



Retail Sales – Sneak Peek May 2009

Monthly Snapshot Surveys provide ISPA members with a valuable look into the state of the spa industry, spa industry trends and also help to identify the needs of spa professionals. Snapshot Surveys are conducted on the third Friday of each month, with results provided only to respondents two weeks from the release date of the survey. Knowledge is a valuable tool and these quick surveys provide a wealth of information shared by ISPA's members.

The May 2009 Snapshot Survey requested quarterly information on retail sales performance and the value of incentives and assistance provided by resource partners. The responses provided clearly indicate that the state of the economy is impacting the management decisions for both spa and resource partner members. ISPA spa members' survey results show that 58% of day spas and 53% of resort/hotel spas experienced a reduction in the total value of their spa's retail inventory for the first quarter of 2009 compared to the same period in 2008. Even though spas are reducing inventory on hand, spas did not show a significant change in the percentage of total retail revenues when compared to the same period in 2008. Spas emphasized the importance of focusing on moving current product inventory before bringing in new lines or additional products. The reduction in inventory is resulting in smaller, more frequent orders.

Spa members also identified the most influential qualities they look for when selecting new spa treatment product(s) or retail merchandise. Training offered by vendors for service providers was the most influential quality when selecting a new spa treatment product, whereas, the product cost and retail sales potential was more important when selecting retail merchandise. Results show the economic climate is also impacting the likeliness of bringing on a new treatment product for 65% of spa members. A common theme among those impacted is the investment required to bring in a new treatment product is too costly and the uncertainty when it comes to risk and return on investment is too high.

ISPA resource partners are customizing offerings and promotions to meet the needs of individual clients with 36% offering customized payment terms to their customers. By working together as a team, resource partners are assisting spas in a variety of ways including providing complimentary marketing materials, event support, product samples and staff training. Spas are seeking vendors who are willing to invest in their staff by providing educational opportunities and special incentive programs that result in increased retail sales.

The results analysis includes answers from all respondents who took the Snapshot Survey in the eight day period from Friday, May 15, 2009 to Friday, May 22, 2009. During this time, 298 ISPA members responded to the survey. Due to rounding, totals may not equal 100%.

Disclaimer

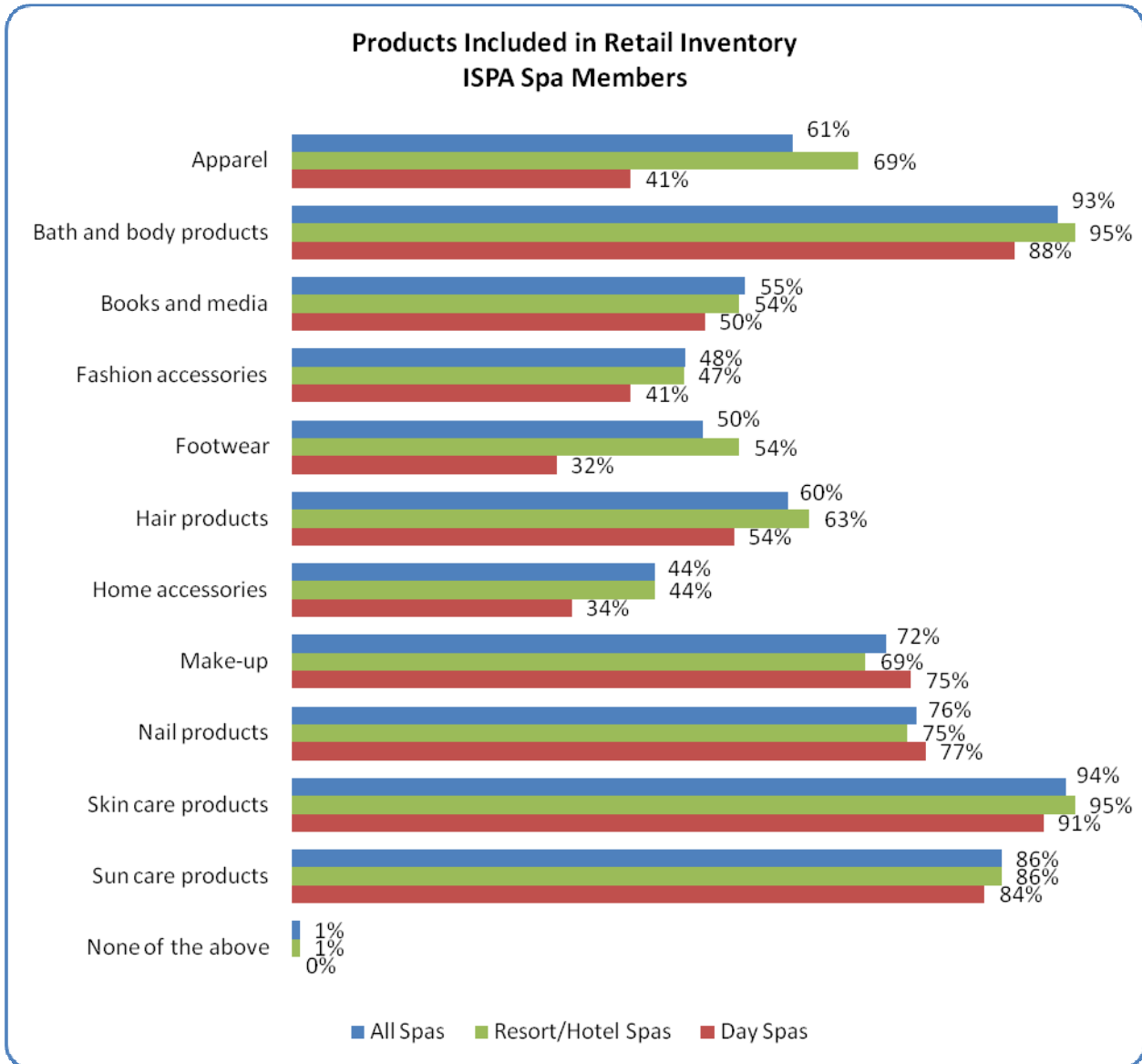
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ISPA Spa Members

Which of the following, if any, types of products are currently included in your spa's retail inventory?
(Select all that apply)



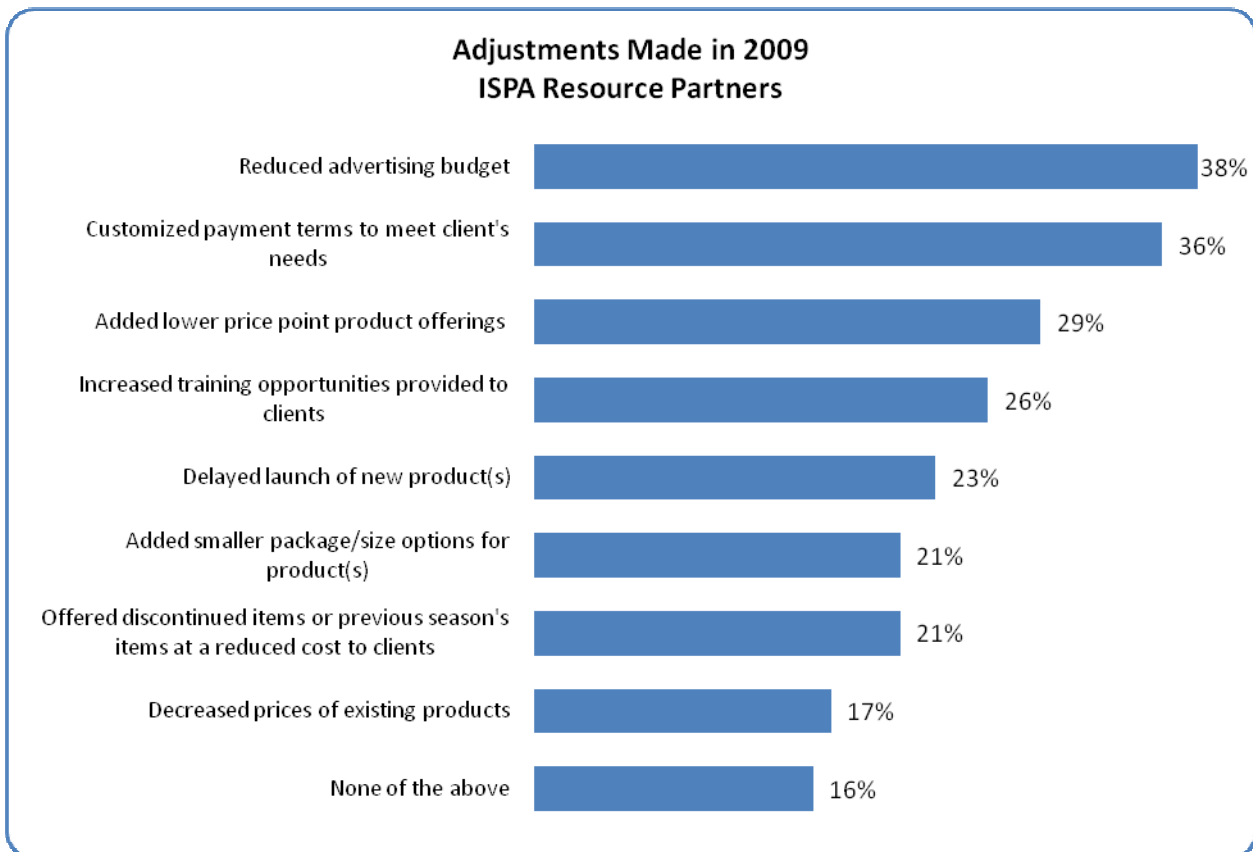
Top 5 Products Included in Retail Inventory (All Spas)

1. Skin Care Products
2. Bath and Body Products
3. Sun Care Products
4. Nail Products
5. Make-up



ISPA Resource Partners

As a result of the economy, which of the following adjustments has your company made in 2009?
(Select all that apply)





ISPA resource partners were asked to identify their most popular retail product based on total sales to share with ISPA members. Below are the products identified by the respondents:

- Abrione Cell Enhancer Hydrogel Moisturizer
- Academie Scientifique de Beaute
- Akhassa Retreat Travel Indulgence Kit Kinara Lactic Acid Hydrating Serum
- Aromatherapist Training by IFA
- AV2 Professional detox system and AV3 Freedom
- Aveda lipsticks
- BABOR HSR cream (High Skin Refiner Cream)
- Bissinger's Chocolatier
- Calme Essentials Collagen Mask
- Caviar Moisture Shampoo
- CND (Creative Nail Design) Solar Oil
- Comfort Zone
- Dewi Sri Spa by Martha Tilaar
- Dr. Alkaitis Organic Day Cream
- Dr. Spiller's Vitamin C-Plus Day Cream
- Er'go Enlighten Collection with Exhale (top scent: Monkey Grass) & Er'go Premium Fragrance Soy Candles in the Solo Collection (top scent: Mineral Spring)
- ESPA Pink Hair and Scalp Mud
- Frou Frou Living robes
- Head Organics Leave-In Conditioner
- Headache Relief treatments & Headache Relief inhaler.
- Hydrooptimale Cream 50ML
- ilike organic skin care St. John's Wort Eye Contour Cream
- Kantic Lights Off calming evening cream
- Kraft paper shopping bags
- Lip Balm from Ballmania
- Love Me Baby Me products
- Marina Cosmetics Sea Perfected Lipstick
- MD Skin Care - Alpha Beta Daily Face Peel 60 applications
- Microplane Foot File
- Millennium SpaSalon Software
- Minnie Jeanne boxed canyon tote midrise color: gold digger
- Naturapathica Sunscreen SPF 25
- Omega Radiance
- Opus Belle De-Age & Re-Lift Cream
- Osea Ocean Cleanser & Osea Essential Hydrating Oil
- Placecol Advanced Facial Range, Platinum Optimal Aging Range & Renaissance Range
- Precor 956 Treadmill
- PRIORI Advanced AHA Smoothing Eye Serum
- PURE SKIN CARE and Custom Formulated Product Lines
- Revitalash
- Rinato Clean Touch Pedicure Spa
- Salt of the Earth's Whipped Body Creme
- Sapothecary 3.5 ounce Retail Soap
- Satin Serenity Pillowcase
- Seaflora wild organic skincare
- Shankara Inc. Microcrystal Exfoliation Treatment
- Sisley Sisleya Eye and Lip Contour Cream
- SOS Massage Complement- Recover Acute
- Spa Cells® facial sponge
- Spa Long tunic
- JAMU Asian Spa Rituals Spa Travelers & Bath Bags
- St. Tropez Self Tan Bronzing Mousse
- Susan Posnick ColorFlo Mineral Foundation
- Swissclinical Day Cream - SPF 15



ISPA SNAPSHOT SURVEY

- TARA Herbal Ease Neck Pillow
- The Epicuren Discovery Protein Mist Enzyme Activated Toner
- The new nueLash product
- Timexpert with Microdermoxine Eye and Lip Contour Pack
- VOYA Organic Seaweed Line
- Yon-Ka Masque No.1
- Zendals robes/slippers and throws

