



SNAPSHOT SURVEY

RESULTS REPORT | **JULY 2022**

Quarterly Performance

QUARTERLY REPORT

The July 2022 ISPA Snapshot Survey asked respondents to share details about their spa or company's second quarter performance (April 1, 2022, through June 30, 2022) compared to the second quarter of 2021.

Because of high demand reported at spas since the lifting of operational restrictions put in place due to the pandemic, the figures for this survey reveal significant increases in revenues, profits and spa visits overall. The results reported in this quarterly performance survey further illustrate spas' continued recovery from the pandemic.

Nearly half of spas surveyed (44 percent) reported an increase in second quarter revenue of more than 20 percent, and 80 percent of all spas indicated at least some increase. Spa profits improved in a similar fashion, with 70 percent of respondents seeing a year-over-year increase in the second quarter. More than a quarter of spas (27 percent) saw profit increases of at least 20 percent. Encouragingly, spa visits continue to rise, with spas reporting an increase of 73 percent since the second quarter of 2021.

Hiring continues to be a top priority across the industry, with nearly three quarters of spas (74 percent) hiring a new employee in the second quarter of 2022 and 27 percent adding new positions to their workforce. One area of difficulty faced by spas dealt with employee turnover, as 59 percent of respondents experienced at least one employee departure. Respondents shared a variety of challenges they are facing when it comes to recruiting and retaining talent including the increased interest in flexible schedules, overall lack of qualified applicants and avoiding burnout among existing staff members.

Resource partners also experienced an exceptional quarter with the majority (84 percent) experiencing a gross revenue change during the second quarter of 2022 in comparison to the same period the previous year. Forty-one of resource partner respondents experienced a 15 percent or greater increase in new accounts and more than half (54 percent) experienced an increase in the number of repeat clients.

The results analysis of this survey includes answers from all 308 spa industry professionals who completed the July Snapshot Survey in a 10-day period from July 15, 2022, to July 25, 2022.

Sponsored by:

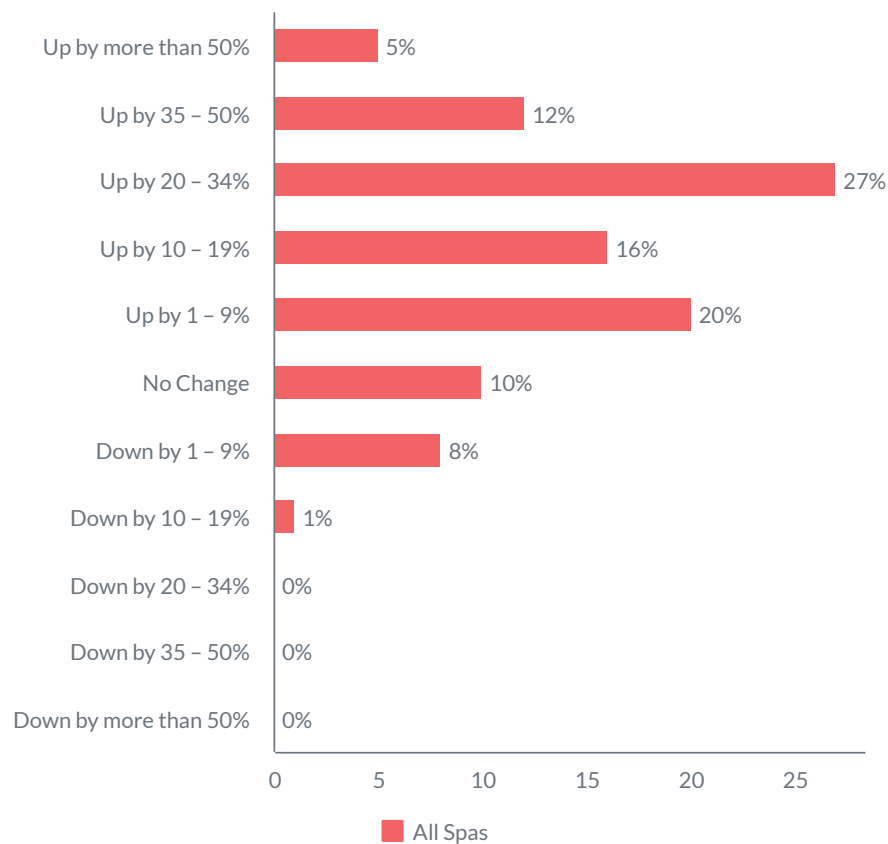
An advertisement banner for Agilysys. On the left, the Agilysys logo is displayed in white on a green background. To the right, the banner is split into two panels. The left panel, labeled 'Touch.', shows a person's face being touched by a hand. The right panel, labeled 'Touchless.', shows a hand using a handheld device. To the right of these panels, the text 'Delivering Experiences with the Right Touch' is written, followed by a green button with the text 'LEARN MORE' in white.

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What was your gross revenue change for the second quarter of 2022 compared to the second quarter of 2021?

GROSS REVENUE CHANGE



Gross Revenue Change | ALL SPAS

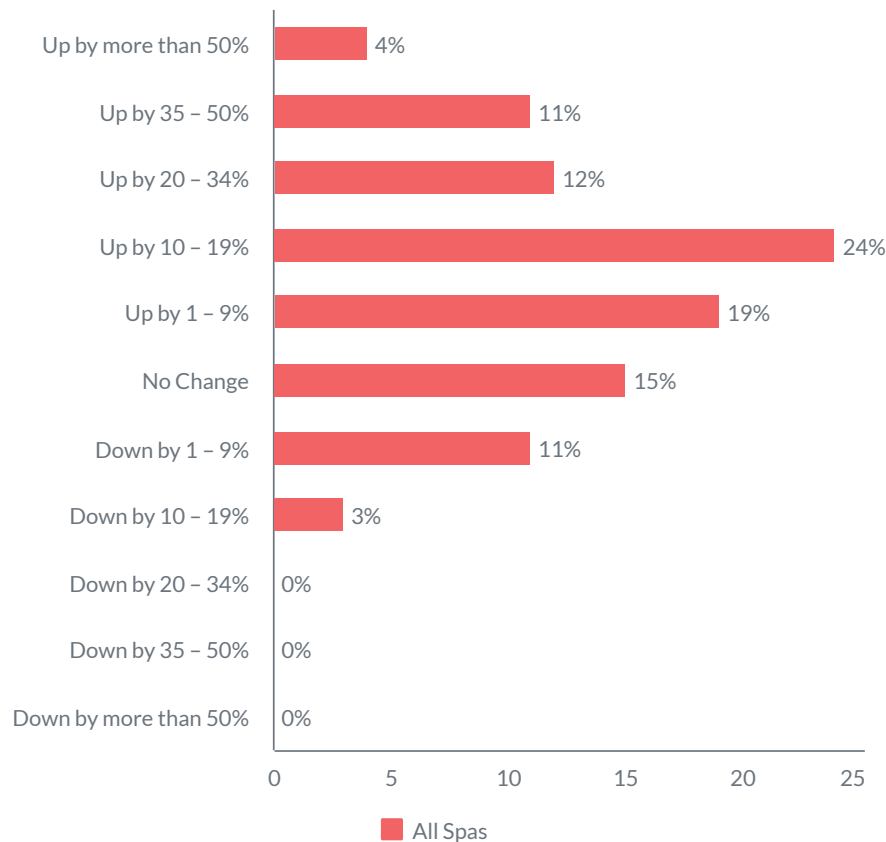
	2nd Qtr 2020	3rd Qtr 2020	4th Qtr 2020	1st Qtr 2021	2nd Qtr 2021	3rd Qtr 2021	4th Qtr 2021	1st Qtr 2022	2nd Qtr 2022
Up by more than 50%	N/A*	1%	0%	0%	53%	10%	20%	24%	5%
Up by 20-50%	N/A*	2%	13%	9%	22%	44%	30%	39%	39%
Up by 1-19%	N/A*	11%	6%	20%	9%	33%	27%	26%	36%
No change	N/A*	1%	0%	2%	4%	3%	4%	4%	10%
Down by 1-19%	N/A*	13%	12%	20%	2%	0%	2%	4%	9%
Down by 20-50%	N/A*	46%	43%	38%	6%	7%	6%	3%	0%
Down by more than 50%	N/A*	27%	26%	12%	2%	2%	0%	0%	0%

**Due to the COVID-19 pandemic a quarterly performance survey was not conducted in July 2020.*



What was your profit change for the second quarter of 2022 compared to the second quarter of 2021?

PROFIT CHANGE



Profit Change | ALL SPAS

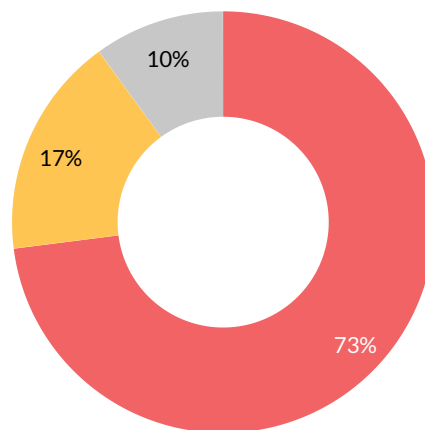
	2nd Qtr 2020	3rd Qtr 2020	4th Qtr 2020	1st Qtr 2021	2nd Qtr 2021	3rd Qtr 2021	4th Qtr 2021	1st Qtr 2022	2nd Qtr 2022
Up by more than 50%	N/A*	1%	2%	9%	42%	4%	19%	18%	4%
Up by 20-50%	N/A*	2%	8%	17%	22%	44%	34%	34%	23%
Up by 1-19%	N/A*	14%	19%	31%	20%	40%	28%	37%	43%
No change	N/A*	10%	2%	2%	7%	5%	8%	7%	15%
Down by 1-19%	N/A*	26%	25%	15%	2%	2%	7%	2%	14%
Down by 20-50%	N/A*	29%	21%	17%	2%	6%	4%	1%	0%
Down by more than 50%	N/A*	19%	24%	11%	4%	0%	0%	1%	0%

**Due to the COVID-19 pandemic a quarterly performance survey was not conducted in July 2020.*



How did your number of spa visits change for the second quarter of 2022 compared to the second quarter of 2021?

CHANGE IN SPA VISITS



■ Spa visits were up (73%)
 ■ Spa visits were down (17%)
 ■ No change (10%)

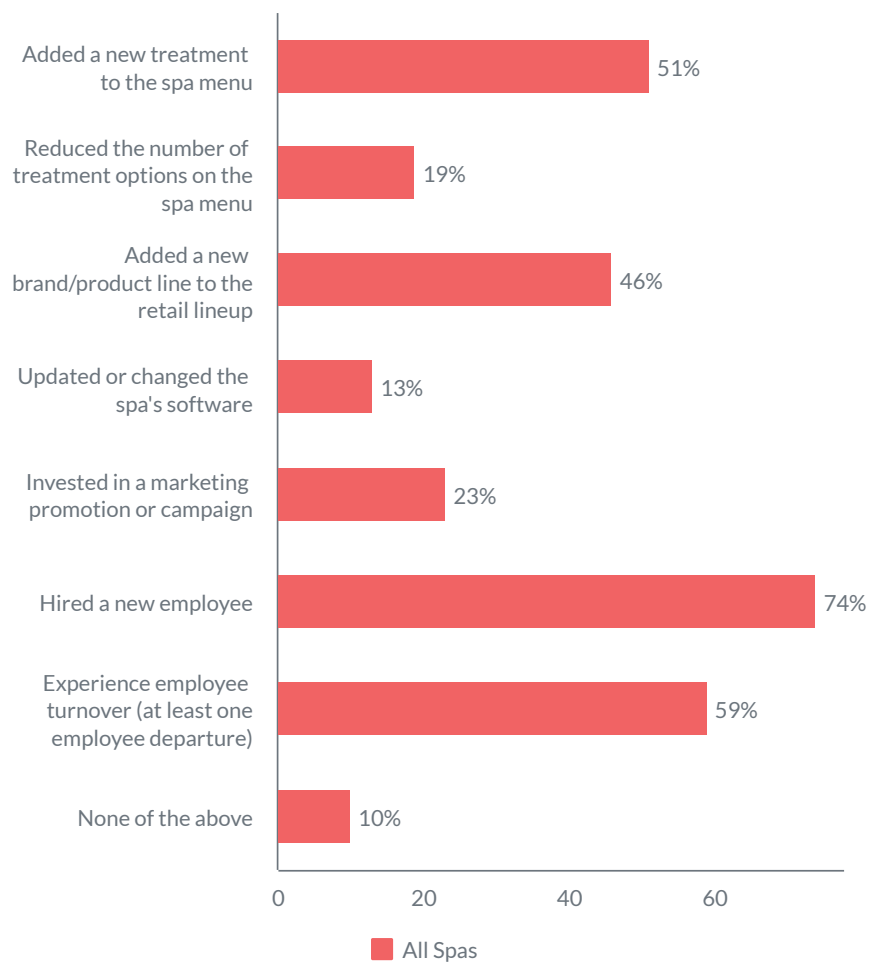
Change in Spa Visits | ALL SPAS

	2nd Qtr 2020	3rd Qtr 2020	4th Qtr 2020	1st Qtr 2021	2nd Qtr 2021	3rd Qtr 2021	4th Qtr 2021	1st Qtr 2022	2nd Qtr 2022
Spa visits were up	N/A*	12%	15%	27%	89%	92%	87%	92%	73%
Spa visits were down	N/A*	85%	81%	69%	9%	5%	9%	5%	17%
No change	N/A*	3%	4%	4%	2%	3%	4%	3%	10%

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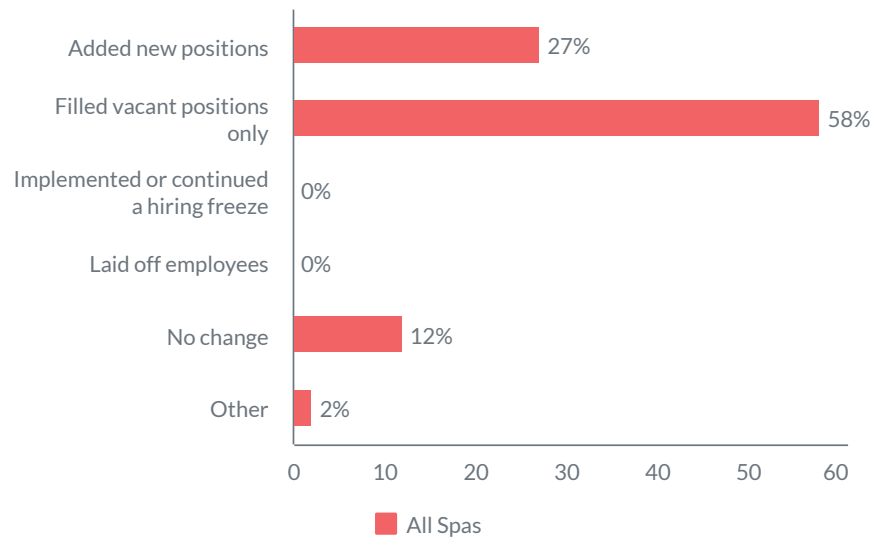
Which of the following, if any, did your spa do during the second quarter? Select all that apply.





Which of the following best describes your workforce changes for the second quarter of 2022?

WORKFORCE CHANGES



Workforce Changes | ALL SPAS

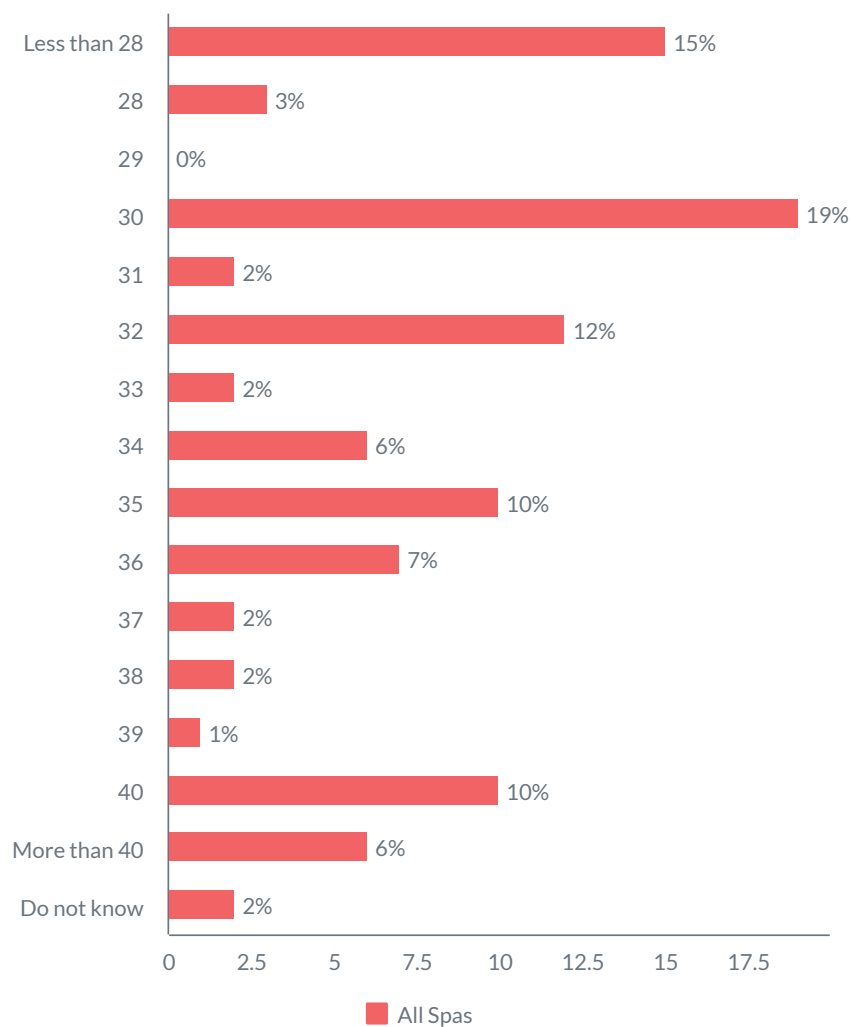
	2nd Qtr 2020	3rd Qtr 2020	4th Qtr 2020	1st Qtr 2021	2nd Qtr 2021	3rd Qtr 2021	4th Qtr 2021	1st Qtr 2022	2nd Qtr 2022
Added new positions	N/A*	11%	10%	13%	29%	39%	39%	39%	27%
Filled vacant positions only	N/A*	34%	32%	38%	40%	44%	33%	36%	58%
Implemented a hiring freeze	N/A*	13%	9%	6%	2%	0%	1%	1%	0%
Laid off employees	N/A*	19%	15%	7%	2%	0%	1%	0%	0%
No change	N/A*	12%	22%	23%	20%	14%	18%	17%	12%
Other	N/A*	12%	12%	13%	7%	3%	8%	6%	2%

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Please identify the average number of hours your spa's full-time massage therapists work within a one-week period.

AVERAGE FULL-TIME THERAPIST WORK HOURS DURING THE WEEK





What is your greatest challenge at this time when it comes to recruiting and/or retaining staff?

- Availability of like positions in market.
- Canada - Specifically hiring Registered Massage Therapists. We constantly compete with Clinics that are all over the city.
- Certain departments are the most challenging such as nails and massage.
- Compensation
- Continued turn over in all spa positions. Continue to be short staffed in all positions but management.
- Cost of living where we are, one massage school closed. We pay hourly/team based pay and some potential team members just want to work on call.
- Depends on the profession; massage, estheticians and Concierge, at least in our location, are fine. Cosmetologists (hair & nails) are always a challenge. Seems after COVID, fewer therapists want to actually 'work'. Prevalent attitude is to work as little as possible to get by.
- Everyone seems to be wanting a very flexible schedule, not full time, no weekends
- Finding a dual therapist with both licenses to work weekends when I am open
- Finding applicants with sufficient experience to fit our Five Star property.
- Finding candidates that are willing to work, that show up for Interview. I have noticed an increase of applications with No Shows for their Interview appointments or no return calls when we contact to schedule interviews. I believe this is due to the need for them to requalify for unemployment instead of truly interested in finding a job.
- Finding Competent professionals who actually want to work.
- Finding dedicated spa housekeeping attendant; finding female massage therapists; retaining front desk staff as their duties include locker and laundry responsibilities. We are planning to reintroduce a spa attendant position.
- Finding Experienced Massage Therapists
- Finding front desk positions and non-commission administration help.
- Finding it difficult to recruit enough staff for the front desk, not having issues with therapist that we did a year ago. Difficult to come back at \$20 an hour at McDonald's with our front desk bar concierge's that make 16.

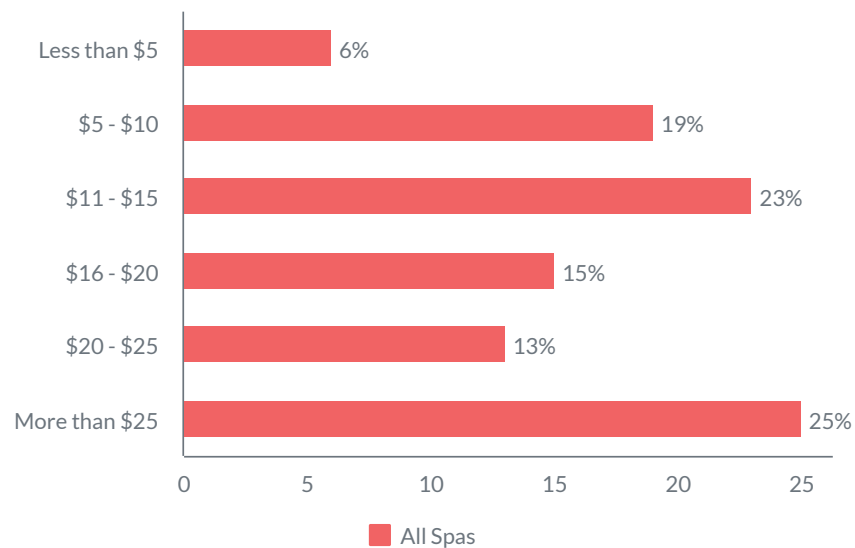
- Finding massage therapists (3)
- Finding qualified individuals
- Finding qualified people who want to work.
- Finding qualified profiles for our remote location (island resort)
- Finding qualified staff
- Finding qualified staff, while avoiding burnout with existing staff
- Finding qualified workers in all sectors, small town with lots of competition
- Finding sale driven staff
- Finding staff that is interested in working for someone else
- Finding that the majority of people job hunting aren't looking for fulltime work. 3-4 days is what they would like, which means we are having to hire double the amount of staff, which is tricky since there is a shortage. Retaining staff challenge is they are going other places for the difference of .25c and other places are just as in need as we are so they are getting really crafty in recruiting.
- Finding therapists
- Finding those that want to work and not call out.
- Finding viable candidates - pool is very shallow!
- Getting them to work a fixed schedule
- Hiring multiple licensed practitioners.
- Hotel/big property benefits are so much deeper than ours we cannot compete
- Housing, cost of living in this area.
- Just not enough applicants
- Lack of applicants.
- Last year, we were the only hotel spa that was open in our area, so business was brisk. Now with all other spas open, competition is affecting our bookings and keeping all therapists busy is challenging. Furthermore, we have a very new marketing department and their efforts and resources are focused elsewhere so we do not have an effective campaign for driving business and keeping our therapists occupied. No bookings = therapist turnover.
- Limited availability of applicants.

- Money
- No applicants coming in for MT's
- No new talent graduating from programs: massage, nails or esthetics
- No one seems to be moving around. No new staff to hire
- Not a lot of applicants
- Not enough staff in such an expensive cost of living and remote area.
- Noticed more staff no-call/no-showing for shifts resulting in termination. It's always been difficult to recruit massage therapists, which seems even more challenging now.
- Once you get them hired- they don't seem to really want to work.
- Our location is rather remote and housing options are limited.
- Our location is remote. Many home based businesses why supply low cost services
- Our massage providers are independents as they just make their own schedule, however they are often here as we are sending them clients during the week
- Quality, experience, passion, motivation, consistency, flexibility, adaptability
- Rotación
- School schedules; Many of our hourly employees are college students. During the summer they come back home and work for us and we have workers who leave us to go home for the summer. There is the usual Summer/Fall turnover for us.
- Seasonal work. They sometimes leave over the summer and find employment elsewhere that is year round.
- Staff is not as willing to be team players. Staff is more reactive to guest/one another.
- Supply of qualified candidates
- Therapists were looking for as many perks that they could get and a few left because we couldn't give them more pay or perks
- There is such a small pool of LMT's, and most of them drive from Reno (45-50 one way), and gas is \$6.95/gallon.
- We are a bit remote, so too long of a commute for people.



What was your spa's average retail revenue per treatment for the second quarter of 2022?

AVERAGE RETAIL REVENUE PER TREATMENT



Average Retail Revenue Per Treatment | ALL SPAS

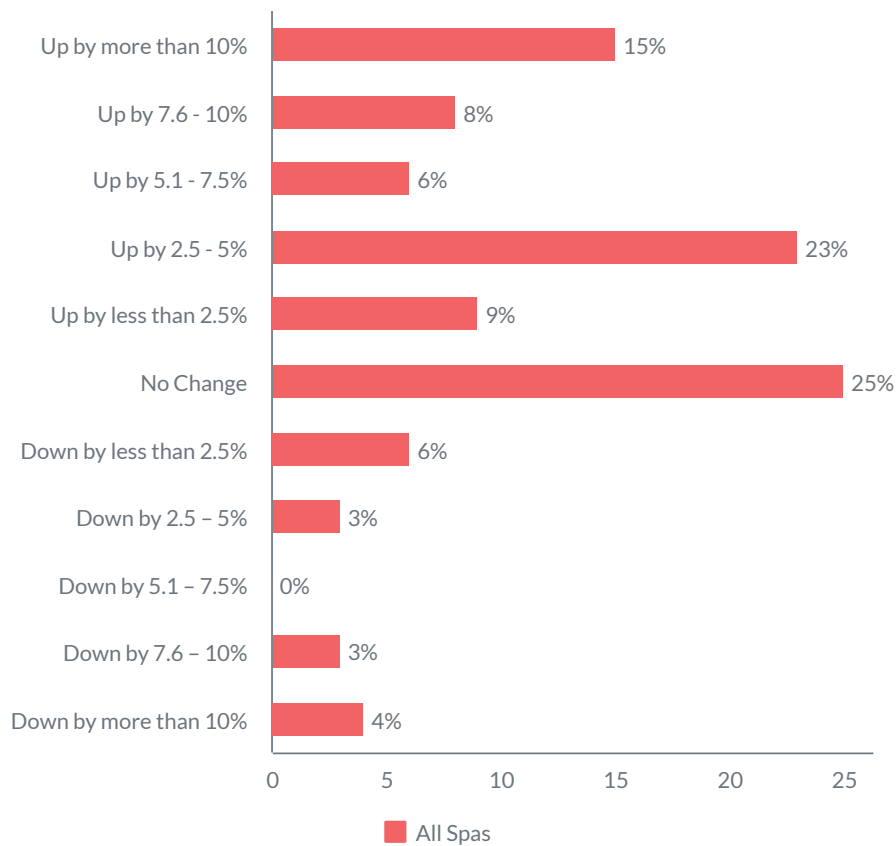
	2nd Qtr 2020	3rd Qtr 2020	4th Qtr 2020	1st Qtr 2021	2nd Qtr 2021	3rd Qtr 2021	4th Qtr 2021	1st Qtr 2022	2nd Qtr 2022
Less than \$5	N/A*	10%	13%	13%	15%	6%	9%	6%	6%
\$5 - \$10	N/A*	18%	15%	20%	18%	14%	19%	31%	19%
\$11 - \$15	N/A*	16%	23%	17%	15%	25%	20%	19%	23%
\$16 - \$20	N/A*	22%	16%	27%	26%	25%	26%	15%	15%
\$20 - 25	N/A*	23%	16%	5%	10%	18%	6%	7%	13%
More than \$25	N/A*	10%	16%	18%	15%	12%	21%	22%	25%

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What was your spa's change in retail revenue per treatment for the first quarter of 2022 compared to the first quarter of 2021?

CHANGE IN RETAIL REVENUE PER TREATMENT



Change in Retail Revenue Per Treatment | **ALL SPAS**

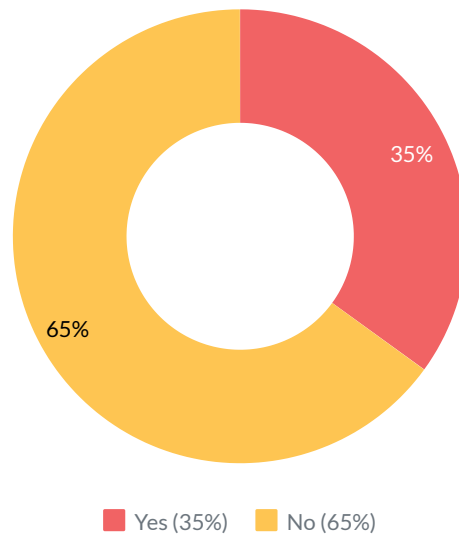
	2nd Qtr 2020	3rd Qtr 2020	4th Qtr 2020	1st Qtr 2021	2nd Qtr 2021	3rd Qtr 2021	4th Qtr 2021	1st Qtr 2022	2nd Qtr 2022
Up by more than 10%	N/A*	3%	8%	7%	36%	18%	24%	21%	15%
Up by 7.6 - 10%	N/A*	3%	3%	7%	5%	10%	3%	8%	8%
Up by 5.1 - 7.5%	N/A*	3%	3%	5%	10%	16%	16%	10%	6%
Up by 2.5 - 5%	N/A*	9%	3%	10%	13%	22%	17%	27%	23%
Up by less than 2.5%	N/A*	11%	8%	10%	18%	4%	13%	4%	9%
No Change	N/A*	18%	18%	15%	10%	20%	16%	18%	25%
Down by less than 2.5%	N/A*	7%	3%	12%	0%	4%	6%	6%	6%
Down by 2.5 - 5%	N/A*	7%	11%	15%	5%	4%	1%	0%	3%
Down by 5.1 - 7.5%	N/A*	8%	7%	3%	0%	0%	4%	1%	0%
Down by 7.6 - 10%	N/A*	8%	8%	3%	3%	4%	0%	0%	3%
Down by more than 10%	N/A*	21%	26%	13%	0%	0%	0%	4%	4%

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The following questions are provided by this month's Snapshot Survey sponsor.
Are you incorporating yield management practices at your spa (i.e. dynamic pricing, dynamic availability, etc.)?

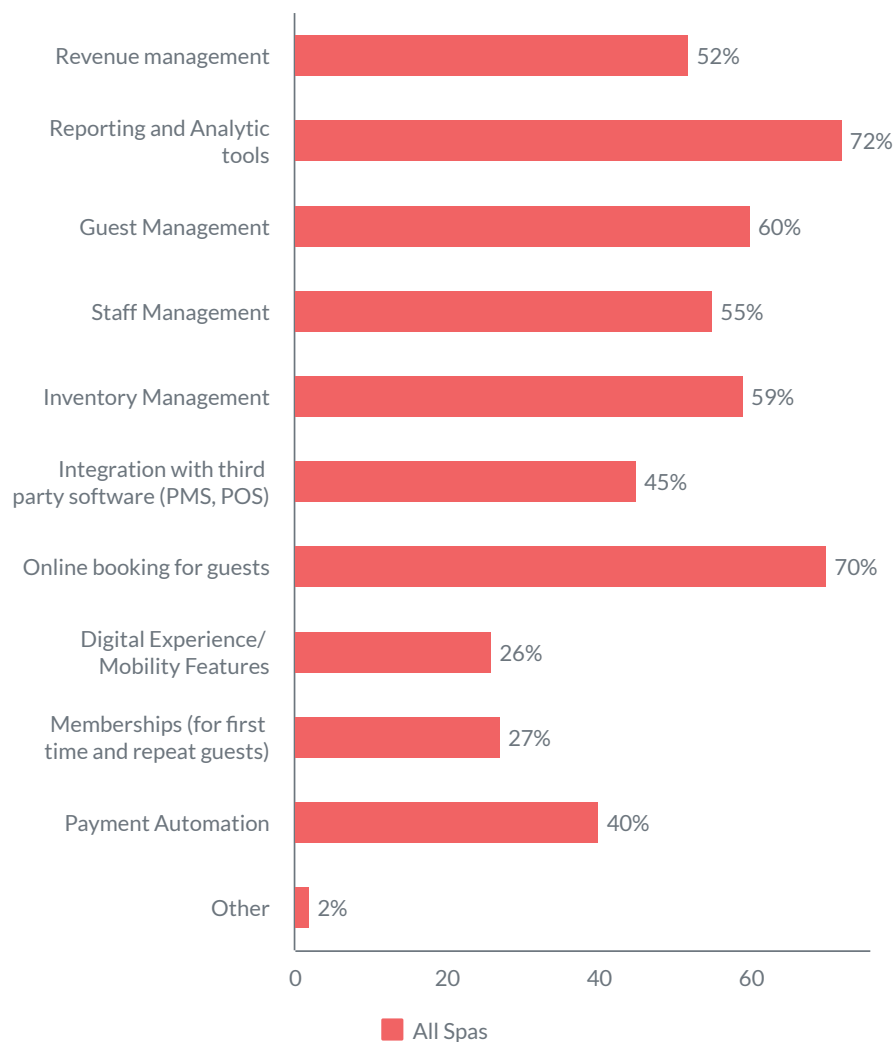
INCORPORATED YIELD MANAGEMENT PRACTICES AT SPA





What functionality is most important to you in your spa management software?

IMPORTANCE OF FUNCTIONALITY IN SPA MANAGEMENT SOFTWARE





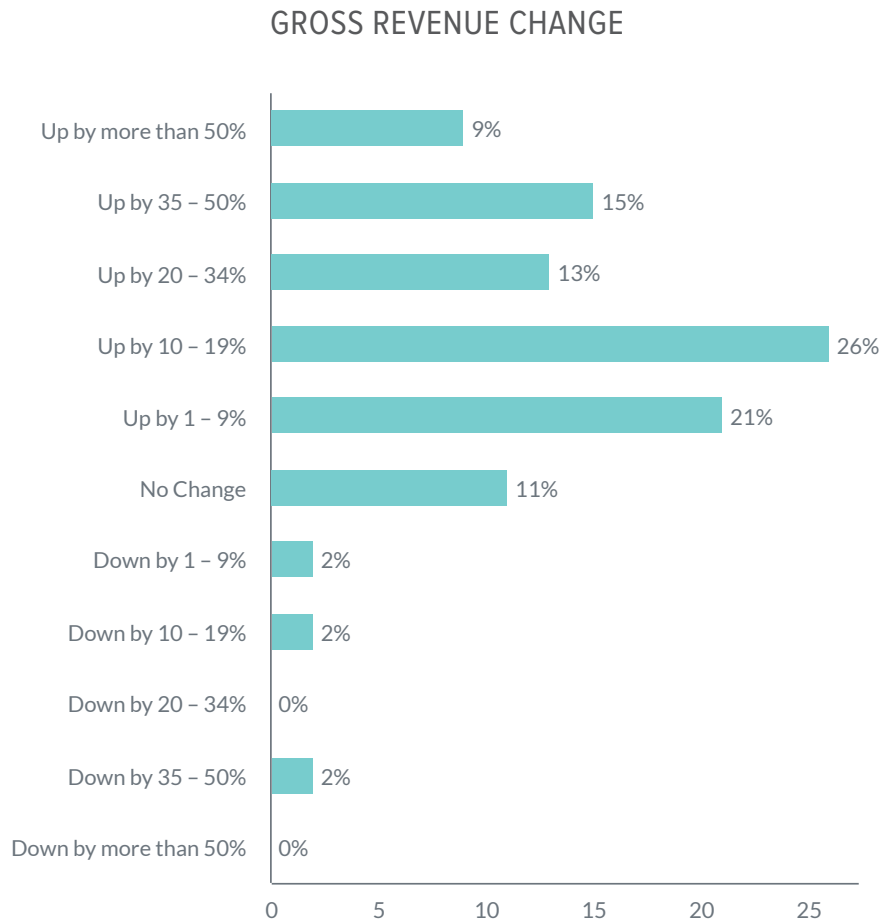
How has your spa management software helped you tackle recent challenges in the industry?

- Adequately.
- Agilysys is incredibly difficult to work with; late returned calls, lack of any urgency or customer service.
- Booker is a constant challenge for stability
- Booking online when we are closed
- Comparing growth and inventory management
- Currently, we are moving from Spa Soft to Book 4 Time.
- Current software is not user friendly and we are already planning on bringing in Book4Time in fall.
- It has confirmed what we believe and are experiencing. Having the actual numbers is very helpful.
- It has made me more efficient, and our desk team when scheduling. We are still learning all the capabilities, but it has been great so far.
- Made is super user friendly.
- Marketing emails and some operational updates but not much else. They are terrible. Booker.
- N/A
- N/A our system/version does not support some of the initiatives that we would like to tackle.
- No
- No software
- Online booking and sending out marketing campaigns has made it easier for us to take in new appointments.
- On line booking has been helpful to take some pressure off the front desk call load.
- Restored online booking, adapted online services.
- Software that is user friendly and easy to learn given the increase in turnover. Allowing guests to book online helps with the volume of incoming calls.

- Spa management software does the best job possible BUT is still overall cumbersome, too detailed and non-user friendly. Compare a purchase transaction on Amazon versus booking a spa appointment. I rest my case.
- Tracking, reporting, comparisons
- We are able to run reports to show number of new clients, Membership visits, most popular services and what top 10 retail sales are to help in guiding future Service Menu selection and upcoming promotions.
- We are in the process of changing
- We have booker.
- We opened with Book 4 Time last year at the end of June, this system is so easy to use and reporting is the best I ever had !
- Yes, but we are hesitant to the upgrade
- Yes, it has been very satisfactory
- Yielding, promotional pricing,
- Yield Management - we transitioned away from Weekday/Weekend pricing and move to a "Starting at" price. This allows us to spike pricing in extreme high demand - i.e. Valentine's Day Weekend, Mother's Day Weekend, December. With only 6 treatment rooms, when I have demand in my favor, I know some guests will pay whatever I price. For the guests not willing to pay that price, we offer a day in the future (usually weekdays) where the "starting at" price is available. The most I've been able to get away with was \$50 above the starting at pricing for Valentine's Day Weekend.
- Yield Management of services on specific dates



What was your gross revenue change for the second quarter of 2022 compared to the second quarter of 2021?



Gross Revenue Change | RESOURCE PARTNERS

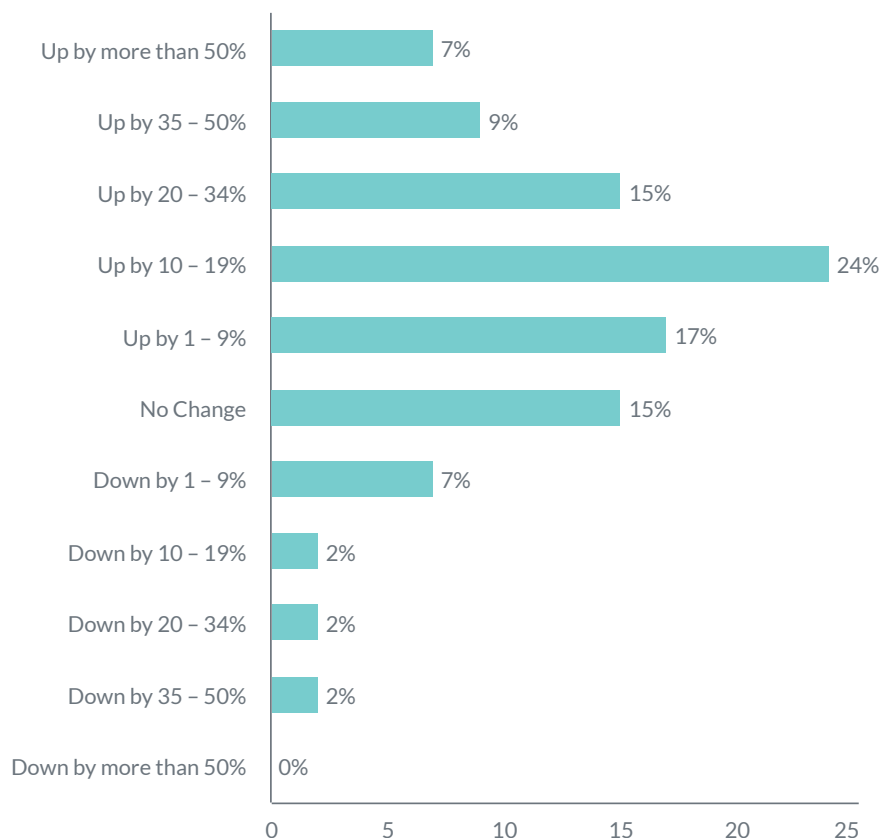
	2nd Qtr 2020	3rd Qtr 2020	4th Qtr 2020	1st Qtr 2021	2nd Qtr 2021	3rd Qtr 2021	4th Qtr 2021	1st Qtr 2022	2nd Qtr 2022
Up by more than 50%	N/A*	0%	8%	5%	8%	20%	8%	8%	9%
Up by 20-50%	N/A*	7%	14%	22%	38%	33%	33%	32%	28%
Up by 1-19%	N/A*	6%	17%	22%	24%	35%	38%	42%	47%
No change	N/A*	10%	11%	5%	4%	8%	15%	10%	11%
Down by 1-19%	N/A*	17%	25%	19%	20%	5%	5%	6%	4%
Down by 20-50%	N/A*	20%	14%	22%	8%	0%	0%	2%	2%
Down by more than 50%	N/A*	40%	14%	5%	0%	0%	3%	0%	0%

**Due to the COVID-19 pandemic a quarterly performance survey was not conducted in July 2020.*



What was your profit change for the second quarter of 2022 compared to the second quarter of 2021?

PROFIT CHANGE



Profit Change | RESOURCE PARTNERS

	2nd Qtr 2020	3rd Qtr 2020	4th Qtr 2020	1st Qtr 2021	2nd Qtr 2021	3rd Qtr 2021	4th Qtr 2021	1st Qtr 2022	2nd Qtr 2022
Up by more than 50%	N/A*	0%	3%	3%	8%	18%	5%	2%	7%
Up by 20-50%	N/A*	3%	0%	28%	19%	18%	22%	26%	24%
Up by 1-19%	N/A*	10%	39%	23%	34%	39%	38%	31%	41%
No change	N/A*	10%	9%	9%	23%	18%	22%	15%	15%
Down by 1-19%	N/A*	17%	15%	15%	16%	3%	11%	11%	9%
Down by 20-50%	N/A*	20%	24%	17%	0%	3%	0%	2%	4%
Down by more than 50%	N/A*	38%	12%	6%	0%	0%	3%	2%	0%

**Due to the COVID-19 pandemic a quarterly performance survey was not conducted in July 2020.*



NEW Product Launches

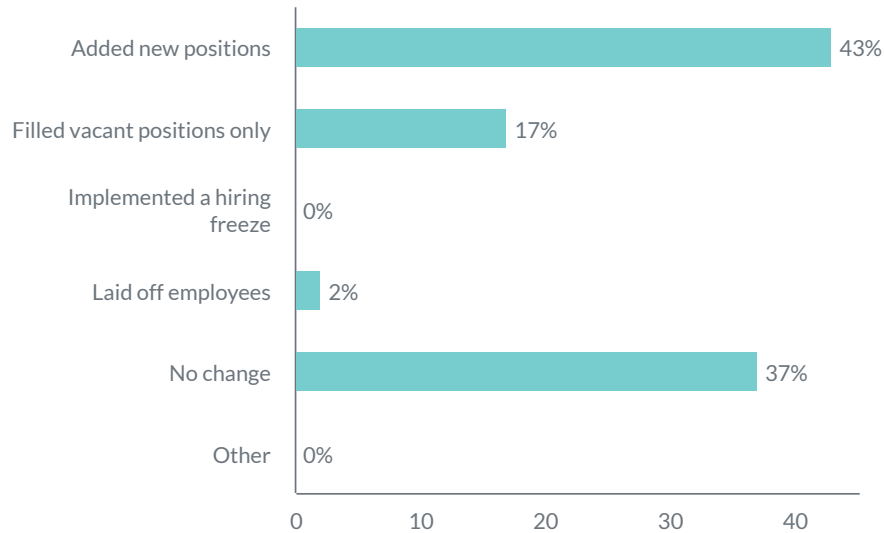
The following resource partners shared some exciting new second quarter product launches to explore:

- AllWell Beauty - We changed our size offering in our cult favorite Botanical Radiance Face + Body Mask. We also launched a new Botanical Hydrating Moisturizer.
- Blue Planet Eco-Eyewear
- Book4Time launched a new enhanced membership module with our newest Gantner Access Control interface. First in the industry!
- Dazzle Dry launched its Pop and Perspective Lacquer Collection.
- Expanded sport line and sports sponsorships. Splish Naturals
- Linder Health Peels and Back Bar Products
- New financial wellness as an employee benefit MONEY Pro by Qnity
- OSEA launched Ocean Eyes / Age Defying Eye Serum
- Tara Spa Therapy launched 8 new Grab N Go Wellness Ritual Kits. DIY kits to create your own self care ritual with travel-friendly sized organic products. comes in a natural fiber, zippered carry pouch. Choose from Balance, Renew, Calm, Recovery, Detox, Love, Rest, Immune Support.



Which of the following best describes your workforce changes for the second quarter of 2022?

WORKFORCE CHANGES



Workforce Changes | RESOURCE PARTNERS

	2nd Qtr 2020	3rd Qtr 2020	4th Qtr 2020	1st Qtr 2021	2nd Qtr 2021	3rd Qtr 2021	4th Qtr 2021	1st Qtr 2022	2nd Qtr 2022
Added new positions	N/A*	32%	27%	44%	36%	50%	40%	43%	43%
Filled vacant positions only	N/A*	3%	11%	8%	24%	13%	15%	21%	17%
Implemented a hiring freeze	N/A*	10%	16%	8%	4%	0%	0%	0%	0%
Laid off employees	N/A*	13%	5%	11%	0%	0%	3%	0%	2%
No change	N/A*	42%	41%	28%	36%	38%	40%	34%	37%
Other	N/A*	0%	0%	0%	0%	0%	3%	2%	0%

**Due to the COVID-19 pandemic a quarterly performance survey was not conducted in April or July 2020.*



What percent increase or decrease did you see in your number of new accounts, repeat clients, account closures and international accounts for the second quarter of 2022 compared to the second quarter of 2021?

CHANGE IN ACCOUNTS

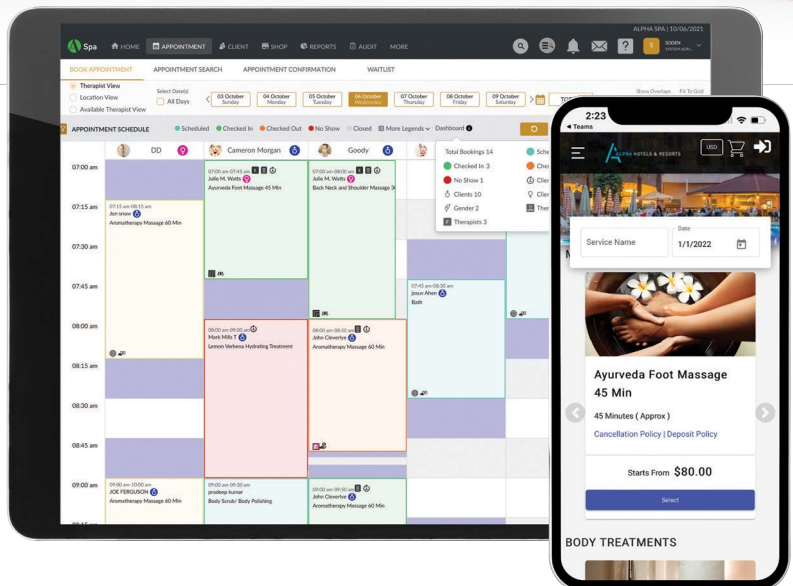
	UP MORE THAN 15%	UP 1 - 15%	NO CHANGE	DOWN 1 - 15%	DOWN MORE THAN 15%
NUMBER OF NEW ACCOUNTS	41%	41%	13%	2%	2%
NUMBER OF REPEAT CLIENTS	20%	34%	41%	5%	0%
NUMBER OF ACCOUNT CLOSURES	7%	7%	71%	15%	0%
NUMBER OF INTERNATIONAL ACCOUNTS	12%	22%	63%	0%	2%

This Moment of Zen Brought to You by Agilysys



Activate ROE Advantage for peace of mind

Rely on a single solution to manage all your spa operations, from scheduling services to managing staff. With modern Agilysys Spa & rGuest Book, you'll have higher Return on Experience (ROE), delivering happier guests and healthier margins.



Learn More About
Agilysys Solutions for Spas

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high return hospitality

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