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Marketing for the Spa Industry

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Introduction

This chapter examines marketing practises and concepts as applied within the spa industry. It uses the traditional 4Ps framework – with a twist. In particular, it looks into the nature of the product, as it evolved from goods to services to experiences. Then it redefines place and its importance for consumer decision making with regards to spa related consumption. It moves on to discuss how promotion is performed today, and its core links to relationship management. Lastly, pricing is reviewed within the context of value creation and consumption, and its dynamic formulation in the experience co-creation process.

Product

Discussing the spa product can be tricky, as it is multifaceted and complex. To better understand it, we can apply the very prolific model of servicescape, which is often used to explain similar service sector industries (e.g. hospitality) (Durna *et al.*, 2015; Hooper *et al.*, 2013). While the model is not free of criticism – customers and employees are not part of the service landscape even though the physical setting is formed by the people who are in this setting and act and interact with it (Bitner, 1992; Daunt and Harris, 2012) – it can still be a useful tool to unpack the complexities of the spa servicescape.

It demonstrates, for instance, that spas as service settings are bound to their physical dimensions (ambient conditions, signs, artifacts, etc.) as well as the intangible dimensions (service design, quality, friendliness, etc.) (Kwon *et al.*, 2015). It

is important therefore, to address both in terms of defining the 'product'. There is a distinct difference between the goods logic and the service logic with regards to product offerings. The goods logic assumes that the company produces goods and the customers generate value from their use. Similarly, as goods are value supporting resources, services are value supporting processes. Both are important within a servicescape, and even more so, within the spa context.

For example, considering the physical space, all tangible aspects of the spa contribute towards developing customers' view of the spa. Ambient conditions such as temperature, colours, lighting, are important in creating the 'image' of the spa. This can be one way of differentiating spas, for instance 'modern and sleek' versus 'calm and traditional' and anything in-between. There are more items that further contribute towards developing the spa image, such as signs, symbols and artefacts. For instance, these can be quite specific to the particular spa, and can include anything from staff uniforms, name badge design and business card logos to the type of china used for serving teas and coffees and the sheets' thread count. Therefore the tangibles are an integral part of the product, as the image, appeal and USP of a spa are highly dependent on those elements for differentiation and a competitive edge.

There is however, one of the tangibles that warrants separate attention, as it is so central to the spa product notion that is often used as a synonym. That is, the products used for different types of treatments. There are myriads of lotions, creams and oils used around the world for performing treatments that range from massages and facials to hay baths, beer baths and bull semen as hair care (Telegraph, 2016). These products are often valued more than any other tangible, for many reasons.

First, these products are a promise of something usually elusive and possibly unattainable. For example, "use this oil for radiant skin" (Figure 10.1) or "use this cream to fight the signs of ageing" (Figure 10. 2), and they promise to do things like make our skin feel "soft, springy, with a healthy looking glow" (Figure 10. 3) and even help us "rediscover emotional equilibrium, calm nerves and give a sense of optimism" (Figure 10. 4). Hence, the actual lotions, creams and oils constitute a critical factor for spa consumption, particularly when consumer decision making is influenced by the promise of the products, so much so as to drive motivation for spa consumptions in the first place.

Further, when these products are branded, they influence directly customer expectations. The brand name and brand identity of these products is used as a standard for predicting the quality of the spa. Some of these products are international powerhouses, with extended visibility and recognition across the globe and across markets. The brand name element is regarded as being of significant importance to consumers within the literature (Barker *et al.*, 2015; de Chernatony and McDonald, 2006; Gázquez-Abad and Martínez-López, 2016; Keller, 2013). According to Fitzsimons *et al.* (2008) the type of brand and consumers' perceptions of the brand can influence their behaviour. The use of a particular product

brand by a spa signifies the level of quality a customer may expect from the spa. Therefore, within the spa context, it is often the use of the branded products that sets customer expectations for the wider spa servicescape, including the quality of the other tangibles.

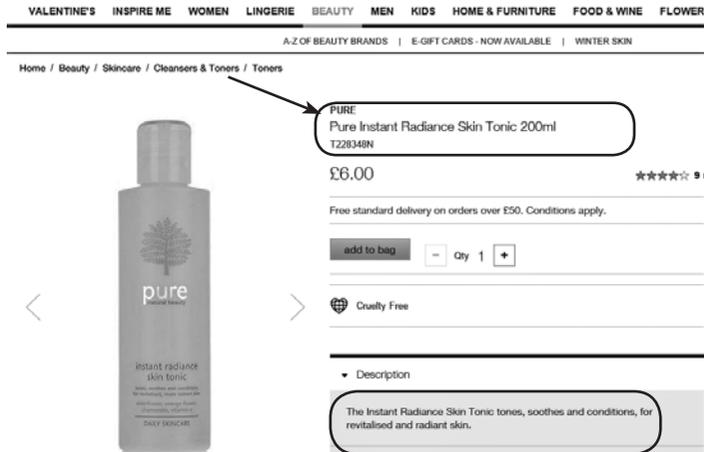


Figure 10. 1: Example of product promises (radiant skin)

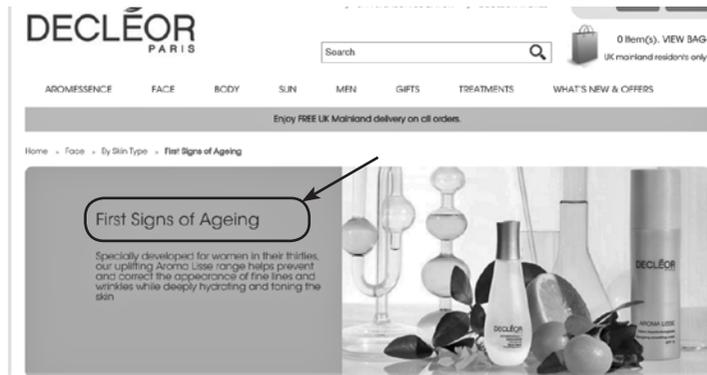


Figure 10. 2: Example of product promises (anti-ageing)

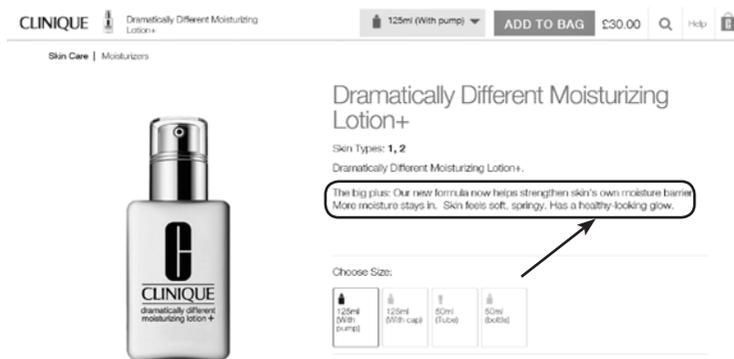


Figure 10. 3: Example of product promises (healthy glow)