

Practitioner Paper

Marketing a resort-based spa

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ABSTRACT

KEYWORDS: *resort spa marketing, components of a resort spa, demographics of resort spa users, what spa users want from a spa*

The purpose of this paper is to provide information for owners and operators of resort-based spas who

want to increase and expand their market share of people who use spas. It profiles spa-goers in the USA and examines who they are, what spa services they use, why they go to spas and how they feel after their spa experience. It also examines how to connect with guests who use spas and how to increase market share of this group.

INTRODUCTION

Beginning in the mid-1980s, a few forward-thinking resorts in the USA began to add spas to their properties. Most of these spas were located in up-scale, independent resorts and the spa was considered to be a 'great' marketing vehicle to attract new business to the property. Some examples of properties that developed spas in the 1980s are the Doral Resort and Country Club, the Scottsdale Princess, Ponte Vedra Inn and Club and Topnotch Resort. During the 1990s the resort-based spa began to proliferate and today the mantra is that a resort is 'not a resort' unless it has a spa. As a result, spas have become one of the most popular components of the US hospitality industry.

A study conducted in 2002 by PricewaterhouseCoopers for the International Spa Association (ISPA) found that the average annual growth of resort/hotel spas in the USA was 56 per cent since 2000.¹

This same study estimated the sizes of US

leisure industries, and reported that in the year 2001 spa revenues were approximately \$10.7bn.² Table 1 compares estimated spa revenues with other leisure industries in the USA.

Although there is no universal definition or standard for what constitutes a spa, some hotel companies such as Marriott have set up spa standards for their properties. 'The Spa Book'³ outlines spa design standards and operating guidelines for their hotels and resorts, and is also helpful to developers and the design team as they develop spas for Marriott-branded properties. Properties must meet these required standards in order to say they are or have a 'spa'.

COMPONENTS OF A SPA

By means of definition for this paper, in order to say there is a spa in a hotel or resort, it should include some basic components such as:

- a reception area
- separate men's and women's locker rooms and facilities, and perhaps a staffed issuance reception desk and a lounge
- separate men's and women's facility areas, which usually have a steam room, sauna, whirlpool, cool-dip pool and lounge (some spas expand this to include a juice bar and/or small café where the serving of wine and beer is optional and not very common in the USA)
- an option would also be a co-ed (mixed gender) facility area/lounge with some of the above amenities

- dry treatment rooms for massage and facials
- wet treatment rooms for services such as body wraps and scrubs
- hydrotherapy rooms for baths and hydro-massage therapies
- staffed fitness studio with exercise machines (some resorts may choose to have the fitness component in a separate part of the property and not included in the spa)
- an optional exercise studio for classes
- retail store/area
- salon for hair, nails and, perhaps, make-up.⁴

THE SPA-GOER IN THE USA

Health Fitness Dynamics (HFD) funded and conducted the first comprehensive study of North American spa-goers, the 1992 HFD Spa-Goer Market Study. This study includes responses from 18 resort-based spas and nine destination spas. Resort-based spas are places where guests may not only 'spa', but can also participate in other recreational and social activities typically available in a destination resort. At the destination spas, everyone at the property is there for a spa vacation and the outside 'temptations' such as non-spa cuisine, alcohol, etc are usually non-existent. Guests at destination spas usually participate in a programme based on exercise, healthy eating and spa services such as massage, facials and various body/bath services.⁵ Each property was given a required quota of completed responses to submit (either 50 or 100 responses, based on the size of the property).

Table 1: Estimated sizes of US leisure industries

<i>Industry</i>	<i>Revenues (\$bn)</i>
Golf fees and dues 2000	16.9
Cruise-line revenue 2000	13.5
Health/racquet club revenue 2001	12.2
Spa revenue 2001	10.7
Amusement/theme park revenue 2001	9.6
Box office gross receipts 2001	8.4
Vacation ownership gross sales	3.7
Ski resort ticket revenue	1.5

Guests using the spa were invited to complete the questionnaire (developed by HFD) during their stay. A total of 1,924 (1,201 from resort-based spas and 723 from destination spas) questionnaires were completed and analysed. The research was designed to address the following objectives: to define specific profiles of spa-goers; to establish what motivates them to go to spas; to identify effective ways to market to spa-goers; and to determine how to build repeat spa business. The 1997 HFD Spa-Goer Market Study was a follow-up to this landmark study and included responses from 2,767 spa users. The sample for this study included 28 resort-based spas (2,332 responses) and eight destination spas (435 responses).⁶ Methodology for both the 1992 and 1997 surveys was a self-administered questionnaire.

Two of the key findings of the studies were that the 1997 spa-goers were not the fanatical exercisers seen in 1992. The 1997 spa-goers really wanted to have 'balance' in their experience. The second finding was that there was an increase in the number of younger (less than 30 years old) spa-goers at resort-based spas. The 'less than 30 years old' response in the 'age demographics' section of the questionnaire was chosen by 13 per cent of the sample in 1992; in 1997 it was 17 per cent. As this group approaches their 50s, spa services and treatments will have become a part of many of their lives.

The ISPA's 2003 spa-goer study also found a high percentage of younger spa users. They reported that 42 per cent of the spa-goers in their study were under the age of 35 years.⁷ The respondents in this study had visited one or more of the following types of spas in the past 12 months: club spa, cruise ship spa, day spa, destination spa, medical spa, mineral spring spa and resort/hotel spa. As a comparison, the HFD research included only those guests who were at either a resort or a destination spa. Although the percentage of younger spa users is increasing, the prime age group for spas continues to be baby-boomers (those people born between the years 1946 and 1964).

In the 1997 HFD study, women made up 74 per cent of the spa-goers.⁸ The 2003

ISPA study found the group to be 71 per cent female.⁹ Typically these are women with professional and executive occupations, as opposed to 20 years ago when the typical spa guest was a woman who did not work. The occupations of female spa-goers in HFD's 1997 research were professional — 37 per cent; business owner — 9 per cent; executive — 8 per cent; sales — 8 per cent; managerial — 6 per cent; administrative — 6 per cent; homemaker — 13 per cent; other — 5 per cent). This information affects not only how spas should market to women, but also indicates how much time they actually have to visit a resort/hotel-based spa. A general trend in the USA has been to take shorter vacations and weekend getaways. When spas (primarily destination spas) attracted women in the 1970s and 1980s, they often stayed one or two weeks or longer and were on a spa programme. Today's female guest does not have the luxury of that amount of time to spend at a spa.

Although there has been a surge in the number of spas and spa users, certain services for the spa-goer have not changed dramatically. Massage continues to be the most popular service in spas. In the 1997 HFD study, 60 per cent of the respondents went to the spa to have a massage. In the 2003 ISPA study, 58 per cent of the respondents had purchased a massage in the last 12 months. The second and third most popular services were facials and manicures respectively, and had the same ranking in both studies. In the HFD studies, respondents chose only from categories such as 'massage', 'facial', 'manicure', etc and not by types of massage, facial, etc. Since most spas have different names for 'types of' treatments, it would not be comparing 'apples to apples' if response choices were too specific. The ISPA study also uses the same 'broad' categories.

WHY PEOPLE VISIT SPAS AND HOW THEY FEEL AFTERWARDS

In the 1997 HFD study it was found that resort spa-goers visited spas for emotional

reasons. The top four reasons for going to the spa were they felt 'stressed', they wanted to have a small 'indulgence', they felt like 'splurging' and they wanted to 'feel better'. They also enjoyed the 'rest and relaxation' and 'pampering' aspects of the spa. 'Physical' reasons such as being 'out of shape', 'to lose weight' or 'to improve their appearance' were not important to them. As mentioned previously, participants completed a self-administered, written questionnaire while at the property. This questionnaire included a list of responses to each question and respondents checked off all responses that were appropriate to them. In the 2003 ISPA study the top three reasons for visiting a spa in the past 12 months were 'to relieve stress or feel relaxed', 'to indulge myself' and 'to feel better about myself'. This survey was based on 1,201 respondents who responded to an online survey conducted between 14th June and 19th June, 2003. The sample was selected to represent US residents who were 16 years of age and over and who had visited one or more type of spa (club spa, cruise-ship spa, day spa, destination spa, medical spa, mineral spring spa, resort/hotel spa) in the past 12 months. The respondents in this ISPA study also did not rank reasons such as 'to help regulate body weight' or 'to improve physical health or appearance' as important ones for going to a spa. This illustrates that the reasons for going to a spa have not changed in importance between the 1997 HFD survey and the 2003 ISPA study.

Spas appear to help their guests relax. When asked how they felt after leaving the

spa, 70 per cent of those in the 1997 HFD study responded 'relaxed' and 71 per cent of the 2003 ISPA respondents had the same response to the question regarding how they felt after leaving the spa in comparison to entering.

CONNECTING TO GUESTS

Today's guest seems to be more in touch with the mind/body connection and the importance of taking time to slow down. The HFD research found that spas have a more potent effect on a psychological/emotional/spiritual level rather than physiological (health and fitness) to their guests.

For example, one finding examined further after the 1997 HFD study had to do with how guests felt after their visit. When asked, 'After going to a spa, I feel . . .', only 43 per cent (30 per cent of men and 50 per cent of women) of the respondents said that they would return to the spa they were visiting. This result was disturbing, and it was decided to run some cross-tabulations to see if the participants who responded positively to other questions would be more inclined to return. The percentage of wanting to return increased when they responded positively to certain statements (see Table 2). Spas need to do a better job 'attaching' themselves to their guests. . . it may happen in the massage (or other treatment) room, but it has to be the 'whole experience' that makes them want to return.

As spas continue to be the trend, operators must try not to be trendy. They should not believe 'more is better' if the 'more' makes it

Table 2: I will return to the spa

<i>'I will return to the spa, if I . . .'</i>	%
Was at peace with myself after the visit	77
Felt it was time well spent	69
Enjoyed the spiritual/renewal aspect of the spa	66
Want to take care of 'me'	60
Enjoy the health aspects of the spa	58
Enjoy the rest and relaxation and pampering aspects of the spa	55
Want a small indulgence	55

stressful for guests. This applies to both the facility and the programme of services. Today's guests enjoy the rest and relaxation aspects of a spa. Operators should avoid having an encyclopaedia of global spa treatments that confuse and confound guests. They want and will pay for a memorable, customised experience that touches all the senses, engages them, enriches their lives and allows for a momentary escape with the potential to take part of this 'new reality' home. When this happens, there is a 'click', a bond and a trust that creates guest loyalty and favourable word-of-mouth marketing that extends beyond the spa.

INCREASING MARKET SHARE OF SPA-GOERS

In addition to 'attaching' to existing guests, resort-based spas should be able to increase their market share by understanding their guests better. Based on HFD consumer research and that of others, the authors have identified a few key spa markets that warrant some special niche marketing efforts. The following is an overview of three target markets of existing spa-goers and a few ways spas can appeal to them in an effort to help increase their market share within these groups.

Women under 40 years old

- Their attitudes, behaviours and interests are seriously affected by their stage in life and the nature of their financial security.
- They are desperately in search of time alone to reduce 'life's pressures'.
- They have demanding careers and their most precious resource is time. Spas help them cope with these pressures.
- They go to spas for an intimate visit, preferably with only one other person.
- Groups, family or even children would prevent them from getting the therapeutic benefits they are looking for in the spa visit.
- They are more interested in being pampered, reducing stress and enjoying beauty treatments than any other group.

- This is the female segment least interested in 'improving fitness, nutrition or losing weight'. Probably because of their age, this group is also not interested in 'health services'.
- During spa visits, they report the highest use of services that deliver the benefits of better appearance with limited personal sacrifice.

Appealing to this market . . .

- Spa services have to fit into their busy lifestyles and provide the personal benefits they seek.
- They enjoy spa services, but their involvement is limited due to restrictions in their personal time.
- They may be good candidates for day visits in addition to their usual resort vacation/getaway.
- They like destinations that offer fun, novelty, relaxation and good shopping.
- They are the group most likely to choose a resort because of the spa.

Women over 50 years old

- The healing aspect of the spa is important to this group.
- They are interested in renewing their body and spirit and walking/hiking outdoors.
- At spas, facials become more important and are the most frequently used beauty treatment during a spa visit. Pedicures and manicures are the next most popular. This is just the reverse of what they do at home.
- The spa vacation is an escape that they need and enjoy.
- This group would probably enjoy destination spas (everyone at the property is there for a spa vacation and they usually participate in a programme based on exercise, healthy eating, spa services and lifestyle classes) because of the variety of health, nutrition and fitness.
- They are the 'most loyal' group — 78 per cent will return to their current spa in the next year.

- This group is sure to build lasting relationships with the spa of their choice.

Appealing to this market . . .

- Operators should target them for special overnight spa packages with a theme.
- One option is to have special ‘girlfriend spa getaways’ where they can be together with old friends, celebrate a birthday milestone, etc.

Male spa-goers

- It is difficult to associate them with any particular lifestyle.
- This group is unique in that men are more likely than any other segment to have vacationed at a spa because the spouse wanted to go. Men see spas as places to enjoy with their spouse. Women tend to see spas as places to enjoy with a friend or relative.
- Men lean toward relaxation via steam, sauna and massage services and exercise machines.

Appealing to this market . . .

- Operators can promote the services they already use — massage, steam, sauna and fitness. Beauty treatments or medical-related services do not influence their future spa choice.
- It is not appropriate to use words such as ‘pampering’ or ‘indulge’ to men.

SPAS AND CHILDREN

With regards to children, spas are not places that people want to visit with them. In the 1997 HFD spa-goer study it was learned that people enjoyed the rest and relaxation aspects of a spa. As a result the term ‘Oasis of tranquillity’ was coined to describe what spas had become. By having children in the spa, the atmosphere of tranquillity is compromised. This is not to say that a spa cannot have special hours for children or some special spa programmes for them. The

Homestead in Hot Springs, Virginia has successfully pioneered these types of programmes, which appear to be growing in popularity in the USA.

SUMMARY

So many people today are in a constant state of ‘rushing’ to get things done. They need and want to relax more, both at home and when travelling. Today’s resort spa-goer is increasingly integrating ‘spa life’ in their day-to-day life at home, doing regular exercise and recreational sports, and pampering themselves with massages, facials, manicures and pedicures. Spas are no longer just indulgences during annual vacations. They are important centres for overall well-being and healthy mind and body maintenance. As a result, spa users *expect* and *insist* on having these facilities and services available to them while travelling away from home. By listening to the market and providing what they are looking for, operators should be able to attract men and women who want to look and feel better and be taken care of in a setting that helps them relax and reduce stress.

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