

american spa

[success stories]

Message Envy in Westminster, CO, is just one of the company's many franchise locations.



The Midas Touch

A finance-friendly franchise inspires envy with its unprecedented growth and ongoing success.

WHEN MESSAGE ENVY LAUNCHED IN MARCH 2002, it introduced a new category to the wellness industry. Offering massage at an affordable price, its mission was to deliver a value second-to-none while promoting a healthy lifestyle through therapeutic massage and spa treatments. Based in Scottsdale, AZ, Message Envy is one of the fastest growing wellness brands and serves a membership base of more than 1 million members. It is also the world's largest employer of licensed/registered massage therapists with more than 16,000 therapists providing more than 250,000 massages every week. Today, more than half of its locations offer facials and skincare treatments from Murad. Message Envy and Message Envy Spa locations are typically 3,000 square feet and have, on average, 12 treatment rooms.

According to David Crisalli, president and COO, the brand experienced unprecedented growth last year with the opening of 50 new locations. Since January 2011, another 48 new franchise

opened. Message Envy now has more than 680 locations in 43 states. "With year-over-year growth of 25 percent and average unit volume surpassing \$1 million, Message Envy delivers tremendous value and profitability to its franchise partners, in turn driving even greater value to our members and guests in the form of consistently high-quality massage and facial treatment services," says Crisalli. Here, he shares how the franchise continues to grow and thrive.

How has Message Envy continued to succeed in these trying times?

A. Message Envy's success is a result of delivering consistency to both our franchise partners and members and guests who enjoy our services. Almost three-fourths of our franchisees are multi-unit owners, which means they are heavily invested in the brand and in their communities. We, in turn, offer them a great support system and

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financial model that is continually fine-tuned to produce the best possible results.

Why do you think Massage Envy has been able to succeed where other spas have failed?

A. The spa industry is very fragmented with many independent owners. Massage Envy not only pioneered the path of bringing consistency to the industry, but we are setting the standard of excellence by offering professional, affordable, and convenient massage and spa services in communities everywhere. Our franchisees invest significant time, money, and energy in helping professional schools do what they do best and ensuring our clinics can recruit the best of the best licensed, certified massage therapists.

How do you attract new and repeat clients and encourage them to visit?

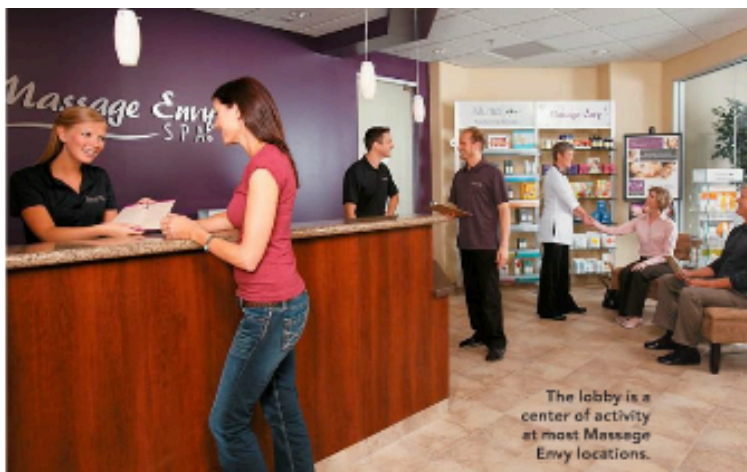
A. Our franchisees benefit from an aggressive national marketing and advertising program designed to attract new clients, drive membership enrollment, establish a strong referral network, and encourage high retention through greater usage. But, what's probably most meaningful to us is the culture of caring from our licensed therapists who deliver a sense of belonging to all our members. We create real value by understanding the needs of our members and providing an environment that attracts repeat visits.

How do you use digital marketing and social media to boost business?

A. Massage Envy recently launched a new digital campaign that includes iPhone and iPad apps, a lifestyle blog, and enhanced and system-wide social media efforts. When we surveyed our members, we learned that approximately 70 percent own a smartphone that simplifies their lives. It's a space that many of our members live in, and they use these applications regularly. In the first 30 days since the launch, we experienced 6,000 downloads of our "For ME" apps.

Did you change your menu of offerings?

A. Since forming an exclusive partnership with global skincare leader Murad and nationally



The lobby is a center of activity at most Massage Envy locations.

launching the spa concept less than two years ago, demand has been tremendous for affordable, healthy skincare along with traditional massage therapy. We are thrilled to have this relationship and the ability to deliver consistently superior facials and skincare products in more than half of our locations today.

What steps and cost-cutting measures did you employ to offset the recession?

A. We, along with our franchise partners, are very fortunate that we entered a downturn in the economy in a very strong, healthy position. Massage Envy benefited from the fact that there was a real need in America for professional, convenient, and affordable massage and spa services. We had a strong base of loyal members and a unique brand promise that enabled us to not only weather the recession but actually increase profitability during the past 36 months.

Have you had to let any employees go?

A. System-wide, we've seen only one location closure in 2010 and none thus far in 2011. We've really focused on our core mission of inspiring our franchise partners to work on their customer service at all levels. We work hard to coach and improve our franchise partners in how to profitably deliver value to members and guests. As a result, we've seen stability and growth in nearly every piece of the business. It's our primary focus as a franchise system.

What steps are you taking to ensure Massage Envy's success?

A. Our entire team is focused on what I refer to as the double bottom line. One is delivering real value to members and guests at every location; and two is delivering profitable growth for our franchise partners.—Compiled by Heather Mikesell

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