



SPA and
WELLNESS

SNAPSHOT

Retail, Service Sales,
and Gift Cards

2016

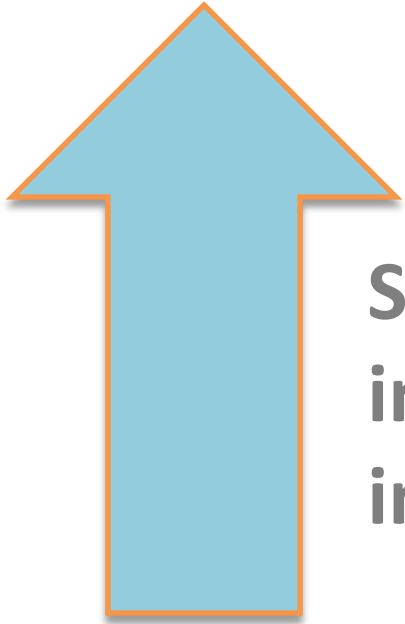
We have taken key points from our recent survey on **Retail, Service Sales and Gift Cards**...comparing important statistics from **2014** against **2015** and added in our anecdotal thoughts.

SPA

&

WELLNESS

SALES GROWTH



Sales across the spa and wellness industry, grew approximately 5% in 2015 over 2014.

Additionally, **sales are up approximately 5% in 2016.**

The election year and unclear economy will tell us how 2016 will fare.

RETAIL SALES TO SERVICE RATIO

If you are currently selling at a 0-20% retail to service ratio, then **retail sales grew approximately 3%** (in 2015 over 2014)

The tremendous majority of businesses are not tapping the potential of retail sales and how it affects your bottom line.

For those over 20% retail to service sales, *growth was very strong at a 14% increase.*

GIFT CERTIFICATE AND GIFT CARD SALES

Gift card sales (**Valentines Day, Mother's Day, Holidays**) were relatively flat in the lower sales revenue businesses.
(down less than 1%)



For those businesses selling over \$150,000 per year in Gift card sales, they **showed an increase of 2% to 7%** in 2015 over 2014 sales.

Gift certificates can be a strong tool to drive new guests to your facility and should be a component of guest acquisition.

AVERAGE DOLLARS PER GIFT CERTIFICATE AND GIFT CARD

Interestingly enough...

the majority of respondents sell these cards in the \$51 to \$100 per card price range. Below that dollar amount per card, the dollars per card were unchanged.

In the higher categories (over \$101) a 3% increase was reported.

WHO RESPONDED TO THIS SURVEY

The majority of respondents (over 61%) came from the following categories:

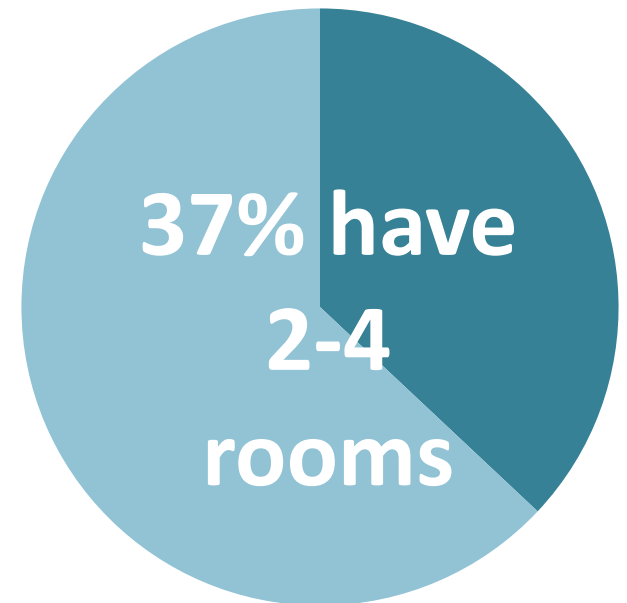
- **Spa 22%**
- **Spa & Salon 10%**
- **Medical Spas 8.5%**
- **Skin care only 10.7%**
- **Hotel & Resort 10%**

NUMBER OF TREATMENT ROOMS

These are categorized for comparison:

Room Count

- **1 room 29%**
- **2-4 rooms 37%**
- **5-10 rooms 21%**
- **11+ rooms 13%**



Many facilities over-built treatment rooms in the mid-2000's and now, under utilized treatment rooms are being filled with other service providers and services.

MEMBERSHIP AND LOYALTY PROGRAMS

This would seem to be an avenue that most facilities would be engaged in, **but this is not the case**. A potential area for increased revenue through retention and rebooking, can be achieved through use of these programs.

PROGRAM IN PLACE

32%

NO PROGRAM IN PLACE

67%

WHAT ARE YOUR GREATEST BUSINESS CHALLENGES ON A DAILY BASIS?

The responses to this question were varied and diverse.

We narrowed the responses to the top answers. We've chosen to look at these responses and find answers in your own facility to drive new and profitable growth.

SEE BELOW



BIGGEST CHALLENGES:

Retaining quality team members

Social Media implementation

Retail program

Motivating staff

Increased competition from small, privately owned nail salons

Marketing for new clients

Finding and Recruiting workers

Discount programs to drive business such as Groupon, Living Social

KEY TAKE-AWAYS FROM THIS SNAPSHOT SURVEY

- **Growth in spa and wellness is slow...but steady**
- **The potential for increased revenue and new guest acquisition can be driven by retail sales, gift card and gift certificate sales, and loyalty programs**
- **These key take-aways can significantly increase your revenue...in a very positive way!**

NOTE: The DSA is your personal connection to locating resources to help you make this happen...just ask!

THANK YOU!



Patti Biro
Patti Biro & Associates



Allan Share
Day Spa Association



Monte Zwang
Wellness Capital
Management

