NSBMT - Special Meeting
May 8, 2020
Agenda Item 7

ISPA FOUNDATION

NAVIGATING THROUGH THE COVID-19 PANDEMIC

A Consumer's Point of View

EXECUTIVE SUMMARY

Executive Overview

The ISPA Foundation commissioned PwC to conduct a survey program to provide key consumer insights relevant to the spa industry in the United States. The Consumer Snapshot Initiative generates invaluable quantitative data for the spa industry on the real-life attitudes and opinions of a sample of the population at a specific point in time. This tenth edition of the Consumer Snapshot Initiative focuses specifically on the COVID-19 pandemic and its effects on consumer attitudes toward spa visits and treatments, as well as their expectations for and concerns about returning to “normal life” after the pandemic.

75 percent of the survey’s respondents are spa-goers (defined as people who have visited a spa in the last 12 months) and 25 percent are non-spa-goers (defined as those who have not visited a spa in more than 12 months). The results offer a number of insights into the feelings and expectations of both groups. Among those insights are consumers’ anticipated priorities following the reopening of businesses and the easing of travel and social distancing restrictions, their relative nervousness about entering public spaces following the pandemic and how their wellness habits have evolved during isolation.

In order to obtain a reliable snapshot from the industry’s consumers, the survey gathered insights from a broadly representative section of the U.S. population.

Key Insights for Spas

The end of the pandemic won't mean an end to nervousness among spa-goers. Even when restrictions are lifted, consumers will likely still have some reservations about returning to public spaces, especially in situations where they have less control over their interactions with others. Notably, this caution was not confined to a particular age group.

Spa-goers say they will return, but spas will need to take steps to make them feel safe. Consumers are likely to pay close attention to and be influenced by spas' enhanced sanitation and hygiene efforts. Spas will need to adjust their practices to satisfy consumer concerns and clarify for guests how the spa-going experience will be different (i.e. what measures are being taken to protect guests, what a "socially-distanced" spa will be like, etc.). Consumer expectations, then, will likely drive spas' decision making in these areas.

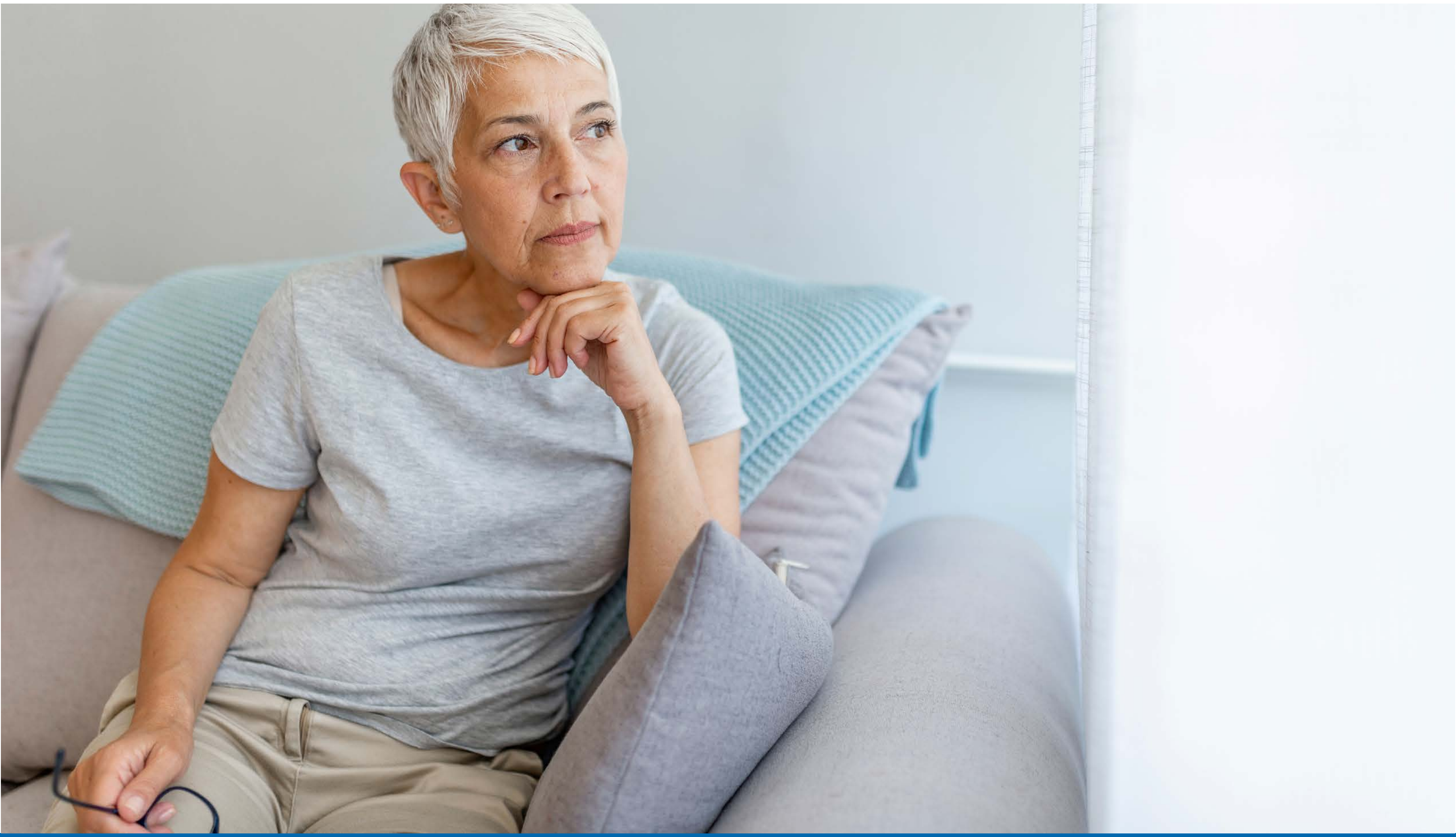
During the isolation period, DIY wellness has become a larger part of spa-goers' lives. Given the nervousness many consumers may have about entering public places following the pandemic, spas will likely need to reemphasize the value of professional treatments and build the spa experience back into guests' lives while navigating a general climate of worry.

Reopening Nervousness

Following the pandemic, consumers will likely exercise a great deal of caution as they re-enter public spaces, especially those where practicing social distancing may be a challenge. 38 percent of respondents said they would feel very nervous about taking a flight, for example (a number that may affect guests' eagerness to visit resort or hotel spas in the short term), while 30 percent reported feeling that way about attending a work-related conference or convention.

A quarter of consumers surveyed said that a spa visit would make them feel very nervous, which is essentially on par with visiting a shopping mall (27%), getting a nail service (25%) and eating at a restaurant (25%). The key factors in these figures seem to be the typical crowd size in each space and the degree of control the respondents would have regarding their proximity to others. Airports and conventions tend to feature large crowds of people packed tightly together, which would make social distancing more difficult. And though malls, restaurants and spas can be crowded, they can much more easily take steps to allow guests to practice social distancing.

Spas should be mindful of these concerns as they reopen. Guests are likely to be most nervous in communal spaces such as locker rooms, lounges and wet areas. Those areas may need to be temporarily closed or adapted during the initial reopening phase to alleviate some of those guest concerns.



Once the Coronavirus situation improves and businesses reopen, how nervous are you about doing any of the following?

	NOT NERVOUS AT ALL	A LITTLE NERVOUS	VERY NERVOUS
Attending a work-related conference/convention	28%	42%	30%
Getting a nail service (i.e. manicure, pedicure)	31%	44%	25%
Getting a haircut at a salon	37%	46%	17%
Participating in a group fitness class/activity	27%	44%	28%
Visiting a Spa	28%	47%	25%
Eating out at a restaurant	27%	51%	23%
Going to a shopping mall	27%	47%	27%
Visiting Family or friends	48%	39%	13%
Taking a flight	19%	43%	38%

**Base: Spa-goer and non-spa goer respondents. Due to rounding, some percentages may not total to precisely 100%.*

7 Key Consumer Insights

1 Consumers are focusing more on their health while isolated, with 42% eating more healthily, 40% doing more physical exercise and 55% doing more to look after their mental well-being.

2 Technology is playing a role in physical exercise routines, with 25% accessing online videos to guide their physical exercise routine and 16% downloading a mobile app to assist.

3 At-home personal care is also prominent, with 50% doing manicures/pedicures, 58% implementing skin care regimens and 45% using aromatherapy.

4 Once businesses reopen, 28% of spa-goers noted they aren't nervous at all to visit a spa, while 47% are a little nervous and only 25% are very nervous. This compares to 38% indicating they would be very nervous to take a flight, 27% to go to a shopping mall and 17% to get a haircut at a salon.

5 When spa-goers return to a spa, they are likely to bring their own hand sanitizer with them (72%), avoid communal spaces (65%) and avoid shared amenities (64%).

6 Four out of ten spa-goers (42%) anticipate asking their therapist to wear a mask during a treatment and an additional 31% are undecided about their mask preference.

7 Consumer expectations regarding spending on spas does not vary wildly from expected spending on other activities, with more than 80 percent of respondents reporting that they will spend as much or more on spas after the pandemic ends as they did before.

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Survey Methodology

This survey for Vol. X of the Consumer Snapshot Initiative gathered responses from a total of 1,019 responses from a sample of consumers in the U.S. The survey was undertaken using a broadly representative sample, which ensured the study achieved responses from a comprehensive cross-section of the U.S. population. It is important to remember that the results regarding spa attendance are self-reported by the snapshot participants and are not official statistics, nor can they necessarily be expected to be in line with what spas report in terms of overall spa-going numbers or the demographic composition of those using the facilities.

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