

DAY SPAS MARKET (THE) - US REPORT

Mintel's report profiles the size of the day spas paying particular attention to specific demographics of the market, and the major players within the market. In addition, consumer purchasing decisions are analyzed, as well as the effect the evolution of current economic conditions have made on the consumer and on the industry as a whole.



Toby Clark, Director of Research EMEA

24 OCTOBER 2002

REPORT

This report provides an in-depth look at the typical day spa patron. Original research conducted among consumers examines attitudes and habits in regard to age, ethnic and economic groups. Potential opportunities for growth within the day spas market are highlighted, as well as a review of current advertising strategy devised to tap perceived business potential.

Mintel's exclusive consumer research will delve into such issues within the day spas marketplace as:

- Consumers attitudes toward day spa services in terms of location, pricing, and type of salon.
- Which consumers are apt to spend more money on day spa services in regards to age, demographics, and income
- The future of the day spa market.

This incisive investigation into the day spa market will examine the growth potential of the market, and consumer attitudes regarding the influence of advertising campaigns, trends, health issues as they apply to day spa services and pricing concerns.

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PR Research

US, UBOctober 2002

Introduction and Abbreviations

INTRODUCTION

The U.S. day spa industry, which straddles several health & beauty sectors including beauty, health, wellness, nutrition, fitness, and recreation, is a \$5,775 million market in 2002. According to Spa Finder, a travel and media company, consumer spending at spas ranks fourth overall in leisure activity spending, following box office receipts.

The U.S. day spa industry is highly fragmented, with the majority of day spas operating as single unit facilities. However, there are signs that the industry is moving towards greater consolidation, as evidenced by the 2000 merger between Elizabeth Arden and Mario Tricoci.

This report explores the hypothesis that ***the U.S. day spa industry will experience continued growth in 2002 and beyond. However, due to the fragmentation within the industry and the discrepancy between the number of Americans who would like to go to a day spa and the actual number of people who do, without significant promotional spend the industry will still under-perform considering the overall potential of the market.***

OTHER RELEVANT REPORTS

A number of U.S. consumer intelligence reports covering other related sectors have been published, are planned, or are in preparation, including:

- *Soap, Bath, and Shower Products-U.S. Report, May 2002*
- *Alternative Medicine, consumer intelligence-U.S. Report, March 2002*
- *Facial Skincare, consumer intelligence-U.S. Report, February 2002*
- *Sports Drinks, consumer intelligence-U.S. Report, February 2002*
- *Health and Fitness Clubs, consumer intelligence-U.S. Report, December 2001*
- *Vegetarian Food, consumer intelligence-U.S. Report, November 2001*
- *Diet Aids, consumer intelligence-U.S. Report, October 2001*
- *Functional Foods, consumer intelligence-U.S. Report, September 2001*
- *Functional Beverages, consumer intelligence-U.S. Report, August 2001*
- *Athletic Footwear, consumer intelligence-U.S. Report, April 2001*
- *Fitness Clothing, consumer intelligence-U.S. Report, March 2001.*

Mintel has published a number of reports on other related sectors for the U.K. market that may be of interest to American companies:

- *Functional Foods, Market Intelligence-UK Report, March 2002*
- *Health Food Retailing, Retail Intelligence-UK Report, February 2002*
- *Health and Fitness, Market Intelligence-UK Report, October 2001*
- *Vitamins and Mineral Supplements, Market Intelligence-UK Report, May 2001*
- *Healthy Lifestyles: Healthy Halos, Healthy Aware or Reckless Risk-takers, Special-UK Report, April 2001.*

DEFINITION

For the purposes of this report, the following definitions have been used:

According to the ISPA there are seven types of spas: Club spas, cruise ship spas, day spas, destination spas, medical spas, mineral springs spas, and resort/hotel spas. While many of the same services are offered at each type, the scope of this report covers only those services offered at day spas.

Day spas offer a wide array of spa treatments on a daily basis. They do not offer overnight accommodations.

Here are guidelines that the Day Spa Association has set to make the distinction between a facility that offers spa services, and a true day spa.

A day spa offers:

Environment:

- A clean, safe, calming and nurturing environment
- Private treatment rooms for each client receiving a personal service
- Showering and changing facilities for women and men
- Spa robes and shoes for all sizes

Business licenses:

- Professional, licensed estheticians and therapists on staff

Products & treatments-required:

- Professional spa products for which estheticians and therapists have received training in their use
- Massages: Swedish, lymph drainage and reflexology (optional: shiatsu, polarity, sports, deep tissue, and deep muscle)
- Body treatments (one or more on the menu): Body packs and wraps, exfoliation,

cellulite, body toning/contouring, waxing, homecare program (optional: electrical impulse body toning, heat treatments, aryurveda treatments, laser hair removal, electrolysis, hand & foot care)

· Face: Cleansing facial, homecare program (optional: medical facial, electrical toning, laser hair removal, electrolysis, cosmetics, make-up consultation)

· Aromatherapy: personalized for body and/or face

Products & treatments-requires one of the following:

· Hydrotherapy

· Steam and Sauna

· One of the following:

· Nutritional counseling/weight management

· Private trainer/yoga/meditation

Products & treatments-optional:

· Hair-full service salon, scalp treatments and hair packs

· Spa manicure and pedicure

· Other services such as: aromatherapy, acupressure, medical treatments, nutrition, fitness, aquatic therapy, facials, pedicures, manicures, massage therapy, polarity therapy, Ashiatsu foot massage, cosmeceuticals (beauty products that help to improve skin) stress management, spiritual programs, laser hair removal, stone therapies, cellulite treatment, paraffin-wax foot and hand treatments.

ABBREVIATIONS & TERMS

There follows a list of abbreviations used in this report.

AAR		Alliance for Aging Research
AIS		American Institute of Stress
AMTA		American Massage Therapy Association
	B2B	Business to Business
CES		Consumer Expenditure Survey
CPI		Consumer Price Index
DOL		Department of Labor
DSA		Day Spa Association
FDA		Food Drug Administration
FDS		Federated Department Stores
ICR		International Communications Research Inc
ISPA		International Spa Association
NCS		National Consumer Survey (Simmons)
NCHS		National Center for Health Statistics
NIOSH		National Institute for Occupational Safety and Health
NPD		New Product Development
SPAA		Spa Association
SPSS		Statistical Package for the Social Sciences

Terms

The following terms are also used in the report:

Anthotherapy	Spa treatments in humid caves with temperatures between 86 and 107 degrees Fahrenheit.
Acupressure	A technique that involves applying pressure to specific acupoints in an effort to reduce and release tension while stimulating circulation.
Acupuncture	An Oriental technique that promotes healing and wellness by inserting needles at certain points on the body which correspond to internal organs.
Aromatherapy	The art and science of using aromatic essences from plants to promote overall well-being.
Balneotherapy	A term used to describe mineral-water treatments which use sea water or hot springs to revitalize the body.
Cosmeticians	Individuals that advise customers on how to apply makeup and use other beauty products.
Cranio-sacral therapy	A treatment that involves the massage of the head.
Electrologists	Individuals who are trained to remove unwanted hair permanently from a client's body using specialized electrical hair removal equipment.
Electrotherapy	A treatment that utilizes low-voltage electrical currents to reduce cellulite and stimulate muscles.
Endermologie	A French technique generally performed by an esthetician that works to reduce the visibility of cellulite.
Estheticians	Individuals who have received training in skincare and are capable of administering facial and other body treatments with specialized products and techniques.
Exfoliation	Skin treatments that remove the upper layers of dead skin cells through the use of things like sea salt, brushes and loofah sponges etc.
Facial	A treatment that concentrates on the face and involves massage, exfoliation, toning, moisturizing and cleansing.
Fango treatment	A treatment which involves a mixture of mud, oil and water which is rubbed on the body to relieve muscular aches and to generate a detoxification process.
Herbal wraps	A treatment that covers the body with heated mixtures containing herbs, seaweed.
Hydrotherapy	The use of water, using jets, mineral baths and underwater massages, to promote overall well-being.
Iridology	A practice which involves analyzing the colored part of the eye in order to diagnose various bodily ailments.
La stone	A massage treatment that uses heated basaltic rocks and marble stones to clear toxins and balance bodily energy.
Lomi Lomi	A Hawaiian massage that involves rhythmic rocking.
Lymphatic drainage	A massage that involves a technique which drains pockets of water retention and toxins.
Manicure	A treatment that concentrates on the fingernails and generally includes cuticle removal, nail shaping, buffing and polishing.
Microdermabrasion	A treatment that uses fine crystals to exfoliate dead skin cells without chemicals or lasers.
Paraffin treatment	A treatment that uses a heated wax which contains moisturizers and essential oils and is applied to parts of the body. As the wax gets hard, it makes a vacuum that pulls dirt from pores and removes dead skin cells.
Pedicure	A treatment that concentrates on the toenails and generally includes a foot soak, the removal of calluses and dead skin, feet, leg and ankle massage, nail shaping and polishing.
Reflexology	A massage technique that focuses on the foot as a center for tension release in other parts of the body. When the toes and foot are treated, it can have a relaxing effect on the entire body.
Salt glow	A sea-salt treatment applied to the body with massaging strokes to encourage a soaking, exfoliation and purification of the skin.
Sauna	First developed in Finland, saunas involve the use of dry heat to remove toxins from the skin and to open pores.
Shiatsu	A massage technique from Japan that involves acupressure to improve energy flow.
Sports massage	A penetrating massage that focuses on muscle groups, especially those used in athletic activities.
Stress	A bodily response that perceives danger and effects all major systems of the body including the brain, the immune system, the lungs, the heart and blood vessels, the digestive system and sensory organs.
Swedish massage	A massage technique that involves vibration, tapping movements and firm strokes along with the use of oil or lotion in order to manipulate specific pressure points.
Swiss shower	A shower that involves several stationary water jets which spray water on certain pressure points at different temperatures.
Thalassotherapy	Derived from the Greek word thalassos, or sea, thalassotherapy involves using hot seawater along with a mixture of seaweed, vitamins and algae, in order to cleanse the body of toxins and reinvigorate the skin.
Vichy shower	Often used after body treatments like salt glows, a vichy shower has several water jets which push water over a wet table.

Watsu

A relaxation treatment that involves a sequence of gentle movements while immersed in water.

Waxing

A hair removal method that involves removing hair at the roots by using cold or hot wax.

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A MUCH NEEDED SHELTER FROM DAILY STRESS

According to the Medical & Healthcare Marketplace Guide, the stress management industry in the United States was estimated to be worth upwards of \$11 billion in 2001. Americans of all demographic profiles experience stress on a daily basis. Popular *spa* services like massages and body wraps provide many consumers with a temporary escape from the pressures of daily life. Consumer research presented in this report indicates that 9% of the women surveyed had been to a day *spa* in the six months prior to being questioned. Some 78% (of the same 9%) aged 18 and older report that they went in an effort to relax (as opposed to for a special occasion/socializing/or specifically for treatments).

ANTI-AGING BABY BOOMERS DRIVE DAY SPA GROWTH

Many Baby Boomers are striving to be vital, age defying and productive older people and this includes an emphasis on living healthy lives, caring for their skin and their bodies. According to the Alliance for Aging Research (AAR), nearly nine out of ten Baby Boomers report that they have done something to fight getting older. Mintel's research conducted in July 2002 revealed that females between 35 and 54 years of age were more likely than those in other age groups to report going to a *spa* in order to take advantage of anti-aging treatments. The anti-aging emphasis in the day *spa* industry largely targets female Baby Boomers aged 45 and above. Females in their mid 40s often begin to have skincare concerns related to menopause and many are looking for natural skincare treatments and preventive treatments for their bodies. This makes them excellent candidates for day *spa* services which include particularly those offering, for example, anti-aging eye contour treatments, hydrating and regenerating facials, electrolysis and waxing and microdermabrasion.

DAY SPAS ARE PART OF A HEALTHY LIFESTYLE

Many day spa enthusiasts embrace their visit to the day spa as part of a healthy lifestyle. Eating well, taking vitamins, getting regular exercise and partaking in stress management and meditation are practices often associated with regular spa activity. According to research the International Spa Association (ISPA), the majority of day spa visitors consider themselves to be in "good" or "excellent" physical condition and some 47% believe they are of average weight.

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SPA TREATMENTS SERVE AS ALTERNATIVE REHABILITATION

For many, spa treatments serve as an important means for wellness and disease prevention along with a holistic treatment alternative in particular for joint and muscle ailments and injuries, and also for general fatigue and stress related conditions. Certain spa treatments are credited with speeding up metabolism, promoting bodily homeostasis and fortifying the immune system. Research by the American Massage Therapy Association (AMTA) revealed that around half of all American adults believe that massages are therapeutic. The three top medical reasons for receiving a massage include relief from muscle soreness and stiffness, pain reduction and injury recovery and rehabilitation.

WIDENING THE APPEAL-MORE MEN ENJOY DAY SPA EXPERIENCE

Industry sources repeatedly suggest that men are increasingly interested in going to spas. While spas may have been considered too feminine in the past, men are increasingly interested in what spas have to offer. Although spas may help men who are trying to lose weight or may appeal to those interested in fitness and health, men are also increasingly interested in skincare, and general appearance. According to Nashville, Tennessee-based Manaji, a men's skincare company, men spend upwards of \$12 billion a year to improve or maintain their appearance. Some of the day spas targeting men do so by providing more traditional male grooming facilities such as traditional barbershop services with hot shaves and shoe shining.

MAINSTREAMING LUXURY INTO NECESSITY

Despite the possible negative consequences a slowing economy may have on the day spa industry, two trends remain favorable. First, compared with resort spas that target vacationers looking for a spa experience, day spas are a more affordable luxury and are by definition a quicker fit into a busy schedule. Second, during the 1990s, day spa services increasingly shifted from being viewed as decadent indulgences to part of a broader lifestyle trend that includes healthy eating and regular exercise along with activities like meditation and yoga. Given this, Mintel estimates the day spa market will experience a very healthy increase in revenues by as much as 59% at constant 2002 prices between the years 2002 and 2007. Day spas will benefit by consolidating and expanding locations as more consumers seek holistic and anti-aging treatments.

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Market Drivers

The Market Drivers section identifies the principal external factors that affect the day spa industry. These factors may have either a positive or negative influence.

The growing popularity of U.S. day spas is influenced by a number of factors related both to lifestyle issues and demographics. Mintel has identified the following external market drivers as likely to have a direct impact on the day spa market.

INCREASED PERSONAL STRESS

Stress has been called an epidemic of modern life and Americans of all ages and backgrounds are reporting high levels of personal stress. Researchers at the University of California, Davis, have found that personal stress can lead to health conditions that include depression, heart disease, stroke, susceptibility to infection, immune disorders, cancer, gastrointestinal problems, eating disorders, diabetes, physical pain, sleep disorders, sexual and reproductive dysfunction, memory and concentration problems and skin disorders.

Sleep disorders are among the most common stress-induced health problems. Gallup research in 1995 revealed that about 87 million Americans or close to half of the population experience difficulty sleeping due to stress.

A convenient salve for hectic lifestyles

With increasing numbers of Americans living in dual income households, balancing the many responsibilities of home and work means increasing time pressures. Research exclusively commissioned by Mintel in May 2001, reveals more than 70% of respondents agreed with the statement, "There's never enough time in the day to get through the things you need to do."

According to a survey by the ISPA, 52% of day spa patrons agreed with the statement, "I am always looking for new ways of reducing the stress in my life." The ISPA research also revealed that the pursuit of relaxation is a primary reason people attend day spas. This is supported by Mintel's own research which shows that given the possible reasons for going to relax, socialize, for treatments or any other reason, more than three quarters of those who had been to a day spa in the previous six months had gone primarily 'to relax'.

Day spas conveniently located close to people's homes may experience the greatest advantage in capitalizing on stressed out, relaxation-starved Americans. As reported by industry sources, many people tend to want their amenities within a five-mile radius of their home. Busy consumers are also looking for a one-stop shopping experience that enables them to take advantage of multiple services in one place. At some day spas, this can include hair cuts and styles, tanning, facials, body treatments, nail care and exercise.

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Workplace stress

According to the American Institute of Stress (AIS), work is the leading cause of adult stress, followed by other factors including marital/relationship discord, violence and perceived threats to personal safety, peer pressures, loneliness and social isolation.

As reported in a 2000 Gallup poll, approximately four out of five Americans report job-related stress, one in four state that they feel like shouting or screaming due to job-induced stress and about half agree that they need assistance in managing their stress. A Yale University study in 1997 indicates that three in ten workers report that their they feel either "quite a bit or extremely stressed" while at work.

The National Safety Council estimates that on any given day, about 1 million people are absent from work due to stress related problems and employees who need to take time away from work due to stress or anxiety are generally off the job for close to 20 days.

Day spas may offer a reprieve from the physical and emotional effects of stress. As published by the AIS, massage can help reduce muscle tension and other symptoms related to physical and emotional stress. Spas provide a much needed relaxing escape where people can "get away from it all" while being nurtured and pampered in tranquil surroundings.

Figure 1 shows the weekly hours of work for managers and professionals for 1999 and 2001.

Figure 1 Average weekly working hours for managers and professionals, 1999 & 2001

	1999	2001	Change 1999-2001
			%
Managers hours/week	43.9	43.2	-1.6
Professionals hours/week	40.2	41.5	3.2
Total hours/week	42.0	42.4	0.9

While the average weekly hours for managers has remained relatively steady between 1999 and 2001-between 43 and 44 hours per week-DOL research finds that the average weekly hours of work for professionals is on the rise, increasing 3.2% between 1999 and 2001 to total about 41.5.

According to the ISPA, Generation X may be particularly favorable to day spa services when looking for a respite from work-related stress. Recognizing the connection between massage and stress reduction, some companies, with notable major ones including Boeing, PepsiCo, Sony Music and United Airlines, offer on-site massages for employees as a way to reduce fatigue and stress and increase productivity.

PERSONAL DISCRETIONARY INCOME

Until recently spas have often been perceived as a luxurious retreat reserved for the more affluent. Indeed, resort spas are still largely limited to higher income clientele. Day spas, however, have been offering services at more reasonable costs, helping to attract a growing number of middle income customers. While it is not uncommon to pay \$100 to enjoy such treatments as facials, stone therapies, laser hair removal, cellulite treatment, paraffin-wax foot treatments and acupressure, gift certificates and special packages can make these services more accessible and affordable. Other trends include spas that offer mini-treatments or shortened versions of popular treatments like massages and facials at discount prices.

Despite this increased accessibility, it is likely that affluent customers will continue to drive spa growth. According to ISPA research, approximately 32% of day spa-goers have an annual income between \$45,000 and \$74,999 while 26% have an annual income of \$35,000 or less. Though individuals from all income levels enjoy the benefits of day spas, a large percentage of regular spa users have household incomes that exceed \$200k.

Figure 2 shows the distribution of household income in the U.S. between 1990 and 1999.

Figure 2 Distribution of household income, 1990-1999

	1990		1995		1999		Change 1990-1999 % point change	
	# H'holds	% H'holds	# H'holds	% H'holds	# H'holds	% H'holds	%	1990-1999
All Households								
Under \$25K	30,840	32.7	33,674	33.8	32,040	30.6	3.9	-2.1
\$25K-\$49.9K	29,425	31.2	29,788	29.9	29,841	28.5	1.4	-2.7
\$50K-\$74.9K	17,448	18.5	17,933	18.0	19,266	18.4	10.4	-0.1
\$75K-\$99.9K	8,582	9.1	8,867	8.9	10,785	10.3	25.7	1.2
\$100K or more	8,017	8.5	8,966	9.0	12,879	12.3	60.7	3.8
Total all households	94,312	100.0	99,627	100.0	104,705	100.0	11.0	

U.S. Census Bureau, Money & Income in the U.S.: 1999

Between 1990 and 1999 higher income households experienced the greatest growth while the number of lower income households experienced slower growth and comprised a shrinking percentage of U.S. households. While households with annual household incomes of \$49.9K or less still comprise the majority of U.S. households, those with annual household incomes of \$50K or above grew from 36.1% of the population in 1990 to 41% of the population in 1999.

Households that experienced the greatest levels of growth were those with annual incomes of \$100K or more, followed by those with annual incomes that ranged between \$75K and \$99.9K. These findings are favorable for the day spa industry since day spa services tend to attract consumers that have discretionary income to spend on personal luxuries like massages, facials and manicures.

Figure 3 shows households with discretionary income by age of household member in 2000.

Figure 3 Households with discretionary income, by age of householder, 2000

	Total households	Households with discretionary income	Average amount of discretionary income	Average amount of discretionary income per household member
	000	000	\$	\$
Under 25	5,860	4,941	12,242	6,278
25-34	18,627	15,361	24,627	8,859
35-44	23,955	17,240	32,418	10,006
45-54	20,927	14,384	35,267	12,551
55-64	13,592	9,070	28,231	12,774
65-74	11,325	9,361	17,974	9,612
75 and older	10,419	7,366	14,205	9,224
Total Households	104,705	77,274	26,168	10,303

Note: Discretionary Income defined as: income remaining after 'necessary expenses' have been met. Necessary expenses are defined as including all taxes, food, housing (excl. hotels/motels), most apparel/transportation, healthcare. Please contact Mintel for details on full definition.

TGE Demographics Consulting/Mintel

Households with the greatest amount of discretionary income tend to be those where the head of the household is between 45 and 54 years of age. Households in this age category averaged around \$35,267 in discretionary household income per year in 2000. This is sizable compared to certain other age groups like those 75 and older who averaged about \$14,205 year in 2000. Households where the head of the household was between 35 and 44 years of age followed with the second highest total in average discretionary income of \$32,418 per year in 2000. Perhaps even more importantly, individuals in households where the head of the household is between 55 and 64 years of age had access to the greatest amount of disposable income per household member, at \$12,774.

These findings reveal that Baby Boomers comprise the generation most likely to have greater access to higher levels of discretionary income. This is positive for the day spa industry given the considerable size of this generation. Day spa treatments can be an expense difficult to justify on a tight budget and treatments like facials and massages will likely appeal to those individuals with access to higher levels of discretionary income. Mintel's own consumer research administered in July 2002 revealed that annual household income was directly related to day spa attendance. For example, while 9% of all female respondents attended a day spa in the last six months, about 24% of those with household incomes of \$75K+ had attended a day spa during the same period.

Figure 4 shows households with discretionary income by race and ethnicity in 2000.

Figure 4 Households with discretionary income, by race/ethnicity, 2000

	Total households	Households with discretionary income	Average amount of discretionary income	Average amount of discretionary income per household member
	000	000	\$	\$
White	87,671	66,289	26,938	10,818
Black	12,849	8,174	19,299	6,892
Asian	3,337	2,650	30,715	10,238
Hispanic	9,319	5,820	18,904	7,592
Native American	848	611	14,859	5,565
Total households	104,705	77,274	26,168	10,303

Note Discretionary Income defined as: income remaining after 'necessary expenses' have been met. Necessary expenses are defined as including all taxes, food, housing (excl hotels/motels), most apparel/transportation, healthcare. Please contact Mintel for details on full definition.

TGE Demographics Consulting, Mintel

Compared to black, Hispanic and Native American households, Asian and white households have higher levels of discretionary income, with Asian households averaging \$30,715 in 2000, followed by white households who averaged \$26,938. Individuals in white households had access to an average of \$10,818 in discretionary income in 2000 compared with those in black households that had access to an average of \$6,892.

These findings suggest that the day spa market may be more favorable among members of certain racial and ethnic backgrounds, in large measure due to issues related to access to discretionary income.

DEMOGRAPHICS

While individuals in all age groups enjoy day spa treatments, day spa visits are more popular among certain generations. Mintel's own consumer research in July 2002 revealed that day spas were most popular among those respondents 25-34 years of age, closely followed by respondents between 35 and 54. These groups are closely matched to the Generation X and Baby Boom generations, as shown in Figure 5.

Figure 5 shows the breakdown of generational groups by age (as of 2000).

Figure 5 American generations, 2000

Age in 2000	Number	Share of total population	Share of adult population	Born between
	000	%	%	
Post-Millennials, under age 6	22,718	8.3	-	1995-2000
Millennial/Echo Boom, aged 6 to 23	70,796	25.7	11.3	1977-1994
Generation X, aged 24 to 35	45,201	16.4	22.1	1965-1976
Baby Boom, aged 36 to 54	77,754	28.2	37.9	1946-1964
Swing, aged 55 to 67	29,759	10.8	14.5	1933-1945
World War II, aged 68 or older	29,078	10.6	14.2	1932 or before
Total people, all ages	275,308	100.0	-	

U.S. Census Bureau, Current Population Surveys

Members of Generation X are leading the consumer interest in day spas. Industry sources consistently report that the interest in day spas among younger generations is a relatively new phenomenon. Mintel's own consumer research in July 2002 confirms that 14% of female respondents between 25 and 34 had visited a day spa in the last six months compared with 9% of the total sample.

Spa services are popular among Generation Xers in part because they offer a good way to temporarily escape from work related stress experienced while trying to firmly establish themselves in their careers.

Gallup poll research in 2000 revealed that more than half of women between 18 and 34 and more than a quarter of men in the same age group look forward or currently use day spa facilities.

Spas like the Plano, Texas-based Seventeen Studio/Spa/Salon cater directly to this segment of the population, complete with pedicure parties, interactive media access, a hip café and makeup consultations.

The media savvy and sophisticated Millennials/Echo Boomers often crave challenging and unusual experiences, so spas interested in targeting this generation may consider their marketing strategies to appropriately appeal to adventure-seeking consumers. It is also important to note that younger day spa consumers often prefer different services to their older counterparts, including facials, as opposed to body packages.

Additionally, members of the Baby Boom generation are enjoying day spa services in large numbers. Based on the information featured in Figure 3, it is evident that compared to other generations, Baby Boomers tend to have access to greater levels of disposable income and their interest in day spas is favorable to the market given that they also comprise the largest generation. In their prime earning years, Boomers are likely to enjoy higher amounts of disposable income, which helps them to justify purchasing regular day spa treatments that they may not necessarily need but may enjoy. They are also a natural target market for day spas since they tend to be able and willing to spend money on amenities that fulfill their desire to reduce stress and feel and look young.

Members of the Swing and World War II generations (currently those aged 55 years and older), while less likely than Baby Boomers to go to day spas, may be a target market for spa treatments that have medicinal qualities, healing sore joints and helping conditions like arthritis. Research by the AMTA provides information on promising trends regarding members of the mature generations, revealing that the fastest growing segment of adults who report receiving massages are between 55 and 64 years of age.

WELLNESS INDUSTRY AND THE SPA LIFESTYLE

The culture of day spas often emphasizes holistic health and the concepts of wellness, fitness, and beauty. Consumers that are part of this holistic lifestyle generally embrace the interconnection between one's environment and one's physical and emotional balance.

Grounded in a variety of alternative health practices including herbalism, meditation, acupressure, acupuncture and nutritional therapy, this quest for wellness is becoming more mainstream. As spa treatments become a part of traditional healing and wellness, more doctors will likely recommend spa treatments to their patients, creating further opportunity for market growth.

Alternative medical treatments

As reported by Women's Wear Daily in April 2000, the use of alternative medicine (in terms of people who practice) increased approximately 47% between 1990 and 2000, with about 42% of Americans now having used some type of alternative medicine. An interest in alternative healthcare and complementary medicine, a market estimated by the *Nutrition Business Journal* to be worth upwards of \$30 billion in the U.S., is often linked to day spa visits since many spas offer consumers alternative healthcare treatments like acupuncture, acupressure, aromatherapy and massage therapy.

Based on Mintel's own exclusive research, Figure 6 shows the percentage of people who have purchased holistic products (homeopathic medicines, herbal supplements or aromatherapy products) in the past six months.

Figure 6 Consumers who purchased homeopathic medicines, herbal supplements or aromatherapy products in the last 6 months, December 2001

"Have you purchased any homeopathic medicines, herbal supplements, or aromatherapy products in the last 6 months?"

Base: 2,026 adults aged 18 and older

	All %	Male %	Female %
Yes	22	16	27
No	77	83	72

Mintel/ICR

Some 22% of respondents reported having purchased some type of homeopathic medicine, herbal supplement or aromatherapy during the past six months, with women notably more likely than men to have done so. This may in part be related to a greater openness among women regarding alternative healthcare treatments and it may also be because women are more likely to make purchases for the home in general, and so may be buying on behalf of other household members.

Further evidence supporting the interest in alternative remedies is shown in Figure 7.

Figure 7 Consumers who believe alternative remedies are better than conventional ones, December 2001

"Alternative remedies are healthier than conventional remedies"

Base: 1,015 adults 18 years and older

	All %	Male %	Female %
Yes	39	34	43
No	46	48	44

Mintel/ICR

Approximately 39% of respondents believed that alternative remedies are healthier than conventional remedies. Women were more likely than men to have greater faith in alternative remedies, with 43% of women, compared to 34% of men, agreeing that alternative remedies are healthier than conventional remedies. This may help to explain the greater interest women also show in day **spa** treatments since it appears that women are more likely than men to believe alternative remedies are better than conventional ones.

Day **spas** oriented towards alternative medical therapies include treatments like herbal therapies, hypnosis, homeopathy, acupuncture, acupressure, aromatherapy, self-imagery healing and biofeedback. Many offer complementary services following medical treatments like plastic surgery, chiropractic treatments, physical therapy and dermatology.

Weight management & vitamin consumption

Spa patrons often hold health conscious values in high esteem, exhibiting a general concern about eating healthfully and getting ample exercise. About two thirds take vitamins and close to three out of five of day **spa** patrons limit the amount of fat they consume. Some day **spas** like Splash Spas-located in Sports Club/LA facilities-are fitness spas, located in fitness facilities. This provides visitors with the opportunity to exercise while also enjoying a wealth of **spa** services and treatments.

Living a healthy lifestyle, including a focus on nutrition and weight loss, is big business. According to the *Nutrition Business Journal*, "Sports Nutrition and Weight Loss Report 2001," Americans spent about \$8.7 billion on nutrition and weight loss in 2000, a one year growth of 12.4%. This spend is achieved in part because of the high proportion of people who take vitamins and nutrients for health benefits, and will be further boosted by spend on diet products. Figure 8 shows results to a question from the Simmons NCS, in which respondents were asked about their vitamin and nutrient taking.

Figure 8 Consumers who take vitamins/nutrients for long term health benefits, by age, June 2002

"Take vitamins/nutrients long term for health benefits"

Base: 11,832 adults aged 18 and older

	All	18-24	25-34	35-44	45-54	55-64	65+
	%	%	%	%	%	%	%
Take vitamins/nutrients long term	60	52	60	59	60	67	65

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Mintel/ Simmons NCS

Simmons NCS research reveals that three out of five respondents report taking vitamins and nutrients for long term health benefits. Vitamins and nutrients are most popular among respondents 55 years and older. This market will continue to grow. As Baby Boomers age, most express a desire to look as young as possible, and many are seeking out natural treatments to revitalize their appearance. An AAR research study titled "A New Age of Aging-A Study of Baby Boomer Behaviors on Growing Older" published in 2002 supports these findings, and shows that approximately 57% of Baby Boomers report that they take vitamins, minerals and dietary supplements in order to look or feel younger.

LOOKING YOUNG

According to a congressional report by the House Subcommittee on Health and Long-Term Care, Americans spend upwards of \$2 billion annually on anti-aging treatments. Spas have a fountain-of-youth quality to them, offering cosmetic services to combat the physical indications of aging. ISPA research in 2000 has revealed that 51% of day spa respondents agreed with the statement, "My looks are very important to me" while 17% of day spa-visitors agreed with the statement, "I will do whatever it takes to look as young as possible."

The demand for products and services help drive the market for day spas, as many focus on anti-aging technology including the sale and application of products with special ingredients to hydrate and rejuvenate aging skin. Botox injections, a drug recently approved for cosmetic use by the FDA, are one of the most obvious examples of anti-aging treatments currently offered at day spas. In 2001, consumers spent upwards of \$310 million on Botox therapy compared to \$90 million in 1997.

Laser hair removal and traditional facials are also popular among consumers looking to reduce signs of sun damage and aging. Based on Mintel's own consumer research in July 2002, hair removal services had been purchased by 12% of female day spa visitors and were most popular among women between 35 and 44 years of age, followed by 18 to 34 year olds. Laser hair removal, as reported at The Spa & Resort Expo & Conference, is one of the most popular cosmetic laser procedures and women spend over \$3 billion a year on it, (much of this spend of course not being made through the day spa industry). Women are not the only ones interested in hair removal. Men are also interested in services like waxing that help them remove unwanted hair from areas like the chest and back. Mintel's own consumer intelligence report *U.S. Hair Removal, consumer intelligence, July 2000*, explores related hair removal issues in greater detail.

In order to take advantage of the demand for rejuvenating services, some day spas now offer paramedical skincare treatments that help to, for example, clear acne, reduce surgical scarring, restore skin tone after liposuction, improve skin elasticity after face lifts along with electrolysis, burn therapy and permanent makeup application.

Other popular nonsurgical cosmetic procedures for women include collagen injections, botulinum toxin injections, chemical peels and microdermabrasion. Day spas located within medical facilities offer customers a combination of both medical and cosmetic treatments. Given the growing interest in medical-related spa treatments, there are a growing number of physician-run spas, sometimes called medi-spas, like Illusions Salon and Day Spa supported by Dr. Rhys Branman, MD, in Nashville, Tennessee.

WOMEN ARE THE BEST CUSTOMERS

Women have long represented the largest customer base for day spas, in part due to their association with the beauty and cosmetic industry. Industry sources suggest that over four fifths of day spa attendees are women. Many female clients are part of the workforce and use day spas as a way to obtain some pampering in an effort to combat fatigue and stress.

...but men are increasingly realizing day spa benefits

Despite the female dominance in the day spa market, industry sources suggest that men have been catching up in the last five years, reaching closer to one fifth of the market. In order to cater to the growing male clientele, many day spas are changing their design and facilities to have a greater male appeal. While male-only spas are commonplace in Europe, such spas are only recently appearing in the U.S. Nickel, a skincare manufacturer headquartered in France, opened a men-only spa in New York in 2002.

Cuccio salon found that some of its male clients indicated dissatisfaction with about their appearance including rough feet and hands and excess body hair. As reported in the *Global Cosmetic Industry* in April 2001, male spa consumers are requesting services for their skin, nails and hair, along with body treatments.

Approximately 41% of men who go to a spa purchase retail products while there. Attracting men can also involve featuring different product selections including shaving creams.

Aside from an interest in beauty regimens including hair removal and skin treatment, stress reduction and escape may be among the most important factors leading more men towards day spa doors. Spa Finder research reveals that around three out of five men who use spas are seeking an outlet to help get their minds off of their jobs.

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Market Size and Trends

The day spa industry is rapidly expanding with new spas opening daily across the country. The U.S. day spa market is worth \$6.8 billion in 2002, and has experienced steady annual growth since 1998 as revenues increased over 140% between 1997 and 2002. While industry growth has slowed somewhat since its peak of 21.2% in 2000, future opportunity for growth abounds and is anticipated within the industry.

Figure 9 Total U.S. day spa revenue, at current and constant prices, 1997-2002

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Year	Sales at current prices			Sales at constant 2002 prices*		
	\$million	Index	% change	\$million	Index	% change
1997	2,820	100	-	3,205	100	-
1998	3,350	119	18.8	3,749	117	17.0
1999	4,050	144	20.9	4,434	138	18.3
2000	4,910	174	21.2	5,201	162	17.3
2001	5,775	205	17.6	5,948	186	14.4
2002 (est.)	6,835	242	18.4	6,835	213	14.9

* Adjusted for inflation using the all items CPI

DSA/Healthwire/ISPA/Spa Finder/U.S. Census Bureau/Company reports and financial information/Mintel

The dramatic growth is clear as shown in Graph 1.

Graph 1 Total day spa revenue, at current and constant 2002 prices, 1997-2002

DSA/Healthwire/ISPA/Spa Finder/U.S. Census Bureau/Company reports and financial information/Mintel

In terms of the structure of the market, according to *Day Spa Magazine* in 2000, around 20% of spas generate more than \$1 million a year in revenue. As reported in *Forbes* magazine, of all the different types of spas available, day spas tend to have the highest profit margin, around 70% of total spa revenue.

Mintel estimates that some 23 million people support the day spa market. According to Mintel's own consumer research administered in July 2002 around 9% of female respondents 18 years and older had been to a day spa in the last six months. Further, and based on DSA estimates in 2001, around 13% of U.S. adults have been to a day spa. Consideration of these facts would suggest that the market is accounted for by some 19 million women and about 4 million men.

Future growth in the day spa market is anticipated as day spa penetration increases and consumer awareness develops. According to DSA research, of those who have visited a day spa in the last year, approximately 81% of women and 72% of men report that they will likely go back again to one within the next year. Based on these data, therefore, 19% of female spa visitors and 28% of male spa visitors will not return to a day spa next year. Given these findings, the day spa industry will need to recruit approximately 3.6 million women each year and 1.1 million men, for a total of 4.7 million new recruits, to maintain present day spa penetration levels.

According to ISPA data, around 39% of spa guests are first timers. This suggests that the day spa industry has about 9 million first time visitors each year. Given that 4.7 million new recruits are necessary to maintain present day spa penetration levels, it is apparent that the market is experiencing notable annual growth.

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Market Segmentation

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OVERVIEW

The Day Spa Market includes a range of services including massages, hair care, facials, body treatments, manicures and pedicures combined with sales from retail products which include specialized shampoos, conditioners, mousses, gels, moisturizers, cleansers, masks and makeup.

Figure 10 shows the relative size of each of the treatment types.

Figure 10 Day spa sales, segmented by treatment type, 1999 & 2001

	1999		2001		Change 1999-2001
	\$million	%	\$million	%	%
Massages	850.3	21	1,282.7	22	50.9
Facials & body treatments	678.0	17	994.5	17	46.7
Hair care services	664.5	16	925.0	16	39.2
Nail care, manicures and pedicures	604.2	15	854.3	15	41.4
Product sales	445.5	11	750.8	13	68.5
Other*	807.5	20	967.7	17	19.8
Total	4,050.0	100	5,775.0	100	42.6

Note: Data may not equal totals due to rounding

* Other includes aromatherapy, makeup application and consultation, hair removal treatments including waxing and electrolysis, tanning services, spa cuisine, nutrition and weight management consultation, exercise classes including aerobics, yoga, tai chi and meditation, use of steam bath, hydrotubs and sauna.

CES/NPD/HTT/Day Spa Magazine/AMTA/U.S. Census Bureau/Company reports and financial information/Mintel

Graph 2 Day spa sales, segmented by treatment type, 2001

* Other includes aromatherapy, makeup application and consultation, hair removal treatments including waxing and electrolysis, tanning services, spa cuisine, nutrition and weight management consultation, exercise classes including aerobics, yoga, tai chi and meditation, use of steam bath, hydrotubs and sauna.

CES/NPD/HTT/Day Spa Magazine/AMTA/U.S. Census Bureau/Company reports and financial information/Mintel

Massage

Massages, which typically last for about 50 minutes, range in price from \$50 to \$115. Annual revenue for massages at day spas in 2001 reached \$1.28 billion, a 50.9% increase between 1999 and 2001. Massages continue to be the most popular and sought after spa treatment. Mintel's own consumer research in July 2002 revealed that approximately half of all female respondents who had attended a day spa in the last six months requested a massage.

Day spas offer a wide variety of massages including Swedish, sports, deep tissue/deep muscle, la stone, lymph drainage, reflexology and shiatsu. While both men and women enjoy massages, the reason for massage may be different, with industry sources suggesting that compared to women, men may prefer massages oriented towards sports recovery.

Facials and body treatments

Day spa revenue from facials and body treatments increased approximately 46.7% between 1999 and 2001, totaling \$994.5 million in 2001. Offered by a great majority of day spas, facials generally cost about \$50 and body treatments typically cost between \$40 and \$130. According to Mintel's own consumer research, 28% of all female respondents 18 years and older who had visited a day spa in the last six months requested a facial. Some of the most popular facial treatments include European, deep cleaning, glycolic and anti-free radical, with other forms such as Balinese and Dead Sea mud.

Dating back to ancient Egypt, body wraps have become increasingly popular, focusing on the lymphatic system in order to rid the body of toxins and impurities. Body wraps typically range in price from \$50 to \$100.

Body treatments offered through day spas include acupressure, body packs and wraps like seaweed wraps and mud wraps, glows and exfoliators, cellulite treatments, heat treatments and scrubs that use flowers and herbs.

Manicures & pedicures

Nail services have grown in popularity as Americans have found that even a simple manicure or pedicure can provide a personal lift along with more attractive nails. The demand for manicure and pedicure services is also manifest in the increase in nail salons/bars, however, sales through these outlets are not covered in this report. Between 1999 and 2001 day spa revenue from nail care services grew approximately 41.4%, reaching \$854.3 million in 2001. The price for a manicure can be as low as \$15 and pedicures generally cost around \$35. Based on Mintel's own consumer research in July 2002 one out of two female respondents who had visited a spa in the last six months requested a manicure or pedicure.

Due to the increase in popularity, between 1995 and 2000 the average price for a manicure, according to *The Nails Fact Book*, rose by around 20%, with future increases expected. Along with manicures and pedicures, other popular nail treatments include artificial nails, nail sculpturing and liquid or fiberglass wraps.

Product sales

According to industry sources, upwards of 11-12% of day spa revenue should come from the sale of retail products and some spas generate upwards of 40% of revenue from their retail sections. Associations such as the Spa Association (SPAA) encourage spas to try to match product and service sales dollar for dollar.

Those spas taking a more holistic approach are increasingly focused on customer education and instruction and this includes encouraging clients to follow up spa treatment visits with at-home treatment. As more spas are focused on selling visitors products for take-home maintenance, many are branding their own products. Based on ISPA data, of the 39% of spa visitors that purchase health and beauty products while at the spa, 45% buy products that are part of the spa's own private label collection.

Other

Given the mom and pop nature of the day spa industry, spa treatment offerings are incredibly diverse. Some spas offer just the traditional treatment offerings like one hour Swedish massages and European style facials while others include a wide gamut of services like microdermabrasion, tanning beds, hydrotherapy and nutritional counseling. A majority of day spas also offer personalized makeup consultations.

Some spas offer healthy lunches including snack and juice bars. Other spas offer saunas and steam baths. According to the DSA, around one out of five men visiting a day spa request some sort of hydro treatment, and nearly three out of ten use the sauna, if available.

Given that some 17% of day spa sales are from 'other' products and services, it is clear that these are nonetheless important to the industry, and the variety of services offered may in fact be part of the appeal of day spas.

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Supply Structure

The Supply Structure section covers the day spa industry. Profiles of leading day spas are featured.

DAY SPA OPERATORS

According to the *American Salon Green Book*, day spas are the fastest growing sector of the beauty industry. Some of the most notable growth in day spas is among beauty salons that have started offering a broader array of services, shifting towards the day spa market. Industry estimates suggest there are upwards of 6,000 day spas in the U.S. in 2002-and this includes traditional beauty salons that have started offering more treatments like manicures, facials and massages. Based on ISPA research, the number of day spas increased about 127% between 1994 and 2001.

The vast majority of day spas are independently owned, single-location facilities, although some are accredited by the DSA. Accredited spas have a private treatment room for each client receiving personal services. Attendants must be specifically trained and the spa should offer at least four types of massage and four other body treatments including exfoliation, aromatherapy, facials and body wraps.

Day spas are increasingly situated in strip malls, shopping centers and around upscale residential neighborhoods. Malls and strip malls are increasingly popular locales, due in large measure to their high traffic. Day spas are also moving towards larger premises in order to provide more treatment rooms and a larger variety of treatment options. Many are located in urban areas, offering so called "urban retreats" from the usual bustle of the city, yet it is anticipated that day spa growth will likely occur in suburban locations that provide closer proximity to many people's homes.

COMPANIES

The following six companies profiled are the primary day spa operators in the U.S. While there are undoubtedly many independent operators, there are no data reporting their individual activities. Additionally, the data given for the top six companies show total sales of which day spa operations are an element. Following the table, the activities of each of the major players are discussed.

Figure 11 Revenues for top companies offering U.S. day spas, 1999 & 2001

Day spa operator	Sales 1999	Sales 2001	Change1999-2001
	\$million	\$million	%
Federated Department Stores	17,716.0	18,400.0	3.9
Louis Vuitton-Moët Hennessy	8,589.0	10,900.0	26.9
Nordstrom	5,124.0	5,600.0	9.3
Estée Lauder	3,961.3	4,600.0	16.1
Elizabeth Arden	361.2	731.5	102.5
Steiner Leisure	129.8	194.4	49.8

Federated Department Stores

Considered to be the largest upscale department store retailer in the country, Federated Department Stores (FDS) has 450 retail locations in 34 states. The company's chains include Bloomingdale's, Macy's, Lazarus, The Bon Marché, Burdines, Rich's and Goldsmith's. Federated Department Stores also owns the Fingerhut Companies.

FDS stores are full-line department stores, selling a wide range of merchandise including clothing for all the family, accessories, cosmetics, home furnishings and other consumer goods. In 2000 select company stores started focusing on new service offerings including in-store day spas and salons which offer customers a wide variety of services including manicures, pedicures, massages, vichy showers, hydrotherapy and hair cuts. In 2001 the company unveiled its "store of the future" in cities like Columbus, Ohio, complete with day spas, Internet access, supervised child-care areas and interior design studios. The company hopes that the day spas, called Ecotage, it is incorporating into certain stores, inspire customers to purchase other products including new cosmetics. As of October 2002 there are five Ecotage locations based in cities that include Atlanta, Georgia, Cincinnati, Ohio, Columbus, Ohio and Louisville, Kentucky.

Company sales reported in 2001 were \$18.4 billion, up 4% from \$17.7 billion in 2000. Latest quarterly financials indicate that third quarter 2001 sales were almost \$3.8 billion, down 10% from almost \$4.2 billion during the same quarter in 2000.

Louis Vuitton-Moët Hennessy

Headquartered in Paris, France, Louis Vuitton-Moët Hennessy (LVMH) includes an array of luxury brands. The company makes a variety of wines and champagnes, cognacs, cosmetics, leather products, liquors and watches under brand names like Dom Pérignon, Christian Dior, Givenchy, Donna Karan, Louis Vuitton and TAG Heuer. In 1999 the company purchased the Soho-based Bliss Spa, first started by Marcia Kilgore in 1993 under the name Let's Face It. The company opened another New York City salon, Bliss 57, in 2000, and Bliss London in 2001 with future plans to open in more locations, specifically on the West Coast. Bliss Day Spas offer customers a wide range of unusual treatments including different types of body treatments like hot salt scrubs and carrot and sesame body buffs, facials like fruit acid washes, reflexology, full body waxing and pedicures.

Total sales for LVMH in 2001 reached \$10.9 billion, a one-year sales decline of 0.1%. In order to grow revenue the company is looking for expansion opportunities that include in-store retailing in department stores so that the Bliss brand can spread beyond the company's select day spa locations. Bliss is also contemplating opening so-called QuickBliss stores, where clients are readily able to receive manicures and pedicures in a timely manner.

Nordstrom

With headquarters in Seattle, Washington, Nordstrom is one of the biggest apparel and shoe retailers in the U.S., selling accessories, apparel and footwear throughout 125 stores in over two dozen states. Ranked number 84 in Fortune's Best Companies to Work For, Nordstrom is also number 314 in the Fortune 500.

The company owns and operates eight day spas in select store locations including Dallas, Texas, Scottsdale, Arizona, Atlanta, Georgia, Troy, Michigan, San Francisco, California and Garden City, New York. Spa services include eyelash and eyebrow tinting, pedicures and manicures, hair removal, skin detoxification and body treatments, body contouring and firming treatments, hydrotherapy, massage, vichy showers and exfoliation.

Aside from the total day spa experience, Nordstrom also offers customers a stop-and-go manicure service in its Seattle, Washington location through The Manicure Bar. The design is meant to be fast and efficient, appealing to consumers who are in a hurry.

Nordstrom also offers its own product line that includes aromatherapy products, Nordstrom's botanical line for the skin, masks and moisturizers. Company sales in fiscal 2002 reached \$5.6 billion, a one-year sales growth of 1.9%.

Estée Lauder Companies

Operating as one of the largest manufacturers and marketers of skincare and hair care products in the world, the New York City-based Estée Lauder includes products sold under brands like Estée Lauder, Aramis, Clinique, Prescriptives, Origins, M·A·C, Bobbi Brown Essentials, Tommy Hilfiger, Jane, Donna Karan New York and Aveda.

The company purchased Aveda in 1997, which included around 2,000 Aveda Concept Salons and around 130 Aveda Environmental Lifestyle Stores. Some of the Aveda Salons located in places like Denver, Colorado, Arlington, Virginia and Phoenix, Arizona, include day spas that offer customers treatments like facials, eye treatments, a Himalayan Rejuvenation Body Treatment, massages, body exfoliation, aroma hydrotherapy and body wraps.

Aveda is recognized for its efforts to raise environmental awareness among consumers, including an emphasis on conservation and sustainable harvesting. Recognized for its efforts to make products from pure flower and plant essences, the company was awarded the Corporate Wildlife Stewardship Award in 2002 by the U.S. Fish and Wildlife Service (USFWS).

Ranked number 360 in the Fortune 500, company revenue in 2001 reached \$4.6 billion, a one-year sales growth of 5.5%.

Elizabeth Arden

Headquartered in Miami Lakes, Florida, Elizabeth Arden markets products under a handful of brand names including Elizabeth Arden, Red Door and Passion. The company makes and markets colognes like Halston and Grey Flannel and skincare products that include Millennium and Visible Difference. To compliment its spa business, Arden is continually adding spa-inspired products to its repertoire, including Peel and Reveal Revitalizing Treatment, a mask made of sugar extract from the North American Larch tree, which retails for \$30 and was introduced to the market in January 2002.

Its 2000 merger with Mario Tricoci Hair Salons and Day Spas in part explains the company's impressive 102.5% revenue growth between 1999 and 2001. The companies merged with the goal of expanding into more than 300 facilities by 2005. Arden's Tricoci salons include about 25 locations, most of which are in or near Illinois. The company's 11 freestanding Red Door Salons and Spas are in cities that include New York, Dallas, Phoenix and San Francisco. Elizabeth Arden also operates about a dozen Red Door salons located in department stores like Marshall Field's and Saks Fifth Avenue and another 90 store-branded salons in stores like Bloomingdale's, Macy's, Robinson-May, Lord & Taylor and Elder Beerman.

Company sales in fiscal year 2002 reached \$731.5 million, a one-year sales growth of 91.3%. Day spa sales are estimated to be approximately \$160 million in 2000, and totaled upwards of \$321.9 million in 2001.

Steiner Leisure

With headquarters in Nassau, in the Bahamas, Steiner Leisure operates spas on more than 100 cruise ships and around 23 cruise lines including Princess Cruises and Carnival. With around 3,300 employees, the company offers a wide range of spa services including massages, facials and manicures and it also offers customers products from its three beauty product lines under the names Elemis, Steiner and La Therapie.

Established in 2001, the company's Steiner Day Spa Group, based in San Diego, California, includes 19 luxury day spas which range in size from 1,500 square feet to 6,800 square feet and are situated in cities like Beverly Hills, New York City, Houston, San Diego and Birmingham, Alabama. The company's leisure day spas are situated in upscale shopping centers and other popular shopping areas. Steiner Leisure runs beauty training and massage training schools in the U.S. including schools in Virginia, Maryland and Pennsylvania. In July 2001 the company acquired the assets of the Greenhouse Day Spa business which included 11 luxury spas that operate under the "Greenhouse" name located in cities that include Troy, Michigan, Orlando, Florida, Houston, Texas, Birmingham, Alabama and Irvine, California. Steiner also purchased C-Spa in July 2001, which includes six California-based day spas. Company sales in 2001 reached \$194.4 million, a one-year sales growth of 20.1%.

Other

There follow brief profiles on a small selection of other day spa operators.

24 Hour Fitness

Founded in 1983, with headquarters in Pleasanton, California, 24 Hour Fitness includes over 430 fitness centers located in 15 states, and Europe and Asia. Company facilities offer customers a variety of services including access to basketball courts, swimming pools, steam and sauna rooms and tanning beds. Some of the facilities offer day spa services, including massages. Operating under names like 24 Hour Fitness, Q Clubs and Hart's Athletic Clubs, customers have access to facilities 24 hours a day, seven days a week. With around 28,000 employees, company sales in 2001 reached an estimated \$1 billion, a one year sales growth of about 10%.

Gadabout, Inc.

Founded in 1979, with headquarters in Tucson, Arizona, Gadabout Salons and Day Spas offer customers a variety of day spa treatments which include body treatments, hair removal, manicures, pedicures, hair styling and coloring and skincare and massage from six Arizona locations. With about 225 employees, the company's annual sales total around \$11 million.

Helena Rubenstein

With a day spa located in Soho, New York, Helena Rubenstein is known for offering customers a broad range of skincare and beauty products including make up, moisturizers, self tanning products, nail polish and lipstick. The Helena Rubenstein day spa includes a variety of treatments for face and body including a "power shower," which involves a choice of massages, facials and body treatments for eight guests in a private setting. Spa packages can be customized but they start at \$185 per person for a facial, manicure paraffin hand treatment and pedicure. The spa gained some popularity when it appeared in the HBO hit *"Sex and the City."*

Seventeen Studio/Spa/Salon

Headquartered in Plano, Texas, *Seventeen* magazine formed a partnership with Tierney & Company to open a national chain of teen salon/spas that offer a range of services including hair styling, hair removal, manicures, massages, facials and makeup consultation. The salon also offers special packages including pedicure parties along with an interactive media wall that features music and movie sampling along with live polls, game and e-postcards. The salon also includes a café and a retail shopping area that includes products like gifts and jewelry. The first one opened in Plano, Texas, in June 2002.

The Sports Club

Headquartered in Los Angeles, The Sports Club started in 1987 with a \$35 million, 100,000 square foot facility likened to an urban country club. The Sports Club Company operates sports and fitness clubs mostly under the name The Sports Club/LA in cities like New York, Irvine, Washington D.C., Las Vegas and Los Angeles. The company has started adding amenities to its clubs to expand membership and grow revenues. The clubs include day spas called "Splash Spa" which offer a wide range of treatments including facials, glycolic peels, waxing, endermology, micro dermabrasion, massage, hair and nail care services and sauna.

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Advertising and Promotion

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OVERVIEW

Advertising and promotion is particularly important to the U.S. day **spa** industry. As highlighted by the SPAA, compared to their European counterparts, Americans are often uninformed about the services offered through day spas. Advertising efforts serve as an educational opportunity to help enlighten people about all of the benefits of **spa** treatments.

In order to encourage further trial and usage, **spas** need to shift away from being perceived as hedonistic splurges and change their marketing language to focus on health and well-being.

As the industry experiences continued growth and heightened competition from other independents as they join the market, branding will become increasingly important to the **spa** industry.

Industry sources suggest that more than one in ten day **spa** customers have used the Internet to obtain spa-related information. Mintel's own finding that day **spas** were most popular among members of Generation X will only heighten the importance of the Internet given the Web usage and awareness of this generations.

Staff education and professionalism promote word of mouth advertising

Critical issues that affect the success of a **spa** revolve around employee education and retention. If day **spa** staff members are professional and well trained, it helps for **spa** promotion through one of the most important promotional channels in the day **spa** industry-word of mouth advertising.

John Robert's Salon and Day **Spa** in Mayfield Heights, Ohio, asserts that employees are among the spa's most important marketing tools. While average employee turnover in the day **spa** industry is upwards of 40%, John Robert's experiences turnover of less than 3%, with client retention estimated to be upwards of 70%. The secret, according to John Roberts, is that employees work hard to exceed customer expectations.

Special occasions inspire day spa visits

Special occasion spa visits include weddings and bridal party services, an upcoming trip, pregnancy and prenatal services, athletic events or the start of the swimsuit season. Mother/daughter packages are also available, as are packages that just focus on one body part like the feet or the legs. Many spas offer packages that include treatments which last anywhere from two to six hours.

During gift giving seasons or for special occasions like birthdays and Mother's Day, experience giving rather than traditional present giving has become a trend among, in particular, the more affluent and younger Baby Boomers. These types of experiences may of course include spa visits. According to ISPA around 39% of spa guests are first timers-a fair number of whom are inspired to visit the spa due to a gift certificate. It is not uncommon for gift certificates to serve as the initial encouragement to introduce a person to a spa and after a positive first experience, some people continue to return. Some day spas rent kiosks in shopping malls during holiday times to educate consumers about day spa offerings and to sell gift certificates. For some day spas, the gift certificate business represents upwards of a quarter of total day spa revenue.

Two times a year Drug Emporium hosts Beauty Week, which includes in-store demonstrations along with a sweepstakes that includes gift certificates to local day spas. In another promotional effort, to introduce its *Organic Style* magazine, Rodale Press hosted an in-store event at Saks Fifth Avenue where subscribers received free gift bags and spa treatments.

Many day spas offer customers incentives to return with special packages that include buy ten visits get one visit free. Other marketing techniques used by some spas include double "referral points" to customers who refer new clients. John Robert's Salon and Day Spa offers referral contests complete with prizes that have included new cars and ocean cruises.

Variety is the spice of life

It is important to continually offer customers new menu options, and to ensure that these are actively promoted. People become bored with the same treatment offerings.

American consumers are often very curious and interested in spa treatments that are based on exotic countries they may like to visit. Appealing to the mystery and fantasy that may surround a foreign land, spas can market treatments inspired by these far away places including Balinese massages, Japanese milk baths, Hawaiian Lomi Lomi massages and Indonesian facials.

The typical promotional techniques used by the spas are to offer clients free sampler treatments of new menu offerings at the spa. This also addresses the issue of the need to educate customers about various treatments.

Certain services are best marketed seasonally. Cellulite reduction services are most popular in warmer weather along with services that cater to weekend athletes including sports massages and fango treatments. Some spas, for example The Spa in The Garden, located in Elk Mills, Maryland, offer customers specialized packages that target different seasons with specific scents and treatments appropriate for spring, summer, fall and winter. Spa Nordstrom tends to market its spa services around seasonal weather conditions. For example, in cooler weather the spa may use a print ad campaign to market a treatment that soothes and comforts dry skin like the body quencher body treatment and in warmer weather the salon is more likely to promote cooling and refreshing treatments like a cold marine facial.

In order to encourage customers to try new services or to come into the spa on particularly slow days, some spas offer special discounts. For example, The Serenity Day Spa, with three locations around Washington D.C., offers regular customers 10% off á la carte services on Mondays and 10% off products on Tuesdays. Spa Therapia, located in Princeton, New Jersey, gives new customers 15% off for any spa treatments.

Day spas partner with other businesses

Day spas straddle several different industries including beauty, health, fitness and wellness. This presents an opportunity to the industry as day spa businesses are increasingly situated in partnership with complementary businesses to further offer customers one stop shopping and to take advantage of multiple advertising channels.

Fitness centers, tanning salons, beauty parlors and even hospitals are among the businesses that now include day spas. For example, located in Hackensack, New Jersey, the University Medical Center spent around \$1.2 million in 2000 to open a day spa called "Beyond" on the top floor of its 629-bed hospital. Complete with seaweed wraps, algae scrubs and papaya masks, customers are treated to a broad range of spa treatments at the medical facility. The Medical Center viewed the day spa as an opportunity to successfully combine the growing interest in health, wellness and prevention.

John Robert's Salon and Day Spa has partnered with local restaurants, convincing them to donate 10,000 \$15 gift certificates which the salon gave to its most loyal clients. This was a win-win for local restaurants and John Robert's Salon and Day Spa as foot traffic was increased through all businesses.

Promotional efforts aim to attract more men

Day spas interested in attracting the male market are decorating their businesses in a more male-oriented way, which translates into more masculine colors and design, as well as increased focus on male oriented treatments such as deep tissue and sports massages and hair removal for the back and chest. Some day spas are actually opening up as male-only establishments. Nickel, a Paris-headquartered day spa, has a 4,500 square foot facility in Manhattan for men only, complete with eight treatment rooms, a napping room and a nail room. The spa also offers male consumers a broad range of body products including massage gel, sun tan oil and shaving gel.

Because of the traditional perception of the spa as a female haunt, spa targeting men must provide literature featuring men's treatments on the list of services so that men feel comfortable and welcomed as customers.

In order to attract more male customers, day spas should be offering women special promotions when they bring in their male friends and partners. Day spas should also advertise in popular men's magazines, offer customers spa packages for bachelor parties and host men-only evenings at the spa.

COMPANY SPECIFIC MARKETING EFFORTS

There are no ad-spend data for these day spas per se, but the following highlights individual company promotional activity.

Federated Department Stores

Lazarus, a Federated Department Store, attempts to create an entire retail experience that mirrors its in-store day spa, which includes stimulating a comforting and luxurious atmosphere that is not cluttered or dull. The store recognizes that day spas help to keep customers in the store longer, helping to encourage more spending. Employees are trained to take advantage of this opportunity in their sales efforts. Lazarus also emphasizes the convenience of the day spa location existing in the shopping mall. In promotional efforts, the company has engaged in partnerships like the one it currently has with the JW Marriott Lenox in Atlanta, Georgia, through December 2002. Customers who purchase a Rendezvous Weekend package at the Lenox receive a one-hour spa service for two at an Ecotage salon, located at a nearby shopping mall.

Louis Vuitton-Moët Hennessy

Bliss day spas gain considerable ad exposure through the BlissOut beauty catalogs, of which the company printed 8 million in 2001. BlissOut catalogs are distinct in that they adopt a family tone and a distinct editorial style that is both witty and blunt. Aside from exposure for Bliss spas, the catalogs sell a wide range of products include face and body creams, gels and conditioners, t-shirts, sandals, towels and hats. Bliss Salons participate in a variety of promotions including social awareness campaigns like the Susan G. Komen Breast Cancer Foundation. Customers who purchase a Blisslab candle October 1-31, 2002 will have 20% of the proceeds donated to The Foundation.

Nordstrom

The company's website includes an interactive tour of Spa Nordstrom day spas and a selection of Spa Nordstrom products that include Spa Nordstrom botanical products for the skin, aromatherapy candles, neck wraps and foot files. When promoting spa services through print ad campaigns, Nordstrom tends to embrace a seasonal approach, promoting specific services depending upon the weather. For example, during the warmer months, the company promotes services like a Cold Marine Facial and peppermint foot refreshers.

In order to attract consumers purchasing spa packages as gifts, Nordstrom offers the Spa Gift Card. Available in increments between \$25 and \$1,000, the Spa Nordstrom Gift Cards can be used at any Nordstrom spa location on a variety of services, packages and products.

Estée Lauder

In order to inspire spa visitors to continue treatments at home, Estée Lauder launched take-home spa products including cleansers made of seaweed and algae and body scrubs and oils in 2001. Lauder Day Spas have particular success marketing spa products through their facilities with Women's Wear Daily reporting that around 40% of the company's day spa revenue comes from retail sales. Estée Lauder also has an annual in-store "star treatment event" that provides customers with hand-massages and facial masks at select makeup counters in order to educate and inspire customers about the benefits of spa treatments.

Elizabeth Arden

In order to attract more businesses, Elizabeth Arden offers a corporate program that helps companies reward employee achievement with gift certificates to Elizabeth Arden Red Door Salons and Spas. Businesses are able to choose gift certificates for any dollar amount so that recipients can choose the service of their choice. In June 2002 actress Catherine Zeta-Jones became a company spokesperson for Arden's "Open For Beauty" advertising campaign which includes local and national television ads along with a print ad campaign featured in select magazines in newspapers. Some ads feature a spotlight shining on the company's well-known Red Door image while other ads tout a new Arden fragrance introduced during the summer 2002.

Steiner Leisure

The company's line of products under the Elemis brand name long targeted younger Gen X consumers but in recent years Elemis products have been aimed more at mature middle age women with products that include rehydrating capabilities along with aromatherapy treatments.

Steiner Leisure also partnered with spafinder.com so that company spas accept spa finder gift certificates. The company benefits from promotions sponsored by the cruise ships on which Steiner Leisure salons are situated. For example, Crystal Cruises is running a promotion through December 31, 2002, that offers up to \$1,000 in savings per stateroom on new bookings aboard select Crystal ships. Operating the Crystal Spa & Salon, Steiner Leisure will stand to benefit from any increased consumer bookings during the promotion. Along with a referral program, Steiner Leisure offers special promotions on select treatments. In October 2002 the company's Greenhouse Spa offers customers \$35 off their first ionithermie treatment, and \$35 off their first LaTherapie facial treatment along with a free tote bag.

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Mintel is able to offer further analysis of its exclusive research, tailored to individual clients' needs. It is possible, for example, to net and/or combine codes to create new attitudinal, usage or demographic groups, and cross-analysis can show how the answers to any questions or categories are related.

For further details and prices, please call the editorial team at 312.932.0400.

INTRODUCTION

For the purposes of this report, Mintel commissioned exclusive consumer research through ICR to explore female consumer usage of and attitudes towards day spas. Fieldwork was conducted June 2002 among a nationally representative sample (weighted against the total population for estimation) of 4,033 women aged 18 and over.

USAGE OF DAY SPAS

In order to explore women's day spa usage, Mintel asked respondents the following question:

"Have you attended a day spa for any service in the last six months?"

The topline results are presented in Figure 12.

Figure 12 Attendance at day spas in the last six months, July 2002

Base: 4,033 women aged 18 and older

All
%

Yes, attended a day spa

9

Mintel/ICR

Some 9% of women surveyed reported having attended a day spa in the last six months. It is evident that day spas have considerable room for growth in the U.S. market, and it may be that potential customers need to be further informed about the many benefits of day spa services, and also be made aware of those spas that are competitively priced.

According to a 2001 survey by the DSA, some consumers who have never gone to a day spa before report that there is "not enough time" for such services or that day spa services are not available in their area. In order to open day spa services to a broader cross-section of the population, spas may want to offer, or at least promote the availability of shorter services, and to open more locations closer to residential neighborhoods and office buildings.

The results are analyzed by age of respondent in Figure 13.

Figure 13 Attendance at day spas in the last six months, by age, July 2002

"Have you attended a day spa for any service in the last six months?"

Base: 4,033 women aged 18 and older

	All	18-24	25-34	35-44	45-54	55-64	65+
	%	%	%	%	%	%	%
Yes, attended a day spa	9	8	14	12	12	6	3

Mintel/ICR

Compared to the total sample, respondents between 25 and 34 years of age were most likely to have attended a day spa in the last six months. Respondents aged 25 to 34 may be particularly amenable to the day spa experience in part as a way to cope with work-related stress.

Around 12% of Baby Boomers between 35 and 54 years of age reported having attended a day spa in the last six months compared with just 3% of respondents 65 years and older. Baby Boomers are often associated with an interest in self-pampering and for many, day spas provide a venue for relaxation, holistic healthcare and for anti-aging treatments.

The results are analyzed by the household income of respondent in Figure 14.

Figure 14 Attendance at day spas in the last six months, by household income, July 2002

"Have you attended a day spa for any service in the last six months?"

Base: 4,033 women aged 18 and older

	All	Under \$25K	\$25K-49.9K	\$50K-74.9K	\$75K+
	%	%	%	%	%
Yes, attended a day spa	9	2	8	15	24

Income has a notable impact on day spa visits. Respondents with household incomes of \$75K or higher were much more likely than those with lower incomes to have visited a day spa in the last six months. Just 2% of those respondents with household incomes under \$25K reported having used a day spa in the last six months compared to 15% of those with household incomes between \$50K and \$74.9K and nearly a quarter of those with household incomes of \$75K or more.

Respondents with higher household incomes are more likely to have higher disposable/discretionary income, and are therefore perhaps more likely to spend on pampering and personal luxuries. Other research confirms this relationship between income and day spa usage.

High income has long been a stereotype of the typical spa user and it may in fact act as a deterrent among those that would otherwise be open to spa services but assume that such offerings are beyond their reach.

The results are analyzed by the educational attainment of respondent in Figure 15.

Figure 15 Attendance at day spas in the last six months, by educational attainment, July 2002

"Have you attended a day spa for any service in the last six months?"

Base: 4,033 women aged 18 and older

	All %	HS or less %	Some college %	College/post college %
Yes, attended a day spa	9	4	12	17

Mintel/ICR

Compared to the total sample, respondents with college or post-college education were the most likely to have attended day spas in the last six months while those with high school or less were the least likely.

While there is a high correlation between level of educational attainment and income, and so the similarity in the pattern between this and the previous table is to be expected, education does add another factor. In the majority of Mintel's consumer research on health and healthcare markets it appears that those with higher levels of educational attainment are more aware of health issues, and tend to do more to address them. So, in this case, it would be expected that while those with higher levels of education are more likely able to afford spa facilities, they are also more likely to see the health benefits of such a visit.

Following from this, many day spa users may take advantage of day spa services as a form of alternative healthcare that provides both healing benefits to existing conditions along with valuable preventive benefits against disease and illness.

The results are analyzed by region in Figure 16.

Figure 16 Attendance at day spas in the last six months, by region, July 2002

"Have you attended a day spa for any service in the last six months?"

Base: 4,033 women aged 18 and older

	All	Northeast	North Central	South	West
	%	%	%	%	%
Yes, attended a day spa	9	11	9	8	11

Mintel/ICR

Individuals from households in the Northeast or West were more likely than those in the North Central or South to have visited a day spa in the last six months. Many day spa goers are formed in major cities like New York or Los Angeles in large measure because of day spa availability.

This may partly be explained by the fact that the West, largely California, is often associated with a greater openness and awareness of alternative forms of healthcare which may be offered in some day spas, including for example massage therapy.

The results are analyzed by employment status of respondent in Figure 17.

Figure 17 Attendance at day spas in the last six months, by employment status, July 2002

"Have you attended a day spa for any service in the last six months?"

Base: 4,033 women aged 18 and older

	All %	Employed %	Unemployed %
Yes, attended a day spa	9	12	5

Mintel/ICR

Respondents who are employed are more than two times as likely as those who are unemployed to have attended a day spa in the last six months. While this may at first seem obvious it does shed some light on the perception that wealthy, non-working wives are a key spa customer. The fact that 5% of users are not employed outside the home suggests that there is an element of wealthy non-workers attending. However, the fact that 12% are employed would imply that the majority of respondents are working, and this lends credence to the theory that day spas are likely to be used to relieve employment-related stress.

According to Elizabeth Arden Salon Holdings, around 70% of the company's day spa customers are employed outside the home.

SERVICES USED AT DAY SPA

In order to explore which services consumers most often use while visiting day spas, Mintel asked respondents who had visited a day spa in the last six months a question about usage of a variety of spa treatments.

The topline results are presented in Figure 18.

Figure 18 Services purchased at day spa, July 2002

"What services did you purchase on your last visit to a day spa?"

Base: 392 female respondents who attended a day spa for any service in the last six months

	All %
Manicure or pedicure	50
Massage	50
Facial	28
Hair styling	23
Hair removal	12
Body wrap	5

Mintel/ICR

Manicures, pedicures and massages tied as the most popular services offered through day spas. Approximately half of the respondents who visited a day spa in the last six months reported receiving a manicure, pedicure or massage. Around 28% of respondents received a facial and some 23% got hair styling while at the day spa.

Traditional spa treatments like manicures, pedicures and massages tend to be the most popular day spa services, while newer services like body wraps seem to be taking longer to catch on. Some spas offer reduced price mini-treatments when introducing new services in order to generate interest and provide wider exposure and greater information on these new services.

The results are analyzed by age of respondent in Figure 19.

Figure 19 Services purchased at day spa, by age, July 2002

"What services did you purchase on your last visit to a day spa?"

Base: 392 female respondents who attended a day spa for any service in the last six months

	All		18-34		35-44		45-54		55+*
	%		%		%		%		%
Manicure or pedicure	50		47		60		50		36
Massage	50		53		44		55		45
Facial	28		22		28		32		36
Hair styling	23		19		24		18		27
Hair removal	12		14		16		9	-	
Body wrap	5		6		4		9	-	

*small subsample

Mintel/ICR

Age-based variations were evident in relation to spa services obtained. Some 60% of spa visitors between 35 and 44 years of age obtained a manicure or pedicure during their last visit to the spa, compared to half of the total sample and just over a third of those 55 years and older. The most popular service for those between 18 and 34 years of age and those 45 years and older was massage. Sometimes medical personnel recommend massage for older individuals who are coping with ailments that include osteoarthritis and rheumatoid arthritis, digestive disorders, reduced range of motion and circulatory problems.

Compared to the total sample, spa attendees 55 years and older were more likely to receive a facial or hair styling at the day spa while those between 35 and 44 years of age were the most likely to get hair removal services at the day spa. As Baby Boomers continue to age, it is expected that the popularity of nonsurgical anti-aging treatments offered at some day spas, including Botox and beautification treatments like hair removal processes, will continue to increase in popularity.

Understanding and acting on results such as these are critical in ensuring that day spas tailor their service options to their target market/local vicinity. It is clear from these findings that not all services appeal to all people, and the service range offered will affect the age of clientele attracted. This sentiment is equally applicable to the following analysis.

The results are analyzed by household income of respondent in Figure 20.

Figure 20 Services purchased at day spa, by household income, July 2002

"What services did you purchase on your last visit to a day spa?"

Base: 392 female respondents who attended a day spa for any service in the last six months

	All		Under \$50K		\$50K+
	%		%		%
Manicure or pedicure	50		45		49
Massage	50		38		56
Facial	28		17		33
Hair styling	23		31		17
Hair removal	12		10		13
Body wrap	5		3		5

Mintel/ICR

Household income had an influence on the types of services requested by day spa visitors. Individuals with household incomes of \$50K or more were much more likely than those with household incomes of less than \$50K to receive a massage or facial at the day spa. Massages of course range in price, but can cost upwards of \$100 or more, possibly too expensive for many people with limited incomes.

Respondents with household incomes less than \$50K were about as likely to receive a manicure or pedicure and were more likely to receive hair styling than those with household incomes of \$50K or higher. Hair styling services are often less expensive and they may also seem less indulgent.

The results are analyzed by region of respondent in Figure 21.

Figure 21 Services purchased at day spa, by household region, July 2002

"What services did you purchase on your last visit to a day spa?"

Base: 392 female respondents who attended a day spa for any service in the last six months

	All %	Northeast %	North Central %	South %	West %
Manicure or pedicure	50	44	47	58	47
Massage	50	49	53	42	57
Facial	28	32	22	27	31
Hair styling	23	21	38	19	16
Hair removal	12	15	7	10	16
Body wrap	5	8	5	6	1

Mintel/ICR

Compared to the total sample, respondents in the South were the most likely to receive either a manicure or a pedicure at a day spa. Massages were particularly popular among respondents in the West, while facials were the most popular among those in the Northeast.

Respondents in the Northeast and West were more likely than the total sample to have requested hair removal at their last spa visit. Those in the North Central region were more likely than the total sample to have obtained hair styling at their last day spa visit, 38% versus 23% respectively.

The results are analyzed by the educational attainment of respondent in Figure 22.

Figure 22 Services purchased at day spa, by educational attainment, July 2002

"What services did you purchase on your last visit to a day spa?"

Base: 392 female respondents who attended a day spa for any service in the last six months

	All %	HS or less* %	Some college %	College/post college %
Manicure or pedicure	50	51	50	49
Massage	50	31	55	55
Facial	28	22	25	33
Hair styling	23	27	23	20
Hair removal	12	8	16	12
Body wrap	5	1	6	7

*small subsample

Mintel/ICR

Respondents with some college or college/post-college education were notably more likely than those with high school or less to have purchased a massage on their last visit to a day spa. Higher educational levels were also associated with a greater likelihood to have purchased a facial, body wraps or hair removal services.

In contrast, individuals with a high school education or less were more likely than the total sample to have purchased hair styling at their last spa visit. These variations may in some part be explained by exposure to services. Individuals with higher levels of formal education may be more likely to have greater access to information about the benefits of a wider variety of spa treatments including facials and body wraps. They are also, as noted in the previous section, more likely to be actively involved in their health management.

The results are analyzed by employment status of respondent in Figure 23.

Figure 23 Services purchased at day spa, by employment status, July 2002

"What services did you purchase on your last visit to a day spa?"

Base: 392 female respondents who attended a day spa for any service in the last six months

	All %	Employed %	Unemployed %
Manicure or pedicure	50	51	43
Massage	50	56	26
Facial	28	30	22
Hair styling	23	20	30
Hair removal	12	11	17
Body wrap	5	5	4

Mintel/ICR

Employed day spa visitors were more likely than unemployed day spa visitors to purchase many of the traditional day spa services including manicures and pedicures, massages, facials and body wraps. This may in part be related to their motivation to go to a spa. If seeking relief from work-related stress, employed day spa visitors will likely gravitate towards services that are particularly noted for stress reduction, like massages.

Unemployed respondents who attended a day spa for service in the last six months were noticeably more likely than the employed respondents to purchase either hair styling or hair removal. On the one hand these are likely to be cheaper services, for those with less disposable income, and on the other hand, may reflect the fact that wealthier, non-working visitors may consider this something to simply add onto their day spa experience.

REASONS TO GO TO DAY SPAS

In order to explore usage consumer motivations for going to day spas, Mintel asked respondents the following question:

"For which of the following reasons do you go to day spas?"

Respondents could choose as many reasons as they wanted, and while this was a prepared list, they were given the option to supply other reasons. The topline results are presented in Figure 24.

Figure 24 Reasons for going to day spas, July 2002

Base: 392 female respondents who attended a day spa for any service in the last six months

	All %
To relax	78
As a special occasion	52
To socialize	11
For anti-aging treatments	8

Mintel/ICR

Relaxation is clearly an essential part of the day spa experience and surroundings found in day spas often offer a mini-vacation without ever having to get on a plane or drive long distances. Aside from the broad menu of services offered by many day spas, the spa environment is also characterized by soothing sounds, calming lighting that is often dim and indirect and the pleasing smells of aromatherapy. Given the high rates of personal stress in American culture, services like those offered through day spas, which often help people relax and relieve stress levels, are likely to remain popular into the future.

As well as the birthday/anniversary/celebration aspects of special occasions, they may also be as a result of gift certificates. According to 2000 ISPA research, gift certificates remain one of the major reasons people report first visiting a day spa.

In order to increase overall day spa attendance, consumers may need to be courted by more reasons to attend day spas through consumer education initiatives. According to a 2001 survey by the U.S. Day Spa Association, consumers that have never visited a day spa often report that they have no reason to visit one. Consumers who do visit day spas most often report seeking out such services as a way to escape from the hectic pace of daily life in order to relieve stress and relax.

The results are analyzed by age of respondent in Figure 25.

Figure 25 Reasons for going to day spas, by age, July 2002

"For which of the following reasons do you go to day spas?"

Base: 392 female respondents who attended a day spa for any service in the last six months

	All	18-34	35-44	45-54	55+*
	%	%	%	%	%
To relax	78	83	76	77	64
As a special occasion	52	50	56	55	45
To socialize	11	11	13	9	9
For anti-aging treatments	8	3	12	14	9

*small subsample

Mintel/ICR

While respondents of all ages were likely to use day spas as a way to relax, compared to the total sample, respondents between 18 and 34 years of age were significantly more likely to state this reason.

Baby Boomers between 35 and 44 years of age (and also the 45-54 year olds) were more likely than the total sample to visit day spas as a special occasion and in order to obtain anti-aging treatments. As reported by the American Society for Plastic Surgery (ASPS), Baby Boomers between 35 and 50 years of age had more cosmetic procedures than any other group. This trend may be favorable for the day spa market as many Boomers seek out affordable and nonsurgical ways to maintain a youthful appearance.

The results are analyzed by the income of respondent in Figure 26.

Figure 26 Reasons for going to day spas, by household income, July 2002

"For which of the following reasons do you go to day spas?"

Base: 392 female respondents who attended a day spa for any service in the last six months

	All	Under \$50K	\$50K+
	%	%	%
To relax	78	76	81
As a special occasion	52	55	54
To socialize	11	14	11
For anti-aging treatments	8	4	9

Respondents with household incomes of \$50K a year or more were slightly more likely than those with household incomes under \$50K to report going to day spas to relax. They were also about two times more likely to report going to day spas for anti-aging treatments. As explained by *Wellness Options*, a magazine that promotes the weaving of Western, natural and Oriental medicine, as household income rises, individuals spend an increasing amount of money on their personal well-being and general wellness, including stress reduction and anti-aging treatments.

Respondents of all both income groups analyzed here were virtually equally likely to visit day spas as a way to celebrate special occasions while respondents with annual household incomes under \$50K were slightly more likely to visit day spas as a way to socialize.

Although not tabulated here, the motivation behind using day spas was less effected by educational attainment. The most notable variation involves using day spas in order to relax. Compared to the total sample, respondents with "some college" were more likely to use day spas to relax. Approximately two thirds of those with high school education or less reported using a day spa to relax compared to 83% of those with "some college."

The results are analyzed by employment status of respondent in Figure 27.

Figure 27 Reason for going to day spas, by employment status, July 2002

"For which of the following reasons do you go to day spas?"

Base: 392 female respondents who attended a day spa for any service in the last six months

	All %	Employed %	Not Employed %
To relax	78	82	63
As a special occasion	52	53	50
To socialize	11	11	13
For anti-aging treatments	8	8	9

Employed respondents were more likely than those who are not to visit a day spa in order to relax. Work is a major source of stress for people and many seek ways to reduce stress including day spa treatments like massage.

As reported by NIOSH, 40% of U.S. workers report that their job is very or extremely stressful while a quarter regard their work as the number one stress in their life. Nearly three out of ten feel "quite a bit or extremely stressed at work" and just over a quarter feel "often or very often burned out or stressed by their work." In order to combat these high rates of stress, some employees turn to services like pedicures or massages for a respite from the pressures of work life.

Socializing was a slightly more popular motivation for those respondents who are not employed. This may in part be because they have more time and opportunity to cultivate relationships at the day spas they visit.

NUMBER OF SERVICES PURCHASED

A number of factors determine the success of the day spa business, critically the number and frequency of visitors, and secondly the number and margin on the services purchased on each visit. In order to explore the second of these, how many services consumers purchase during visits to day spas, Mintel asked respondents to list the number of services purchased on their last day spa visit.

The topline results are presented in Figure 28.

"Number of services purchased on last visit to a day spa"

Figure 28 Number of services purchased during last visit to day spa, July 2002

Base: 392 female respondents who attended a day spa for any service in the last six months

Number of services purchased	All %
1	54
2	27
3	11
4	2
5	2
6	1

Just over half of all day spa visitors purchased only one service while 27% bought two. Slightly over one out of ten bought three services while a much smaller percentage bought four or more. Many spas offer special packages that include a selection of two or more services at a reduced rate. This offers customers broader spa experience that includes a chance to be exposed to and educated about new services they may never have tried.

These findings would suggest that day spas need to work on getting visitors to use more of their services. Clearly once someone is in the spa, they should be a ready audience for information on further services. However spa operators will need to recognize that a given visit is likely to have been timed around other activities, and may likely not be the right opportunity to offer extended services at that time. Pre-preparing visitors for mini-/introduction treatments is likely to have better results.

CONCLUSION

Based on Mintel's own consumer research it is evident that Day Spa usage is most popular among higher income individuals with higher levels of educational attainment.

While respondents of all ages use day spa services, such services are particularly popular among Baby Boomers and members of the younger generations. This is promising for the future of day spas since current younger and middle aged users will likely continue these services as they age.

Though regional variations in spa attendance exist, it is evident that select day spas in all regions currently have steady spa attendance.

When individuals in lower income brackets do visit day spas, they are more likely than their higher income counterparts to request services like hair styling while higher income individuals are more likely to gravitate towards massages and facials. There are also income-based differences in regards to reasons for attending spas. Respondents from households with higher incomes are more motivated by relaxation while spa visits due to special occasions tend to be more evenly spread across the income spectrum.

Day spas interested in attracting a more diverse clientele may offer both types of service: traditional spa treatments like massages along with beauty treatments that include hair care. Services like pedicures and manicures are of critical importance since they tend to appeal broadly across all income brackets. If price is indeed a deterrent to lower income customers, spas offering mini-services that include options like quicker body wraps and massages at lower prices, may address this issue. However, getting the message across that spas can be an affordable luxury will be critical to accelerated growth.

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& Forecast

FUTURE TRENDS

Future growth in the day spa market will in part depend upon the industry's success at attracting a broader range of consumers. With Mintel's own consumer research in July 2002 revealing that 9% of a nationally representative sample of respondents had visited a day spa in the last six months, it is evident that there is ample room for increased penetration. Spa visitors of the past, as highlighted by the ISPA, were often times so-called "health nuts" who were very involved in rigorous exercise regimes and strict diets while spa goers of today are increasingly diverse.

Rather than drawing in select consumers, day spas need to market their services to a more diverse client population. One way to attract more middle and lower income consumers is to offer lower prices by including mini-treatments where both treatment time and cost is reduced for popular services like facials and massages. Day spas must also work to create a less intimidating environment that does not come across as elitist.

Some Internet companies have surfaced that offer B2B services to the salon industry including Ebeauty.com, a company that strives to assist spas in cutting costs and reducing paperwork. The site also provides day spas with marketing assistance including a simple website creation tool that enables companies to advertise services on the Internet.

Spaelegance.com, a site owned and operated by the Mikal Corporation, also works to provide day spas with spa management systems which handle a broad range of spa business services including front desk operations, inventory control, employee payroll, accounting and marketing programs.

In addition, given the fact that the largest percentage of day spa visitors are from Generations X and Y, generations that are highly adept at using the Internet as an information source, maintaining a dynamic and informative Web presence will likely be a major draw for day spas.

Stress is here to stay

Since day spas aim to lower stress, help people to relax and provide pampering and rejuvenation services, they will likely continue to have a loyal clientele since stress now appears to be a way of life in America. Research continues to reveal that stress has negative health consequences. As highlighted by Mintel's own consumer research in July 2002, spa visitors most often report a need "to relax" as the central reason they go to a day spa.

Day spas that are able to market themselves as part of a calmer and healthier lifestyle will attract consumers interested in purification and a balancing of the mind, body and spirit. These health minded consumers are often Baby Boomers between 36 and 54 years of age, who are concerned about a variety of health related matters including the potentially deleterious effects of aging, preventive healthcare and holistic healthcare solutions. Day spas may be favorably situated for further positive growth into the years ahead considering that Baby Boomers comprise the largest U.S. generation.

Female Baby Boomers, who are often juggling challenging careers along with the care-giving demands of both their children and their aging parents, represent one of the largest populations primed to seek out convenient stress-reduction services.

More varied locations and convenient service

Part of the future of the day spa market lies in further convenience as consumers of all demographic profiles are looking for efficient one-stop shopping which enables them to get multiple services including hair and nail care and massages at one location.

More convenient spa services will enable consumers to return more frequently and to potentially establish more grounded relationships with spa staff. As the spa becomes, not only a place to relax but also to socialize, customer loyalty and so repeat business will likely increase. Companies like Nordstrom are now offering quick and convenient manicure bars where customers can receive speedy service on their way through the store. Other salons like Bliss day spas are considering following suit with a similar type of stop-and-go salon service that caters to customers on the move.

Early growth in the day spa market was concentrated in major cities, however, a growing number of suburban and rural consumers are looking for services closer to home. Day spas must become increasingly convenient for consumers to use. This includes more locations in rural and suburban areas closer to people's homes as well as locations convenient to office buildings where customers can visit on lunch breaks or before or after work.

Baby Boomers remain integral to day spa success

As reported by American Demographics in 2001, during the upcoming decade Baby Boomers are most likely to put their money into three key areas: medical services, personal services and household services.

Figure 29 American generations, 2000-2010

	2000		2005		2010		Born
	000	%	000	%	000	%	
Post-Millennials	22,719	8.3	42,358	14.7	63,561	21.2	1995-2000
Millennial/Echo Boom	70,796	25.7	72,463	25.2	73,844	24.6	1977-1994
Generation X	45,201	16.4	46,719	16.2	47,498	15.8	1965-1976
Baby Boom	77,754	28.2	76,957	26.7	75,244	25.1	1946-1964
Swing	29,759	10.8	28,098	9.8	25,568	8.5	1933-1945
World War II	29,078	10.6	21,121	7.3	14,147	4.7	1932 or before
Total, all ages	275,306	100.0	287,716	100.0	299,862	100.0	

U.S. Census Bureau; American Generations, Susan Mitchell

As shown in Figure 29, Baby Boomers will continue to be the largest generation (25.1% of the total population) through 2010, with the most spending power. When it comes to personal services, this group will continue to seek out anti-aging treatments integral to most day spas like facials, Botox injections, body wraps, and massages. Mintel's own consumer research in July 2002 found that about 12% of female Baby Boomers reported visiting a day spa in the last six months.

Retail products essential part of revenue building

Mintel's own July 2002 consumer research found that 8% of consumers were interested in spa treatments as a way to receive anti-aging treatments. Boosting consumer education and awareness about the variety of anti-aging retail products to be used in between spa visits could present a possible opportunity for revenue growth. Nordstrom for example has leveraged sales of its spa range of products by not only selling them in the spas themselves, but also in the Nordstrom stores. This has the benefit of not only giving added visibility to the spa service, but also increasing distribution and likely consumer penetration of the spa products.

Given the wide range of products and treatments available, and the regular introduction of new ones, there is a critical need for spa operators to focus heavily on consumer education, and to encourage trial. Sample products, services, and a commitment to staff training will be key to success.

Challenge of finding qualified employees

Some of the biggest challenges in the day spa industry revolve around finding and retaining qualified employees. While this would typically be considered an industry as opposed to a consumer issue, the employee turnover rate in many spas is high, creating an unstable environment for customers.

The day spa industry will need to continue to develop ways to adequately train qualified personnel so that well informed, highly skilled individuals working the front lines of the profession will favorably represent the business. Success within the industry means staying informed about the latest treatments and developments, while also remaining highly skilled in the realm of traditional treatment offerings like massages and pedicures.

As consumer expectations continue to rise due to increased familiarity with the spa industry and related services, there will be added pressure on spa employees to provide consumers with information and education about all matters related to the spa.

Day spas successfully pair with other businesses

Adding to the potential for customer confusion, while at the same time addressing the issue of one-stop beauty and spa services, many day spas will continue to blur the boundaries between their traditional role and the provision of other services. An increasing number of salons will become day spas, and cosmetic and holistic medical services will increasingly be offered together with day spa services.

Hotels are increasingly getting involved in the spa business as is evidenced by acquisitions like Patriot American Hospitality's purchase the Golden Door Spa. Spas are now frequently part of the service offerings on major cruise lines and they are also becoming commonplace in fitness clubs like 24 Hour Fitness and The Sports Club Company. Cosmetic companies like Elizabeth Arden, Estée Lauder and Helena Rubenstein are keenly interested in the day spa market as a way to help bolster department store revenue.

According to the SPAA, between 2002 and 2006, medical spas are expected to experience a growth rate of about 40%. In 2002 there are an estimated 150 medical spas in the U.S. By 2006 this number will likely reach upwards of 235. Offering consumers alternative medical therapies, medical spas are increasingly popular as a healthcare solutions option.

Spas within health clubs, according to *Spa Magazine*, are gaining popularity. More day spas will also be found in fitness facilities, offering exercise enthusiasts the opportunity to get fit and pampered all in the same locale. Fitness clubs currently offering day spa facilities/services include Lifetime and 24 Hour Fitness. Some day spas are affiliated with personal trainers that help customers develop customized fitness plans to meet their needs and aspirations while others have professional nutritionists to assist customers in planning healthy meals and developing realistic dietary goals.

Customization becomes important in day spa visits

The entertainment nature of day spa experiences will become increasingly important to American spa goers as day spa treatments become a complete experience rather than an intermittent luxury. This shift in meaning is driven by a number of factors. Consumers are interested in spending their discretionary dollars on interesting, memorable and rewarding experiences that give them a sense of adventure and personal fulfillment. This is especially common among Echo Boomers, who are adventure seeking and sophisticated with a considerable amount of money to blow.

Day spas that want to cater to this changing consumer desire will need to transform standard spa services into special experiences-personalized, memorable events. This includes more opportunities to have a spa experience that is also a social event with manicure and pedicure parties, spa wedding showers and birthday parties. Mintel's own consumer research in July 2002 revealed that approximately 52% of respondents who visited a day spa in the last six months did so in order to celebrate a special occasion.

It also includes a detailed interest in the specific needs of each individual consumer including matters related to personal health and wellness. Spas that are best able to make each consumer feel cared for and treated uniquely will be most favorably positioned to win out among the growing pool of competitors.

Conclusion

According to the ISPA, annual growth in the number of spa visitors is increasing by around 15%. Women will continue to be core spa customers for a variety of reasons including a widespread interest in health, wellness and beauty and high levels of stress due to the difficult balance of work and family commitments. Due to higher levels of discretionary income, women employed outside of the home are perhaps the most likely to justify the added expenditure of spa services as a means of reducing stress after busy, time crunched days.

Some of the treatments expected to be en vogue in 2003 and beyond include those that favor an Eastern orientation, treatments that promote a holistic mind/body/spirit wellness approach, along with traditional treatments like massages, hydrotherapy and mud baths.

MARKET FORECAST

Mintel has used the SPSS time series package to forecast the market to 2007. SPSS correlates historical market size data with key economic and demographic determinants (independent variables), identifying those factors having most influence on the market. Using forward projections of these factors, a market size forecast is produced.

Figure 30 shows Mintel's forecast of day spa revenue.

Figure 30 Forecast of U.S. day spa revenue, at current and constant prices, 2002-2007

Year	Sales at current prices			Sales at constant 2002 prices*		
	\$million	Index	% change	\$million	Index	% change
2002	6,835	100	-	6,835	100	-
2003	7,917	116	15.8	7,731	113	13.1
2004	8,968	131	13.3	8,552	125	10.6
2005	9,988	146	11.4	9,302	136	8.8
2006	11,058	162	10.7	10,057	147	8.1
2007	12,203	179	10.4	10,838	159	7.8

* Adjusted for inflation using the all items CPI

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Graph 3 Forecast of U.S. day spa revenue, at current and constant prices, 2002-2007

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Total day spa revenue is predicted to rise 79% at current prices and 59% at constant 2002 prices from 2002 to 2007. The day spa segment is maturing and as more consumers are familiar with their offerings, operators need to focus on maintaining the quality of their treatments and retaining experienced staff. The impact of this maturation is a fall in the rate of increase of the market, although even in 2007 a healthy growth in excess of 10% over 2006 is forecast. There is likely to be industry consolidation as successful managers take over failed businesses, and by operating multiple locations, owners will establish local brands and benefit from the cost savings of joint marketing.

Aging Baby Boomers will continue to be key consumers as they are willing to pay for treatments that make them look younger. They are a potential market for day spas that combine medical and beauty treatments, especially treatments such as Botox and collagen injections that must be administered by a physician. As this group ages the potential demand for spa treatments is likely to grow, especially if spas continue to extend the range of services offered.

Younger women will turn to day spas as a means to escape from work-related stress and will seek more traditional day spa treatments like massages and facials. Spa operators can encourage repeat visits by promoting these treatments as essential for health and wellness rather than luxuries.

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DATA

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Appendix: Trade Associations

The following trade associations are associated with the day spa industry in the U.S.

Academy of Anti-Aging Research (A3R)

1017 South Fair Oaks Avenue

Pasadena

CA 91105

Tel: 626.912.1378

Fax: 626.912.0198

Web: www.a3r.org

The Academy of Anti-Aging Research (A3R) is an organization of healthcare professionals and researchers who are devoted to research related to anti-aging medicine.

American Organization for Bodywork Therapies of Asia (AOBTA)

1010 Haddonfield-Berlin Road

Suite 408

Voorhees

NJ 08043-3514

Tel: 856.782.1616

Fax: 856.782.1653

Web: www.aobta.org

Founded originally as the American Shiatsu Association, the organization became the AOBTA in 1990. It is primarily concerned with the establishment of appropriate standards for practice of all forms of Oriental bodywork therapy.

American Holistic Health Association (AHHA)

PO Box 17400

Anaheim

CA 92817-7400

Tel: 714.779.6152

Web: www.ahha.org

Founded in 1989, the AHHA is dedicated to the promotion of holistic health principles that center on the mind, body and spirit connection.

American Institute of Stress (AIS)

124 Park Avenue

Yonkers

NY 10703

Tel: 914.963.1200

Fax: 914.965.6267

Web: www.stress.org

Founded in 1978, the American Institute of Stress is a nonprofit organization that acts as an information clearinghouse on all stress related research findings.

American Massage Therapy Association (AMTA)

820 Davis St.

Evanston

IL 60201

Tel: 847.864.0123

Fax: 847.864.1178

Web: www.amtamassage.org

The American Massage Therapy Association works to promote the practice of massage therapy.

Associated Bodywork and Massage Professionals (ABMP)

1271 Sugarbush Drive

Evergreen

CO 80439-9766

Tel: 800.458.2267

Fax: 800.667.8260

Web: www.abmp.com

The ABMP is an organization which serves members of the massage, bodywork, somatic and esthetic professions.

Day Spa Association (DSA)

310 17th Street

Union City

NJ 07087

Tel: 201.865.2065

Fax: 201.865.3961

Web: www.dayspaassociation.com

The Day Spa Association is a professional organization representing companies and individuals involved in the U.S. day spa industry.

International Dermal Institute (IDI)

1001 Knox Street

Torrance

CA 90502

Tel: 310.352.4784

The IDI is the largest post-graduate training center in the U.S. that specializes in beauty therapy.

International SPA Association (ISPA)

2365 Harrodsburg Road, Suite A325

Lexington

KY 40504

Tel: 888.651.4772

Fax: 859.226.4326

Web: www.experienceispa.com

The ISPA is a professional organization representing over 1,900 facilities and practitioners involved in the **spa** industry.

National Association for Holistic Aromatherapy (NAHA)

4509 Interlake Ave N., #233

Seattle

WA 98103-6773

Tel: 888.ASK.NAHA

Fax: 206.547.2680

Web: www.naha.org

NAHA is an educational, nonprofit organization focused on improving public awareness of the benefits of aromatherapy.

Reflexology Association of America (RAA)

4012 Rainbow Suite K-PMB#585

Las Vegas

NV 89103-2059

Tel: 978.779.7955

Web: www.reflexology-usa.org

Founded in 1995, the RAA represents reflexologists across the U.S. to promote professional development and the advancement of the profession.

Touch Research Institute (TRI)

University of Miami School of Medicine

P.O. Box 016820

Miami

FL 33101

Tel: 305.243.6781

Fax: 305.243.6488

Web: www.miami.edu/touch

Founded in 1992, TRI is dedicated to research that explores the study of touch and its application to the fields of medicine and science.

10/2002

Meet the expert



Toby Clark

Director of Research EMEA

Toby has worked at Mintel for 14 years and leads the large team of researchers who produce over 500 business reports per year on UK and European market sectors. He also oversees Mintel's quarterly reports covering consumer confidence and the state of the economy.

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