



Profitable Marketing Management

BALANCE OPERATIONAL CONTROLS WITH STRATEGIC SALON MARKETING!

By: Larry H. Oskin, President, Marketing Solutions, Inc.

Many salon and day spa owners so concerned about controlling operational costs, that they forget about driving in new salon clients through marketing efforts. Few owners are so market-driven, that they forget to remain profitable through budgets, business plans and operational controls. If you do not create enough total salon service and retail sales volume, you will never enter the profitable arena. Creating a profitable market-driven salon or day spa may sound like a contradiction in terms! To most salon owners it is a contradiction that they cannot easily deal with. You must first create a working plan.

SET STRATEGIC OBJECTIVES & GOALS: Create a list of specific measurable objectives and goals for your salon. Each salon 'Objective' and 'Goal' should have various personal and salon team 'Action Plans' assigned to each one, so everyone is involved in creating your future success. Here are some examples:

OBJECTIVES:

- To become known as the top quality full-service day spa salon in your community
- To become the most market-driven, education-based salon in your area
- To maintain maximized new sales opportunities through creation of an Annual Marketing Calendar
- To maintain maximized profitability through a balance of Annual Marketing and Operations Budgets
- To create an advanced education-based marketing effort through Monthly Staff Education Sessions
- To provide maximized client services through extended staffing during nights and weekends

GOALS:

- To re-invest 5% to 8% of total salon sales back into a Marketing, Advertising & PR Program Budget
- To maintain a minimum 15% Retail Sales Goal
- To maintain an Average Ticket Sale of \$00.00 for the next calendar year
- To become fully staffed with a minimum of 00 Hair Designers, 00 Nail Technicians, 00 Aestheticians
- To maintain a necessary staff of 00 people, on weekday nights, Saturdays, Sundays and Mondays
- To maintain 00% Of profitability, after all controlled costs

ACTION PLANS:

- Have each individual maintain 15% to 20% or more in Retail Sales, with Weekly and Monthly Reviews
- To create a new Client Consultation Program to educate clients on at least one additional professional salon and spa service during each visit
- To create Monthly Staff Advance Education Sessions that support Marketing, Advertising & PR Programs
- To hire an external Marketing and Public Relations support service
- To partner better with Beauty Supply Distributors, with one hour monthly meetings
- To partner better with local cosmetology schools, by offering to hold classes for their students, while also inviting them to our salon for advanced education programs
- To develop and facilitate a Quarterly Direct Mail Campaign to solicit new Salon Professionals
- To raise salon service prices 5% to 10% per year, while instituting a multi-level pricing system

CONTROLLABLE & UNCONTROLLABLE COSTS: Be sure to identify all of your controllable and non-controllable operational costs. There are hundreds of major areas to control in salon operations. None are more important than payroll and benefits. You must control these to control profitability and to stay in business. Rent, electric, water, utilities are set in place and there is little you can do to alter these. Advertising, Marketing, Public Relations, decor, equipment, products, staff incentives, reception desk, cleaning service and shampoo help are controllable expenses and they are very important investments.

You must invest wisely in all of these areas, without breaking the bank. No one can tell you how to balance these variable areas, yet you do need a balance. If you are too operationally driven with control standards while not investing in marketing programs, you will eventually fail.

INVESTMENTS IN MARKETING: Plan a specific budget for investing in your future business. You can't afford NOT to advertise, market, promote and publicize your salon! Set aside a specific minimum sales percentage and/or exact dollar amount that you plan to re-invest in your salon on a monthly and an annual basis. If you do not drive new clients into your salon --- WHO WILL? You must adequately plan for advertisements, photo-sessions, promotions, public relations campaigns and charitable fundraisers. Marketing will not only attract an ever-increasing clientele, it will help to attract new salon professionals.

PERFORMANCE PLANS: Your Strategic Action Plans should call for both team efforts and individual responsibilities. Review these at staff meetings, while congratulating your team on their successes. Meet privately with individuals on your team to set specific personal goals. Review their performances, successes and challenges regularly, while offering advice on how to improve their personal Action Plans. Make certain that everyone works together on team efforts, while also maintaining their individuality for marketing and education assignments.

EDUCATION-BASED MARKETING: Every salon team needs training, motivation and support to offer the best services for your clients. Make sure that your staff receives encouragement for regular educational updates, advanced seminars and convention participation. Provide some education in the salon, while using incentives to have the staff participate in area Distributor provided educational programs. Invest in professional salon trade magazines and stylebooks for your salon to read. All of your marketing efforts should be tied directly into your Marketing and PR Calendars, so that everyone is trained at least one month ahead of each promotional event.

GET FOCUSED WITH A PLAN: Get the big picture in mind. A day-to-day working plan will never last forever. The only way to achieve profitability is by simultaneously building a professionally capable staff and a large repeat clientele through a marketing-driven effort which will ultimately create escalating total sales volume. Salon business strategies are absolutely critical to your future and to your profitability.

Successful salons plan their work -- and work their plan. Do more than dream about your future. Learn to succeed through a plan that balances marketing and operations, to ensure unsurpassed profitability.

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EDITORIAL NOTE: Larry H. Oskin is president of Marketing Solutions, a marketing, advertising, media relations and consulting services agency specializing in the professional beauty business. Clients include salons, day spas, medical clinics, manufacturers and associations from across North America. For more information contact Marketing Solutions at 10875 Main Street ~ Suite 205, Fairfax, VA, 22030 USA -- 703-359-6000 or via email at MktgSols@MktgSols.com.