



Cosmo Prof™

licensed to create™

planning

Create the success you envision by planning.

client retention

A retention strategy is the most cost effective way to sustain your business.

growth

Learn how to increase your average ticket and client visits.

retail

Salon take-home recommendations can be the most profitable revenue generator.

referral

How to implement a referral program and increase referrals for your salon.

salon business guide



planning

Make a plan for the NEW YEAR

“
*If we continue to do
the same things we have
always done, than we will
continue to get what we
have always gotten.*
”

We want to help you prepare and create the success you envision for the new year and to avoid the chaos that non-planning can create. Now is the time to prepare for the new year to create your best possible results. Creating a plan completing the detailed analysis of your current business and creating written documents of the plans that will be implemented in the coming year.

As we wind up our year and look forward to a new start, I can't help asking the question, "will 2017 be more profitable than 2016?"

What are you going to do different in your business? Here are three simple but very effective strategies to use to help create growth in your business. I will admit, each does take some effort and investment of your time, but the return on your investment is huge.

1. know your clients

Believe it or not, most professionals still don't buy into the numbers game. It is the first step of growth, knowing where your business is at, how many clients you serve, how many clients purchase retail, who returns, who does not and how many new clients you meet each month. Those are just some of the facts that we need to be aware of. Then there are fixed expenses that you have each month which equates to the cost of doing business. These could be your rent or mortgage, supplies, electric, insurance, salaries and other expenses. In other words, know what comes in and what goes out.

2. let's be real

Making your goal to increase your business by 50% next year may be setting yourself up for failure, but designing a plan for 20% growth is realistic. Increasing your numbers by 20% more may not be as exciting as 50%; however it could be the difference between a business owner just breaking even or making a profit. Most salon and spa owners focus too much on not losing money or breaking even, but your sole purpose in your business should be to make money.

If you don't think that a 20% increase is worth it, try this exercise.

Year 1	\$40,000 + 20% growth + \$48,000
Year 2	\$48,000 + 20% growth + \$57,600
Year 3	\$57,600 + 20% growth + \$69,120
Year 4	\$69,120 + 20% growth + \$82,944
Year 5	\$82,944 + 20% growth + \$99,532.80

**Increase \$59,532.80 over 5 years
because of a plan!**

3. be accountable

This means you have to be responsible for what occurs in your business and get help.

Are you someone who it makes dollars and sense to do business with?

Are you providing an environment that grows people and ideas, or are you just another salon/spa?

We just shared a plan for increasing your business by 120% over 5 years, so ask yourself what your life/business would look like if this happened to you. Setting goals, designing a plan.

Provided by Milady

A part of Cengage Learning. www.milady.cengage.com to make it happen and providing the support to sustain the growth is what business consulting and coaching is all about.

Have you reviewed goals with each of your stylists to know where they would like to be in 2017? Here is a quick worksheet to get you started and to help determine how much they need to take in per client to reach their goal salary. During these reviews, it is also good to ask your stylists where they would like to be in the next three to five years so you can help them get there.

Worksheet available! Ask your CosmoProf® Salon Consultant to download it from our BOX.

2017 goal worksheet

2017 GOAL WORKSHEET

Example:

A. Salary I would like to take home in 2017	\$ <u>40,000</u>
B. Determine amount you need to produce by doubling A.	\$ <u>80,000</u>
C. Number of weeks you work per year <i>(if is usually 50)</i>	<u>50</u>
D. Take B. and divide by C. for the amount you need to make per week	\$ <u>1,600</u>
E. Number of days you work per week	<u>5</u>
F. Take D. and divide by E. for the amount you need to make per day	\$ <u>320.00</u>
G. Number of guests you see each day	<u>10</u>
H. Take F. and divide by G. for the average ticket per client	\$ <u>32.00</u>

create your
ANNUAL PLAN

management
VISION
LONG-TERM OBJECTIVES

objectives &
GOALS
SET YOUR GOALS SO YOU
CAN ACHIEVE THEM

salon
TEAM
HELP EACH OF YOUR SALON
TEAM MEMBERS GROW

budgets &
PROJECTIONS
DETERMINE YOUR BUDGETS AND
PROJECTIONS BASED ON THE
PAST 6 MONTHS

your plan should include:

- Long-term objectives
- Budgets and projections based on the past six months
- Work with your team members to help each of them grow both personally and professionally
- Re-align your personal goals and objectives based on changes you desire
- Create an annual plan based on the above findings.

If this is a process that you are familiar and comfortable with you are very lucky. Many business owners struggle every year with reviewing the current status of their business and establishing plans for future business growth.

2017 promotional planning ideas

Let us help you with your planning needs. To start some of your planning, we have included some planning ideas for 2017. We will provide you with more promotional ideas throughout the 2017 issues of BeautySpan.

JANUARY/FEBRUARY

- Liter Sale
- Winter Survival for Hair and Skin
- New Year—New You
- Valentine's Day

MARCH/APRIL

- Hairspray Sale
- New York Spring Fashion Release
- BOGO Sale

MAY/JUNE

- New CosmoProf® Campaign
- Weddings and Proms
- Mother's Day
- Father's Day

JULY/AUGUST

- Back to School
- Liter Sale
- Summer Survival for Hair and Skin

SEPTEMBER/OCTOBER

- Give Back
- New York Fall Fashion Release
- Halloween

NOVEMBER/DECEMBER

- Holiday



**client
retention**

CLIENT RETENTION

the easiest way to grow your client list is not to lose them

The average business loses around 20% of its customers annually simply by failing to attend to their customer.

Imagine two businesses:

- One retains 90% of its customers
- The other retains 80% of its customers

If both add new customers at the rate of 20% per year, the first will have a 10% net growth in customers per year, while the other will have none. Over seven years, the first firm will virtually double, while the second will have no real growth. Everything else being equal, that 10% advantage in customer retention will result in a doubling of customers every seven years without doing anything else.

1. REDUCE LOST CUSTOMERS

Every business loses some customers, but few ever measure or recognize how many of their customers become inactive. We invest time in building the initial relations and then let it go unattended. It costs us more to find a new customer than to retain the customers that we have.

2. RECOMMEND PRODUCT AND THEN RECOMMEND PRODUCT ON THE NEXT VISIT TOO

Your connection starts with the first purchase. Make sure to ask your client how they liked the product experience the next time they are in. What they liked and/or what they did not like. This will open the door to talk about other products that could be used in conjunction with their purchase to enhance their style.

3. ENTICE LOST CUSTOMERS TO RETURN

Your clients will be receptive to you if you approach them in the right way with the right offering. Do you have any idea why they did not return? If not, can you find out why and overcome their objectives and let them know that you still value and respect them. Reactivating clients that already know you and your expertise is one of the

easiest ways to fill your calendar and will lead to some of your best and most loyal customers.

4. FREQUENT COMMUNICATIONS: PUT IT ON YOUR CALENDAR

Avoid losing your customers by building relationships and keeping in touch with them through frequent communications. This could be a sequence of touch points to thank them, celebrate their birthday, special offers, notes with a personal touch etc. People not only respond to this positively, but they really appreciate it because they feel valued and important. It makes them feel part of your business so that they want to come back again.



5. EXTRAORDINARY CUSTOMER SERVICE

The never-ending pursuit of excellence to keep customers so satisfied that they tell others how well they were treated when doing business with you.

Provide extraordinary service to each and every customer that delivers higher than expected levels of service.

6. COURTESY SYSTEM

It involves speaking to clients and staff politely and pleasantly. The golden rule "Treat everyone the way that you want to be treated" and there would be

no problem. This makes everyone feel worthwhile and important. It also motivates everyone to provide extraordinary service. This results in more trusting relationships with your clients and your staff.

7. PRODUCT OR SERVICE INTEGRITY

Long-term success and client retention belongs to those who do not take ethical shortcuts. There must always be total consistency between what you say and do and what your client's experience. Service integrity is demonstrated by the way you handle the small things as well as the big things and take a genuine interest in them.

8. THE CLIENT VALUE

A loyal client means a lot to your business and how long you retain them. It is important that your client is in to see you on a consistent basis along with taking home products to maintain your service in between visits. It is critical that you take good care of your customers and spend the time, effort and expense in keeping them coming back.

9. A COMPLAINT IS A GIFT

96% of dissatisfied customers don't complain. They just walk away, and you'll never know why. That's because they often don't know how to complain, or don't believe it'll make any difference. While they may not tell you what is wrong - they will certainly tell many other people. Therefore, it is important to know why your customers are unhappy or did not return. It gives you the opportunity to satisfy them and delight them to return.

Like pieces of a puzzle ...



- Customer Experience
- Customer Loyalty
- Customer Satisfaction

... it all fits together for client retention!

CREATE A SALON LOYALTY PROGRAM

1. USE A SIMPLE POINT SYSTEM

This is the most common loyalty program. Frequent customers earn points based on dollars spent which is redeemed for some type of reward. It can be a free service, a special promotion just for them, a free product, etc. Keep the conversion simple dollars to points.

2. USE A TIER SYSTEM TO REWARD LOYALTY & ENCOURAGE ADD-ON PURCHASES

Use your average customer purchase to start which will help you find an attainable beginning. Present small rewards as a base offering for being part of the program and then encourage repeat customers to strive to hit the next level. The biggest difference between the points and tiered system is that customers (if you choose) can save their points to work for the next level.

3. CHARGE AN UPFRONT FEE FOR VIP BENEFITS

In some circumstances, a one-time (or annual) fee is actually quite beneficial for both the business and client. By identifying the factor that may cause the client to leave, you can customize a fee-based loyalty program to address those specific obstacles.

4. STRUCTURE A PROGRAM AROUND YOUR CLIENT'S VALUES

Truly understanding your customer means understanding what is important to them. Any company can offer coupons and discounts if they want to, but in our business we can provide value to the customer in ways other than dollars and cents. We have the unique opportunity to connect with our customers on an individual basis. Some clients want to come to the salon and hang out and be pampered. Other clients love to come to the salon but are very short on time and really need you to be aware of their needs. With the assortment of products available to the stylist, all these needs can be addressed and personalized. You just need to take the time to know your clients.

5. PARTNER WITH ANOTHER COMPANY IN YOUR COMMUNITY TO PROVIDE ALL-INCLUSIVE OFFERS

Which company or companies in your community would be a good fit with your business for a partnership? We are in the fashion industry so what would be mutually beneficial for your client. Perhaps, cross promotions between clothing stores, gyms, yoga studios, places that help them look good and feel better. When you provide your client with value that is relevant to them but goes beyond what you can offer them, you are showing them that you understand and care about their needs. Plus, it will help you grow your network to reach your partners' customers also.



Measure the effectiveness of your programs

As with any initiative you implement, there needs to be a way to measure your marketing success. Your programs should increase customer retention.



TRACKING

It is time to start tracking how long your client is staying with you.

TOUCH BASE

Figure out the best way to stay in touch with clients and then do it.

CUSTOMIZE

Look through your client base. It's not one-size fits all. The programs that work the best are the ones that are created to address the needs of each individual client.

When you take the time to do it right, the rewards will be there for both you and your clients.

PRE-BOOKING

One of the most important growth indicators

Not only will it increase your average ticket, but it will also increase your frequency of visit. Frequency of visit is the average number of times a client visits your salon. And, it will keep your clients looking and feeling their best. Make sure you talk about the next appointment while your client is still in the chair.

*increase
client
frequency*

You must do everything in your power to make it easy for your customers to come back sooner—not later. **Pre-booking should be standard procedure.**

*review
the numbers*

Example: 300 clients with an average spend per visit of \$50.00.

Note: Take a look at your numbers and averages. What would it mean to your year-end revenue if you moved each client up by one level? Increased client frequency. It seems obvious but look what one more visit a year from a client means to your overall business.

Clients	Visit Per Year	Average Spend	Total Year Revenue	Difference
300	Every 10 weeks = 5 per year	\$50.00	\$75,000	
300	Every 8 weeks = 6 per year	\$50.00	\$90,000	\$15,000
300	Every 10 weeks = 8 per year	\$50.00	\$120,000	\$30,000
300	Every 10 weeks = 12 per year	\$50.00	\$180,000	\$60,000

*retain
75-80% of
new clients*

On average, salons only retain 30% of their new clients. Imagine what your appointment book would look like if 80-90% of clients pre-booked before they left the salon. You know that it will increase your take-home pay. **And you know what it costs – Nothing!** Client retention is the most powerful revenue-producing and productivity-building strategy available to you.

HOW TO KEEP CLIENTS

1. Always be perfecting your skills! Clients expect a great cut and color every time.
2. Customers always comes first. Don't confuse friendliness with service.
3. Give an amazing experience not just a great experience.
4. Damage control—if it is not perfect—fix it.
5. Always express gratitude to your client.
6. Stay on time.
7. Consistent and never-ending improvements.

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GET YOUR BEST CLIENTS TO VISIT YOUR SALON MORE OFTEN

Work hard to attract the right clientele and pamper them with wonderful services. You want your clients to experience superior results and get real benefits from your service.

Here are six ways to bring your clients in more often.

1. *communicate* personally with your clients

Making a personal connection with your clients and growing that connection into a strong bond is key to creating a sincere client relationship. Bond with them by talking about shared interest and by providing them with incredible customer service.

Ask clients what is the most convenient way to communicate with them and then follow up with them to see if they are satisfied with their service. Your strategy must be ongoing and have a special purpose to the client. Not only should you be following up about the service, but also offering

specials just for them such as: free cut & style on her anniversary; free manicure on her birthday, etc.

Personal communication is key.

Why not share information or photos when you see something they will like.

Example:

"I saw this and it made me think about you." You have the privilege of being deeply connected with your clients. Clients come to you for their special occasions (weddings, engagements, graduations, funerals, birthdays, vacation or special trips). You can capture information about these special events on your clients records. Your clients will be pleased with the high level of care you are giving to them.

2. *persuade clients* with appropriate special offers

Special pricing persuades your existing clients to try new services and products. You can test different types of specials on clients to see what is the most effective to have your clients come back. A lot of clients will appreciate being offered an incentive for their next visit and for purchasing more often. Make sure to give your clients samples with an incentive to return to purchase the full-size product. Provide a special savings such as: buy 2 take-home products and get 1 free or at a 50% savings. Offer a free treatment service when a client pre-books that has not done so in the past.

When you run a special event, sale or a preferred client offer, you show how valuable your client is to you. And, it is really easy and fun to do.

- What kinds of promotions or event opportunities could you offer your clients that would make them feel special?
- How can you provide a unique experience versus the other stylists in your area?

3. *create Special* Salon Events

If you cannot think of a special event that you feel comfortable developing, you can use the holidays and your salon anniversary as an opportunity or thank your clients by inviting them to an salon open house. Encourage them to invite two friends who might be interested in your salon services.

Another event opportunity is to create a class for your clients with the purpose of educating them in some unique way that gives them incredible value. You would be surprised how many people would love to come to learn new styling techniques using the tools that they already have at home. It is a great way to review product benefits with them that you offer. Have a special saving that day to purchase additional salon take-home.

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4.
create long-term
buying programs for
your clients

It is not easy to capture new clients and keep them. Take a long-term view of your client relationships by creating long-term buying programs. You offer a much higher-level benefit than just the products and services that you sell. Long-term buying programs include new strategies to help your client gain greater benefits and results from the products and services you offer. Identify the real advantages that you give to your clients that increase the value. The first step to create a program is to consult with new and existing clients on long-term appearance goals. Starts with where they are now and focus on the results that they want in the short-term and what look they may want to achieve over time. Listen to your clients and you will know what approach you should take.

5.
a back-end
of products &
services

Nothing can be more embarrassing than to realize that you have been missing good opportunities every day. Every time a client walks out of the salon and you didn't find a way to give them more of the advantage they walked in for, you lost a little more. It is never too late to start.

Your clients trust you. They return to your salon for results that they have come to depend on. So it is easy for you to introduce your clients to additional products and services that give them greater value in their lives. It is very important that you recognize that your inactive clients are prime prospects for additional products and services.

Your clients respect you and your professional recommendations. They will be delighted and appreciative of the thoughts you have given to them and will respond to you because they trust you.

6.
promote other
business products
& services

You can show appreciation to your clients while helping another local business. By listening to your customers, you will find additional opportunities in your community to connect with. It may be clothing stores, restaurants, fitness centers, yoga studios, etc.

In order to promote or endorse other products and services, you must do two tasks:

1. Have a current list of your clients that include name, address, city, zip, phone number and interests.
2. Identify and organize your clients' area of interest or purchases. People with special interests will be more receptive to certain offers for products and services than others. Your goal is to identify them.

When your offers are more personal to your client, the more success you will have.

CLIENT CONSULTATION

the 5c's that should be covered during every consultation

The consultation is not about pushing sales on customers. It is about making your clients aware of the services you offer, and they are advised on the ones that would most benefit them and support their look and style.

It starts with the consultation which helps with your retail, referrals and pre-booking the client for the next salon visit. The consultation really affects everything. Do not take this step for granted. The key to building understanding and trust is great communication. Make sure to make notes so the next time the client comes in you can follow up from the previous conversation. Conduct consultations that show clients the services, expertise and care available to them when they book an appointment with you.

1.

cut



Clients expect to discuss all their haircut options and value your expert opinion. Ask them what final look are they trying to achieve.

2.

commitment

Find out the level of commitment your client has when it comes to care and styling their hair. If they receive a cut that they are not prepared to maintain, they will not be happy.

3.

color



Start by asking, "Do you like your color?" If they don't like their color, what are their challenges? First time clients may benefit from a gloss service or a demi-color service as "try me" color. A few highlights are also a good way to start.

4.

condition

The same recommendations apply as color for a conditioning service. You can ask questions like, "Do you have the shine in your hair that you would like?" If their hair is limp or dry, you can recommend a protein or moisture service. Recommend a service that will benefit their hair and take care of the condition they do not like

5.

cost



If your client chooses to add a service, let them know what the additional cost will be. The worst thing that you can do is surprise them at the end of the service. If you offer them a special price that day for an add-on, be sure that the client knows the value of the service at regular price.

ATTENTION CREATES RETENTION



“
*Clients & stylists
don't care about what
you know until they
know how much
you care!*
”

There are only two ways to create a high retention rate:

- EXCELLENT CUSTOMER SERVICE
- GREAT SALON SERVICES & PRODUCTS

Create a customer-focused culture. This culture is what drives the customer experience and the way you treat your stylists and the way they treat each other drives the customer experience. What is happening on the inside of a salon is felt by the clients on the outside. It is on the inside of the salon where customer retention begins.

• EXCELLENT CUSTOMER SERVICE

Old-fashion relationship building will never go out of style. You cannot close a sale until you build a relationship.

1

create the
STANDARD
FOR YOUR
BUSINESS

Make sure the customer is dealt with promptly, courteously and efficiently. Listen to their needs and meet them as quickly as possible. Customers will remember this; however, they remember bad service even more.

2

be quick to
RESOLVE
AN ISSUE

Accept that when the customer's expectation hasn't been met, you must work hard to make sure the issues are resolved to their satisfaction.

3

keep in
TOUCH
WITH YOUR
CLIENTS

Make sure your client information is current. Send them special offers, introduction to new products and services that you are offer or just them a birthday card. Use any excuse to keep you on their minds.

4

**REWARD
LOYALTY**

Everyone wants to feel appreciated

5

**THANK
YOUR
CLIENTS**

Your clients chose you and this is something that you appreciate. They need to know that and feel it regardless if they are your largest or smallest client.

• GREAT SALON SERVICES AND PRODUCTS



Create a full range of salon take-home products and salon services to support your clients. Make sure that your services and take-home go hand in hand. What you are offering in the back room should complement what you are offering in your take home section to support your clients to be able to create their new look at home.

1

be
THE BEST

Knowledge is power and education is the key. Provide ongoing educational opportunities to keep you team at their best. Advanced education is the path to increased income and success. We must constantly be improving with an attitude that we can always learn something new. Nobody knows everything. Schedule regular in-salon trainings with your vendors that you have decided to partner with. Take advantage of the opportunities through CosmoProf® and some vendors offer advanced academy programs that can be subsidized through vendor loyalty point programs.

2

offer
THE BEST

Take the time to really understand the client that you are trying to attract to your business. Make sure that you are offering the services and products that are relevant to the service you will be providing and the take home for support.

From cutting edge technology to the best brands—keep yourself well-stocked. Create packages that combine products and services, a great way to build value for your existing clients and potential new clients. Make sure that your stylists know how to take advantage of the opportunities to discuss the proper maintenance products for their services.

OPPORTUNITIES WITHIN THE SALON TO TOUCH YOUR CLIENT

• THE FRONT DESK

Have a formalized greeting and message when the client arrives.

• THE WAITING AREA

What do you have for your client to review while waiting for the service?

• THE CONSULTATION

Gather all the information to help you create the best experience for each client.

• THE WASH AREA

Make sure that every client is getting a head massage.

• THE STYLIST AREA

Does your work area represent what you want to communicate to your client? This should change with each new campaign or offering that you provide to your client.

• THE FRONT DESK

Again, a formalized message that includes the "Thank You" and rebooking for their next service.

Research shows the following stats when clients purchase take-home products from you:

1 SERVICE OR PRODUCT = 50% CHANCE OF RETENTION
2 SERVICES OR PRODUCTS = 65% CHANCE OF RETENTION
3 SERVICES OR PRODUCTS = 75% CHANCE OF RETENTION
4 SERVICES OR PRODUCTS = 90% CHANCE OF RETENTION

Based on the numbers above, don't you think that it is necessary for you to have programs and processes in place that are consistent?

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REGULAR VIP/MVP EVENTS FOR YOUR CLIENTS. Build your client community and share the knowledge and information that you have as the professional to support their looks. Offer specials during the event that they cannot receive at any other time. Make it Fun and something that they look forward to. Everyone will make a new connections within the community.

MARCH/APRIL	MAY/JUNE	JULY/AUGUST
Spring trends. Review fashion trends for this year with your clients.	Summer survival tips and techniques to protect their hair and skin.	Back to school looks, trends and styles for both the students and moms.

3

reward
THE BEST

DO NOT FORGET—everyone likes to feel appreciated.

Reward your clients for their patronage and don't forget about your staff. Reward your staff's performance. Commission on products is a great way to motivate your staff or consider weekly or monthly take-home competitions for your staff. Education is also a great way to motivate your staff.

Walk through your salon and view it through the eyes of your clients. **What are they seeing? What do you want them to be seeing?** This is a process that you should do on a continual basis.

4

project
THE BEST

- The Exterior
- The Window Display
- The Reception Area
- The Displays with your salon signs and messages—inventory is important
- Cleanliness of the entire salon
- Team Spirit and professional appearance of the staff
- Salon Website
- Salon Facebook
- Other Social Media connections

If you scored less than excellent in any of the above areas, begin addressing them one at a time and meet with your team to get their feedback on what can be done to make improves. Remember, if you want to build a team, they need to be part of the team.

5

listen...listen...
LISTEN



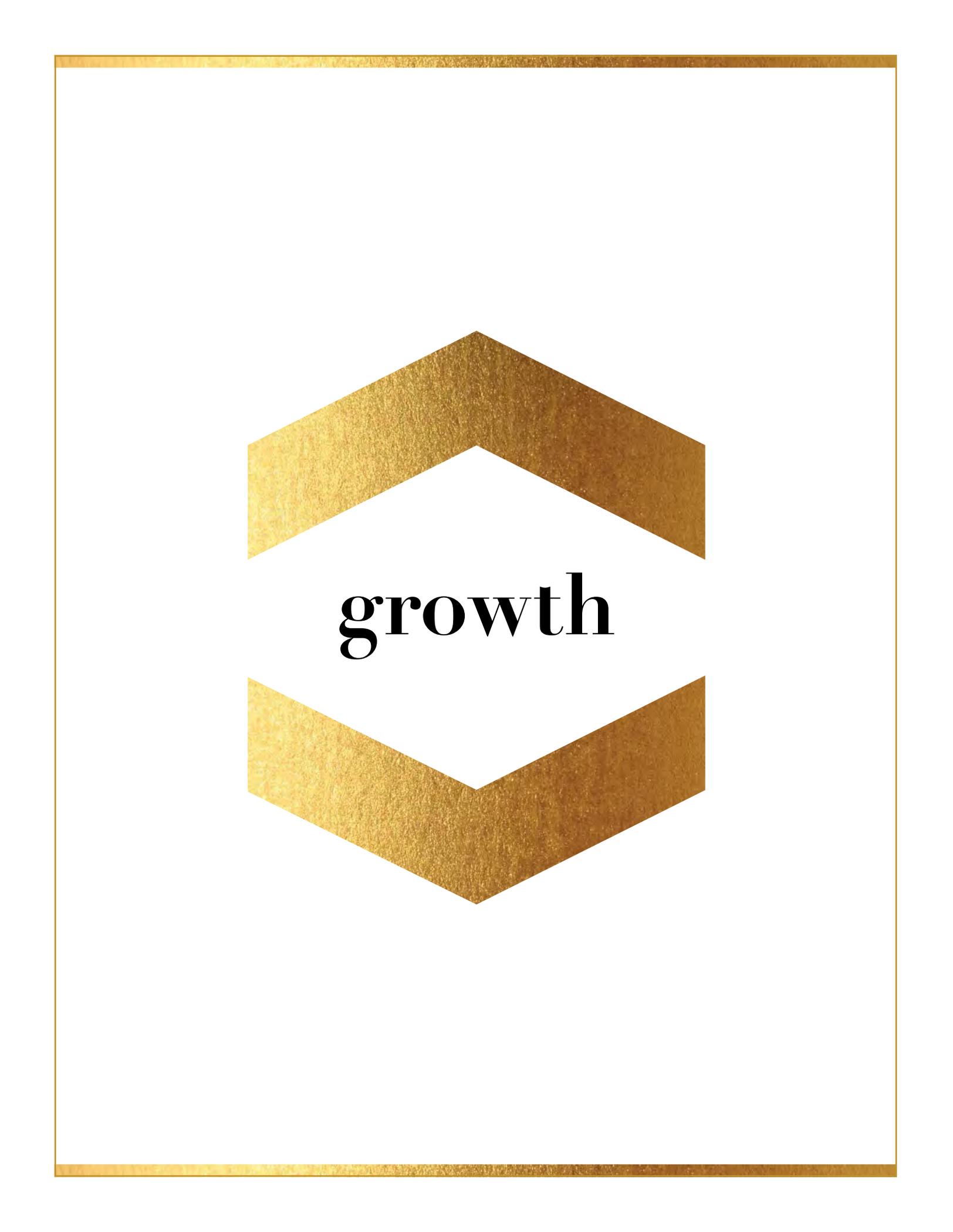
This cannot be stressed enough! Listen to your staff and clients.

The importance of listening to staff can provide new innovation. When staff ideas are heard and encouraged, the salon will positively impact the bottom line. Many owners make the mistake of not including their staff first. Listen to concerns that can help you develop retention strategies that focus on your staff.

The importance of listening to your clients...

Millions of dollars are lost yearly from poor listening. When the client is talking to you, it is important to listen and ask the correct questions to really understand what they are trying to tell you. When we work together as a team to embrace and practice becoming a listening culture – clients stay.

Rule #1—Stop telling customers what is good for them. Instead, listen to their needs.



growth

ADD-ON SERVICES



We know that the foundation of your salon success and your main source of revenue is through your haircuts, haircolor, manicures and pedicures. However, clients do enjoy trying new things and want to visit salons that offer services that they may not find anywhere else.

By offering more services on your salon menu, you show your clients that you are dedicated to providing them the most up-to-date services and that you and your staff are keeping up with the trends. It is good to promote the additional classes and education that you have attended to maintain your certification.

Providing these additional services will also show your clients that you are committed to providing the best customer service. This does not take much additional time and will set you apart from your competition. It will also help you build your client base and generate positive “word of mouth” reviews for new clients.

suggested add-on services

hair salons

Deep conditioning treatments for those clients that need extra moisture or protein in their hair to maintain healthy, shiny hair.

Blow dry bar for those clients who do not have a lot of time but would love to have salon-styled looks.

Extensions for those clients that want to change the length or volume of their hair.

nail salons

Gel manicures and pedicures for those clients that want a no-chip guarantee to their nail services.

Paraffin wax treatments have the ability to lock in moisture and relieve pain in your clients' hands and feet.

Nail art designs for those clients that want to add design and trend statements to their nails. Offer price consultations based on your clients' design expectations.

spas

All natural treatments will cater to a wider audience and make your business stand out as a specialty spa.

Specialty waxing. Your clients want the option of choices. Go beyond the eyebrows and legs to offering full-body waxing for sideburns and bikini lines.

Massage variations such as aromatherapy, hot stone and prenatal massage.

the art of the upgrade

Courtesy of Paul Mitchell®

Encourage guests to upgrade with a professional treatment and increase salon revenue using these easy upselling techniques.

- | | |
|---|---|
|  1. Educate |  6. Bundle Up |
|  2. Create Dialogue |  7. Reward Loyalty |
|  3. Set Goals |  8. Recommend Take-Home |
|  4. Create Focus |  9. Share Results |
|  5. Consult |  10. Refer A Friend |

want more ideas?

The possibilities are endless. For more ideas, visit 1000+ Ideas About Salon Promotions on Pinterest at www.pinterest.com/explore/salon-promotions

All examples were sourced from pinterest.com.



HOW TO ATTRACT NEW CLIENTS

Acquiring new clients is critical for a salon that wants to sustain growth



The salon's existing clients represent the most probable source of new revenue and there are several reasons for that...

- You already have the trust of your client and it is easier to recommend additional services
- Marketing costs will usually be lower with existing clients than with new ones
- Follow-up with existing clients gives you a great opportunity to present the next engagement which leads to better profitability over time

THERE IS NO DOUBT THAT SELLING TO EXISTING CLIENTS IS IMPORTANT... BUT IT IS NOT ENOUGH.

You need to be aware of how many clients are not returning to you versus how many new clients that you have attracted. To maintain growth the new clients need to outweigh the lost clients.

Another important factor is that new clients usually provide you the opportunity to build new skills and freshness that is very motivating!

Effective Ways to Attract Clients to You!

1. IDENTIFY YOUR IDEAL CLIENT

It is easier to look for new clients if you know the type of customer that fits with your skills and type of hair and services that you specialize in. Without this vision of the ideal client you probably wouldn't know where to start looking. Have a clear picture in your mind of who you would like to see sitting in your chair. The more segments you can identify, the more potential clients you can approach.

Think about what makes those types of clients happy and then think about how

you can make their lives easier. Narrow down the focus and avoid making broad target market statements such as every woman, baby boomers, gen x, etc.

Researchers at P&G Beauty put together an extensive study to determine the best customers for salon products and broke them down into four client types. You may find this information helpful when putting together your profile.

The Light Salon User

- Comes in for a haircut, maybe highlights, about once a year
- Not loyal to any particular beauty brand
- Not a trendsetter

The High Expectation Client

- Trusts you the most
- Her look is likely to be more sophisticated, defined and polished
- You are her expert in all technical and creative aspects
- Not a risk taker and wants the highest quality salon products to use on her hair at-home

The Client Looking for Something New

- Inspired by the newest of the new
- She can be 20 and trendy or 50 and fabulous
- You are her go-to partner for inspiration and transformation
- Her style is unique and she wants to be noticed

The Experience Seeker

- This client is her hair
- Puts her trust in your hands as long as she feels good about the experience she receives from you
- The process is as important for her as the results
- Willing to go outside her comfort zone and comes in for regular appointments

2. DISCOVER WHERE YOUR CLIENT LIVES

Determine and identify those places where they are likely to be found and businesses that would serve the same market segment. Create a cross-functional marketing campaign so you can promote their business and promotions to your clients and they can do the same for your business.

Teaming up with businesses that offer complementary services offers you the opportunity to take advantage of synergy, which can be very effective in building a business. Because you have a business that makes people look and feel better, consider clothing stores, college campuses, high schools, the YMCA and local gyms, nightclubs, etc. Make a list of the opportunities within your community.

Set up an appointment to meet and discuss how the two of you working together is good for the community and each of your businesses. Emphasize that it's a way for both of you to reward customers at no additional expense by providing special services or offers.

3. KNOW YOUR BUSINESS & PRODUCTS INSIDE AND OUT

Provide quality services and take-home product recommendations to maintain the client's style until they see you again is critical to being able to attract and keep clients. The new client will love their new look and see how much you care about them.

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4. YOU ARE THE CLIENT'S ANSWER

Give potential clients a good reason to try your services, which is your first step to making them loyal customers. Provide value and establish yourself as the expert to create their perfect style or color. Some ideas would be to attend local functions where you can present your business and salon offers, create a Facebook page promoting looks that you have created and services you provide that your current clients can invite their friends to become a part of, blog and get out there and network with people. You will start to attract a following of new clients that will become fans.

When you have fans versus clients you have the advantage. However, you can't buy fans you have to win them over with your:

- Inspiration
- Excitement
- Experience
- Emotion

Some hair salons have great success with community public events. You could set up an event at a local park or festival by offering free cuts or bang trims. The events won't only give you exposure, but also a chance to give your business cards or coupons to new clients. They will be thankful and if they are you could have just earned yourself a new client.

Exposure – Exposure - Exposure

5. DEVELOP A CLEAR OFFER FOR EACH OF YOUR PROSPECTIVE CLIENTS

Develop a service and/or product offer that has high-perceived value for the consumer with a low-dollar cost to you.

Some Examples could be:

- Free style with color
- Free treatment service with take-home product to maintain until next visit to the salon.
- Styling products & tool specials with free lessons on how to use them at home
- Free mini-manicure or eyebrow (or lip) wax with every service
- Free color maintenance take-home product with color service. Include a promotion of savings to come back and repurchase at a reduced price.

6. DEVELOP A STRATEGY TO MAKE NEW CLIENTS LOYAL/REPEAT CUSTOMERS

This is your long-term goal. Structure a program or promotion around your client's value. You just need to take the time to know new clients. Truly understanding your client means knowing what is important to them. Any company can offer coupons and discounts if they want to, but in your business you can provide value to the customer in ways other than dollars and cents. You have the unique opportunity to

connect with your client on an individual basis. Some clients want to come to the salon and hang out and be pampered. Other clients love to come to the salon but are very short on time and really need you to be aware of their needs. With the assortment of products available to the stylist, all these needs can be addressed and personalized.

A great loyalty program can win the hearts of your new clients. Rewarding your clients will ensure that they will come back to you. Everyone is looking for more value for their money. Great customer service is not something that anyone can buy. You either have it or you don't.



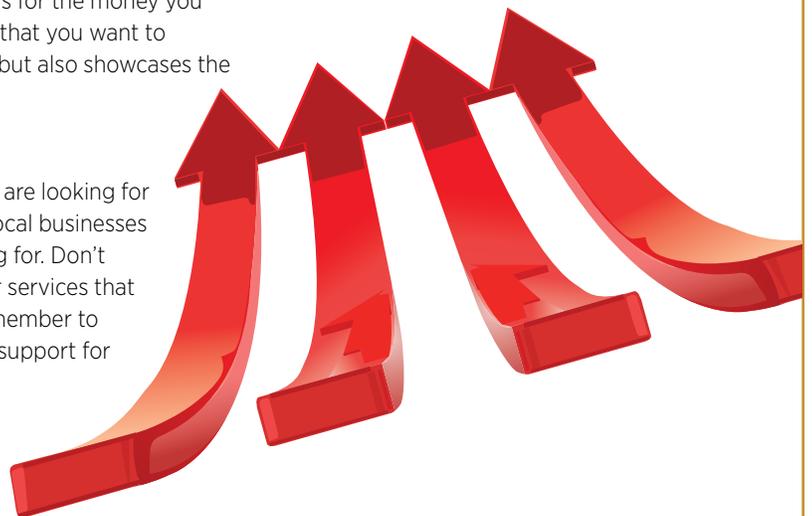
additional ways to attract new clients

Advertising

The key to advertising is to successfully generate good leads for the money you spend. It is very important that you know the type of client that you want to attract. It helps to offer a message that is relevant to them, but also showcases the value of what you can offer to them.

Networking and Referrals

Again, it is important for you to know the type of client you are looking for so when you are networking with your friends, family and local businesses they are also aware of the type of client that you are looking for. Don't make anyone guess. Provide them with the special offers or services that you would like them to communicate. Also, you need to remember to continually “Thank” your network system for their ongoing support for your business...and then the cycle begins again.



3 TIPS TO INCREASE YOUR AVERAGE TICKET PRICE

Convincing clients to spend more of their hard-earned

money in your salon will not happen overnight. It requires more than simply selling services and take home. It is a process that requires a strong trust between the stylist and the client. Earn that trust and you will see the increase in your profits and loyalty to you and your business.



Your average ticket can be your best friend or your worst enemy. You want to increase your revenue and there are other ways to do it without increasing your service prices. Some clients can be turned-off by paying more for the same services they have been receiving.

1 *retail*

The easiest way for you to recommend products to clients is to fill out a prescription during every consultation and appointment. This simple strategy will increase your average ticket along with the number of clients that will be purchasing take-home products.

2 *up-selling*

Add-ons can make a difference in your business. So, why not create a customized menu for your clients? This is a great way to increase your average ticket and have your client's try new services.

Examples for her:

Additional Color..... \$10.00
Color Shots..... \$10.00
Conditioning \$5.00
Glaze..... \$5.00

3 *value-add*

- Create discounted service packages that include salon take-home products such as a color service with color care products.
- Create bonus buy kits. Review your inventory and put together products that complement each other and can help move through your existing products.

the AVERAGE TICKET

You need to know your salon numbers so that you have a starting point. From there, you can set your goals and put together action steps to help you reach them. Follow the steps below to figure out your average ticket. This is our starting point. Now you can play with the numbers. What happens if you increase your sales or if you increase the number of clients you service? You select the dollar of increase you feel comfortable with. Learn how to celebrate your good weeks and evaluate your bad weeks to help make improvements and get you back on track.

Average Ticket Worksheet

Calculate your "average ticket" per client. The "average ticket" calculation tells you what each client is spending on average for his or her services and retail products. Follow the steps below to find out your average ticket:

Step 1 Enter the Information

Line 1 TOTAL SERVICE DOLLARS \$ _____
Enter only the amount spent on services for the week.

Line 2 TOTAL RETAIL DOLLARS \$ _____
Enter only the amount spent on retail for the week.

Line 3 TOTAL NUMBER OF CLIENTS \$ _____
Enter the total number of clients who came into the salon for the week.

Step 2 Calculating the Information

Line 4 AVERAGE SERVICE TICKET \$ _____
Take the service dollars (from line 1) and divide by the number of clients (from Line 3).

Line 5 AVERAGE RETAIL TICKET \$ _____
Take the retail dollars (from line 2) and divide by the number of clients (from Line 3).

Understanding the Information

Successful businesses begin with calculating the BASE PRICE to determine when the pricing begins and then you can manage the AVERAGE TICKET to grow the BASE PRICE. Doing this not only establishes consistency but also increases profitability.

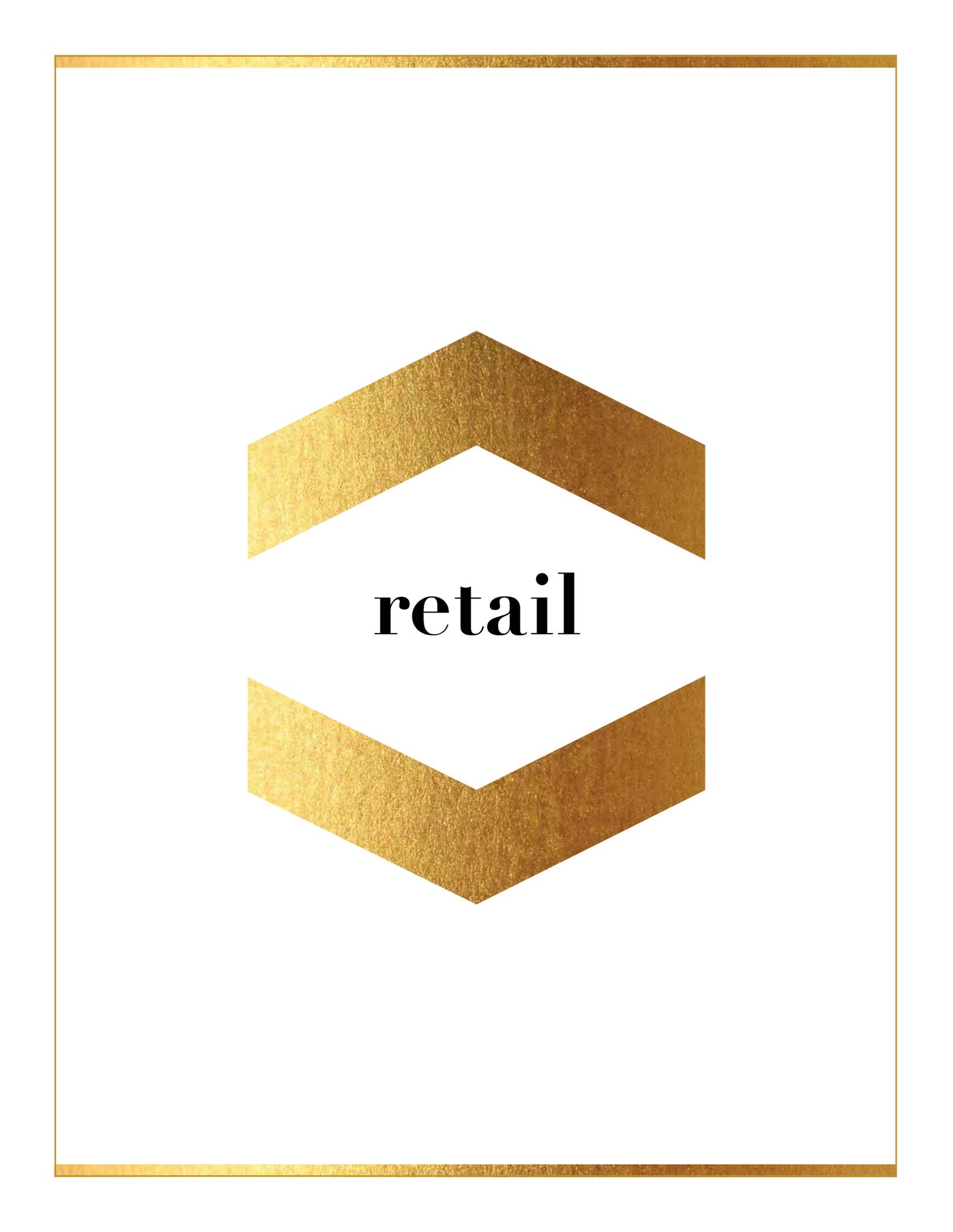
Examples of how INCREASING the "average SERVICE ticket" can affect your sales based on 52 weeks/year.

# of Clients Per Week	Average Service Ticket	Yearly Service Sales	Additional Yearly Sales
100	\$35.00	\$182,000.00	
100	\$45.00	\$234,000.00	\$52,000.00
100	\$55.00	\$286,000.00	\$104,000.00

Examples of how INCREASING the "average RETAIL ticket" can affect your sales based on 52 weeks/year.

# of Clients Per Week	Average Retail Ticket	Yearly Retail Sales	Additional Yearly Sales
100	\$5.00	\$26,000.00	
100	\$10.00	\$52,000.00	\$26,000.00
100	\$15.00	\$78,000.00	\$52,000.00

\$10.00 might not seem like much, but it's the additional dollars to your tickets that can make a big difference over time!



retail

SALON TAKE-HOME/RETAIL

Retail: The sale of goods to consumers, usually in small quantities

In our industry, the word “retail” has never found a good place to live. But over the years, we have become adapted to the phrase “salon take-home.”

Your clients pay good money for their service and they trust you and your professional ability and knowledge. They expect you to know what they need—both in and out of the salon. It is up to each one of you to recommend not only products but techniques and tricks for how to use these products and tools at home to maintain their style and look their best.

show & tell—don't sell

Four key contact points that you have with your client during their service.



Keep the backbar clean and appealing and use simple displays to begin the dialogue with your client.

Dialogue is key.

- What have you been using on your hair?
- Have you had any problems with your hair lately?
- Here's why I like this product (discuss features & benefits)
- The concept behind this line is...
- The reason that I am using this product on your hair is because...

1. SHAMPOO *bowl area*

Keep your station neat & clean.

If possible, only have the styling products that you will be using on your client visible on the station.

- This allows you to have products available to suggest and products your clients can hold and read.
 - During the service ask questions:
 - Did you like your haircut last time?
 - Did you have any challenges when styling your hair at home?
 - What products do you use to style your hair?
 - What kind of look do you want to have?
 - How do you wear your hair on your day off?

2. STYLIST *station*

While completing the service:

- Explain the application techniques you are using to style the hair and demonstrate to them so they can also achieve this look at home.
- Explain the performance expectations of each product that you are using to style and create the look on your client.
- After the service, explain to your client why you used the products you did. Discuss any of the challenges that the client might be having with their hair during this time.



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3. WALK *the client*

Take time to walk the client to the reception desk.

Your client is the only important person in the salon until they leave. Treat them accordingly. This means: Wait to sweep the station until they have left the salon and always be courteous and pleasant.

While accompanying the client to the reception desk:

- Pause at the salon take-home area and point out any recommended products.
- Re-emphasize the conversations that occurred at the shampoo bowl and station.

4. RECEPTION *desk*

Introduce your client to the receptionist.

- Select the recommended products from the shelf and place on the desk.
- This selection should be the same products that are on your prescription pad.
- The receptionist should be able to take over from here and help with any last-minute requests.

The Prescription Pad.

This is a great time to write down your recommendations as you are reviewing the service with your client.

REMEMBER:

The #1 complaint of the client is that they cannot make their hair look like it did when they left the salon.

Rx Prescription
for Great Hair

Guest: _____
Stylist: _____
Shampoo: _____
Conditioner: _____
Conditioning Treatments: _____
Styling Products: _____

the salon take-home area:

Key for supporting salon take-home recommendations

It has been proven time and time again that an effective use of space can increase your sales. The client needs space at the salon entrance so they can stop and take in the entire salon. At this time, the client is assessing all sorts of decisions that are being considered: identity, price, product selection and service.

Excellent retailers have noticed for years that the vast majority of their customers instinctively move to their right after entering a store. This tells us that the ideal space for the main salon take-home area in the salon is the immediate right whenever possible. People like to shop and examine products. Salon owners should give customers ample room to inspect the products they are selling.



THREE KEY AREAS

for salon take-home

1. MAIN SALON *take-home area*

YOUR REAL ESTATE

This is the location for all your open-stock products.

Make sure that you have a good inventory system in place to maintain products, and this in turn maintains your salon profits.

The bestselling products should get the best location, and you should have substantial quantities on hand.

2. FOCUS *area*

HIGHLIGHT PROMOTIONS

Every salon and spa should have a focus area. This is an area where your salon can highlight its bi-monthly promotional offers.

This area should be changed every 6 to 8 weeks to complement your client service re-book cycle.

Keeping your salon's focus area product selection "fresh" will also keep your clients interested. This is especially true with clients who frequent your salon more often than 6 to 8 weeks.

3. RECEPTION *desk*

IMPULSE ITEM

These items many times are not items that the customer intended on purchasing and may be something that you do not carry on a consistent basis.

Impulse purchases offer your clients the "newest" items and they result in additional sales for the salon.

Think about nail polish, lip gloss, hair ornaments or small displays.



referral

SALON REFERRAL PROGRAMS

In the salon business, referrals are everything. According to some studies, about 80% of salon owners say most of their clients are from referrals. But it's safe to say most salons aren't effectively getting referrals. Let's explore how to implement a referral program and increase referrals for your salon.

Referrals most often come through word-of-mouth recommendations of your current client base. Thus, in order for you, as the salon owner, to increase your referral clients, you first have to keep your current clients happy. When they're happy, they're more likely to refer you and your salon to their friends and family. In addition to making and keeping your current clients happy, actually getting referrals from them is going to take some strategic thinking and serious effort.

The effort required to get referrals from your clients will be well worth it in the end. The monetary impact of a good referral program can literally change the fortune of a struggling salon.

monetary impact of a referral program

The new business generated by your referred clients' needs to be greater than any costs required of the program.

Example: Salon has 100 clients which generate \$30,000 in revenue.

CLIENTS	VISITS PER YEAR	AVERAGE SPEND	TOTAL REVENUE
100	6	\$50.00	\$30,000.00

The salon owner implements a referral program that costs roughly \$10 per new client due to discounts and freebies offered to the existing clients for referring new business.

CLIENTS REFERRAL	AVERAGE REFERS	VISITS PER YEAR	AVERAGE SPEND	TOTAL REVENUE
25%	1.5	6	\$50.00	\$11,400.00

This would represent a 38% increase in your client base and a 30.4% increase in annual revenue. Any salon owner would love that kind of growth! While this is a simplistic example, it goes to show the kind of monetary impact a referral program can make for a salon trying to make more money.

create a happy client base

Having a happy client base is absolutely necessary to a successful referral program. If you currently have an unhappy client base, your efforts should be focused on client satisfaction before you even think about implementing a referral program.

Be sure to listen to what your clients want and then respond to those requests to meet and then exceed their expectations. Clients will then be much more likely to refer their friends, family and co-workers to your salon. Happy clients want to brag to their friends about how great your salon is.



lifetime value of a client & incentives

The first step of any good referral program is ensuring that it will be profitable. As mentioned above, the costs of the referral program needs to be offset by any future revenue generated by the actual referrals. In order to ensure profitability, salon owners must estimate lifetime value and properly incentivize clients.

The beauty of a referral program is that often the lifetime value of a client allows incentives to appear, and even actually be, significant. Salon owners need to know three things before setting up incentives for referrals:

- 1.) average annual number of visits of a client
- 2.) average spend per visit
- 3.) average length a client stays with the salon

Knowing these things will allow a salon owner to estimate a lifetime value figure of a client.

Example:

CLIENTS	VISITS PER YEAR	AVERAGE SPEND	TOTAL REVENUE
1	6	\$50.00	\$1,200.00

In the example above, let's say each referral was rewarded with \$75 in-store credit. If a current client provides 2 referrals, they've just saved any costs of salon visits for the next 6 months! As a salon owner, you know that even if you give \$150, you are going to get two clients that in total produce \$2,400 in revenue. So while the \$75 referral bonus may seem expensive at first, it is actually a very good bargain!

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ways to incentivize clients

There are a number of different ways to incentivize/rewards current clients for giving you referrals. Your program can include offering a discount on certain services or offering a free service after so many referrals. You could also give a small gift bag of salon products after so many referrals or after their first referral. Whether the reward is a discount on services or an actual product, make sure that it is generous and significant enough to motivate your current clients to follow through on the referrals, yet not so much that it makes your program unprofitable.

Another great way to incentivize referrals is through promotions. Doing a “refer a friend” promotion where your existing client and the client they refer get some kind of special deal for acting on the referral is a very successful tactic to use. You can give the existing client a free salon product or service or a discount on their next visit, and you can give the new client a discount on a certain service or product. This way, you’re not only incentivizing the referrer but the actual client-to-be. You could also always offer some kind of special discount to all of your first-time clients regardless of whether they are referred or not.

Make sure that your incentives—services or products—not only work from a short-term and long-term financial perspective but also that they are simple. An overly complicated referral program is as bad as not having one at all! While the planning and calculations that go into a referral program may be extensive and detailed, the actual client-facing referral program should be extremely easy to understand and use.

promoting your referral program

The next important step in implementing a successful referral program for your salon is to promote it. There are several ways to effectively promote your program.

EMAIL

Your email can lead to a landing page on your website that has the full details of your referral plan. Direct them to ask about it in the salon, have them print off a referral card or all of the above. Just remember to keep it as simple as possible in order to get more people to participate.

SOCIAL MEDIA

You can use your social media platforms in various ways when it comes to your referral program. It can be a great way to announce a new program, inform new clients acquired through other channels that you have an existing referral program and celebrate/acknowledge recent successes. Find the platform (Pinterest, Instagram and Facebook work best for salons) that works best and start engaging your clients to give your referral program a digital boost.



IN-SALON

In-salon promotion will be critical as there is no guarantee that current clients will open your email or engage with your salon on social media. But if they are truly happy, they will undoubtedly be visiting your salon in the near future. Thus, you should be promoting your referral program in at least two different ways within the salon.

Stylists should make sure to communicate this to clients not only during the appointment but at checkout as well. Make sure that in both cases it is not overly pushy nor unclear. A simple mention and quick overview of how it works should be enough for those that will be willing to give referrals.

In-salon signage is a must. Not all stylists will remember to tell clients and even then it may not be communicated well or even remembered by the client. Window decals on the mirrors or salon front and repositionable wall decals throughout the building and near the cash register are two great examples of in-salon promotion. These signs should concisely communicate that a program exists, what the rewards are and how to get started.

how to manage your referral program

The referral program should be simple for both the salon and the clients.

REFERRAL CARDS

Many salons choose to use a simple referral card. The major advantage of using a card like this is the low cost. There are a number of drawbacks including possible fraud, inability to measure the success of the program, lost cards, etc. I'd recommend that if you're serious about implementing a successful referral program that simple cards like this be avoided.

REFER A FRIEND

Name: _____
Friend: _____

RECEIVE 10% OFF for you and a friend on your next salon visit

SOFTWARE

Another way to manage referral program is through an actual software program. There are a variety of them out there that make management extremely easy for salon owners. The major drawback of these are that they are the most expensive option of those listed. Salon owners should ensure that the referral system fits for a small salon and is not built more for a purely online or e-commerce type business.

APP

Arguably the best way to manage your referral program is a hybrid of the referral card and a software program. Using a mobile app will allow not only for easier management for the salon employees but also gives clients an easy way to verify what they've done and potential incentives coming their way. In most cases if a software platform can be found, it most likely will have an app component to it. Though undoubtedly, an app expressly for this purpose is out there.

Since most of your salon's new business will most likely come from referrals, it's completely worth your time to create and use some kind of referral program. By properly planning, incentivizing, promoting and managing it, your salon will reap the great financial rewards of maximizing referrals from your current clients.

introducing our CosmoProf® App

the app for the modern stylist

The CosmoProf® App is built for those who are Licensed To Create™ and it shows. Specialized menus make taking payments easy. Create a customizable schedule and recommend products to clients. Running your business on your phone is so much easier. **It's also completely free.** So now you can spend more time focusing on your clients and your craft.



Download the CosmoProf® App today for free!



“With the Clients feature on the CosmoProf® App, I can keep track of all of my clients' past appointments, all of their past hairstyles and all of their past formulas.”

-Jacob Khan
Educator, Stylist and Owner
at Jacob K Hair, Atlanta, GA

“With the CosmoProf® App, I can send Loxa Scripts to my clients throughout the day to make sure they're taking really great care of their hair.”

-Phil Ring
Stylist, Providence, RI



Clients

Manage all of your client info—every style, every formula

You can easily import content from your phone, add notes, track previous appointments, upload photos with each appointment and view a full appointment history with past formulas and services. You can even see your clients' entire Hairography—the photographic history of their visits.



Schedule

A full schedule is a beautiful thing and so is an organized one

Now you can manage your daily schedule right from your phone with direct integration of your Apple or Google calendar. Create appointments, set client reminders and confirmations, and build your business. The CosmoProf® App let's you focus on your clients, not on your schedule.



Quick Pay with Square™

Payments have never been easier for you and your clients

Start accepting payments easily and quickly on your phone with Square™. With a fully customizable menu, payments have never been easier. Plus, CosmoProf® App users get the first \$1,000 worth of transactions processed for free.



Loxa Scripts

Connect your clients with the products they want and need

You know it takes great products to create great hair. Connect your clients with the products they want and need with Loxa Scripts. Send your clients Loxa Scripts via text message or email and earn a commission on every purchase. Your retail shelf is virtually endless.



Inspiration

Inspiration in the palm of your hand

Creating great art means being innovative. Now you can connect with your favorite brands and products by getting exclusive content, articles, tutorials and how-to videos. All with a simple tap.



Messages

Don't miss a thing

Get personalized offers, coupons and messages from CosmoProf® and the beauty brands you love, delivered right to you.