

Spa Spotlight

Quarterly Contempo Spa Stats and Success Stories

Arizona

Montana

Florida

Former Struggling "Spa" on the Road to Success

AZ0020:

Arrowhead Ranch

The Situation: AZ0020's landlord was about to close the location, but **Arizona Area Representatives Brad & Sally Olson joined with Franchisees Kevin and Heather Carpenter** to keep the location from closing and help it reach the potential they all knew it had. Formerly a struggling location, **Arrowhead Ranch, AZ** is on its way to becoming a "bell cow" spa in the Arizona market.

The Stats: Right after taking over, the new franchisees realized the spa was being run too much like a tanning salon, even though they did have some spa equipment. The team implemented an aggressive recruiting, hiring and training process of about three months to evolve into a true spa operation.

Their hard work paid off--literally! The team saw the store's **closing percentage rise from the low 20% range in November 2008 to over 80% in January 2009!** Other spa stats:

- Same store sales were **up 27% from January 2008**
- The spa had **over \$30,000 In the Bank (ITB) in January**, a market record for an Arizona spa in January
- For the grand reopening, the store did **95 memberships (Spa EFTs)** for a **\$4,500 increase in January**

At the time of this interview in February, the spa had a goal of a \$20,000 EFT for April, and expected to be on target for that goal. As of this week, they will have met their goal! **Congrats to the team at AZ0020!**

Pictured Below:

AZ0020 - April 2009



The Secrets to their Success: The franchisees added Cloud 9, Whiter Image, and Nutrition to the spa. Although this did require an increase in their initial investment, Brad says they "have a nice profit projected in the next couple of months based on the higher EFT projections."

They also credit a strong **Spa Director, Stephanie Thomas**, who is "a phenomenal sales person" and "a true eagle--which is the overall key to the success of any location."



Newest MT Location Sets Company Presale Record

MT0002: Boseman

The Situation: Franchisees Dawn & Tom Burgess, together with Spa Director Mary Wagner, and the guidance of their Area Representatives Brandon and Julie Price, are off to an amazing start at the newest Contempo Spa in Montana!

The Stats: The end of March marked a milestone in Planet Beach history: a **new location exceeded the \$10,000 benchmark for pre-sale and raised the bar to over \$15,000!** MT0002 finished their first full month open with **over \$17,000 in sales and over 300 members!**

The Secrets to their Success: Spa Director Mary Wagner offers some advice to other teams going through the presale process. What does she credit as keys to their success?

The team of three called everyone in their cell phones the first week of presale. They offered them a special "Friends and Family" test day. Mary says, **"I would say about 80% or more that came in signed up through this method. I asked anyone I ran into those first week weeks to do me a favor and come in so I could practice on them."**



Multi-Unit Franchisee Successfully Converts Tanning Salons to True Contempo Spas

FL0013, 0014 and 0015: Stratford Square, Westgate, and Ocala Corners

The Situation: Wilder Ruffin, a Multi-Unit Franchisee in the Tallahassee/Gainesville, FL area, had two top-performing tanning salons open before Planet Beach made the announcement about the Contempo Spa evolution. When Wilder opened his third store and first Contempo Spa, FL0015 Ocala Corners in Tallahassee, he saw his **average net selling price of a membership increase by \$7** and decided to make the investment to convert his tanning salons to Contempo Spas. This meant a dramatic overhaul of his other two locations and a significant investment, but Wilder states that he is confident the conversion was the right thing to do.

Mary credits a **great crew, the referral program, great role models** through ARs Brandon and Julie Price, and SPC Lauren Hartdegen for MT0002's success.

Mary said her and her team are committed to the spa and have a vested interest in doing well--both for personal and financial fulfillment. She also says, "hire full-time employees! **I have two full-time employees and they sell 10 times more than the part-timers.**" Mary feels the more time the employees spend in the spa, the more knowledgeable they are and the better rapport they have with their members.

Great job to Dawn, Tom, Mary and the rest of the team!

The Stats: In November 2008, FL0013 Stratford Square in Gainesville had an **average EFT of \$38.74**. By this month, **April 2009**, the location's average has **increased to \$48.37**. Wilder says, "I am in effect **getting \$10.00 more out of every person there than I was 4 months ago**. At this rate, my **NET EFT at FL0013 (with between 440 and 475 members) would grow \$5,000 and that is without really even getting any new members.**"

The Secrets to their Success: Wilder says he received a ton of advice from Don Campbell on his path to conversion of his salons. One piece of advice he said that he remembers and that he firmly believes is that "you can't just dip your toe in it. You have to be a spa or not be a spa."

Wilder explains that although some locations might offer UV therapy, Mystic, and one or two other services such as a massage or a Hydration Station, that isn't enough to make a "spa" a spa.

Wilder's location that opened as a Contempo Spa, FL0015 in Tallahassee, initially opened with all levels of UV therapy and a few spa services. Wilder upgraded the equipment at FL0015 because he firmly believes his success is due to the wide variety of options his spas offer their members. The location now has an **average NET EFT of \$50.99, up \$5 from the \$46 it was before he expanded his spa services at FL0015!**

Wilder advises franchisees who are converting to remember the decor: "Just because you paint your walls, get some new equipment, and get a new sign that says you are a spa does not necessarily mean your customers will perceive that you are."

Wilder maximizes the space he has in all his locations to ensure he is providing a wide variety of services--services that would persuade his members to spend the extra \$40/month more. Wilder has some rooms in his spas that offer more than one spa service!

Wilder says it had been a challenge to sell Contempo Spa Passports in a college market, but that the implementation of the student discount in the new membership policy (January 2009) has made that sale much easier. He also has been able to attract a demographic that would otherwise probably not have spent much, if any, money at Planet Beach before.

Although Wilder admits "the hardest part [of converting] is the money, hands down" he says his average selling price per membership, along with the expansion of his target demographic, has reinforced his belief that he made the right decision.