

FINANCIAL & COMMERCIAL MASTERY
MODULE 8

Revenue Growth & Pricing Strategy

Price is what they pay. Value is what they feel. Get both right and your spa prints money.

COMMERCIAL LEADERSHIP PROGRAMME

Spa Director & Spa Manager Development

Module Overview

Price is what they pay. Value is what they feel. Get both right and your spa prints money.

LESSON	TOPIC
Lesson 1	Pricing Psychology
Lesson 2	Revenue Growth Levers

Lesson 1: Pricing Psychology

Anchoring is the most powerful pricing tool. When a guest sees a 120-minute signature ritual at £250, the 60-minute facial at £95 feels reasonable by comparison. The expensive option isn't there to sell — it's there to make everything else look like value.

The decoy effect works brilliantly in spa. Three tiers: Basic massage 30 mins £45, Signature massage 60 mins £85, Ultimate massage 90 mins £120. Most people pick the middle option — it feels like the smart choice. But that middle option is exactly where your sweet spot of margin and guest satisfaction sits.

Discounting is almost always wrong. Every £1 off the price is £1 off your profit and £10 off your brand perception. Discounted guests have lower satisfaction scores (they question the value they received), lower rebooking rates, and train themselves to wait for the next offer.

KEY POINTS

- Use anchoring to frame price perception
- Apply three-tier pricing to guide guest choice
- Understand why discounting damages brand and profit
- Position premium pricing as a brand signal

Lesson 2: Revenue Growth Levers

There are only three ways to grow revenue: increase spend per guest, increase frequency of visit, or increase the number of guests. Everything you do should ladder up to one of these.

Increasing spend per guest: upselling to longer treatments, cross-selling add-ons (scalp massage, eye treatment), upgrading to premium products, prescribing retail homecare. A £15 add-on attached to 40% of treatments is significant revenue.

Increasing frequency: rebooking at checkout, membership programmes, course-of-treatment packages, seasonal campaigns that create urgency. A guest who visits monthly is worth 12x a guest who visits once.

Increasing guest base: marketing, partnerships, referral programmes. But this is the most expensive lever — it costs 5-7x more to acquire a new guest than to retain an existing one. Always optimise spend and frequency before chasing volume.

KEY POINTS

- Increase average spend through strategic upselling
- Drive frequency with memberships and rebooking
- Grow guest base through partnerships and referrals
- Prioritise retention over acquisition — it's 5-7x cheaper

Key Concept

“Discounting is borrowing from your future. Every £1 off the price is £1 off your profit — and £10 off your brand perception.”

Practical Exercise

Audit your current pricing against three local competitors. Calculate your average spend per guest. Design three strategies to increase it by 15%. Build a three-tier pricing structure for your most popular treatment category.

YOUR NOTES

Learning Outcomes

By completing this module, you will be able to:

1. Apply pricing psychology to spa menu design
2. Calculate and optimise average spend per guest
3. Design revenue growth strategies across all three levers
4. Build compelling packages that increase per-visit revenue

SELF - A S S E S S M E N T

Rate your confidence in each outcome (1 = Not yet confident, 5 = Fully confident):

Outcome	1	2	3	4	5
Apply pricing psychology to spa menu design					
Calculate and optimise average spend per guest					
Design revenue growth strategies across all three levers					
Build compelling packages that increase per-visit revenue					

Assessment

Complete the following submissions to demonstrate your learning:

Submission 1: Pricing Audit

Competitive price analysis with positioning recommendations.

Submission 2: Revenue Growth Plan

Three strategies with projected financial impact over 12 months.

MODULE COMPLETION

Name:	
Date:	
Assessor:	