

For Immediate Release:

## Intelligent Spas Publishes Updated Research on South Africa

Singapore, 14 October 2009 – Intelligent Spas' second Spa Benchmark Report on the South African spa market presents an extensive collection of financial statistics including breakdowns of key performance indicators by day spas, hotel spas and resort spas. The new research found over 200 spas are operating in South Africa and generated revenue of ZAR380 million (approximately USD47 million) in 2008, representing a 2% decrease compared to 2007.

Other key findings included:



- 45% of spas were day spas (not co-located with accommodation) and 55% were destination spas incorporating hotel, resort and retreat spas offering overnight accommodation.
  - Over 2,500 people were employed by the South Africa spa industry in 2008, which was a 15% increase on 2007 employment numbers.
  - Treatment revenue per spa decreased by 16% between 2007 and 2008.
  - Hotel spas achieved higher revenue per spa compared to day spas and resort spas.
- Day spas achieved more daily visits per spa on average compared to hotel and resort spas.
  - Less than 30% of spa visits were from males.
  - International tourists made up over one fifth of visitors.
  - Over two thirds of visits to hotel spas were from people not staying in the adjoining hotel, highlighting the importance of hotel and resort spas also catering to their local markets in terms of operational policies and procedures and incorporating local day spas in their competitor analysis activities.
  - Prices of standard spa treatments were higher at hotel spas in comparison to prices set by day spas and resort spas.
  - 77% of respondents stated clients are more price sensitive explaining clients had requested discounts, packaged treatments and added value.

"The South African spa market is performing relatively well despite the global economic conditions and spa owners and managers have a positive outlook. This updated research identifies key differences in the performance of day spas, hotel spas and resort spas which are critical for each type of operator to understand" stated Julie Garrow, Managing Director of 100% independent research company Intelligent Spas ([www.IntelligentSpas.com](http://www.IntelligentSpas.com)).



## Intelligent Spas News Release - South Africa Spa Benchmark Report



Dr Nadine de Freitas, Executive Director, South African Spa Association added "the release of the South African Spa Benchmark Report is a fundamental step in the growth and maturity of the South African spa industry, allowing an accurate understanding of the industry statistics, financial indicators, industry weaknesses and strengths, to facilitate efficient spa operations and maximise profit potential and industry opportunities. The South African Spa Association thanks Julie Garrow and Intelligent Spas for their commitment to 100% independent spa research, so allowing all investors and spa operators access to crucial spa intelligence, to identify key success factors and ensure a successful and competitive spa, in today's ever-changing market."

### Industry Outlook:

- Spa numbers are forecast to grow by 8% this year.
- Visits to day spas are forecast to grow by 20% in 2009.
- Revenue per spa is predicted to increase into 2010.

**"The South African spa market is performing relatively well despite the global economic conditions"**

**Julie Garrow, Managing Director, Intelligent Spas**

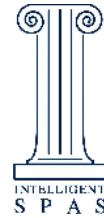
### Spa Benchmarks Available

The full report is available from Intelligent Spas website at [www.IntelligentSpas.com](http://www.IntelligentSpas.com) and contains over 800 updated spa industry benchmarks relating to total spa revenue, spa treatment revenue, expenses, visits and employment, with many topics showing historical data available from 2005 to 2008, plus forecast data for 2009 and 2010. The benchmarks are comparable across the entire spa industry due to the consistent global research methodology implemented by Intelligent Spas. Other statistics and benchmark ratios featured in the report include:

- Average Revenue per Visit
- Total Revenue and Treatment Revenue per Available Treatment Hour and Minute
- Total Revenue and Treatment Revenue per Square Meter/Foot
- Total Revenue and Treatment Revenue per Available Treatment Room
- Total Revenue and Treatment Revenue per Employee
- Breakdown of Total Revenue including retail revenue
- Breakdown of Total Expenses
- Repeat Visitation Rate
- Visitor Profiles by Gender, Age and Residence
- Proportion of Hotel Guests Visiting the Spa

The report also presents a collection of supporting business intelligence including:

- Spa business models describing ownership, business structure, management structures.
- Spa infrastructure covering spa size, space breakdown, treatment rooms and stations, standard support facilities versus water-based support facilities.
- Spa menus such as variety of hydrotherapy and water-based treatments offered and the range of treatments practiced.
- Spa industry trends relating to treatments and clients.



## Research Objectives and Sampling

This Spa Benchmark Report aims to provide a reliable update of the spa population, profile, size and value, plus calculate updated and reliable industry benchmarks for key financial and performance indicators.

The research achieved a response of 62 validated spa businesses, representing 30% of the spa population, where 5% is considered reliable in industry research terms, and is available for purchase from [www.IntelligentSpas.com](http://www.IntelligentSpas.com). Note: Intelligent Spas does not conduct anonymous surveys. Each respondent must identify themselves, comply with Intelligent Spas' benchmark definition of "spa" and pass numerous screening criteria to qualify to ensure the research is accurate and reliable for users. Intelligent Spas' 100% independence policy ensures all individual survey data submitted by spas is not used for any other purpose. To join Intelligent Spas' free Global Spa Benchmark Program, register at [www.IntelligentSpas.com](http://www.IntelligentSpas.com).

Intelligent Spas is the only 100% independent research company specialising in the spa industry. Founded in Singapore in 2001, it has pioneered spa industry research in the greater Asia Pacific region and continues to publish a range of Spa Operations Manuals and Spa Benchmark Reports to assist the performance and growth of this essential industry.

Intelligent Spas' Global Spa Benchmark Program is currently underway in over 80 countries and aims to produce reliable and comparable statistics to help spas maximise their performance, provide business intelligence to assist other organisations to better understand, service and support the spa industry plus generate greater awareness of the spa industry to increase spa visits.

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– Media Request and General Contact Forms are available at [www.IntelligentSpas.com](http://www.IntelligentSpas.com).

The detailed table of contents is below:

- 1 Executive Summary
- 2 About the Research
  - 2.1 The Value of 100% Independent Research
  - 2.2 Confidentiality Policy
  - 2.3 Benchmarking Definition of "Spa"
  - 2.4 Definitions of Spa Sub-Types
  - 2.5 Research Objectives
  - 2.6 Research Methodology and Sampling
  - 2.7 Challenges
  - 2.8 How to Read the Report
  - 2.9 Acknowledgements
  - 2.10 Educational Resources
- 3 Total Spa Industry Size and Value
  - 3.1 Total Number of Spas by Main Type 2007-2009F
  - 3.2 Total Spa Industry Revenue 2007–2009F
  - 3.3 Total Spa Industry Visits 2007–2009F
  - 3.4 Total Spa Industry Employment 2007–2009F
- 4 Financial and Performance Benchmarks
  - 4.1 Annual Revenue per Spa 2005-2010F
  - 4.2 Annual Revenue per Spa 2007-2009F by Day Spas, Hotel Spas and Resort Spas



- 4.3 Daily Revenue per Spa 2005-2010F
- 4.4 Daily Revenue per Spa 2007-2009F by Day Spas, Hotel Spas and Resort Spas
- 4.5 Breakdown of Total Annual Revenue 2007-2008
- 4.6 Breakdown of Total Annual Expenses 2007-2008
- 4.7 Annual Treatment Revenue per Spa 2007-2008
- 4.8 Daily Treatment Revenue per Spa 2007-2008
- 4.9 Annual Visits per Spa 2006-2010F
- 4.10 Annual Visits per Spa 2007-2009F by Day Spas, Hotel Spas and Resort Spas
- 4.11 Daily Visits per Spa 2006-2010F
- 4.12 Daily Visits per Spa 2007-2009F by Day Spas, Hotel Spas and Resort Spas
- 4.13 Visitor Profiles by Gender, Age and Residence 2007-2008
- 4.14 Hotel/Resort Guests Versus Non-Hotel/Resort Guests 2008
- 4.15 Annual Employees per Spa 2005-2010F
- 4.16 Annual Employees per Spa 2006-2009F by Day Spas, Hotel Spas and Resort Spas
  
- 5 Spa Benchmark Ratios
  - 5.1 Revenue per Visit 2006-2010F
  - 5.2 Revenue per Available Treatment Hour 2006-2010F
  - 5.3 Revenue per Available Treatment Minute 2006-2010F
  - 5.4 Treatment Revenue per Available Treatment Hour 2007-2008
  - 5.5 Treatment Revenue per Available Treatment Minute 2007-2008
  - 5.6 Annual Revenue per Available Treatment Room 2005-2010F
  - 5.7 Annual Revenue per Available Treatment Room 2007-2009F by Day spas, Hotel spas and Resort spas
  - 5.8 Daily Revenue per Available Treatment Room 2005-2010F
  - 5.9 Annual Treatment Revenue per Available Treatment Room 2007-2008
  - 5.10 Daily Treatment Revenue per Available Treatment Room 2007-2008
  - 5.11 Annual Revenue per Square Metre/Foot 2006-2010F
  - 5.12 Daily Revenue per Square Metre/Foot 2006-2010F
  - 5.13 Annual Treatment Revenue per Square Metre/Foot 2007-2008
  - 5.14 Daily Treatment Revenue per Square Metre/Foot 2007-2008
  - 5.15 Annual Revenue per Employee 2006-2010F
  - 5.16 Daily Revenue per Employee 2006-2010F
  - 5.17 Annual Treatment Revenue per Employee 2007-2008
  - 5.18 Daily Treatment Revenue per Employee 2007-2008
  - 5.19 Average Annual Visits per Employee 2006-2010F
  - 5.20 Repeat Visitation Rate 2008
  
- 6 Spa Business Models
  - 6.1 Spa Ownership, Business and Management Structures
  - 6.2 Destination Spa Ownership by Hotel Spas and Resort Spas
  - 6.3 Spa Branding, Original Business Plan and Gender Policy
  
- 7 Spa Infrastructure
  - 7.1 Spa Size and Space Breakdown by Day Spas, Hotel Spas and Resort Spas
  - 7.2 Spa Treatment Rooms by Number, Type, Use and Occupancy by Day Spas, Hotel Spas and Resort Spas
  - 7.3 Stations by Number, Type and Use by Day Spas, Hotel Spas and Resort Spas
  - 7.4 Treatments Conducted Outside the Spa
  - 7.5 Standard Support Facilities by Ownership Versus Access Arranged and Gender-Shared or Separate Female/Male
  - 7.6 Water-Based Support Facilities by Ownership Versus Access Arranged and Gender-Shared or Separate Female/Male
  
- 8 Spa Menus
  - 8.1 Variety of Hydrotherapy and Other Water-Based Treatments Offered by Day Spas, Hotel Spas and Resort Spas

# Intelligent Spas News Release - South Africa Spa Benchmark Report



- 8.2 Hydrotherapy and Body Treatments Practiced by Day Spas, Hotel Spas and Resort Spas
- 8.3 Massages and Beauty Services Practiced by Day Spas, Hotel Spas and Resort Spas
- 8.4 Specialist Services and Programs, Classes and Consultations
- 8.5 Complimentary Food and Beverages Provided by Day Spas, Hotel Spas and Resort Spas
- 8.6 Starting Prices of Standard Spa Treatments by Day Spas, Hotel Spas and Resort Spas
  
- 9 Spa Industry Trends
  - 9.1 Pricing
  - 9.2 Treatments
  - 9.3 Other Trends
  
- 10 Sampling
  
- 11 Appendix
  - 11.1 Register to Participate in the Global Spa Benchmark Program
  - 11.2 Feedback and Suggestions

About Intelligent Spas Pte Ltd