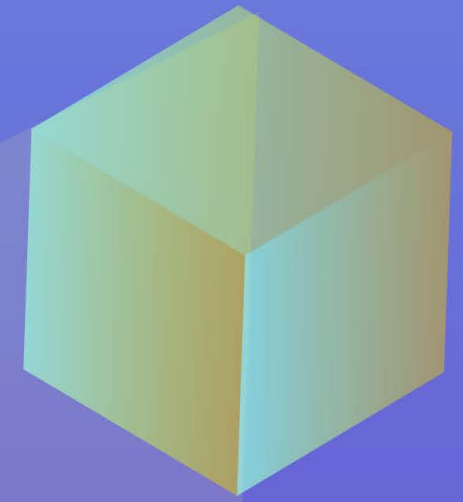
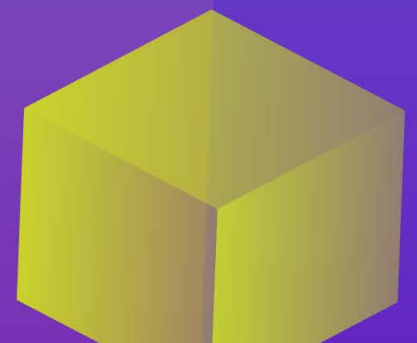


RESULTS REPORT | MARCH 2022



SNAPSHOT SURVEY

Spa & Resource Partner
Operations



Spa & Resource Partner Operations

Numerous challenges facing the spa industry have persisted in the months since most COVID-related restrictions were lifted and consumer anxieties cooled. Staffing shortages, high demand and pandemic-related supply chain challenges are among the most commonly cited of these challenges.

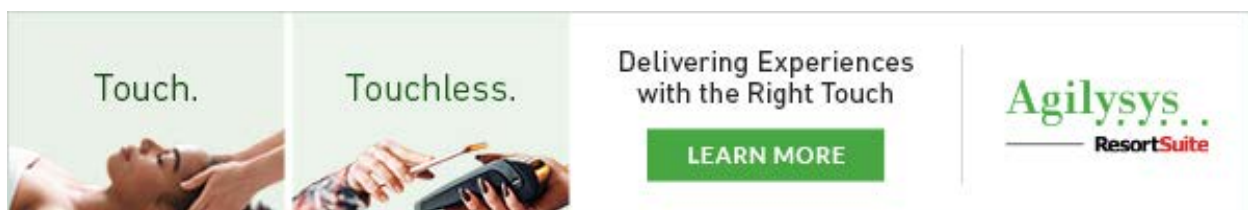
The March Snapshot Survey asked spa members to share details about their spa operations, including scheduling and waitlist policies, pricing, staffing, supply chain issues and training needs for various positions. Additionally, the survey asked resource partner members to share details on staff size, recent operations adjustments, rate increases, supply chain issues, business activities, lead generation and staff training resources.

Nearly three quarters of spa respondents (73 percent) noted that they were open seven days a week, with 77 percent reporting a return to pre-pandemic weekly schedules. Over half (57 percent) of spa respondents require full-time service providers to work at least some weekend shifts. This has proven to be a necessity for spas, as 62 percent of respondents strongly agree that demand for services is currently higher than capacity. Fortunately, this increase in demand has enabled three in four spas to increase service prices in 2022. About one in five spas (21 percent) requires booking services two to three weeks in advance, and 92 percent utilize a waitlist when fully booked. To make operations even more difficult, 61 percent of spas say supply chain issues have affected operations and retail fulfillment needs.

Supply chain issues are, of course, affecting resource partners as well. Three quarters of resource partner respondents report facing supply chain issues. As a result, 64 percent of respondents noted a significant increase in freight costs, which has contributed to the motivation of 42 percent of respondents to increase on-hand inventory quantities to reduce the quantity of separate orders. Three in four resource partners (75 percent) have also experienced increased product or service prices in the past six months as a direct result of inflation or rising operating costs. Still, an encouraging 69 percent of respondents have adapted to be able to fulfill orders in one week or less. Even more encouraging is the fact that resource partners offer flexible training opportunities to spas, with 79 percent offering live virtual training and 70 percent offering live onsite training.

The results analysis of this survey includes answers from 265 spa respondents and 112 resource partner respondents for a total of 377 respondents who completed the March Snapshot Survey during a 10-day period from March 18, 2022, to March 28, 2022.

Sponsored by:

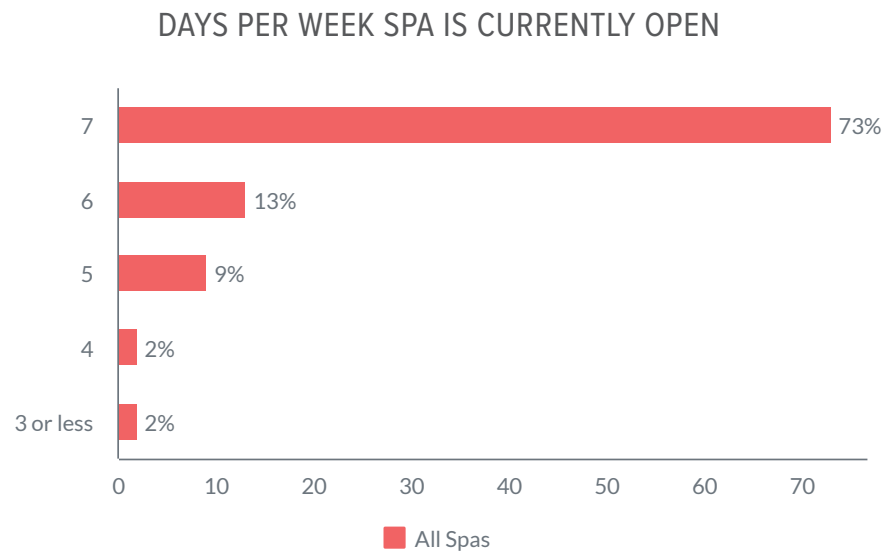


The advertisement is a horizontal banner. On the left, there are two side-by-side images. The first image is labeled 'Touch.' and shows a person's face being touched by a hand. The second image is labeled 'Touchless.' and shows a hand holding a payment terminal. To the right of these images is the text 'Delivering Experiences with the Right Touch' above a green button that says 'LEARN MORE'. On the far right is the Agilysys ResortSuite logo, with 'Agilysys' in green and 'ResortSuite' in red.

DISCLAIMER: This document contains proprietary information of the International SPA Association. For permission to reproduce any material contained in this publication, please call ISPA at 1.859.226.4326. If consent is granted, attribution to ISPA and other sources specified in the document should be made.



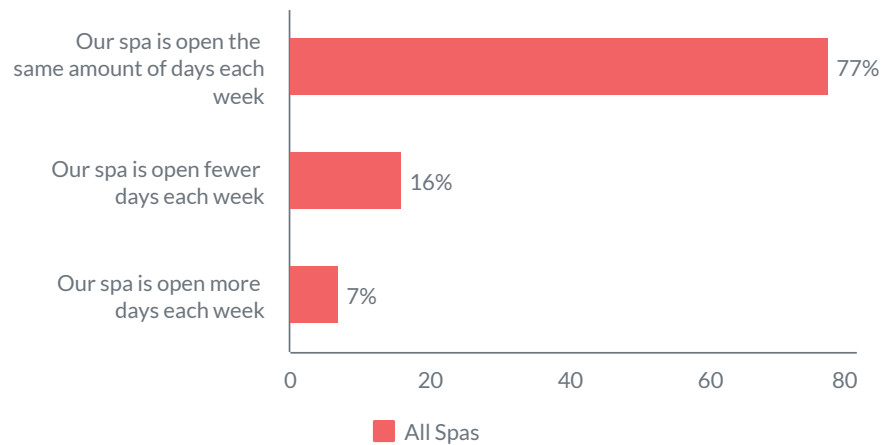
How many days a week is your spa currently open?





Which of the following best describes your spa's current days of operation each week in comparison to early January 2020 before the impact of the pandemic?

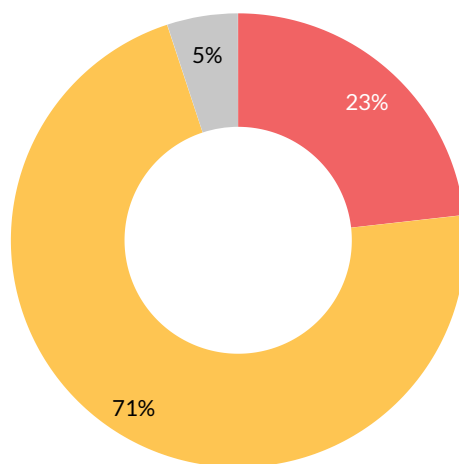
CURRENT DAYS OF OPERATION COMPARED TO JANUARY 2020





Does your spa currently operate within one primary staff shift or multiple shifts within a workday?

SPA STAFF SHIFT OPERATION

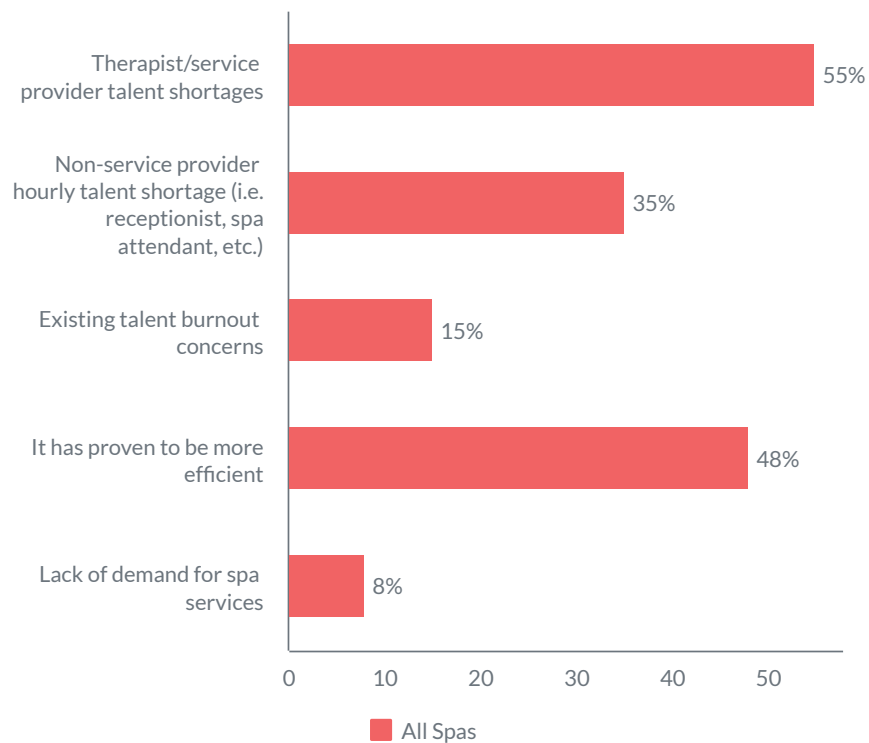


■ One shift (23.23%) ■ Multiple shifts (71.72%) ■ Other (5.05%)



Why is your spa currently operating under a one shift workday? (Respondents were allowed to choose multiple responses)

REASONS FOR ONE SHIFT WORKDAY





Respondents were asked to describe what they consider to be their greatest training need at this time for the following employee categories.

MANAGERS:

- 101 New Supervisor/Leadership Trainings/Webinars
- Adaptability
- As managers I believe that the greatest training need would be training on how to develop and engage team members post pandemic. As directors I believe we have seen a pretty significant change in the talent pool.
- Balance, How to Avoid Burn Out, Coping mechanisms for Stressful Situations, Real World Solutions for Employee Retention
- Balancing management duties and spa operations
- Best recruiting and retention practices in this new work environment
- Brand standard refresh / financial acumen
- California employment law
- Coaching skills and how to be empathetic.
- Communication skills to handle the high need of emotionally intelligent managing.
- Communication, Holding employees accountable, Following through, building relationships both within our Department and throughout other Departments
- Continual leadership coaching. There are many circumstances you just cannot train for, so generalized ways of teaching leaders how to develop future leaders is essential.
- Creating a positive culture where talents want to stay
- Customer service
- De-escalation training when talking with staff and guests - everyone seems to have a hair trigger these days.
- delegation and boundaries
- Different outlets for recruitment...difficulty finding stable, reliable and committed employees.
- difficult employees, engaging team
- Effective communication skills
- Efficiency and time management
- Efficiency, Knowledge of new trends, activities and therapies. Know more brands, benchmarking with a competitive market set, Analysis of occupancy and costing by season.
- Emotional Intelligence. When dealing with employees, management tends to be revenue and guest/business focused and sometimes forget the humanity element for the team due to high business demand
- Employee engagement
- Experience. We have several new managers that just need time in position and firsthand experience. We can't train every situation and it's increasingly challenging when there is no downtime.
- Feedback to therapists

- Finally hired an assistant manager so understanding the POS system and leading the team. It can be intimidating as a new person to take charge of conflict.
- Finance (4)
- Follow-up
- Handling difficult situations
- Handling employee challenges, leadership consistency
- Hiring and Retention
- How to come up with creative ideas and treatments that are PR worthy.
- How to manage a limited staff.
- How to manage and support employees who have mental health challenges that effect their ability to perform their job duties.
- How to stay motivated in this challenging time of being short staffed constantly
- HR - hiring in the new “normal” Post-COVID era
- HR Policies and procedures
- Human Resources
- I am the only manager in my immediate department and I seek out professional development.
- I have two new managers in place so they are learning everything...
- I have a brand new leadership team, training in general is needed and we are in a very busy season with minimal time. In addition to learning the spa operations, we have delegated administrative duties and staff training. It will just take some time to get everyone up to speed, but the future is bright.
- I just need a manager.
- I think now would be extremely valuable for all of us to have a degree on psychology to learn about human behavior and the human mind. Our employees are feeling sad, entitled, feisty, depressed and un-motivated.
- I think there are always ways to improve in the finance aspect and how to create business cases.
- I’m a new manager here at the spa, as well as a new member of this industry (coming from 20+ years in the events industry). For the most part, I’m able to utilize my professional skills well in this new environment, but I’m always looking for something else to learn in order to better support the spa, its owner, and my staff.
- Inspiring team members to facilitate a positive work environment that avoids burnout.
- Just overall management training
- Keeping even minded during stressful situations.
- Keeping staff morale up would be great training for our management team. Learning how to keep staff happy with the agreed-upon contract employees commit too.
- Leadership confidence
- Leadership training vs management. Compassion based leadership and boundary training.
- Leadership, pricing and profit models and most importantly recruitment and retention
- Leadership, recruiting, and financial acumen.
- Maintaining staff morale and encouraging others to bring their concerns forward
- Manager and director level training and succession planning

- Managing changes, accountability, infinite mindset
- Marketing
- Marketing tools expanded
- Mental health
- More time for development in all ways.
- Motivational leadership
- My team has been here for so long I need help training my manager on being open to change.
- Navigating in new times
- No time to teach them their role.
- No training need at this time. Spa not open and we have no staff.
- Not so much a training need, just have far fewer than pre-pandemic. It's now just myself and my Assistant Director where we used to have two additional leaders.
- Operational Managers - floor supervision- running operations, holding employees accountable, retraining employees
- Our managers are always learning as we are putting some basic procedures in place
- Overall spa operations. We are not getting many applicants who actually have spa management experience specifically.
- Patience, flexibility while honoring structure, consistency and fairness, creative problem solvers
- Policies and procedures
- Prioritizing to-do lists with high demand of clients/interviews/accountability/staff one-on-ones
- Productivity and focus
- recruiting all staff
- Recruiting talent, creating compelling promotions, yield management.
- Recruitment and retention and managing staff during these difficult times.
- Revenue management
- Social media
- Software
- Staffing
- Stress management
- Task accountability
- Teach coaching, conflict resolution
- Teaching managers will little to no spa or salon experience. Finding the time and ensuring the training is consistent and practiced.
- Team bonding and connection
- Technical spa knowledge (products, menus, etc.)
- technology, communication tools
- They need to be pulled out of the operation and resume managerial duties. Such as budgeting, forecasting, creating new experiences, etc.
- Time. Our staffing is so low, and our business is so high that we struggle to find the time needed to efficiently and effectively train our management team in the areas they need to grow professionally. We have seen a shift in our clientele and their expectations. Training our management team to handle different clients and strive for a positive outcome is something

that we continually focus on daily basis.

- Time management (5)
- Time management - we have new, younger supervisors and managers
- Time management and communication
- Time management, new recruitment tools/tactics
- Time management, Organizational skills, prioritization
- Time to fully integrate budget information.
- Training content is not the issue, it's having the bodies to train and coach
- Training opportunities in staff management, recruiting skills and emotional intelligence. We have been using our managers as front desk agents and attendants facing shortage in staffing
- Understanding operations and how all parts of the department function as one unit.
- Up Scale Luxury hospitality operations and culture.
- Up to date policy and procedures and inventory
- We are very good in terms of training for my team, for the managers maybe would like for them to have some extra knowledge on retail strategy and merchandising.
- We need more training in finance management and setting a strong foundation within spa.
- What can help keep us and spa reception/concierge excited and enthusiastic
- What to do when there is no front desk staff

SERVICE PROVIDERS:

- Accountability, Emotional Intelligence
- Adaptability and attendance
- Additional modalities; luxury guest service; retail
- Affordable Specialized Massage Training In House and local,
- Also vendors have moved to Virtual trainings which are not the best way to train for service providers. They require a lot of hands on training
- Always continuing education
- Back to Basics. We have eliminated so many things during the pandemic we need to revisit how we provide services and retrain for consistency
- Back to the basics, we currently have an open lead massage therapist position open. Once filled I would like to see regular training for standard operating procedures, protocols, product knowledge and usage etc. We have had minimal training since reopening.
- Because we are a Forbes Five diamond property, it is challenging to get everyone one on board with what that means and how to execute great service consistently.
- Big picture thinking, understanding their pay
- Casual sales strategies
- CEU for additional service offerings
- Commitment to role
- Communication prior to frustration.

- Consistency and training on customer service - we are fortunate to have service providers who are excellent at what they do, but I do feel that we could use a bit of polish when it comes to small details - greeting clients, upselling product, etc.
- Consistency with role responsibilities and continuous improvement with teamwork. Helping keep tea motivated and emotionally and physically healthy.
- Consistency with signature treatments and an open mind to new modalities.
- Consistency, upselling
- Constant protocols/reviewing professionalism, standard operating procedures to become better in our daily performance as therapists.
- Continual education on techniques; this is already required by state boards, however, to stay up with current trends, continual training offerings for service techs is essential as well.
- Continued love for work, burn out
- Creating joy and positivity in the workplace. How to take care of yourself mentally, emotionally and physically to avoid burnout.
- Currently figuring out the logistics behind this new Aesthetician 75 hour laser course requirement.
- Customer service (2)
- Customer service up-sale
- Customer service and sales skills
- Desire to learn/advance
- Developing commitment
- Elevating guest experience
- Enriching their level with various methods and techniques from around the world. Included holistic and spiritual approach. A never-ending training approach to build excellence.
- Finance
- Finding time to provide continuing education training courses - we are so booked so far in advance that blocking these times are challenging
- Following up with guests
- Forbes and BSA
- Forbes Quality Standards - with the increase in demand, a greater pressure has been placed on the provider team to do more, more, more. With that we have seen a sacrifice to guest experience and need to work towards more of a balance.
- Forbes standards training and teamwork
- General day to day things that should be common sense don't seem to be.
- Getting qualified spa service providers
- Guest Service Standards, Constant retraining on protocols
- High turnover rate is making it difficult to keep staff trained on our specific treatments that all staff needs to be able to perform.
- Highly skilled orthopedic or anatomy based training. We have the need for highly skilled therapists.
- Hospitality and Customer service, how to elevate service and retain clients & sales training
- How to attract new service providers

- How to discuss wellness goals with guests and how to tailor service based on this information
- How to enlist behavior changes in therapists that are not team players to the level that others are
- How to handle emotions of guests and co-workers.
- How to take care of their bodies to keep doing massage as long as possible, guest service training
- I have a staff of 20 massage therapists and could use 15 more. Results from a large advertising campaign resulted in 15 esthetic applications and 0 massage.
- IN PERSON trainings
- In-person product knowledge and hands-on training has been slow to resume from our resource partners.
- Just need more of them.... very short-staffed.
- Keeping them happy
- Lacking spa experience, hospitality experience
- Learning to be a team. We find a lot of self-centered situations instead of being a team. Leaving baggage at the door and picking it up on your way out.
- Longevity training - tips and tricks for saving their body for long term success in the field
- Luxury and also customizing
- Luxury hospitality guest expectations. On-going practitioner EDU on new techniques.
- Luxury Service Standards
- Luxury training and consistency is the biggest for providers, but I have no time to train them demand has been so insanely high. I have been hiring for months on end and have picked up over 20 new therapists since re-opening, but still need more.
- Making recommendations for packages and upselling.
- Massage Therapists
- Massage therapists - body mechanics, new holistic services and sales
- More spa environment experience, seems providers coming out of school are not prepared to provide professional services
- Motivation to exceed
- Need them on the schedule ASAP and cannot pull other service providers off schedule to train but need to.
- Need to learn to retail
- New and innovative treatments, devices, and continuing education
- New protocols - with demand being high and staffing, low, it is hard to get our new hires trained on all of our treatments we offer
- New providers being trained on specialty/exclusive treatments. Due to high business volumes, training providers has been a challenge and accommodating certain treatment types is sometimes difficult based on qualifications. We are starting to get on a cadence and get caught up, however.
- No training need at this time. Spa not open and we have no staff.
- Nobody wants to work so just in need in all departments!

- Not having enough. Desperately on the lookout for more service providers. Currently employed service providers struggle with additional tasks throughout the day that is part of their job description, such as properly cleaning treatment room at end of shift, keeping up with in house linens, speaking to clients about massage upgrades or retail products that we offer for sale.
- Online training webinars for implementing and launching new services at a faster rate
- Preventing burnout
- Product Knowledge | I feel we have a pretty good training program with our service providers. I feel the greatest training need for them is product knowledge training to help boost retail sales.
- Provider team - Forbes Standards
- Providing 5star service
- Refresh on protocols and modalities after minimizing menu throughout the pandemic.
- Refreshers and guest service
- Retail sales
- Retail techniques, treatment training
- Sales training
- Sales, technology, ecommerce
- Self-care and mental health
- Service providers I do not believe need any additional training other than normal trainings throughout the year on products and services. I do see a lot of providers seeking education on services that we currently do not perform. Believe that this is their way of keeping up the engagement and being aware of new trends.
- Service Standards
- Service standards and bringing back to basics elements of luxury
- Skin Care modalities
- Stress management
- Stylist - New trends
- Supporting high protocol standards
- Talent and desire to work in a busy establishment
- Team bonding and connection. Also, upselling
- Teamwork
- Technique
- The biggest challenge that I encounter at my current property is service providers not following protocol and not leaving couples rooms up to standards after using it.
- There is not a "training need" only therapists. We are in a more rural area with a very high housing shortage. We don't have enough therapists to satisfy the demand.
- Time for training on protocols.
- Time management
- Time to come together to discuss any issues.
- To open the Spa 7 days a week allowing weekends off for some.
- Training on all service offerings within their field (i.e.. Newer massage therapists need training on all types of massages we offer
- Training to take more productive breaks and to care for self.

- Treatment standards.
- Up sell/add on skills
- Upgrading and retail training, product ingredient
- Upselling/ encouraging re-bookings at check out.
- Vendor training, advanced continuing education for career development
- Waxing!! We also have a huge gap in skill set when estheticians come out of school here - they require a lot of waxing training and have little to no education or experience with intimate waxing.
- We are facing a shortage in Lead therapists so challenge in offering consistent on Board training for new team members.
- We are focusing on massage therapists being able to perform all body treatments we offer.
- We are growing so quickly that we need to be in training with our staff constantly
- We are providing services to members in a country club, therefore, regardless of the area, we are in the member pleasing industry. The service providers seem to have forgotten that detail and have made it about themselves - I've never seen this attitude in 22 years of working in hospitality, but it has been very visible lately.
- We have been hiring a lot of new massage therapist and estheticians out of school. We are teaching them the basics - especially for licensed massage therapists, how to use hot stones since they were not trained in school.
- We have not had one massage therapist applicant in almost 10 months. Massage Schools are restricted on how many students they can have due to social distancing in a classroom. We need more graduates.
- We need massage therapists desperately!
- We primarily need staff. We are turning away business due to not enough providers. We are close to our 2019 numbers which was one of the best years for the spa. The greatest training need is performing healthy and safe cleaning protocols in a timely manner. Just because COVID is over, the cleaning standards will not change. We try to find ways to clean stones faster and couples' suites to provide more services.
- We would like to teach our providers to perform Oncology massage
- What can help prevent burnout and keep them excited about their job.
- With Covid, we have not been able to have trainers from our main product lines come onsite to do product knowledge training/protocol training with new staff. Being in a resort town, we see a lot of staff turnover so most of our staff have never had the chance to have in-depth training with our product trainer. We have online resources but it isn't quite the same!
- Working with different personalities, how to get along with your teammates

HOURLY STAFF (I.E. RECEPTIONISTS, ATTENDANTS, ETC.):

- Accountability, Emotional Intelligence and Problem Solving
- Adaptability and attendance
- Again, they are consistently learning and we are always growing this department
- All training has to be on the job and they get very little wiggle room. Sink or swim.

- Anticipatory service to exceed guest expectations consistently
- Attendance!
- Back to Basics. We have eliminated so many things during the pandemic we need to revisit how we provide services and retrain for consistency
- Balance. With the business being so busy and short staff, they are overwhelmed and feel the pressure even though they are not working more than 40 hours a week.
- Basic customer service skills and product knowledge.
- Big picture thinking, understanding their pay, guest service
- Booking maximization
- Booking rules, smart booking, etc.
- Booking software
- Brand standard refresh/ new booking system training
- Challenge - employees want to continue to work shorter shifts, rather than full shifts, making it difficult to complete all trainings
- Changing the mentality of habits that may have formed during the slow period or time when not working. Verbiage and uniform standards.
- Consistent guest service and operational training
- Consistent recommendation for additional services, menu training
- Consistently meeting Forbes standards.
- Constant guest service
- Creating joy and positivity in the workplace. How to take care of yourself mentally, emotionally and physically to avoid burnout.
- Customer service, sales strategies
- Customer service (4)
- Customer Service | The industry and clientele has shifted and changed in the last two year. Expectations are different and training how to handle different personalities and expectations is definitely something that we are striving to achieve with the team.
- Customer service and retail update
- Customer service orientation that caters outward to anticipate guest needs
- Customer Service training and luxury customer service detail training.
- Developing a spa attitude
- Elevating guest experience
- Establishing a relationship with the service providers. Teaching them that nothing is perfect and sometimes things are missed and done wrong, and that is OK. Finding the Zen in the workplace.
- Follow through
- Following Forbes standards and completing their tasks on a daily basis also due to being short staffed.
- Forbes and BSA
- Forbes Quality Standards - again with the increase in demand, we have compromised in some, often hiring Hourly staff with little to no experience. In doing so, we have more of a “green” team than before and need to focus more on verbiage and accountability.

- Front desk & Attendant team - luxury service training
- Generate ideas for improvement
- Guest service (2)
- Guest service training
- Guest Service. Being more engaging and offering personalized service versus being robotic/ transactional. How to go above and beyond to really provide excellent Guest service
- Guest services elevation
- Hospitality basics, especially face to face conversations and addressing challenges with guests
- Hospitality, and Customer care. Exceeding expectations
- Hourly staff need training on big picture. Understanding of why each part of the guest experience has such great impact on your business.
- How hotel business is driven by personal relationships with all outlets.
- How to create self-motivation projects
- How to reconnect with people and build a report. Also how to work more efficiently and manage their time better.
- How to recruit them. What will entice them to work front desk
- Importance of communication skills and maintaining upscale experience for members.
- Improving level of guest service and anticipatory service
- In person product training for our Retail offerings
- In-depth menu training has been a challenge. Typically, we have programs where training providers demonstrate our services in a compressed format. It allows us to showcase the treatment firsthand, pass around products, and gives staff the chance to ask questions. Due to consistently high business levels we have not been able to return to this programming.
- In-person product knowledge and hands-on training has been slow to resume from our resource partners.
- In-person product knowledge from vendors we retail in the spa. Our staff has totally turned over and virtual trainings are just not the same. In-person trainings where you can touch and feel the product are preferred.
- Investment in career
- Keeping them
- Luxury customer service.
- Luxury guest service
- Luxury Service Standards
- Luxury standards
- Maximizing the book, controlling expenses on daily operations
- More time to cover standards and yield management
- More training on Forbes, customer service.
- Motivation and urgency
- Motivation, product sales
- Navigating through difficult guests
- New to workforce and needs training on everything!
- No training need at this time. Spa not open and we have no staff.

- Offering them the opportunity to experience spa treatments so they can be knowledgeable about spa offerings.
- Opening up spa completely
- Organization, service and product knowledge
- Pay
- Proactive service
- Product and service knowledge
- Product knowledge, choosing service and anticipation of guest needs
- Product knowledge/sales
- Professionalism, verbiage
- Read the guest, body language, the non-verbal communication.
- Receptionists maybe needing more tech skills, but customer service and problem solving are stellar right now. Would love to see more product sales or series sales
- Receptionists, attendants and pool attendants
- Remaining productive during slower periods.
- Reservation, processes
- Responding to challenging guests
- Retail IN PERSON trainings
- Retail products, SpaSoft
- Retail sales
- Retail sales and upselling
- Retail vendor training/ Forbes/LQA audit training
- Sales Motivation Techniques, In House Sales/Retail Training, Conflict Resolution Training, Coping Mechanisms for Stressful Situations
- Sales techniques, customer service and Forbes standards
- Sales training
- Sales, technology, ecommerce, communication tools
- Selling retail
- Service standards
- Similar issue as it is for the service providers.
- Spa front desk concierge, assistance with overall spa operations in terms of reservations, guests, and locker rooms.
- Standards
- The greatest need here would be the actual staff, it's currently the weakest link
- The same answer as service providers- they are the face of our business, and I'd love to share some service tips/tricks to help them succeed in their positions.
- Time to host vendor and industry training
- Training time is lengthy for spa concierge due to the nature of spa soft and detail in retail and scheduling as well as guest service. We spend 2 weeks or more training new staff and have some significant turn over in this position.
- Understanding the benefits of staying in one job longer - it seems that for these positions everyone is super temporary. Choose an amazing candidate, get them trained and then shortly

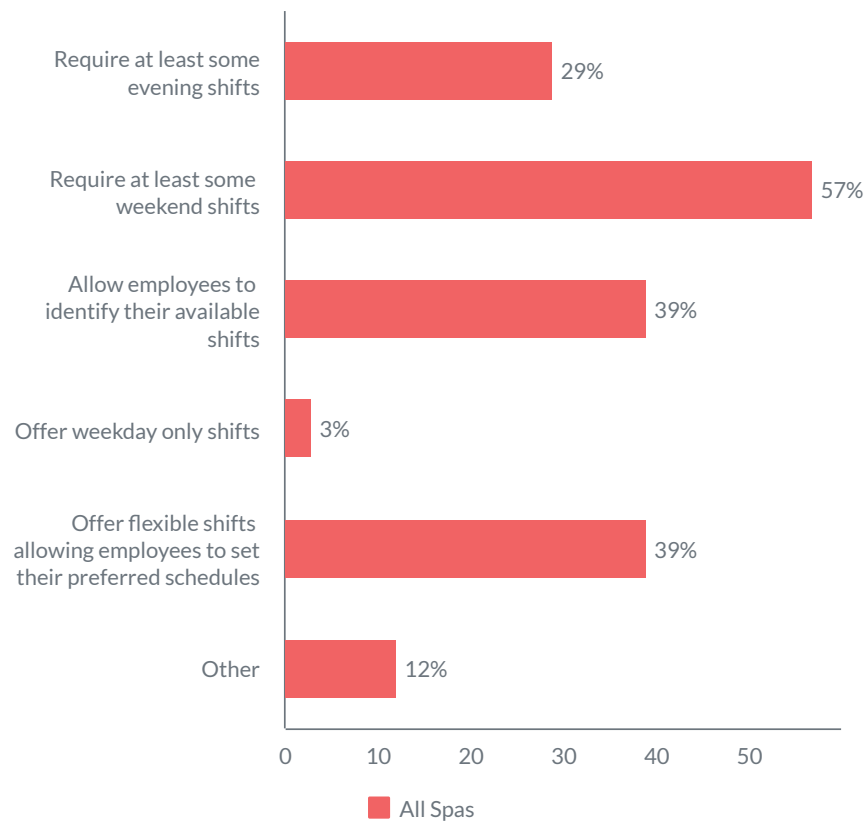
thereafter they are putting in their notice for the next best thing.

- Upselling/encouraging re-booking at checkout
- Verbiage and over the top customer service
- Verbiage regarding facility changes and operational limitations at this time.
- We have a high turnover rate in this area due to most of the positions being filled with college students. Having a fundamental base training program rooted in customer service and continually updating that plan will be a consistent on-going process.
- We have a relatively new staff here as well, we conduct training weekly.
- We have restructured our staff to cross train and manage multiple positions due to the lack of interest in locker/housekeeping staff.
- We need trainings on professionalism, proper work etiquette: giving two weeks' notice, answering your phone if you apply (ghosting), communicating your needs in a proper manner, etc.
- World Class Guest Service



Which of the following scheduling efforts/policies does your organization have in place for full-time service provider employees (i.e. massage therapists, estheticians, etc.)?

SCHEDULING EFFORTS/POLICIES FOR FULL-TIME SERVICE PROVIDERS



“Other” responses included:

- Contractors only right now. Only request is that they have regular hours for marketing purposes.
- Employees are allowed to put in their preferences but schedules are completed based on tenure and treatment appointment times
- Employees request their top three preferred shifts, however full time employees must be available any and all shifts.
- Full time employees must be fully available all days of the week and can be scheduled up to 40 hours a week (not guaranteed and fluctuates on a weekly basis)
- Must have flexible availability - nights, weekends, holidays
- Nail Room has set days that they work, with every other Sunday. Therapist work 3 days a week with rotating weeks to give them every other weekend off.
- No full-time staff
- On Call
- Our FT service providers are scheduled five days a week from 9am to 5:30pm. Our PT service providers are scheduled four days a week from 9am to 5:30pm. All providers are scheduled with (two) 15 min paid rest breaks and (one) 45 min unpaid meal break.
- Our scheduling practices are consistent with pre-pandemic practice. Shifts are bid by seniority and we are not requiring additional overtime outside of providers' base schedules. Staff are allowed to extend to accommodate additional business as demanded.
- Required weekend shifts (Saturday and Sunday)
- Service providers currently work each day we are open unless they are on a 10 hour shift
- We conduct a shift bid yearly where providers select off days
- We require a certain number of days a week and required training to qualify for a full time level commission. If they fall below the days required it impacts their commission scale.
- We require our therapist to work five days a week based on our guest calendar.



Spas that shifted scheduling requirements to offer a more flexible work schedule for employees within the past two years were asked to share details along with any success stories or challenges they may have encountered. A sample of responses are included below.

- A few colleagues work four days per week which is suitable to provide good work/life balance. These two employees have the longest tenure with our company.
- Although there is flexibility here, we try to be accommodating to flexible schedules but at the same time we have to cover the demands of the business, so there is give and take.
- At the moment our Spa operate 10 am - 6 pm., we always try to full the slots in balance the first space available, sometimes we have to open earlier but we split out staff in order to cover all demand.
- Covid capacity reduction forced us into breaking our team into two shifts (five on, five off). Staff were not happy. Now that we can return to normal we have staff not wanting to give up (five on, five off).
- During the interview process we do ask if there is any days they are not available to work as well as days they prefer to work. We do require that a FT Provider is required to work one weekend day (Friday - Sunday) as part as their normal schedule.
- Faced challenges going back to 15 minutes in between appointments after having 30 minutes in between appointments for 16 months. However, we did transition back to 15 minutes in between appointments in January 2022 for most services.
- For new employees joining, that is also part of what we ask at the beginning, if they already had some time off plan, just to ensure we schedule that accordingly.
- For staff with specific mental wellness needs, we allow more and longer breaks
- From the beginning we have been very flexible with our service provider shifts. We offer two days off in a row and work with the massage therapists to determine which days of the week and hours they prefer to work. The biggest benefit is a happy staff. They love the freedom of establishing their own schedule (we do keep this schedule the same week to week) and they really appreciate us working with them to determine what works best for them. Especially now through 2020 this is appreciated more, allowing that extra flexibility with work. The challenges this produces we think are worth it, based on the response from the Massage therapists. However, this does cause some issues with not as much nighttime availability and open rooms on weekend days (when the most traffic occurs) However, staff is more likely to stay late or come in of a day off if they are happy with their schedule and it fits their needs.
- FT massage therapists can work four days a week but need to maintain 30 hours a week to be benefit eligible. This has been a life balancing initiative for our current colleagues.
- FT only required to work four days five services a day. They love the extra day off. Really helps them. Does not help my staffing. But they are taken care of.
- Honestly we do all of the above. Some of our long term therapists (10 years and beyond) have been granted shifts of their liking. As we hire new therapists, we require evening and weekend shifts (typically because that is what we have available).

- I find that everyone has their own challenges; some need to start a little later to drop their kids off to school but can work until, others need to leave early to care for family, some work part-time and are looking to pick-up an evening or weekend shift. Collectively, all the shifts get covered and everyone is happier without the stress of a rigid schedule. Life then work is my motto. I also approve all time off requests and remove the stress from my team to find coverage. I usually always get it covered. I believe if it's important to my team to request off, then I want them to know I support that.
- I have experienced a more loyal and happier team by being flexible with work schedules. I find that if I work with them, they will work with me. Life and family balance is important to everyone.
- I have hired some on-call or stand-by providers that help with covering requests for time off, e.g. Vacations, special days, etc. Those same providers are our go-to's when we have call outs.
- I think that having a balance of both offering their choice of days and also requested/ required shows my team I care about work life balance. It's show positively in their performance and drive when coming to work.
- If anything we have become less flexible with employee schedules since returning and have had stricter requirements in the hiring process as well. This is largely due to the extremely high demand we have experience since reopening.
- Letting spa technicians help make schedule.
- Most of our spas has a special suggestion box where each employee propose their day off. If the operation allow the spa to give them, we usually apply over the shifts
- On-Call status for most shifts that practitioners have agreed to open their online bookability for without obligations to show up for a shift. Spa notifies practitioners of shift start times and on-call status 24hours in advance with the online booking schedule always available for therapists to see.
- Our full-time providers are at four day work weeks with options to pick up when needed.
- Our hours of operation are shorter since the pandemic and challenged with opening it back up due to shortage with operational staff, i.e. Hosts and front desk. Providers do give us their availability and we match the availability with the business needs as much as possible. If provider give up their shift, we have a list of providers looking for specific days. We try to balance the business needs with providers. We do have providers that would add on base on business level.
- Our therapist know the hours of operation, and when they are needed, they can pick when to come in but know if they are needed they have to be here. Our staff is very flexible, and willing to work any shifts.
- Part-time we have flexible shifts, but required one weekend day (either Saturday or Sunday)
- Some of our therapists have asked for more time in between appointments to allow for extra cleaning. Other therapists have adjusted scheduled to work around childcare or school challenges. So, far everything has worked but always a need for more therapists as several didn't come back to work after our shut down in 2020.
- Staff are working less days than before

- The best success story, just hiring a lot more part time employees, and allow the team to give you dates they can commit and hire the ones that can work maybe only weekends, only evening or only in the am, and being flexible with their time off requests. It might be a lot of ongoing training and work on leadership to onboard and train new team members but it helps to cover all the business demands. If most of the workforce are given the option to work from home. The service providers should be allowed to tell us what days they want to work and what days they can work.
- They block themselves out often
- We are a very large team, in order to give the preferred time off, we created a time off calendar at the end of the year for the following year requests, for the team to properly plan their preferred time off and the large majority of the team gets what they want.
- We are hiring specifically for the need in our location. As staff changes, we focus on client preferences in scheduling and plan our staff scheduling for peak hours, essential business needs, and PTO coverage.
- We are very understanding of last minute requests and do our best to accommodate them.
- We flex with childcare and illness problems more than in the past. Less penalties given out for absences
- We follow a business needs first scheduling program, with little flexibility to staff. Generally, all PROVIDER team members are presented a list of available shifts at time of hire and receive that set schedule for six months. For hourly staff, the schedules are completed two weeks at a time, with some flexibility for Part-Time and school schedules.
- We have become more flexible on a daily basis. If the provider is not booked, asking them if they want to come later, or if they wished to close their morning and work when their booked are busy. If they need rest. If the spa is not too busy ask for volunteers who need extra time off. Be more flexible if they need a few hours to attend a sports game from their kids, or they attending an important event. Getting to know your team in a more in-depth way. More personal. Know where they live, if they have spouses or children, etc.
- We have become more flexible with employee schedules so they would work with us!
- We have been more flexible with how many hours FT/PT work during the day. Many are experiencing fatigue due to business levels. We are granting all vacation requests regardless of business levels and peak season. The team have rallied and while fatigued, morale is good because we are going out of our way to show appreciation in different ways, like more flexible schedules.
- We have changed our scheduling policies to accommodate an ever increasing flexible schedule demand from providers. We have accommodated to the best of our ability what works for the individual. It is extremely challenging.
- We have gone from four ten-hour shifts for the Service team, keeping in mind that there was a 30 minute sanitation duration between treatments. We are now doing 6.5 hours x five days a week
- We have had to be more flexible with our required three shift minimum to be able to hold onto

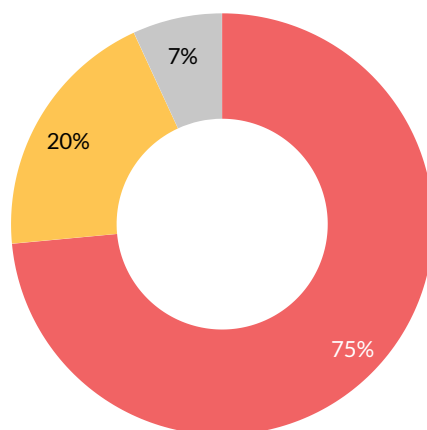
more staff.

- We have had to downsize from nine rooms to two rooms in order to stay functioning so we have several shifts in the same room. This has created scheduling difficulties as different therapists want different break times between clients and for their lunch. Pretty much of a nightmare at first but we are adjusting to it now.
- We have never allowed on call therapists before the pandemic, and now offer it with the requirement of working two days per month.
- We have opened several on call positions for service providers allowing flexibility with their availability and schedules. They cover FT & PT therapists and add additional shifts when needed. All OC providers provide their availability two weeks to one month out.
- We lack evening and weekend options which can be frustrating to guests but the team is much happier and balanced not being overwhelmed or overworked
- We now offer a VERY generous differential pay for providers who will work three night shifts per week. Using a tier system one can workdays only however the pay isn't as enticing.
- We provide a shift bid once every year. The bid is in line with tenor and based on available shifts.
- We reduced our hours from 9-9 pm to 9-5 pm daily. This has given staff a more consistent schedule as well as reduced the amount of non-productive time that happened with a 12 hour day.
- We require full-time staff to work at least one weekend shift. Part-time staff that only work weekdays are required to pick up at least one weekend shift/month. Staff must get coverage/ exchange shifts when requesting time off.
- We require that our full-time service providers work at least one days of the weekend. I also think that work/life balance is important and when they request a time off I do everything in my power to grant that request. They give this job a priority and I like to also reward that effort.
- We will really take any availability a service provider will give us.



Has your company increased spa menu prices in 2022?

SPA MENU PRICE INCREASES



■ Yes (73.53%) ■ No, but we plan to later this year (19.61%)
■ No and we do not currently have plans to increase rates (6.86%)



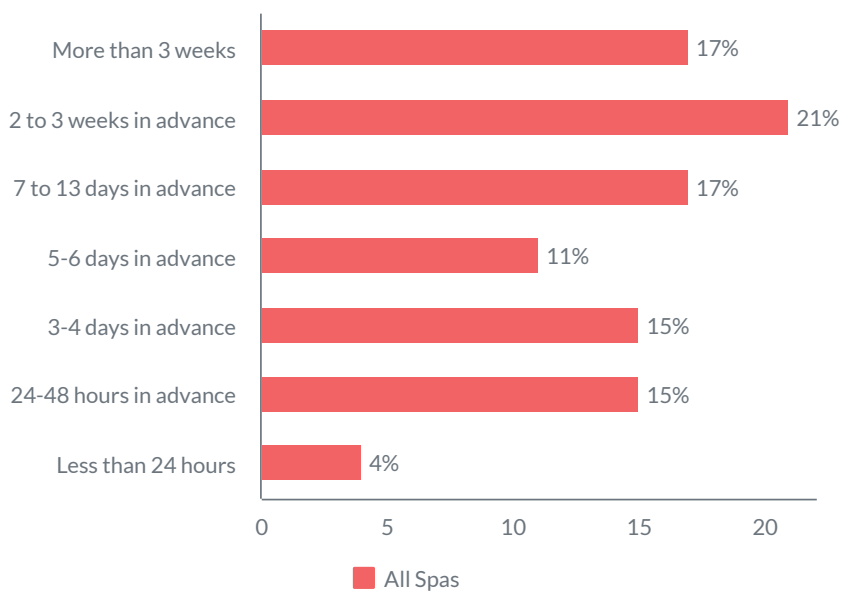
Please rate the following statements using the scale below. (Respondents could only choose a single response for each topic)

	STRONGLY AGREE	AGREE	NEUTRAL	DISAGREE	STRONGLY DISAGREE
Demand for services at my spa is currently higher than capacity.	62%	23%	8%	4%	2%
I am concerned about burnout among my existing team members.	44%	32%	10%	13%	1%
Our spa is turning away too many guests due to lack of availability.	40%	35%	15%	5%	5%
Supply chain issues are negatively impacting our spa operations.	14%	39%	32%	12%	3%
Talent shortages are not an issue at my spa.	6%	10%	7%	28%	48%



On average, how far in advance does a guest currently need to book a 50-60 minute massage at your spa?

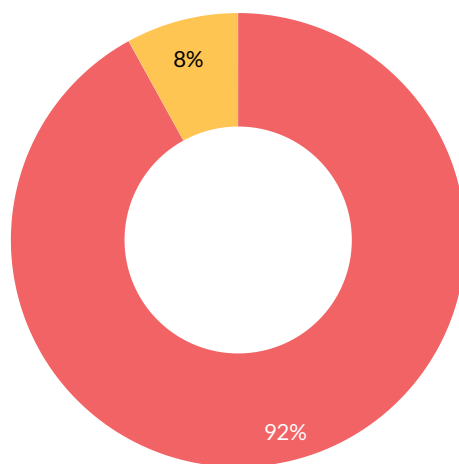
ADVANCED BOOKINGS FOR MESSAGES





Does your spa currently have a waitlist in place when appointments are fully booked?

WAITLIST IN PLACE



■ Yes (92%) ■ No (8%)



Spas that have a waitlist process were asked to share tips, success stories or pitfalls to avoid when it comes to setting up a waitlist process within a spa. A sample of responses provided are listed below.

- All of the Front Desk staff needs to be fully trained and retrained every few weeks on how the waitlist/cancellation list works.
- Always have your concierge supervisors monitoring the books for cancellations, especially ones that happen within the coming 2-3 weeks. Have them reach out as soon as possible from your wait list to book guests, especially if they are trying to come in from out of town. This will allow for them to make travel plans or book with your adjoining hotel to schedule their vacation!
- Be consistent in requiring front desk to use it as mandatory part of the reservation process, not optional even if a guest is saying they will call back.
- Be specific on date, time and service(s) guest desires on wait list
- Be specific with notes on the limited availability of client so they are not called for appointments they cannot make.
- Book4Time allows us to easily add a waitlist. We call the night before or the day of to see if they are still interested.
- Continue to maintain a waitlist to fulfill openings! You never know with guests on last minute changes!
- Currently my team forgets to add people to the wait list. It is so helpful to have the wait list to fill cancellations that continue to flow in on a daily basis.
- Currently our new software has a waitlist we can easily access. Prior to this we shared a spread sheet with our call center agents, unfortunately only one Team Member at a time could add to the list.
- Explain to front desk that it is paramount to use the waitlist, importance of reporting's related to waitlist, that are related to adding more spa rooms, adding more staff or asking to increase pay compensation.. These are all correlated events
- For peak weekend times, we have started to secure 1-2 "on-call" providers who we don't release until day of. This allows us the opportunity to cover and call-off appointments without cancellation and should we have no call-offs for that day, we refer to our Wait List for last minute bookings or cancellations.
- Hold services in your back pocket, just in case, get the WL going and if you're a resort and once you know your team is going to make it in to work call the resort guests and get those appointments filled. Important to tell the WL you do get WL openings and to potentially expect a call day of.
- I am working on simplifying this as my team just sends an email which I find to get missed. I think we can utilize our booking system in more ways and this would be a huge missed opportunity.
- I gather those emails and do email blasts to those interested when we get openings. I have used this method for 15 years and it works very well.
- I think keeping an excel document is great, should the bookings system not offer an alternative,

but it is time consuming and there's potential for names not to be added into the list.

- If the spa is full, we always try to offer another place to provided the service, Ocean view room, Beach Cabana. Or and be in touch for any last minute cancelation.
- Just started to utilize this tool in Booker. Our challenge is finding massage therapists to cover select days.
- Just to absolutely have a waitlist and use it when there are openings. Simple. It works.
- Keep a cancellation list because you will need it
- Keep the list detailed down to as if you were booking the treatment. This way it takes less time to move them from the wait list into the cancellation spots.
- Keep the waitlist accessible to director, managers and all receptionist so everyone is involved in maximizing the books
- Keep your response requirement low. We started out providing 2-3 days for guest to respond and accept the appointment offering. Now, we ask that they call back by end of day so that we can move on and offer to more guests and fill quicker.
- Listen to your clients needs. Change scheduling according to suit your demographic.
- Make sure guest information is correct and updated and how they prefer to be contacted, example text vs call or email
- Our booking policy is complex because not only do we have hotel guests but we have villa guests and home owners who are wanting to book in advance. However, since the spa is a hotel amenity, we always book hotel guests first, then villa and homeowners. This has been brought about because of the higher than usual demand. We proactively fill any empty or cancelled appointments from our wait list.
- Our booking system has a waiting list program making it easy to book those guest when someone cancel or we are able to add a provider to the schedule.
- Our front desk are proactive in utilizing the waitlist. It's been instrumental in accommodating our last minute guests.
- Our software system allows us to enter guest info in the booking system as "waitlisted". If an appointment space frees up, the waitlisted guests will pop upon the screen so we know who to call that might be interested.
- Our software, Book4Time, provides waiting list details, as well as turnaway reports. This allows us to use data when hiring for the upcoming season - how many times were we unable to accommodate a request and how successful were we at transitioning from waitlist to actual booking.
- Some software tools are not user friendly, the wait list needs to be very simple. Some locations have shifted to a manual tracker outside of the software system. Wait list is vital when you have someone cancelling within a cancellation policy in order to backfill services.
- SpaSoft does this for us
- SpaSoft has a nice waitlist
- Tips Call the guest even if you don't think they will want what you are offering. This technique has yielded bookings and is a great way to let guests know that waitlists aren't a hidden abyss that no one looks at.

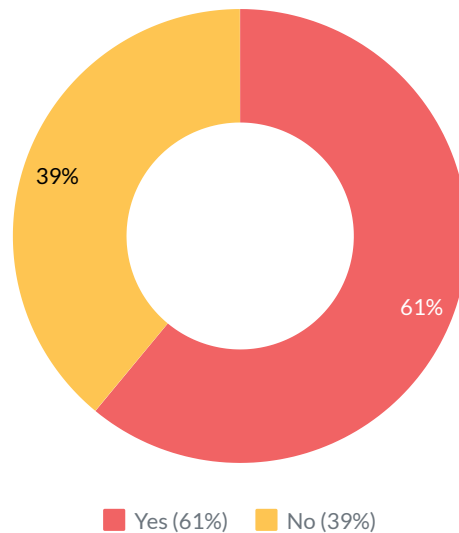
- Train front desk to ask guests for specific dates/times opposed to just “any”. This will help your list be more manageable. Our spa has more facial rooms than massage, so our highest demand is for massage services.
- Waitlists are a good tool if you are going to use them properly. Software that handles them is optimum as it will fill in the services as they become available with the next person in line.
- We created a group chat in teams to communicate guest preferences and immediate availability. The wait list feature is helpful in the system but the group can’t is much faster.
- We have a simple system, where we will write down the details of the client the service they are interested in, the date and time options that they have and if they have a particular provider they would like. Then when we have cancellations to our internal policy is to immediately check that list and reach out to clients that are on the list. We have been able to get clients on the waitlist in on days that we had previously been fully booked.
- We have a waitlist and a turn-away list to track and better staff for the next weeks
- We have an excel waitlist in our system that all Spa Concierge have access to, in which we take guest names and preferred appointment times. Every time we have a cancellation, we check the cancellation list and call guests to book.
- We have one supervisor manage the waitlist and call guests. We call based on the order the request was received and book the first guest who picks up or returns our call.
- We have success with a “daily recap” with a waitlist section that is organized by first come first serve basis by entire team and this has worked really well for us since we are able to list any special notes or details there.
- We manage daily cancellations and immediately refer to any suitable waitlist requests to ensure our staff schedules are full. Our biggest challenge has been COVID Staff callouts. Some are legitimate and some have learned to work the schedule. It is very frustrating as we are member-based and have a built in vibrant senior community that feels safe here within the property, however we struggle with finding suitable staff to fill our growing demand. We are currently booked out 7-10 weeks out for Massage, 4-6 weeks for Esthetics and 8-9 months out for Nails. We have been struggling for 2-3 years to find quality Nail candidates!
- We offer options with other days and /or keep their name to contact if an opening happens
- We only do a waitlist for that day which makes it easier.
- We rarely are able to fulfill wait list requests and prioritize based on hotel stay and player level.
- We use a waitlist outside of our spa software because we haven’t found it to work well.
- We use a waitlist process that is within our SpaSoft software and it works well. We add the guest to the waitlist in the moment so that when we have an opening we can quickly move the waitlisted appointment to an appointment slot very easily.
- We use Book4Time and has the wait list tool that’s great, as it allows you to easily see who is on waiting list.
- We use MEEVO which is fully automated, we add them to the waiting list and then we are done, MEEVO does the rest
- We write down the name of guest, preferred service, time available and phone number. We also keep the list in order of call. Since we have ‘evidence’ of who is on the list and in what place, it really helps

- When fully committed always ask if the guest would like to be put on a waitlist. If the original guest cancels within 24 hours, not only are you able to get the cancellation fee, you also can book another guest in that spot. Gaining revenue for your Spa and compensation for your massage therapist.



Is your spa currently impacted by supply chain issues for product needed to operate the spa or fulfill retail needs?

SUPPLY CHAIN ISSUES IMPACT





Spa respondents experiencing supply chain issues were asked to share details regarding their challenges. A sample of responses provided are listed below.

- A few of our providers have been experiences delays with products being shipped from overseas causing us to sometimes run out of product. That is why I decide to order more than needed to have as backup.
- A little bit, but not greatly. It is usually just longer shipping time and more issues of backordered products than we have seen in the past. Suppliers are also increasing their required minimum to qualify for free shipping.
- A lot of back orders. Many items not in stock at time of ordering. Some vendors don't even have a clue as to when their stock will become available. Very sad and frustrating situation.
- A lot of the vendors or partners are having a hard time getting the raw materials needed to create the products that we use for backbar or for retail products.
- Ability to obtain spa treatment products
- All companies are taking longer than before to ship orders, some products are no longer available and prices have increased substantially.
- All of the lines seems to have large quantities of back ordered items
- Amenities are constantly back ordered (combs etc.)
- Availability, higher cost and importation delays
- Bed linen, hair products, retail products as body lotions, facial products
- Both retail skincare and backbar supplies are regularly on backorder. There have been numerous occasions where we've needed to find alternatives to our usual massage creme, Biotone.
- Both service product and retail have suffered greatly, causing our team to go without or get creative which can be extremely frustrating when attempting to hold the team accountable. It has also created "trust" issues amongst the Managers and Team in some ways as they don't fully understand or aren't as exposed to the supply chain as we are. They tend to "blame" management for not ordering enough and complain about the expectations placed on them without proper support and can be difficult at times.
- Bottles, caps, and had to change certain vendors due to supply issues for massage therapists supplies.
- But the higher prices are concerning.
- Certain popular skincare retail is unavailable
- Certain skincare vendors/products are out of stock with shipping delays. We no longer have issues ordering PPE.
- Coconut oil & nail supplies & really most supplies have even doubled in price which forces us to increase price
- Delays for linens as well as back bar items
- Deliveries delayed due to port issues plus increased prices/fees for overseas shipments
- Deliveries running very late and stuff being on back stock.

- Due to the war/covid and so, most of the suppliers are late with the delivery. Transportation and customs are the most difficult at this time for suppliers
- Have had multiple vendors that have multiple retail items not available back bar has not been affected.
- I think it's pretty much the same everywhere. Cost of goods are going up along with the expense of shipping. We are lucky we have a spa menu that allows for adjustments in product use when we run into shortages for treatments. As for retail... We are seeing delay in receipt of products and many items out of stock.
- In general, supplies and retail are just taking longer to get to us. We've only had minor issues with providing all services due to lack of supplies. We've just had to adjust par levels since we know items take longer to receive
- In some cases we have had to change vendors.
- Inability to get items in - backbar products, parts for massage tables, alcohol, etc.
- It is taking months to receive robes from China, they have shipped but are being held in port.
- Items not in stock for weeks or months out, shipping delays, only receiving partial orders, needing to remove services temporarily from the menu until items come in, lots of amazon ordering!
- It's not the supplies directly but more with shipping times. In the past, we would receive items within a set time frame. Over the last year, we have to order at least two weeks in advance to guarantee supply arrival in a timely manner.
- It's taking a long time to get products that our clients want.
- Linen & Terry
- Linens have been the greatest challenge however small challenges have also arisen
- Locker room amenities
- Locker room amenities are low in supply.
- Long wait times
- Lots of products are out of stock & delayed shipping. Increase in pricing.
- Many times we order items and we receive "not in stock" on the packing list rather than communication from the vendor when the order is submitted. For our boutique, the custom logo retail items are extensively delayed when it comes to shipments sometimes with the shipment delays being moved 2-3 times.
- More so a delay, so we need to plan better to have what we need before we are out.
- More so retail and retail display than product; although I am hearing from our product vendors that some are struggling getting ingredients they used to use
- Mostly sizing and quantity of backbar- we're not able to get certain items in larger sizes, and have to purchase multiple smaller sizes to perform services
- Never sure when items will come in and what will be impacted next
- No issues with retail or product, thankfully. Incredibly long lead times for new furnishings and carpet have slowed our plans for expansion and improvements.
- No towels available in the color we use for the spa. Skin care products in backorder
- Not able to get retail products when they are out. Not able to get equipment serviced.
- Not as bad, learning to manage. Mud source was a challenge, backordered product is

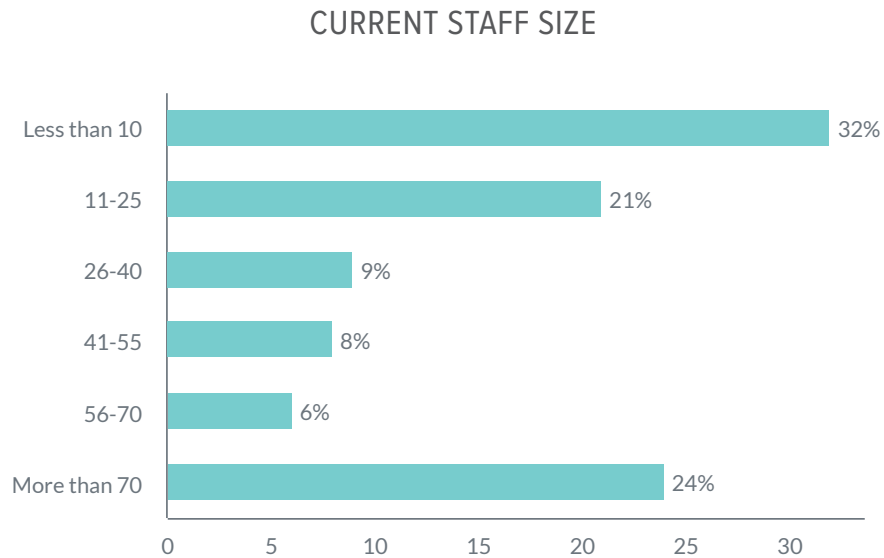
frustrating and comes at will if that's the process.

- Our custom sustainable amenities are stuck in Russia
- Our vendor for backbar items always seems to be out of stock of items that we are in need to provide treatments. Also, sending us wrong items with incorrect SKU's on order forms.
- Product and supplies needed for technicians to perform their role are constantly out of stock. Retail items on shelves are very bare.
- Product availability, shipping delays and rising costs. I have our uniform company experiencing a material shortage to create our uniforms and now need to source a new reliable vendor. Our COVID cleaning and sanitation products have doubles in price and have multiple shipping challenges - new HAZMAT requirements, extended delivery dates that affect my monthly P&L and inventory reports.
- Products needed to perform treatments is coming in slowly.
- Products or brands we like are unavailable forcing me to purchase multiple other brands that get wasted once our choice brand becomes available again
- Products, supplies and equipment all takes longer to arrive, some is not available at all. Many order are only partially received each month.
- Retail needs mostly
- Robes
- Robes, linens, and some retail items are on longer than normal wait lists
- Robes/ private labeled bags/ private labeled cups
- Several products that we use professionally in our treatments are backordered.
- Shipping and availability of products is slow, but we order way in advance to avoid any issues.
- Shortages I have found to be more in backbar items not necessarily retail.
- Skin care line we use is experiencing backorder issues which are passed down to us. We do take phone numbers and call our Guests once the product arrives. We also notice most orders have at least one item if not more missing items.
- Some products have been out of stock for extended periods of time, some items are backordered, and some have restricted numbers.
- Some things are back ordered but now we just order more ahead of time to factor the delay in.
- Some vendors do not have the volume to fulfill our orders.
- The lead times have grown to 3-4 weeks and often products are on back order
- The private label products that we purchase from one of our vendors have gone up two times, as a result of the cost of the plastic containers that are used.
- Things are just taking longer to get here and shipping costs have increasing dramatically. Some vendors are out of stock on popular items.
- Tons of backorders
- Towels
- Trouble getting product and linen in a timely manner
- Waited 4 months for the wax I like
- We are a brand new spa and in the pre-opening phase, all the OS& E delivers are taking a lot more time
- We are able to substitute in professional but not as easily in retail

- We are in Hawaii, so the increase of shipping prices and shipping timelines, especially for big ticket items such as massage tables has affected us tremendously. Some vendors won't even ship to the islands.
- We are not able to get supplies shipped as quickly
- We are seeing a longer turnaround time in getting our operational supplies so we have to place our orders 1-2 month sooner than expected to assure we have the supplies and tools to operate the business.
- We find ourselves over-ordering to compensate for extended delays. We have a system in place that works for us now but there are times when we need to deactivate specific treatments due to delays.
- We have had issues with slippers, paper cups, sparkling water, gift bags etc. Price increases for products are becoming a concern as well.
- We have not experience any strong issues with our spa suppliers however we do have a huge challenge with our engineering supplier ie. Electricity parts, or paint (over 6 months to be able to get this special paint for our squash courts) motors and other equipment for our sauna it took over seven months to arrive. AC equipment and water feature replacement parts to fix our hot tubs.
- We have repair difficulties. We are often unable to get repair parts.
- We've been challenged with our laundry system. We have an outside company that launder our linens. They are short staffed and often, we run low on sheets, towels etc. We've also been having a challenge in buying towels. We are paying higher prices for back bar items.



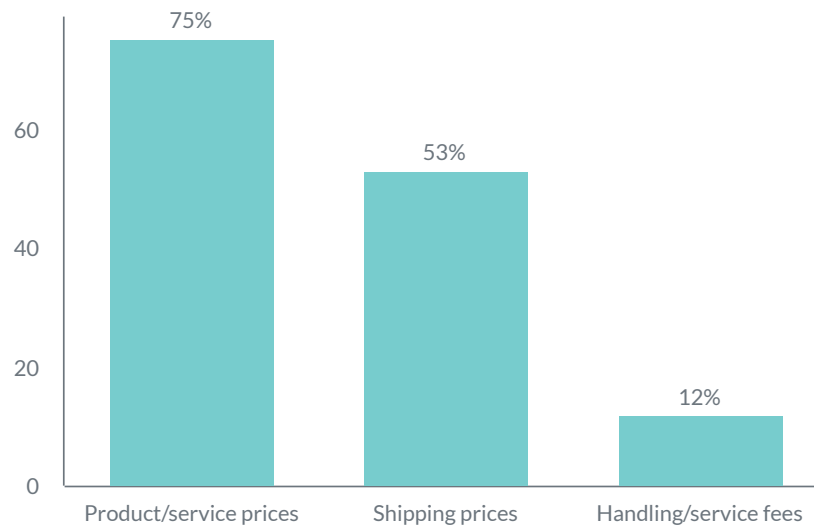
Please identify your company's current staff size below (including both full-time and part-time staff).





Which of the following types of customer rate increases has your company made within the past six months as a direct result of inflation and/or operating costs? Select all that apply.

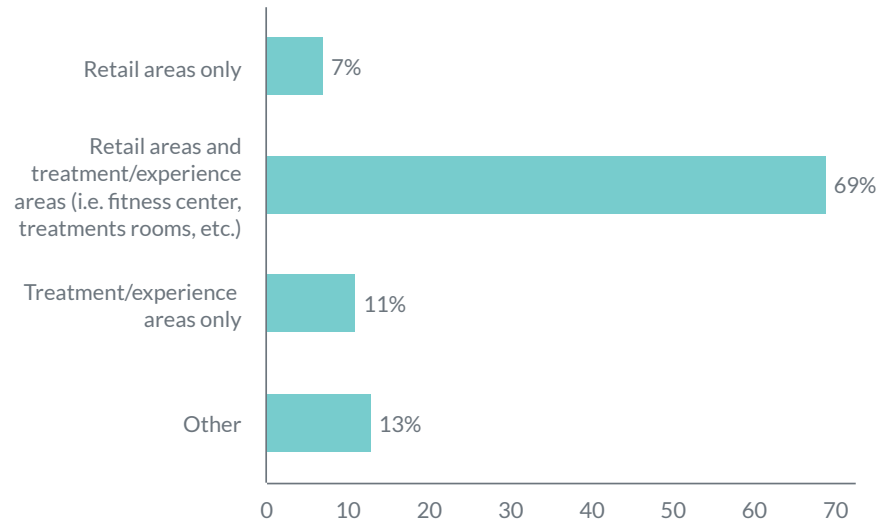
RATE INCREASES IN PAST SIX MONTHS





Which of the following best identifies the areas where your company's products are currently utilized within a spa?

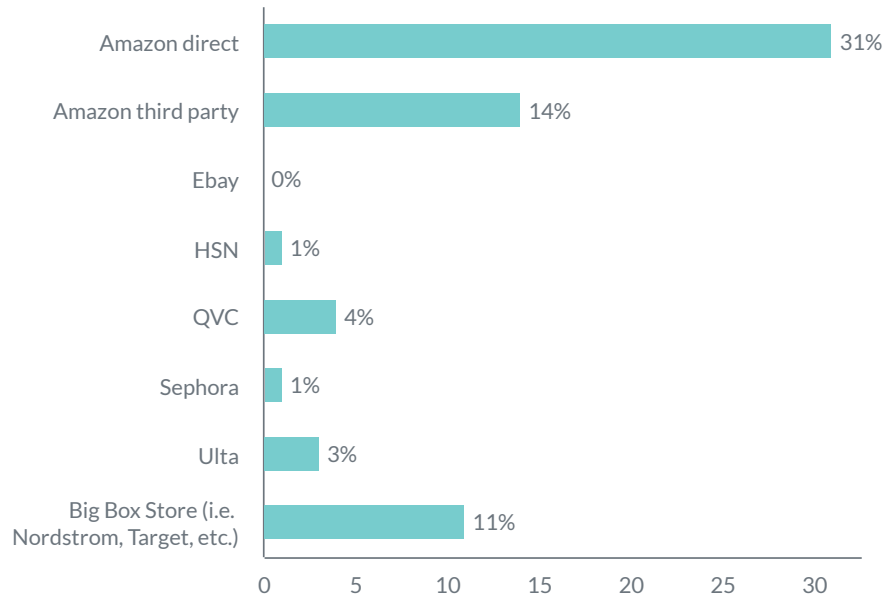
USE OF PRODUCTS WITHIN A SPA





Which of the following outlets, if any, does your company sell products? Select all that apply.

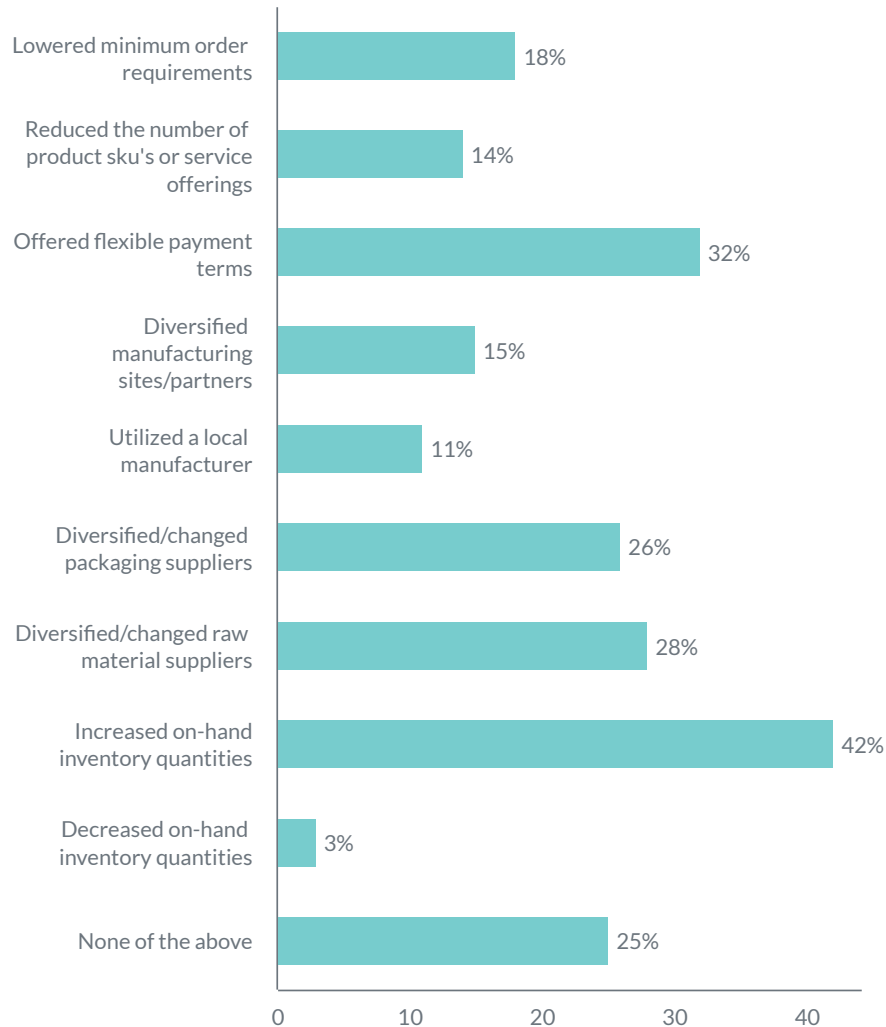
OUTLETS WHERE PRODUCTS ARE SOLD





Which of the following, if any, adjustments has your business made within the past six months? Select all that apply.

ADJUSTMENTS MADE WITHIN PAST SIX MONTHS





Please identify the level of price increases, if any, you have experienced in each of the following areas.

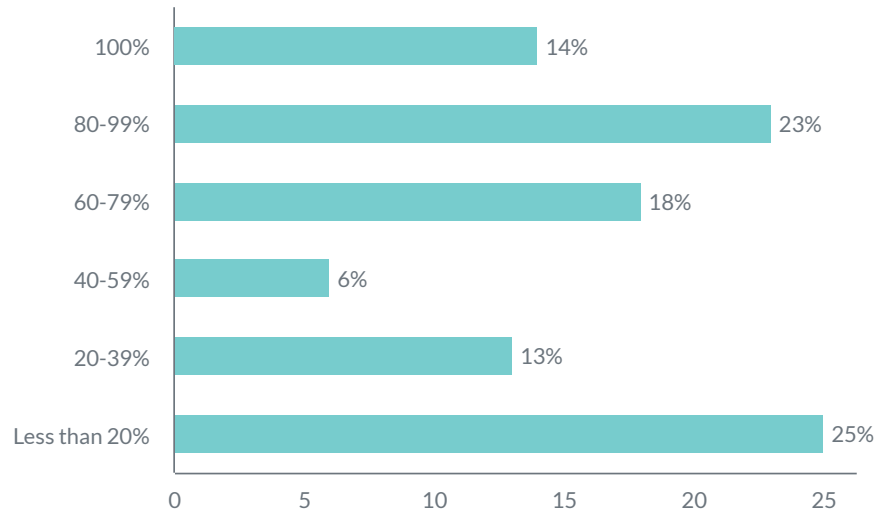
PRICE INCREASES

	SIGNIFICANT INCREASE	SLIGHT INCREASE	NO CHANGE	DECREASE
Freight/shipping	64%	22%	14%	0%
Product packaging	29%	54%	16%	0%
Raw materials	47%	38%	15%	0%
Employee payroll	32%	48%	18%	2%
Employ health insurance	17%	44%	39%	0%
Leasehold space	8%	24%	63%	5%
Employee equipment (i.e. laptops, phones, etc.)	12%	51%	37%	0%



Approximately how much of your company's revenue is derived from the spa industry?

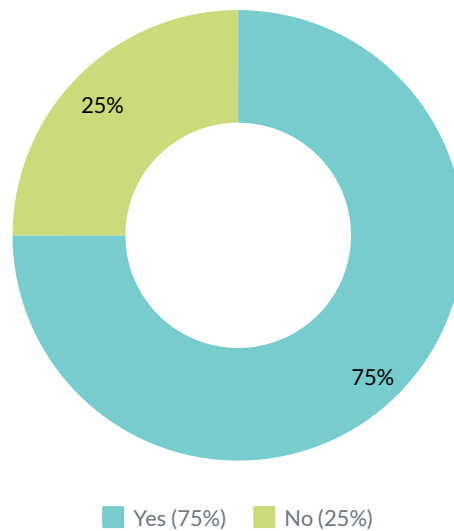
REVENUE DERIVED FROM SPA INDUSTRY





Is your company currently impacted by supply chain issues?

SUPPLY CHAIN ISSUES IMPACT





Respondents were asked to describe their supply chain issues. A sample of responses are listed below.

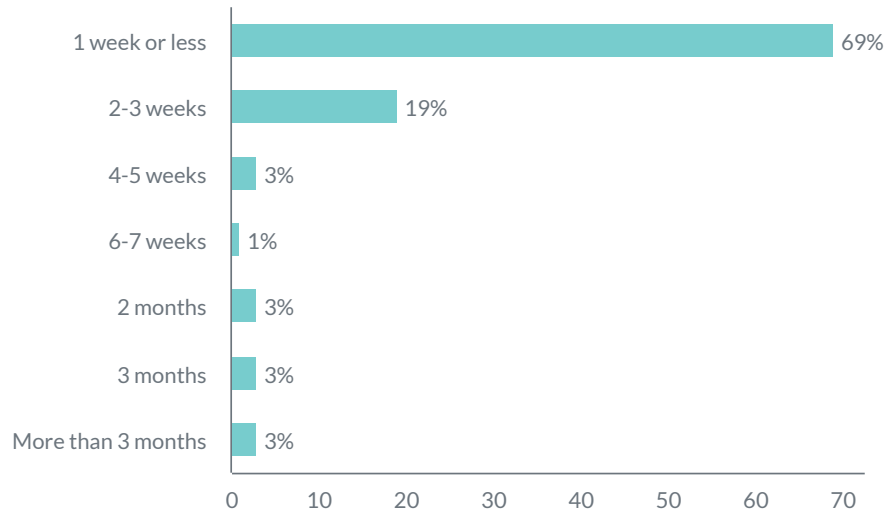
- Although we have always sourced only US made components and raw materials, we have begun experience significant supply chain issues in raw materials and components now that more companies can't get what they need from China or Russia. We have definitely been impacted less than others who were solely overseas, but it has impacted new product launch timeframes, costs of goods and production turnaround.
- As a distributor, many products we supply have raw material issues or products coming from overseas. With manufacturing delays/price increases and freight delays/cost increases it has been a challenge to balance customer service with fill rates as well as keeping costs down for our customers. We have absorbed much of the cost increases and when possible, purchased additional inventory to help limit backorders.
- Bottle delays
- Building construction materials for our new Recreation & Wellbeing Center.
- Delays from Asia
- Delays in receiving products from the manufacture. Delays in delivering products to the customers.
- Delays of components
- Delivery delays
- Delivery of orders
- Difficulties in the timing for delivery and an increase in the cost of raw materials
- Difficulty obtaining raw materials.
- Equipment deliveries to our clients' projects and construction delays which drag out our contracts.
- Getting raw materials regardless of packaging/chemicals is very tight
- Ingredients
- Lack of availability of raw materials (ingredients, packaging), shipping delays, increase in all operating costs, labor shortage
- Lead times on FFE
- Logistics are still not back to pre-covid
- Longer lead times for IT and some office items. Not a large impact.
- Longer Lead times, Increased Freight costs
- Longer ship times
- Longer wait times for equipment
- Material and logistics / freight back up and unreliable delivery dates
- Materials are harder to get and take longer to arrive. We have been forced to build excess inventory to offset supply chain issues.
- Much longer lead times and price increases across the board on goods and components.
- Packaging and other components

- Packaging delays, raw material cost increases and delays
- Product delays from supplier to our head office in UK and from UK to U.S.
- Raw materials for skin care line have been slightly delayed.
- Raw materials, components, long manufacturing lead times.
- Securing vessels to import has been challenging.
- Securing vessels to import products has been a challenge.
- Shipping and production lead times. Ingredient shortages. Increased shipping times.
- Shipping container delays from Asia.
- Shipping is taking much longer and costing more, some supply chain shortages
- Slow shipments of raw materials, shipping takes much longer by boat and trucks.
- Suppliers of equipment, raw materials, freight in, freight out, and packaging all were impacted by supply chain disruptions. As a result, we suffered delays in manufacturing products and shipping to customers. To alleviate the impact on customers, we increased our inventory, which has a negative effect on available cash.
- Supply Shortages, Shipping increase costs and raw material increase of over 75%
- The time to clear customs has increased 3-10 fold, there has been some delays in raw ingredient procurement, increase in fuel prices is a concern
- We also deliver hardware terminals and components have been delayed
- We have had constant supply chain issues with packaging mostly. We've had to source from vendors we typically do not work with and have also had to make temporary packaging changes to keep up with demand.
- We import all of our products from Europe and have had to increase inventory of all items to correct the additional time it takes to receive freight. Although we have adjusted inventory to reduce the impact, our product manufacturer still has to deal with shortages from their suppliers, which trickles down to us. But the impact is minimal for us compared to many out there.



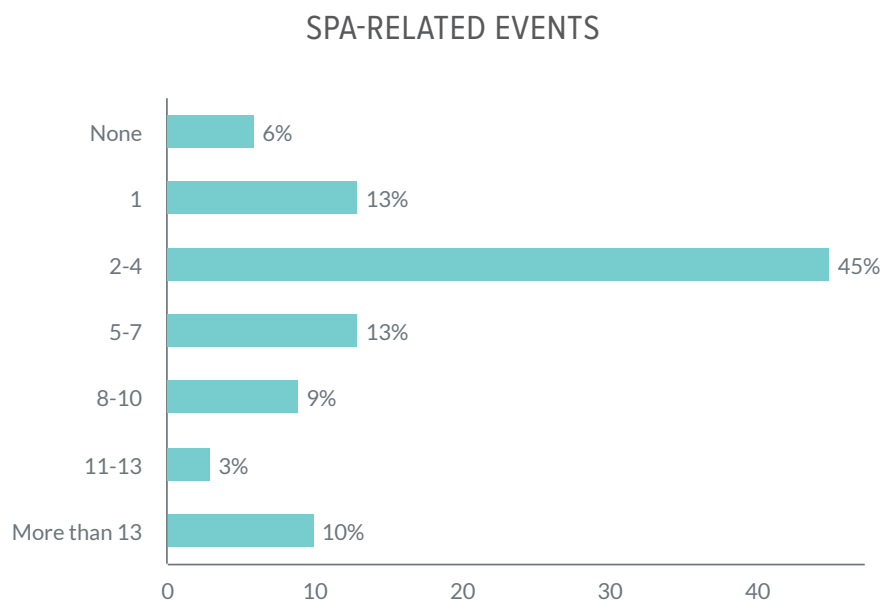
On average, how far in advance does a customer need to place an order before the products/services can be fulfilled?

ADVANCED ORDERS FOR PRODUCTS/SERVICES





How many spa-related events does your company plan to sponsor, exhibit at or attend in 2022?





Using the following five-point scale, please rate the value of the following business activities as they relate to generating new business leads for your company.

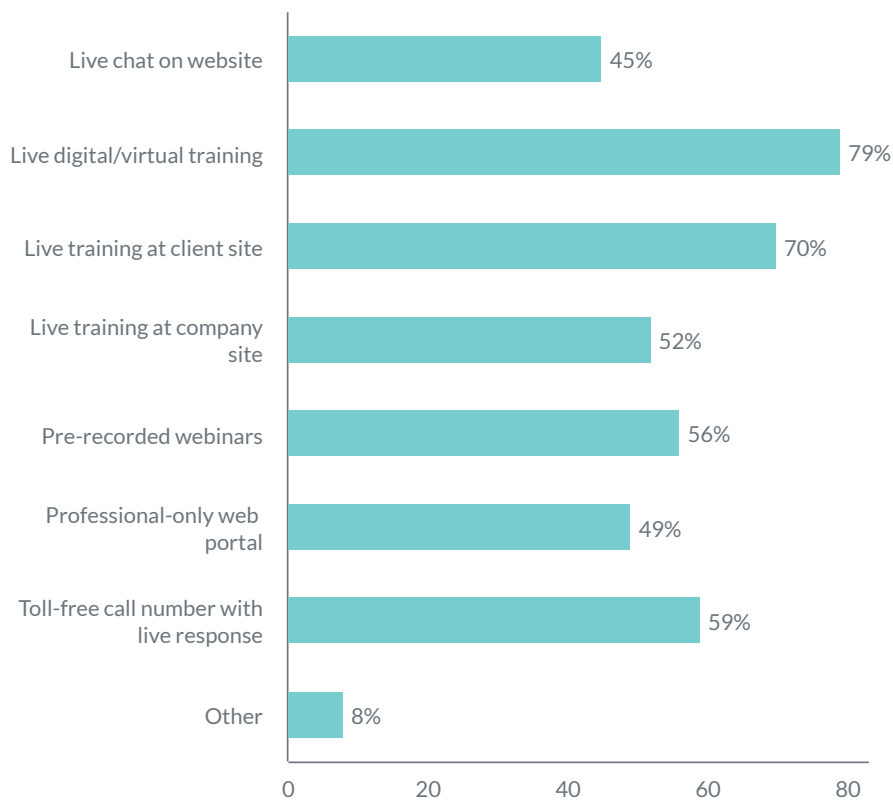
ACTIVITIES FOR NEW BUSINESS LEAD GENERATION

	1 EXTREMELY VALUABLE	2 VALUABLE	3 NEUTRAL	4 NOT VALUABLE	5 DO NOT USE
Conferences/Trade shows	33%	44%	15%	5%	3%
Digital advertising	42%	34%	18%	3%	4%
Facebook	19%	41%	28%	7%	5%
Instagram	25%	45%	21%	5%	3%
LinkedIn	11%	46%	38%	5%	0%
Print advertising	3%	27%	40%	20%	11%
Regional or local events	19%	48%	20%	8%	5%
Company Website/SEO	43%	45%	11%	1%	0%
Word of mouth from existing customers	79%	21%	0%	0%	0%



Which of the following types of training and/or customer service resources does your company currently offer to clients.

TRAINING/RESOURCES OFFERED TO CLIENTS



Agilysys...

—— **ResortSuite**