



THE 2024 BEAUTY AND WELLNESS BENCHMARK REPORT

SPA EDITION

THE DATA, INSIGHTS, AND GROWTH TRENDS DEFINING THE INDUSTRY

INTRODUCTION

After four years of steadily rising growth, the beauty and wellness industry experienced a modest slowdown in 2023, with overall revenue up just 5%. However, the spa category was a relative bright spot: **spa businesses either kept pace with industry growth or surpassed it.**

But what's next amid current market conditions? How can spas chart a sharper growth trajectory?

The answer is in the data. For the third consecutive year, Zenoti has analyzed performance data from spa businesses across North America to identify trends and compile **the industry's only definitive, up-to-date benchmark data.**

Two of the more notable trends reveal strategies that spas should capitalize on to bolster growth in 2024 and the years to follow:

1. Membership revenue models continue to offer steady growth. In fact, spas that focus on membership sales (more than 30% of total revenue) earn more than non-membership spas. The myriad benefits of memberships are now recognized beyond spas, as membership models are becoming more common throughout beauty and wellness.
2. Spas that expand their outreach with customers via digital touchpoints and encourage their use – online booking and check-in, text messaging, mobile app access – continue to have higher revenue.

By responding to these and other trends, and using benchmark data to understand performance levels, spas can achieve ongoing growth and satisfy a loyal client base.



ABOUT THIS REPORT

The annual Beauty and Wellness Benchmark Report is a selection of relevant, actionable insights – high-level highlights we feel can deliver a great overall benefit to today’s spa owners and managers. As the industry’s technology leader, Zenoti is uniquely positioned to analyze and share this data, and we’re proud to do so.

For Zenoti customers, however, we deliver far deeper data analysis. Zenoti gives each customer comprehensive insight into which of their business areas drive revenue growth most effectively, and which would benefit from adjustments or changes. This consultative approach to performance data and benchmarks – ongoing, customized, interactive – helps Zenoti businesses chart their paths to greatness.

If you’d like an insightful review of how your business metrics compare to 2024 benchmarks, [connect with one of our consultants](#).

WHAT’S INSIDE

Notes from the CEO

Key findings and trends

2023 recap: What drove revenue growth?

2024 industry benchmark and trend data

The spa edition of the 2024 Beauty and Wellness Benchmark Report covers two business segments:

Membership-focused spas

spas with more than 30% of revenue from memberships

Non-membership spas





NOTES FROM THE CEO

What do today's most successful beauty and wellness brands have in common? Access to data.

Business owners and managers with the right data have a distinct edge. Data shows what they do well, where to focus, and which business strategies deliver the greatest impact.

But business data is only powerful when there's something to compare against: industry-wide benchmark data. As the definitive source of industry data – more than 13 years and nearly 30,000 businesses – that's what Zenoti presents with this report, for the third year.

In this industry we're so passionate about, there's a fascinating shift taking place. Data shows that the use of technology, such as automated tasks, AI, and mobile tools, is related to revenue growth. The details reveal ways that brands can thrive like never before, whether you own one center or run a national franchise.

Take a look at the data. See how you compare to businesses like yours and check out the tactics that can make a real difference. As always, I invite your questions and feedback.

Sudheer Koneru
Zenoti CEO and co-founder



SPA KEY FINDINGS AND TRENDS



The average membership-based spa earns far more than a non-membership spa.

As more beauty and wellness businesses turn to membership models (nail salons are a rapid adopter), spas illustrate the financial potential. The average membership-focused spa – more than 30% of revenue from memberships – **earns more than 3 times** the average non-membership spa.



Spas with the highest revenue have high rates of online booking and rebooking.

Spas that earn the most revenue – the top 10% of the industry – **have online booking rates at least 60% higher than average**. Further, they rebook a client within 24 hours of a visit nearly twice as often.



A small revenue strategy had the biggest growth.

Although package sales make up just a sliver of overall spa revenue, there may be a packaging trend in the making. **Package sales revenue at membership spas increased 85%**, indicating the strategy may resonate with spa clients. This coincides with flat retail product sales, at spas and across the larger industry.



Spas are leading the transition to online gift card sales.

Although sales growth of spa gift cards was slight in 2023 – just 2.5% – *online* sales of gift cards jumped, with spas seeing more growth than any other beauty and wellness business category. **Online gift card revenue rose 33%** at membership-based spas and 17% at non-membership spas. Spa clients are clearly responding to offerings available online and via their mobile device.

2023 RECAP: WHAT DROVE REVENUE GROWTH?

In any year and economic climate, it's vital for business owners and managers to know which revenue channels drove the greatest growth – and which faltered. In a comparatively slower year like 2023, that data is even more valuable.

It's no surprise that the **most notable growth area for both spa business segments was membership revenue.**

At membership-based spas, membership collections grew 9% in 2023. That's a sizable gain considering membership revenue already makes up 58% of all membership spa collections.

At non-membership spas, membership revenue rose more substantially, up 26%. It's important to remember, however, that memberships make up only about 2% of overall revenue for this category. The growth might reflect a growing reliance on memberships or an expanded effort to attract more membership revenue.



2023 revenue growth

Overall beauty and wellness industry **5%** ↑



Membership-based spas

8% ↑



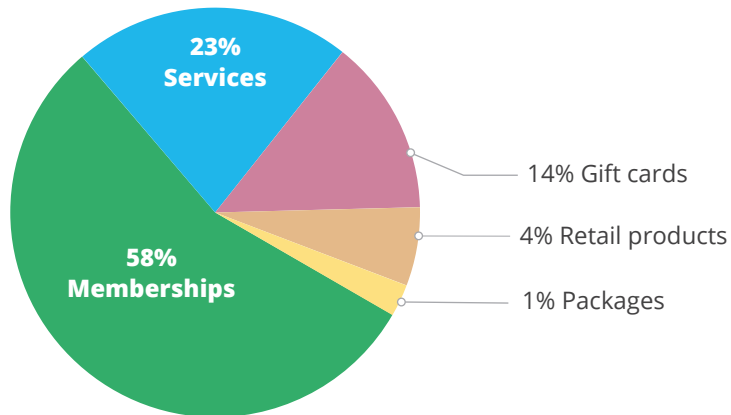
Non-membership spas

6% ↑

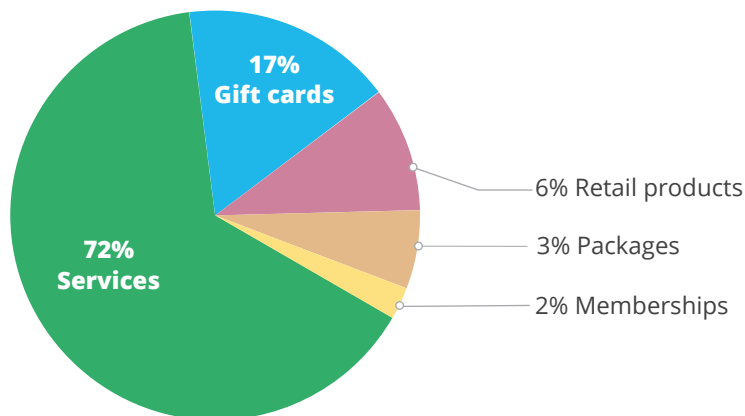
How did spa guests spend their money in 2023?

Membership-based spas

(more than 30% of revenue from memberships)



Non-membership spas



(growth areas in bold)

2024 BENCHMARK DATA

All benchmark metrics featured in this report refer back to the most pivotal business key performance indicator: annual revenue per location.

Using results from that metric, we identify three benchmark levels of performance:

Top earners

The top 10% in revenue collection

High achievers

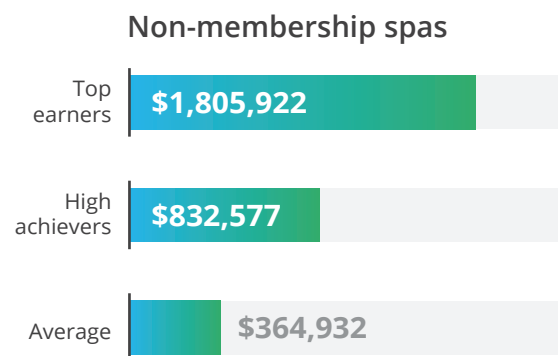
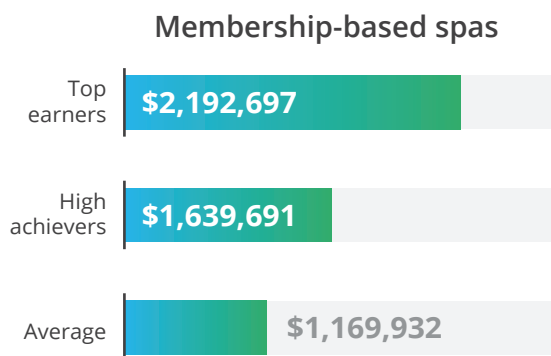
The top 25%

Average

Revenue for the average-earning business

These three designations are referred to throughout the report, allowing for a quick check on how spa businesses at each revenue level perform across other tactical KPIs.

2023 revenue per center





The average membership spa earns **more than 3x the revenue** of the average non-membership spa.

A top-earning membership spa collects **nearly twice the revenue of an average membership spa.**

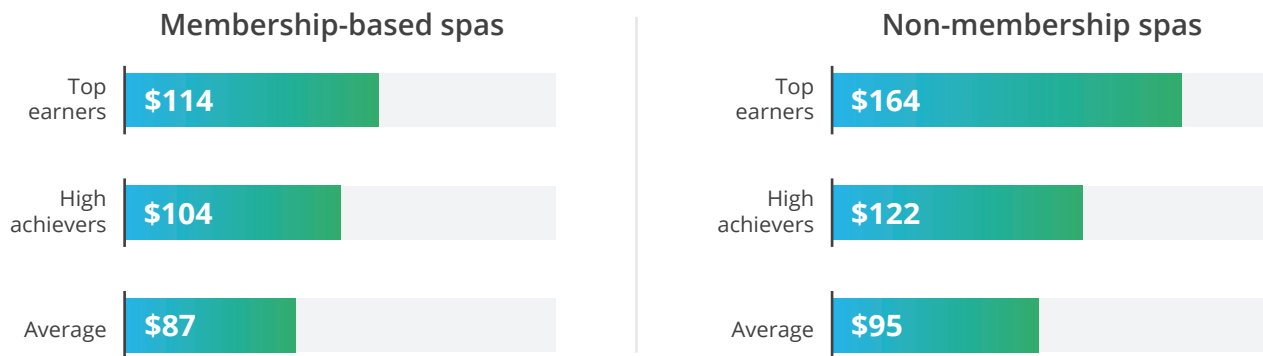
That gap is even wider for non-membership spas, with top earners making **nearly 5x more.**



Average ticket size / guest spend per visit

The average invoice at any business reflects more than just the cost of services. It highlights the ability to create packages, manage pricing skillfully and dynamically, and successfully promote add-ons.

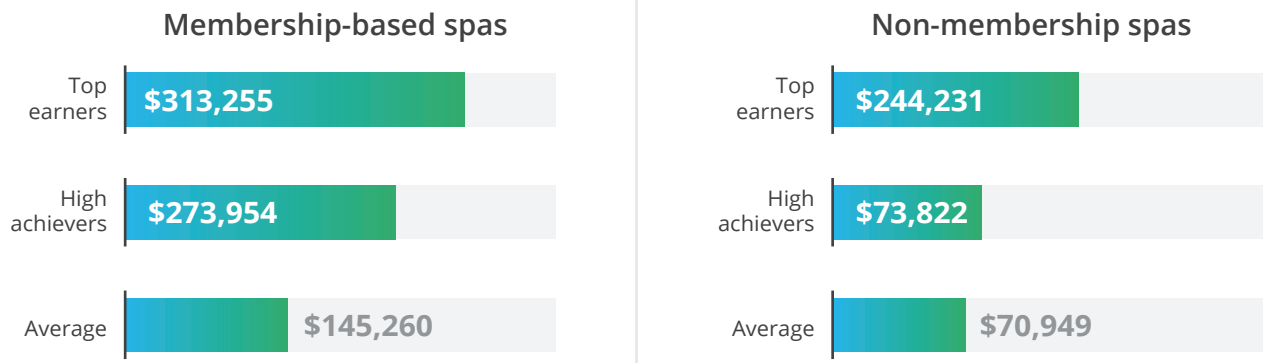
In this case, average ticket size reinforces the value of a membership model. Although non-membership spas have higher average tickets at all benchmarks, membership-based spas earn more annual revenue.



2023 in-person upsell revenue

Service, retail, or gift card sales added to an invoice after guest check-in

At top-performing businesses, upsell revenue can account for a notable percentage of earnings. Successful upselling is about more than just perfecting a “sales” pitch – it shows a team’s ability to connect and engage with their clients and create appealing reasons to purchase more.



Upsells account for 15% of all industry revenue

UPSELL EARNINGS AT SPAS

Membership-based spas:
15% of total revenue

Non-membership spas:
12% of total revenue



2024 TREND: GIFT CARD SALES MOVE ONLINE

Many spa brands are not using gift cards to their full sales potential. Here's why they should.

Data shows that 25% of all beauty and wellness gift cards are redeemed by a new customer. That's up from 21% a year ago, a sign that more people are using gift cards to introduce family and friends to their favorite wellness setting. In addition, research shows that 61% of consumers will spend more than the value of the gift card they've received.

The opportunity to welcome new lifetime clients – at low or no acquisition cost – is a key reason to prioritize gift card sales. Spas recognize this potential: **17% of all non-membership spa revenue is from gift card sales, up from 9% just a year ago.**

But there's an even bigger gift card trend today for spas: **Online sales of gift cards grew substantially in 2023, up 33% at membership-based spas and 17% at non-membership spas.** Without this online shift, overall gift card sales for both segments would have been flat or down.

Online gift card sales



33% growth
at membership spas



17% growth
at non-membership spas

Overall gift card sales



14%
of all membership
spa revenue



17%
of all non-membership
spa revenue

Zenoti extra

What happens when a client starts to order a gift card online, but doesn't complete the purchase? Zenoti software sends them an email or text reminder to finish the transaction. [See how to implement online gift cards at your beauty and wellness business.](#)

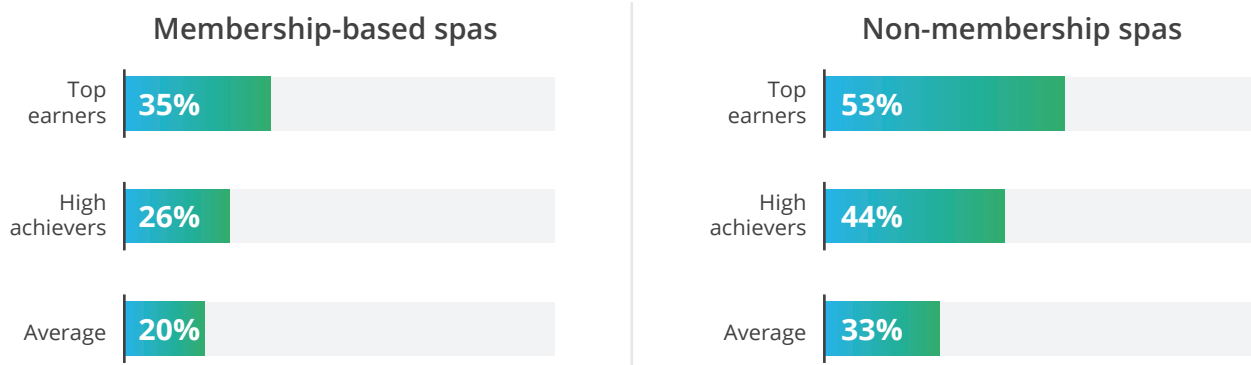


Online booking rate

Percentage of appointments booked by the guest online, via mobile app, or at an in-person kiosk

In a 2023 survey of regular spa clients, 88% said they would like to book their appointments online. Forty-three percent said they're most likely to choose a spa that offers that convenience.

But online booking is more than just a slam-dunk customer preference. As seen in the data, businesses with the highest rates of online booking also earn the most revenue.



Want to improve your online booking rate? Encourage your providers to include online booking links within their own professional social media accounts. Then, the provider can share their account of choice with each new client for booking and, of course, timely rebooking.

2024 TREND: RESERVE WITH GOOGLE A FORCE TO ATTRACT NEW GUESTS

In the competition to gain new clients, beauty and wellness businesses have a powerful tool at their disposal, sitting within the world's most popular website.

With Reserve with Google, clients can book an appointment directly from Google search results – including the Google local finder, a Google business profile, and even Google Maps. This delivers on-the-spot convenience to prospective clients looking for your spa by name, or for the services you provide.

This is now a source of new guest acquisition for spas. At both membership and non-membership spas, about **1 of every 5 Google bookings is from a new client.**

Of greater impact is the new client spend at membership spas: Collections from new-client Google bookings account for 40% of all revenue from Google-booked visits. That's far above the beauty and wellness industry average of 19%.

Revenue from new client visits via Google



Membership spas
40% of all revenue from Google bookings



Non-membership spas
22% of all revenue from Google bookings

New client acquisition via Google



Membership-based spas
19% of all Google bookings



Non-membership spas
20% of all Google bookings

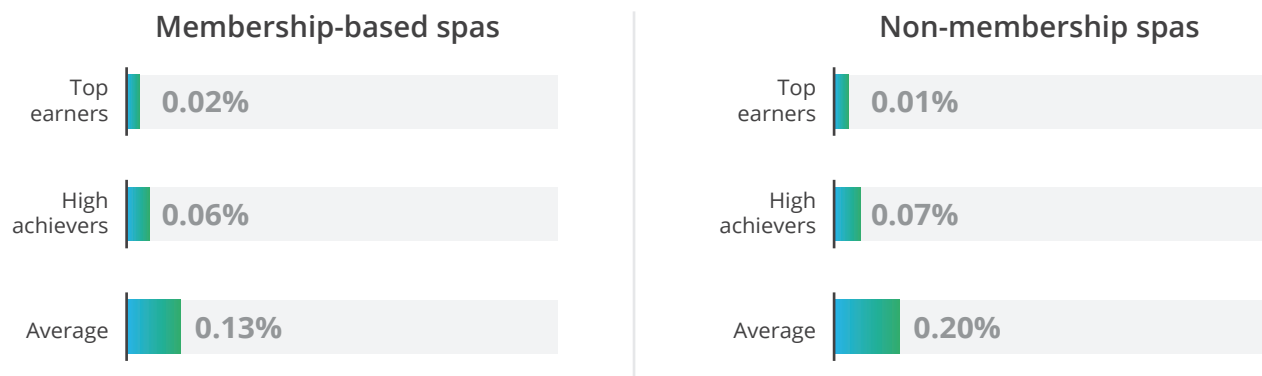
Zenoti extra

Want more potential customers via Google search results? On your website, highlight the service, combination of services, or client approach that you're known for, or that no other spa in your area offers. Create a separate page, blog posts, FAQs... whatever may place more attention on that exclusive offering. When people search for that service, you'll be more likely to surface in search results. [See other ways to master Google for your business.](#)



No-show rate

Every time a client doesn't show up for a booked appointment, both the spa and service provider lose out – not just from an empty room, but from an inability to rebook that slot. Even a seemingly small percentage of no-shows can add up to thousands of dollars in lost revenue and an increasingly disappointed team of providers.



Zenoti extra

There are numerous tactics to drop the frequency of no-shows and late cancellations – and keep it low.

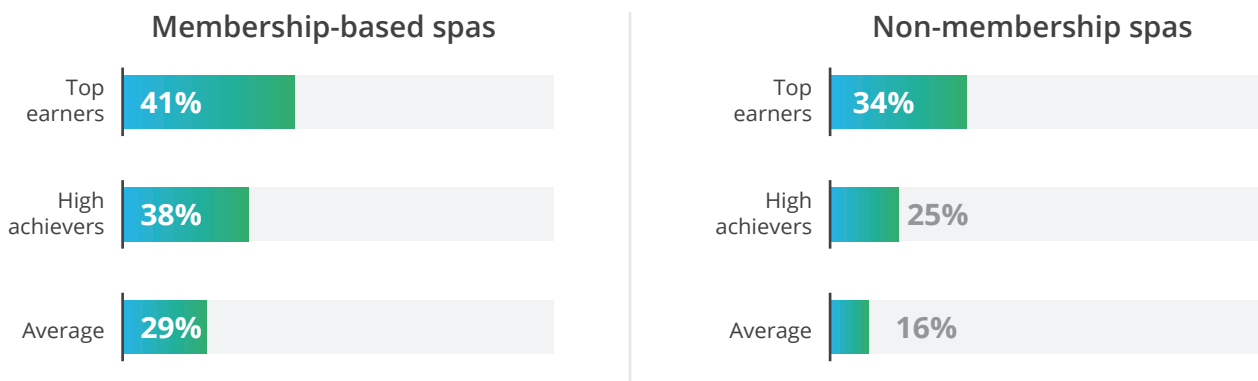
- During the booking process, alert customers to a fee if they cancel late or don't show up, and apply it as necessary. (In some instances, the message alone can act as a deterrent.)
- Utilize technology to manage an automated waitlist. The service alerts clients when there's a cancellation, allowing the open slot to be filled with almost no administrative effort.
- For higher-priced services, require an advance deposit during booking.

Rebooking rate

Percentage of appointments booked within 24 hours of the latest visit

The best way to fill upcoming weeks in your appointment book is to encourage rebooking as soon as possible. That's when a satisfied client has their service fresh in their mind and is looking forward to returning. A high rebooking rate translates to strong client retention.

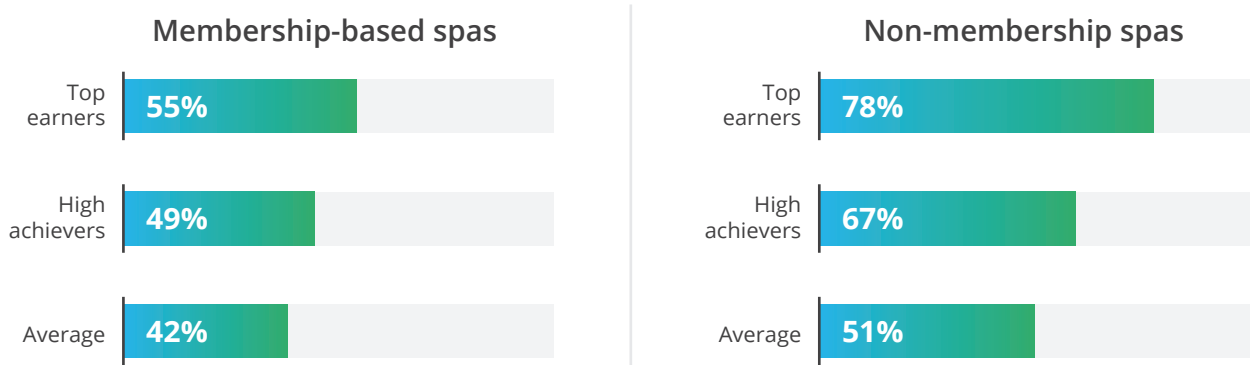
A knowledge of your rebooking rates also helps when forecasting upcoming schedules – and it's no surprise that businesses who rebook best also have high utilization.



Utilization rate

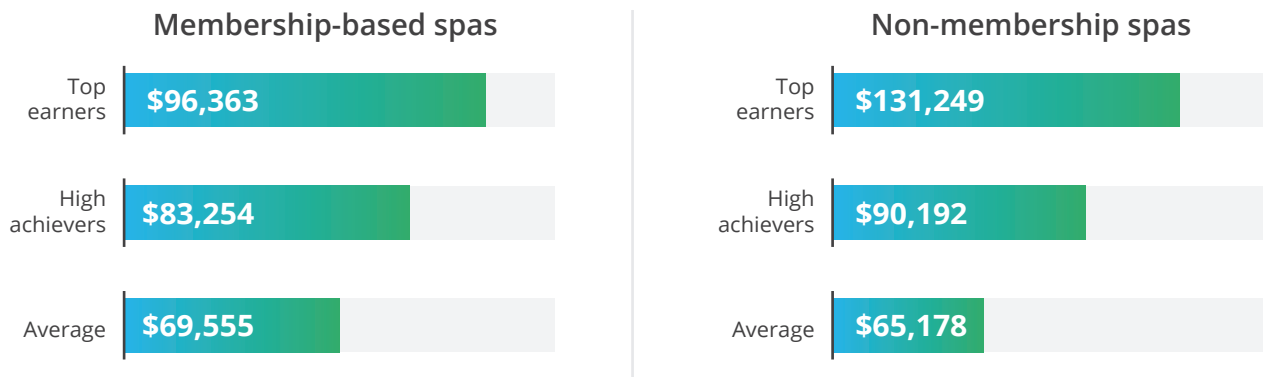
Percentage of available time in which services are delivered

A high rate of utilization is the second major key to revenue growth (the first is maximizing available slots in your schedule; the third is earning the most possible revenue per visit). High utilization is the sure sign of a thriving appointment book: your providers are busy, more clients are receiving service, and there are fewer unfilled slots in your schedule.



2023 revenue per provider

High-earning service providers drive positive outcomes throughout the business: they likely maintain a loyal client base and can command higher service prices; and their consistency helps elevate the overall well-being of the business and brand. Providers who contribute most also tend to be happy, helping maintain high rates of staff retention.



2024 TREND: SPAS SEE SIGNIFICANT GROWTH IN PACKAGES

Membership-based spas



85%

Package sales growth



-1%

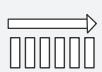
Retail product sales growth

Non-membership spas



9%

Package sales growth



1%

Retail product sales growth

One of the more effective marketing strategies is packaging – creating and recommending a package of goods, building an opportunity to increase revenue with every booking or purchase.

The package can be a service-plus-product pairing that fits together perfectly. Or a service pairing like a massage and facial. It can be a preset series of regular visits, priced at a package rate. Other times, it's a combination of services that delivers a pampering spa day or luxury escape, playing into the psychology of "treating yourself."

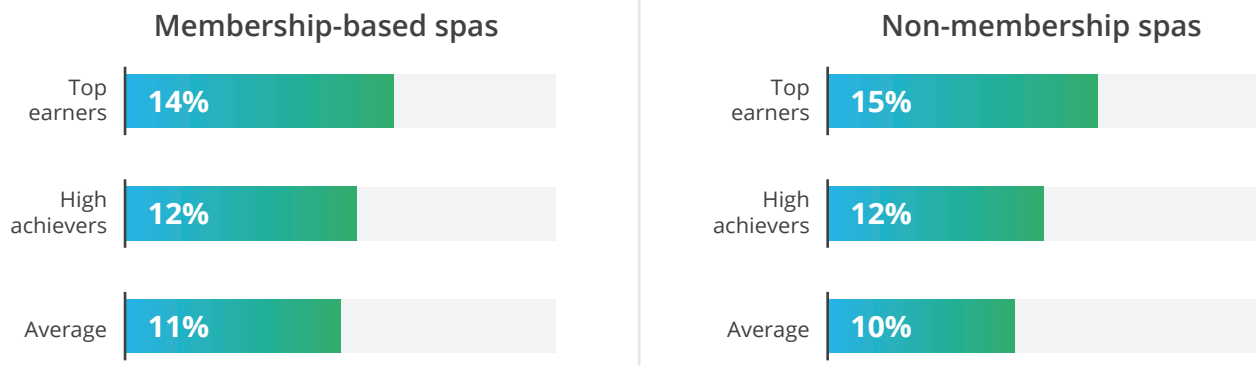
However conventional or innovative the offering, package sales boost customer experience – and the bottom line.

A data trend shows that membership-based spa businesses are jumping on this opportunity. **Although packages currently make up just a small piece of spa revenue, package sales increased 85% at spas in 2023.** That accounts for more than \$20K in sales at each top-performing spa location – and shows a potential for far more.

2023 tip rates

Percentage of transaction amount designated for tips

As with any tipping industry, a high tip percentage confirms a high level of customer satisfaction and can reflect excellent service. The differences in tip rate percentages across the three benchmark levels may not seem significant, but the cash adds up for your providers: the top-earning spas collected between \$119K and \$157K more than average in non-cash tips.



WRAP-UP

It's impossible to predict future economic conditions or spending habits. But industry-level data gives beauty and wellness leaders important insights they can use to help grow their businesses – whether an economy is strong or softening.

Areas of growth abound for spas in 2024 and beyond. The highest-earning businesses capitalize on strategies that a) give customers digital control and convenience, and b) drive revenue in ways that build both client loyalty and provider trust.

From the growth of membership revenue to two notable sources of customer acquisition (gift cards and Google booking), this year's benchmark report reveals opportunities for brands to lean into trends and attract business in unique ways.

Some key recommendations:

- If your spa doesn't place a sharp focus on **membership sales**, consider how the membership model would work best for your brand and customer base. If you're just getting started, look for programs that are digital, automated, and simple for staff and clients to understand.
- Feature **gift cards** year-round, not just during holiday seasons. Take advantage of the online sales trend by selling and promoting gift cards via your online booking and shopping.
- Employ **digital tools** to manage client interactions – and encourage their use. Consumers consistently show a preference for self-service digital access, especially via a mobile app, and the data shows a correlation to higher revenue.
- Look at **Reserve with Google** as a growth avenue. Ensure a "Book online" button is added to information for each of your locations, wherever your spa is featured in Google results.

Finally, continue to look at industry benchmarks to see where you stand, assess your strengths, and address any gaps in your business operations.

Find out how your metrics compare to 2024 benchmark data, and get a customized action plan to help grow your business. [Request a review with a Zenoti consultant.](#)



ABOUT ZENOTI

With the industry's most complete end-to-end software growth platform, [Zenoti](#) helps [nearly 30,000 beauty, wellness, and fitness businesses](#) across 50+ countries find their greatness. The choice of top salons, spas, medical spas, and fitness centers, Zenoti helps ambitious brands grow their business, elevate the [guest experience](#), engage their talented staff, and work more efficiently than ever.

Business [owners](#), [managers](#), and [staff](#) use Zenoti to seamlessly run every aspect of their business, both online and in-person. Zenoti provides a single solution that includes online appointment booking, POS, CRM, employee management and engagement, inventory management, built-in marketing programs, and more. Zenoti is also the force behind the industry's premier live event, [Innergize](#), which hosted more than 600 business leaders and innovators in 2023. For more information, see [zenoti.com](#).

