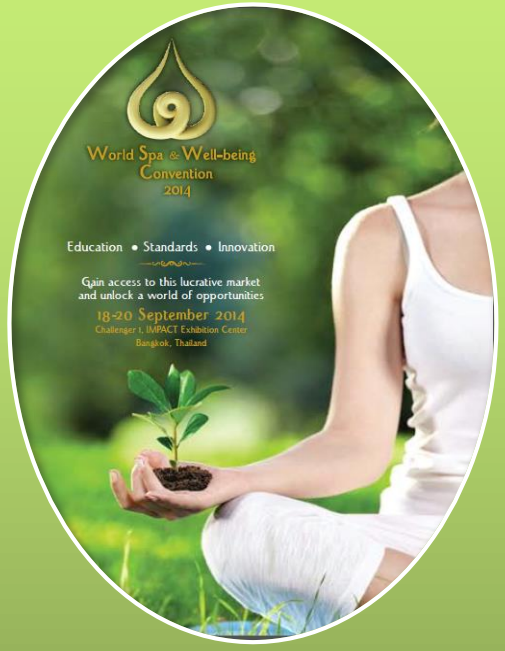

Spa Industry Study 2014

Opening the Spa Doors to ASEAN

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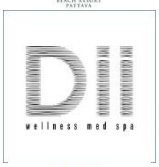

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A. INTRODUCTION

A1. ABOUT THE STUDY

As a result of close collaboration between Stenden Rangsit University and the Thai Spa Association, a professional industry knowledge sharing network has been developed, and in 2013 this resulted in the first Spa Industry Study – Current Status & Expected Developments. The 2014 industry study, launched in September as part of the World Spa & Well-being Convention 2014, to provide evidence of the thoughts and actions of spa providers and spa consumers, and identify if there are gaps, and or what opportunities there may be for spa providers to better cater to needs of spa consumers. Conducted by university professors and industry professionals this study seeks to provide an unparalleled insight into the workings of the spa industry.

A2. RESEARCH OBJECTIVES

The study was carried out in 2 parts: Spa Consumer Research and Spa Operator Research. The research focused on spa consumers and operators in Thailand and to a lesser extent in the ASEAN region. The specific objectives of each are presented in the upcoming sections.

A2.1 SPA CONSUMER RESEARCH OBJECTIVES

The objective of the spa consumer research was to:

- Identify spa consumers and study their current spa use pattern.
- Identify what consumers like the most within Spas
- Find out what spa consumers find the most important with regards to the therapists and products used in Spas.
- Identify non-spa consumers / potential spa consumers and understand their preferences for spa visits.
- Provide spa operators and consultants with insights for understanding spa consumers and potential spa consumers

A2.2 SPA OPERATORS RESEARCH OBJECTIVES

The objective of the spa operator research was to understand the perception and opinion of the spa operators on:

- The changes and developments in the clientele and how does it influence the spa industry
- The changes and developments are there in customer demands and how does it influence the spa industry

- Skills and expertise that spa manager/spa therapist need to possess
- The changes and developments are there in therapies and treatments and how does it influence the spa industry
- The role of standards in the spa industry
- Impact of AEC 2015 (The ASEAN Economic Community) on the spa industry

A3. METHODOLOGY AND PRESENTATION OF FINDINGS

A3.1 SPA CONSUMER RESEARCH

Data for the spa consumer research was collected through a questionnaire survey. The survey was conducted both online and though a self-administered paper survey. In the questionnaire, we asked the spa consumers on their historical behaviour and their opinion of certain aspects of spa, and also their future expected behaviour.

After the survey questionnaire was finalized, it was distributed online with the help of TSPA and Spa operators in Thailand. The paper survey was distributed to customers of selected Spa's in Bangkok.

Data Collection was conducted during July and August 2014. For this research convenience sampling was used. 295 legitimate responses were received. While this sample size is not seen as being completely representative of the total spa consumers in Thailand, the sample is deemed to be large enough to draw important insights.

Averages and percentages were calculated based on the received survey responses. Some questions add up to more than 100% as multiple responses were allowed in some questions.

A3.2 SPA OPERATOR RESEARCH

For the spa operator research attention was focused on Spa Managers, Spa Directors and experienced spa industry professionals. Data for spa operator research was collected through an online survey. The online survey was distributed to Spa Managers in Thailand and outside of Thailand with the help of Thai Spa Association. Data was collected during July and August 2014, and there were 115 legitimate responses.

The questionnaire contained questions of the activities carried out by the spas and also on the perception of the respondents on certain activities and aspects that the affect the spas. There was an optional part in the questionnaire where the respondents were asked to compare the different ASEAN Countries on certain aspects that affect the spa industry.

Averages and percentages were calculated based on the received survey responses. Some questions add up to more than 100% as multiple responses were allowed in some questions.

A3.3 PRESENTATION OF FINDINGS

To keep the report concise, the findings are presented mostly through charts and brief explanation is provided wherever appropriate. The authors of the report would be willing to provide additional analysis if needed in case there are requests for any specific information.

Part B of this report presents the Spa Consumer Research, Part C presents the Spa Operator Research and Part D, presents the findings from the comparison of the ASEAN Countries.

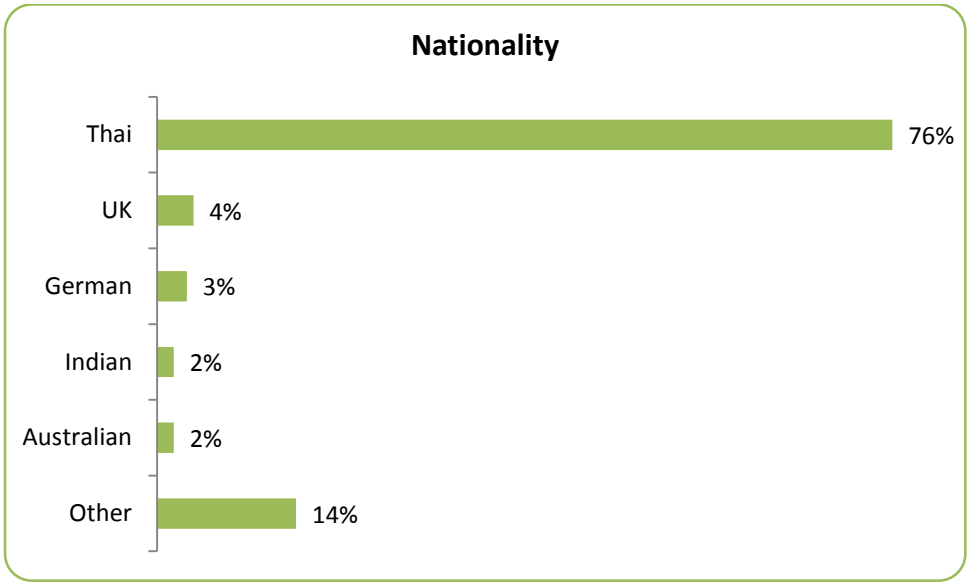
The readers of the report are encouraged to contact the authors in case they would like to know more or have certain questions.

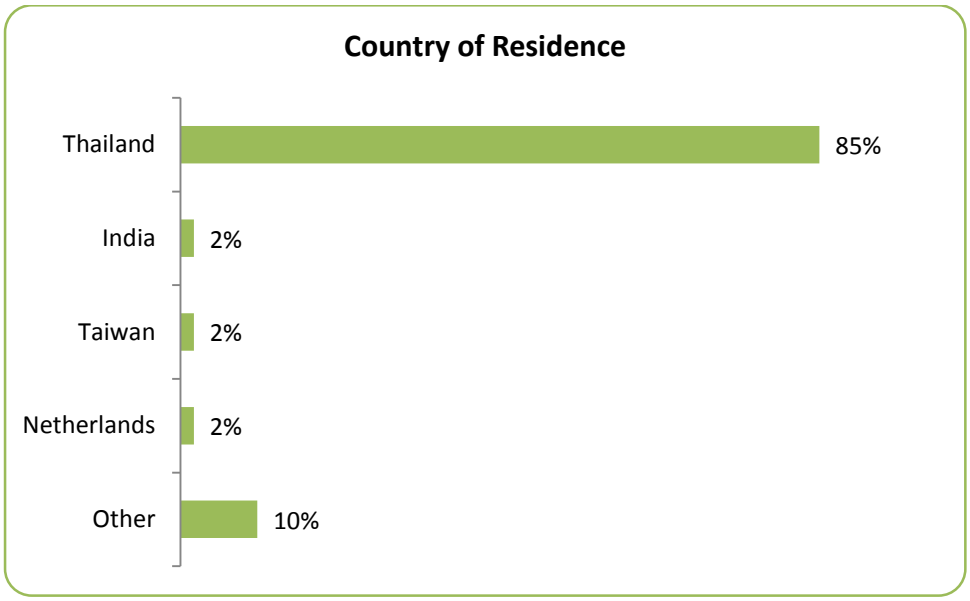
Part B

Spa Consumer Research

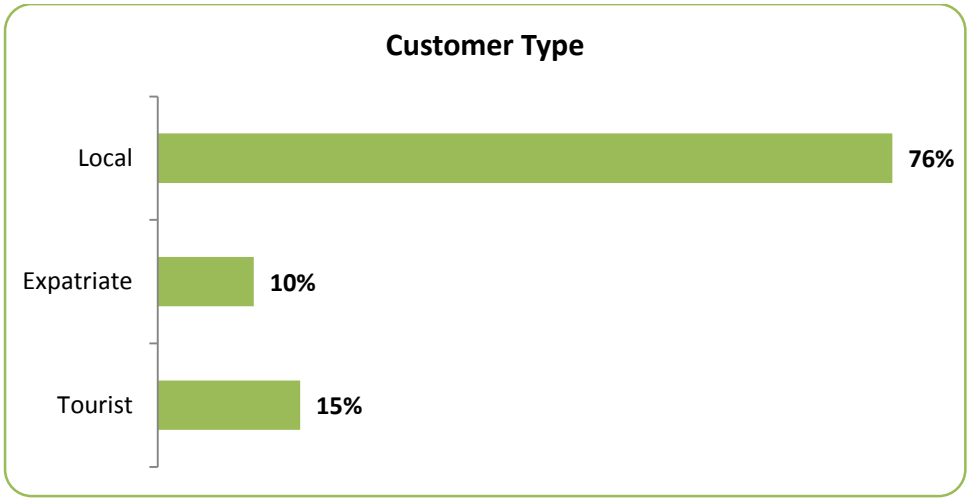
B1. RESPONDENT DEMOGRAPHICS

B1.1 NATIONALITY AND COUNTRY OF RESIDENCE



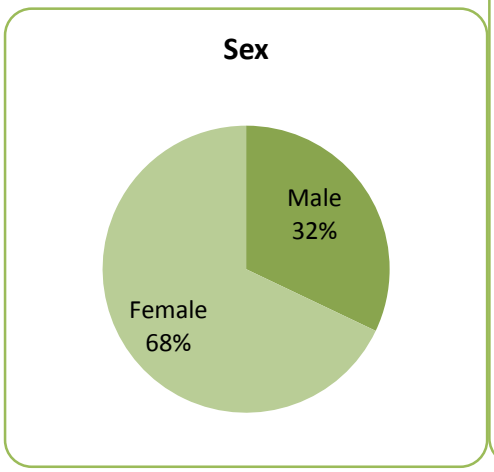


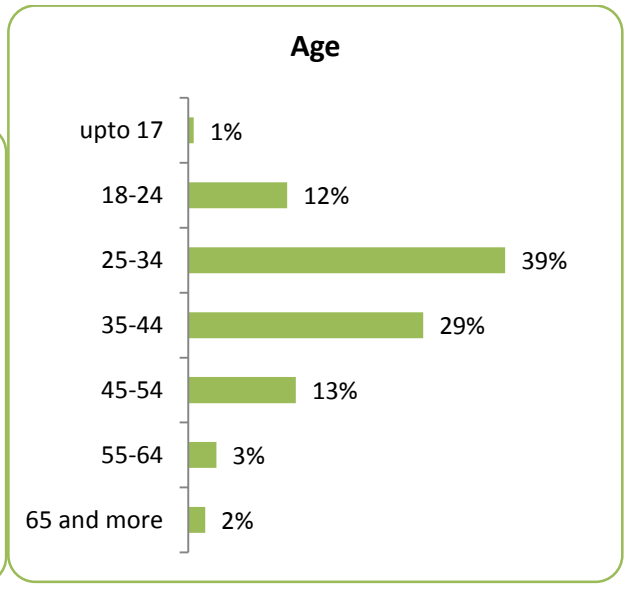
- 76% of our survey respondents were from Thailand. Other nationalities that were represented in this survey are: UK, Australian, German, Indian, Taiwanese, Hong Kong, Singaporean, Chinese, amongst others.
- 85% of our survey respondents were residing in Thailand.



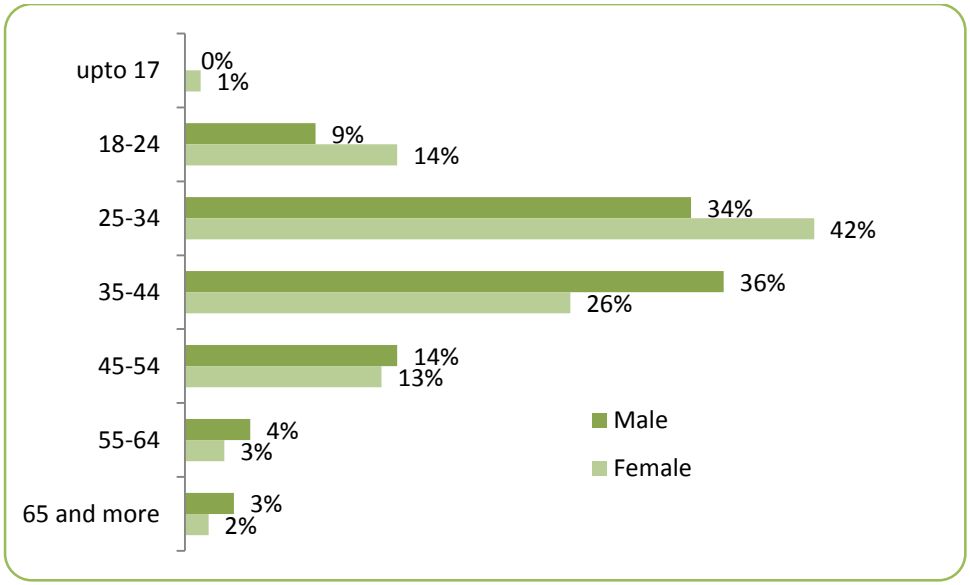
Based on the information on country of residence and nationality, the respondents were divided into either Locals, Expatriates or Tourists. The chart above shows displays the findings. As can be seen, almost 76% our respondents were locals, and 10% are Expatriates, and the remaining 15% were tourists.

B1.2 AGE AND SEX



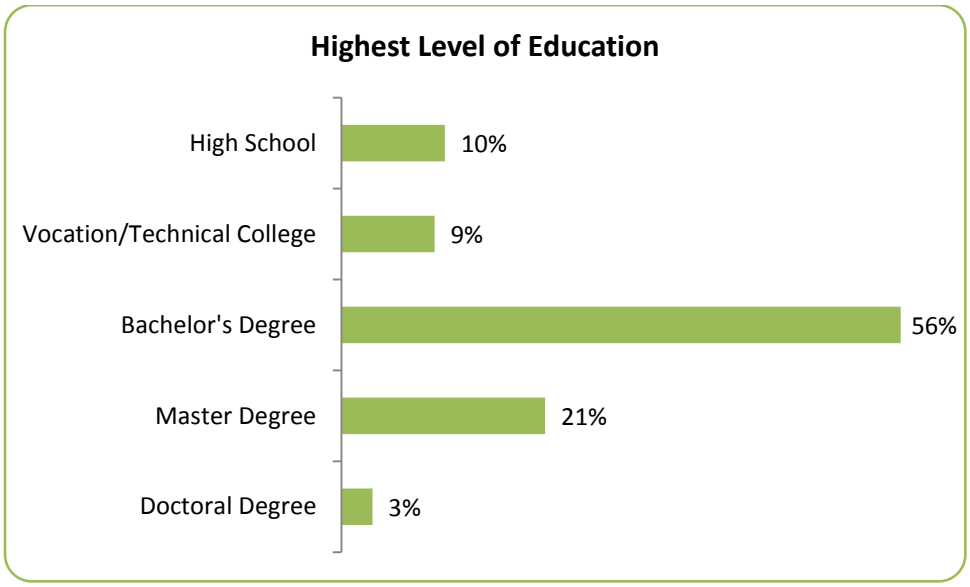


- Almost two-thirds (68%) of our respondents were female.
- Likewise almost two-thirds (68%) of our respondents were between the ages of 25 and 44.
- Almost one-fifth (19%) of our respondents were above the age of 45.

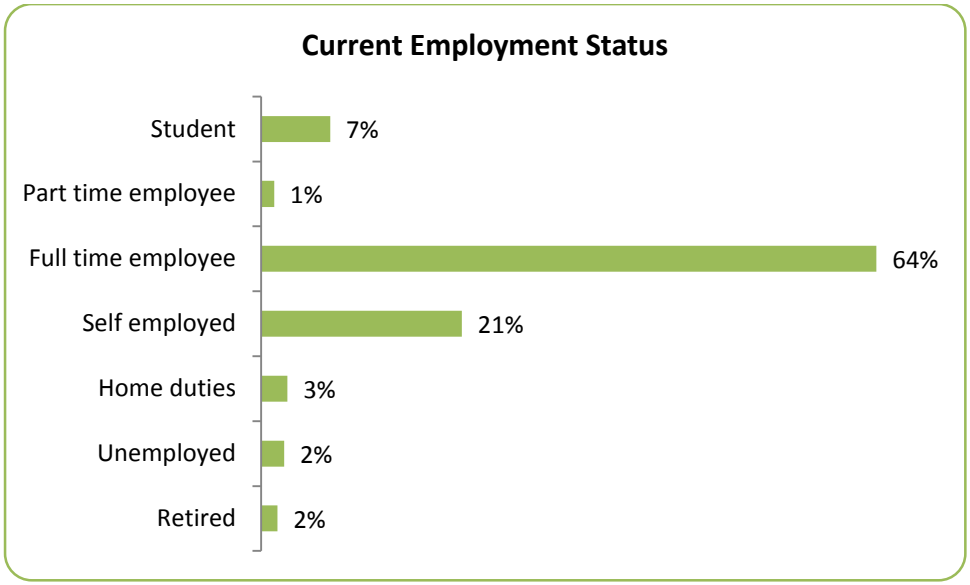


- The average male spa consumer tends to be slightly older than the average female spa consumer.
- 57% of female respondents and 41% of male respondents were below the age of 35.

B1.3 EDUCATION LEVEL AND EMPLOYMENT STATUS

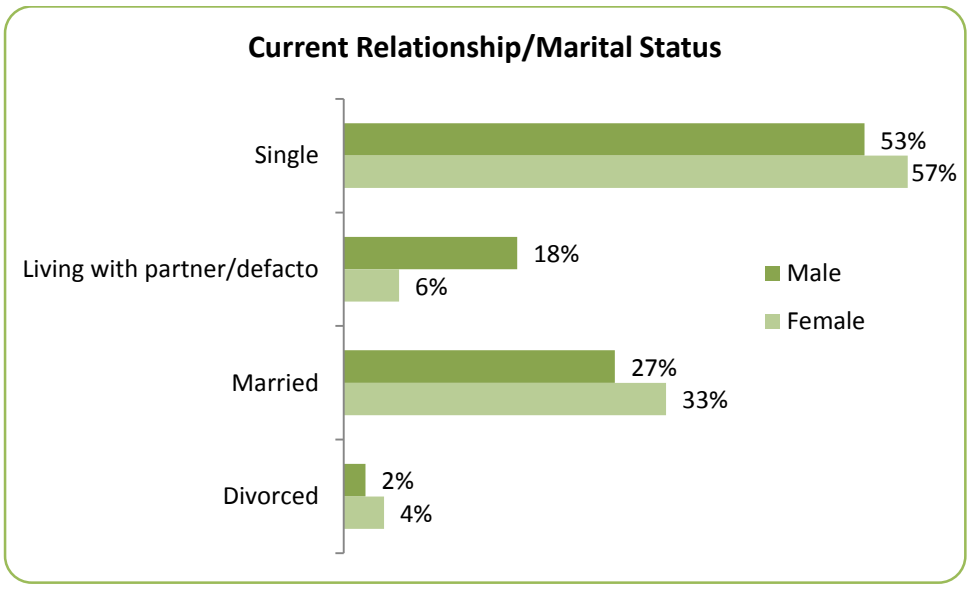


As can be seen from the chart above, 80% of the respondents have completed a bachelor's degree or higher, and almost a quarter of the respondents (24%) have a master's degree or higher.



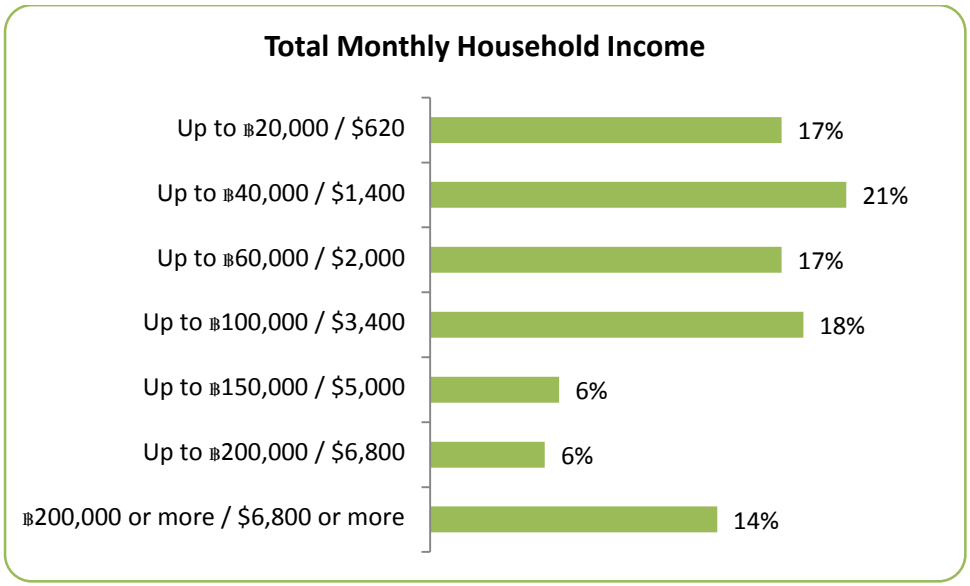
As can be seen from the chart above, 85% of respondents were either employed full time or self-employed.

B1.4 SEX AND RELATIONSHIP/MARITAL STATUS



- More than half of the respondents were single (approx. 55%)
- There were slightly more married female consumers than male consumers
- There were more male spa consumers who were living with a partner or were in a defacto relationship.

B1.5 CURRENT HOUSEHOLD INCOME



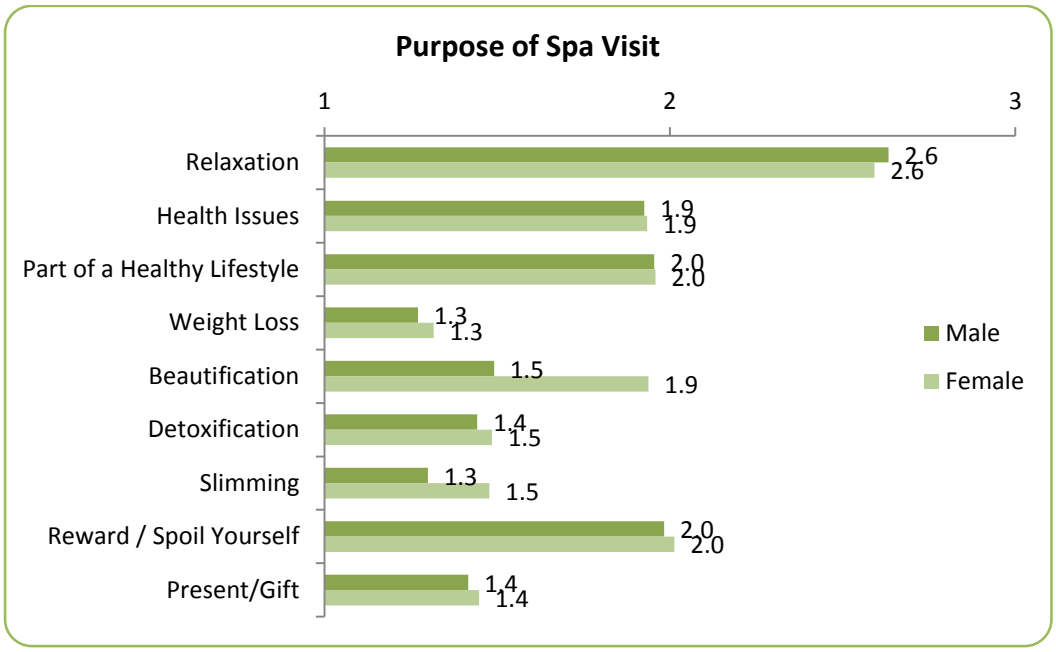
The respondents were asked to select their monthly household income, the following observations are made from the chart above that displays the findings:

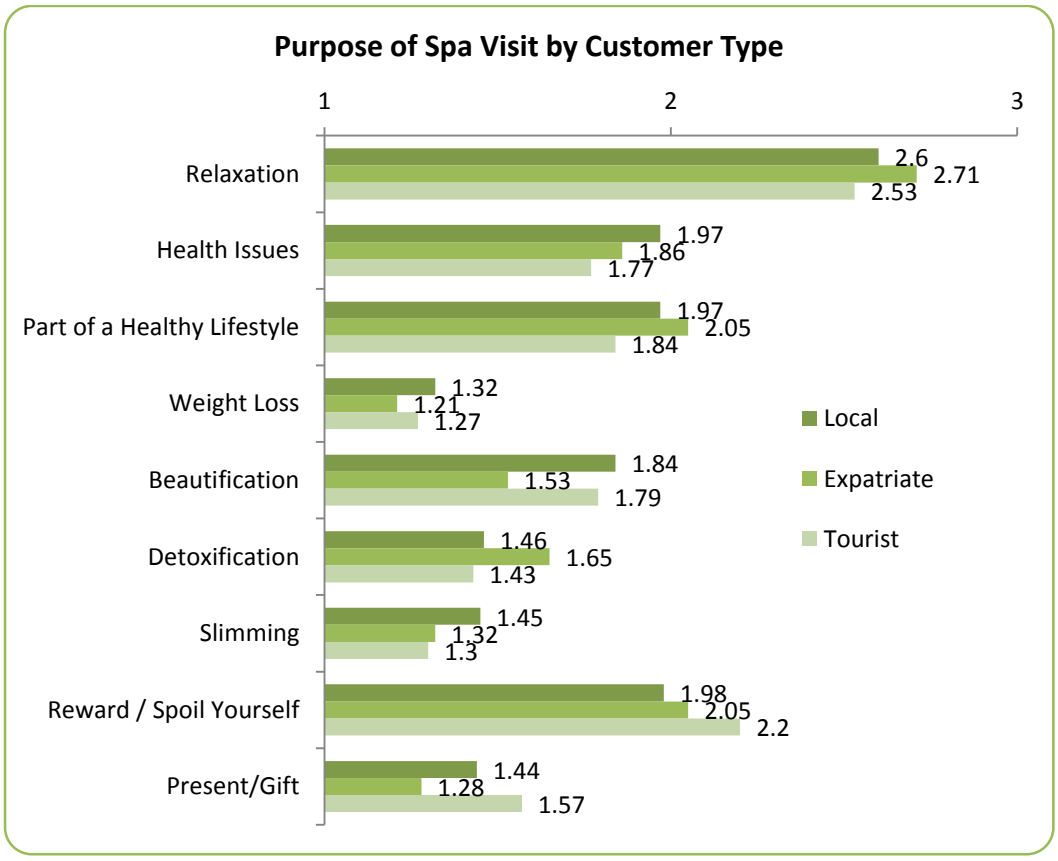
- 55% of respondents had monthly household income of up to THB 60,000 or $2,000. This represents the current economic reality of the respondents.
- Furthermore, it should also be noted that a higher proportion of single respondents (as mentioned in section B1.4) also contribute to lower household monthly income.
- Almost a quarter of the respondents (26%) had a current monthly income of more than THB 100,000 or $3,400. It is expected that higher income locals, expatriates and tourists contribute to this higher proportion.

B2. SPA VISIT CHARACTERISTICS

B2.1 PURPOSE OF SPA VISIT

On a scale of 1 to 3 (1=rarely, 2=sometimes, 3=often), the respondents were asked to rank their purpose for visiting a spa in the past 12 months. The results were compared by gender and by customer type. The charts below present the findings.





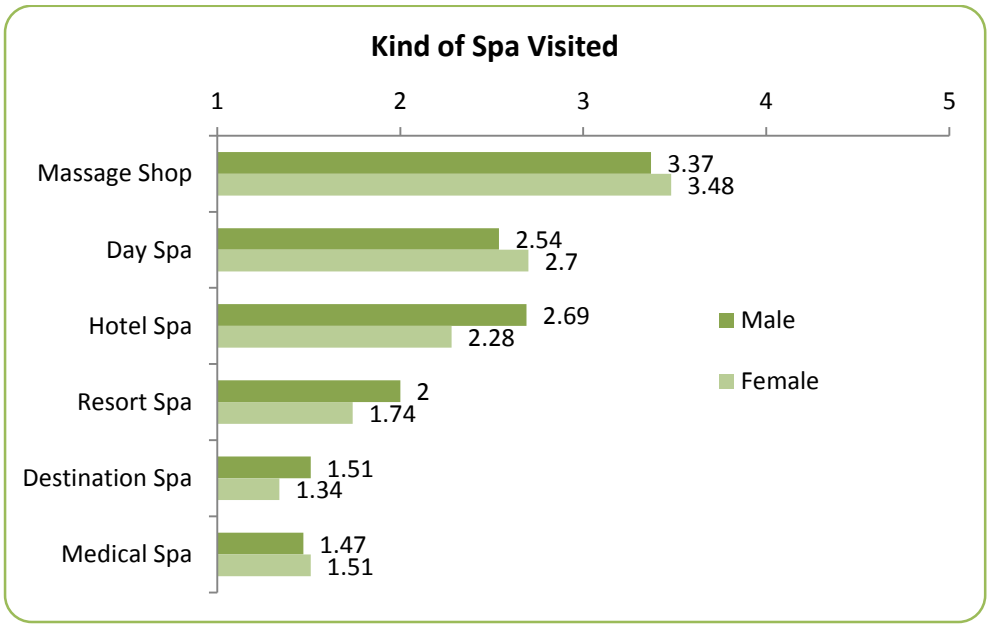
As can be seen from the charts in the previous page, relaxation was the primary reason for visiting a spa. Rewarding or spoiling oneself, maintaining a healthy lifestyle, and health issues were the 3 purposes which came in a close second place.

As expected there were some differences between different consumer groups in terms of the purposes for visiting a spa:

- Beautification and slimming are more important reasons for female spa consumers
- For Locals and Tourists, Beatification is a more important reason for visiting a spa than Expatriates
- For Expatriates, Detoxification is a far more important reason to visit a spa than it is to Locals and Tourists

B2.2 TYPE OF SPA VISITED

On a scale of 1 to 5 (1=never, 2=rarely, 3=sometimes, 4=often, 5=always), the respondents were asked to select the frequency of the kind of spa that they had visited in the last 12 months. The results were compared by gender and by customer type. The charts below present the findings.

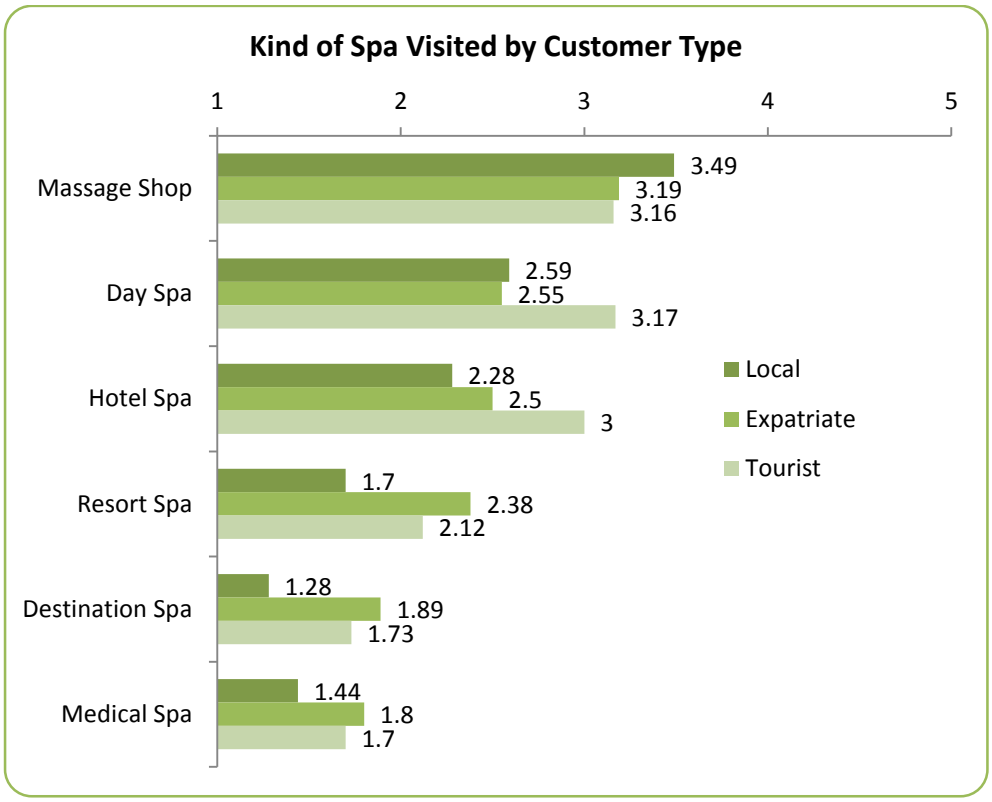


Although there is not much significant difference between male and female spa consumers with regards to what kind of spa they visit, it can be seen that

- The most frequented kind if spa is the massage shop
- Male consumers are more likely to frequent Hotel and Resort spa
- Female spa consumers are more likely to frequent day spa

The difference between male and female spa consumers in terms of their choice of kind of spa might be explained by the fact that the spa visit pattern of male and female spa consumers might be different. It could be that male spa consumers might visit a spa

during vacation or holidays. This is though a speculation, and needs to be explored more in future studies.



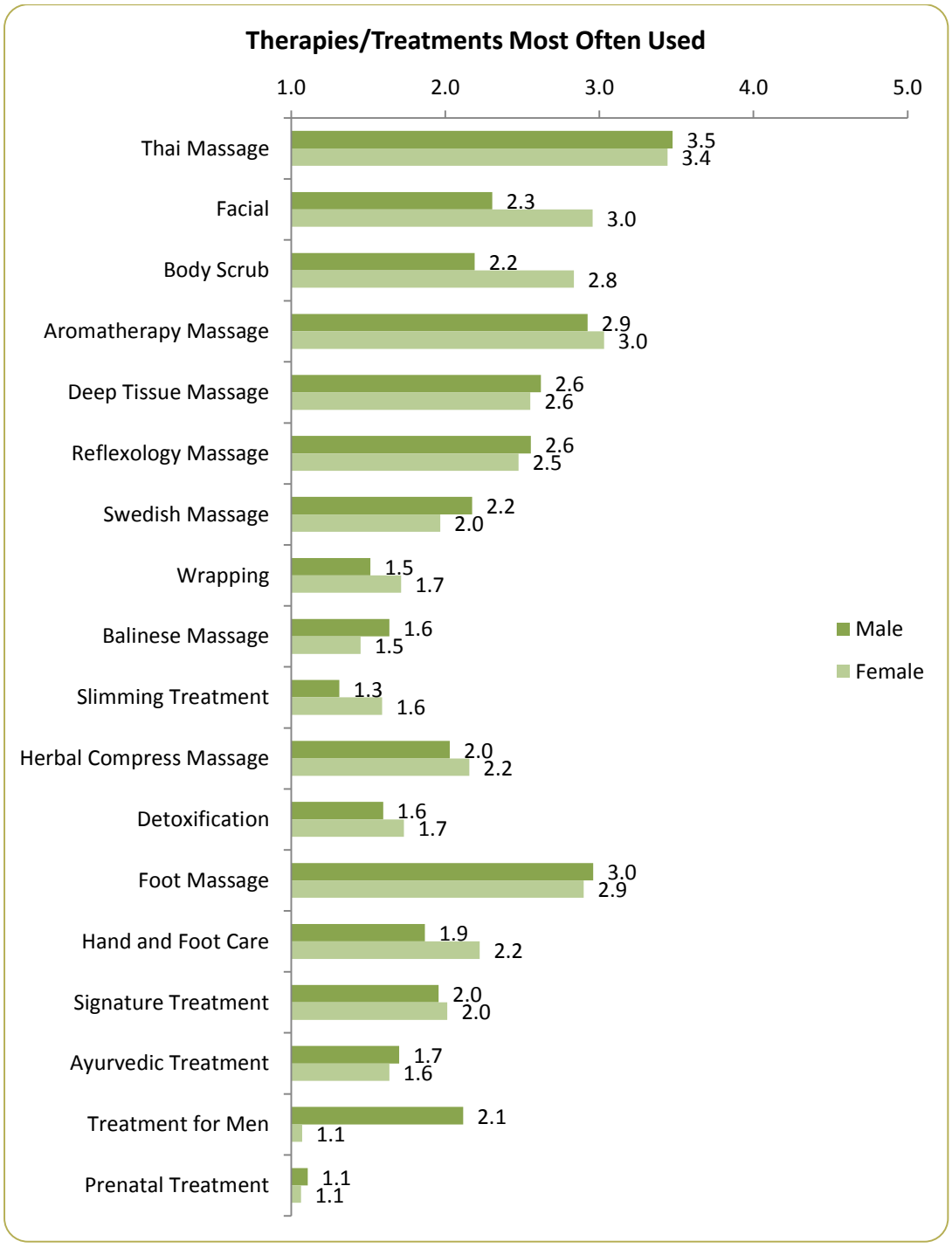
When looking at the kind of spa's most frequented by the type of customer, the following observations can be made:

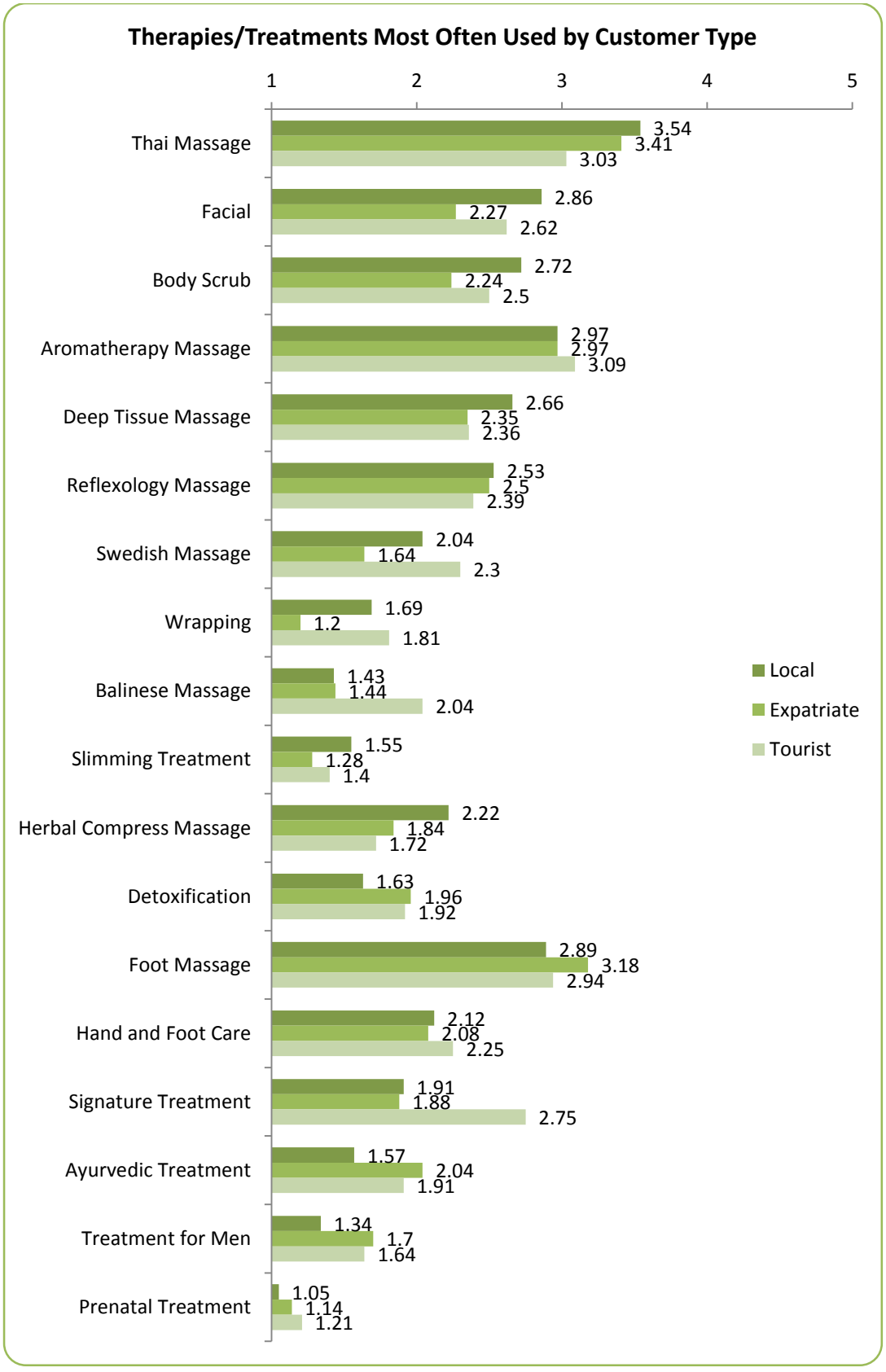
- The most frequented kind of spa is still the massage shop
- There is higher probability that tourists will visit a day spa and a hotel spa, when compared to locals or expatriates.
- A resort and destination spa would more likely to be frequented by expatriates than locals or tourists.

Again, the difference between the choices of kind of spa visited by the different spa visit pattern of different types of customers. For example, tourists might visit a hotel spa and a day spa as part of travel itinerary. Whereas expatriates might frequent resort spa and destination spa's for weekend or holiday getaways.

B2.3 TREATMENTS/THERAPIES CHOSEN

On a scale of 1 to 5 (1=never, 2=rarely, 3=sometimes, 4=often, 5=always), the respondents were asked to select the frequency of the kind of therapies and treatments that they had used during their spa visits in the last 12 months. The results were compared by gender and by customer type. The charts below present the findings.



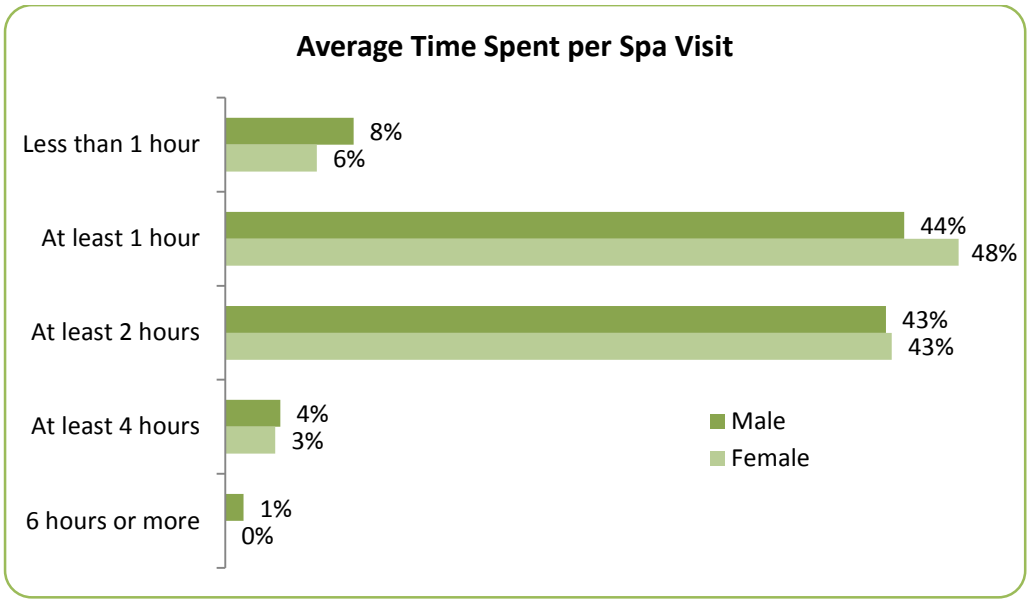

Therapies/Treatments Most Often Used by Customer Type
1
2
3
4
5
Thai Massage
3.54
3.41
3.03
Facial
2.86
2.27
2.62
Body Scrub
2.72
2.24
2.5
Aromatherapy Massage
2.97
2.97
3.09
Deep Tissue Massage
2.66
2.35
2.36
Reflexology Massage
2.53
2.5
2.39
Swedish Massage
2.04
1.64
2.3
Wrapping
1.69
1.2
1.81
Balinese Massage
1.43
1.44
2.04
Slimming Treatment
1.55
1.28
1.4
Herbal Compress Massage
2.22
1.84
1.72
Detoxification
1.63
1.96
1.92
Foot Massage
2.89
3.18
2.94
Hand and Foot Care
2.12
2.08
2.25
Signature Treatment
1.91
1.88
2.75
Ayurvedic Treatment
1.57
2.04
1.91
Treatment for Men
1.34
1.7
1.64
Prenatal Treatment
1.05
1.14
1.21
Local
Expatriate
Tourist

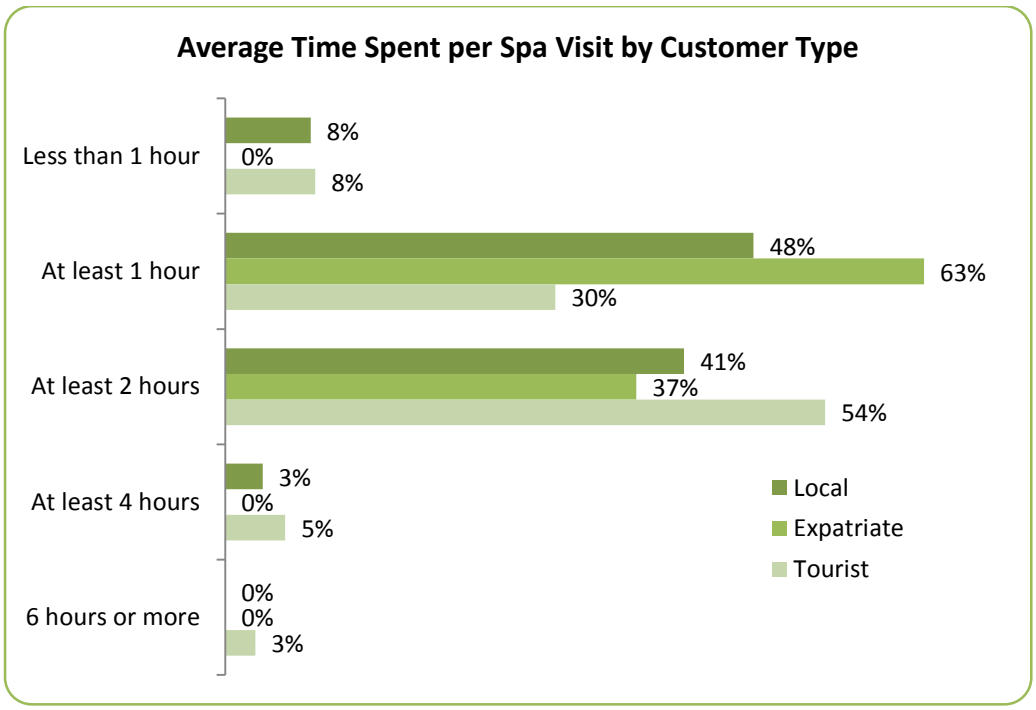
From the charts it can be observed that:

- Between male and female consumers, there is no significance when comparing the frequency of use of therapies, except for the following:
    - Female spa consumers used more facial and body scrub therapies and treatments
- When comparing the frequency of therapies and treatments used for different customer types, the following can be observed:
    - Locals are more likely to use herbal compress massage
    - Expatriates are more likely to use foot massage and ayurvedic treatments
    - Tourist are much more likely to use signature treatments, and some other treatments like Swedish massage and Balinese massage.

- As identified in the 2013 report, the spa treatments / therapies can be divided into 3 main groups as follows (based on how frequency they were used):
    - Group 1: Thai massage, Aromatherapy massage, Foot massage, Body scrub and Facial.
    - Group 2: Reflexology massage, Hand and foot care, Swedish massage, Balinese massage, Signature treatments and Herbal compress massage
    - Group 3: Treatment for men, Slimming treatment, Detoxification, Wrapping, Ayurvedic treatment and Prenatal treatment

B2.4 AVERAGE TIME SPENT PER SPA VISIT

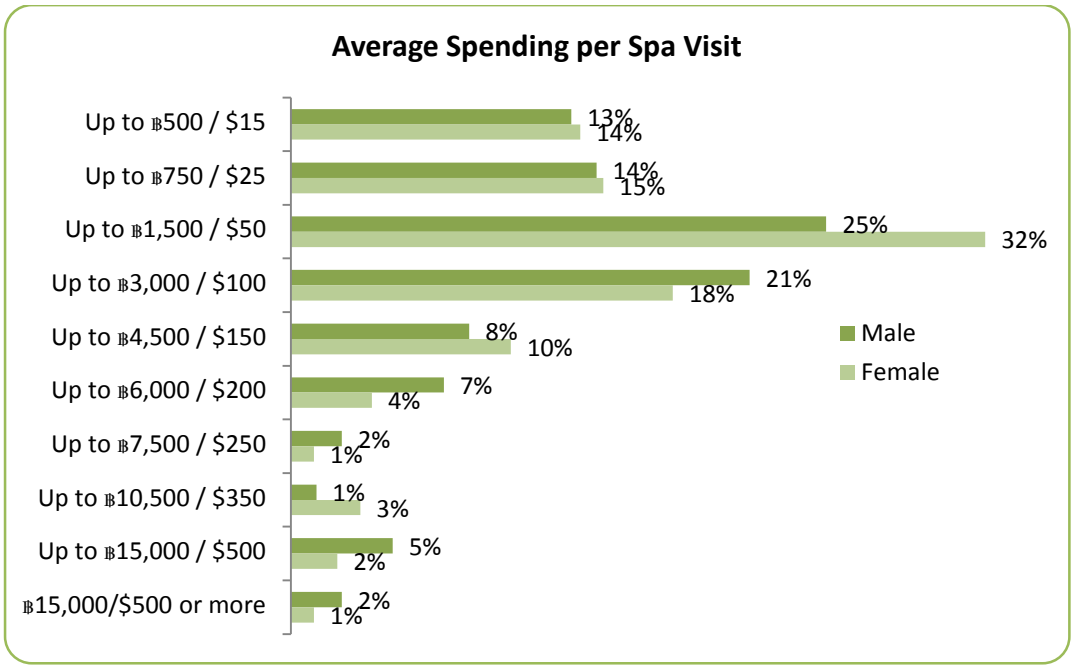


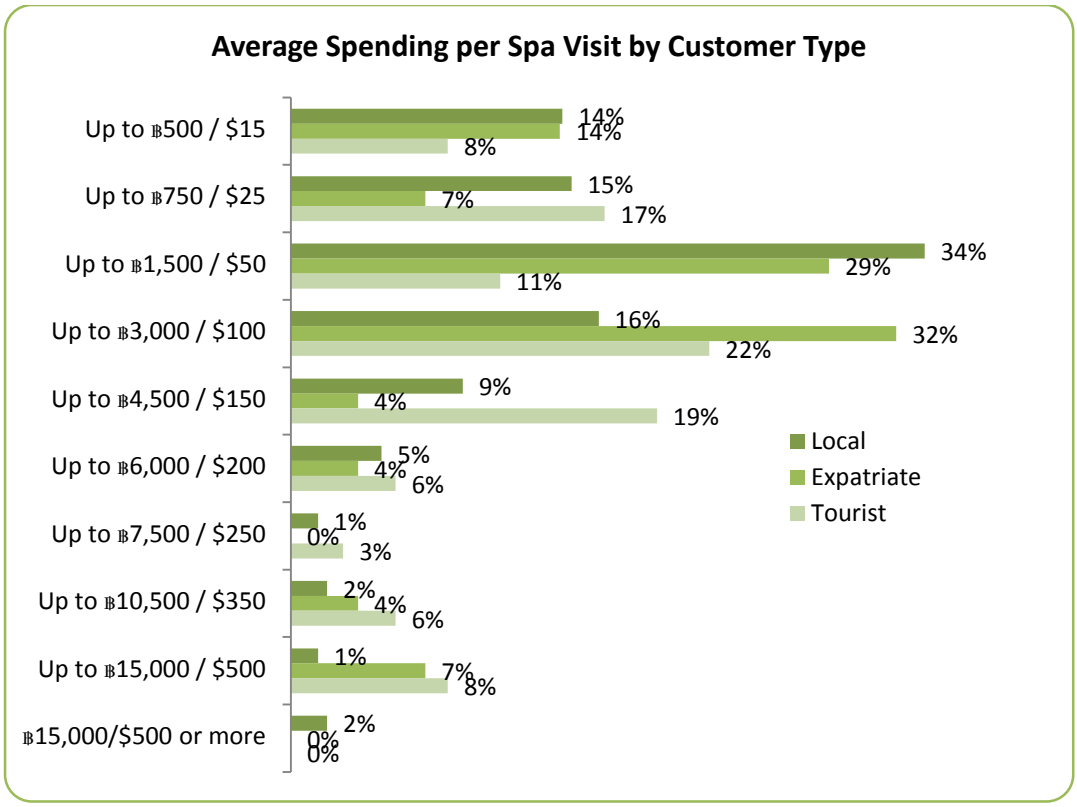


The respondents were asked to state on average how much time they spent for a single spa visit. The following can be noted from the findings as presented in the charts above:

- There is no significant difference between male and female spa consumers with regards to time spent in a spa
- Proportionally it can be stated that tourists spent more time in spas than locals or expatriates. It can be said that there is a higher probability that tourists will select therapies and treatments that are of longer time.

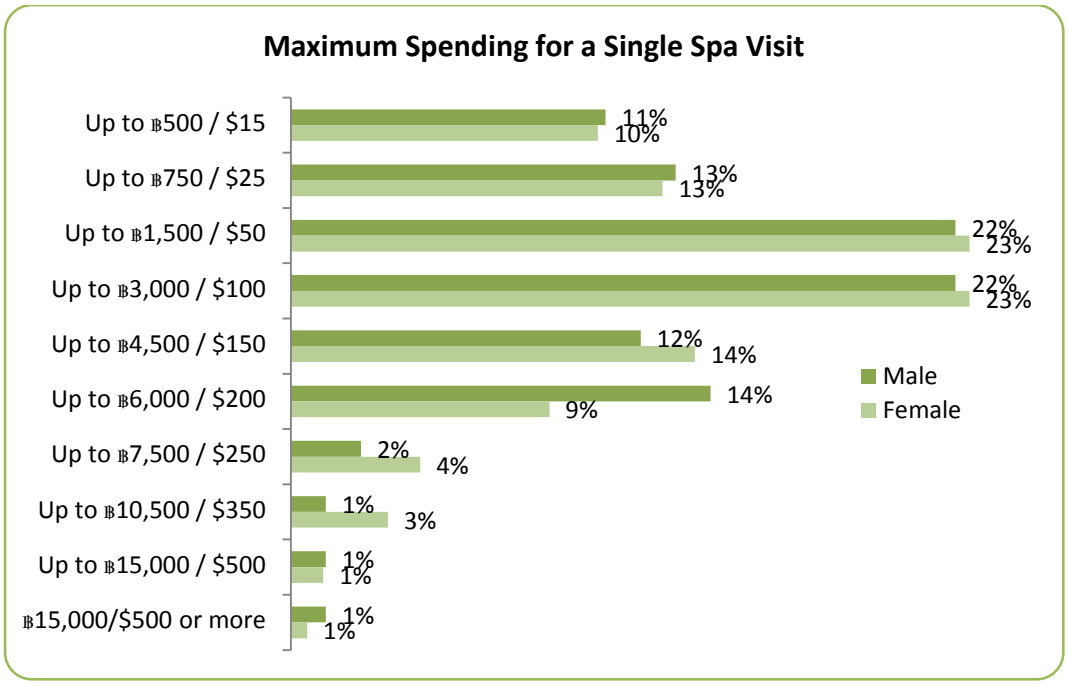
B2.5 AVERAGE SPENDING PER SPA VISIT

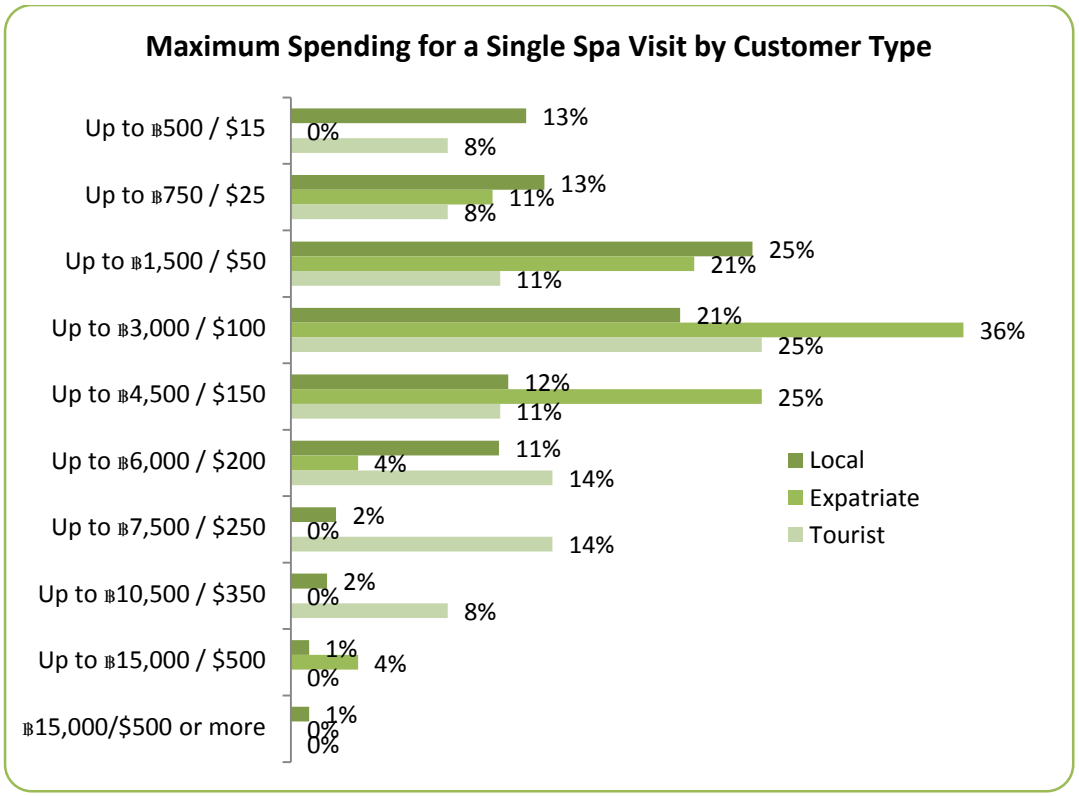




The respondents were asked to state on average how much they spend for a single spa visit. Although there is not much significant difference between the average spending of male and female consumers or between the different customer types, it can be noted that proportionally male consumers and tourists might select therapies or treatments that are more expensive.

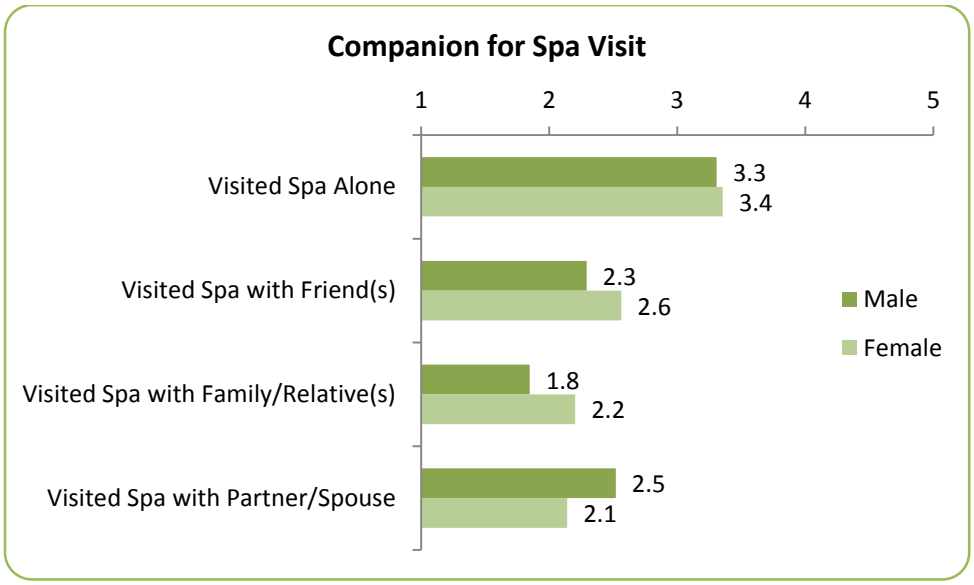
B2.6 MAXIMUM SPENDING PER SPA VISIT

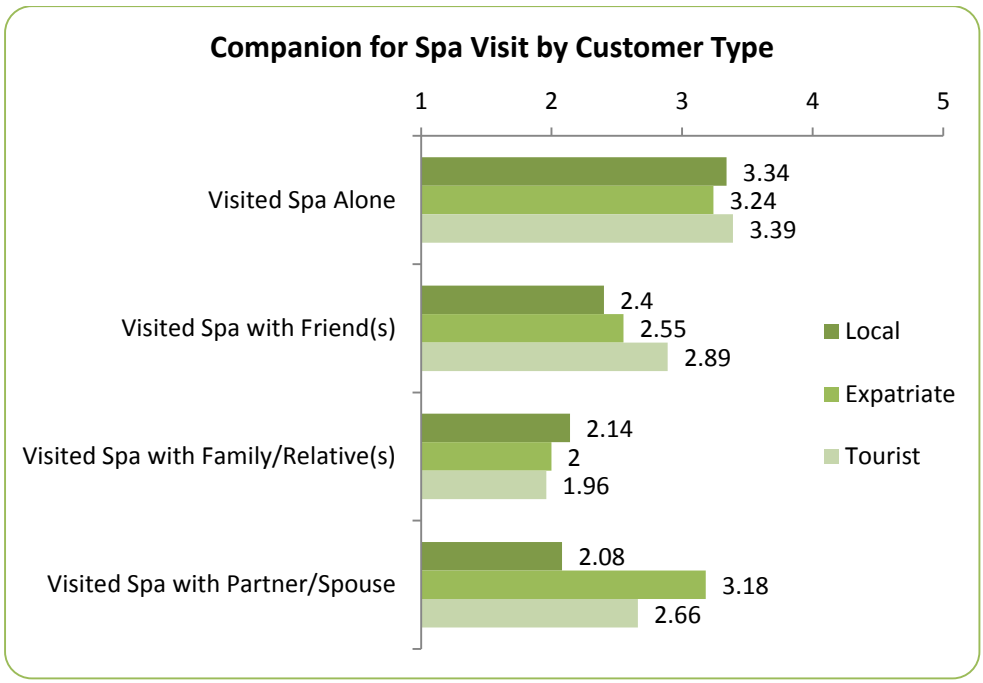




The respondents were asked to state the maximum that they spend for a single spa visit. Although there is not much significant difference between the maximum spending of male and female consumers or between the different customer types, it can be noted that proportionally expatriates and tourists might select therapies or treatments that are more expensive.

B2.7 COMPANION FOR SPA VISIT

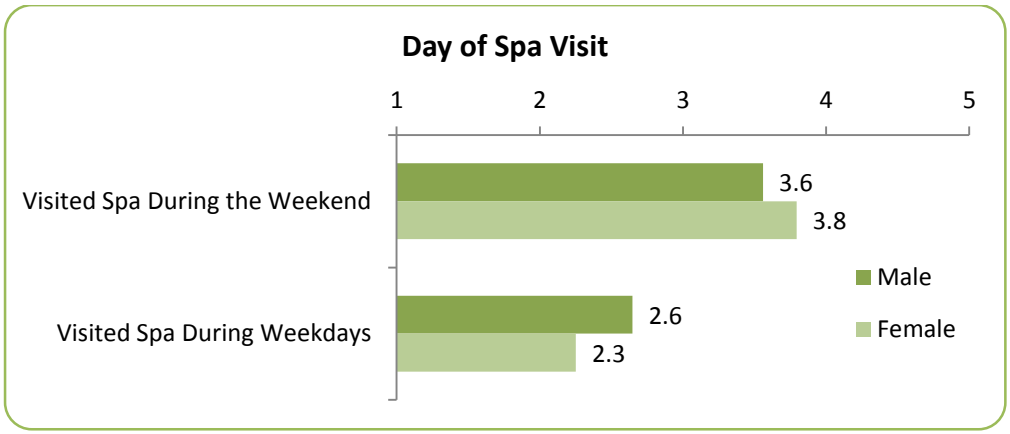


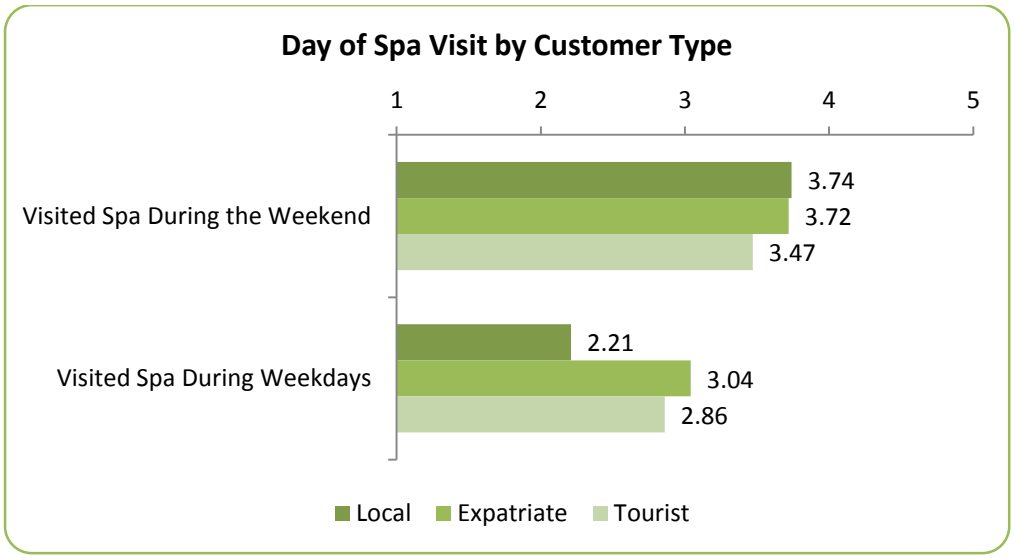


On a scale of 1 to 5 (1=never, 2=rarely, 3=sometimes, 4=often, 5=always), the respondents were asked to select the frequency of their companion for spa visits during the last 12 months. The results were compared by gender and by customer type and are the presented in the charts above. The following key observations are being made:

- Mostly spa consumers visit a spa alone
- Female consumers are more likely to visit a spa with their friends or family/relatives.
- Male consumers are more likely to visit a spa with their spouse or partner.
- Tourists are more likely to visit a spa with their friends, and expatriates are more likely to visit a spa with their partner or spouse.

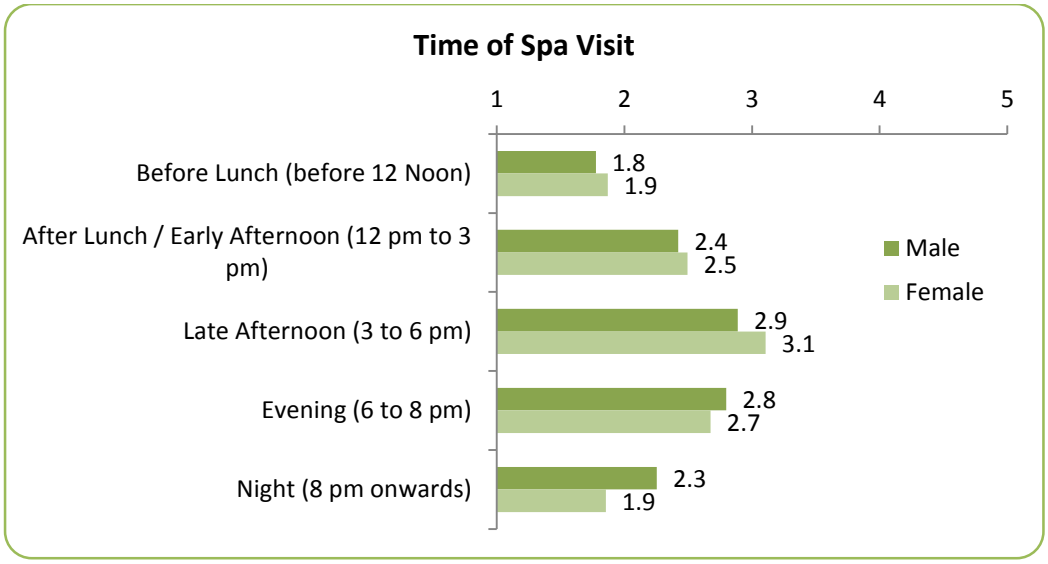
B2.8 DAY AND TIME OF SPA VISIT

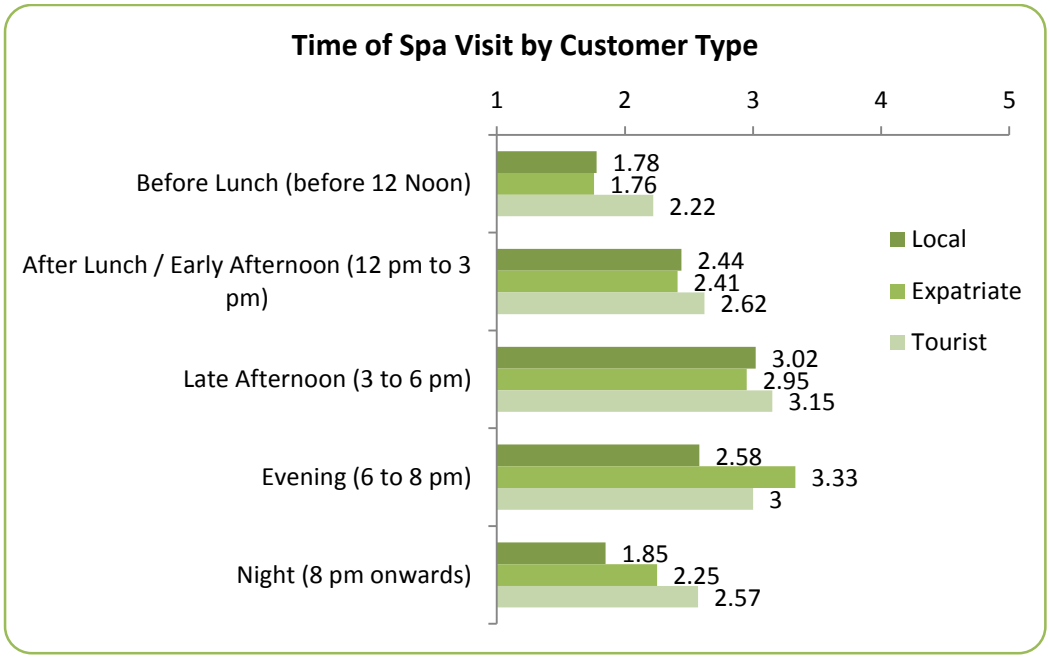




On a scale of 1 to 5 (1=never, 2=rarely, 3=sometimes, 4=often, 5=always), the respondents were asked to select the frequency of their day for spa visits during the last 12 months (either weekend or weekday). The results were compared by gender and by customer type and are the presented in the charts above. The following key observations are being made:

- Most consumers visited a spa on the weekends
- It is more likely that male consumers will visit a spa during a weekday
- It is more likely that expatriates and tourists would visit a spa on a weekday when compared to locals

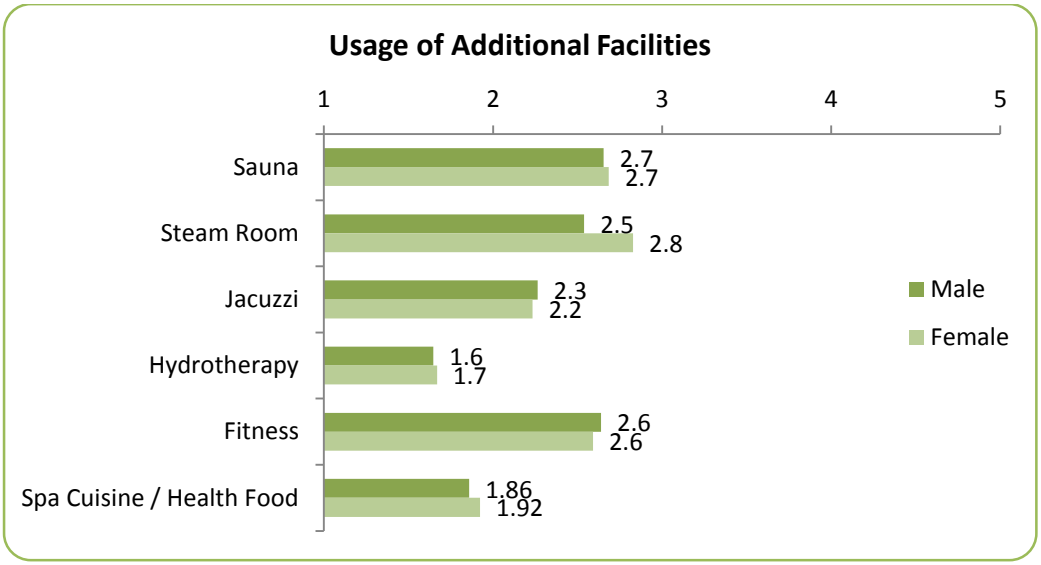


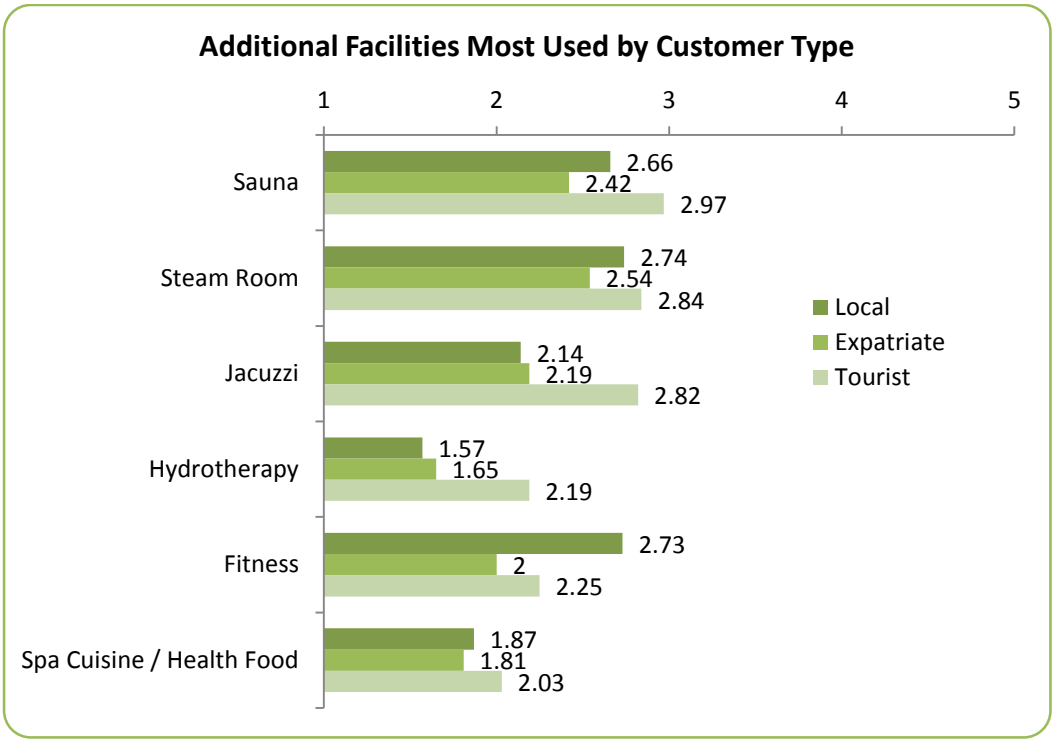


On a scale of 1 to 5 (1=never, 2=rarely, 3=sometimes, 4=often, 5=always), the respondents were asked to select the frequency of the time of their spa visits during the last 12 months. The results were compared by gender and by customer type and are the presented in the charts above. The following key observations are being made:

- Late afternoon (3 to 6 pm) and Evening (6 to 8 pm) are the most likely period that spa consumers would visit a spa
- It is more likely that male spa consumers would visit a spa during night time (8 pm onwards)
- It is more likely that expatriates and tourists would visit a spa during evening and night time (6 pm onwards)

B2.9 ADDITIONAL FACILITIES USED DURING SPA VISIT

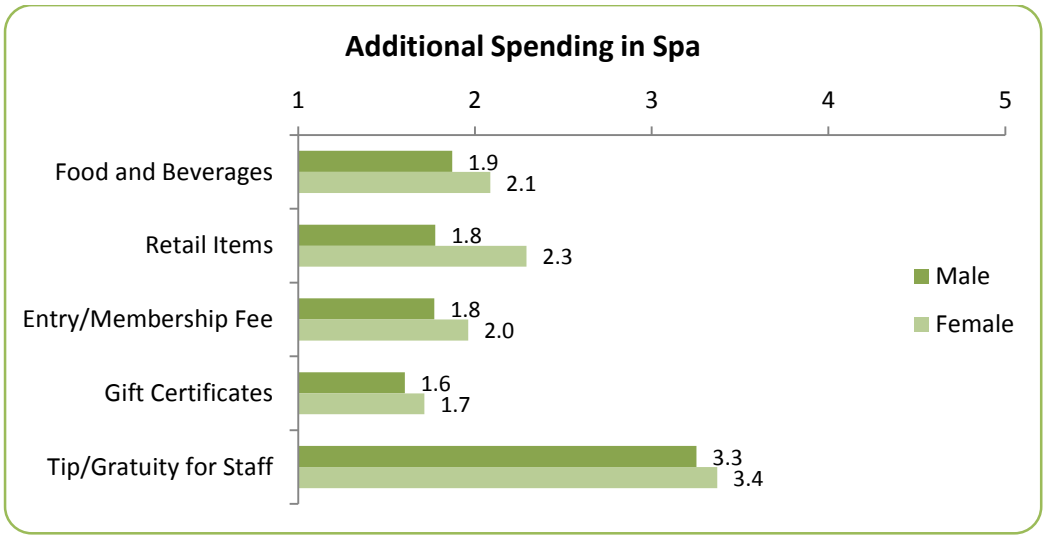


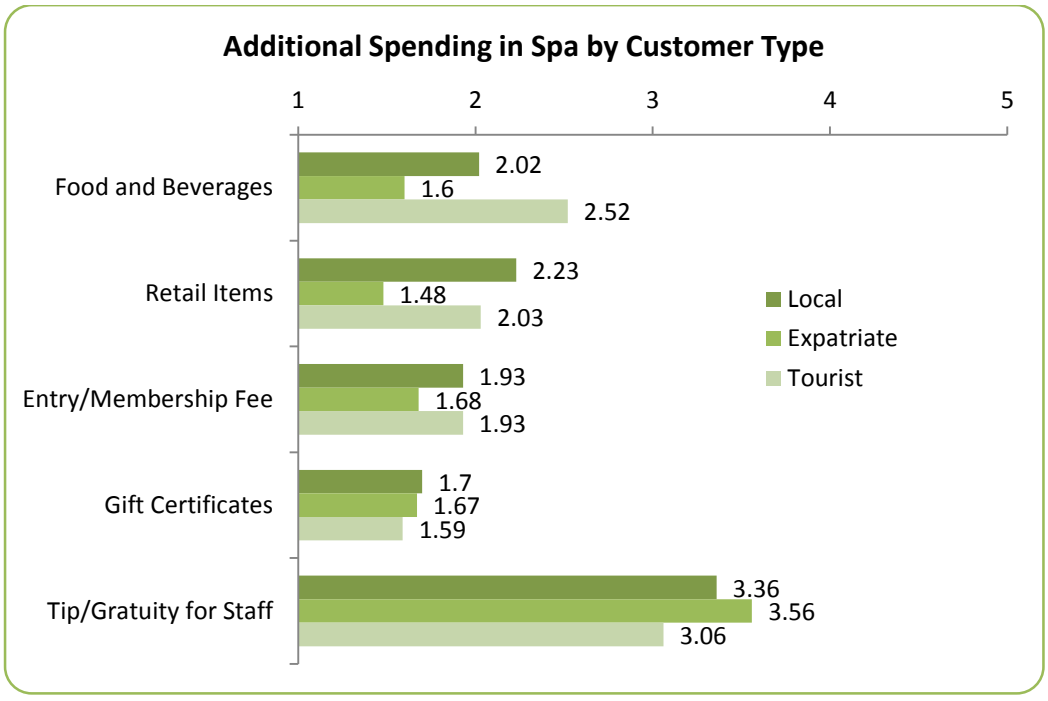


On a scale of 1 to 5 (1=never, 2=rarely, 3=sometimes, 4=often, 5=always), the respondents were asked to select the frequency of additional facilities used during their spa visits during the last 12 months. The results were compared by gender and by customer type and are the presented in the charts above. The following key observations are being made:

- Sauna, steam room and fitness facilities are the most frequency used additional facilities
- Tourists are more likely to use sauna, steam room and Jacuzzi facilities, and locals are more likely to use fitness facilities.

B2.10 ADDITIONAL SPENDING IN SPA

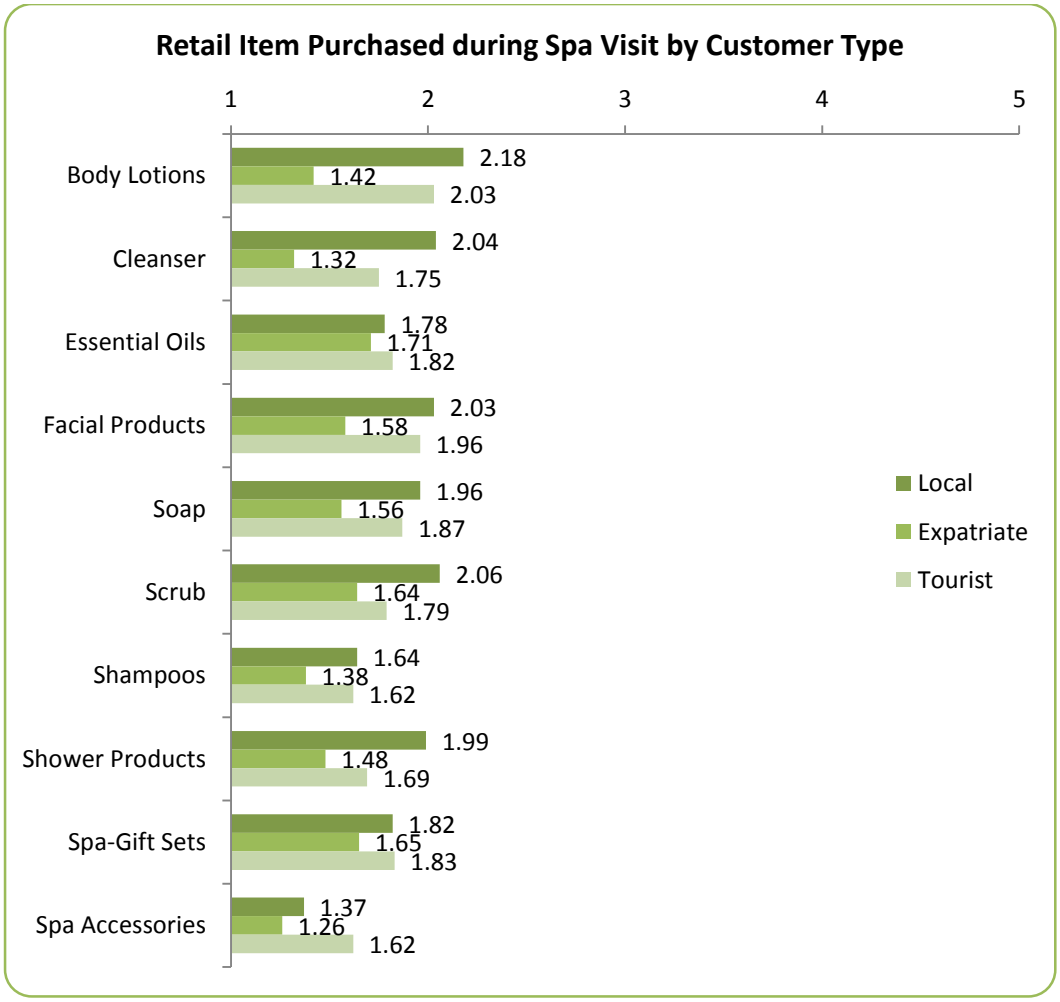




On a scale of 1 to 5 (1=never, 2=rarely, 3=sometimes, 4=often, 5=always), the respondents were asked to select the frequency of their additional spending (apart from treatments/therapies) during their spa visits during the last 12 months. The results were compared by gender and by customer type and are the presented in the charts above. The following key observations are being made:

- Tip/gratuity for therapists and staff are the most common additional spending in a spa
- Females are more likely to spend in additional items that treatments and therapies in a spa
- Locals and Tourists are more likely to buy retails items from a spa
- Tourists are more likely to spend on food and beverages during a spa visit

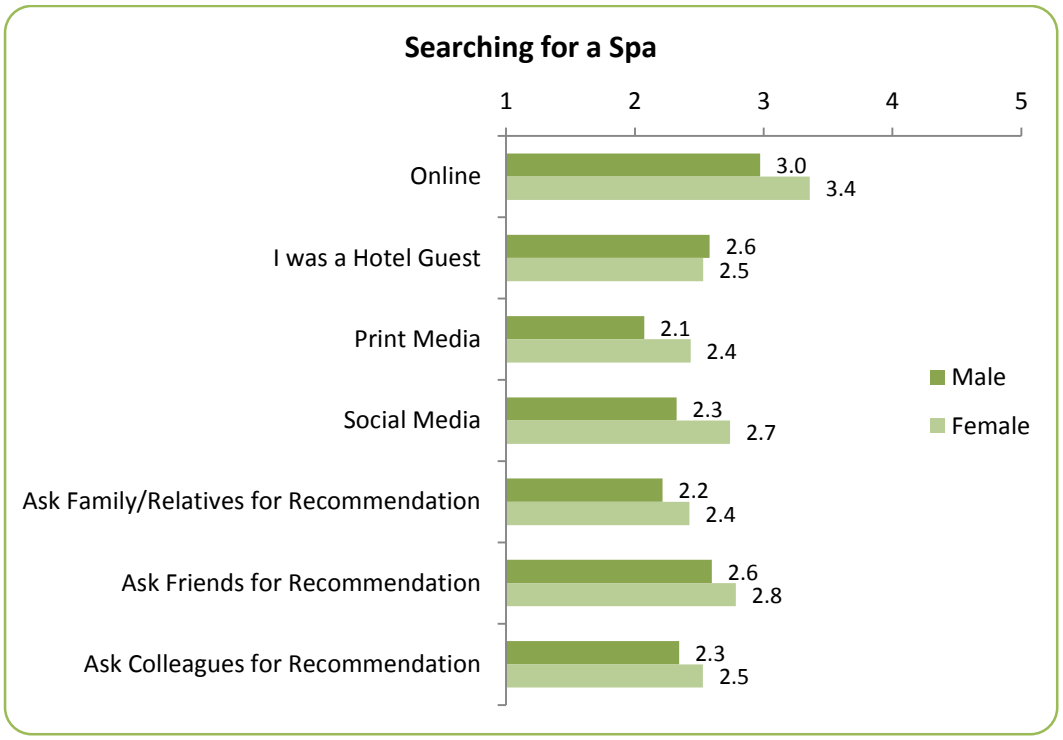
B2.11 RETAIL ITEMS PURCHASED DURING SPA VISIT

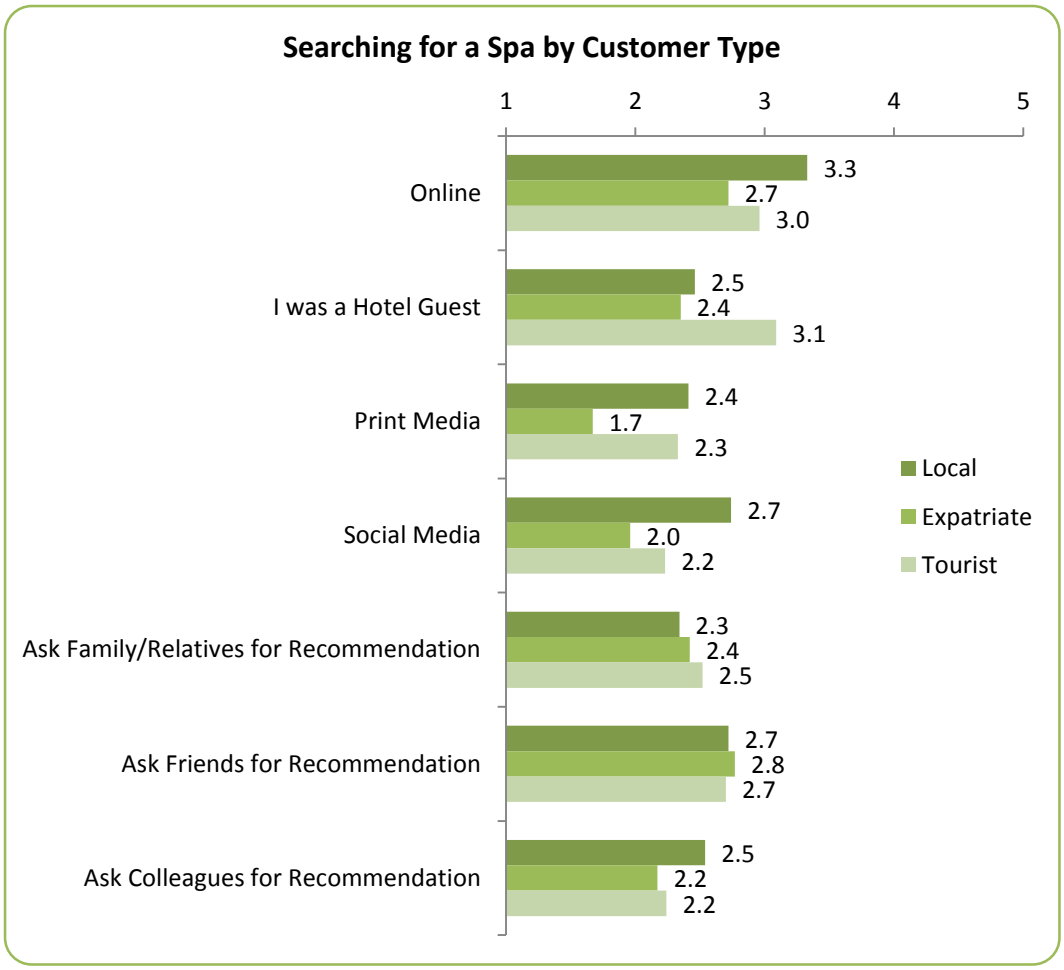


On a scale of 1 to 5 (1=never, 2=rarely, 3=sometimes, 4=often, 5=always), the respondents were asked to select the frequency of their spending on retail items during their spa visits during the last 12 months. The results were compared by gender and by customer type and are the presented in the charts in the previous page. The following key observations are being made:

- The frequency of purchase of retail items for a spa is quite low
- Female spa consumers are more likely to buy retail items than male consumers
- For most types of retail items locals are more likely to purchase them when compared to expatriates or tourists
- There is higher likelihood of tourists purchasing spa accessories than locals or expatriates

B3. SEARCHING FOR A SPA





On a scale of 1 to 5 (1=never, 2=rarely, 3=sometimes, 4=often, 5=always), the respondents were asked to select the frequency of how they searched for a spa during the last 12 months. The results were compared by gender and by customer type and are the presented in the charts in the previous page. The following key observations are being made:

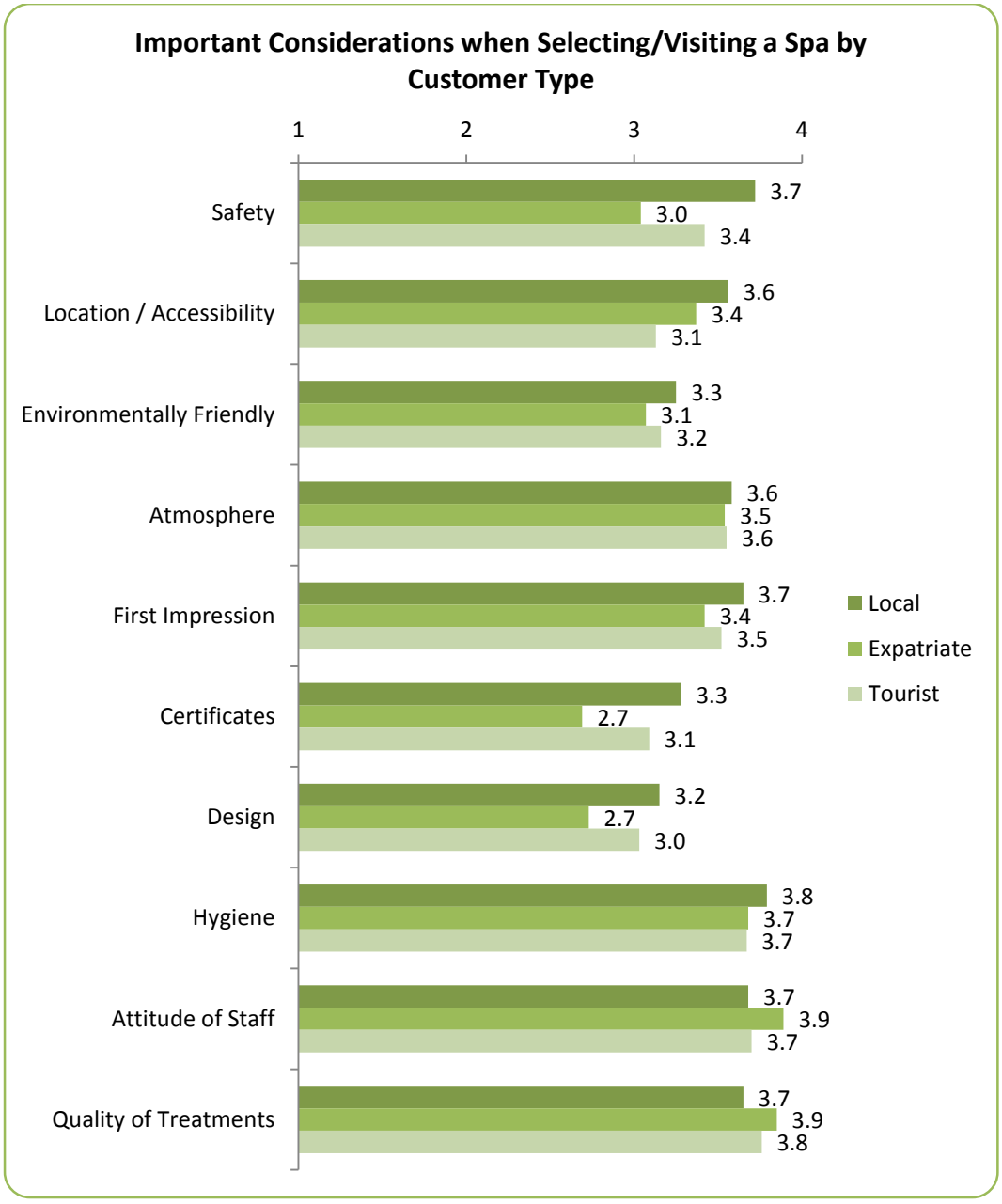
- Female spa consumers were more active in searching for a spa then male consumers
- Most spa consumers seem to rely on searching on the internet (either website or social media) and recommendation from friends as their primary source for information on spas.
- Recommendation from friends seem to be a more frequent source of information about spas than recommendation from colleagues or family members/relatives
- Searching for a spa through social media is more commonly used by locals, when compares to tourists or expatriates
- Tourists are more likely to select a hotel spa because they are staying at the hotel and are probably more likely to be 'influenced' by upselling at the hotel

B4. OPINION ON SPA AND SPA PRODUCT

B4.1 IMPORTANT CONSIDERATIONS WHEN SELECTING A SPA

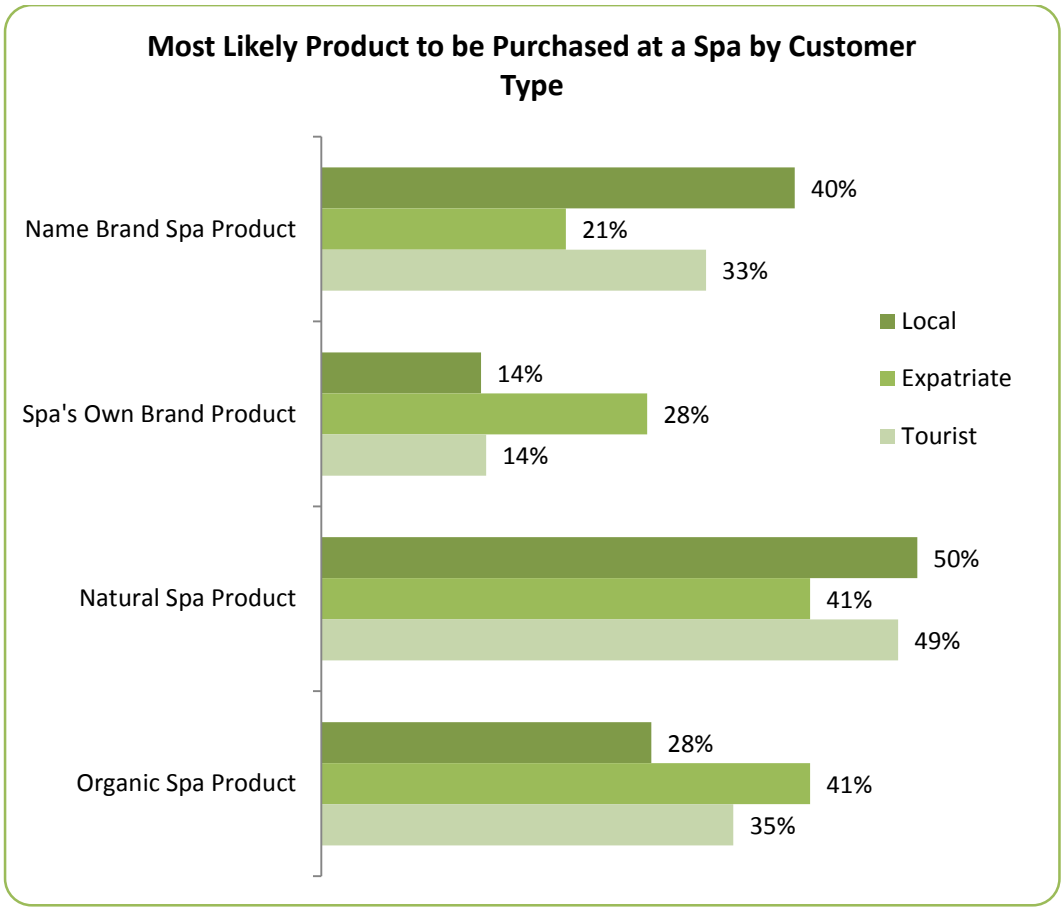
On a scale of 1 to 4 (1=Not important at all, 2=Low importance, 3=Moderately important, 4=Very important), the respondents were asked to state the importance of certain factors when selecting or visiting a spa. The results were compared by gender and by customer type and are the presented in the charts below. The following key observations from each chart are presented below the chart.

- There is not much difference between male and female consumers on what they consider important when selecting/visiting a spa
- Safety and location/accessibility seems to be slightly more important to female spa consumers then male consumers



- Locals are equally as demanding as expatriates and tourists in terms of selecting/visiting a spa
- It is more likely that locals and tourists give more importance to safety and certification of the spa than expatriates
- Locals and expatriates give more importance to location and accessibility in selecting/visiting a spa than tourists

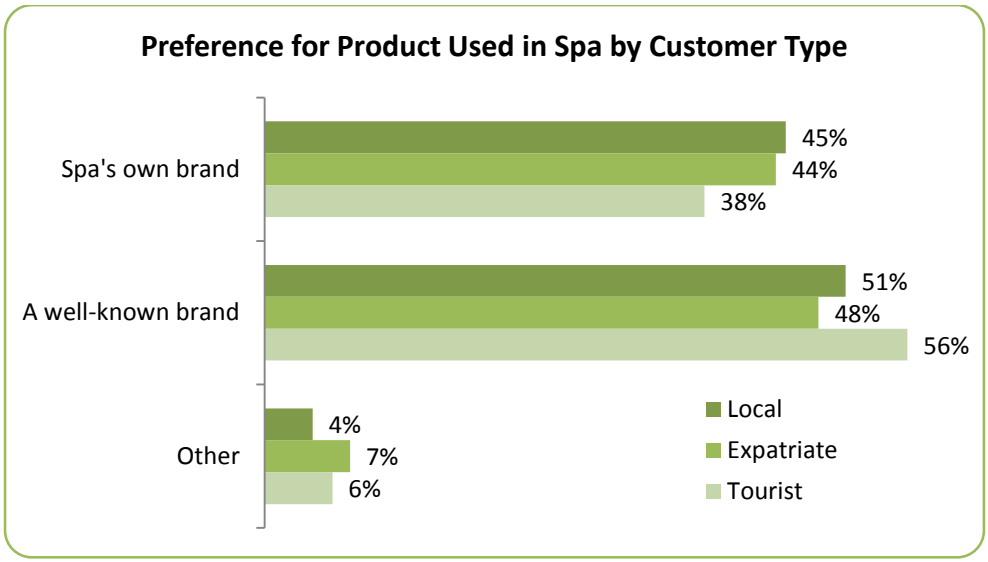
B4.2 MOST LIKELY PRODUCT TO BE PURCHASED AT A SPA



The respondents were asked to select the kind of product that they are most likely to purchase at a spa. The chart above present the findings and a comparison between the different customer types. Some important observations are as follows:

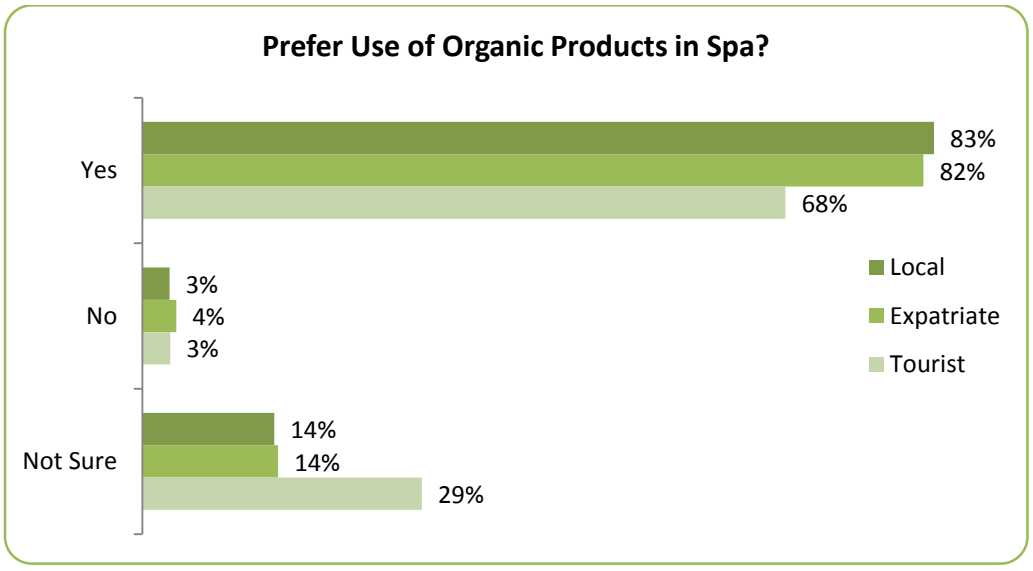
- Customers are more likely to purchase a product that is branded as 'natural spa product'
- There is a higher likelihood that expatriates will purchase a product that is branded as 'organic spa product'
- There is higher likelihood that locals will purchase a product from the spa that they are familiar with
- There is higher likelihood that expatriates will purchase a product from a spa that is the Spa's own brand

B4.3 PREFERENCE FOR PRODUCT USED IN SPA



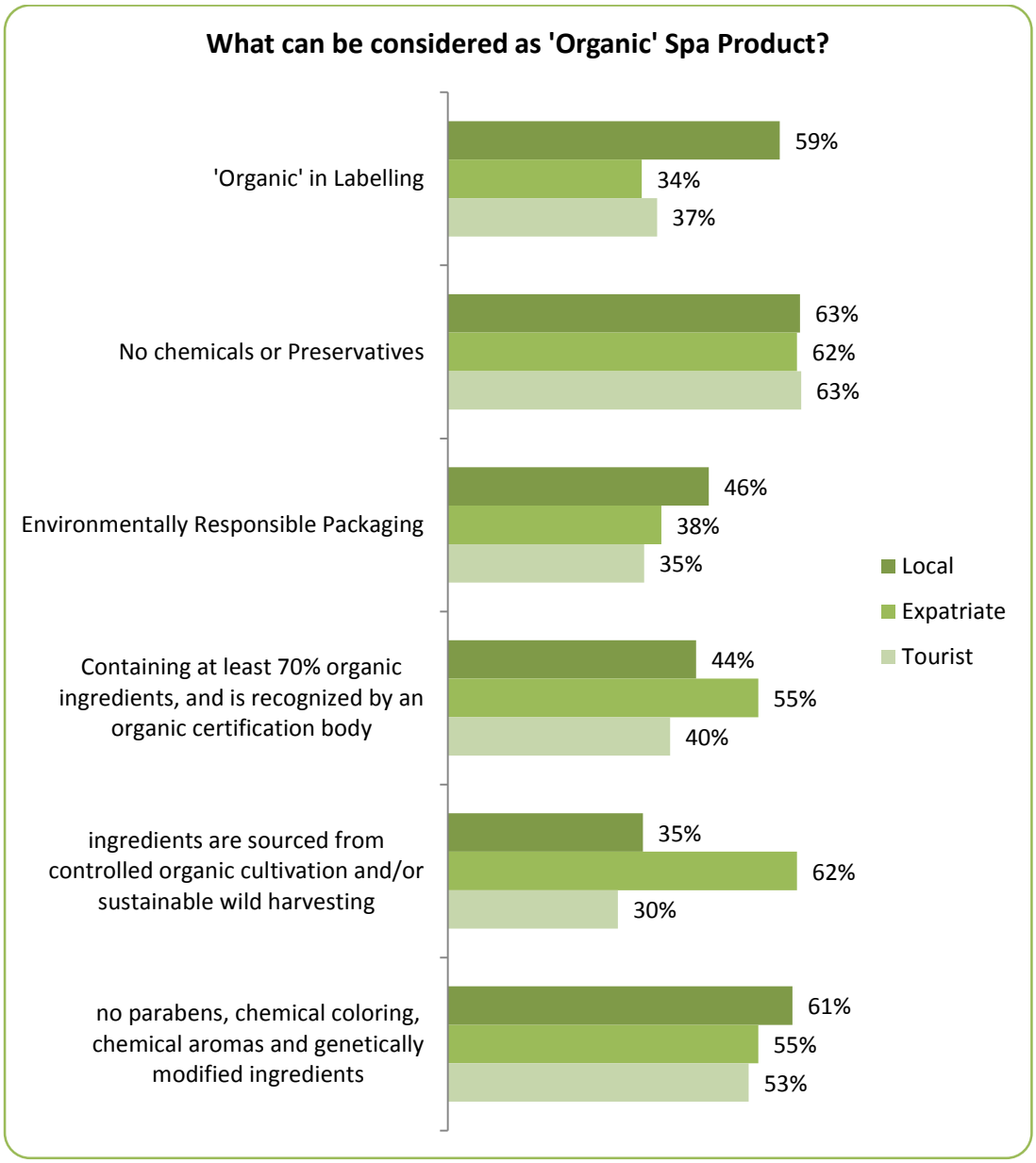
The respondents were asked to state their preference on the products being used in the therapies and treatments at the spa. Although there was not much difference in opinion between the different groups of customers, it was seen that Tourists would prefer the use of a product that is from a well-known brand.

B4.4 PREFERENCE ON USE OF ORGANIC SPA PRODUCTS



The respondents were asked to state their preference on the use of organic products in the treatments and therapies offered at the spa. Most consumers were in favour of the use of organic products. The only surprising finding was that 29% of tourists were 'not sure' about the use of organic products in spa treatments.

B4.5 PERCEPTIONS ON WHAT CAN BE CONSIDERED AS ORGANIC SPA PRODUCT

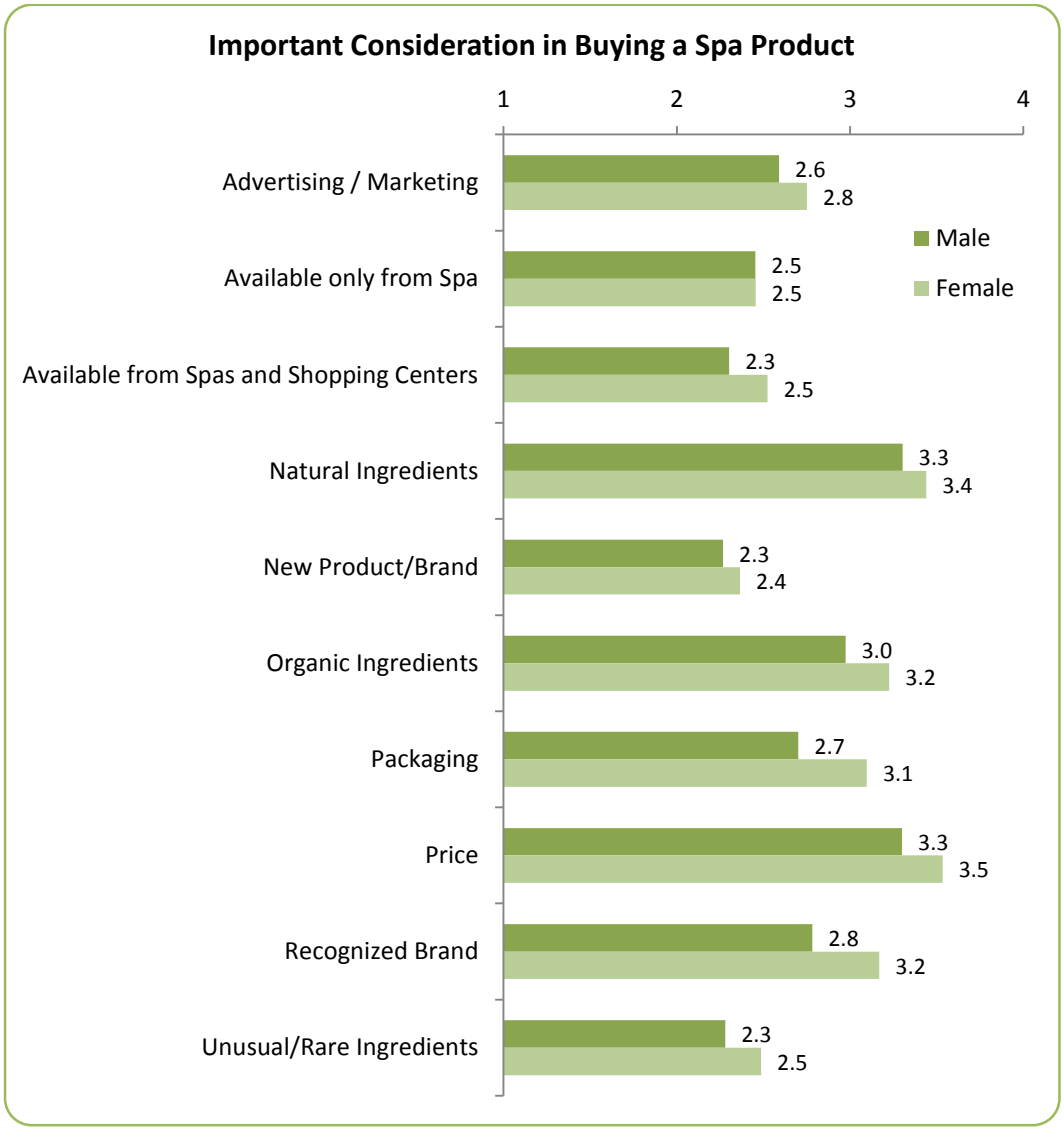


The respondents were asked to select what they considered as 'organic' spa product. When comparing the findings across customer types, the following can be observed:

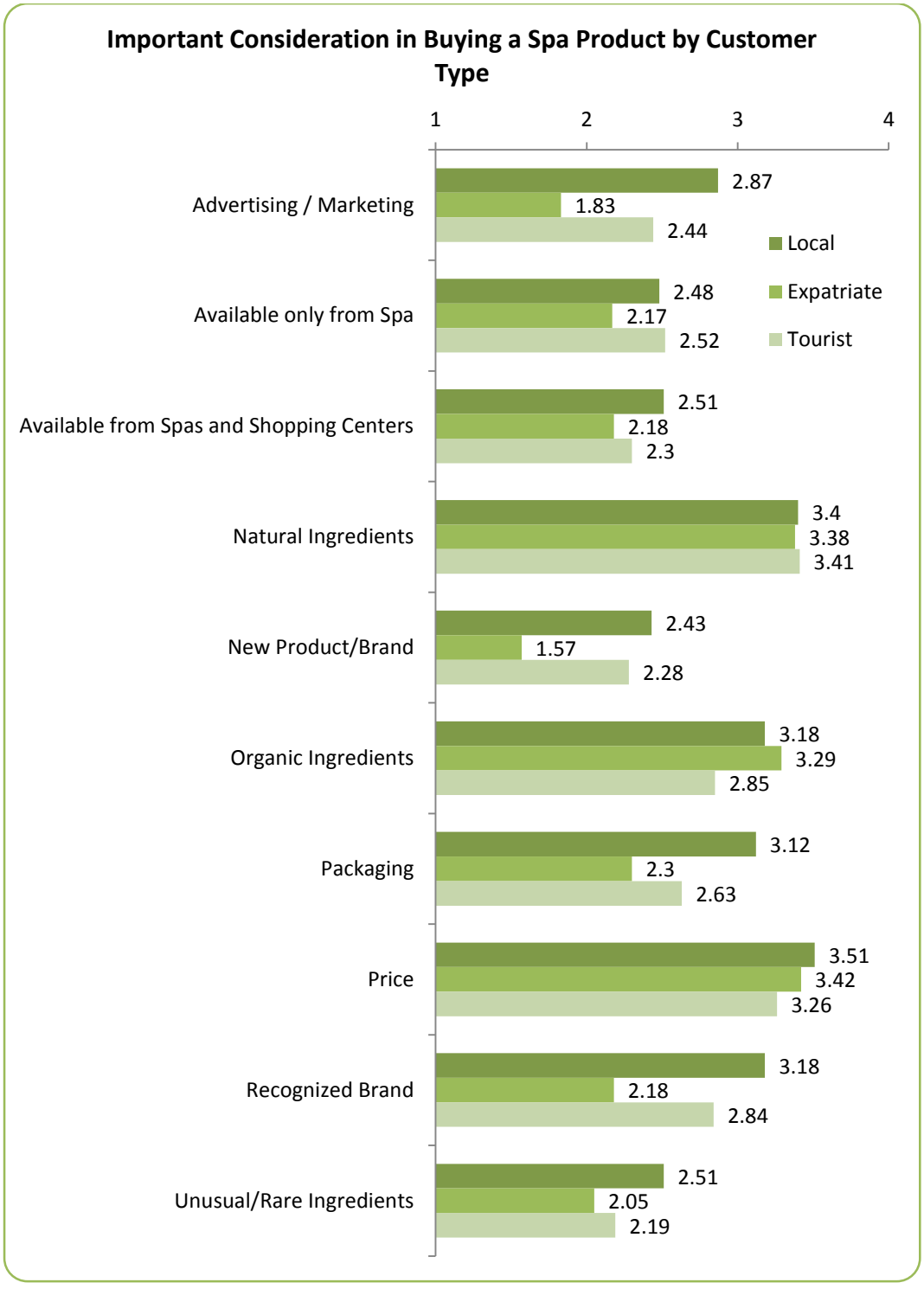
- Local consumers are more likely to be influenced by the use of 'organic' in labelling
- Expatriates are likely to look for spa products that are certified by an organic certification body and also products that state whether the ingredients have been sources from organic cultivation.

B4.6 IMPORTANT CONSIDERATION IN BUYING A SPA PRODUCT

On a scale of 1 to 4 (1=Not important at all, 2=Low importance, 3=Moderately important, 4=Very important), the respondents were asked to state the importance of certain factors when buying a spa product. The results were compared by gender and by customer type and are the presented in the charts below. The following key observations from each chart are presented below the chart.



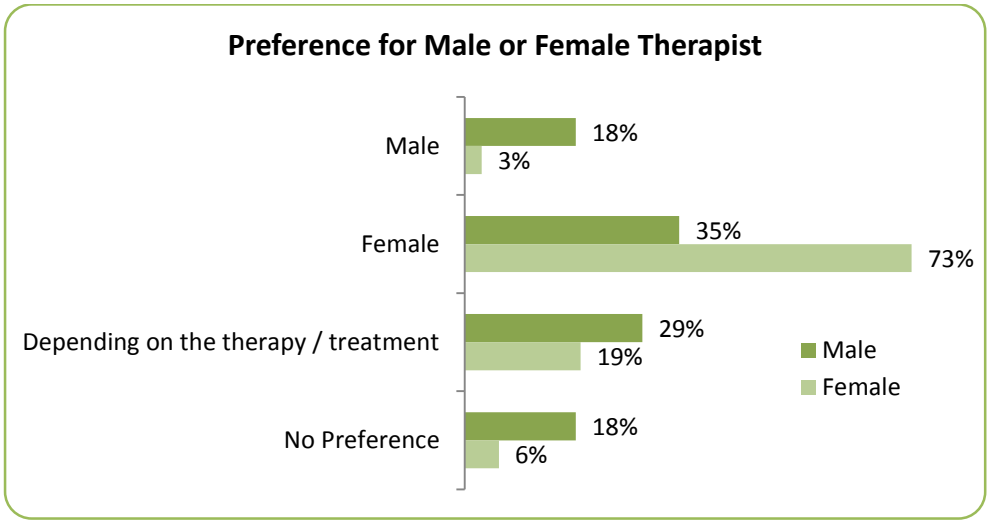
- In general female spa consumers seems to be more 'demanding' than male consumers when buying a spa product
- Price and ingredients are the two most important factors when purchasing a spa product
- Female consumers put more importance to packaging and buying a recognized brand than male consumers



- Products that are natural and organic along with the price remain important consideration for all customer types when buying a spa product.
- When buying a spa product, locals put more importance on packaging, advertising/marketing and brand recognition that tourists and expatriates
- Locals are also more likely to try our new spa products with unusual or rare products

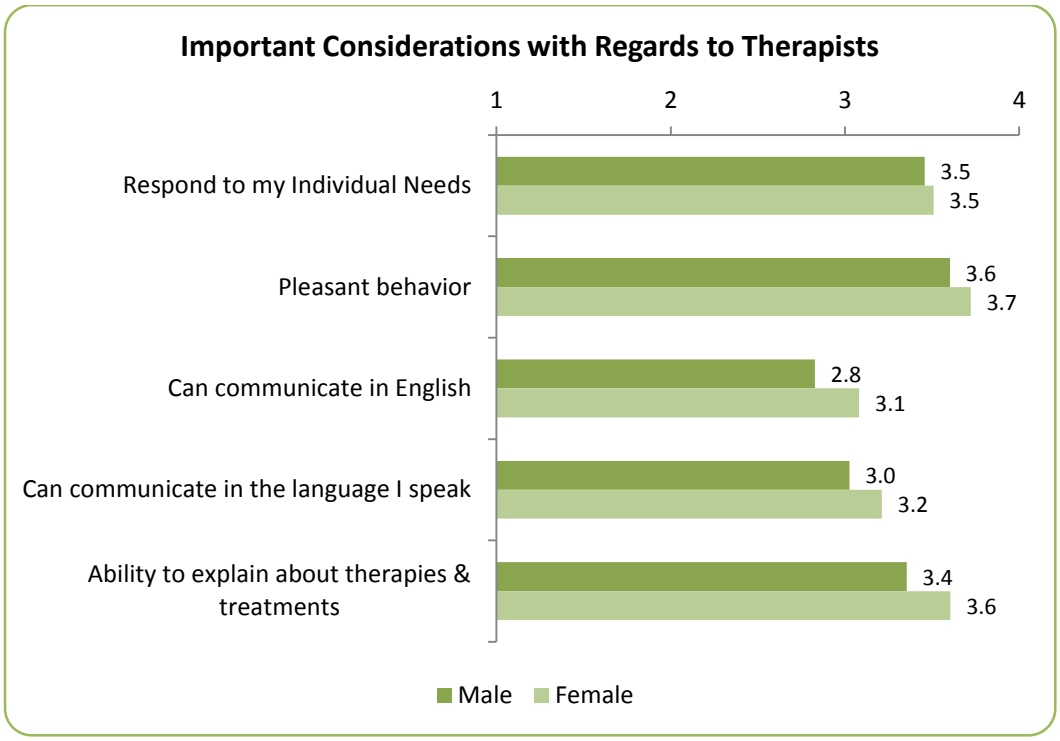
B5. OPINION ON SPA THERAPISTS

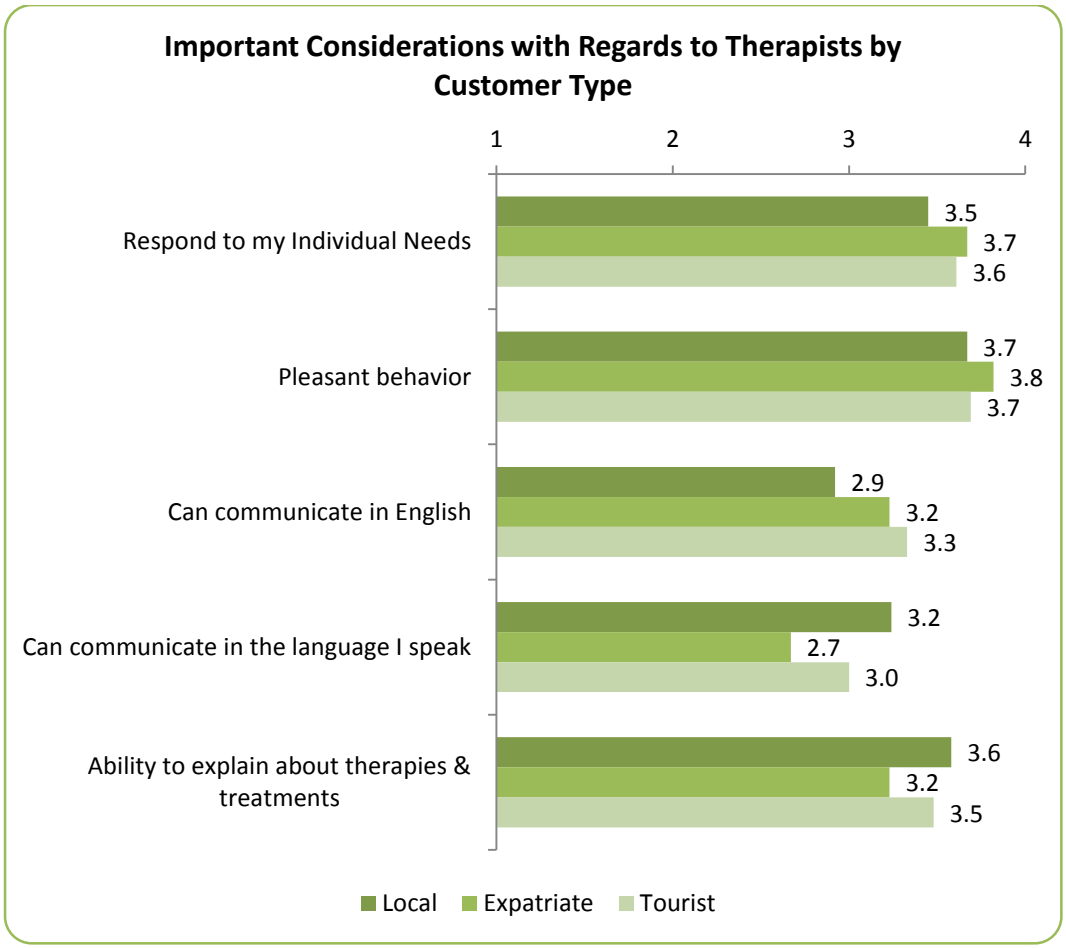
B5.1 PREFERENCE FOR MALE OR FEMALE THERAPISTS



The respondents were asked to state their preference of male or female respondents. Almost three-fourths (73%) of female respondents stated that they prefer a female therapist. 18% percent of male respondents stated that they would prefer a male therapist. 18% of male and 6% of female respondents stated that they have no preference.

B5.2 MOST IMPORTANT CHARACTERISTIC'S FOR THERAPISTS

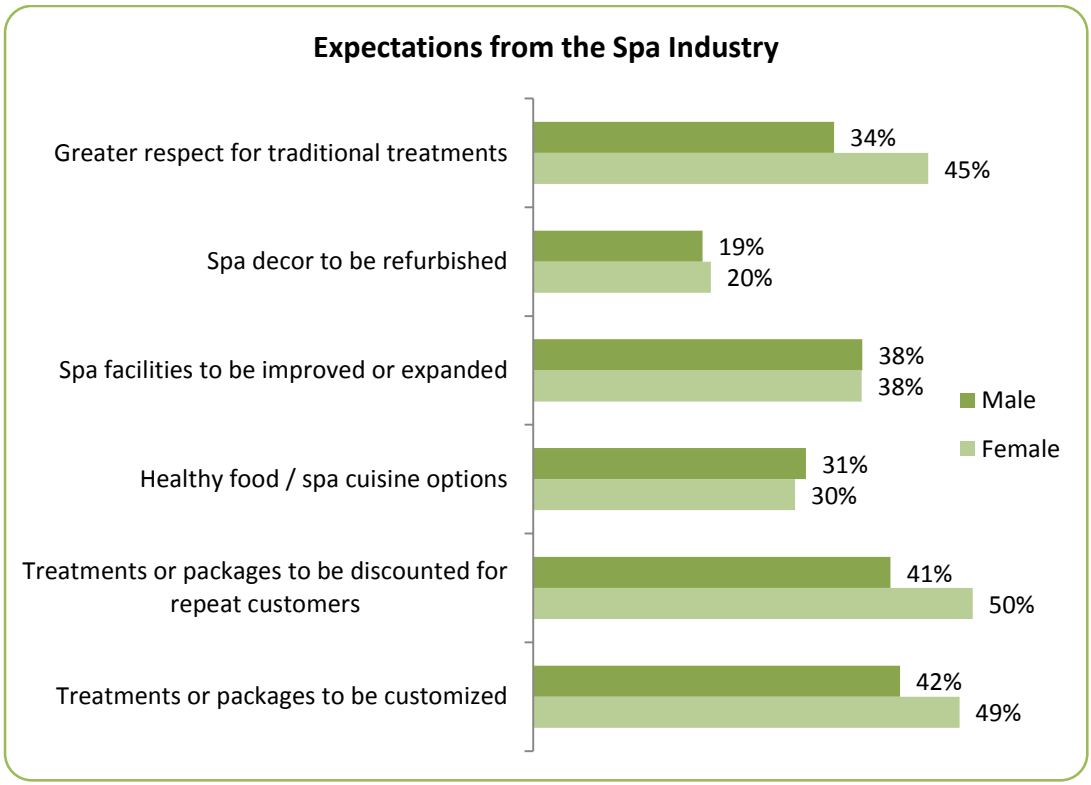


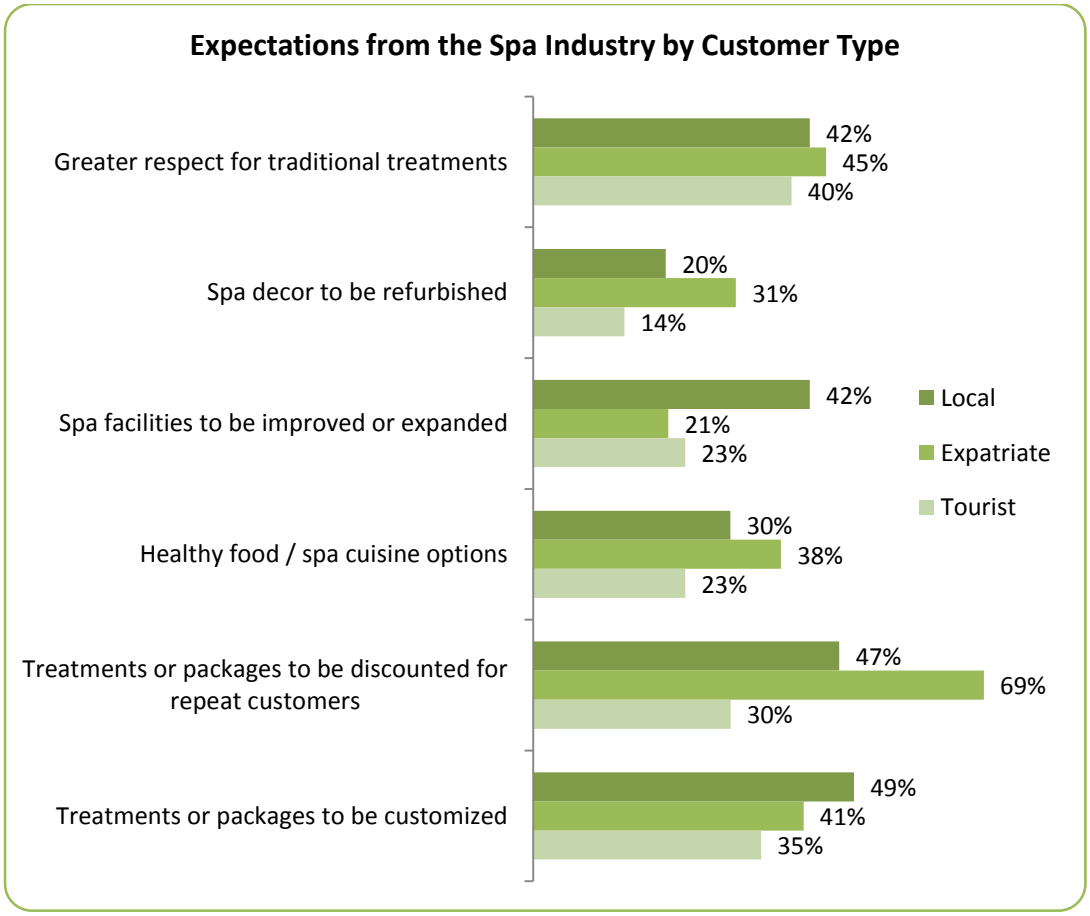


On a scale of 1 to 4 (1=Not important at all, 2=Low importance, 3=Moderately important, 4=Very important), the respondents were asked to state the importance of certain factors with regards to therapists. The results were compared by gender and by customer type and are the presented in the charts in the previous page. The following key observations are made from the charts:

- Female spa consumers seem to have higher expectations than male consumers
- It is more important for local that therapists speak their language, which in this case in Thai. Similarly it is more important to tourists and expatriates that the therapists speak English.

B6. FUTURE EXPECTATIONS

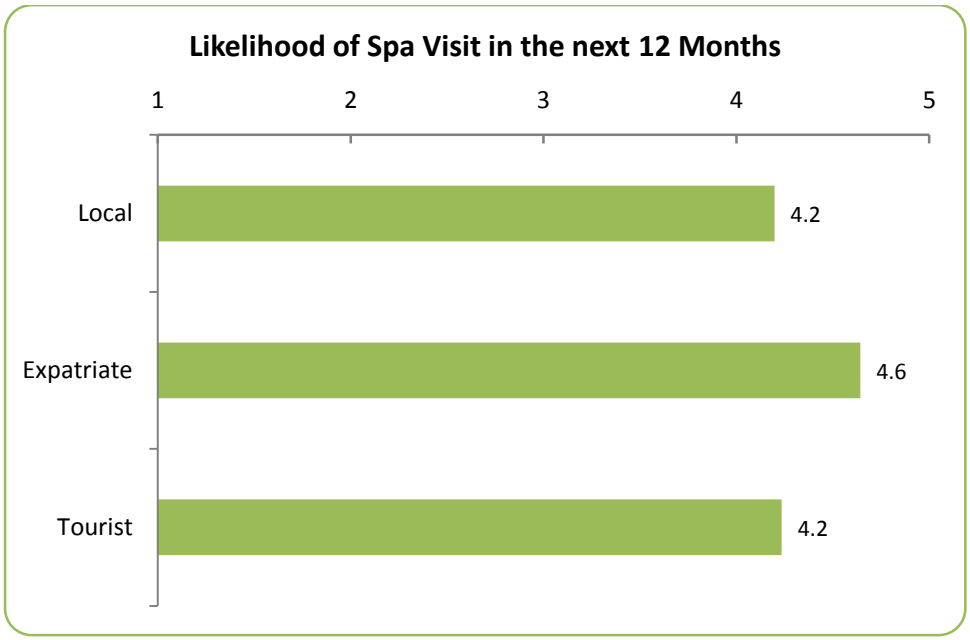




The respondents were asked to select what they expect from the spa industry in the next 12 months. The charts in the previous page presents the findings and compares between the different customer types. The following key observations are made from the charts:

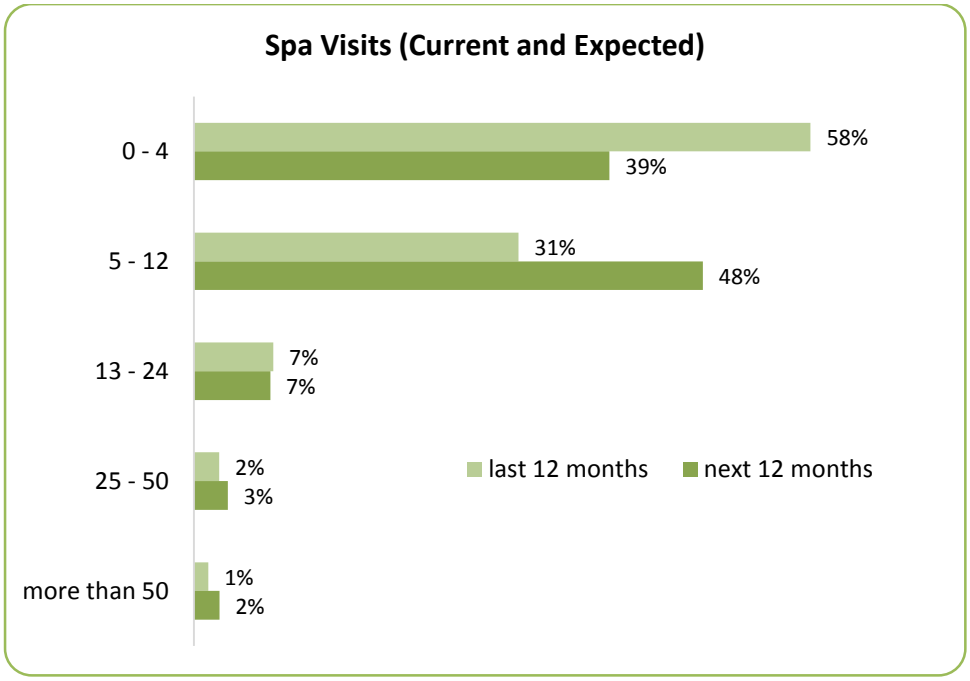
- Female spa consumers seem to have higher expectations on the following when compared to male consumers:
    - Customized treatments or packages
    - Discount packages for repeat customers
    - Greater respect for traditional treatments, which might mean less tinkering with traditional therapies
- When comparing between the different customer types it can be seen that local consumers have higher expectation of improved spa facilities, and customized treatments packages
- Expatriates have higher expectations for refurbished spa décor, and discount packages for repeat customers
- Compared to locals and expatriates, the expectation of tourists seems to be lower for almost all factors

B7. FUTURE SPA VISITS



On a scale of 1 to 5 (1=Not likely at all, 2=Not likely, 3=Maybe, 4=Likely, 5=Very likely), the respondents were asked to state the likelihood of them visiting a spa in the next 12 months. The results were compared by gender and by customer type and are the presented in the charts above. The following key observations are being made:

- It seems that most spa consumers are likely to visit a spa again the next 12 months
- Although the differences are very small, in the next 12 months female spa consumers are more slightly likely to visit a spa than male consumers, and expatriates are more likely to visit a spa than locals and tourists.



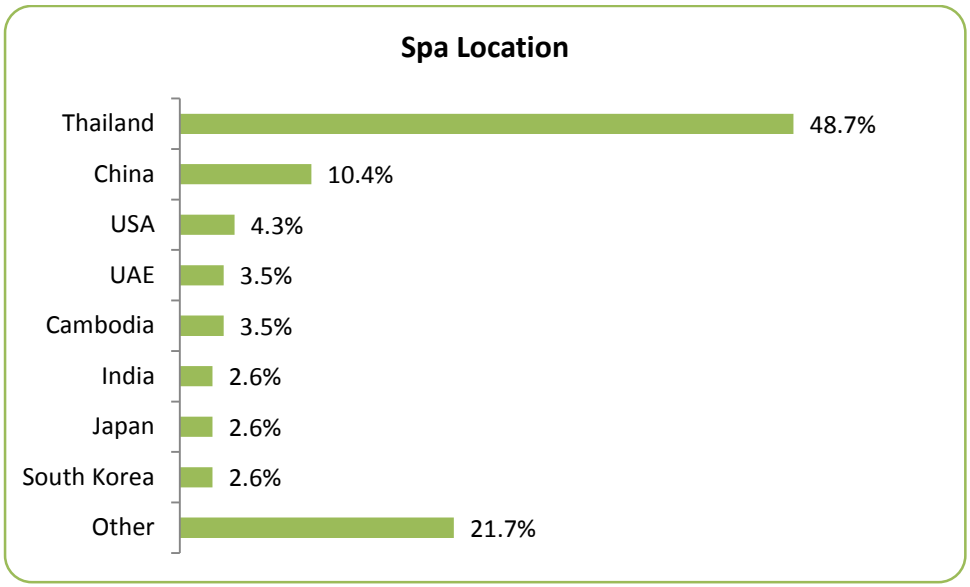
At the beginning of the questionnaire, the respondents were asked to state how many times they have visited a spa in the last 12 months. Towards the end of the questionnaire they were asked to state the number of times they expect to visit the spa in the next 12 months. The chart above compares these two numbers. As can be seen spa consumers are expected to visit a spa more frequently in the next 12 months, when compared to the last 12 months.

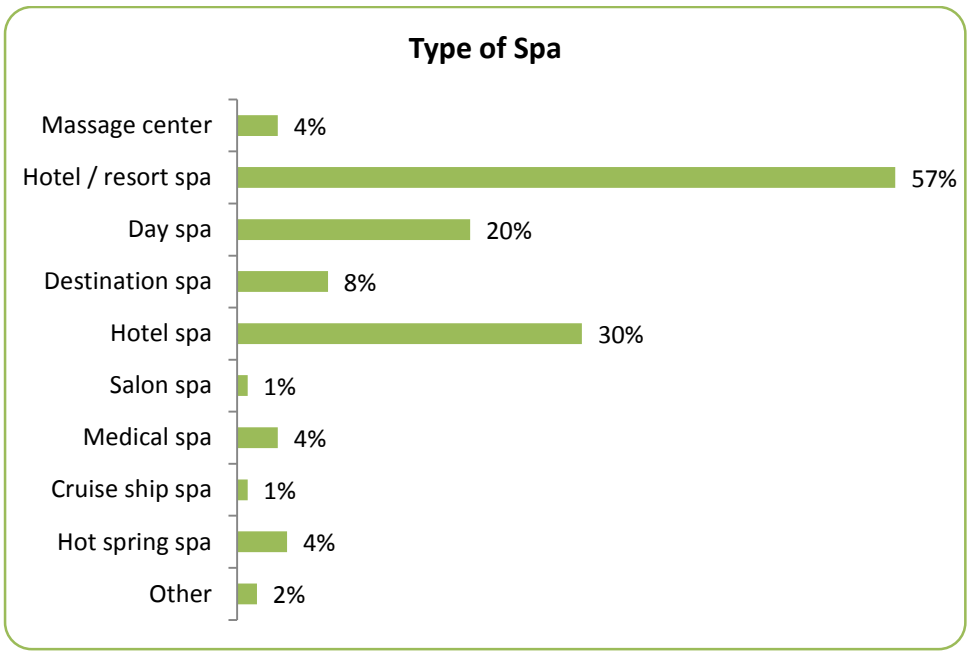
Overall it can be said for most current spa consumers the experience has been positive and they are likely to continue visiting the spa in the future, in many cases, more frequently.

Part C

Spa Operator Research

C1. SPA PROFILES





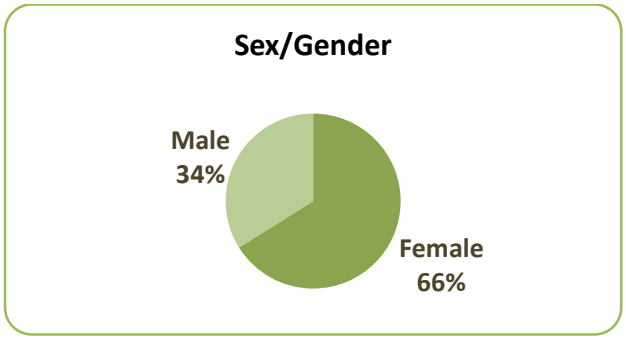
Most of the respondents for this study represented spas that were located mostly in Thailand and China, with representation from other countries such as USA, UAE, India, Japan, South Korea, and Cambodia. It can be stated the spas represented in this study are international and not limited to Thailand. Most spas represented in this study are either a hotel or resort spa (57% and 30%) or in day spa (20%).

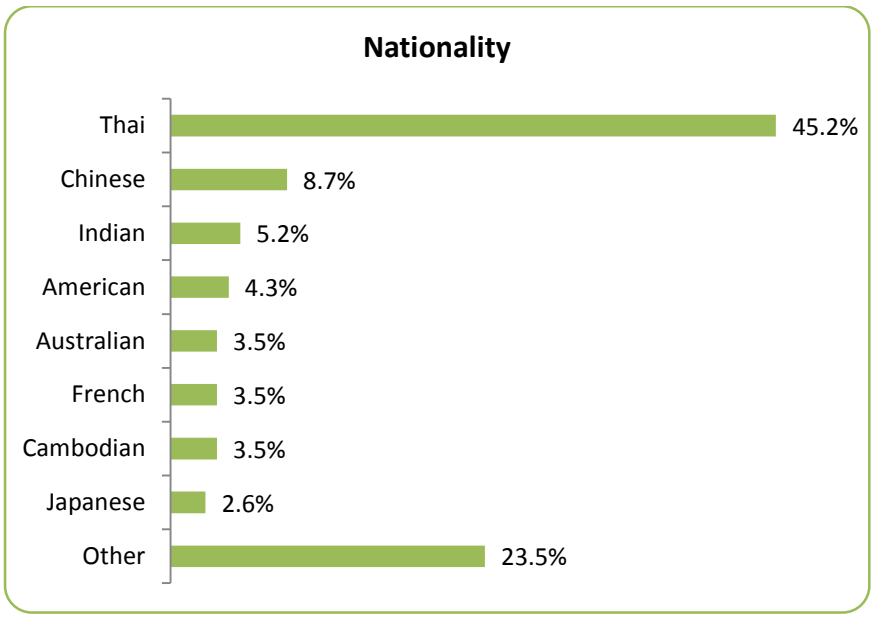
KPI	N	Average	Range
Treatment Price (USD)	72	98	25 to 408
Total Revenue Per Customer (USD)	56	281	25 to 5000
Productivity per Therapist (%)	58	46	5 to 100
Retail Revenue Share of Total Revenue (%)	64	17	0 to 80

The table above presents the Key Performance Indicators included as reported by the representatives of the spas that were covered in this study: Treatment Price (USD), Total Revenue per Customer (USD), Productivity per Therapist (%), and Retail Revenue Share of Total Revenue (%). Due to the international nature of the responses the variance in quite high. It should be noted that the response rate for the questions regarding KPIs was quite low.

C2. RESPONDENT SPA MANAGER DEMOGRAPHICS

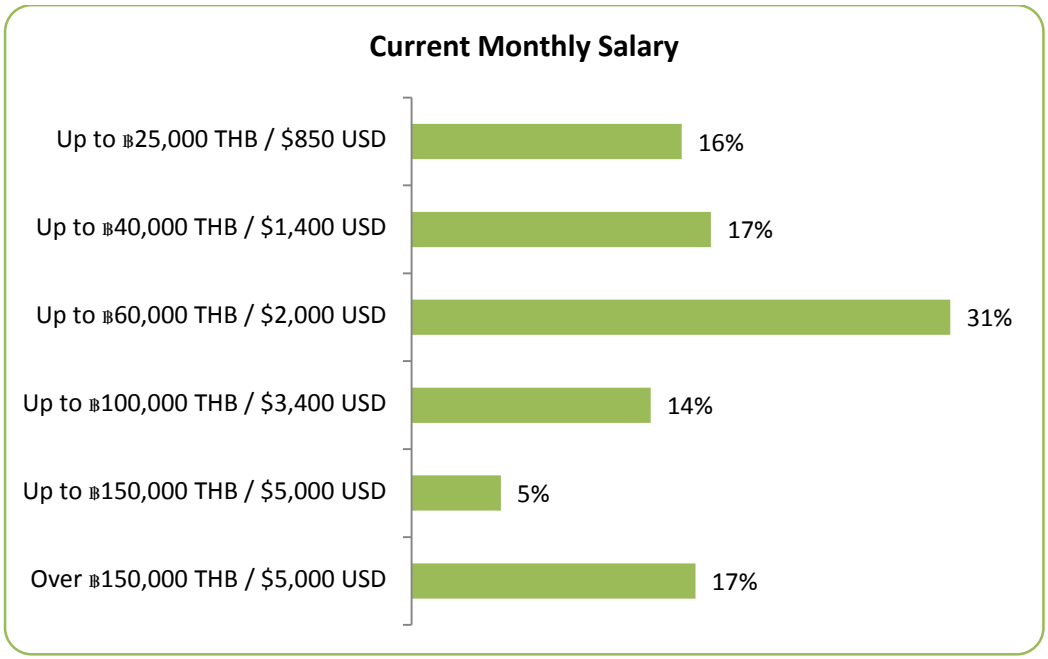
C2.1 SEX AND NATIONALITY





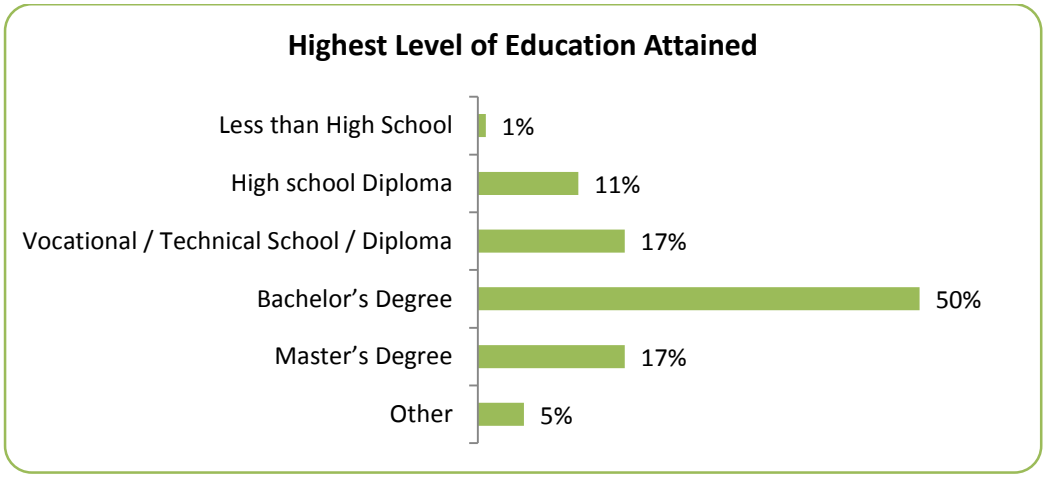
Almost half of the respondents (spa managers, representatives of the spa operators) were from Thailand followed by China and India. However, it must be noted that not all the respondents were from Asia with the following countries of United States, Australia and France. In addition, around two-thirds of the respondents were female.

C2.2 CURRENT MONTHLY SALARY

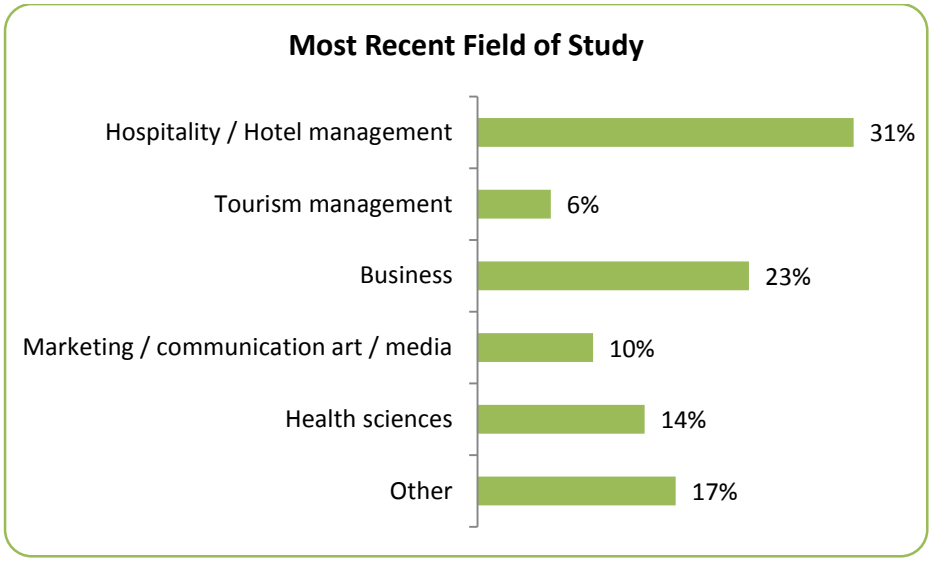


A majority of the respondents had a monthly salary of up to 60,000 THB and there was a similar result between the top tier of 150,000 THB a month and the bottom tier of 25,000 baht a month. Due to the international nature of the respondents, this chart can be a bit misleading because the salary does differ greatly between different countries.

C2.3 EDUCATION AND FIELD OF STUDY

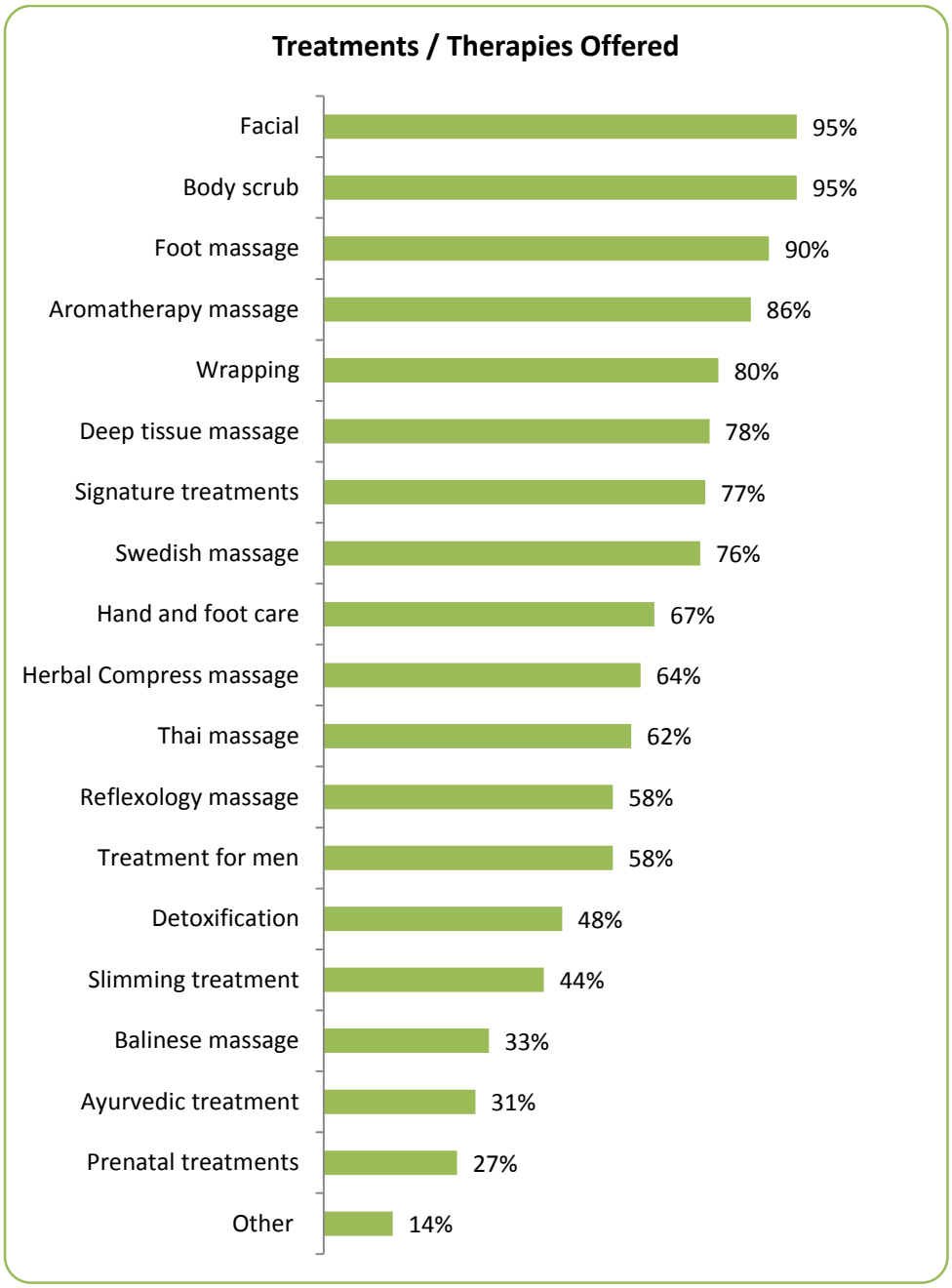


Around half of the respondents' highest academic achievement was a bachelor's degree and tying for second place was vocational/technical training and a Master's Degree.



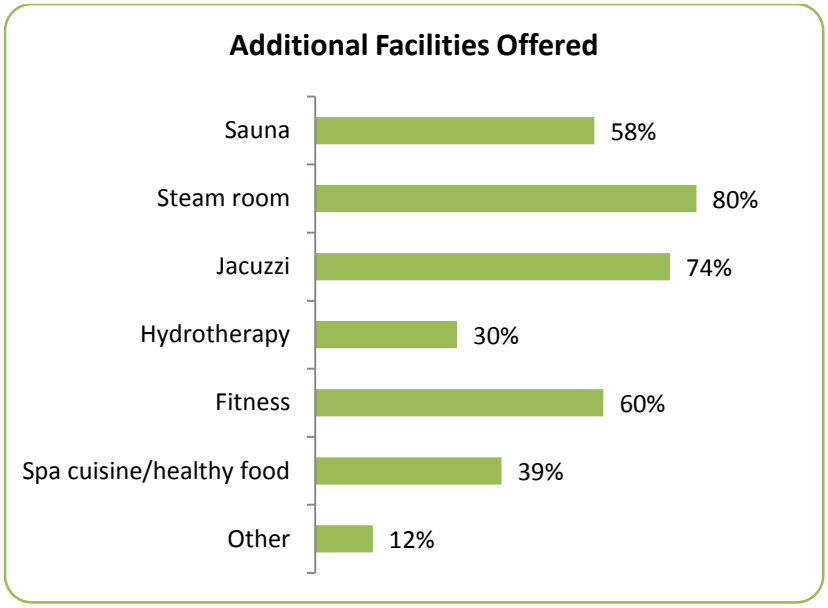
In terms of the most recent field of study, from the responses it was seen that Hospitality and Hotel Management was the most common followed by Business major.

C3. SPA THERAPIES AND FACILITIES



The respondents were asked to select the therapies and treatments that are being offered in the Spa's that they manage. The above chart indicate the current therapies/treatment being offered in the spas. Based on the responses, the treatments and therapies can be categorized into four groups (in term of popularity of their offering) as follows:

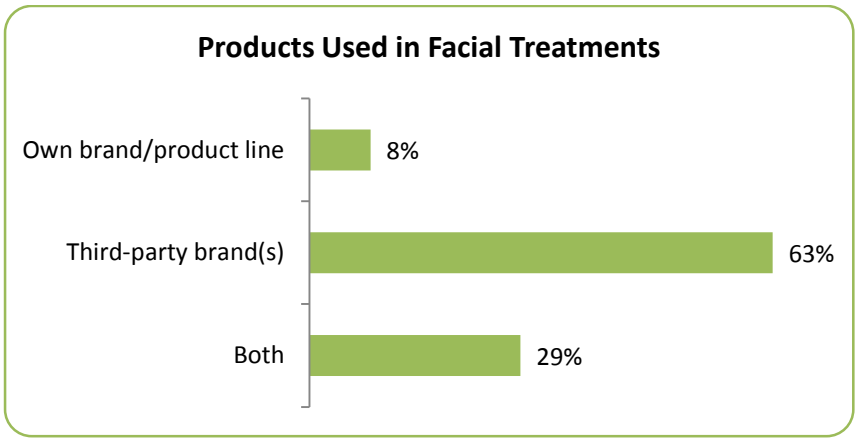
1. Facial, Body scrub, Foot massage, Aromatherapy massage
2. Wrapping, Deep tissue massage, Signature treatments, Swedish massage
3. Hand and foot massage, Herbal compress massage, Thai massage, Reflexology massage, Treatment for men
4. Other specialized therapies/treatments

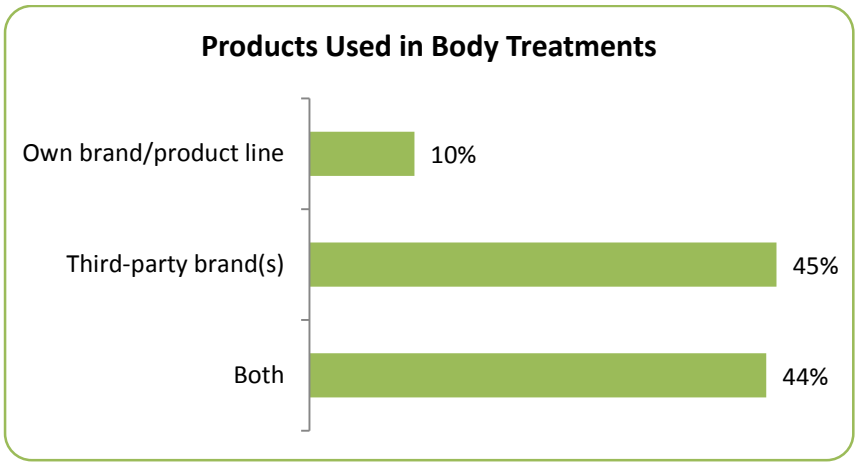


In terms of additional facilities offered in the spas offered, a majority indicated that they had a Steam room and Jacuzzi available. These facilities can again be categorized into 3 groups based on the popularity of their offering:

1. Steam room and Jacuzzi
2. Sauna and Fitness
3. Spa cuisine/healthy food, sauna and others

C4. SPA PRODUCTS



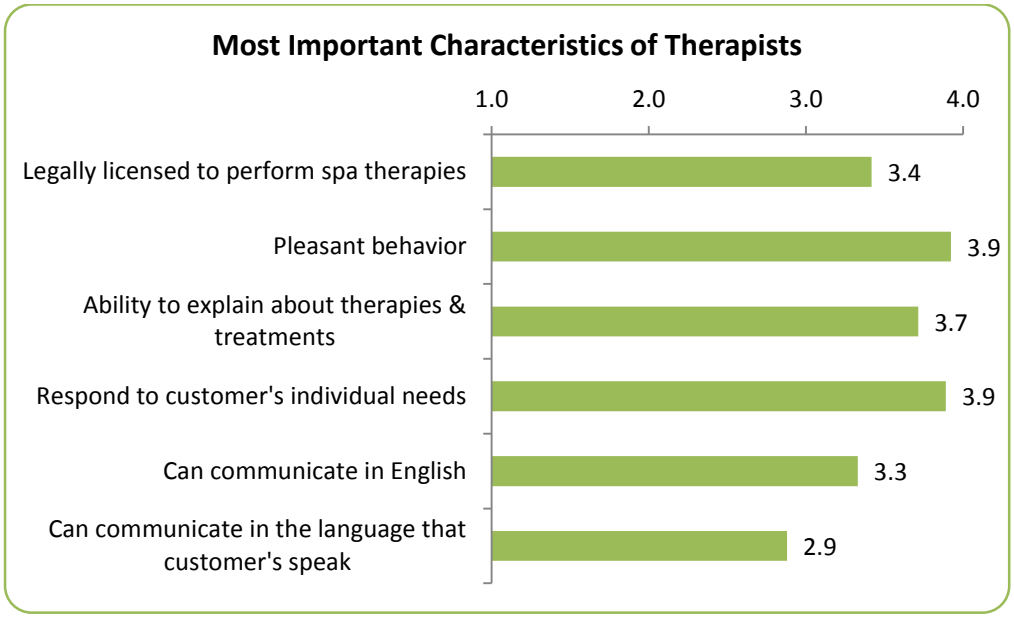


The respondents were asked to indicate what kind of spa products are being used in treatments/therapies offered in their spas. 63% of respondents indicated that they only use 'Third party brand(s)' for facial treatments and 29% use both their own products and third party products.

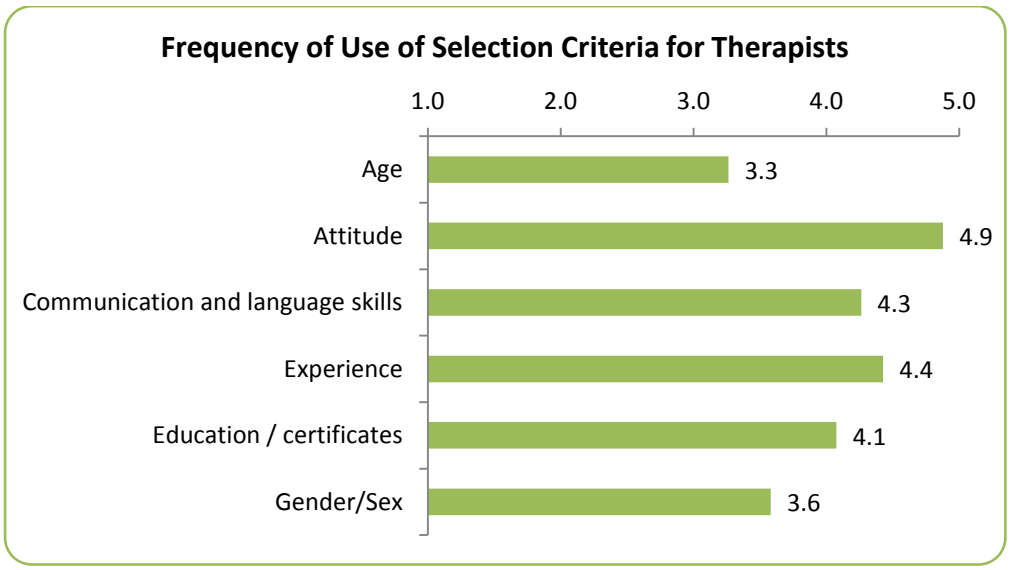
In terms of products used for body treatments, 45% of the respondents indicated that they only use 'Third party brand(s)' and 44% use their own products and third party products. It can be stated that there is a high probability that third party (or more recognized) brands and products are more likely to be used/offered by spas exclusively for facial treatments.

C5. SELECTION AND TRAINING OF SPA THERAPISTS

C5.1 IMPORTANT CHARACTERISTICS AND SELECTION OF THERAPISTS



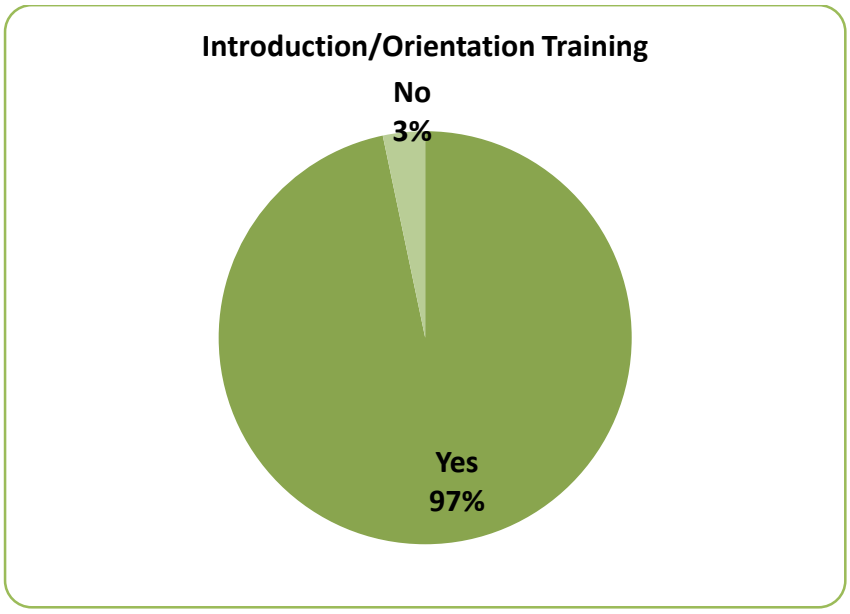
On a scale of 1 (not important at all) to 4 (very important), the respondents were asked to rate what they considered were the most important characteristics for therapists. As can be seen from the chart above, 'pleasant behaviour' and the ability to 'respond to customer's individual needs' were ranked the most important.



On a scale of 1 ('Never') to 5 ('Always'), the respondents were asked to indicate on what criteria the therapists were selected in their spas. As can be seen from the chart above, 'Attitude' and 'Experience' were the two most important aspects for the selection of therapists, followed by 'Communication and language skills', and 'Education / certificates'.

C5.2 TRAINING OF THERAPISTS

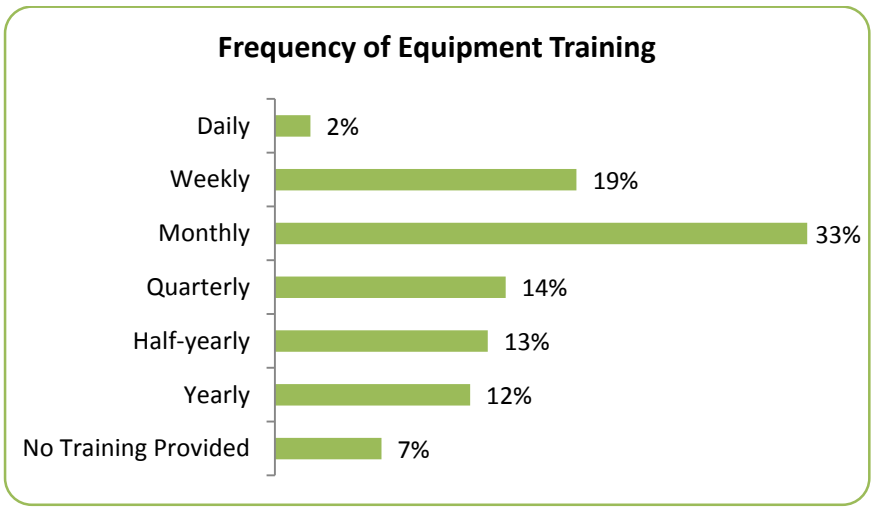
The respondents were asked to comment on training that they offer for their therapists and how often are these trainings offered. As can be seen from the chart below almost all respondents initiated Introduction or Orientation Training for newly-hired therapist at their Spas.

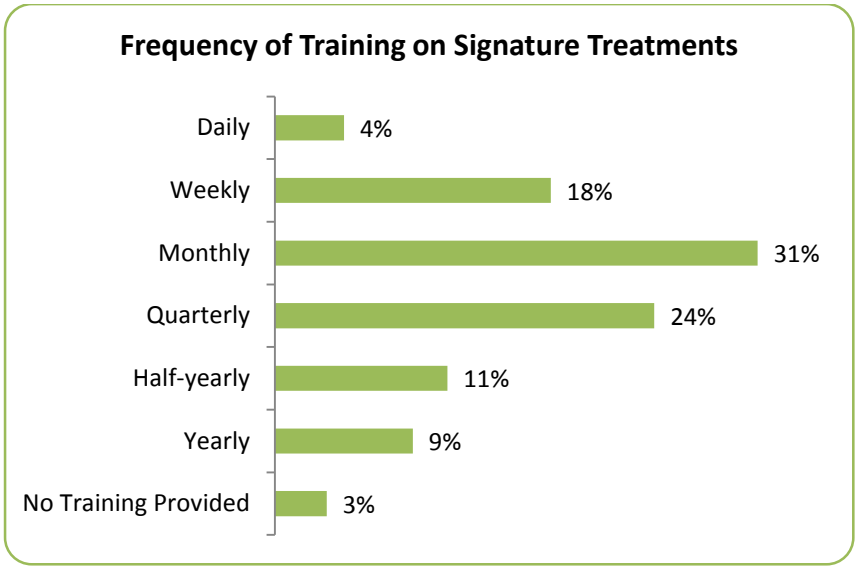


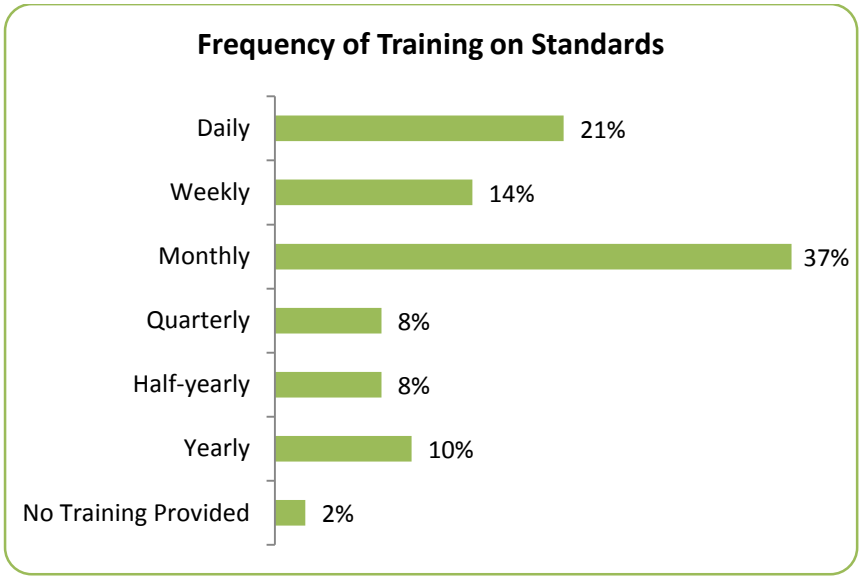
The respondents were further asked to indicate how often they offer the following trainings for their therapists:

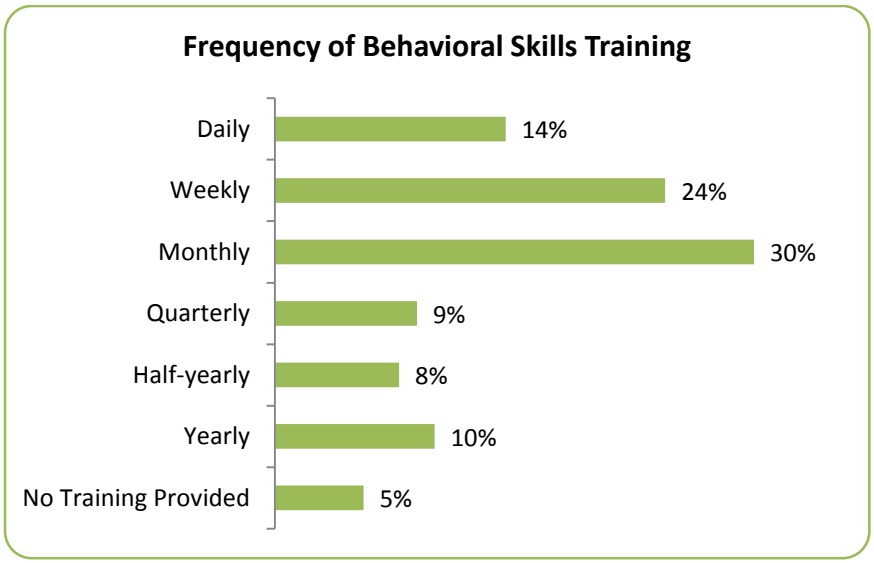
- Equipment Training
- Training on Signature Treatments
- Training on Standards
- Behavioural Skills Training
- Language and Communication Skills Training

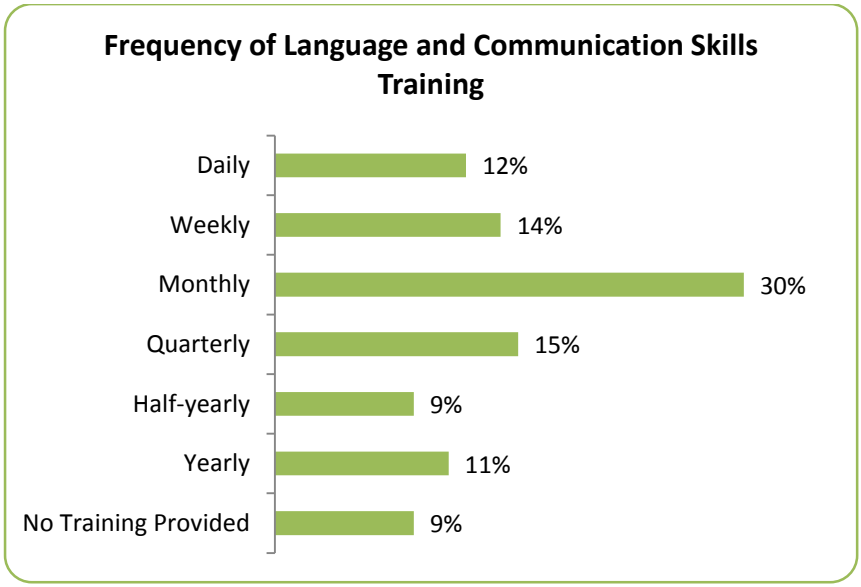
The charts below present the findings.




Frequency of Training on Signature Treatments
Daily
4%
Weekly
18%
Monthly
31%
Quarterly
24%
Half-yearly
11%
Yearly
9%
No Training Provided
3%


Frequency of Training on Standards
Daily
21%
Weekly
14%
Monthly
37%
Quarterly
8%
Half-yearly
8%
Yearly
10%
No Training Provided
2%

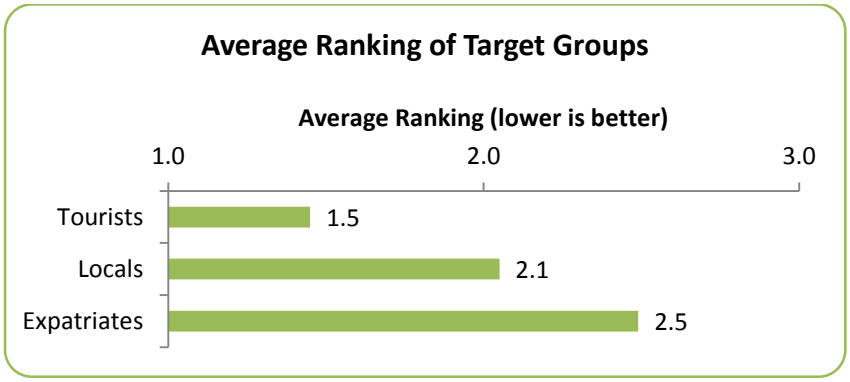

Frequency of Behavioral Skills Training
Daily
14%
Weekly
24%
Monthly
30%
Quarterly
9%
Half-yearly
8%
Yearly
10%
No Training Provided
5%



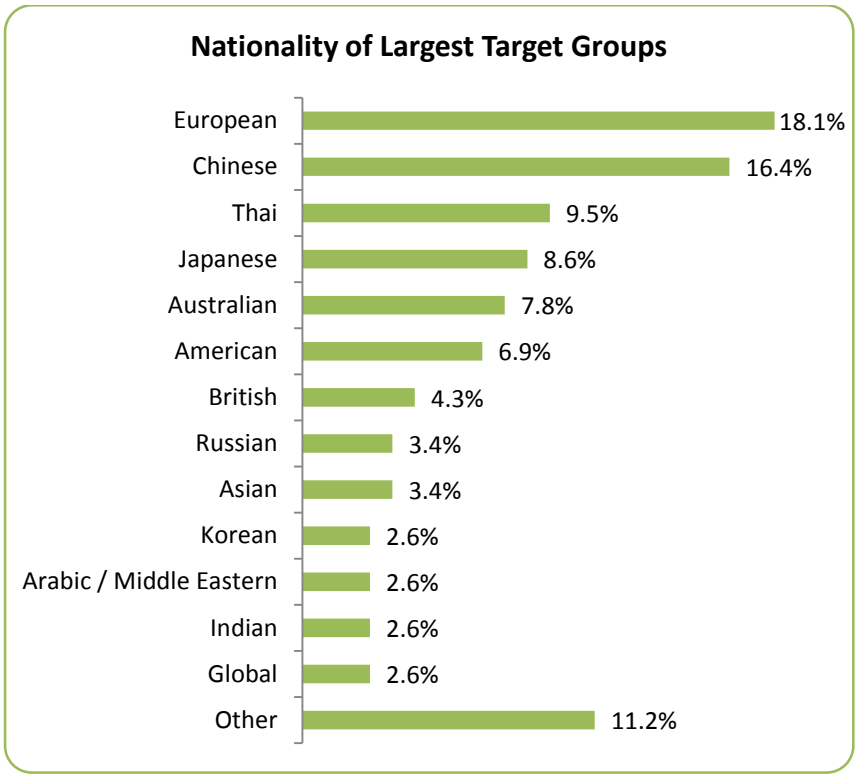
In all five kinds of trainings, a training program executed every month was the most common frequency of training in the Spas from approximately one-third of the respondents. It must be noted that Signature Treatments and Language/Communication skills had Quarterly training in second place, Equipment and Behavioural Skills had Weekly training in second place and Standards training had Daily training in second place.

C6. SPA CONSUMER TARGET GROUPS AND MARKETING

C6.1 TARGET GROUPS

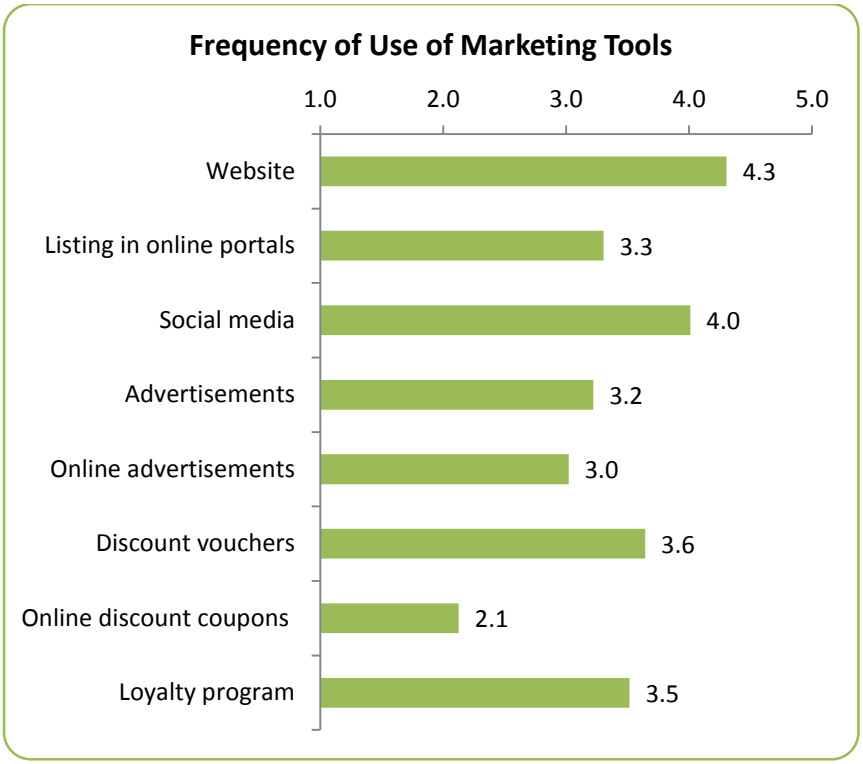


The respondents are asked to rank the three target groups of Expatriates, Locals and Tourists in terms of their importance. As can be seen from the chart above, the most important target groups were identified as Tourists followed by Locals and then Expatriates.



As reported by the respondents, the nationality of the Largest Target groups is presented in the chart above and shows that Europeans (18.1%) and Chinese (16.4%) make up a majority of the target groups followed by Thais (9.5%), Japanese (8.6%), Australians (7.6%), and Americans (6.9%). As the spas represented in this study is international, there is quite a large variance and as such it will be wrong to read too much into the findings about the target customer nationalities.

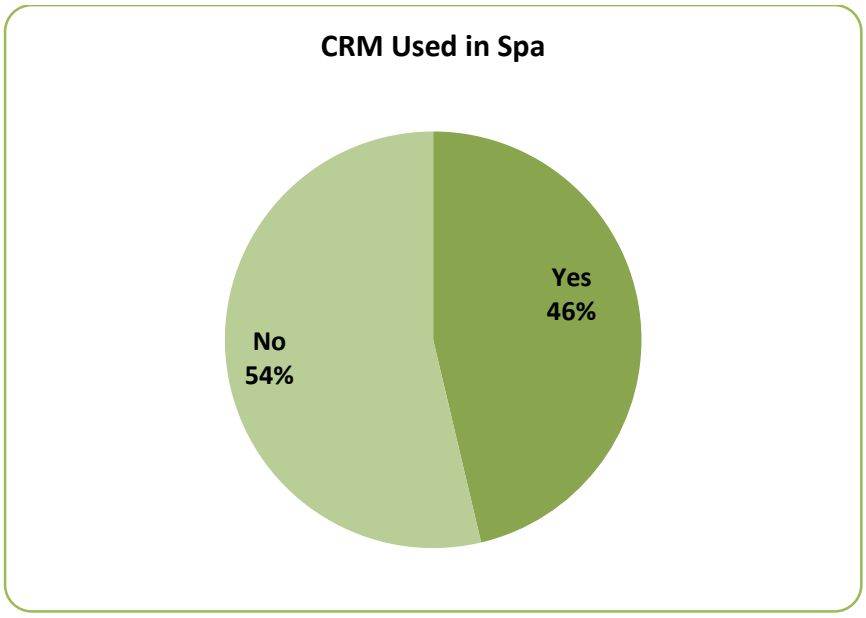
C6.2 MARKETING TOOLS



On a scale of 1 ('Never') to 5 ('Always'), the respondents were asked to indicate how often they use the stated marketing tools. The chart above presents the findings. From the chart, it can be seen that in terms of the frequency of their use, the marketing tools can be grouped into three main groups:

1. ***Online Marketing***, which includes tools such as Website, Social media,
2. ***Customer Relationship Management***, which includes tools such as Discount vouchers, Loyalty program.
3. ***Listing and Advertisements***, which includes Listing in online portals, Advertisements, Online Advertisements and Online discount vouchers. Online discount coupons are seen as attempts at online advertisement rather than as part of any customer relationship management program.

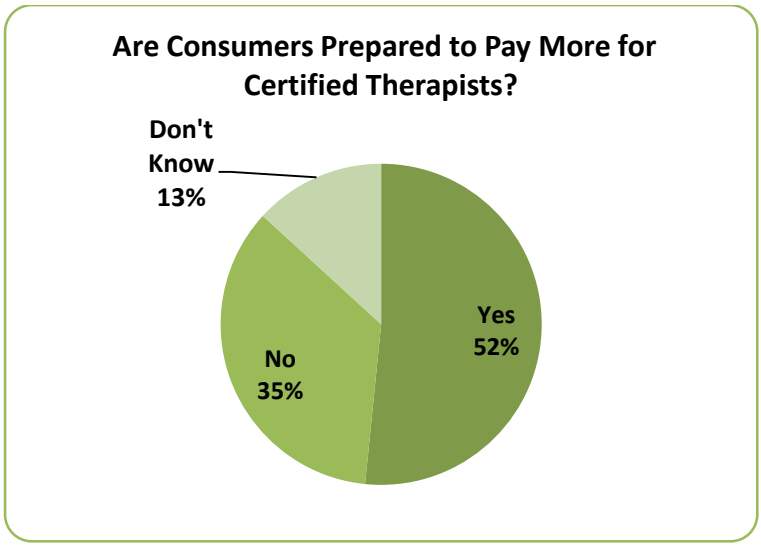
C6.3 CUSTOMER RELATIONSHIP MANAGEMENT



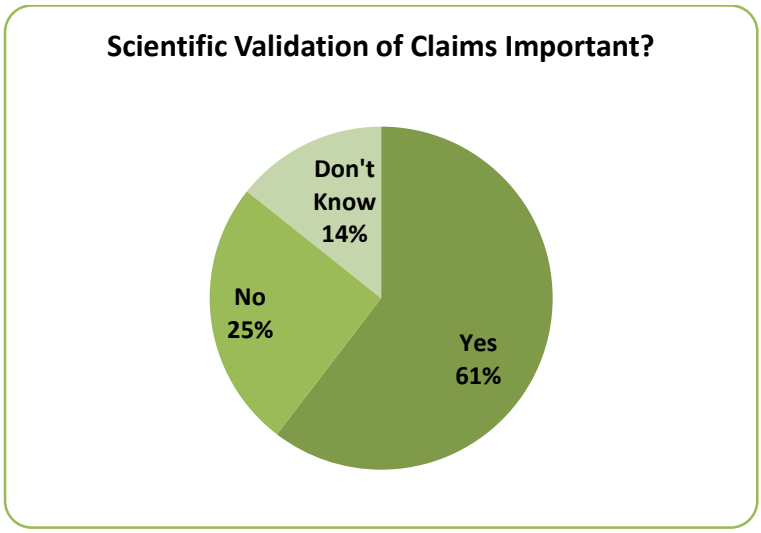
A slight minority (46%) of the respondents indicated that they used some kind of Customer Relationship Management (CRM) tool in their spas. On being asked to further elaborate the tools that they use for CRM, the following were some of the tools that that were indicated to have been used in the spas:

- Collection of guest profile and tracking guest
- Membership program
- Loyalty program
- Newsletter, emails, events, personal follow-up
- Tracking of usage trends using software systems
- Guest surveys
- Root cause analysis of certain issues

C6.4 CERTIFICATION AND SCIENTIFIC VALIDITY



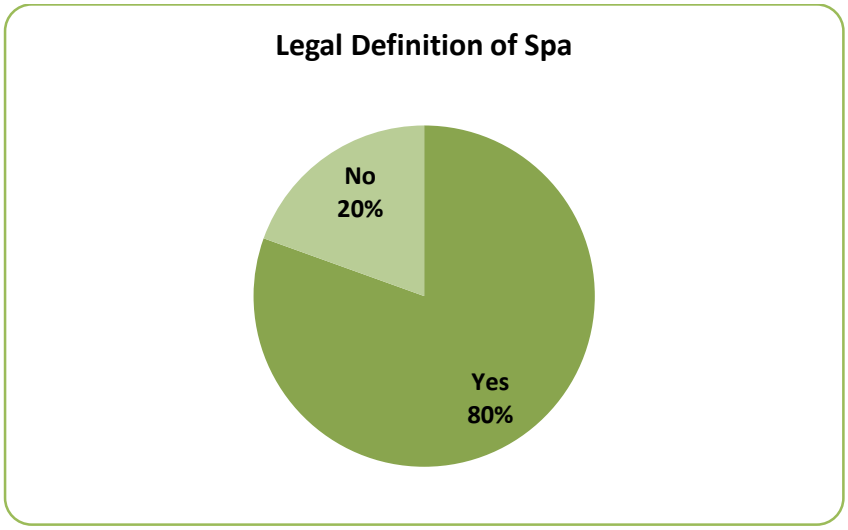
The respondents were asked to indicate their perceived importance of certified therapists and whether they thought current customers are willing to pay more for certified therapists. As can be seen from the chart above a slight majority (52%) of the respondents believe that consumers are willing to pay more for certified therapists, while 13% of respondents indicated that they had no answer.



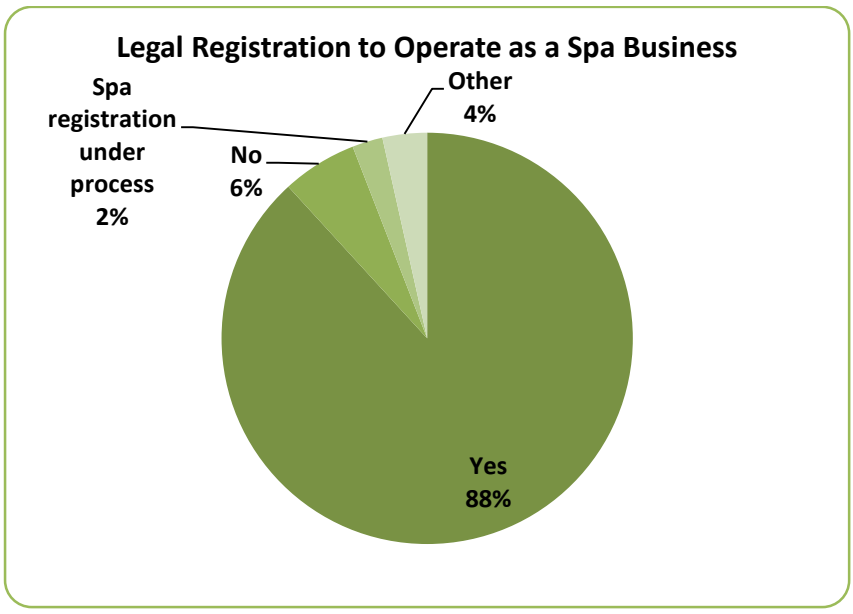
The respondents were asked to indicate about their perceived importance of scientific validation of claims made for therapies and treatments offered in the spas. As can be seen from the chart above, 61% of the respondents believed that scientific validation of claims are important, although a quarter of the respondents didn't believe so and around one-fifths of the respondents were not sure about it.

C7. REGULATIONS AND STANDARDS

C7.1 REGULATION

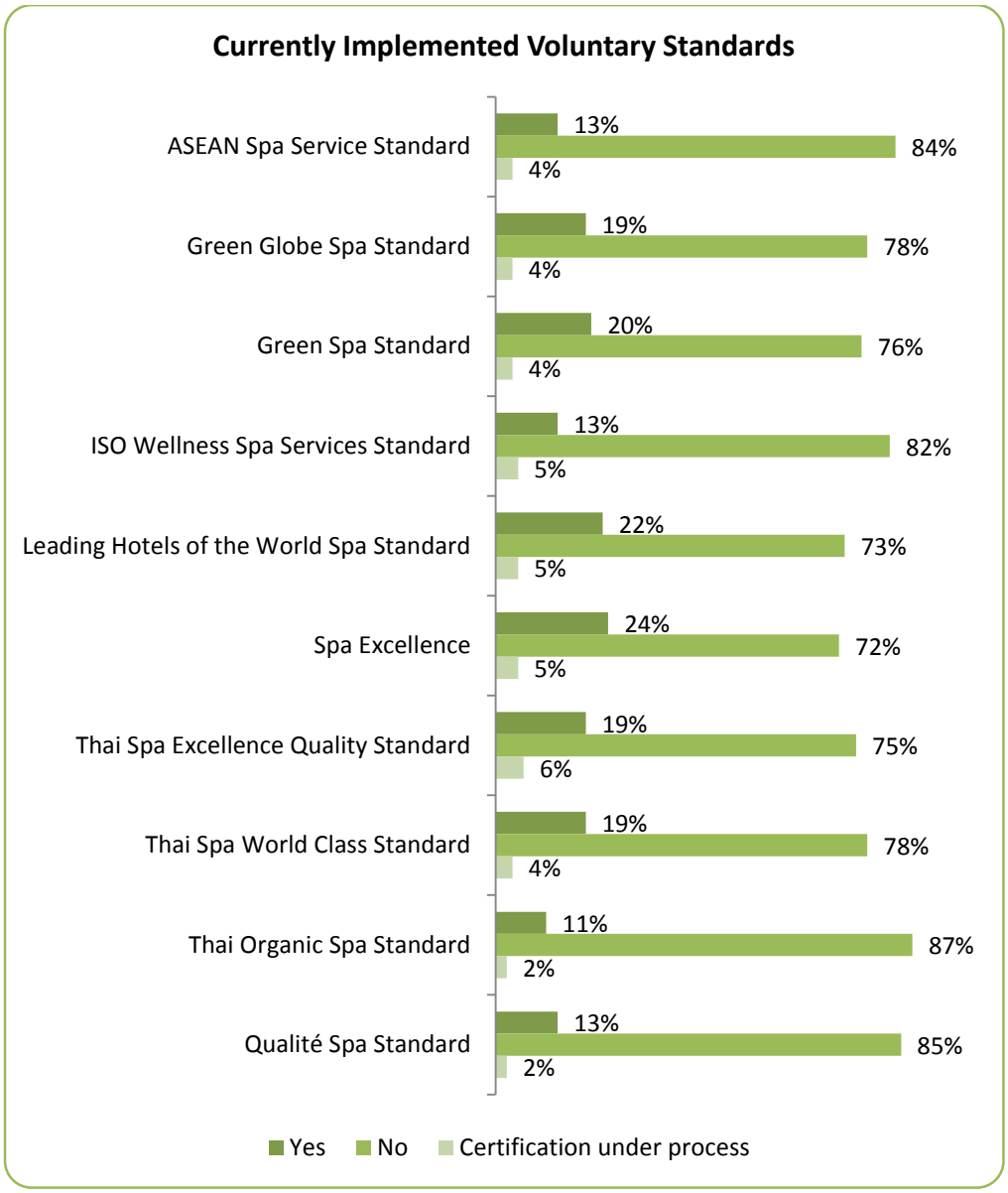


The respondents were asked to indicate whether a legal definition of spa exists in their country of operation. As can be seen from the chart above, for a majority (80%) of respondents indicated that a legal definition existed in their country of operation.

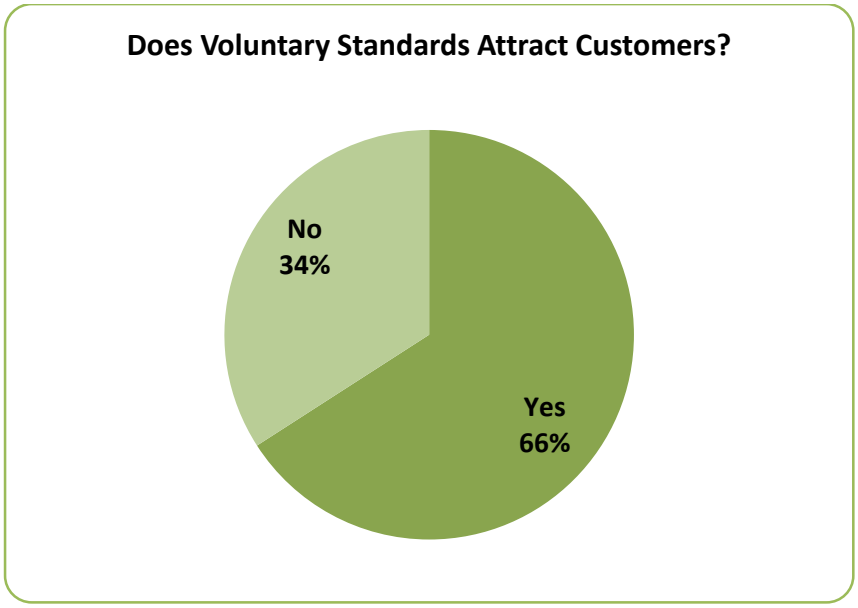


The respondents were asked to indicate whether they are legally registered to operate as a spa business. As can be seen from the chart above, a majority of spas were legally registered as a Spa Business (88%), while a small number of spas were either in the process of being registered or not at all.

C7.2 STANDARDS



For a list of voluntary standards, the respondents were asked to indicate if they already implemented the standard or were in the process of doing so. As can be seen from the chart above, for most voluntary standards the implementation rate is quite low, also a few are in the process of being implemented.



Although the implementation of Voluntary standards are not high, when asked about the importance of Voluntary Standards, a two-thirds (66%) of the respondents indicated that it may attract customers to their spas.

Part D

ASEAN Country Comparison

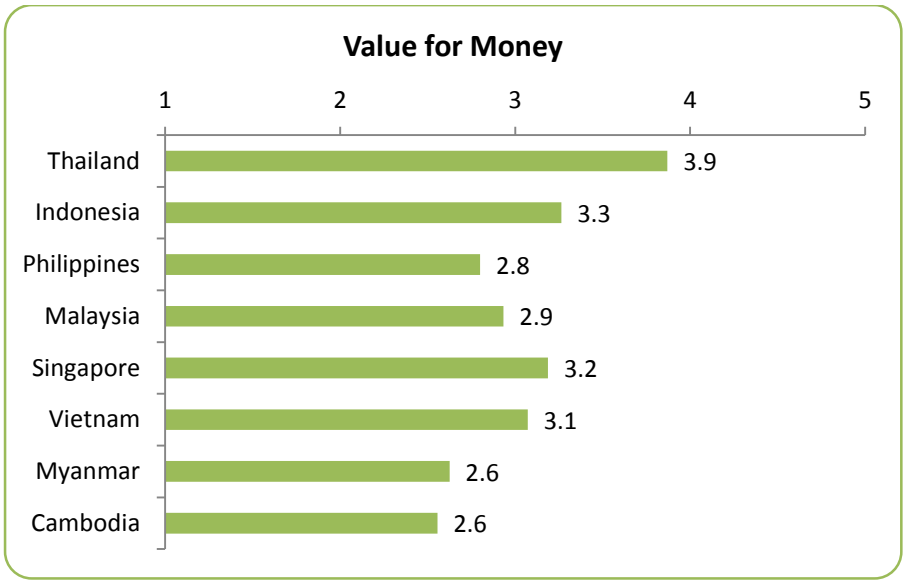
D1. INTRODUCTION

The Spa Operators questionnaire had an optional section, where the respondents were asked to rank the ASEAN countries on the availability and/or performance of 12 factors that affect the spa industry. The 12 factors were as follows:

1. Value for Money
2. Hygiene and Standards
3. Skilled Labour Force
4. Availability of Therapists
5. Infrastructure
6. Quality of Training
7. Availability of Training
8. Government Support for Spa Industry
9. Respect of Traditional Therapies
10. Innovativeness in Spa Therapies
11. Innovativeness in Spa Products
12. Innovativeness in Marketing

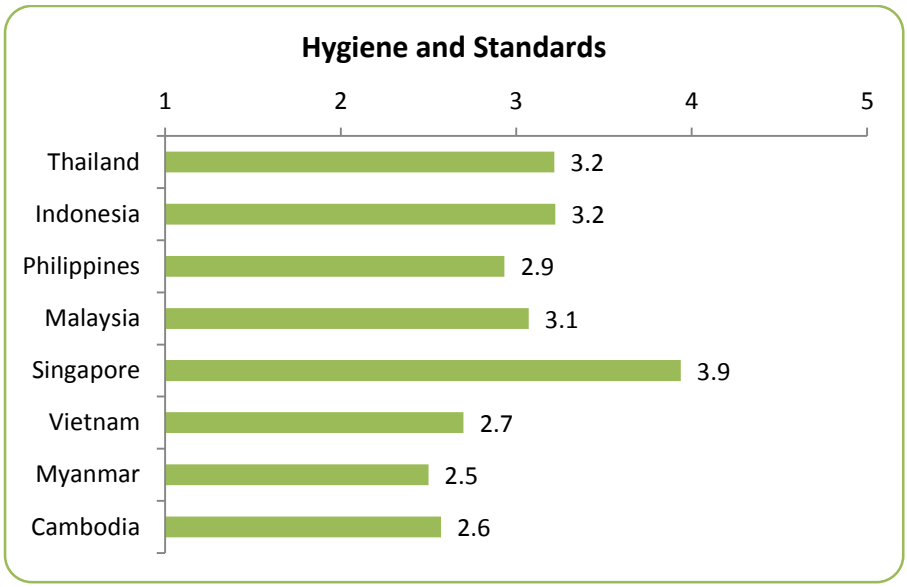
For each country the respondents were asked to rank the factors from 1 (Poor) to 5 (excellent). As this part of the questionnaire was optional, the response rates for the question was only about 20%. As such the results of this section should be at best considered preliminary. The results should highlight areas of attention and/or investment for countries.

D2. VALUE FOR MONEY



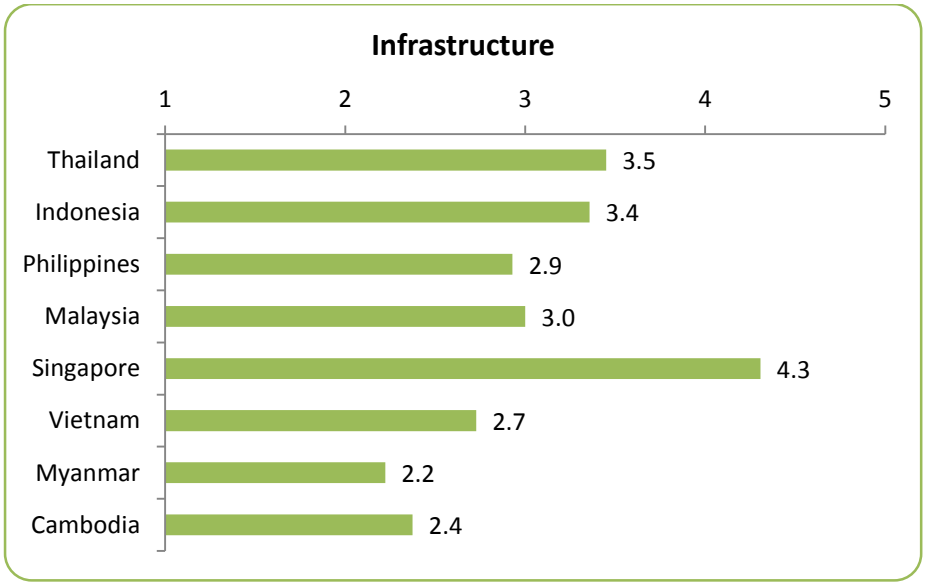
As can be seen from the chart above, Thailand is perceived to offer the best value for money by some margin, followed by Indonesia, Singapore and Vietnam.

D3. HYGIENE AND STANDARDS



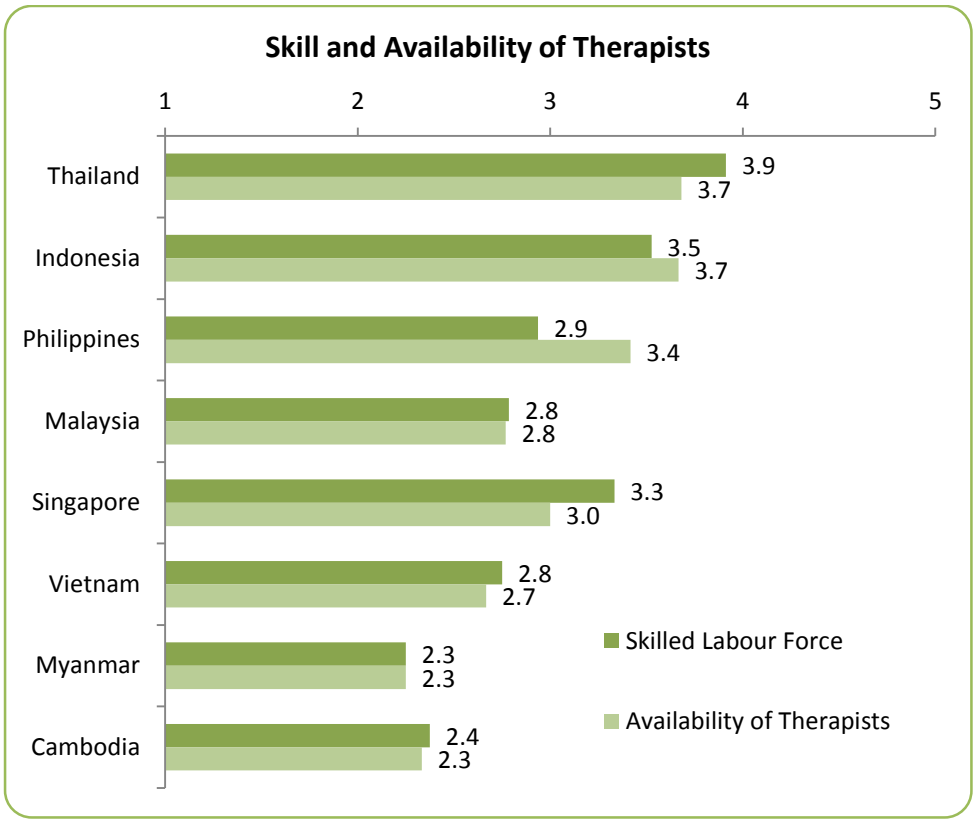
In terms of Hygiene and standards, the respondents noted that the Singapore had the highest level followed some way behind by Thailand, Indonesia and Malaysia. Other countries were perceived to be lagging behind.

D4. INFRASTRUCTURE



In terms of Infrastructure, as expected Singapore was ranked quite high in infrastructure development. There was a significant difference between the level of infrastructure development between Singapore and other countries. Thailand and Indonesia were almost rated the same in terms of their infrastructure development.

D5. THERAPISTS

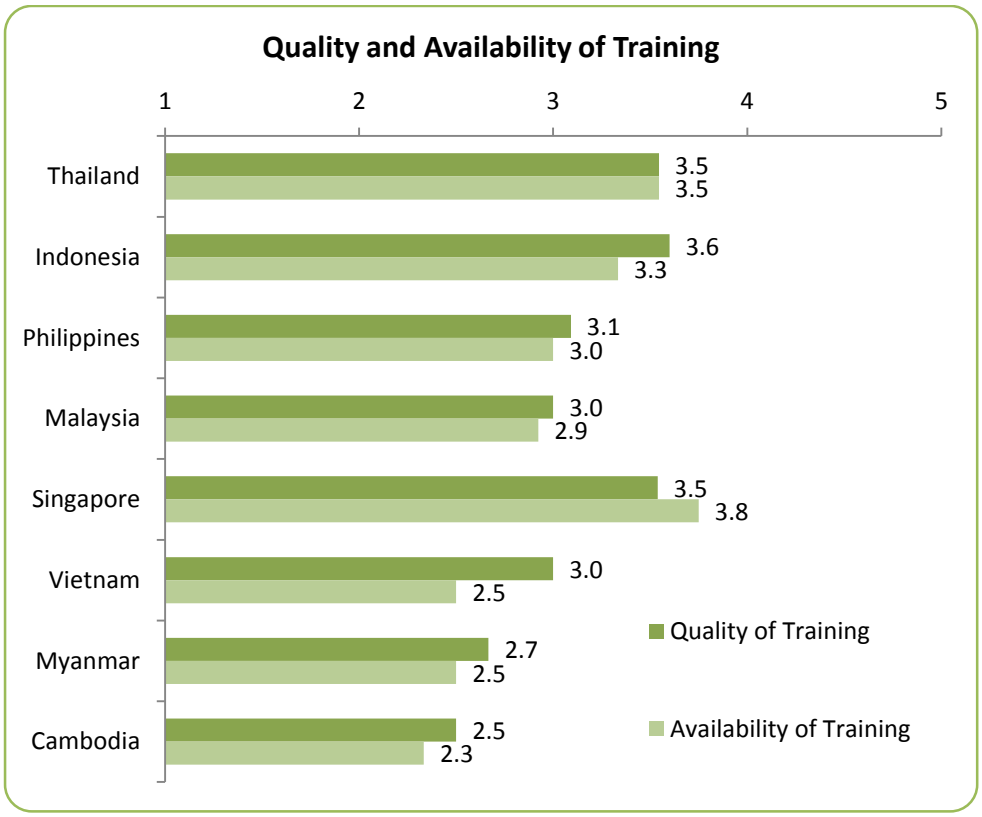


In terms of skilled labour force or therapists, the respondents indicated that compared to other countries Thailand has a higher skilled therapists/labour force. Indonesia and Singapore were rated second and third respectively. Skill level of therapists for the other ASEAN countries were rated to significantly lower than these three countries.

As to the availability of therapists, it was perceived by the respondents that availability was highest in Thailand and Indonesia, followed by Singapore. Availability in other countries were significantly lower than these 3 countries.

As can be seen from the chart above there is a perceived shortage of "skilled" therapists in Singapore and Thailand.

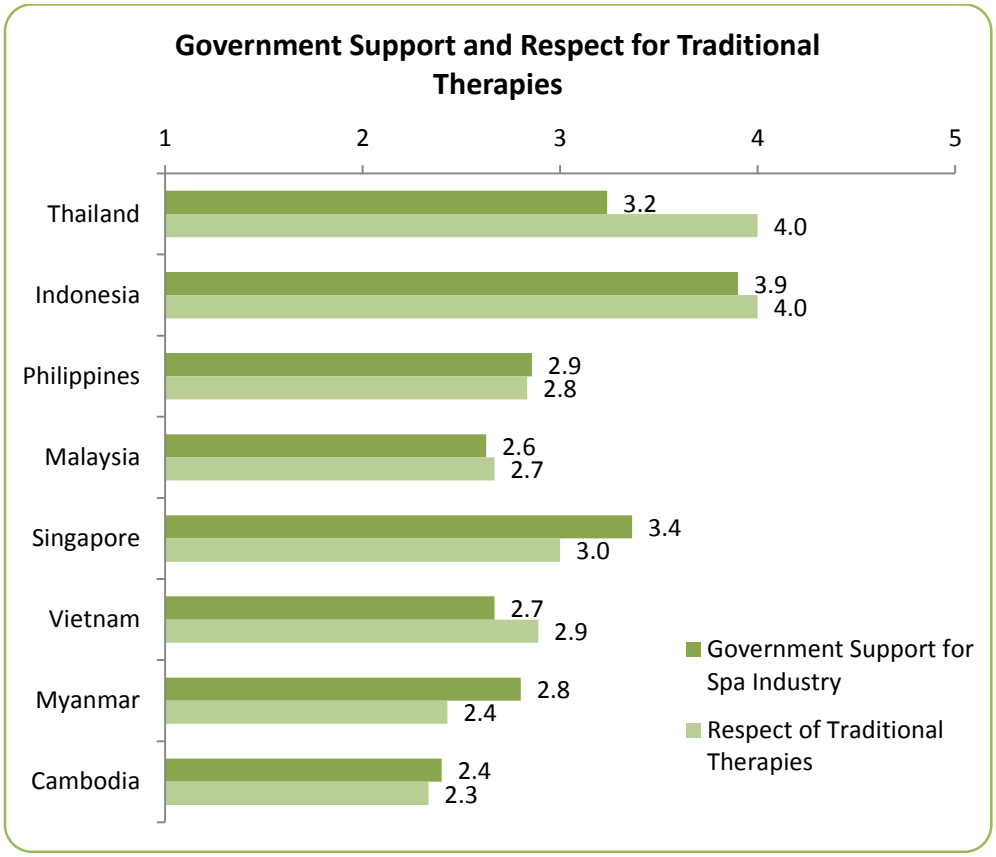
D6. TRAINING



In terms of the quality of training that can be provided to the Therapists, it was perceived by the respondents that Indonesia had a slightly better quality of training than Thailand and Singapore, with other countries lagging behind.

As to the availability of training, it was perceived that Singapore has better availability of trainings for therapists. Rated second and third were Thailand and Indonesia, with other countries lagging behind.

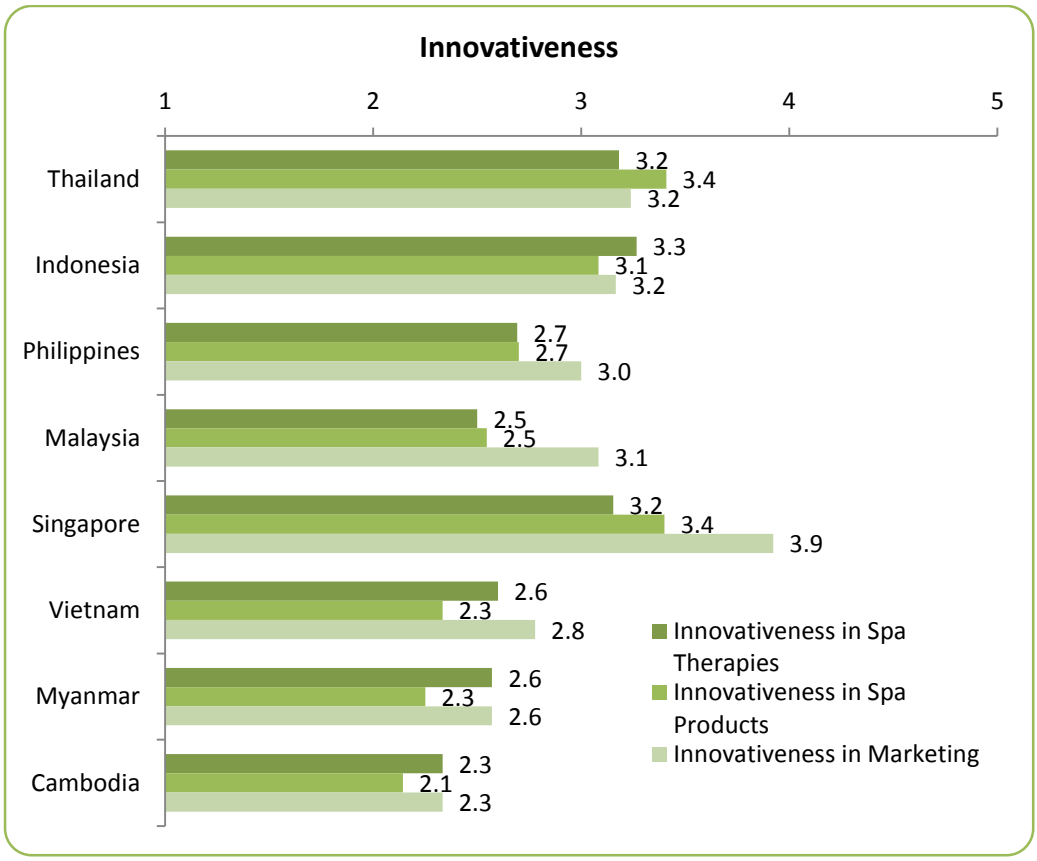
D7. GOVERNMENT SUPPORT AND RESPECT FOR TRADITIONAL THERAPIES



Indonesia, Singapore and Thailand, in that order, were perceived by the respondents to have the higher government support for the spa industry. It was though perceived that that Indonesia has significantly higher government support than Singapore and Thailand.

In terms of respect for traditional therapies, it was perceived by the respondents that spas in Indonesia and Thailand perform better (show greater respect to traditional therapies), whereas all other countries (including Singapore) were rated low.

D8. INNOVATIVENESS



As far as Innovativeness in Spa Therapies is concerned, Indonesia, Thailand and Singapore were rated to be better than the other countries. Indonesia was rated slightly higher than Thailand and Singapore, who were both rated the same.

In terms of innovativeness in Spa Products, Singapore and Thailand were rated the similarly and were the top 2 countries. Indonesia was rated third, with other countries being rated as significantly lower.

As to innovativeness in marketing, Singapore was rated significantly higher than other countries in the region. In the second place were a cluster of countries (Thailand, Indonesia, Malaysia and Philippines) which were rated similarly.

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