



SNAPSHOT
SURVEY

RETAIL

RESULTS REPORT | **MARCH 2024**

EXECUTIVE SUMMARY

The March 2024 ISPA Snapshot Survey asked respondents to share details about their retail sales effort. The survey response highlights the percentage of spas' total revenue derived from retail sales, average sales to service ratio, incentives spas use to increase retail product sales, retail promotions and much more.

Retail has recently been a popular topic among members, with professionals looking for proven methods on how to move products off the shelves, number of products to carry, creative retail displays, innovative sale ideas and tactics for increasing retail sales. Nearly half (48 percent) of respondents noted 10 percent or more of their total revenue in 2023 was derived from retail sales. A total of 95 percent of respondents said their front desk staff/spa concierge were responsible for closing those retail sales.

When it comes to evaluating the retail sales to service ratio, there were noticeable differences between service types with facial being the most likely to generate retail sales. The most popular incentive to increase retail product sales indicated was offering a free gift with purchase (68 percent), followed closely by free product samples with a service (67 percent).

In an effort to keep retail space fresh, a total of 68 percent of spa respondents plan to introduce one to three new product lines/brands in 2024. Approximately one-third of respondents partner with 11 to 15 vendors within their retail area. Regarding retail promotion, 40 percent of spas introduce a new promotion quarterly.

Turning to resource partners, 63 percent of respondents provide virtual live training sessions to educate spa partners' team members about their company's brand and products. When it comes to placing an order, email is the most popular method (46 percent). Sixty-two percent of respondents sell at least a selection of their product offerings directly to consumers through a third-party retailers.

Spa respondents also shared success stories showing effective strategies for moving products off the shelves that haven't been selling. Resource partner respondents shared valuable tips on launching brand new product lines—a must-read for ISPA vendors looking for fresh ideas in 2024.

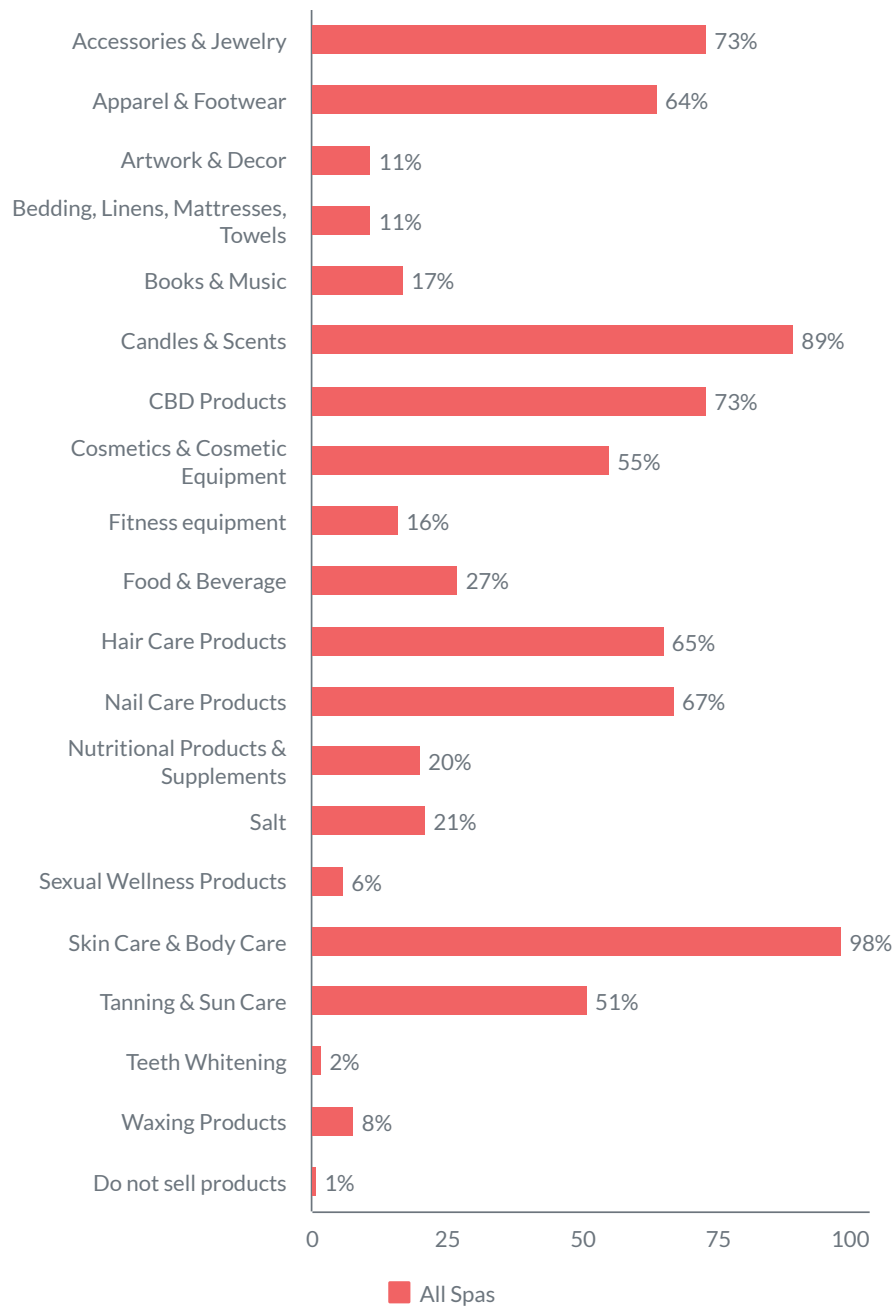
The March 2024 Snapshot Survey collected 355 survey responses from ISPA spa and resource partner members from March 15-25, 2024.

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Which of the following product categories does your company currently sell within its retail space?

CURRENT RETAIL PRODUCT CATEGORIES





Please identify any specific products or retail offerings/packages that have been popular with your spa guests in 2024 and any new products added due to demand.

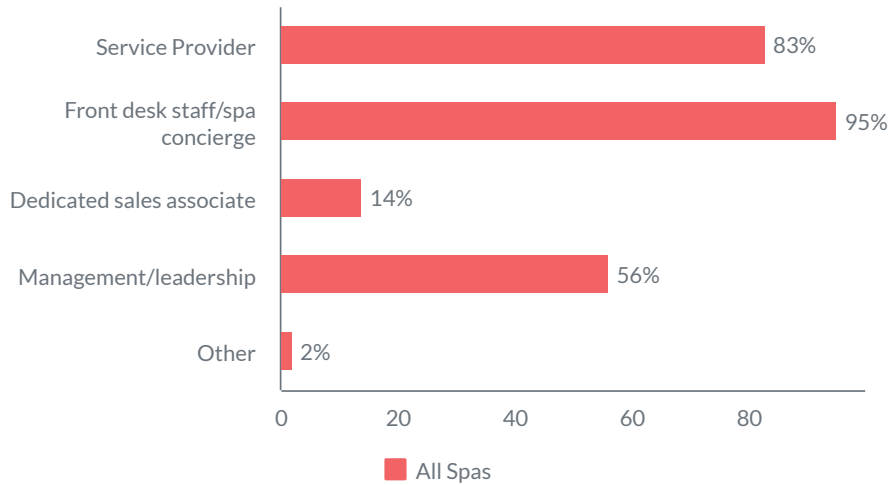
- ‘European Spa Source’ shower mists are our most sold item.
- Any kind of chocolate, jewelry, reed diffusers, masks, body products and facial skincare
- Apparel and accessories due to being by pool
- Apparel and sunglasses, jewelry, shower mist
- Bamford products- Vertly CBD bath salts- Knesko face masks
- Bath salts
- Bathorium and Latika Bath products were added after 2023 ISPA and did very well.
- Candles and diffusers are a staple!
- Candles and skin care are most popular along with jewelry.
- CBD has been huge. And skincare, as always.
- CBD pain cream, intention candles, spa candle, beauty products, hair products
- Co2Lift Face and Vagina
- Cross body bags that carry a water bottle. Hat, sunglasses for pool lounging.
- Eminence - keeps selling so well we keep expanding what we carry.
- Eminence , Knesko , Beyond Yoga
- Eminence skin care ALWAYS, finipil for after wax care, made in house synergy’s for wellness care, CBD pain cream for muscle aches, pain, and spasms
- Eminence, Tara, Kypris, Priori, H.I.M.istry.
- Eucalyptus Shower Sprays
- Facial skincare is most popular followed by lifestyle clothing.
- Farmhouse Fresh, causemedic, Circadia
- Grab and go small gifts to go with gift card purchases, such as Patchology items
- GWP and Impulse Spa Gifts, Skincare and body care from spa services,
- Hair Accessories, Gift type items (ex: Pure Fiji Spa Boxes), Blankets, LED Masks, travel products
- Hats are by far are best selling items
- High quality sunscreens, clean formulations, facial oils, retinols, calming products, locally sourced candles.
- Himalayan salt products
- Island essence body care products
- Jewelry and locally made soap/body care products have been popular
- Jewelry, apparel, skincare, resort items
- Lola’s, Glycelene, Biologique Recherche, Dennis Gross, Vuori
- Muscle Therapy Lotion, AA Breathe essential oil, Arnica Cream, Miracle Lips, Pedi files, house branded signature products - massage oils,
- Native collagen, bota Peptides and lifting creams by GM Collin
- Our highest selling retail product is the IS Clinical Skin Care line.
- Our many types of Candles, 111 Skin, Bio-Effect, and Phytomer

- Our members have enjoyed our Spartina collections, Aluminate candle collection and OM 4 Men collections.
- Our most popular items are our candles and the eucalyptus shower sprays.
- Our Signature Bath Amenities - “Heavenly Bliss” - Shampoo, Conditioner, Body Wash, Lotion, Hand Soap, and Candle
- Product with treatment/specials
- Roam Homegrown Candles made here in Austin, TX, [comfort zone] and / skin regimen / skin care products.
- Robes.
- Skincare is always a popular purchase and we have found that many guests are looking for smaller items that can be used as gifts or just “treats” for themselves.
- Skincare is number one. Followed by jewelry, room/shower mists and logo robes.
- Specialty gift items with high end packaging, new skin care lines with new technology, take home aromatherapy.
- Swimsuits, skincare
- The patterns are predictably consistent so it’s a matter of always finding some new items that complement.
- Theraface and therabody, nuface, Glass House products, Aluminate life products, Face Plant bamboo clothing
- Top-selling products include Ritz-Carlton logo attire, Ritz-Carlton candles, Antara Relief Balm, nuface Trinity. Top-selling skincare line is skinceuticals. New additions for 2023 included Supergoop suncare line and evolvetogether for their zero-waste packaging and award-winning hand creams.
- We are a branded spa so our branding clothing does really well and caps, guest like to buy souvenirs to bring them home.
- We do very well with WAC branded apparel from lululemon, luggage tags, silk eye masks, robes and candles. One of our more popular items is our Sense self-care boxes, it has a candle, tea and bespoke bath ritual with a QR code to a sound bath or guided meditation and they are hand made by one of our Estheticians.
- We have added books as well as more spa(bath) products to our lineup
- We have been very successful in offer up grades in massage and facial that turn into retail sales of product used in the upgrades. Exp Kesko face mask is \$50 add on to treatment and retail box of mask \$125.
- We pair a retail product with our seasonal services. Our retail primarily focuses on skincare and body products, along with lifestyle items.
- We started our own skincare brand which is a great addition to our body care line
- Zents Bespoke
- Zents brand products, Clevr nutritional drinks, and Waterdrop vitamin water tablets.



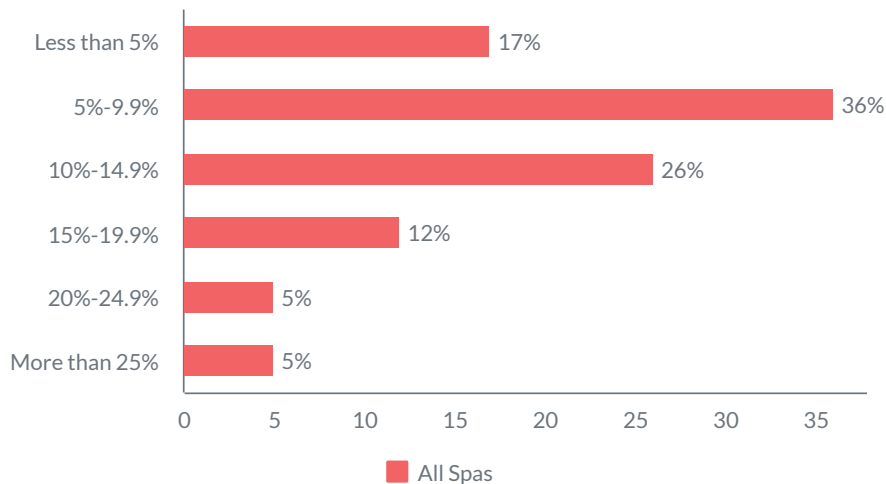
Which of the following team members does your spa utilize to conduct/close retail sales?

TEAM MEMBERS UTILIZED FOR RETAIL SALES



In 2023, what percentage of your spas' total revenue was derived from retail sales?

PERCENTAGE OF REVENUE DERIVED FROM RETAIL SALES





What is your spa's average retail sales to service ratio for the following treatment areas?

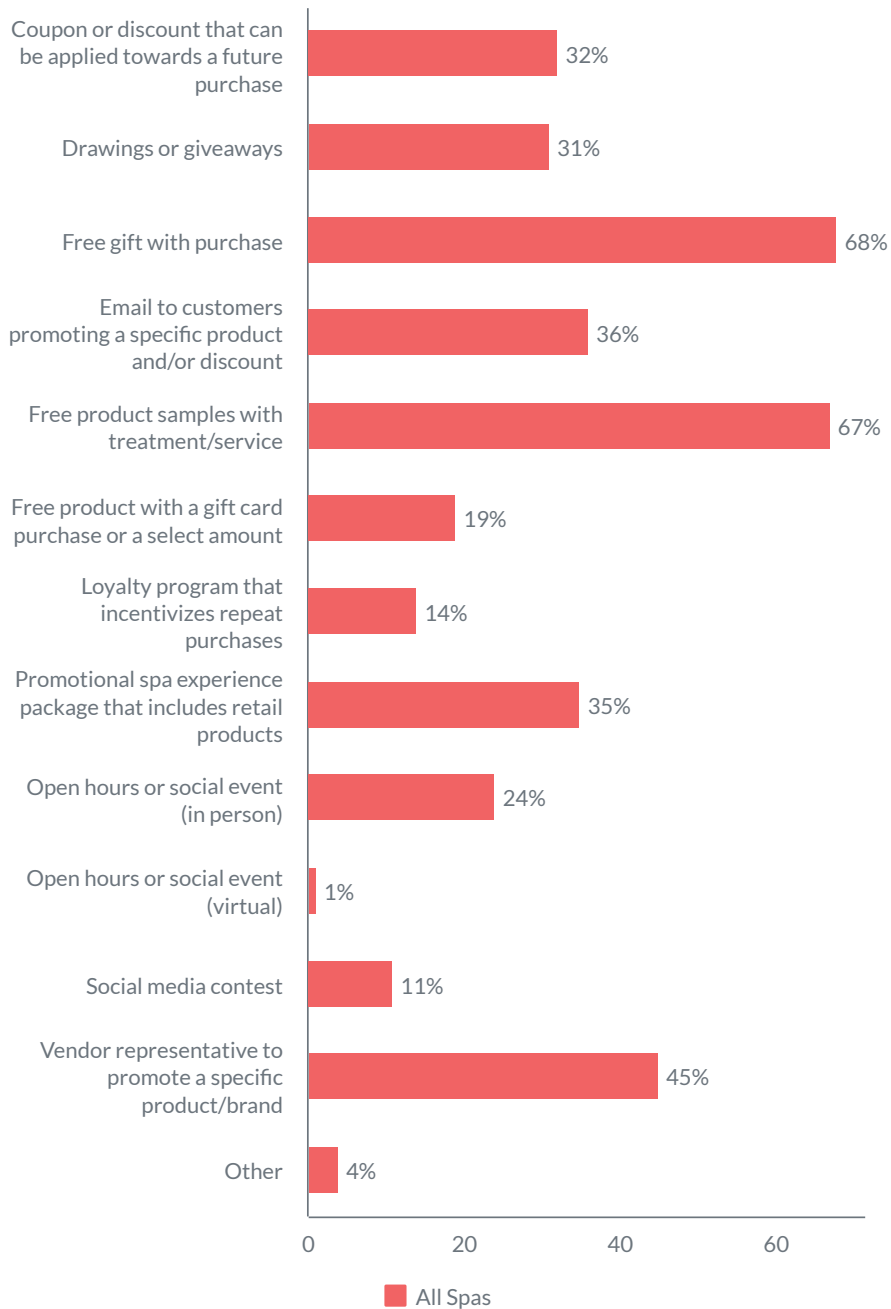
SALES TO SERVICE RATIO

	0-10%	11-20%	21-30%	31-40%	41-50%	>50%
Massage	75%	8%	5%	2%	1%	10%
Facials	18%	44%	20%	6%	4%	9%
Nail Services	86%	10%	4%	0%	0%	0%



Which of the following incentives has your spa used in 2024 to increase retail product sales?

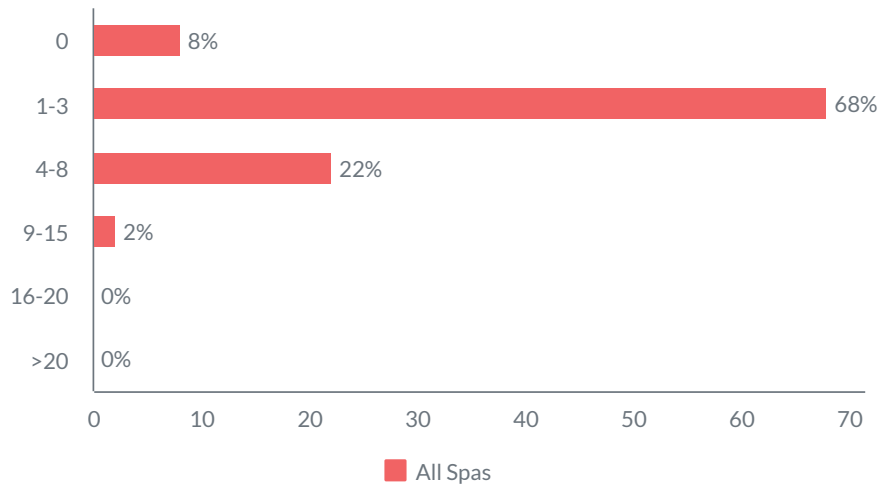
INCENTIVES USED TO INCREASE RETAIL SALES





Approximately how many total NEW product lines/brands will your spa introduce in 2024?

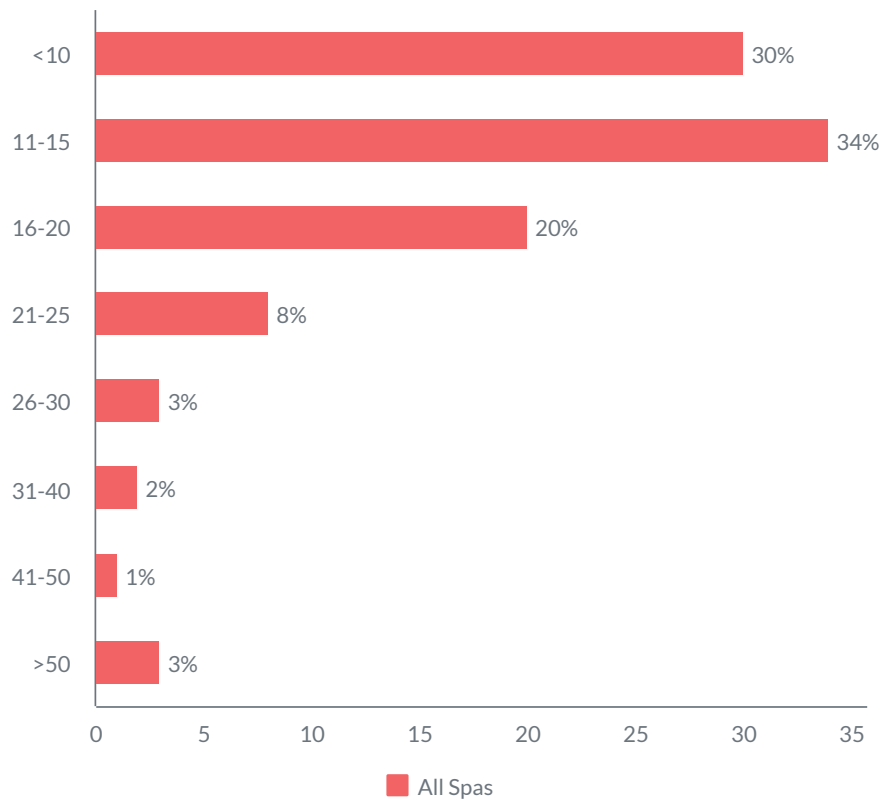
NUMBER OF NEW PRODUCT LINES/BRANDS FOR 2024





How many total vendors does your spa purchase products from for its retail area?

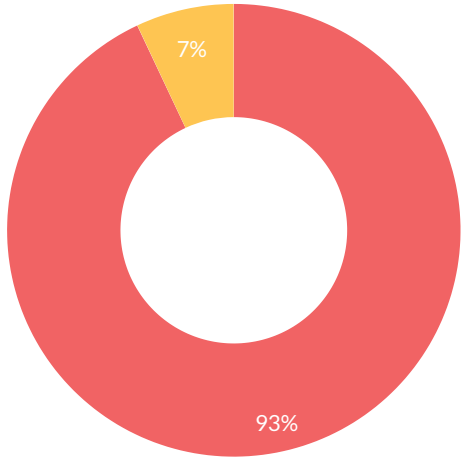
NUMBER OF VENDORS FOR RETAIL AREA





Does your spa train therapists to provide guests with a list of product recommendations at the end of their service?

THERAPISTS PROVIDE PRODUCT RECOMMENDATIONS

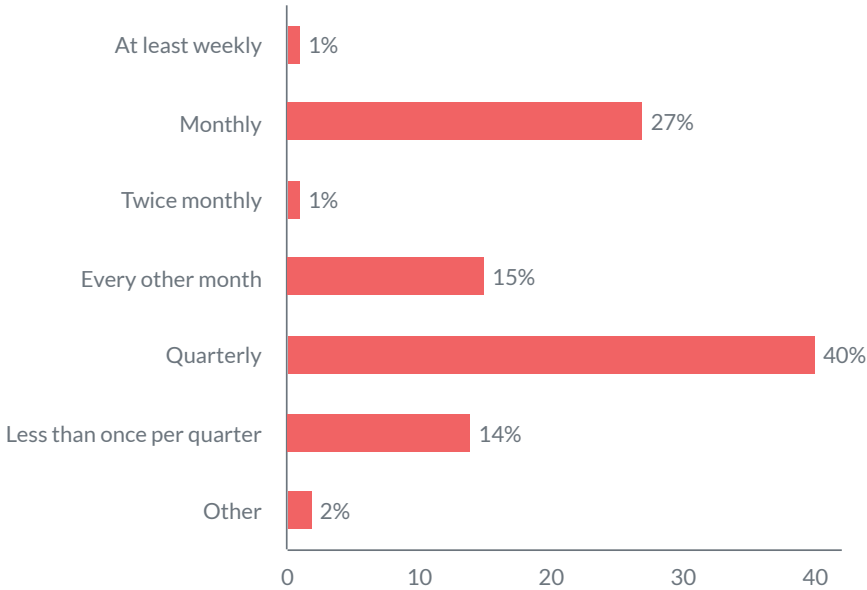


Yes (93%) No (7%)



Which of the following best describes how often your spa introduces a new retail promotion?

FREQUENCY OF NEW RETAIL PROMOTIONS



All Spas



Please describe a successful strategy your spa has used to help move stale products off the shelves that haven't been selling.

- “Bon voyage” sale 30%-40% off
- “FLASH SALE” 50-70% OFF
- Additional training and incentive for the provider
- At our Club we hold a “jingle & mingle” spa shopping event - members shop and then draw their discount at the counter when they checkout. It ranges from (1) 100% off, (1) 70% off, (1) 50% off, then the rest are anywhere between 15% - 25% off. Members went wild for this event. We moved a lot of dead inventory and made \$20,000 in a day.
- BOGO FREE
- BOGO! Buy one/get one at 50%
- Buy 2 get 1 free, when it is similar items such as candles.
- Deeper discounts and gift with service built into pricing as a discount.
- Depends on retail demands
- Discounts with less popular items. Used for gifts for contests, special small group spa events etc.
- End of Season Sales
- Gift with Service, Gift with Purchase, deep discount.
- I have a “Last Call” sale area. It works well and moves product and clothing when needed.
- If products sit on the shelves for a while, we run a promo with them or do a discount- try to stick to BOGO % off so it at least encourages people to get more items.
- If the above does not work another thing that has worked for us it to hold an employee sale for our property. We invite all departments for a special Employee Sale where we discount specific products we want to get rid of, or items we will or have discontinued.
- If the slow product is relevant, we engage our sales rep for training. If the product can be used in a treatment, we will then create a seasonal treatment utilizing the products to bring life back to them. Staff tend to get stuck in their same circle of products so hosting product education every other month keeps them engaged.
- Include them in services.
- It's also important to try to put on sale before they are viewed as stale.
- Last chance (not sale rack). Last of its item, size, kind to move product without discounting.
- Masques are slow selling so for March we are doing a buy a masque get an entry to our raffle giveaway that we will pull at the end of the month and it seems to be working perfectly!
- Monthly promotion
- More training. Contests with providers. Put on percentage off promo.
- One successful strategy is “power pairs” where we would pair a top selling item with a product that has excess inventory or low sales. These power pairs would offer a small discount. This strategy helps introduce products that are great but have low sales and tie them to top selling items. The key is pairing products that are results driven as a pair.
- Our hotel does “Surprise and Delight” amenities for our guests and encourage the giver to put together options using the dead stock.

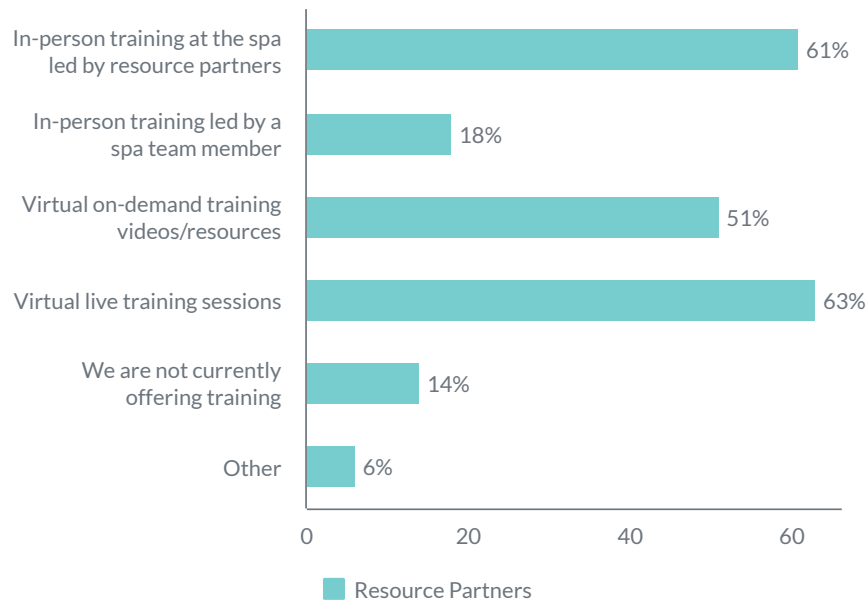
- Our therapists are the principal connection with the guest to make the sale,
- Pair off with seasonal treatment special - book our seasonal facial and get 30% off product line associated with the “seasonal” treatment.
- Placement in store
- Promote at an event with vendor support, include as a gift with service purchase.
- Purchase 2 or more products receive a complimentary gift, special savings promotions with treatments, membership program includes discounts on products in our spa boutique, as well as a free gift when joining.
- Sales, focused product displays
- Sending blast messages on the app and also during making appointments all guests are told of the specials.
- Social media promotions and shelf talkers
- Some items that are seasonable, but not trendy and not at risk of expiring, we put away for the next season.
- Team incentives
- We create a “product of the week” and highlight products that are not selling as rapidly as we would like. The product of the week is framed at the counter for guests to see and all team members are encouraged to share the product benefits with guests. We offer a discount on this product as well.
- We do a discount on old products, but if we have a line that is slow, but we believe in the line, we will usually try to add a product knowledge training and run a product with service promo.
- We don’t promote stale products we write them off. We would monitor our products expiration date and would do a promotion that includes a free gift to move them before they expire.
- We have been implementing gift with purchase for promotional treatments that include retail that has been sitting for a while. It’s a win, win, we still get a sale since the cost gets hidden in the promo treatment price and the guest has a product to take home.
- We have discount section of varying range to move stale product out. We have a new seasonal sign printed to promote - place at the back section of boutique.
- We have one shelf featuring products being offered for 40% off. Sometimes we will display these products at the spa reception desk for higher visibility. If a product really isn’t moving, we will MOS and give away as a freebie or prize at a department meeting. More important to create space for items that sell than to allow a stale product to occupy valuable space for too long.
- We move the products front and center and incentivize our team to sell them
- We offer a discount on certain retail items for day of service.
- We usually offer a discount for products we would like to move, but we may also start offering a discount for the more products that a guest purchases.
- We will be offering a gift with service for Mother’s Day.
- We will do a qtr. Employee sale offer to all hotel employees when we have product that does not move or has been sitting too long. We sell at below cost. Also, any retail product not sold that can be used in back bar. Last, we use for staff incentives.

- We would promote a sale, held on specific dates. This would get guests motivated to come in on select dates to purchase the products at a reduced rate.
- We've offered grab and go promotions or free gift with services that we may be removing from the menu or updating.
- When a product hasn't moved for over 6 months we do discounts between 30%-75%



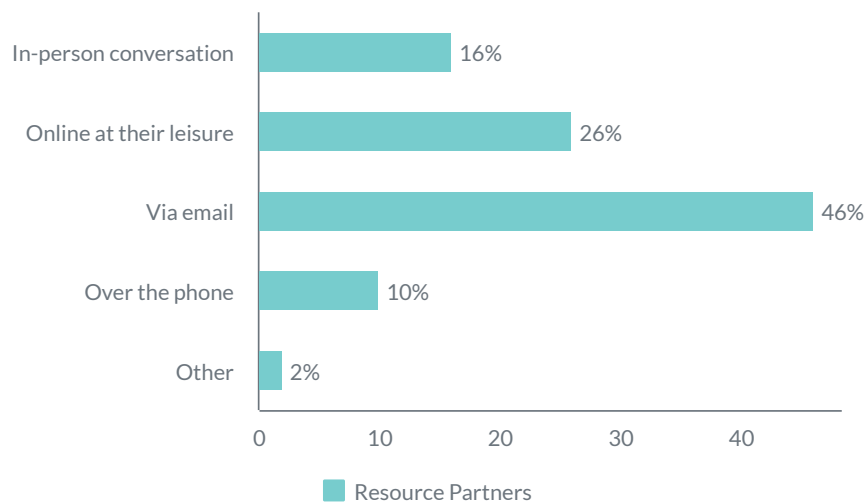
Which of the following types of training resources is your company currently using to educate spa partner's team members about your company's brand/products being used and/or sold within the spa?

EDUCATIONAL TRAINING RESOURCES USED



Which of the following methods is used most often by your existing spa clients to place an order?

METHODS USED BY CLIENTS TO PLACE ORDERS





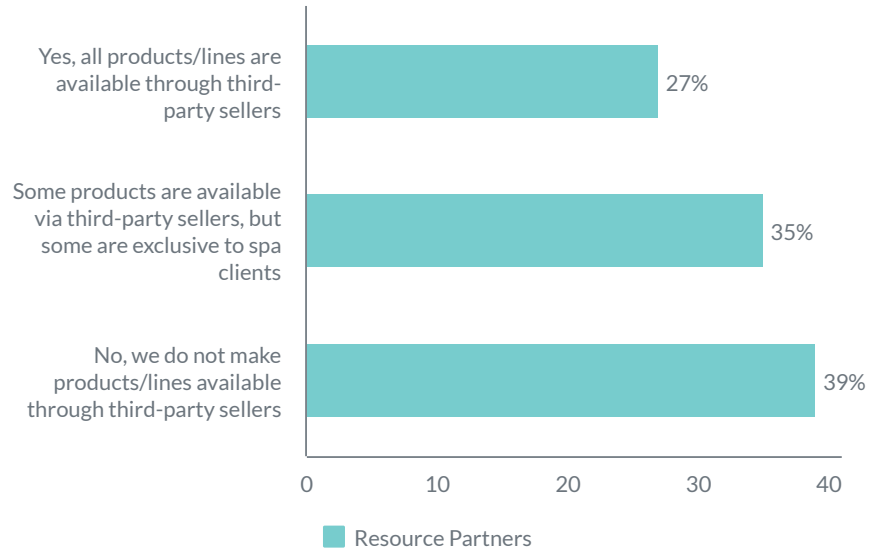
What trends are you seeing most when it comes to the purchasing patterns and communication preferences among spa clients?

- 1:1 partnership and collaboration with resource partners is essential
- 50/50 split between self-guided online orders and through in-person conversation.
- Buyers are sending emails or calling
- Digital, on-line
- During this inflationary period, phone calls followed closely by email correspondence tend to be the most popular communication preferences. There's an interest in existing "specials or promotions" prior to placing an order.
- I normally receive an email then follow up with a phone call.
- Many clients are used to ordering online and prefer that. I've appreciated the opportunity for client's to be able to see everything we offer now that we have an online portal. Some of my clients still prefer to reach out personally to have that direct contact and connection.
- Most clients prefer via email and we have 1-2 video calls during the process
- Most prefer to order via email or our wholesale website. New spas tend to need a bit more direction on quantities and sizes, usually over the phone. Purchasing patterns really depend on the size of the spa. Larger customers order as much as once a month, while smaller accounts can order only 1-2 times a year.
- Orders are small but regular.
- Outsourcing of accounts receivable, billing and purchase orders being placed. Often a big disconnect from the property if a hotel/resort has made it difficult to invoice and receive payment in a timely manner.
- Phone conversations are down a lot.
- Quarterly planning, promos, events
- They are not ordering a lot of product at a time.
- They have their routine ordering habits, some are interested in new products and samples, some just stick to their routine products every month.
- We are constantly trying to make the process easier but also know that touching base with a real person on a monthly basis is better for both the retailer and the vendor.
- We usually have a first encounter with the buyer to show quality, after that it is virtual.
- Younger clients want more online at their leisure whereas older clients prefer over the phone with a customer care representative.



Does your company make products/lines available for direct consumer purchase through third-party retailers (Amazon, Sephora, etc.)?

AVAILABILITY OF PRODUCT LINES FOR CONSUMER PURCHASE





Please describe any retail product promotional schedules, tips or resources that you provide to spa clients to help them with their retail sales effort.

- As a young, professionally driven company, we are creating products that will offer more exclusivity to our professional customers - this is expected to happen in 2024.
- Gwps, gratis for staff, promotions periodically
- I offer a personalized sales program to my spa clients that includes culture, brand and wellness techniques.
- I provide a full sales plan; we offer marketing support via both printed and digital assets
- In-depth analysis of current retail offerings and strategies to create an improved customer experience. Intensive PK and sales training for staff.
- Our marketing team thoughtfully curates monthly educational blogs with a “hero ingredient” of the month and highlight any products we have that includes that ingredient and what the benefits are for each product. It helps me learn as well-being new to this industry!
- Our shoes are generally for backbar use and these have different (lower) pricing than retail wholesale. We suggest that customers offer the shoes to their customers in retail as well because the shoes do tend to get taken (especially at larger spas).
- Quarterly and holiday promotions are set before the start of the year. Spas can participate or opt out. We plan the year by quarter with each spa. The promos reflect the sales on our DTC website. This provides a level retail playing field.
- Superlative training videos of key products as treatment tools thus enhancing retail.
- We are currently offering spa programming for Mother’s Day that include GWP protocols so they can move retail with the purchase of a service.
- We generally only offer show specials for January and July but are very flexible and will work with customers to offer discounts and any help they need throughout the year.
- We offer incentives to win retail products.
- We offer monthly GWP spa promotions, no cost Testers and deluxe samples.
- We offer quarterly ‘bundles’ of products at savings that correlate to special seasonal menu and protocols.
- We offer seasonal exclusive products for each season - these offerings include back-bar spa treatments as well as retail options.
- We offer several opportunities throughout the year that clients can take advantage of to support retail sales. 1. Discounts on retail - customer either pass part or whole of the discount on via a “sale” or they stock up on products and leave pricing padding their retail margin on those items. 2. GWP. We offer a gift with purchase that the spa can mimic in their location. Typically buy a full size get a travel size of same product. We find spas use this in several ways. To increase their cart size and offer a gift with a \$xx purchase or to include in treatment special as a take-home gift. GWP as it is in retail has not exactly made it to the spa market similarly.
- We offer training and spiff promotions. After a training we give all employees free product. Then, for the next month we offer employee bonuses for sale of product. We also offer options for bundling product with advantageous pricing. Although we are available on third party websites, we manage pricing and do not undercut our MAP pricing.

- We provided signs, imagery, videos, gift with purchase tags and more.
- We remain full price for spring and summer until June 1 and for Fall and holiday January 1. We are not traditionally a promotional brand however support small promotions that may support your business.
- We run a calendar of promotional/seasonal sales on DTC and B2B via EDM's and SMS.
- We run monthly staff contests with cash and product prizes. We also offer quarterly promos for our existing accounts to take advantage of. Lastly, we have an incentive program which supports our account and their staff in commissions, rewards, and more.
- We run quarterly promotions that integrate our products into the Spa Services. Our most successful partners either demonstrate the product in service and/or create bundles where products and services are combined.



Please share one tip you would share with a spa member who is launching a brand new product line within their spa.

- Always smile and ask clarifying questions!
- Choose wisely. There is so much mis-information around products, ingredients and results. Don't forget that, for your customers, beauty tops wellness.
- Create in spa events for staff and VIP clients to preview line. Focus on education and sales training.
- Educate the staff on the product and give them samples to try, get them excited!
- Get the teams 'buy in'. Have them try the products and the treatments. Make sure they have product knowledge training, and preferably implement an incentive.
- Getting the team excited is critical to success.
- Host events to promote the new treatment.
- Intensive PK and sales training is key.
- Make sure all employees receive free product and training. All employees, not just clinicians.
- Make sure you have access to all the support and education / marketing materials the rep has to offer, in addition, ensure that your team understands how to recommend and speak to the retail aspect of the line.
- Maximize your existing data base and train your staff on the benefits of the product / service.
- Offer backbar and retail so the customer can purchase.
- Only bring in products you love and use yourself! Ask questions, try samples first, use the product so you can share why you chose to bring them in. You will sell more of the products when you are excited about them and love them yourself.
- Our most successful partners either demonstrate the product in service and/or create bundles where products and services are combined.
- Request samples first, ask about the training support, educational portals, and ask the vendor their expertise on menu building (seasonal, year-round). Invite the Director of Education and Training into the Spa's vision to better understand the philosophy and setting of the Spa's

treatments and services.

- Show it front and center near checking in.
- Start small with the new brand's hero product. Despite the inclination (or vendor incentives) to "jump in with both feet!" - start small and enjoy some early success. Doing so will build confidence among team members and ultimately, exceptional satisfaction with your clients. Unfortunately, there are too many "flash in the pan" products introduced across all industries that oftentimes "overpromise and under deliver."
- Take advantage of all the training and resources the brand has to offer! Accounts with the greatest success as turning their merchandise every few months are using all the resources we provide.
- Use the product.
- When it comes to products (not gift or apparel) I always advise that the spa member understand their customers' current purchasing behavior. What is the spas' average retail sale? What percent of retail turnover out of services, and which ones? It is acceptable to bring in a line that stretches the client's pocket book a little, but a brand that doubles or more what is typical of your retail space might be a harder sell.
- Work closely with your spa resource partner to develop a strategy for support to include on-going education, events, employee recognition and gratis.
- Work with your Account Executive to ensure retail /'at-home' care products are offered (retail product offerings can be based on products used in protocols that are offered). This will increase your profit margin and help you recoup your return on investment much faster than having back bar items only.