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Inspiring Champions

How To Raise Your Session Fees



Massage therapist Brenda Spranger had no fear when she decided it was time to raise her session prices in her salon and spa, located in the small community of Fond Du Lac, Wisconsin.

"[But] if I hadn't had systems in place to show me the financials of how raising my prices would benefit my business, I would have been scared to death," admits Spranger, owner of Rob's Riverwood Salon & Spa.

Spranger was motivated to raise prices for massage therapy and other spa offerings after attending a training seminar on how health-and-beauty professionals can implement business systems to increase revenue. The seminar Spranger attended was conducted by Inspiring Champions, a training and coaching company specializing in the beauty and wellness industries.

"Raising your service prices, setting boundaries and saying 'no' are absolute musts for the advancement of your professional career, as well as your life," says Inspiring Champions founder Lauren Gartland. She helps salon and spa professionals determine when it is time to raise prices, how much to raise them, how often and how to tell their clientele.

"One of the biggest fears of massage professionals today is the fear of raising their prices," Gartland says. "You may envision losing your clients, causing offense and creating mayhem in your business.

"The reality is, raising prices is absolutely necessary for the success of your business," she continues. "You may be very surprised to hear what always happens when prices are raised in the correct way."

When to raise fees

First, look at your regular bookings. The time to raise your prices is when the demand is greater than the supply. "When you are consistently booked 85 percent or more of the time over a two- to three-month period, it is time to raise prices," says Gartland.

To figure out what your average time really spent working is, figure out your potential hours of productivity. In columns, write down the days you work, listing hours underneath, minus your lunch or break time. If you work nine hours a day, five days a week, with a one-hour lunch break each day, then that would equal 40 hours, for example.

Once you determine your potential hours of

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The grid displays 30 business cards for various massage and wellness services. Each card features a unique design with different colors and graphics, such as hands, flowers, and abstract patterns. The services listed include Reflexology, Reiki Flow, Therapeutic Massage, Shiatsu, and many others. The cards are arranged in a 10x3 grid.

"My herbalist asked me to post my business card on her board. My card really stood out from the others. The vibrant color, the quality and the graphics were really noticeable. I've had nothing but positive response." — S. LaFramboise

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productivity, then figure your real hours of productivity. These are the hours you actually worked. Keep track of your daily potential hours of productivity and real hours of productivity. To find your daily average, simply divide your real hours by your potential hours.

For example, if your real hours for a day were 5.5 hours and your potential was 8 hours, then your average would be 69 percent, which is 5.5 divided by 8. After calculating your average each day, do so again at the end of the week. For example, if your real hours for a week were 27 hours and your potential was 42, then your average would be 27 divided by 42, which is 64 percent. "Keep track of your numbers consistently over a period of two months," instructs Gartland. "If your average is 85 percent or higher, then it is time to raise your prices, as your demand has exceeded your supply."

Gartland uses this "85 percent" figure as her standard economic benchmark, choosing it after years of consulting in the salon and spa industries and finding it a good representative model for increasing prices.

Start now by looking at your book and marking out a lunch break every day, going as far ahead as needed to begin.

"If you do not currently take a lunch break or other breaks, start taking them," Gartland says. "Treat it as an appointment—for yourself. If a client wants to book during this time, simply say, 'I would love to get you in today, but unfortunately I have no open appointments.' When you take care of yourself first, you can then better take care of others."

Work smarter

The cost of living increases every year, your operating costs increase and so should your salary. "If you have not raised [session fees] in 12 to 18 months, then it is also time," Gartland adds.

For massage therapists who are already booked solid, consider not accepting any new clients who only want basic relaxation or Swedish massage. Start to think about forming your business around the ideal client—one who receives higher-priced services or is committed to a regular massage program and buys series packages.

You simply earn more when clients buy packages. They come in more often, and as they're not spending money after the initial purchase, they are more apt to get an additional service or buy retail products. To attract ideal clients, you can also offer higher-priced massage services. Higher-priced services could be more skilled modalities like sports, deep-tissue or connective-tissue massage; or specialized modalities like reflexology, polarity or shiatsu. Offering series packages or higher-priced massage services will ultimately allow you to work smarter and increase your profits while working fewer hours.

You must treat your career as a business—not as a hobby.

How much more?

Once you've decided to raise your prices, think about how much you should raise them and how often. "Do not drastically raise your prices at one time," Gartland cautions. "Start with a 10-percent adjustment. This will instantly increase your profits and won't affect your clients' service tickets [number of bookings or treatments] too severely."

Keep tracking your average hours booked and keep an eye on your percentages. If you again reach an 85 percent booking rate in two to three months, then raise prices again, she says, adding you can raise them a few times in a year if your client demand continues to exceed your supply.

Gartland also cautions you should expect to lose some clients. The upside? "You need to lose them!" she says. "You may lose about 10 percent of your clients, yet consider you will be earning more while working less. You also want to replace those clients with your ideal clients, those who

purchase more services or those committed to a regular massage program.

"Do not be attached to what your clients choose to do," Gartland adds. "It is not personal; it is business and you are treating your career as a business and not as a hobby."

Next to consider is how to tell your clients. Always tell them ahead of time, so an increase won't be an unexpected surprise. "Consider what your typical client cycle is," says Gartland. "If you see clients every six weeks, then post an announcement six weeks before you will raise prices. It's important your [clients] will see it at least once before the increase is effective."

Almost always, an unexpected result happens when massage therapists raise their prices. "We assume people are going to ask 'Why?'" says Gartland. "Typically, they do not say anything. They actually expect prices to be raised. Some clients will even say, 'Well it's about time!'"

"Remember, you do not need to go into detail when explaining your price increase," Gartland adds. "Don't talk

about the cost of living, your increased distributor costs or your children's college tuition. Eliminate the drama."

Watch your numbers

"Numbers don't lie," Spranger says. "You have to look at your numbers and track them regularly. Having all the tools and knowledge on how to do this gave me clarity and confidence. We looked at what services were being booked regularly, how much the therapists brought in for their base and how many clients were being pre-booked.

Raising prices is an individual decision and will be different for every therapist or business. You have to know your numbers and where you want to be."

Spranger opted to raise prices 10 percent, so a Swedish massage in Rob's Riverwood Salon & Spa went from \$50 to \$55. "Our clients were OK with it," she says. "With the current economy, we see less clients, but have kept the same amount of income due to our price adjustments. The clients we see are also experiencing more services because of our new focus [on] promoting add-on services."

Spranger explains she developed a variety of add-ons for her massage and spa services at the spa. For massage, she offers such add-ons as aromatherapy, paraffin dips,

stretching, Biofreeze spot treatments, shiatsu headache remedy and an exfoliating foot treatment.

"After deciding to raise our prices, we had new menus created that included all the add-on options and the new prices—we made sure everyone got a new menu and we put a notice of the upcoming price increases on our website and



Learn more by reading "8 Insider Tips to Raising Session Fees," with insights from *Inspiring Champions'* Lauren Gartland, at www.massagemag.com/raisessionfees.

e-mailed our client list," she says. "We're doing well, despite the economy."

Learn to set boundaries and not be afraid to make tough decisions, such as raising your session fees. Keeping track of how much you charge and making adjustments when appropriate is a necessary step for the growth of your practice and career.



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For more information call 800-496-9305 or visit www.InspiringChampions.com.