



THE WIDE WORLD OF SPAS

With massage as the most-requested service of many of these establishments, more opportunities for therapists are available than ever before. Here's an overview of just some of them.

BY JOANN MILVOJEVIC



Cast a net over the spa world, and you'll find a colorful cast of players: day spas, mineral spas, resort spas, medical spas and cruise spas. There are also "spalons," a hybrid between a hair salon and a spa where the focus is primarily hair with some spa services, such as pedicures, manicures, facials and perhaps a massage table. Another growing segment is dental spas, which feature some pampering treatments to help ease the stress of getting your teeth drilled.

Spas come in many shapes and sizes and have become as trendy as the makeover TV show, "Queer Eye for the Straight Guy." In fact, some would argue that the Fab Five have influenced the growth in another type of a spa—those that cater exclusively to men.

"The entire spa industry is exploding, and spas are becoming more mainstream," confirms Lynne Walker McNees,

The Rocky Mountain states are filled with spas that cater to both customers—and therapists—who love the outdoors. The Red Mountain Spa in St. George, Utah, offers several specialized massages tailored to hikers suffering from sore feet and legs.

International Spa Association (ISPA) executive director. "Spas can be found in large and small towns across the country."

The spa industry is indeed growing by leaps and bounds. It's an industry ripe with opportunity for massage entrepreneurs and those who seek staff employment alike. We'll take a look at some common and not-so-common spas to see how massage fits into the overall picture.

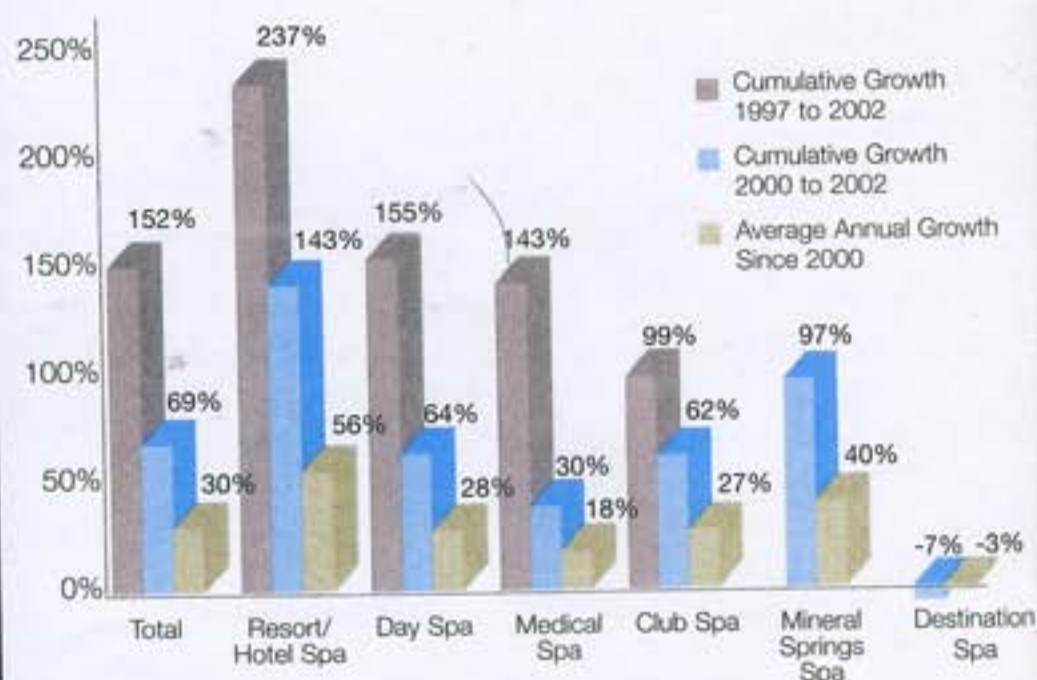
How Big Is It?

The International Spa Association (ISPA) was finalizing their latest report at presstime. We present to you here preliminary findings from its recently released 2004 study, as well as statistics from its 2002 study.* According to ISPA's latest findings, there are nearly 12,000 spas in the United States—a 20 percent increase from 2002. The ISPA studies sliced and diced the numbers to look at the various trends in spas, including the role of massage. PricewaterhouseCoopers conducted the survey, which included phone interviews with 820 spas, and 10 in-depth interviews with spa executives across the United States.

What they found was growth in many areas of the industry. For example, the number of spa locations has doubled every four years, representing a 20 percent annual increase, remarkable when you consider our nation's limping economy. Consumer demand drives spa growth. The number of spa visits has increased a whopping 71 percent between 1999 and 2001, and employment has increased 87 percent in the past two years alone.

Revenues generated by the spa industry are equally noteworthy, reaching nearly \$11 billion annually, according to the ISPA study. Considered part of the leisure industry, spa revenues outpace amusement/theme parks, which generate \$9.6 billion per year, and box office gross receipts, which garner about \$8.4 billion annually.

GROWTH IN SPA LOCATIONS BY TYPE OF SPA (U.S.)



* All charts based on data from ISPA 2002 Spa Industry Study. For information about the new 2004 study, released in November 2004, go to: [www.experiencespa.com].



PHOTO COURTESY OF RED MOUNTAIN SPA

How do spas make their money? Treatment rooms are the largest single segment, accounting for half the revenue. On average, spas generate \$48,000 per treatment room. Massage is the most popular treatment, earning 49 percent of treatment room income, followed by facials at 34 percent and wet treatments at 15 percent, according to the study. Let's take a closer look at various segments of the industry.

Day Spas

According to ISPA, 75 percent of spas are dedicated day spas—representing the lion's share of the industry. Preliminary findings from the 2004 study show that day spas have increased nationwide by 20 percent since 2002. A distant second are resort/hotel spas, with a 12 percent share.

Hannelore Leavy, founder and executive director of the Day Spa Association, reasoned that the exponential growth of day spas relates to the September 11, 2001 terrorist attacks. After the catastrophe, people were reluctant to travel, yet still sought a refuge for relaxation. "People wanted to go where they felt nurtured and safe," explains Leavy, "and they wanted to stay close to home." Day spas answered that need.

Other factors leading to day spa and overall industry growth include increased general awareness of spa benefits (including massage), and aging empty-nest baby boomers, who find themselves with more time and money.

A variety of people from all walks of life seek out day spas so it's no surprise to discover that they market to a variety of consumers. Some spas promote themselves to the masses, while others target niche markets that appeal to only certain clients (such as those that are just for men).

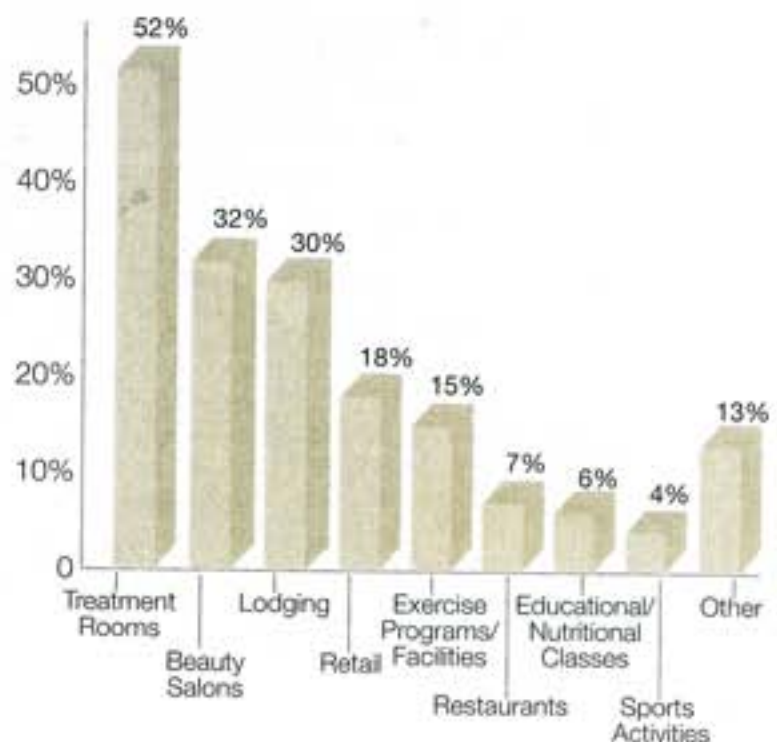
But no matter the target market, day spas share some common attributes. Spa Finder, an organization that connects consumers with spas through their Web site [www.spafinder.com] defines a day spa as: "an establishment that provides beautifying, relaxing or pampering experiences that can last an hour or may take a whole day. The spa can be freestanding or connected to health clubs, hotels, or department stores." But regardless of whom they market to or where they are, massage is generally the top-selling service in day spas.

There are many reasons why massage is so popular in day spas. The benefits of massage are becoming more clear to the general public, and day spas, in particular, are often the doorway into a client's first massage experience. Even for experienced spa-goers, the rationale for spa services, including a massage, is taking on a new



High-end resorts need to offer a plethora of massage services in order to compete. For example, Shutters on the Beach, in Santa Monica, California, has six treatment rooms available for various massage services.

PERCENT OF REVENUES



meaning. The ISPA study cites "that many people no longer see the spa as 'pampering,' but as a requisite to stay healthy and look good."

Industry experts concur with that position. "The health care system has problems," says Susie Ellis, president of Spa Finder. "People are becoming more self-responsible and are finding it [spa and massage] contributes to health."

It was the healing benefits of massage that enticed Judy Hohn, a former employee benefits consultant, to open her own spa, Serenity The Rejuvenating Day Spa, in Overland Park, Kansas.

"I first got a massage for my aches and pains," explains Hohn. "I felt relief for two weeks, and went back for more massages. After about a year I realized I didn't have a cold or flu, and knew there was something to this."

There were no day spas in her area at the time, and Hohn wanted to share the benefits of spa treatments with her community. She opened her day spa 11 years ago, and estimates that about 60 percent of her business comes from massage. Hohn recently added four massage therapists on staff, bringing the total to nine. She pays a flat fee by treatment, and provides benefits such as health insurance, a \$500 annual credit for continuing education and vacation after two years. Her massage therapists do both traditional massages (e.g., Swedish, myofascial and sports) but they also administer wet treatments, such as body scrubs and seaweed wraps.

"I think there is tendency for massage therapists to think that working in a day spa is more 'froufrou' versus doing massage in a medical or chiropractor's setting," says Hohn. "But body treatments are very beneficial. Seaweed body wraps are great for getting rid of toxins, and salt rubs help circulation."

Hohn's clientele are primarily professional woman between 45 and 55 years of age, but she's seeing the percentage of men going up each year. And she is not alone in experiencing the increase in male clients. ISPA's latest study also sees an increase in men who go to spas, a trend that has not been lost on Tom Schmidt who now has three spas, one that primarily targets women and two that cater exclusively to men—Schmidty's Retreat for Men, in Minneapolis.

There's no mistaking that Schmidty's is for men—you'll find no pastel colors or languid waterfalls. Rather, you'll find a pool table, masculine colors like deep browns and greens and mahogany wood accents. Schmidt likens his men's day spas as contemporary versions of athletic clubs. Even his copy has a distinctly male allure such as a "six pack," where you can buy five services and get the sixth free, and the "full of Schmidt" package, which includes body treatments and hair cuts.

Schmidty's derives about 25 percent of its revenue from massage. Though waxing is more popular than massage at his shops, he takes massage very seriously.

"Massage sort of saved me in terms of stress," explains Schmidt. "Therapists are extremely important to me. I look for very healthy looking people who live the lifestyle, and are beyond just getting out of massage school with at least two to three years experience."

In addition to deep tissue and sports massage, Schmidty's offers stone and Thai massage. As is common in many spas, on-site training gets massage therapists up to speed on more unusual modalities.

In fact, most spas (85 percent) pay for employee training.

Schmidty's employs five full-time massage therapists, and provides benefits such as health insurance, paid vacations and even 401(k) retirement plans. Schmidt also requires his employees sign a "no compete" contract. While the 2002 ISPA study cites average massage therapist compensation to be in the \$30,000 to \$50,000 range, Schmidt says his top therapists start at about \$45,000 and earn up to \$60,000 annually, including tips.

Ever the entrepreneur, Schmidt is in the process of starting a small chain—a move that is in keeping with trends revealed in the 2002 ISPA study. While the majority of day spas are sole proprietorships and small corporations, industry consolidation is on the rise.

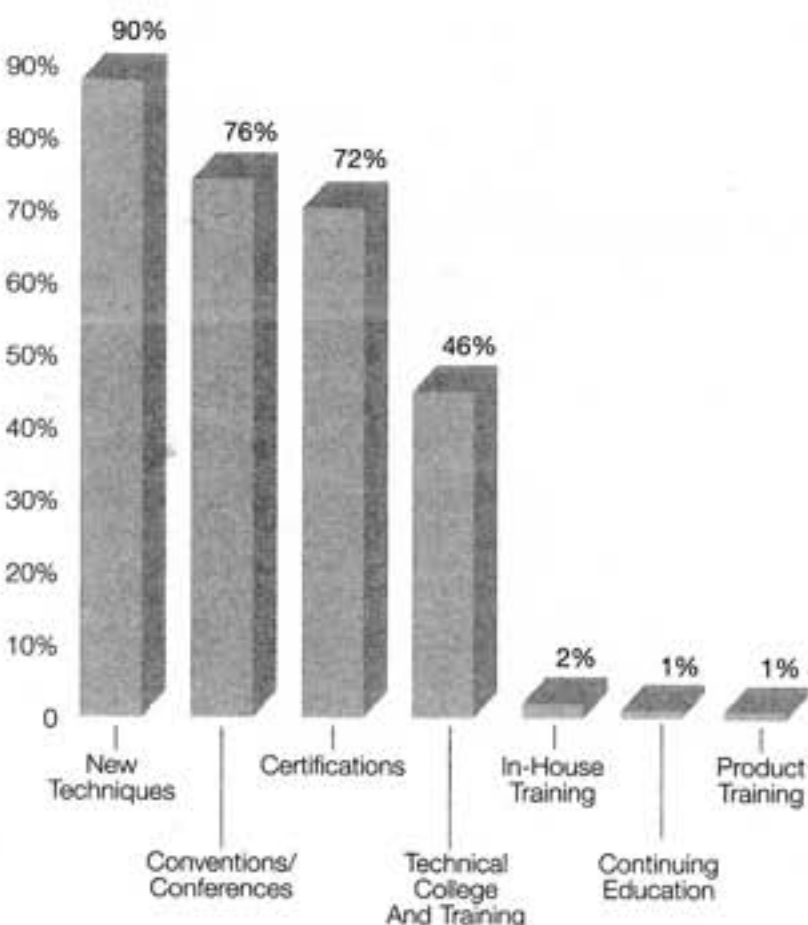
"We think the success will come from staying small and staying local," says Schmidt. "Men really like convenience, and a big space can be kind of scary to them because they are not as comfortable with large spa experiences. Intimate, friendly and feeling welcomed are really important."

Dental Spas

Many people don't exactly look forward to dental appointments, and that's why some enterprising dentists are making the experience a little more pleasurable. (See article, page 26.) And it turns out what's good for the client can also be very good for business—for both the dentist and quite possibly for the massage therapist, too.

While the idea of a dental spa may seem like an odd one, it really isn't. For years pediatricians have created more kid-friendly environments by adding fish tanks, colorful walls and toys all without compromising medical services. That patient-friendly trend is

TYPES OF TRAINING SUPPORTED BY COMPANY



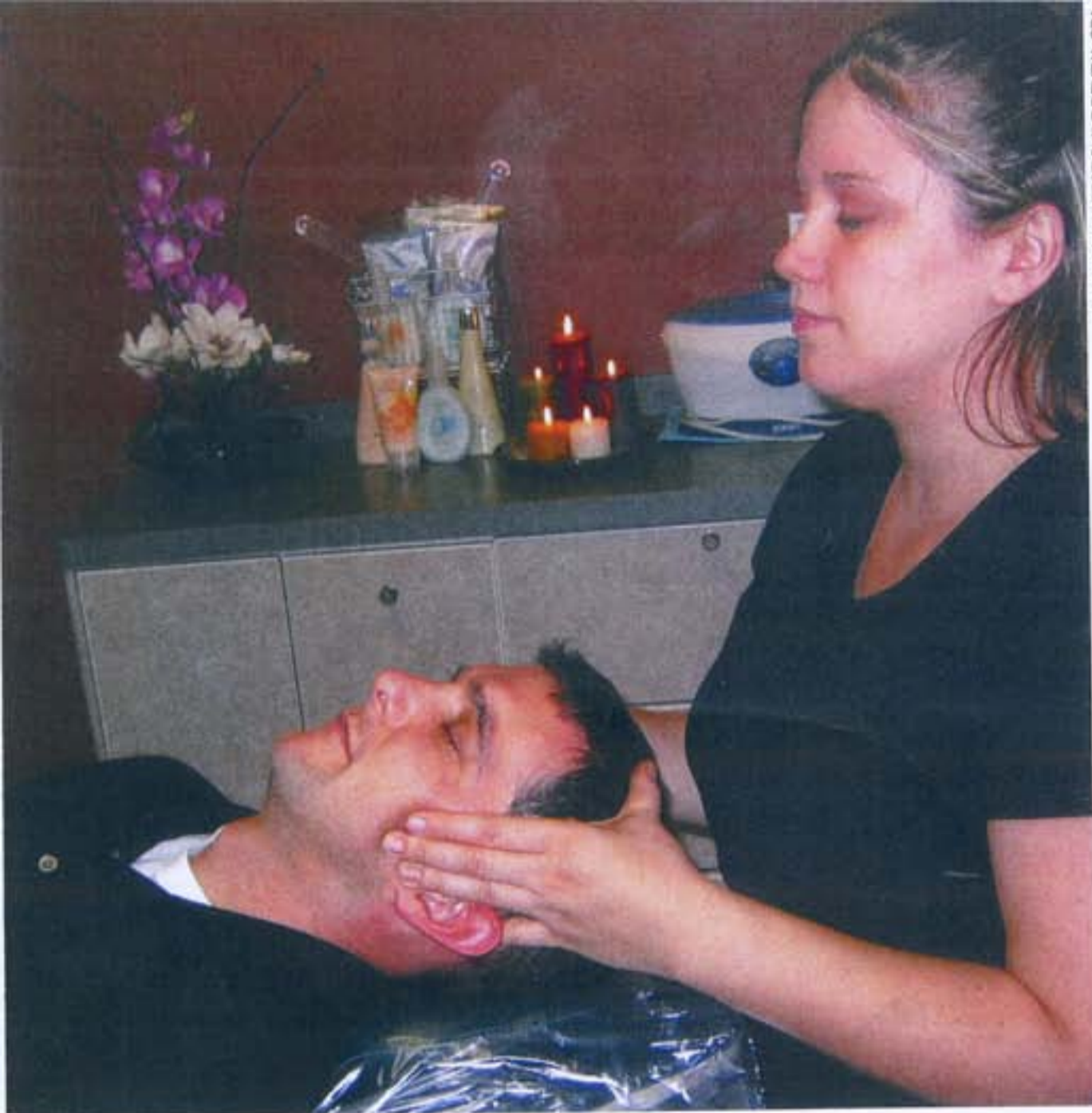
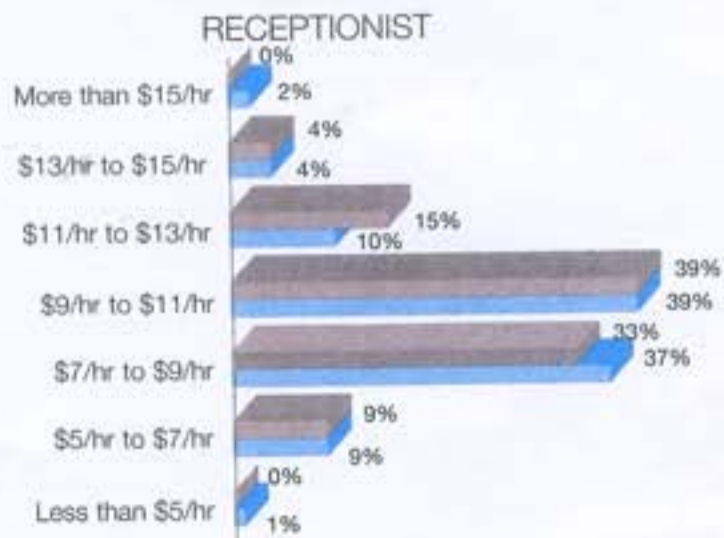
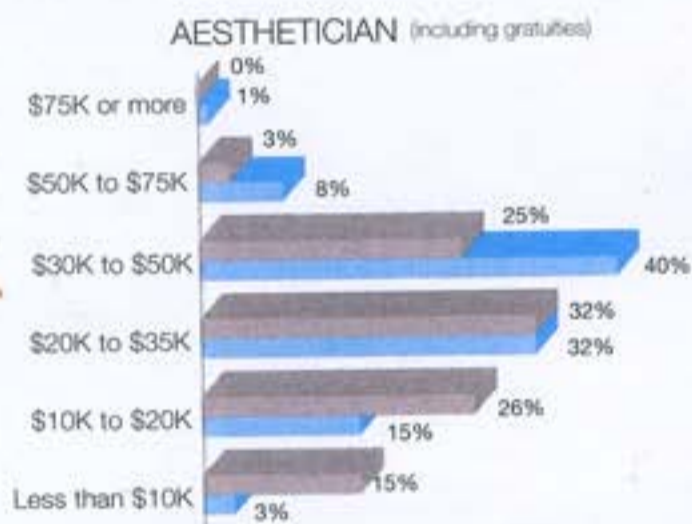


PHOTO © PERFECT SMILE DENTAL SPA

Perfect Smile Dental Spa in Chicago is just one example of the dental spa trend. Clients receive a complimentary 10-minute massage and a paraffin wax treatment for their hands. The office décor also includes candles and waterfalls in every room.



Note: Compensation for each country is in local currency (i.e., compensation for Canada has not been converted to USD).

now making its way to the dental office. In a recent survey of its membership, the American Dental Association (ADA) found that about half of their surveyed dentists offer some sort of spa or office amenities to patients. Of those that do offer some kind of pampering service, however, only 5 percent offer massages, facials, pedicures and manicures. Yet, according to the ADA, a growing number of dentists say amenities persuade patients to make and keep appointments and help them stay relaxed during dental procedures.

Timothy Dotson of Perfect Smile Dental Spa in Chicago has been a dentist for 17 years, the last three of which he has included "spa" services in his practice. The office setting includes candles and trickling waterfalls in every room, set against a relaxing color scheme of earth tones.

"I, too, have been a little dental phobic," says Dotson, "and decided to address people like me."

Dotson started small, with a simple massage chair, but when a patient, Erika Korak, mentioned she would be graduating from the Chicago School of Massage Therapy, a bigger idea was born.

Today, Korak gives patients 10-minute chair massages after their appointments—and for those who want it, a relaxing paraffin wax treatment for their hands—at no extra cost.

"I never thought in a million years I'd work in a dental office," says Korak.

In addition to tune-up massages, Dotson has set up Korak with her own massage treatment room. She hands out her card to patients, who can then schedule an appointment with her. She is building her own clientele and splits the treatment fee with the dental office 60/40. She keeps the 60 percent—getting a higher-per-massage fee than she otherwise would.

And Dotson couldn't be happier with the arrangement—his business has grown by 100 percent.

On the more extreme side, there's ImageMax Dental Day Spa in Houston. Here, patients can get much more than a drill and smile makeover. They can get Botox injections, a foot massage, laser hair removal and partake in an oxygen breathing bar to "relax yet energize the mind."

The pampering services offered by dentists vary widely, and some don't refer to themselves as dental spas per se, making it difficult to know just how many dentists are jumping on the spa amenities bandwagon. But more are sure to come on board. This year at the ADA's 144th Annual Session, Shirley Brown, D.M.D.; Ph.D.; Michael Unthank, D.D.S. and Risa Simon, a certified management consultant, spoke to dentists across the country about creating a "comfort zone" for their patients by focusing on guest hospitality and comfort amenities.

According to Brown, "A dentist's first priority is the delivery of high-quality oral health care. Offering spa-like services and a relaxing atmosphere might be one way to attract otherwise reluctant patients to come in for necessary dental treatment. I think people will enjoy having a variety of dental practices to choose from based upon their individual needs."

Now that's something to smile about.



Schmidty's spa in Minneapolis caters to male clients with its masculine color