

RESORT SPAS FIND THEIR STRIDE

By [Judy Singer](#), ISHC<

Many Americans are integrating "spa life" in their day-to-day activities "at home." Resorts are picking up on this trend by providing spa facilities and programs for their leisure and group guests. Spas are no longer an "amenity" for many they have become a "necessity." In addition to being a spa consulting company, HFD also funds and conducts spa-related economic and marketing studies. Here are some findings from recent HFD studies which highlight the economic and marketing "realities" of resort-based spas: In January 1999, HFD conducted its third spa economic study of U.S. spas. It included responses from 30 resort-based spas whose average age was 10 years old. Some of the key findings from the 1999 HFD Spa Economic Study are:

- More than 50% of the spa's gross revenues come from ala carte services.
- In terms of spa services, the revenues primarily come from massage, facials, body treatments and nail care services.
- As would be expected, the most popular days (on an average week) are Saturday and Friday respectively.

63% of the spas charged a facility fee for their guests to use the locker rooms, wet area (steam, sauna, whirlpool, etc.) and fitness room. Under certain circumstances, such as when a guest takes a spa service or for some groups, 84% of the spas waived the facility fee. We asked the resort general managers to respond to the following statement, "Does the spa enhance or increase?" Here are the percentage of their "yes" answers. The numbers in parentheses are the percentage of "yes" responses to this question from the 1995 HFD Spa Economic Study.

- Room Rate - 57% (29%)
- Perceived Value for Room Rate - 70% (82%)
- Occupancy - 73% (57%)
- Length of Stay - 43% (32%)
- Marketing Advantage - 97% (100%)
- Revenue/Occupied Room - 83% (71%)
- Number of People/Occupied Room - 27% (21%)

In the Fall of 1997, HFD looked at the market by examining responses from 2,767 Spa-Goers who used the spa at one of the 36 participating resorts. This 1997 HFD Spa-Goer Market Study was the third in a series of "consumer-related" studies conducted by HFD. Some key findings from this study were:

- 47% of the participants went to the spa because they felt stressed and 42%

wanted a "small indulgence. "

- 60% decided to use the spa to have a massage and 48% wanted to be pampered.
- 65% enjoy the rest and relaxation aspect of a spa, 60% enjoy being pampered and 44% enjoy the beauty treatments.
- After going to the spa, 70% felt relaxed.
- 64% prefer to have gratuities included.
- 59% prefer to purchase individual spa services rather than a "package" of services; however, 32% like to combine services into a package.
- Baby Boomers dominate this market with 60% in the 30-49 age group. Those 50 years and older have decreased from 23% to 17% in the past five years.

An encouraging finding is that younger Spa-Goers (< 30 years old) are increasing in numbers. This group accounted for 13% of the resort-based Spa-Goers in 1992 and 17% in 1997.

It's especially important to note that when we asked "Would you choose one resort over another because it had a spa," 81% said, "yes." People want, and expect, spa services, and they will seek out resorts with spas. Spas can have a definite economic and marketing potential for a resort. They can be expensive to build and operate, so it is essential to create a trend-sensitive concept, a market-driven guest experience, a sensible and flexible facility, an integrated marketing strategy and a service-oriented operation. The spa should complement and be integrated into the resort experience if it is to be a financially feasible and marketable venture.

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