

WUTTKE GROUP

Retail can give spas a major financial boost

by Mark Wuttke, Principal, Wuttke Group www.wuttkegroup.com

Increased financial expectations from owners, property asset managers, private investors, and hotel management companies that the spa be a stand-alone profit centre, not just an amenity is creating some enormous challenges to the spa community. This increased pressure however is helping spas discover just how much money they have been unknowingly leaving on the table.

Once a spa reaches maximum treatment room utilization, the only way to truly leverage the business without additional capital investment for facility expansion, increasing hours of trade, or another price rise, is through retail. When retail is seamlessly integrated into the guest spa journey without compromising the guest experience, spas have realized minimum revenue increases of over \$200,000 per year.

It is now not uncommon to find spas achieving 40-50% of their revenue in retail, a far cry from the uninspiring USA industry average of 15-20%. Fiscally savvy spa operators now realize that treatments have always been the bread and butter of their spa business and retail can be the cream.

So how do you tap into this lucrative retail revenue stream?

It is often said, “connect at the heart and watch the heads follow”. If you can’t have an emotional connection with your client, they won’t follow your recommendation or advice. How many highly intelligent people have you heard delivering incredibly great information but their inability to connect emotionally reduces their wisdom to information overload.

Every person has a story. You might not be their biographer but listen to them if they tell it. We are innately narrative people. If we stop telling a story and start creating chaos then we lose focus and interest. Selling comes from information. Information comes from conversation. You need to engage the customer to be certain that the information you give TO them is relevant to the information you gained FROM them. Without this, all you will know is what they want - what they came in for - and that is all you will sell them.

Offer a wellness concept not just a product. People are no longer just buying products, but they are very attracted to a concept. Anticipate and shape your guest’s experience. Your concept must be a very authentic, simple self guided discovery which is rooted in healing.

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People deserve to have organically human experiences every moment. Be interested. Be sincere. Be focused. Every person means something to someone. We are all worthwhile. Demonstrate your concept to your guests through your actions and words. Embody your beliefs and prepare yourself for loyal followers.

Mark Wuttke heads the Wuttke Group, LLC, a world class business development team with a focus on sustainable luxury, spa, boutique retail, organic luxury and the emerging category of eco-chic. Mark is an editorial advisory board member of Organic Spa Magazine, and works closely with LOHAS, Green Spa Network, and Natural Beauty Summit in America & Europe. www.wuttkegroup.com

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