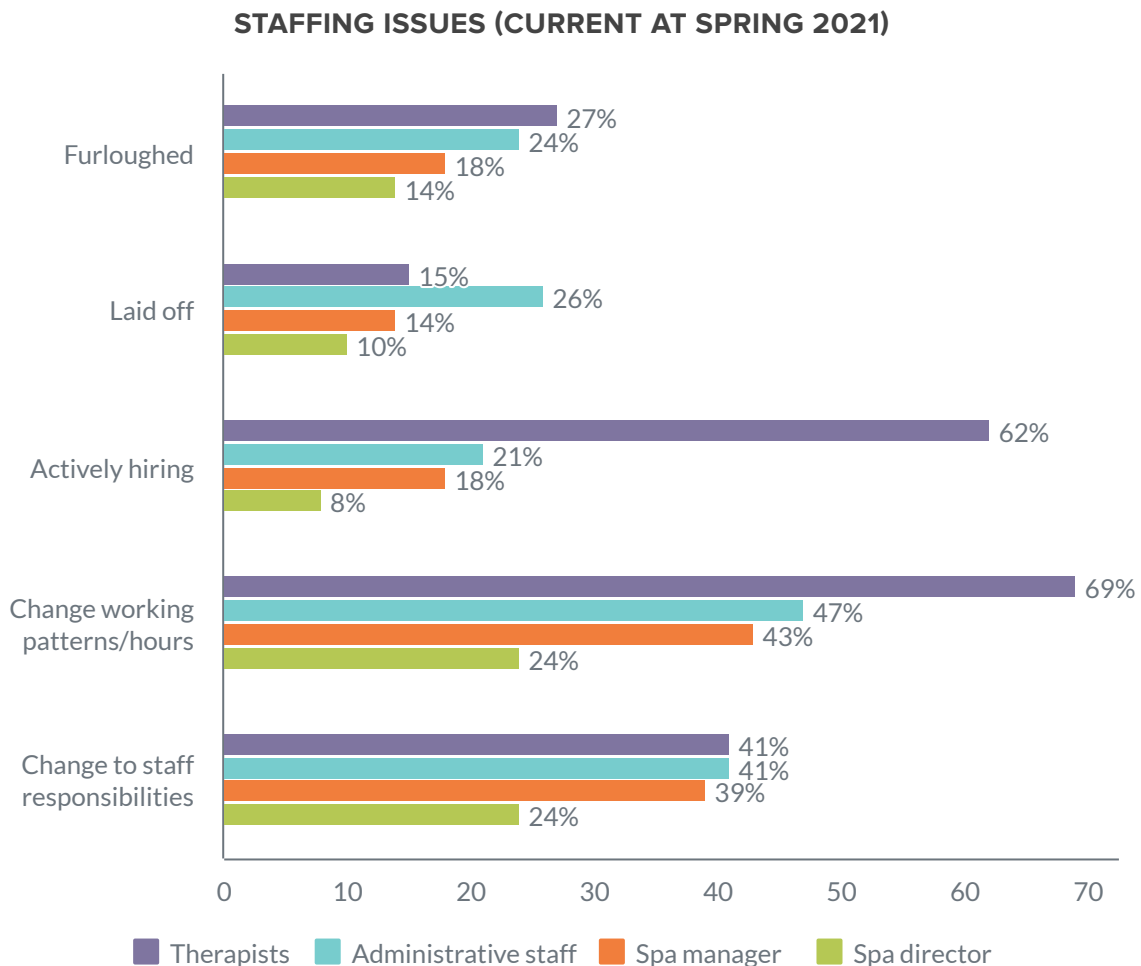
As of spring 2021, a little over one in four spas (27%) had therapists on furlough, followed by 24% with administrative staff furloughed. Spas were least likely to have furloughed spa directors (14%).

Spas were most likely to say they had laid off administrative staff (26%), with approximately equal proportions mentioning therapists (15%) and spa managers (14%).

More than two in three spas (69%) said they had changed therapists' working patterns and/or hours along with 47% of administrative staff members' and 43% of spa managers'.

Changes to staff responsibilities were more evenly spread across the various roles, with about four in ten spas making changes to therapists (41%), administrative staff (41%) and spa managers (39%).

The survey results by spa type are shown in the chart on the next page.



## STAFFING ISSUES (CURRENT AT SPRING 2021)

		ALL SPAS	DAY SPAS	RESORT/ HOTEL SPAS	ALL OTHER
<b>Furloughed</b>	Therapists	<b>27%</b>	<b>30%</b>	<b>35%</b>	<b>6%</b>
	Administrative staff	<b>24%</b>	<b>27%</b>	<b>29%</b>	<b>4%</b>
	Spa manager	<b>18%</b>	<b>20%</b>	<b>25%</b>	<b>2%</b>
	Spa director	<b>14%</b>	<b>15%</b>	<b>21%</b>	<b>1%</b>
<b>Laid off</b>	Therapists	<b>15%</b>	<b>14%</b>	<b>36%</b>	<b>5%</b>
	Administrative staff	<b>26%</b>	<b>28%</b>	<b>34%</b>	<b>5%</b>
	Spa manager	<b>14%</b>	<b>14%</b>	<b>26%</b>	<b>2%</b>
	Spa director	<b>10%</b>	<b>11%</b>	<b>20%</b>	<b>0%</b>
<b>Actively hiring</b>	Therapists	<b>62%</b>	<b>66%</b>	<b>59%</b>	<b>33%</b>
	Administrative staff	<b>21%</b>	<b>23%</b>	<b>13%</b>	<b>13%</b>
	Spa manager	<b>18%</b>	<b>19%</b>	<b>13%</b>	<b>14%</b>
	Spa director	<b>8%</b>	<b>8%</b>	<b>18%</b>	<b>1%</b>
<b>Change working patterns/hours</b>	Therapists	<b>69%</b>	<b>71%</b>	<b>76%</b>	<b>52%</b>
	Administrative staff	<b>47%</b>	<b>48%</b>	<b>60%</b>	<b>29%</b>
	Spa manager	<b>43%</b>	<b>46%</b>	<b>49%</b>	<b>22%</b>
	Spa director	<b>24%</b>	<b>24%</b>	<b>46%</b>	<b>12%</b>
<b>Change to staff responsibilities</b>	Therapists	<b>39%</b>	<b>46%</b>	<b>20%</b>	<b>10%</b>
	Administrative staff	<b>41%</b>	<b>46%</b>	<b>38%</b>	<b>10%</b>
	Spa manager	<b>39%</b>	<b>43%</b>	<b>44%</b>	<b>7%</b>
	Spa director	<b>24%</b>	<b>23%</b>	<b>49%</b>	<b>13%</b>

## Unstaffed Positions: Service Providers

**When asked if they have any unstaffed service provider positions, 53% of spas said they had openings that they are actively trying to fill, including 55% of day spas and 43% of resort/hotel spas. The number of unfilled service provider positions is estimated at 36,550, of which 22,060 are full time and 14,490 part-time.**

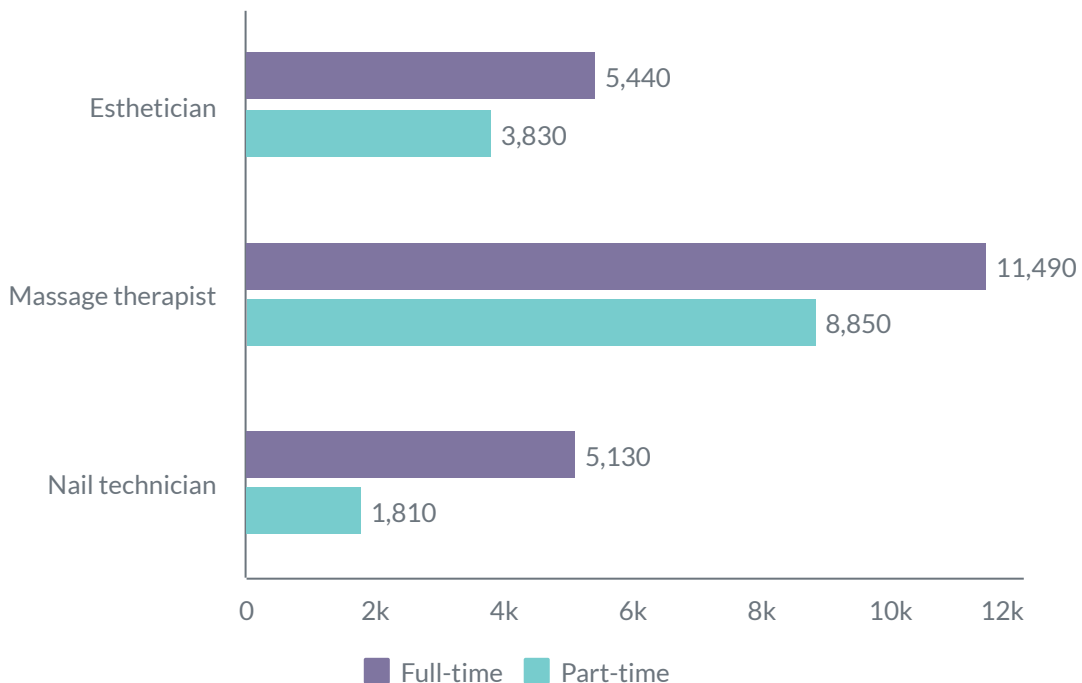
Massage therapists account for the largest number of unfilled positions that spas are currently trying to fill, a total of 20,340 representing 56% of unfilled service provider positions. The massage therapist share of unfilled positions in the day spa sector is also estimated at 56%, rising to 70% in the resort/hotel sector.

Estheticians account for an estimated 9,270 unstaffed positions (25%). The esthetician share of service provider vacancies was higher among day spas (24%) compared to resort/hotel spas (12%).

The remaining 6,940 positions are for nail technicians (19%). The esthetician share of service provider vacancies was similar among resort/hotel spas (18%) and day spas (20%).

The number of unfilled service provider positions equates to 12% of total employment in the spa industry as of January 2021. That is a higher proportion by comparison with the 8% estimated in 2019, prior to the pandemic.

### UNSTAFFED SERVICE PROVIDER POSITIONS



## UNSTAFFED POSITIONS – COMPOSITION

		ALL SPAS	DAY SPAS	RESORT/ HOTEL SPAS	ALL OTHER
<b>Esthetician</b>	Full-time	5,440	4,320	90	1,020
	Part-time	3,830	3,020	200	610
	All	9,270	7,340	290	1,630
<b>Massage Therapist</b>	Full-time	11,490	9,860	500	1,140
	Part-time	8,850	7,210	1,210	430
	All	20,340	17,070	1,710	1,570
<b>Nail Technician</b>	Full-time	5,130	4,540	110	480
	Part-time	1,810	1,380	330	100
	All	6,940	5,920	440	580
<b>All service providers</b>	Full-time	22,060	18,720	700	2,640
	Part-time	14,490	11,610	1,740	1,140
	All	36,550	30,330	2,440	3,780

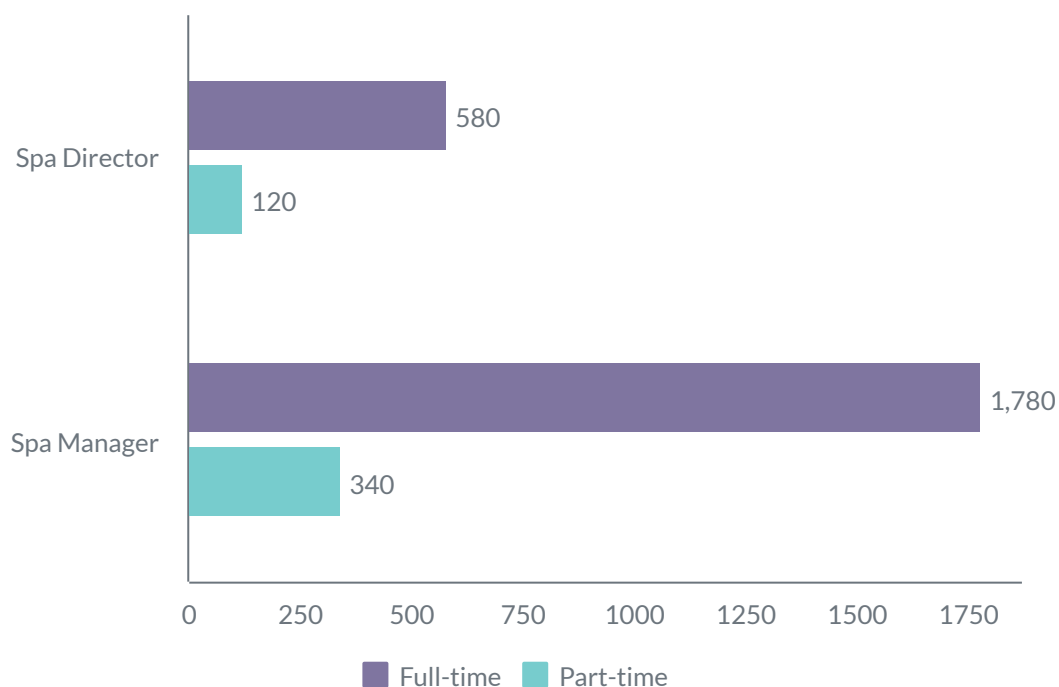
## Unstaffed Positions: Directors and Managers

*Spas saying that they have unstaffed positions were asked to also say how many spa director and spa manager positions they are actively trying to fill.*

The total number of spa director positions that spas are currently seeking to fill is estimated at 700, of which 580 (83%) are full-time and 120 (17%) are part-time positions.

It is estimated that spas are seeking to fill 2,120 spa manager positions, of which 1,780 (84%) are full-time with the remaining 340 (16%) part-time openings.

### UNSTAFFED POSITIONS: SPA DIRECTORS AND MANAGERS



# Spa Industry Profile

*This Section presents a profile of the estimated 21,560 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:*

- **COMPOSITION OF THE INDUSTRY BY TYPE OF SPA**
- **MAIN CONTRASTS BY TYPE OF SPA ESTABLISHMENT** in respect to industry size statistics, i.e., average revenues, visits and employment
- **SPA LOCATIONS**
- **THE AGE PROFILE OF SPA ESTABLISHMENTS**, as measured by year of start-up
- **SPA OPERATIONS**—single location or affiliated to a larger entity

## Key Ratios

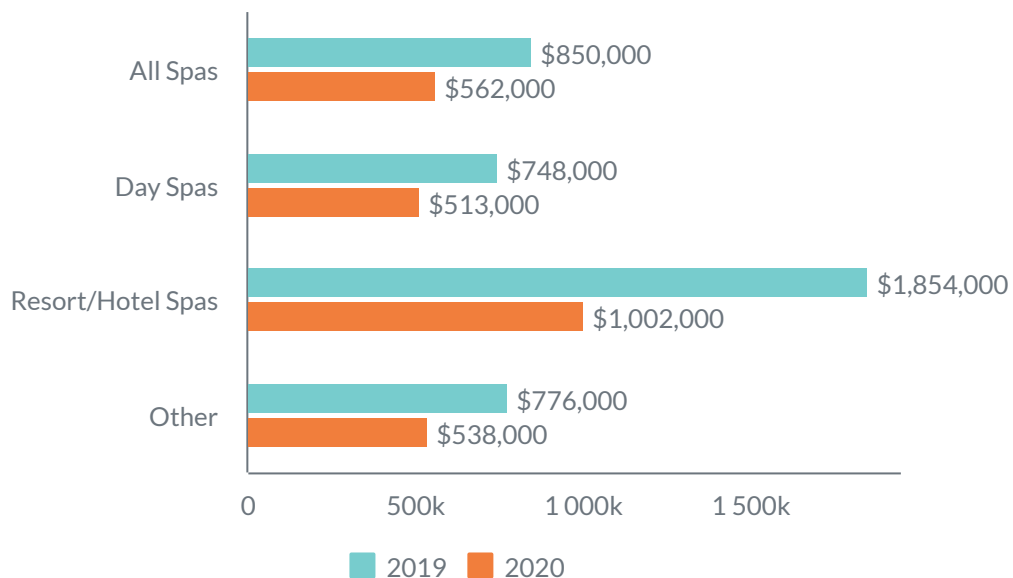
**Key size indicators vary by type of spa. As in previous years, average revenues and visits per resort/hotel spa are higher than for day spas. Reflecting the impact of the COVID-19 pandemic, average revenues and visits were lower in 2020 compared with 2019.**

The key size indicators are shown for the main spa types in the Key Ratios table on the following page.

Also shown are revenue ratios, including revenues per visit and per employed person. Resort/hotel spas generate higher average revenues per visit (\$141) compared to day spas (\$88).

Reflecting their larger average size, revenue per resort/hotel spa (\$1.00 million) was approximately twice the average for day spas (\$562,000). In previous studies, the ratio of average revenues generated by resort/hotel relative to the day spa average had typically been around 2.5. The ratio fell to 2.0 in 2020 due to the greater impact of the pandemic on the resort/hotel sector.

### 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 SPAS	DAY SPAS	RESORT/ HOTEL SPAS	OTHER
<b>Revenue per spa</b>	<b>\$562,000</b>	<b>\$513,000</b>	<b>\$1,002,000</b>	<b>\$538,000</b>
Per visit	<b>\$98</b>	<b>\$88</b>	<b>\$141</b>	<b>\$124</b>
Per employed person	<b>\$39,780</b>	<b>\$39,260</b>	<b>\$41,400</b>	<b>\$40,750</b>
<b>Visits per spa</b>	<b>5,760</b>	<b>5,810</b>	<b>7,130</b>	<b>4,350</b>
<b>Total employees per spa</b>	<b>14.1</b>	<b>13.1</b>	<b>24.2</b>	<b>13.2</b>
Full-Time	<b>6.5</b>	<b>6.1</b>	<b>10.6</b>	<b>6.2</b>
Part-Time	<b>6.9</b>	<b>6.4</b>	<b>12.6</b>	<b>5.9</b>
Contract	<b>0.7</b>	<b>0.6</b>	<b>1.0</b>	<b>1.1</b>

## The Big 5: Composition by Spa Type

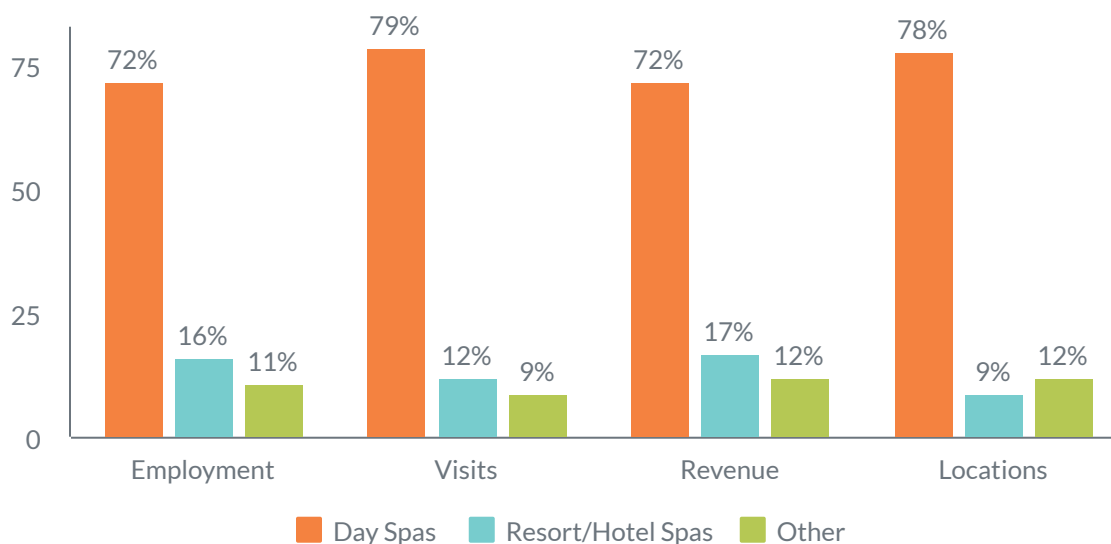
*The composition of various size indicators by spa type varies according to differences between spas in key ratios such as average revenues and visits.*

While they account for 9% of locations, resort/hotel spas account for almost one-fifth of total spa industry revenue (17%) and 16% of employment. The contrast reflects the larger scale of resort/hotel spas compared to the industry averages for revenue and employment.

In 2020, day spas accounted for 72% of total revenue, compared to 78% of locations. This is because spend per visitor in the day spa sector (\$88) is below the industry average (\$98).

It should be noted that the revenue and employment shares accounted for by the resort/hotel sector were lower in 2020 than in previous years, reflecting the larger effect of the COVID-19 pandemic on resort/hotel spas.

**COMPOSITION BY SPA TYPE**



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

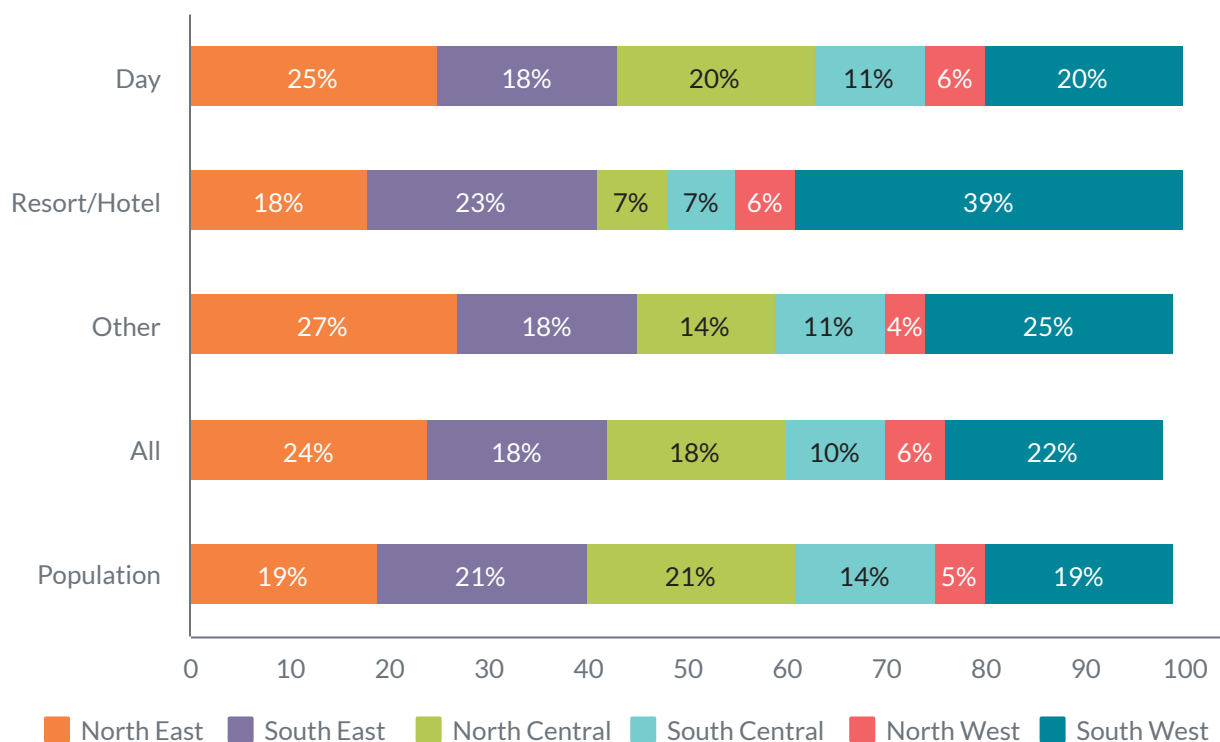
*The distribution of spa types by region in 2020 shows little change from the historic pattern.*

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, or more than two times the region’s 19% population share.

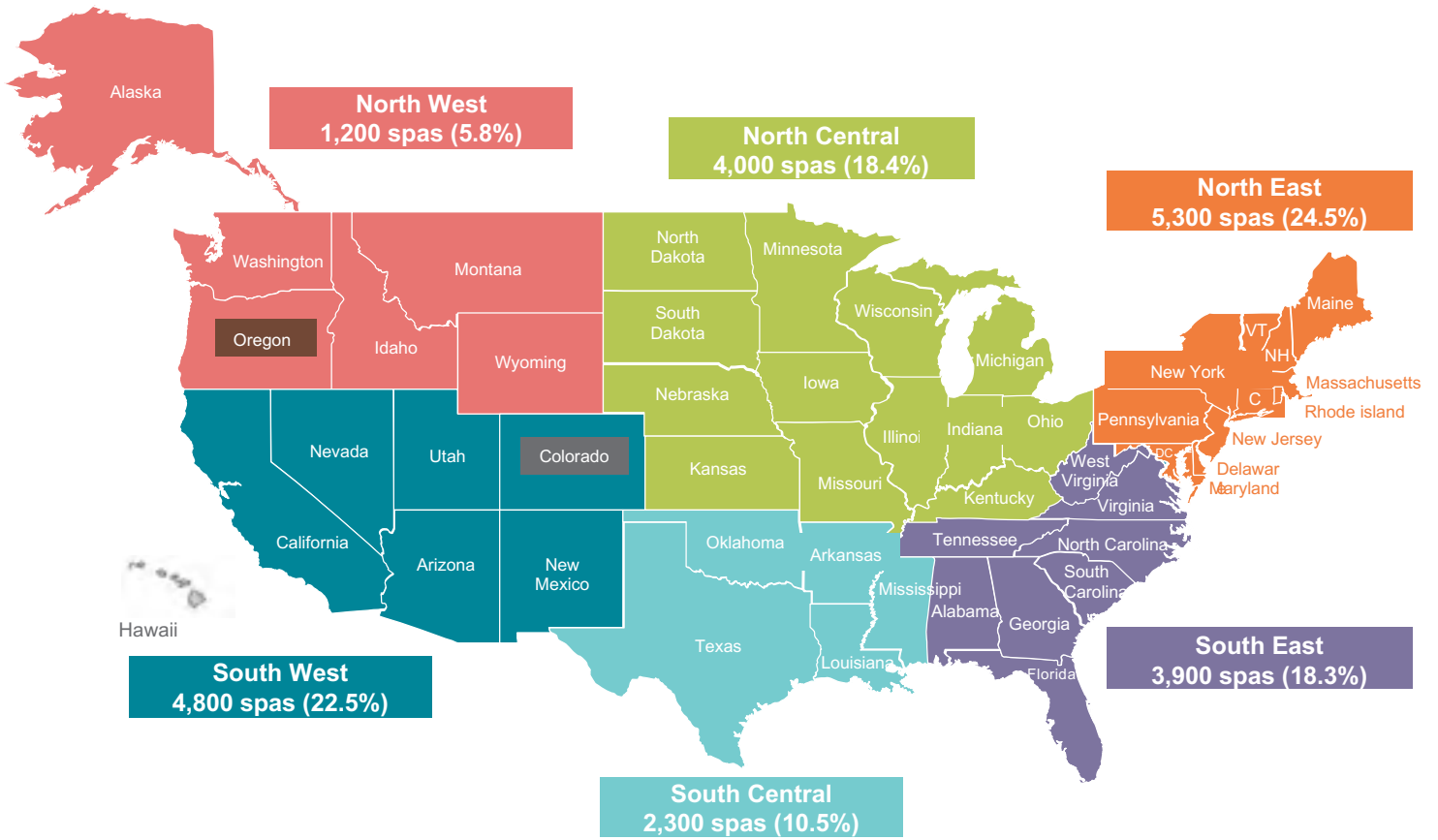
The regional distribution of day spas more closely follows the general population; such spas typically serve the population living in the areas where they are located.

The map of spa establishments by region is shown on page 75. Key ratios by region are shown in the table on page 76.

**DISTRIBUTION OF SPA TYPES BY REGION**



**DISTRIBUTION OF SPA ESTABLISHMENTS BY REGION**



## KEY RATIOS BY REGION

	ALL	NORTH EAST	SOUTH EAST	NORTH CENTRAL	SOUTH CENTRAL	NORTH WEST	SOUTH WEST
<b>Revenue per Spa</b>	\$562,000	\$539,000	\$541,000	\$532,000	\$580,000	\$588,000	\$616,000
Per visit	\$98	\$98	\$94	\$92	\$97	\$94	\$106
Per employed person	\$39,780	\$39,200	\$37,700	\$40,960	\$40,940	\$42,890	\$39,860
<b>Visits per Spa</b>	5,760	5,500	5,770	5,810	5,960	6,240	5,810
<b>Total Employees</b>	14.1	13.8	14.3	13.0	14.2	13.7	15.5
Full-Time	6.5	6.3	7.1	5.7	7.2	6.2	6.8
Part-Time	6.9	7.0	6.4	6.7	6.4	6.7	7.6
Contract	0.7	0.4	0.8	0.6	0.6	0.8	1.1
<b>Locations*</b>							
<b>Total</b>	21,600	5,300	3,900	4,000	2,300	1,200	4,800

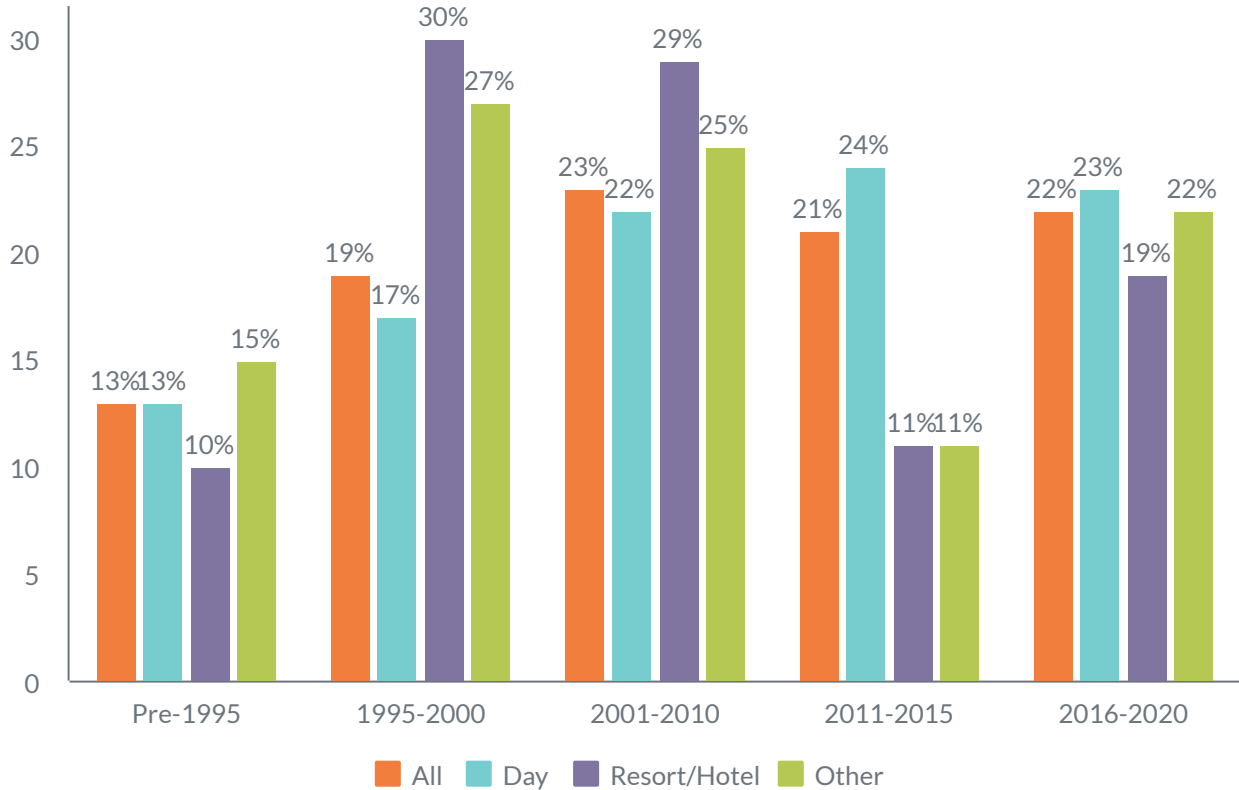
Regional number of locations rounded to the nearest hundred.

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 71.

## Year Spa Business Started

Among those spas in business at the end of 2020, 22% said they started in the period from 2016-2020. A similar proportion (21%) commenced in the first half of the last decade, i.e., between 2011 and 2015. A little under one in four spas (23%) said they started between 2001 and 2010. The remaining spas include 13% that have been in business since before 1995.

YEAR SPA BUSINESS STARTED



## Type of Operation

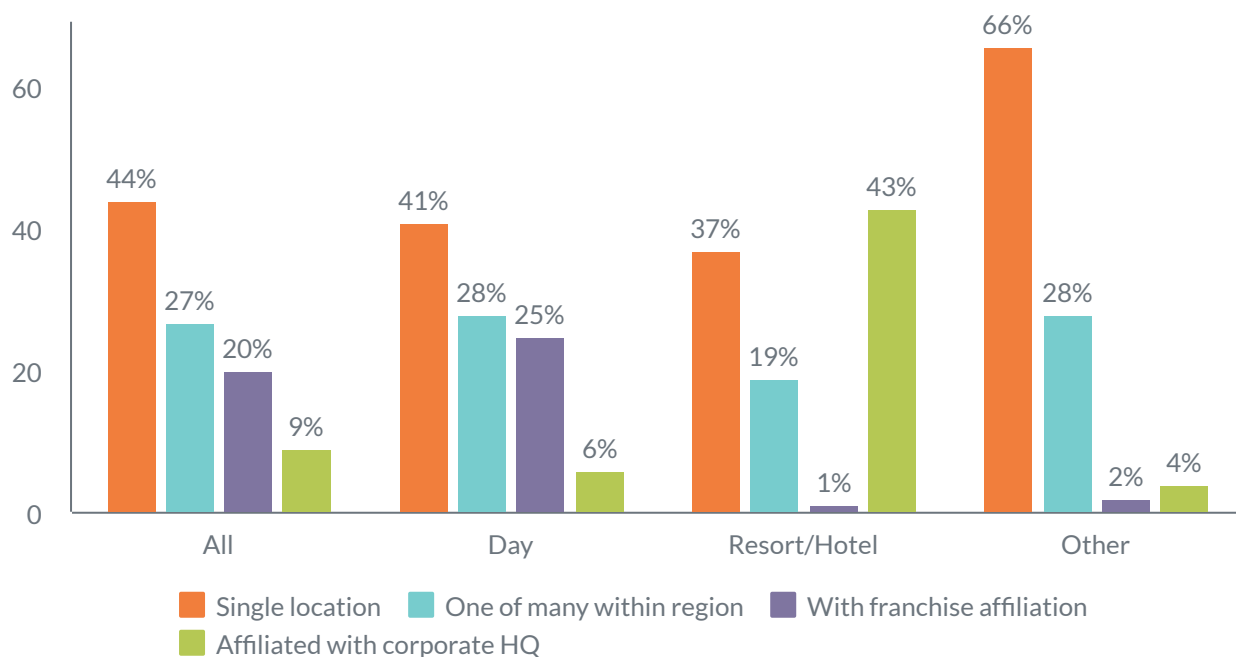
**Slightly less than one in two spa establishments (44%) describe themselves as single location operations.**

A little over one fourth spa locations (27%) said they are one of a number of establishments within the same state or region and owned by the same owner/company.

Spas with a franchise affiliation account for 20% of establishments. The proportion is highest among day spas (20%).

Overall, 9% of spa establishments said they are affiliated with a national corporate headquarters. The proportion with such an affiliation is highest among resort/hotel spas (43%).

**TYPE OF OPERATION**



# Technical Appendix

*This Section describes the approach to the 2021 U.S. Spa Industry Study, under the following headings:*

- **OVERVIEW ON THE METHODOLOGY**
- **THE QUESTIONNAIRE**
- **SURVEY OUTCOMES**
- **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 2021 U.S. Spa Industry Study. The full survey was launched in January 2021 and completed in early March 2021.

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, including 2020 revenues and visits and employment levels in 2020. Respondents were also asked to provide a monthly calendar of spa openings and closures over the course of 2020, to track the impact of the pandemic.

The second part sought information on operating characteristics of spas, such as core spa services and staffing/employment issues. For the 2021 study, the survey questions included a particular focus on understanding how spas have responded to the pandemic, e.g., by implementing new policies and practices, changing their service offering and the efforts made to facilitate clients. Recruitment and retention issues were also covered.

Contact details for spas invited to participate in the survey were obtained from the ISPA database of spa locations, containing information on over 10,500 contacts.

## The Questionnaire

The questionnaire for the 2021 Industry Study was based on the questionnaire used for the 2020 Industry Study. This was to ensure continuity and consistency with the 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018 and 2019 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 the survey asked respondents to look back on their experiences in the fraught circumstances of a pandemic, a number of questions were modified to obtain information on how spas have adjusted to the pandemic and the actions they took to mitigate or manage the impact on their business.

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 2020 profit percentage.

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

- Employment and staffing;
- Product offering: Core spa services;
- Retail products and revenues;
- Spa administration and policies;
- Looking forward to 2021.

## Survey Outcomes

The survey was launched on a bespoke Internet registration site in January 2021 and ran until early-March 2021.

Results represent responses from 2,062 establishments. Those establishments were based on 420 survey returns that were submitted for either single locations or composite returns for businesses with multiple spa locations.

When compared to their share of all spa establishments, resort/hotel spas were overrepresented in the sample while day spas were underrepresented. 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  $\pm 5.1\%$ .

The margins of error are wider for sub-samples. Thus, for proportions based on all day spas, the margins of error are  $\pm 7.8\%$ . For proportions relating to resorts/hotels, the indicative margins of error are  $\pm 7.9\%$ .

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 reports as estimates in those reports 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- and 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 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 12-20 should nonetheless be treated with a degree of caution.

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## 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.

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