

LUXURY HOTEL SPAS HIT BY THE RECESSION



Luxury hotel spas had very mixed results in 2009. Nowadays, the trends in the spa industry seem to be very similar to the trends set by U.S. hotels.

In their latest Spa STAR Report, STR revealed that US luxury hotel spas have had a mixed time in recent years. **Last year saw a decline in profits of 4.5% on 2008.** The reason was that many people saw spas as an avoidable luxury in times of crisis.

According to STR, the Average Treatment Rate (ATR) was reported at \$135.39, a 4.5 percent decline compared with full-year 2008. For full-year 2009, Average Treatment Room Utilization (ATRU) increased 3.5 percent to 31.1 percent.

However, despite the drop in profit and spending, luxury hotel spas undoubtedly have one more thing going for them: people will always spend money on their health. Indeed, many people see spas as a way of reducing pain and stress, which always brings in the cash.

The trend this year has seen an increase in the use of spas yet a decrease in the number of people staying in hotels in the US - the Average Daily Rate (ADR) declined 16.3 percent in 2009 to \$243. This can lead to the conclusion that spas are attracting guests from hotels. The point is that hotels just provide shelter for the night, whereas spas provide an experience to savor and with a positive influence on health. Not only that, hotels can receive payment just once a day for the given room yet spa rooms can be used many times per day. In these times, they are thus much better suited to the financial climate.

This phenomenon explains why a number of hotels in the USA have been introducing spas into their portfolio of leisure activities. The use of luxury hotel spas in 2010 has so far gone up by 3.5%, so it makes a lot of business sense to jump onto the bandwagon. If customers of spas are forced to use the facilities of the hotel, then they will surely be tempted, if not forced, to stay the night.

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Date: 2010-02-22

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