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The 'Mrs. Sporty' Style

VALERIE BÖNSTRÖM, L.,
AND STEFFI GRAF HAVE
FASHIONED EUROPE'S
MOST SUCCESSFUL
WOMEN-ONLY FRANCHISE

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The Mrs.Sporty triumvirate:
Valerie, L., and Niclas Bönström
and Steffi Graf



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A sophisticated business model fashioned by a high-powered partnership has, in less than 10 years, transformed Mrs.Sporty, with more than 555 units, into Europe's largest women-only fitness franchise. The brand boasts small, chic spaces, user-friendly circuits, advanced training and nutrition programs, and best-practice operating systems. Credits: Valerie and Niclas Bönström, tennis legend Steffi Graf, and private-equity wunderkind Mark Mastrov.

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Europe's largest fitness trade show

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A post-grad course in fitness testing

a blissful business

By Julie King





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espite a persistently sluggish economy, or, perhaps, because of it, the spa business is growing, as ultra-stressed individuals appreciate the value of the peace and pleasure that spas offer.

According to the International Spa Association (ISPA), in 2011, there were 19,850 spas in the United States (including 15,650 day-spas), with 156 million visits and revenues of \$13.4 billion. Although the number of spas had dropped very slightly (0.4%) from 2010, visits were up 4.1%, and revenue climbed 4.5%.

“The spa industry is growing at a healthy rate in revenues and visits, and overall confidence remains high, as the industry outpaces economic growth,” says Lynne McNees, the president of ISPA, which represents health and wellness facilities and spa providers in more than 70 countries.

ISPA reports that the No. 1 reason for spa visits is stress-reduction. In addition to the need to ease the demands of day-to-day life, consumers may flock to spas to learn more about the benefits of balanced living, stress management, and self-care. And, as aging seniors and baby boomers seek a higher quality of life, they’re more inclined to direct some of their disposable income toward spa treatments.

Health clubs that already offer day spas are capitalizing on such services as a perfect complement to exercise that encourages broader wellness. Those that seek to grow their businesses by expanding their offerings may be wise to consider adding a spa. →

**GOOD ECONOMY OR BAD,
SPAS MAKE SENSE,
SAYS ANNBETH
ESCHBACH, FOUNDER
OF THE SUCCESSFUL
EXHALE SPA CHAIN**

EXPANDING THE CONCEPT



**Annbeth
Eschbach**

At the forefront of spa success is Annbeth Eschbach, a past president of the IHRSA board of directors (1999), and the founder, president, and CEO of Exhale Enterprises, Inc., based in New York City. This popular lifestyle brand has 20 properties—in Atlanta, Atlantic City, Boston, Chicago, Dallas, Los Angeles, Miami, New York City, and Stamford, Connecticut, as well as in the Turks and Caicos Islands in the Caribbean. At these locations, 1,600 associates serve clients by administering numerous proprietary treatments and programs.

A 20-year veteran of the health club and spa industries, Eschbach spent 12 years at Wellbridge (formerly Club Sports International, Inc.), where she managed marketing and branding, and directed the company's spa division. Before that, she was the president and CEO of the Cardio Fitness Centers, a chain of six executive fitness centers and four corporate fitness facilities in New York and Chicago.

Recognizing a need for “urban spas” to serve busy working women, Eschbach founded exhale in 2002 as a way to combine fitness, healing, and relaxation within a spa setting.

“We wanted to take the destination spa experience and bring it into urban markets to make it accessible and sustainable,” she explains. “We believed that there was a demand for a boutique experience that integrated multiple authentic disciplines under one roof to help guests improve their inner and

outer well-being, and we birthed a brand to fill the void for this experience.”

Clearly, Eschbach was on target. Today, exhale is credited with helping to move the spa concept away from its traditional beauty and pampering orientation toward a more holistic approach of transformation and healing. Here, she shares her insights for club professionals who are currently operating, or considering opening, a day spa.

EXHALE'S BEST PRACTICES

Not surprisingly, a spa's environment and the customer experience it offers are critical to its success, as users expect a soothing sanctuary. For clubs, that means locating the spa away from the noisy group-ex studio or childcare center, and being conscious of every aesthetic detail.

“Spas require a dedicated venue with their own energy, with close attention to temperature, sound, light, music, cleanliness, and smell,” Eschbach says.

In addition, ongoing staff education, training, and conscientiousness are paramount to ensure that employees can offer exceptional customer service and consistent quality. Given the competitiveness of the marketplace, a memorable guest experience is the difference between fostering regulars and referrals, and declining traffic.

It's also important for clubs to modify the spa services they offer to provide members with a wider range of choices that are flexible, easily accessible, and able to accommodate their smaller budgets and limited time. “Some 83% of spas have made changes to their business operations in response to economic conditions—including introducing more programs and shorter treatments, such as a 30-minute facial or massage,” points out McNees.

Clubs must also be diligent, and run their spas using established business systems and programs, keeping a critical eye on the cost-per-therapy to maximize profitability. They should also avoid the temptation to rely on popular therapists and estheticians to fill the appointment calendar, Eschbach warns.

“The business must be independent of star technicians, as any spa that's formed around a key talent is going to be volatile and unable to respond as demand changes,” she says.

In addition, ongoing marketing and promotions are key to stimulating the growth of the business. This includes targeted outreach to members and



Lynne McNees



**Acupuncture: A
medical spa service**

the community, reward and referral programs, special events (such as a Girls' Night Out sampling party), gift card specials, partnerships with corporations or local businesses, and packages that bundle several health club offerings.

"PR, referral, outreach, and crossover all drive the topline," says Eschbach. "It's nothing more mystical than hard work and dedication."

Finally, it's clear that an established online presence is essential in today's marketplace, and exhale offers an app to enable customers to book a service or purchase gift cards from their smartphones.

"The 2012 ISPA U.S. Spa Industry Study

shows that almost all spas (93%) have their own Website, and their use of social media has increased from 81% in 2011 to 88% today," notes McNees. "The use of social media is the new normal, and not utilizing it is simply not an option."

WHAT'S HOT, WHAT'S NOT

As the industry evolves and people's lives change, the popularity of specific treatments and styles tends to shift, as well. According to Eschbach, with a tighter economy, the demand for über-luxury, extravagant pampering, and five-star pricing has waned; and ISPA notes that many spas are keeping prices steady to maintain their ability to attract and retain clients.

In greater demand, today, are wellness-oriented services, such as massage, which is the most popular treatment, and includes Swedish, deep-tissue, reflexology, shiatsu, craniosacral, sports, and four-handed versions, among others.

In addition, because looking better can translate to feeling better, skincare treatments have devoted fans, as well. New this year at exhale is the Illuminate Facial, which is designed to instantly smooth, brighten, and purify skin, using a self-warming, honey-based cleanser, followed by a rosemary mud masque that contains algae from the North Atlantic to optimize moisture. The procedure concludes with a citric-acid masque that's activated into aerated "effervescence and fizzing" with a copper mist to exfoliate the skin.

Other options designed to help restore clients' bodies include acupuncture, Thai stretching therapy (which exhale describes as a blend of yoga and massage), juice cleanses, and healthy living resources on topics such as mindful eating, and mind-and-body balance. Alternative healing treatments such as Reiki, cupping, and vibrational therapy can also contribute to improved well-being.

Massages, facials, manicures, and pedicures will continue to be mainstays at spas, along with the peace, quiet, and solitude they offer. But given a culture of constant digital communication and heavy screen time, spas are now experiencing an increased demand for more face-to-face connection via social events, such as spa parties, communal rituals and services, and retreats.

exhale conducts periodic multi-day retreats, and provides Hammam Detox Therapy, a revitalizing body scrub, inside a coed hammam—a Turkish steam bath. It rounds out traditional offerings with a variety of yoga and signature Core Fusion classes, and with nutrition and wellness coaching. →

"The spa industry is growing at a healthy rate in revenues and visits, and overall confidence remains high."

A Blissful Business



A therapy room in one of the 20 exhale facilities

ISPA also notes that, these days, spa-goers are increasingly focused on results. They're choosing treatments based on their success in experiencing a physical or emotional change. "Results-oriented products and services are eternally popular because individuals are able to quickly see the value in their investment," observes McNees.

Skincare brands utilized by spas that are unique and particularly effective, Eschbach says, include Innovative Skincare, a clinical line that blends botanical pharmacology, molecular biology, biochemistry, and medicine; Actifirm, which is built on research, organic ingredients, and sustainable development and trade practices; and Sircuit Cosmeceuticals, which specializes in chemical-free, cruelty-free products.

Spas have the potential to sell other items, as well. At exhale, where retail space generates revenues of as much as \$1,500 per square foot, patrons can buy skincare products, branded apparel, gifts such as candles and eye pillows, and Core Fusion workout DVDs.

Recreating the spa experience at home is becoming more popular, and McNees recommends that spas provide a selection of related items for purchase. According to the *2012 ISPA U.S. Spa Industry Study*, skincare products make up 56% of products sold in retail space in spas, followed by haircare products and cosmetics.

A BRIGHT FUTURE

Despite ongoing economic challenges, exhale has continued to grow because of its emphasis on providing transformational, meaningful experiences to its clients, as a lifestyle brand.

"We not only survived the downturn. We doubled our unit count, our traffic was up 20% with no added marketing expense, and our comp sales were up over 10%," reports Eschbach. "We attribute this to our unique business model, diversified revenue streams, and the powerful engine of the mind-body segment of our business."

Going forward, exhale will continue its global unit growth, offer brand licensing, and continue its robust Core Fusion teacher training, says Eschbach.

The "business of bliss" presents valuable opportunities for health clubs, as the number of day spas in the U.S. has held steady over the last five years. "Moreover, as the economy improves, I predict that we'll see a slight increase in the number of day spas opening," McNees concludes. —

—Julie King, Julie.King.1@comcast.net

These days, spa services aren't just for spas anymore. More clubs are adding spa-related amenities to differentiate themselves from the competition as they help their members relax, refresh, and rejuvenate. These IHRSA associate members, who offer high-quality products, can help.

HYDROMASSAGE

For more than 24 years, HydroMassage beds have been trusted by doctors and industry leaders to provide a convenient way for individuals to enjoy the benefits of massage therapy every day, without the hassles of hiring or managing a therapist. Members receive one 5–15-minute massage per day, and most clubs charge an additional \$10–\$20 per month for HydroMassage packages. The facilities with the best adoption rates typically set up HydroMassage Zones, which include two or more beds in a semiprivate room with a spa décor.

Contact: 800-786-1930, HydroMassage.com.
Please see our ad on page 23. —



SALSBURY INDUSTRIES

Constructed of half-inch-thick, high-density polyethylene (HDPE), Salsbury Industries' water-resistant, heavy-duty plastic lockers combine strength and durability, and are ideal for pool areas, spas, and schools, as well as for any other area with high humidity. In business since 1936, Salsbury Industries is an industry leader in the manufacturing and distribution of quality lockers and storage solutions. Most items are in stock and ship quickly—within 24 hours of receipt of a customer's order.

Contact: 800-562-5377, lockers.com.
Please see our ad on page 84. —

PC TAN



Club members interested in tanning want more than just great color—they want an escape. Savvy facilities provide their guests with the ultimate tanning experience by proudly offering them innovative tanning equipment by uwe, such as the SilverBullet SE. From its stylish illumination and to its luxurious extras—e.g., air conditioning and a refreshing Misty Breeze—the SilverBullet SE sets one business apart from all others.

Contact: 800-327-8826, pctan.com. Please see our ad on page 72. —



A-1 TEXTILES & HOSPITALITY PRODUCTS, INC.

A-1 Textiles offers the complete line of Golden Mills towels that are manufactured to withstand the constant washing, bleaching, and over-drying that occur in health clubs, while remaining soft, white, and absorbent for the end-user. Customers can choose from seven different levels of quality and price; and products can be shipped quickly and easily from six shipping points nationwide. Samples are available from the knowledgeable staff at this women-owned business that's been certified by the Women's Business Enterprise National Council (WBENC).

Contact: 800-351-1819, a1athletictowels.com. Please see our ad on page 84. —

PETRA HYGIENIC SYSTEMS

Petra Hygienic Systems is celebrating its 25th anniversary, and to help make 2013 even more eventful, the company is introducing a brand-new line of bodycare products. Featuring colors and fragrances inspired by nature, Petra's Oceania line of products is contemporary in both appearance and ingredients. The conditioning properties of Oceania shampoo and body wash are equal to those of spa products; and the new Oceania hair conditioner and skin moisturizer replenish essential elements lost through workouts and daily environmental stress.

Contact: 800-463-2516, petrasoap.com. Please see our ad on page 74. —



CÉLARE BY DIGILOCK



Célare provides health and fitness facilities with new personal-storage options for their locker rooms. Offering modern design and greater security, Célare lockers feature glazed-enamel steel doors or

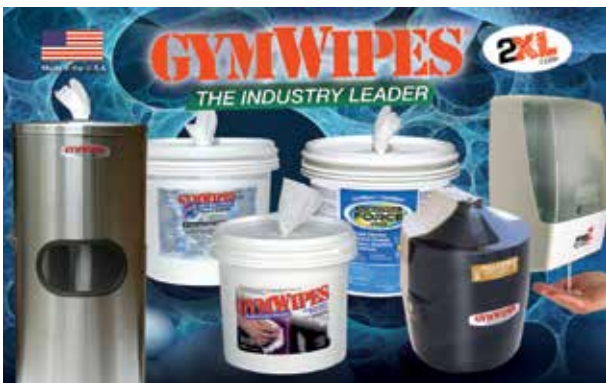
tempered glass doors, with Euro soft-close hinges, on oversized, fully ventilated locker bodies. The lockers are available in heights of one to six tiers within a single frame, and in single, double, and triple widths. The materials used in Célare lockers are green, sustainable, durable, and 100% recyclable. Célare lockers are secured by Digilock, a leader in electronic lock solutions.

Contact: 800-989-0201, celare.com. Please see our ad on page 83. —

READY CARE INDUSTRIES

Pure Fiji fosters healthy bodies and healthy skin with its hydrating body lotion. Made from nourishing blends of exotic nut extracts blended with fresh coconut milk, it rapidly hydrates, nourishes, and protects the skin upon contact. This excellent lotion has a complete bionetwork of essential nutrients and vitamins that meet the skin's daily requirements, adding vitality and softness. Pure Fiji's hydrating body lotion is suitable for all skin types.

Contact: 800-477-4283, purefiji.com. Please see our ad on page 60. —



GYMWIPES FROM 2XL CORPORATION

The GymWipes product line is the original, specially formulated, industry-compliant solution to safely remove sweat, grime, and germs from fitness equipment and other high-usage surfaces. Economical, ecofriendly, and non-toxic, GymWipes' disinfecting and sanitizing formulas are antimicrobial, bactericidal, virucidal, and fungicidal, and EPA-registered. They protect against more than 50 pathogens, including the flu, HIV, and CA-MRSA. The fresh-scent formulas contain no phenol, alcohol, or bleach. Made in the U.S., these products are equipment-manufacturer tested and approved. A variety of dispensing accessories are available.

Contact: 888-977-3726, gymwipes.com. Please see our ad on page 74. —