

What Memberships mean to a Successful Spa



Increase Spa Profits, Drive Revenue in other
Departments and Fund Spa Programs.

By Chris Pulito, General Manager at Mirbeau Inn and Spa

Can all Spa Types have Members?

Membership Type Spa Type	Treatments Only (Series)	Treatments, Activities and Discounts (Retail, F&B and Workshops)	Treatment, Discounts and Health & Wellness (Spa and Fitness Facility Use)	Full Club Memberships (Spa, Fitness & Golf/Tennis Use)
Day Spa	★	★		
Hotel Spa	★	★	★	
Resort Spa	★	★	★	★
Destination Spa	★	★	★	★
Medical Spa	★	★		

Traditional Membership Activities

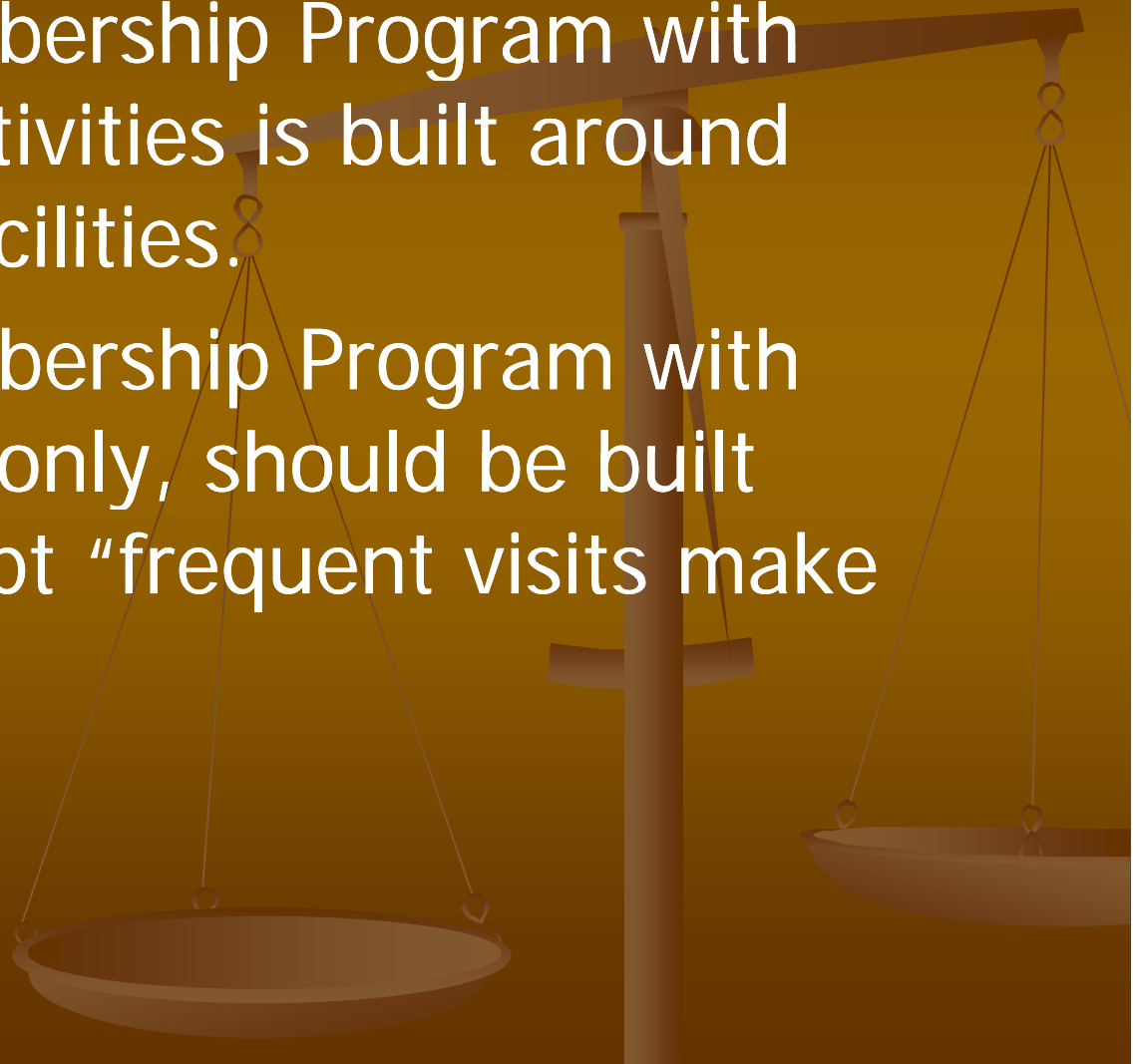


Spa Membership Activities




How Can I add Spa Memberships?

- Creating a Membership Program with “Traditional” Activities is built around activities and facilities.
- Creating a Membership Program with “Spa” Activities only, should be built around a concept “frequent visits make you feel good”.



How do we sell feeling good more often?

- Rule 1-Do not compete with “Gyms”, “Country Clubs” and “Community Centers”.
 - Rule 2-Focus the Membership around Guest Service, Protected Environments, Mind, Body and Spirit Health.
 - Rule 3-Get your members involved, the more they feel part of the Spa the more they spend.
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Spa Membership Pros & Cons

Pros

- Additional Revenue
- Little new Payroll required
- Few Additional Expenses
- Year Round Traffic in the Spa
- Treatment, Retail and Food & Beverage Sales
- Funding to enhance additional Spa Programming

Potential Cons

- Limited Locker Room Facilities
- Over Crowded Classes
- Fitness Equipment Space
- Personality Conflicts with the Spa Treatment guests.



Examine the Pros



- Membership Dues flow through at 85-90% to the bottom line.
- Spa fixed payroll typically doesn't increase
- Minimal variable expenses; they include utilities, amenity consumption, laundry and marketing.
- Year-round members provide life and energy in the spa.
- Captive audience to promote need periods at other revenues centers within the facility.
- Programs can be created or expanded that both members and spa guests can enjoy and find "extra perceived value" from. (Wellness Classes, Workshops, Seminars, Demos and Events)

Combat the Cons



- Limited Locker Room Facilities
- Over Crowded Classes
- Limited Fitness Equipment Space
- Conflicts with the Spa Treatments guests.

Solution:

Offer a variety of access levels, sell a limited number of membership, offer special promotions and pricing to steer members to non-peak times.

Apply Yield Management



- Use pricing to steer members towards the time of day and days of the week that fill your “need” or slow periods.

Examples:

1. Spa Nights Memberships-25% off all services after 6PM for resorts
2. Spa Days Memberships 25% off all services Mon.-Fri. 8AM to 4PM for City Hotels.

Effective Communications



- Monthly E-newsletters with useful information, member recognition awards, special events, activity schedules and targeted specials for down times.
- Social Media
- Central member information display
- Member log in to increase member interaction with spa desk and track usage.

Recruiting vs. Advertising



- Host dual purpose events that are both a New Member Open House and Current Member Appreciation.
- Offer Referral Incentives for all current members to bring new members to the Spa.
- Sell your facility as a unique place, a SPA, that provides an overall Mind, Body and Spirit experience.
- Recruit at events that focus on your key demographic. Give away a Membership at a high profile Triathlon or a local charity to create a buzz.
- Word of mouth will sell 10 x more memberships than any ad ever will. Treat your members well and they will Recruit and Advertise for you!

Putting it all together...

- 100 memberships at \$1000 per year will produce \$85,000 - \$90,000 in profit.
- It would take on average:
 - \$170,000 - \$180,000 in retail sales @ 50%
 - \$300,000 in treatment sales @ 28%
 - \$450,000 in F & B Sales @ 20%

Memberships play a key role in increasing spa profits and feeding revenue for the entire facility!

Thank You

Questions?

