

MEDIA CONTACT:

Maggie Palmer, 503-419-7677

maggie@maggiepalmer.com

FOR IMMEDIATE RELEASE**New Surveys Reveal Relative Strength of Spa Industry—And Top Marketing Strategies Being Embraced for 2009*****Day Spas, including The Dragontree in NW Portland, Outperforming Resort/Hotel Category; Urban Hotel Spas Poised to Lead 'Stay' Spa Industry***

Portland, OR—May 13, 2009—SpaFinder, the leading spa and salon marketing and research company, has released the findings of new surveys designed to illuminate how day and resort/hotel spas are performing in the tough economy—as well as which marketing tactics each sector is focusing on to weather the downturn in 2009.

The findings provide hard evidence that despite the ongoing recession, the industry has proven relatively resilient: a majority of day spas (51%) actually reported revenue gains in 2008 over 2007—and while the resort/hotel category was more impacted (with 54% of resort spas reporting revenue declines in 2008), 46% still reported gains.

The Dragontree has seen a 16.5% increase in gross revenues over 2008 the first quarter of 2009. Briana Borten, owner of The Dragontree, credits the increase to specific marketing tactics. “We are delighted, though not surprised, that we have an increase in clients this year. We have focused our energy on giving the best customer service and quality treatments and it has paid off. Our marketing tactics have become very specific: We create strong lasting relationships with other business and our customers – in this tight economic time, referrals are the best source of new clients.”

The research from SpaFinder also provides the first window into which precise marketing strategies spas are focusing on in 2009, and the findings are clear: the industry will put a significantly increased emphasis on deals/specials and Internet marketing in the year ahead, with traditional advertising (print, TV, and direct marketing) facing significant cuts. Borten agrees with the results of SpaFinder's research adding, “The internet gives people the opportunity to hear a story and get a feeling for a business. Second to direct referrals, this is the best source of finding the clients that want what we have to offer.”

‘The spa industry’s ongoing, aggressive focus on deals has been an extremely savvy move, meeting the demand of stressed consumers who need spas more than ever—but only if the price is right,’ said Susie Ellis, SpaFinder’s president.

Additionally, preliminary '09 data currently being amassed at SpaFinder Research indicates that day spas should continue to outperform resort/hotel spas across 2009—and within the ‘stay’ spa category, urban hotel spas will perform best. Ellis noted, ‘As more consumers forego travel and seek breaks closer to home, the ‘daycation’ has moved from a trendy buzzword to reality. Urban hotel spas will lead the resort spa category, as they’re uniquely poised to attract the ‘day spa’ consumer.’

About The Dragontree Holistic Day Spa:

Portland’s finest day spa offers a variety of services to still the mind and mend the body. The Dragontree is the perfect place to receive massage, facials, Acupuncture, waxing, Ayurvedic counseling, and herbal consultations or to gather with friends and family and receive foot treatments, head, neck, & shoulder massages, and hand treatments. All treatments are tailored to each individual’s specific needs with the intention of creating the space for true healing to occur. The Dragontree, a Holistic Day Spa and The Clearing Cafe is located at 2768 NW Thurman in Portland, OR 97210. For more information on services, products or to book an appointment please visit www.thedragontree.com or call (503) 221-4123

About SpaFinder, Inc.:

The world’s largest spa media, marketing and gifting company, SpaFinder, Inc. connects millions of wellness-focused consumers with thousands of spas worldwide. SpaFinder’s media properties include the award-winning Spafinder.com, the Spa Enthusiast newsletter and the annual worldwide spa directory, Global SpaFinder. Spa Finder Gift Certificates and its new gift division, Salon Wish, offer spa gift certificates and cards that are redeemable at a combined network of over 8,500 spas and salons

worldwide and available at thousands of retail outlets. Founded in 1986, the privately held company is headquartered in Manhattan.

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Additional Info:

SpaFinder's Spa Performance and Strategies in the Economy surveys were conducted with over 500 spas in February 2009 and here are the KEY FINDINGS:

Spas Favor Deals/Specials and Increased Internet Marketing Over Traditional Advertising in 2009

Financial Performance and Staffing Plans:

* 51% of day spas clocked revenue gains in '08 over '07, reporting relatively strong performance across each sales channel (with treatments strongest, followed by gift certificates, and retail). Comparing January 2009 to January 2008, 57% of day spas maintained or increased treatment sales.

* While 54% of resort/hotel spas reported revenue declines in '08, their spa facilities are generating a rippling profit-effect. The significantly largest bloc of respondents reported that guests using the spa spend more in other areas of the resort than non-spa guests—with over half reporting that spa-users now spend more than 15% more than non-spa guests.

* Day spas' strength is reflected in their staffing plans: 60% report they'll maintain staff levels in '09, with roughly 20% reporting they will increase—and 20% cut—personnel. Not surprisingly, resort/hotel spas plan somewhat larger cuts: 55% will stand firm on staff in 2009 and 5% plan increases, but 38% plan cuts.

The Deal Weapon in the Recession:

Day and 'stay' spas strongly concur that deals and value-added discounts represent one of their top two marketing strategies for 2009....

* 66% of day spas plan to increase deals/unique promotions in '09 over '08, with 30% maintaining at the current level, and only 3% planning any decrease. Dedicated 'deals' trump wholesale treatment price decreases: only 14% of day spas plan to decrease treatment prices in 2009.

* Similarly, 76% of resort/hotel spas plan to increase deals/promotions in 2009, with 22% maintaining at the current level, and virtually 0% planning any declines. Resort/hotel operators report that discounts are far and away the #1 way to attract new customers.

Internet Marketing Crucial for Spas in '09:

Day and 'stay' spas further concurred that Internet marketing is poised to make serious gains against traditional advertising this year...

* More than four out of five spas are upping, or standing firm, on their Web marketing spend in '09—while roughly half plan to slash traditional advertising.

* 82% of day spas plan to increase or maintain their online marketing spend (i.e., display ads, listings with industry websites, etc.) in '09, with 42% planning significant increases. But only 12% plan to increase their traditional advertising (print magazines, newspaper or TV), while 47% plan to make cuts.

* Similarly, 83% of resort/hotel spas plan to increase/maintain their online marketing budgets, with 43% planning significant increases—while only 20% plan any increases for traditional advertising, and 44% are planning cuts.

LEARN MORE:

SpaFinder's Spa Performance and Strategies in the Economy surveys provide further data on particular strategies being undertaken by the industry in 2009. To learn more, or speak with SpaFinder president, Susie Ellis, contact: Betsy Isroelit @ RBI, (213) 300-0108, betsy@rbicom.com

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