

3: OPPORTUNITY KNOCKS

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By working with salon owners in five challenging areas, hair care product manufacturers can build a distributorship that will sell their brands for a lifetime. **BY BRYAN DUROCHER**

The personal care products industry in the United States topped \$52.9 billion in sales in 2001, with professional salon and spa retail claiming only a little above two percent of these sales. Even with consumers being loyal to their salon or technician for services, and in spite of the strong relationships they build, retail purchases are not significant. This is not implicative of the opportunity manufacturers have in respect to the professional hair care industry. But, it is important to look at the intricacies of the relationships between the salon owner, the staff, the clients and the manufacturers to provide a detailed picture of what is really hindering professional product sales.

Five major challenges must be overcome to bridge the gap and reach the potential revenue available to this market: business skills, divided attention, lack of a retail environment, product dialogue and retail goals/incentives. Turning these challenges into opportunities could open the door to success in the professional hair care market.

1. BUSINESS SKILLS. Many salon owners received the technical and creative skill to provide hair care services but did not obtain solid business skills, training or understanding while they were in school. They may know that retail sales are important yet do not realize how significant retail profit is compared to the service dollar. They naturally focus their attention on what they know and do best—providing technical services.



Companies who want to do business with the salon market need to distinguish what it is about their organization that truly is or can be different.

The opportunity is to focus on the salon owners' understanding of the numbers first. They need to know what their business' numbers mean and see that product sales are the fastest way to a healthy bottom line. This can take time, as many have just been writing checks and keeping a mental tally without an organized accounting system. One distinction to be noted is the salon owners who have come from different business arenas or have had extensive education in addition to their cosmetology license usually provide a stronger overall business understanding and practice.

2. DIVIDED ATTENTION. Salon owners have their attention divided in too many places. The majority within the industry is trying to run two businesses at the same time. According to a Sale Metrix, Inc. survey describing salon ownership, 77 percent are full-time owner/operators, 15 percent are

part-time owner/operators, and only 6 percent of owners are not working in a treatment room or behind the chair at all. This means most owners are juggling servicing clients and managing staff and running a business while being interrupted multiple times during the day. Some are caught up in their own service revenues being poured into the business in order to keep it open and are afraid to step out from behind their chair for fear of not being able to meet their overhead.

Providing training and development on leveraging their business by working through others is the solution. Help owners map out specific hours each week to market and develop their business is the place to start. It is important to support the shift from working *in* their business to working *on* it. The potential revenue from developing other's potential far outweighs what is generated by their individual sales.

3. RETAIL ENVIRONMENT. Many salons owners leave little space in the front of the salon for product, which is often inaccessible, locked away in display cases. The opportunity here is to help them design a retail shopping environment or experience.

Educate salon owners on the merchandising techniques successful retailers use. Creative retail product displays should have a major presence in the entrance to the business and throughout the entire salon. The atmosphere must stimulate the five senses. Examples would be certain types of music that relax the client and put them in an enjoyable mood, aromatherapy throughout the shopping area and inviting displays that allow the clients to feel and examine the product selections. Manufacturers who support and can contribute ideas for merchandising tools that pique consumer interest, such as tester units, will definitely benefit in the long-term sales of their salon owner client.

4. PRODUCT DIALOGUE. Another challenge to retail sales is a lack of training in sales. Most salon owners and technicians do not know what to say or when to say it. They are focused instead on providing service recommendations. Most of the time,

they know just enough about the products to use them in a professional service. Common responses from technicians hesitant to learn sales include not wanting to be a salesperson and being seen as pushy. To overcome this, salon technicians need to be educated in how to integrate products into home regimens to complement the service experience. Having basic product knowledge classes is not enough.

Coach salon owners and their staffs on what to say and how to say it, using hands-on involvement. Having a defined client experience that integrates retail product during the consultation, service and close of the visit creates consistent business performance. Consistency is the difference between a good retail business and a great one. The keys here are role-playing dialogue with the entire team and repetition. This is an ongoing process. Retail sales should be a part of every job description as it supports client retention. When looking at successful counterparts in the beauty industry such as cosmetic representatives in department stores, the first thing they learn are the products and how to recommend them. Look at the successful results they have with pulling complete strangers into their care and closing large product sales. How much more can a salon technician do for a client with whom a relationship has developed? Technical education when combined with product knowledge creates experiential learning that is retained.

5. RETAIL GOALS/INCENTIVES.

The call to action and the compelling reasons to recommend product are often absent in salons where retail sales are down. Offering a commission is not enough.

Historically, three types of motivation call people to action: fear and intimidation, incentives and casual motivation. Fear and intimidation should be left out of this picture completely. Incentives are great because the prize or reward is only given when specific goals are achieved. This technique has been around forever because it is effective. Incentives have to be examined carefully to find out what interests these professionals.

Some incentives such as product rebates interest owners, while prizes, education or

money would be of interest to their staff members. This motivation can be a combination of acknowledgment, self-satisfaction of doing a job well and, of course, money. However, although money is a powerful incentive, it is not many peoples' primary call to action. Finally, casual motivation simply means that everyone in the salon environment is doing their part because they want to. In essence, when the "cat is away the mice are not playing." This level of motivation occurs when the time has been taken to identify the goals of the salon owner's business—and the individuals working within it—and to help them to achieve long-term success.

Some manufacturers have answered the call when it comes to promoting long-term retail sales within the salon market. They have developed business programs and universities to support the overall success of the salon owner's business. The salon owner is getting coaching in some or all of the challenging areas and is implementing the education into their businesses. The result is a financially secure salon with a strong bond and loyalty to the manufacturer who supported the process.

A multitude of product choices available to this market with variety in price points, packaging and target markets that overlap make it difficult to penetrate. Companies who want to do business with the salon market need to understand this and distinguish what it is about their organization that truly is or can be different. Manufacturers can sell salon owners a product today or work with them on these five challenging areas to build a relationship that sell products for a lifetime. **CCU**

REFERENCES

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