



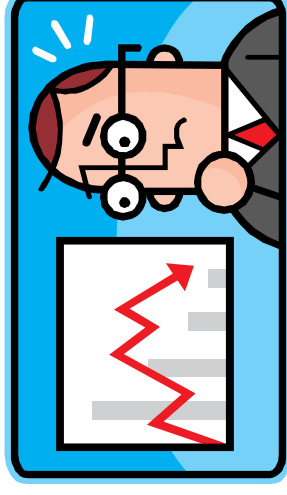
Salon & Spa Stimulus Strategies

Lisa Starr
Cosmoprof Las Vegas 2009

Current State of the Market

- U.S. Salons & Spas

- Countrywide decline in comps; 0-30%
- Fewer customers
- Longer appointment cycles
- Less expensive menu options
- More last minute appointments & walk-ins



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Current State of the Market


- U.S. Salons & Spas – *cont'd*



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- Consumers -
 - Think our products are too expensive
 - Don't perceive difference between mass and salon retail brands
- First industry-wide sales decline in recent memory





Staffing Strategies

- Cross-training
- Consolidation of management/org chart
- Expanded staff responsibilities
- Suspension/removal of some perks/benefits
- Leverage ability & flexibility through points/seniority systems
- **NOW** is the time to make needed compensation adjustments
 - Reward the right behaviors
 - Maximize gross margins
 - Performance metrics and levels



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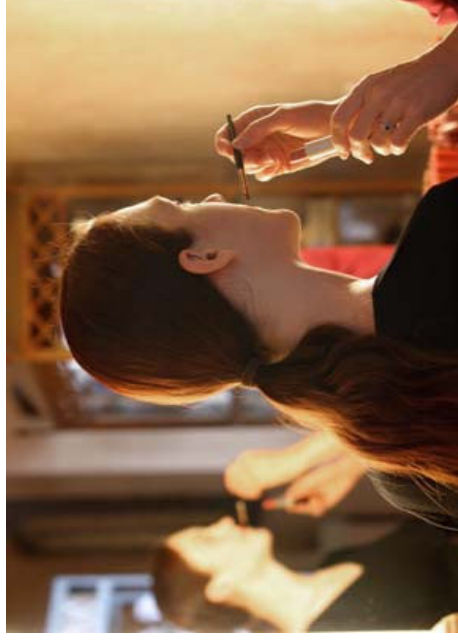
Marketing Strategies



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#1 mandate – *protect the client experience*

- Pricing
 - Avoid the “D” bomb
 - Focus on value-ads and free upgrades
 - Affordable options and micro-treatments on service menu
 - Recession menus
- Emphasize **VALUE**





Marketing Strategies – *cont'd*



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- Invest time in website SEO
- Internal Marketing
 - Points and rewards for loyal regulars
 - Referral programs
- Social media
- Parties/Events





Retailing Strategies

- Stealing big retailer tactics
 - Self-help bars, experiential retailing
- Emphasis on home-care for stress relief
- Analyze ALL competition
- Price services to include a retail product
- Ask for the sale!
 - According to PBA study, 71% of customers received no recommendation!!!



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Inventory Strategies

- Vendors
 - Flexibility – terms, minimums
 - Merchandising support
 - Training & event support
- Inventory
 - Focus on inventory turns
 - Reduce open-to-buy
 - Re-examine protocols



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