



Let's Grow!

RETENTION MARKETING

WHY NEW CLIENTS
ARE **SO** LAST
SEASON

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INTRODUCTION

Your salon has had over 3,000 clients through its door. The question we ask is, WHY are you still chasing new clients? Stop. The hard work is done. This is your guide, perhaps even mantra, to salon success that requires only patience, passion and the willingness to trust your heart, not just your head as a stylist, therapist and most importantly, entrepreneur.

Now it's time to learn about retention marketing and why the only real way to continually grow your salon is by getting people spending more, more often.

Enjoy!

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A True Story about Two Salon Owners...

Two salon owners, Mary and Lisa. Both are great therapists and own a salon in west London. Nothing really differentiates them in terms of capability, business size or location. Both are immensely passionate about the industry and their clients.

LISA HAS A THEORY. She believes that if she's getting new clients through her door, her salon must be growing. She's used daily deals and aggressively discounts using SMS, email and social media to push out specials and offers on a weekly basis.

Her figures tell a different story. They tell a story of a salon owner who is pushing herself constantly, making personal sacrifices like spending less time with her kids and boyfriend and working non-stop for very little in return.

Lisa's Business by Figures

Average Spend - **£26**

Percentage of new clients who come back -

15% (retention rate)

5,206 clients on her database

300 appointments a month

Lisa is currently making just under £8,000 a month. With rent, overheads and therapists to pay, she is struggling. Badly.

Impressively though she has over 5,000 clients on her database, which is 1,500 more than the national average. She has acquired all of these new clients by discounting and using every platform from mobile to Facebook to constantly push out the same offers to all people of all ages.

MARY'S FIGURES TELL A VERY DIFFERENT STORY. They tell the story of a lady who's immensely confident in her own ability. She knows, at least wholeheartedly thinks she knows the way to grow and market her business. Indeed the figures tell that story of success too:

Mary's Business by Figures

Average Spend - **£40**

Percentage of new clients who come back -

42% (retention rate)

3,109 clients on her database

400 appointments a month

Mary is currently making £16,000 a month. Twice the revenue of Lisa's salon. Interestingly she has almost 2,000 less clients on her database.

What's Mary doing differently?

She focuses on her existing clients. Her salon is growing through retention marketing i.e. getting her clients back more often and spending more!

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RETENTION MARKETING

Where Do I Start?

Firstly, pretend you are a potential client of your own salon.

How would you like people to perceive your salon? Would you like people to think of your salon as the place that provides the cheapest treatments or the cost-cutting cut and colour? Doubtful. Let's assume that after taking the risk of starting your own salon and investing time, sweat and tears, you want to be RENOWNED for being **the** salon that makes people look and feel great.

You want word to spread that your salon is no ordinary salon, it's an experience not to be forgotten, not just 'a service'. You want to run the kind of salon that makes a client call their friends immediately after leaving the salon and ask them on a night out. Why? Because they know their friends will compliment them on how they look. Soon, those friends will be in your salon too.

And you should want that... you deserve it!

What is retention marketing?

Retention marketing is simply a method of getting clients back more often, spending more and getting profitable new clients only through referrals. It's all about focusing on what you have and showing love and appreciation to those who have kindly spent money on your great treatments, styles and products to get more in return.

Win-**WIN!**

Let's see where Mary started
and how she has built a successful salon.

INFORMATION is PROFIT

Mary considers herself a therapist first and business owner second. She's never gotten a business qualification and she hates computers. But her number one passion has always been making people look and feel great. It's a major bonus that she makes a lot of money doing it too.

But she knows, ironically, that the day she puts her business before her clients is actually the day she is putting her business second. If she does that her business will suffer and her clients will leave, and within months she'll be like Lisa chasing new clients for little in return.

So where did Mary start?

Mary realises that information is not power in the hair and beauty industries, but profit. She never lets a new client leave without telling her their email address, mobile number, date of birth and if they have been referred by an existing client.

The way in which she uses this information is incredibly clever. Unlike Lisa who sends the same offer via SMS

and email to everybody of all ages and types, she is targeted. Of course she knows that an OAP has very different needs from a student, but she also realises that sending people irrelevant emails and SMS will actually annoy them, having a negative effect.

Mary creates categories such as students, young professional, young professional mum, OAP, men who buy vouchers etc. She has her team trained to extract the info in a way that's really subtle through conversation during treatments. Her therapists are never pushy and in fact when they ask, they show they care.

All the stories about family, friends and work that are shared with the team go straight onto her client cards. Nothing escapes.

Retention Tip

Get as much information as possible from your client. Don't stop once you get the contact details. You are selling more than a service, you are building a relationship. The more info you have, the more personable you can be and the more ways you have to target your clients.

OUT WITH LOYALTY and IN WITH THE TREATCARD

MARY DOESN'T LIKE LOYALTY, well at least in the traditional sense. She realises that the standard 'get four facials and we'll give you a fifth one free' approach is providing a discount on something that the client was willing to pay full price for anyway.

Mary has a loyalty type scheme she calls her 'TreatCard'.

How her TreatCard works: Every time a client purchases a product or service they get points. Once they reach a certain number of points, Mary rewards them with a treatment or service they've never had before. That's the key, a product or service they've had before. She's constantly treating her

clients to new products and treatments – 30% end up buying that additional product or service at full price dramatically increasing average spend.

Referrals:

Every new client that comes into Mary's salon is asked if they were referred by an existing client. If they have been referred, Mary sends that existing client an SMS saying, "Thanks Denise for referring Jade to our salon. As a thank you we're going to give you 100 TreatCard points". Doing this means Mary is acknowledging the referral and building a relationship with Denise PLUS it subtly encourages Denise to refer more people so she can get a free treatment or product.

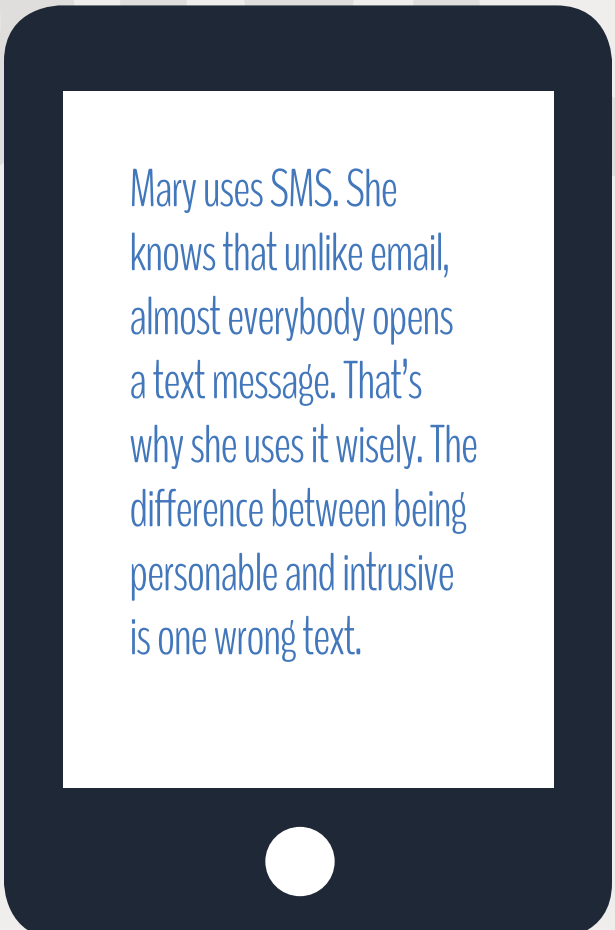


Retention Tip

Use a loyalty scheme that treats people to products and services they've never had before. Acknowledge and reward referrals to build retention and get new clients by focusing on your existing ones!

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IT'S NOT ALL ABOUT THE SELL!



Mary uses SMS. She knows that unlike email, almost everybody opens a text message. That's why she uses it wisely. The difference between being personable and intrusive is one wrong text.

The Personal Assistant

Mary always sends an appointment reminder. People are busy. She knows her clients appreciate being reminded. It's one less worry and one less, "Oh crap. I completely forgot about my appointment" type panic. It has increased her appointments too by cutting no-shows by 70%!

The Gracious Business Owner

When she gets a new client, she sends them a personalised SMS thanking them for their business. For example, if you run a hair salon: **"Hi Danielle, thanks so much for coming in today. We hope you feel fabulous and see you again real soon. Your stylist, Connor"**.

No hard sell right? You're 10% more likely to get them back a second time after that text. Mary has just increased appointment numbers again.

Mary's only discount

Mary discounts once, and once only. If a client hasn't been in the salon in six months she faces the fact that they are likely to never return. BUT... she gives it one last shot. She sends them an SMS saying: **'Hi Marina, we haven't seen you in 6 months. Come back in and get your regular facial for 1/2 price. We're waiting to wow you on 02071009290. Mary, Beauty Essence'**.

The whole point of this exercise is to get the client back and over time increase their average spend and number of appointments. Instead of chasing new clients, Mary uses the information right in front of her that she already has to increase her appointments.

Retention Tip

Use SMS primarily to remind people about their appointment and thank them after their first visit. It's not all about the sell! Use SMS to get people back to your salon instead of replacing existing clients with new ones.

Using Email

LIKE NO OTHER SALON

We're getting more and more emails than ever. It's a constant barrage of offers and promos and salons are racing to the bottom in terms of price. Major providers like Gmail are introducing 'tabs', so offers won't pop into your inbox but are put aside.

Mary takes a different approach. Her emails 'pull' not 'push' i.e. her emails are trying to draw information from people and let them voice their opinion - not to just push yet another discount.

Growing Her Social Media Audience

Mary sends an email after a client's first appointment. It simply reads:

Hi Denise,

Thanks for coming in today. We loved spending time with you and hope you feel fabulous. If you'd like to learn more about how to keep your treatment lasting longer and some great skin tips, visit us over on [Facebook](#).

If you ever have any questions or need some advice, just pick up the phone.

We hope we see you soon.

Mary - Beauty Essence

Book your next appointment online. We're virtually around the corner ([link to online booking](#))

70%

of Mary's clients end up clicking on the link and liking her Facebook page.

Getting Feedback for Referrals:

After every treatment Mary sends her clients an email asking them to rate her treatment out-of-five and leave a comment. This works really well for a number of reasons:

- > Mary is getting feedback on her services, staff and it gives her an insight into what's going on in her treatment rooms

- > If she gets a rating of 5/5 then the client can share it on their Facebook page generating referrals. It's also credible advertising as people are talking about Mary's salon as opposed to Mary pushing out promo messages herself

Most importantly though, it gives Mary the opportunity to right an occasional wrong e.g. if a client is unhappy about their treatment, you can be guaranteed that they are going to let Mary know in that comment box! On that rare occasion, Mary picks up the phone, apologises, and offers them the treatment again for free. She makes sure she wows them when they come in. The funny part is you can almost be guaranteed that after making such an effort she has a client for life.

Remember, if you don't get feedback and try to sort out the problem as fast as possible, that client is going to moan and slam your salon to their friends. Mary turns a complaint into an opportunity - the opportunity to get a client back more often and show them how much you really care.

Retention Tip

Use email as an opportunity to thank people and grow your social media audience

Get feedback and use it to generate referrals and win unhappy clients over

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INCREASING AVERAGE SPEND through her website

You can book an appointment in Mary's salon 24/7, 365 and it goes straight onto her appointment screen.

Her booking facility knows what appointments are available, her opening hours, therapists, treatments, prices etc. Mary doesn't need to manually enter in any information. The client just picks a time, therapists, and books using their credit card. They can't see her appointment screen, but it will let the client know if the particular slot is available when they try to book.

Mary realises that being online is not a fad but a must.

Never missing an opportunity or giving the competition a chance

Think about it like this. Mary has a client whose boss gives her a late call and asks her to attend a function the following day. That client's immediate worry is her nails. She needs to get them done. Now it's 10pm and Mary's salon is closed. If that client couldn't book online, she's going to book elsewhere that provides an online facility. Mary would have given her competition the chance to wow her client if she didn't have online bookings on her website.

You can book an appointment in Mary's salon through her website and Facebook page and app. Mary has a theory. If she is expecting clients to spend money in her salon, why should they work to her schedule and opening hours?

Making the most of an impulse purchase.

Mary doesn't buy much online. Every time her

daughter Jade asks for a credit card to buy 'a book' she always goes over budget. While it annoys Mary, she looks at it in a different way being the opportunist. She understands the way in which Amazon presents the information, makes it very easy to 'treat' oneself to an extra item.

Mary knows that online booking is a great way to increase average spend. Why? Because when a client calls in, they just ask for 'their usual'. If they book online and see ALL of the services you provide, they are far more likely to go "OH! I've always wanted to try that. Maybe I'll treat myself this once." Well done Mary. She's just increased that clients average spend by 40%.

Her appointment reminders are reducing no shows by 70%. Imagine what the credit card deposit is doing? They always show up. Or at the very least, ring in advance to cancel.

Retention Tip

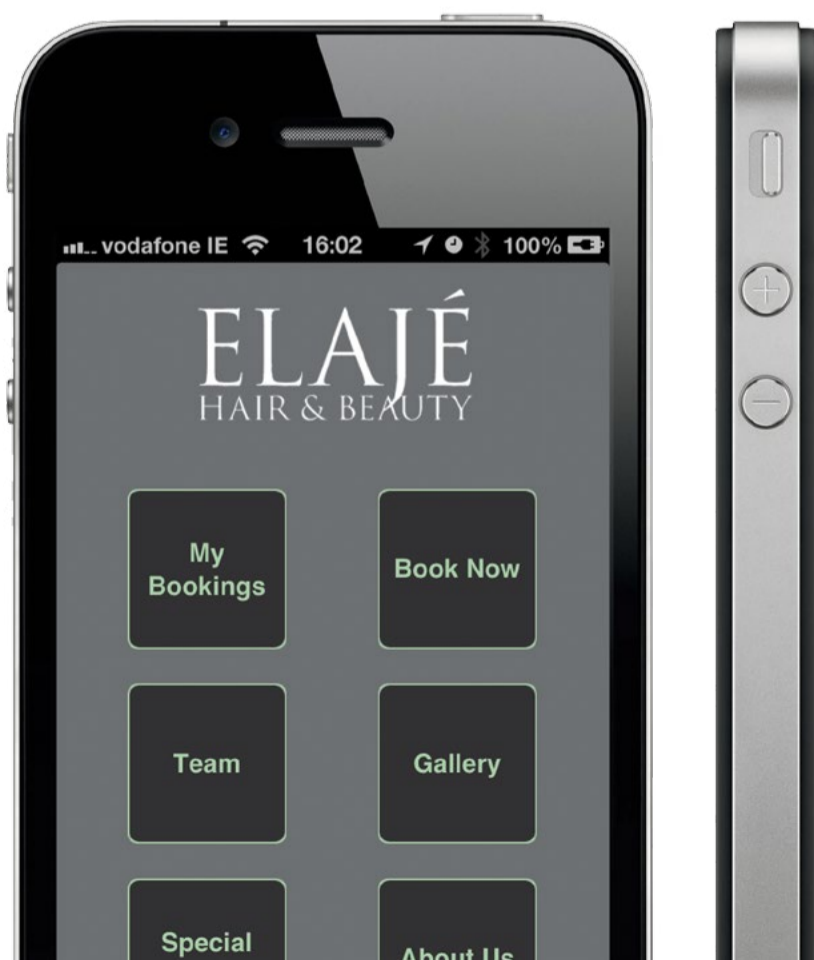
Provide the ability to book online so people can browse all of your services. Make it automated as possible, otherwise there's no point. Always take a small deposit for online bookings.

AN APP

THE NEW SHOPFRONT

Mary was surprised to hear people say, “You need an app!”. She thought the website she had invested in three years earlier was enough. She then read on the Phorest blog that outside of calls and texts, 82% of peoples’ time is spent on apps. While websites work on smartphones, you’re expecting people to go to the trouble of opening a browser, typing in your URL and then shimmy around a website that doesn’t suit the small screen on a smartphone.

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Your 21st century Shopfront

Mary’s app sits on the homescreen of 300 of her clients. It’s a constant reminder of her salon reinforcing her brand every time that her phone is unlocked. An appointment is just a tap of the screen away and like her website, can be made at any hour of any day.

Retention Tip

Get an app now before the salon beside you does. Having a Facebook page or website alone is no longer enough.

SOCIAL MEDIA NOT SELLING MEDIA

Mary is fascinated by social media. She doesn't fully grasp how it works, but she gets the general idea. When she looks at her friend Lisa's page she is appalled. It looks like a mini Groupon. It's just post after post on half-price this, 50% off that. Mary delegates updating Twitter and Facebook to her team.



She has one strict policy. Never discount on Facebook as it's like publically screaming "We're empty! Help us out...".

Here's a small content plan that her salon uses:

Educate!

Simple posts with skin tips or how to make treatments last longer really work e.g. "Make sure to exfoliate before going for your next tan for a more even, streak-free look."

Mary continually educates, educates, educates. She also uses images and asks questions like, "Do your nails look like this? Here's how to get them looking fab." When people engage and ask her questions, she can then recommend a treatment. She never goes 'Call now for a nail treatment.' She understands that potential clients need to understand why they should get a treatment before actually booking it for the first time.

On Twitter and Facebook she also holds beauty clinics. She gets one of her therapists to post up a time and date for when people ask her questions online about their beauty issues. Mary is continually building the reputation of her salon and team as experts.

Referrals:

When Mary receives her positive feedback online, she shares it on Facebook. These reviews are like word-of-mouth on steroids. Most importantly though, they ooze with credibility. Which is more believable - positive spin by a company selling a product they want you to buy, or your friend telling you about it and how amazing it is?

Mary uses the positive reviews as an opportunity to promote her great services without having to do it directly.

She also gives the clients the facility to share a review that's 4/5 or 5/5 on their Facebook page too with hundreds of their friends.

THE EXTRA MILE

...

Every salon in Mary's area pulls out the stops with the latest magazines, coffee, tea and decor. Where Mary knows she can win though is with **the personal touch.**

:)

An impossibly good memory:

You know the way Mary thinks information is profit? Here's the proof. When Mary or her team are talking to a client they memorise some small bits of info e.g. their client Sue comes in one day and starts talking about her sister Leanne's wedding in a month's time. Mary or her team then inputs that info on the client card 'notes' section. Now she checks the client cards of the clients that are in coming in on any given day so she can remember really important points of conversation that are close to her clients' hearts.

When Sue walks back into the salon eight weeks later, Mary greets her and asks "How was Leanne's wedding?". The Client is wowed. She's only met Mary twice before and now knows Mary really cares about her. Of course Mary realises she can never remember everything. That's why she uses her client card to go the extra mile.

Being Gracious:

Mary was recently in a hair salon and picked up a great idea. When the stylist brought her back to reception to pay up she popped her head up from behind the computer and said, "I really enjoyed colouring your hair today!". The stylist had such a simple and charming way to communicate her passion while making Mary smile from ear-to-ear. Every client that goes into Mary's salon is now told how enjoyable it was to work with them.

Retention Tip

Mod-cons are easily replicated. Making your touch personal is the most important thing and keeps clients coming back more often, leaving better tips.

THE FIGURES

Mary's Targets & KPIs

When Mary started out, her average client was booking five appointments. She knew that was too low. But most importantly, she knew it was an opportunity. That's when she started working on getting people in more often. Their average spend was £40. She also knew that was too low.

First she said she'd work on her visits.

5 visits a year x £40 per visit x 400 clients = £80,000 a year

On Year 2, she said she'd increase her visits by just one visit

6 visits a year x £40 per visit x 400 clients = £96,000

On Year 3 she said she'd increase to 7 visits and get average spend to £43

7 visits a year x £43 per visit x 400 clients = £120,400

The beauty of it is that when she focused on her existing clients her salon grew faster and faster, but also she started getting WAY more referrals because she was making people so much happier:

Year 4 looked like this:

8 visits a year x £45 per visit x 490 clients = £176,400

This year, 7 years after she started retention marketing, her figures look like this:

10 visits a year x £47 per visit x 612 clients = £287,640

Mary is now in the process of opening a second salon.

So, Are New Clients Really Last Season?

So... are new clients SO last season?

Well the answer is NO.

But, chasing them directly is not the answer. You've had enough clients through your door already to have a profitable salon. Chasing clients means you may just not be holding onto your existing ones and if you can't do that, your new clients won't hang in there either. But you can change that. Implement all of what we said in this book and you will truly grow your salon.

Here's to your future success!

Let's Grow!



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