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Coyle Hospitality Group's 2005 Spa Industry Survey Finds Americans Spend $912 on Spa Services a Year and Buy Their Home Skincare at the Drug Store

SAN FRANCISCO, Calif. – (July 14, 2005) -- In an effort to measure spa performance, Coyle Hospitality Group surveyed 2110 people, representing consumers throughout the United States. The survey covered a variety of service related issues from how many treatments are booked per visit and key enjoyment/disappointment factors to treatments requested and where spa products are purchased.

The survey participators were mostly female (1899) and between 18 and 61+ years of age, with the majority of respondents in the 30-40 age category (723).

Interesting findings include:

- Most responses showing that on average people visit the following spa categories **1-5 times in the last year**:

Day Spa	(57%)
Resort/Hotel Spa	(57%)
Salon	(38%)
Destination Spa	(22%)
Club Spa	(21%)

- The top three reasons why people would visit a salon or spa if they are not frequent spa-goers:

Gift Certificate	(989)
Coupon/Discount	(792)
Gathering with Friends	(557)

- Respondents answered that they utilized the following services at least once over the past year:

Hair Services	(1890)
Nail Services	(1633)
Massage services	(1604)
Skincare services	(1390)
Waxing/Hair removal	(1072)
Body Services	(786)
Makeup Services	(569)

- People are most likely to book two services for **one visit** (1197 responses) followed by **one service** (628 responses) and **three** (491 responses) in third place.

- Spa experiences have in general been

Somewhat Satisfactory	(764)
Extremely Satisfactory	(671)
Neutral	(64)
Somewhat unsatisfactory	(9)
Extremely unsatisfactory	(3)

- The top four factors in satisfactory spa experiences are:

Quality of service provider	(1281)
Cleanliness	(1000)
Value (time per dollar)	(702)
Friendliness of service provider	(607)

- The top four factors in unsatisfactory spa experiences are:

Quality of service provider	(1088)
Cleanliness	(866)
Value (time per dollar)	(754)
Friendliness of service provider	(725)

- When people are disappointed with a treatment or service they are:

Likely to complain	(646)
Neutral	(408)
Very likely to complain	(319)
Unlikely	(232)
Very unlikely	(26)

- If people are not likely to complain, the following are the leading factors that would encourage them to mention their disappointment:

Comment Card in the locker room	(719)
Reception asked how service was	(578)
Manager’s card available without having to request it	(497)
I have no problem voicing complaints	(488)
Manager present and circulating	(445)
I rarely/am not likely to complain	(126)
Never had a disappointing experience	(117)
Other	(94)

- People who have been displeased with a spa treatment were split almost halfway (684) people responded that they **have voiced** their opinion regarding disappointment with spa services and (610) people responded that they **had not voiced** their opinion with a disappointing spa service.

- Spa complaints are **often** (271) resolved to satisfaction, followed by **sometimes** (225) and finally, **always** resolved to satisfaction (210).

- Regarding service recovery, (810) people were **very unlikely** to return to the spa if they had significant disappointment with a spa experience and did not complain. (631) people were **unlikely** to return and (180) people were **neutral**.

- If a person had a significant disappointment with a spa experience and she complained, with the issue not handled satisfactorily she is **highly unlikely** to return (1257) followed by **unlikely** to return (315).

- If a person had significant disappointment with spa experience and she complained with the issue handled satisfactorily, she is **likely** (932) to return followed by **very likely** (410).

- People spend an average of $912 on spa services per year.

- Results are spilt as to whether people use the same spa for skincare needs and massage needs. (540) say **yes**, (532) say **no**.

- People purchase home skincare at these top four outlets:

Drug Stores	(503)
Beauty Store (Sephora, etc.)	(389)
Grocery Store	(284)
Specialty store (Kiehls, etc.)	(272)

  The *other* category also made up for (555) respondents and was comprised mainly of department stores, at-home sales people, and internet orders.

- The most important factor when selecting skincare for home use is **results** (1199).

Summary of Findings:
Massage services are being utilized on a more frequent basis and join hair and nail services as a part of a self-care routine. Skincare is also on its way to joining these heavily utilized services, however body treatments and makeup services are still not quite there. Destination spas are still showing as the least frequently attended spas but a movement from salons to spas is evident.

The results demonstrate that spagoers are more willing to receive multiple treatments when visiting spas yet almost half of the people surveyed responded that they use a different spa for their skincare and massage needs. Capturing skincare clients for massage services and vice versa is still posing a challenge.

The basics, quality of service and cleanliness, are still proving most important to spagoers in making or breaking their experiences. While amenities and other aspects to service prove important, maintaining a qualified staff on all fronts appears to be most important to guest satisfaction.

It is hit or miss whether someone will complain about a poor experience but if a complaint is taken, the results are clear. Handling a complaint well will for the most part, keep the guest as a client. Handling one poorly will most likely lose them. Obtaining a complaint from someone who is unlikely to complain is also important as many of such respondents said they would simply not return to the spa. Doing so can be facilitated through prominent comment cards, a proactive reception staff, and the presence of a manager.

In terms of home skincare, drug stores, beauty stores, grocery stores, and department stores are still the prime spots for people to purchase skincare, despite the fact that an overwhelming number of respondents said that results were the most important factor in their purchasing decision. Changing these buying patterns pose a challenge to the spa industry.

About the survey:
Participants were given the following general descriptions to define the spas they visited:

Destination Spa--A spa that one would make a special trip to and plan at least six hours of treatments and/or an overnight stay. Examples Canyon Ranch, Golden Door and La Costa Resort and Spa.

Day Spa--A stand-alone spa that is not attached to a hotel or resort. A day spa constitutes a facility where the primary offerings are skincare, massage, and body treatments but can also include salon services such as hair and nails. Examples are Bliss, Burke Williams and Elizabeth Arden Red Door.

Salon-A stand-alone facility whose primary offerings are hair and nail services. Some salons may also offer skincare, waxing services, or massage but the primary focus is hair or nails. An example is Frederic Fekkai, however most salons are individually owned and operated.

Resort/Hotel Spa--A spa that is part of or linked to a hotel or resort. This is a spa that one would visit while staying at a hotel or resort or may visit if one re live near a hotel or resort. Examples are Four Seasons Spas, Ritz Carlton Spas and Hilton Spas

Club Spa-A spa that is part of or linked to a health club or private membership club. This is a spa that provides services for club members or guests. Examples are spas at NYSC, PSC, BSC, WSC, Sports Club LA, or Equinox.

About Coyle Hospitality

CHG has developed SpasQore, a customized measurement program that enables spas of all sizes to set standards and measure performance over time. SpasQore is delivered to clients online via CHG's proprietary SQL database that enables client-driven set-up and output; on-the-spot trending analysis; customized roll-up reporting; multiple brand platforms; dynamic archiving (reports, pictures and recordings). This ease of reporting allows management to access any part of the report, at any time, through a web browser.

Based in New York City since 1996, Coyle Hospitality Group is a market leader providing mystery shopping and brand quality assurance services exclusively to hotels, restaurants and now spas worldwide. A selection of current Coyle Hospitality Group hospitality clients includes Little Palm Island Resort & Spa, Intercontinental Hotels & Resorts, Morgans Hotel Group, Kimpton Hotels & Restaurants, Starr Restaurant Organization, Affinia Hospitality, China Grill Management and Daniel Boulud Restaurants. Since 1996, CHG has completed over 20,000 quality evaluations exclusively for hospitality clients. For more information please visit www.coylehospitality.com

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Editor's Note: Complete spa surveys are available upon request.