



## **The National Tanning Training Institute’s Salon Operations & Procedures Course**

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## **INTRODUCTION**

Managing and operating an indoor tanning salon is not a simple task. Although the daily procedures may seem like second nature to the experienced professional, the novice salon operator may find them overwhelming.

This program provides you with the operational procedures salon owners must use and understand in daily operations. Although some details may vary slightly, depending upon location and business goals, these are steps to use as guidelines.

# **1 Salon Management**

Management of any business is much more than just determining the overall job to be done and then delegating duties to employees. While delegating duties is a major task, the actual task is much more involved.

Before knowing what has to be done, the manager first must determine the short- and long-term goals of the salon in order to formulate a clear idea of what is to be achieved. With the specific goals in mind, the manager can define the actions that will best achieve those goals. Next, the manager must clearly and effectively communicate to the employees what is expected of them and how their actions contribute to business' overall goals.

Effective delegation can be the hardest part of personnel management, especially if one is accustomed to doing the entire job oneself. It is not uncommon for a new manager to have difficulty adjusting to the new role and allowing employees to do the work they were hired to do. Such people must work to resist the temptation to continue to do the bulk of the job themselves simply because that way they know it will be done the way they like it. Teach your employees to do the job the way you like it and then let them do it.

The best way to train employees to handle specific jobs in a certain way is to explain what is to be done, how it is done and why, and then step back to allow the employee the room to accomplish the task. At the same time, a manager must stay involved enough in the process for the first few weeks to lend assistance and constructive advice when it is needed. To some, this process is instinctive and comes as naturally as walking or breathing; these rare people are born managers and a real asset to any business. Most people must work at it consciously, and develop the skill only after much trial and error.

To add to the difficulty, personnel management is only one part of the typical tanning salon manager's job. In a small business such as a salon, the position carries many responsibilities. On any given day, the manager may be called on to train a new employee, placate an angry customer, order a new supply of retail products, take the day's receipts to the bank, update payroll and many more of the dozens of recurring tasks involved in running a salon. In short, if there's something to be done, odds are the manager will have to do it at some point in time.

However, management should not be taken lightly, and it is not something that comes easily to everyone. Many professionals who are outstanding at their jobs have a difficult time branching into a management position, even when it's in the same field. As one such professional put it, "I like doing my job, I just don't like making other people do theirs." However, unless you're very fortunate during the hiring process, you'll probably have to spend some time doing just that. Look on it as an investment in the future. Once your employees are trained, and you're accustomed to the role of manager, things will run more smoothly.

Since there is a finite limit to the amount of work any one person can do effectively, salon operators must be effective managers in order to achieve maximum success in their businesses. The ideas in this section are intended to act as a guide in many aspects of salon management.

## **2 Hiring And Training Employees**

Almost everything in your salon business depends upon the competency of your employees; therefore, the people you hire and the way in which you train them is critical to your success. The idea is to find employees who are going to earn their wages, not just collect them.

Hiring individuals with good personalities and good work ethics truly can increase your sales. Customers feel more comfortable, secure and happy when someone who is friendly and capable is aiding them. The employee becomes even more important if you add retail merchandise to your salon.

### **Finding Good Employees**

The most common way to find employees is to place a newspaper advertisement. However, in order to attract the type of people you want to hire, you must stipulate your high standards in the ad. Mention that you are seeking an inside sales person with flexible hours in a pleasant, business atmosphere. Mentioning the word "business" right off the bat indicates to a potential applicant that he or she will need a professional attitude in order to land this job.

It is also good to indicate that good phone skills are needed, as well as having excellent rapport with clients. Mention the importance of appearance as well. Being in the beauty/health field, it is important to have attractive, neat, fit employees. This alone can create a salon image.

Always keep your eyes open for potential employees. Health clubs and beauty salons are good places to find people who can convey the image you desire. Employees have been known to quit without warning, so when you come across someone you like and they express an interest in working for you, take their name and number and begin a file. Then it will be easier to find the right person without going to the trouble of advertising when you need to.

Waitresses also are good candidates for potential employees. If they work in a restaurant that's only open for dinner, there's a chance they might need a daytime job. So if you're out eating and encounter a waitress who's attractive, neat, attentive, personable and provides good service, ask her if she'd be interested in discussing employment with you.

Your competitors' businesses also are good places to look, especially if the defecting employee brings a copy of the customer list with them. If you come across an exceptional employee while shopping your competitors, make an offer, but keep in mind that there may be some drawbacks. If your operating style is drastically different from that of your competitor, you may encounter unexpected difficulties. The employee may have been trained to work a certain way, and old habits are sometimes hard to break. The employee also may have been trained to operate and explain different equipment. Always conduct interviews in your salon and allow the potential employee to take a session as part of the interview. Even if you don't hire the person, you may gain a customer. By doing this, you also may see how they react to the equipment and how well they understand its function.

Make sure you go over your requirements and expectations; they must be perfectly clear from the beginning. A lack of communication is the most common source of problems in an employee-employer relationship. Prepare a written job description and emphasize selling retail items, as well as tanning and/or add-on services as a primary responsibility.

Allow potential employees to do some of the talking because this is one of the best ways for you to get a feel for their personality and ideas. Do some role playing; pretend you are the customer and let them interact with you. Act as a customer coming out of an initial tanning session, and let them try to sell you a package or a product. This can give you an idea of how well they will function on the job. If they are excessively timid when role playing, it's likely that they will act the same way when it comes to the real thing.

### **The Training Process**

After hiring, break the employee in slowly. Pushing too hard may cause a person with excellent work potential to become frustrated and discouraged.

First, give employees a package of literature from the manufacturer or manufacturers of your tanning units. They also should be given copies of your ads, fliers, customer cards, daily record sheets and any other forms they will be expected to fill out. Have them read chapters of this book and copies of the trade journals and explain that it is imperative that they read all the information carefully. Review each form step by step and have them spend the day studying them, preferably in the salon so they can ask you questions at any time.

Allow them to listen, on an extension, to inquiries you handle on the phone, and explain why you said what you did immediately afterward. Remember, there is no better teacher than hands-on experience. Don't expect them to get the hang of it the first few times--you probably didn't even do that. Allow them to go through the phone procedure with you for the first few days as practice makes perfect and builds confidence.

Supply the new employee with a list of the questions most commonly asked by customers, and give them the answers, along with a detailed explanation of why they are answered that way. You may want to give them a quiz at the end of their training period, just to be sure they are capable of being left on their own in the salon.

Cleaning duties can be a touchy subject, so be sure to specify your expectations in the very beginning. Don't wait until after you've hired the person to explain that some cleaning duties are required. It's possible they wouldn't have been as interested in the job if they had known this and, if that's the case, concealing the fact won't make them any more receptive to it.

Employees always should clean equipment thoroughly after each use. The cleaning may sound simple, but you must emphasize that it needs to be done carefully and properly. Explain why it is necessary and what the possible consequences are if it is done improperly. Go through the procedure a few times for the tanning units, then have them do it while you're watching. Don't be afraid to criticize; it is important that this procedure be done right.

Let your employees know that you expect them to keep the reception desk as tidy as possible since this usually is the first impression clients get when they enter the salon.

If it is messy or dirty, the client automatically will jump to the conclusion that the rest of the salon is the same way.

Be sure to stress to your employees the importance of enforcing the salon's rules. Tell them they are never to extend tanning times or to allow clients to tan without protective eyewear. Make sure they understand why, and are able to explain the dangers of such practices to your clients.

The dress code for the salon is up to the individual salon owner. If you are trying to portray an image of individuality in your salon, your employees should do the same. You may want to set certain guidelines, like khaki shorts and pastel-colored shirts, just to keep the general image the same, but it's not usually necessary. Clothing can be fun, but should never be risqué. Also, keep in mind that it should be loose and comfortable enough to allow ease of movement when cleaning equipment.

If you find a good employee who you feel will stay with the salon for some time, consider taking the employee to one of the trade associations' training programs. The depth of knowledge that is presented, as well as the opportunity to network with other salon owners and employees, is invaluable. If you can't justify the travel expenses for any of your employees, still give serious thought to going yourself. The knowledge you gain, as well as the training manual, will be an asset to your in-salon training program. Another, less expensive alternative is a correspondence training course offered by some of the associations.

## **Employee Relations**

Rapid employee turnover is something all businesses want to avoid. In addition to being costly in money and time, it also can cause problems with other employees and client relations. In order to minimize this problem treat your employees well.

Being considerate and generous to an employee will encourage him or her to do more for you. Treat your employees in the same manner in which you wish to be treated--with fairness and dignity. However, if an employee has become very negative and doesn't seem receptive to reconciliation, get that person out of the salon. The negative attitude will be transferred to other employees and to customers, causing a great deal of damage to the salon's morale and image.

An open communication policy can solve many problems before they develop into major issues. Talking to your employees is of primary importance, and let them know how you feel about their performances. If they are doing a good job, tell them. If their performances are slipping a bit, let them know you are concerned, and would like to know if there is some way you could help get them get back on track.

If you have students working in your salon, school usually takes precedence over work. Make every effort to accommodate their special needs and try to develop a schedule that will work smoothly for them. If this is not acceptable to you, don't hire students. However, at the same time, they should be made aware of the special needs of your salon, and that you are operating a business.

There is a fine line between being friendly with your employees and still maintaining your authority. Socializing after work hours should be limited. However, eating lunch together, when possible, is a good way to bridge any communication gaps that may exist.

Try to be at the salon as much as possible since this lends itself to better employee relations, as well as better client relations. Employees generally are more responsible, and clients feel more secure when there is an authority figure present, and it creates a more professional atmosphere.

Allow your employees to tan free. This offers incentive to them and gives them real experience with the equipment, while helping you maintain salon image. You also may want to give their family members a 50-percent discount. If you spell out a policy on how much family members pay, you avoid having your employees "guess" what it is. If you sell lotions and clothing, give your employees a discount. They will probably wear the clothes while working in the salon, and this gives your retail side a boost. Your clients are more likely to notice the clothing on your employees than they are on the racks.

### **Motivating Your Employees**

Motivation seems to be big money these days. In fact, a huge industry revolves around it. There are tapes, seminars and in-depth clinics devoted to the subject. Some help devise programs to motivate a sales staff, others teach managers to motivate their employees and still others coach people in all walks of life to motivate themselves. None of this is free. Motivational assistance, be it taped or in person, commands a hefty price. Why is that? It's simple: motivation is big money because it can help a business bring in big money.

No matter what business you're in, it's a proven fact that motivated employees are more productive than their ambivalent counterparts. People who want to do something and want to do it well will do a better job than those whose main interest is just getting it done. Motivation is very important because motivated employees make the salon money. However, experts warn that a motivation program must be more than just a reward system for exceptional sales and customer service efforts. Although rewards should play a role in the overall program, it's crucial for the working environment itself to be motivating.

One thing often overlooked in creating such an environment is the existence of detailed job descriptions. Because it's much easier to do a job when you know exactly what is expected, it's important for employees to know what they can and can't do. Poor understanding of what is expected will tend to detract from the quality and quantity of work produced, as will job descriptions that require an employee to be doing two things at once.

In a tanning salon, no assistance is required while customers are using the equipment, so one or two employees can handle customer service simultaneously and many administrative and maintenance duties.

However, if you offer ancillary services such as nails, day spa amenities, hair services or nutritional supplements, the necessary work can be broken down into two and possibly three specific positions, and one person is going to have a tough time doing all three. After all, one person cannot be the ideal front desk receptionist, properly attend to clients and conduct salon tours and program explanations, all at once.

Another element to creating a good, motivating working environment is you, the salon owner. One of the best things you can do is be there yourself, setting a good example. In addition to being there, you should make the employees feel that they are a

part of the business. If they can see how their job fits into the overall function of the business, they'll be much more likely to want to do a good job.

And even better than just letting them see how the overall salon goals are set and achieved is having them take part in the process. Don't fall into the trap of assuming that employees are only working for a paycheck; feelings of involvement and accomplishment actually may be more important considerations. Motivation comes from belief in a process or product. The more involved the employees are, the more they'll believe.

## **Incentives And Rewards**

When designing an incentive program for your employees, don't limit yourself to cash or percentage rewards. Although they can be effective, money isn't always the best incentive. It is important to appreciate employees in the way they want to be appreciated. Non-monetary rewards can be aimed at three different kinds of personalities: feeling, logical and action types. Each type will be best motivated by a different reward. The first group--the feeling type of person--is best motivated by recognition and by some demonstration that they are valued. Rewards that provide the best incentive are things like a plaque on the wall in the salon, employee of the month awards, mention in a customer newsletter, flowers and similar approaches.

The second group--the logical employees--need to have quantitative goals to achieve. They like to see exactly where they stand, be it on a board or graph in the office or whatever. Then they can mark their progress against the chart, striving to reach a clearly defined target.

Finally, the active type of employee isn't motivated by money so much as by what it enables him to do. That is to say, money is a means, not an end. It makes sense that the way to focus this person on a goal is to reward its achievement with fun, active things. A few examples might be tickets to concerts or sporting events, mini-vacations, restaurant gift certificates and similar activities.

The key in all cases is to make sure the reward is something that the person values. If you don't present the goal and reward in the employee's language and value system they either won't see it or will become confused.

Also be aware that few people fit exactly into one category; most are a combination of more than one. Take some time to observe and evaluate what kind of people your individual employees are before structuring an incentive program. Yet, your employees should be made to understand that their paycheck is their reward for meeting their job requirements. Be sure to set their goals beyond that minimum. That is to say, they are only entitled to a bonus reward if they go beyond what already is expected.

Finally, you can't motivate your employees to achieve specific goals until you have some for the salon yourself. A problem in the tanning industry is that many salon owners never define their mission.

The salon's goals may be to reach a certain dollar figure in accessory sales. They may be to achieve a certain percent occupancy. They may be to increase the number of three-times-a-week tanners by a specific amount, or even to increase the number of referrals by a set factor. Hopefully, the goals of your salon touch on all of these areas. In



the course of achieving them, however, keep the salon's focus consistent. If you're adding accessory lines, make sure they fit in; don't dilute your purpose.

The importance of setting up a detailed program to motivate salon employees cannot be denied. In so doing, the salon owner makes a statement about what is valued, be it increased sales, improved customer service or, better still, both. It's been demonstrated time and time again that motivated employees are productive employees. Productive employees will, by definition, bring more income into the salon, and that's what it's all about.

### **3 Understanding Customer Behavior**

Understanding your customer and tailoring your sales presentations to fit the specific needs of the individual customer is a key secret to success. This is accomplished, in part, by understanding that all customers fit into one of four specific categories.

#### **Examining The Four Groups**

All customers fit into one of four categories--belongers, emulators, achievers or socially conscious. Once you identify which category your customer or potential customer fits into, you can adapt your sales presentation accordingly.

The first group, the "belongers," are the patriotic type who believe in America first. These people have a need to belong and be included. They are the type that will patronize your salon because their friends do and they don't want to be left out. In addition, belongers believe in unity and community. They go along with the pack. They also like things that are simple and easy to understand. Belongers are easy to recognize. They drive sensible cars, dress conservatively and are very family oriented. Belongers also are very easy to deal with.

When making a sales presentation to a believer, drop the names of other customers who live in their neighborhood or share similar interests. Present belongers with the tanning packages and lotion products that are the most popular sellers. Catch phrases such as "this is my favorite" and "here's what everyone's buying" will help close the sale. Once a believer becomes a customer of your business, they enthusiastically will encourage others to do so as well.

The second group is classified as "emulators." To emulate means to strive to equal or surpass. Emulators want what others have, and they often try to imitate the rich and famous.

Emulators are extremely image conscious and focused on outward appearance. To the emulator, everything revolves around sex and sex appeal. Their purchasing decisions are based on a product's ability to enhance their appearance and attractiveness. They lack a strong work ethic and therefore always are looking for a short cut to achieve fame, fortune and success. Consequently, they often live from paycheck to paycheck, although you wouldn't know it by outward appearances.

Emulators will max-out a new credit card within one week after receiving it. In addition, they overspend on things that are not essential while complaining about a 5-cent increase in the price of a gallon of milk. They want the best of everything, but often are forced to purchase knock-offs and imitations. Emulators also tend to over accessorize. Look for lots of jewelry, make-up and the excessive use of fragrances. They lease flashy vehicles, consider the purchase of a time-share vacation an investment and count cash advances on credit cards as part of their actual net worth.

When selling to an emulator, it's important to enthusiastically discuss the end results that will be achieved by using a particular tanning system or lotion. Use catch phrases such as "a few sessions in this tanning system and people will think you just got back from Cancun." When selling a lotion product, try a phrase such as "this product will really get you noticed." Since emulators spend freely, you may wish to demonstrate the

most expensive products first; however, always have a back-up product ready if you sense them balking on price.

The third group of customers is the "achievers." Achievers are the real article. They strive for success and achieve their goals. Since they are truly successful and not just putting on a show, they don't waste time. They want a quick, no-nonsense sales pitch that gets right to the point. They immediately want to know the bottom line on features, benefits and pricing.

Additionally, achievers have all the earmarks of success. They own the highest quality cars, live in the best neighborhoods and vacation first class. While the achiever is not overly concerned with the dollar amount of a product, they will not waste money. They will pay only for value and results.

Achievers do not want to be part of the crowd. They strive to be unique by purchasing products that they believe will separate themselves from the pack; however, achievers should not be classified as snobs. They simply relish the rewards of hard work. This group will purchase tanning packages on your top of the line equipment and highest quality lotion products. When dealing with an achiever, always remember to sell from the top down. Statements such as "this product's not for everyone," and "this is the Mercedes of tanning systems" trigger their hot buttons. Achievers are most likely to purchase long-term packages.

The last group, "socially conscious," can be sub-classified into two categories: The hippy drop-outs and the social drop-ins. While each group may have their own ideas on how to achieve their goals, their agendas are similar. They want to fix the world and are environmentally aware.

The socially conscious crave information about your products and services. They want to know how and why things work. They feel it is their duty and social responsibility to interrogate you and your staff. The socially conscious are value driven and are always looking for a good deal. They are frugal with their money and have been known to develop hand cramps from clipping coupons.

While this group normally is the hardest to sell, you can gain an advantage by offering packages and products that include free tanning sessions with each purchase. To be most effective, you should itemize in writing the actual savings. For example, if you include two free tanning sessions with the purchase of a bottle of lotion, be sure to specify the actual cash value of the free sessions.

Before you try to psychoanalyze each of your customers and pigeon hole them into their respective categories, remember that no study or methodology is perfect or all encompassing. Many people cross over from one group to another. They may exhibit the traits of an achiever when it comes to buying a home. However, when it comes to donating to a charity, they have the heart of the socially conscious.

Therefore initial emphasis of your sales presentation should focus on identifying and then fulfilling the needs of each individual customer. An important point that this study does reveal is that a canned or rehearsed universal sales presentation will fail at least 75 percent of the time. Thus, it is essential that you realize the differences and similarities between customers and structure your sales presentations accordingly. For practice, analyze the habits and lifestyles of several existing customers with whom you are familiar. Consider which category they fit into and develop a sales strategies for each.

## **4 Customer Relations**

Most retail experts claim that customer service is the best way to build and keep a strong, loyal and productive customer base. It's a claim that makes sense, too. If the only thing you have to offer is a tanning service, you're not providing your customers with anything that every one of your competitors doesn't offer as well.

The service is the minimum you can offer. If you want to go beyond the minimum and achieve success you must provide your customers with something more; you must enhance the basic service at your salon so that they feel that it's not only a good place to go to tan, it's the best place.

When customers walk in your door, they should be greeted immediately on a first name basis, if possible. The ability to memorize names is an important asset in working with clients. They should be made to feel as though you are expecting them and are happy to see them. The customer always should be escorted to his or her tanning room. This provides a feeling of importance. When clients are done with their sessions, they should be complimented on their looks and asked if they enjoyed their session. All employees should be trained to follow the same routines with clients. This keeps the atmosphere professional as well as discrepancy-free.

Make certain the clients understand what they can and can't expect from their tanning sessions. False claims by employees obviously can cause a myriad of problems that you eventually will have to confront, and that promises to be an unpleasant and possibly costly experience.

Established customers are the rock upon which your business is built. Not only do they support your salon financially with their loyalty, but they also have the ability to bring in new customers. Word of mouth is the most important part of any business' advertising campaign. You'll want to do as much as sensibly possible to maintain old customers.

According to a Rockefeller Foundation Study, only 4 percent of all customers are lost because they die or move. The majority of customers (68 percent, according to the study) are lost simply because they don't like the employees' attitudes. The main point to remember is that your customer is your most precious commodity and should be treated as such. All customers should be offered a refreshment before they leave your salon. This is a good time to ask them if they have seen the new line of products you have available, whether they be clothing or lotions.

### **New Customers**

If someone just walks in to check out your salon, you should give them the royal treatment. Answer any questions as thoroughly as possible and show them around the salon and explain your equipment and services. You even may want to offer them a complimentary tanning session just for coming in.

Telephone inquiries are very important as well, since tanning salons seem to get a lot of them. Always be cordial and enthusiastic regardless of whether you're busy. If you are too busy, ask them if they would please hold for a moment, and you will be glad to answer any questions. If you get tied up, have another employee talk to them. Never let

them wait for an extended period of time, and never ask them to call back later. Offer to call them right back and make sure to do so. Phone manner is extremely important in the tanning business. If you can convince all the customers who call your salon to come in, you'll really be in business.

### **Minimum Service Standards**

In order to offer the highest quality service to your clients, you and your staff should strive to achieve minimum standards of service. The following recommendations are meant to serve as a model and may not be sufficient for some salons. Whatever standards you decide on, however, make sure they are written out clearly and that all employees have read and understood them.

- *Greet Every Customer When He Or She Walks In The Door.* This is critical. You will want everyone to feel comfortable and welcome when they enter your door. Even if you are working with another client at the time, take a moment to look up and acknowledge their presence by saying something like, "Hi, I'll be with you in a moment." It only takes a minute but is very important. Remember, this person is spending his money on a luxury service--make him think his money is well spent. After all, it probably is.
- *Address Clients By Name Whenever Possible.* This obviously will not be possible for a first time visit. Remember, the more comfortable and welcome you make the client feel, the more likely he is to return.
- *Talk with Every Client Before He Or She Walks Out The Door.* After the client is finished in your salon, be sure to ask him or her how the session was. Was it comfortable? Was it relaxing? Never let anyone out the door without a brief chat. Let your clients know you are interested in them. This will continue to put them at ease and reinforce the chance that they will reschedule another session.
- *Clean Every Room After Each Use.* This is extremely important. Clients must be confident that they are in a spotless and sanitary environment. Tanning beds and rooms must be thoroughly cleaned.
- *Client Use Of The Telephone.* It is recommended that you install a phone in the client waiting area for local calls only. This is an extra service that will make clients feel welcome.
- *Beverage Service.* At the very least, you should install a coffee machine and water cooler and offer free refreshments to clients who are waiting. Additionally, consider offering a cold beverage such as juice or bottled water. Clients often get thirsty after a tanning session. Even if they have to pay for it, clients will view this service as another bonus.

## **5 Operating Costs And Revenues**

It is important for a business to set a budget for each aspect of the business and account for each separately. This will check the relative profits of each part and illustrate where improvements and adjustments must be made in the merchandising plan. Here are some of the expenses that must be considered in your salon operation: rent, utilities, professional services, telephone service, insurance, advertising, labor and equipment. The big cost for many tanning salons is the equipment. Some salons prefer to lease equipment because of service contracts, convenient terms, tax advantages and rapid technological advances that tend to date equipment quickly. Equipment is a major expense to many salons and the cost is a major drawback to entering the business. However, the manufacturers of tanning equipment have come a long way in terms of offering enough models to satisfy nearly every budget.

Salon owners should project expenses and income before they even begin, hereby avoiding the possibility of unwelcome surprises later. The following is an example of an outright purchase of eight tanning beds, based on a slightly higher than average cost of a medium priced bed, along with many of the necessary start-up costs.

Below it, the chart showing approximate income is based on operating 12 hours a day, 25 days a month and 300 days a year. By projecting these figures month by month, you'll start to see an accurate picture of what to expect from the business.

A large share of your income will be derived from your tanning services. The amount is based on how many sessions are given and what is charged for each session. Another portion of your total income will be derived from retail sales and from other services you provide. These too should be added into both the expense and income projections.

Of course, all of these costs and income projections are estimates and they will vary, depending on your locations and suppliers. Let them serve as a guide when considering what kind and size of salon to open. Research the actual costs in your area and adjust the tables accordingly. Then, once you've been open for a month or two, get in the habit of comparing the month's bills and receipts with your projections and see if you need to make any adjustments. Also plan to set aside some money every month to cover the cost of maintenance and equipment replacement down the road. Living off of the depreciation of your equipment can give the illusion that you are making money, when in actuality, you're just taking it out of the business.

When possible, give yourself time to get the job done. The plans take at least three weeks to do correctly if the designer does not already have a backlog. The fixtures can take up to six or eight weeks to come in, so order early. Construction will range from three to eight weeks, depending on size, complexity and many other variables. Costs have an incredible range. Many designers maintain that they have been involved with 1,000-square-foot installations that cost \$200 per square foot, and others four times the size that came in at only \$5 per square foot. Design, material and labor are all factors that make every job a unique situation.

<b>Tanning Operation With Eight Tanning Beds</b>	
Income Sessions	\$21,000
Income Retail Products	\$1,000
<b>Monthly Income Statement</b> (based on eight beds, 12 sessions per day, 25 per month)	
Total Income	\$22,000
Less Cost of Goods Sold	\$600
Net Income	\$21,400
<b>Expenses</b>	
Rent	\$1,000
Electricity	\$600
Utilities for Cleaning	\$200
Payroll	\$1,600
Insurance	\$200
Accounting and Legal Costs	\$400
Advertising and Promo Costs	\$500
Miscellaneous	\$500
Total Costs	\$5,000
<b>Net Income Before Taxes</b>	<b>\$16,400</b>

The simple picture presented above is made more complex by the addition of retail products to the salon business. A new level of expenses and profits must be factored into the calculations. The simplest way to visualize the scenario is to view the expenses and profits for the salon and retail operations separately and add them together at the end.

The costs are somewhat different in every situation, but from the foregoing, the salon operator can see that a retail operation will create many more challenges for his business than will an operation that is geared strictly to service. Still, most salon people can get some idea of what the total profit/cost analysis would be for each operation independently by figuring the following equations for both the salon and retail sides of the business. The simplified equation tells the salon owner how much it will cost to provide a product or a service and this is how much must be charged to make a profit. At times, the figures are startling and revealing.

**Salon Service Expenses, Including Profit**

- equipment and supplies
- labor
- utilities
- rent
- advertising
- profit
- cost of service per month

**Retail Operation Expenses, Including Profit**

- goods
- labor
- utilities
- rent
- advertising
- profit
- cost of goods sold per month

In tanning, expenses tend to be continual while business is seasonal, making realistic budgeting even more important. The retail side of the business may or may not have a seasonal base. It would be better if it didn't have a seasonality to it, or if it did, one that was opposite the tanning business so that one could carry a positive cash flow during the weak months. If, in computation, the salon owner figures expenses by the month for the salon operation, it is given that he knows how much he must charge for the tanning services during that month (no matter how many customers he has) to make back that month's investment and a profit. Unfortunately, many salon owners cannot just consider their expenses and needs in this business. They must consider their enterprise against the face of competition and the market demands for their tanning services.

The picture for determining profits for retailing is a little different. Here the price of goods is not tied to the number of buyers, but to the number of units. A retail operation has to move so many units during an accounting period to make a profit. Whether there is one customer or 50 customers isn't the issue. Volume of goods determines whether the operation can be successful or unsuccessful. If the salon owner or retailer doesn't feel he or she can move merchandise at the rate needed to make a profit, the salon owner should not consider the retail operation without further planning to maximize profit.

The process of incorporating a retailing operation into a service operation requires an accurate knowledge of the retail sales world and how it works. Presented here is a fundamental analysis of retailing and its most important aspects. Obviously this is not a complete study of the subject, but it does give the tanning professional an insight into the complexities of this exciting and often lucrative field.

**Distribution**

The salon owner has decided to market a product besides offering the tanning service. Let's accept as a given that the owner already has selected a suitable product that will work well with his or her established operation. Now the owner must strive to know



all he can about the process of selling. This is important information because knowledge of the sales process increases the retailer's success.

Distribution occurs when a product travels in some way from the producer to the consumer. The means by which the product gets to the consumer is called a distribution channel. These channels can be direct or indirect. A direct channel of distribution bypasses the retailer and goes directly to the consumer. This is a method used successfully by mail-order companies. They send a catalog and the consumer orders directly. An indirect channel of distribution requires the service of several intermediaries between the consumer and the product.

The factory or manufacturer deals usually with a wholesaler or agent that places the goods. The wholesaler works to the benefit of both the producer and the retailer. Because the wholesaler deals with a number of companies, the factory and the retailer don't have to. If, for example, the tanning salon wanted to order a variety of tanning lotions from a variety of different lotion manufacturers, the work of ordering would be a time-consuming task. The wholesaler makes the job easier. This distributor buys goods (in this case tanning products) from a number of factories/manufacturers at a quantity price, that is a discount. Because goods are bought at this low wholesale price, the wholesaler can afford to pass along some of this savings to the little retailer who otherwise would probably end up paying a higher price for the smaller volume. The wholesaler then serves both the needs of the factory and the retailer.

In many cases, direct distribution is the preferred method. The flow of technical information between buyer and seller in the industrial market often makes it impossible to use a wholesaler. The high price of many industrial goods--machinery and large quantities of raw materials, for example--also makes it practical for producers to devote more of their own staff's time to selling to individual accounts. Producers of industrial goods usually have a smaller number of potential customers. This makes it easier to deal with them without intermediaries. For these reasons, direct distribution is popular in the industrial market.

However, some industrial suppliers do use indirect distribution. Expendable supplies, such as paper, business forms, data processing supplies, as well as office furniture are sold through wholesalers. Tools, small parts, electrical and plumbing supplies are handled by industrial distributors. The advantages for buyers and sellers are similar to those for consumer goods. Other kinds of intermediaries also operate in the industrial market. Brokers, agents and manufacturers' representatives may perform various roles for buyers and sellers in setting up the final exchange of goods.

## **Retailing**

Once the product is passed on to the wholesaler, the wholesaler's mission is to get the product into the hands of the retailer. The retailer then will resell the product to the consumer at a price that allows the retailer a profit. Retail units come in all sizes. Some salons can be classified as small businesses while others are chains. If each salon in a chain becomes a retail shop as well, then the chain can act as one entity to buy and sell a variety of goods throughout all the locations. This gives the salons some leverage in terms of volume buying and shared advertising.

It is not enough for a salon to adopt the new title of retail environment. There are at least five different types and each has a different mission. A salon that begins to retail without a sense of mission is liable to struggle trying to find a product line that fits its clientele. Analyze what kind of retailing is most consonant with the current ambiance of the salon and the way will be much easier.

The prototype of all retail stores is the old-fashioned general store. Here, people found a little of everything mixed together. Eventually, the need for single-line stores evolved. These stores feature only one or two limited and related lines of goods--food, stereos, clothing, etc.

Any shop that answers a specific need can be considered a single-line shop. Within the single-line shops are specialty shops. This would be where most tanning salons would want to concentrate their efforts. The specialty shop limits the products it carries to a particular line within a single line. Because the specialty store only carries that one sub-class of goods, it usually provides a greater variety of those products. For example, most hardware stores (single line) carry knives, but a specialty shop would specialize only in knives, a sub-category of hardware. Here the consumer can find a particular knife that might not be available anywhere else. The same can be true of the tanning salon. The retail operation might offer far more specialized and unique tanning products than anything found in regular drug stores or department stores.

Another kind of retail environment is the department store. Here, the accent is on upscale goods and continual service. Credit usually is extended, and the store stocks a wide assortment of goods. Finally, the variety stores exist offering large quantities of diverse goods but at a lower price.

## **Ways To Sell**

As one can see from the variety of store styles above, different stores have different missions. If the retailer or salon owner wishes to compete, the owner needs to follow the established rules determined by the type of store he seeks to emulate. Most stores naturally will want to emulate the example of the specialty store, since tanning itself can be seen as a specialty item or service. Three major trends dominate most forms of retailing today and predictions point to these formats continuing into the next decade.

*Trend 1: Volume Buying.* Most retail operations are anxious to cut out the middleman and deal directly with the factory. The idea is that if the retailer can buy in a big enough volume and obtain the same types of discounts the wholesaler gets, he can pass the extra savings along to the consumer. This buys him consumer loyalty. The trend seems to be working with many stores slashing prices and fancy looks in order to give solid financial discounts to the consumer. The danger is that an operation that buys on volume could be stuck with a lot of a losing product. Buying in volume and assuming many of the functions of a wholesaler can be difficult. Profits are certain to be made, so many specialty shops will enter this field in the next few years.

*Trend 2: Minimum Service.* Many new stores do not value service as a major factor in selling. They feel that service costs them money in labor and expenses. Nowadays, the consumer is an independent creature who would rather pick an article of

clothing for herself. The goal is to provide the consumer with needed services (for example, shoe salesmen are still needed to find the consumer's proper size), but allow the individual space to make personal decisions. Keep in mind that even if you decide this principle applies to the retail portion of your business, it's unlikely that it will be appropriate for the service portion.

*Trend 3: Low Prices.* Price wars adversely have affected revenues in tanning, especially in recent years, and the same problem makes retailing especially competitive. Low prices draw customers where other techniques fail. Everyone wants a deal so they go where prices are low. One method for counteracting the low price-seekers is to give them items they want desperately, but can't find anywhere else. This produces a climate where the retailer has some control over demand and thus can charge a higher market price. However, the cost of a product places a definite limit on how far the price can be profitably cut. Keep this in mind if you decide the low-price avenue is the one for your business.

### **Storage, Inventory And Access**

A major problem in retailing is getting the goods efficiently to the consumer. Many stores are fine at getting goods out, but often times, the hottest goods are in the shortest supply. Timely ordering and delivery can help, but an empty shelf that should be filled with a hot item can cost the retailer many valuable sales. The objective of distribution management is to keep the store's inventory low and the accessibility of goods high.

There is a definite logic to this approach. First, the store pays for inventory which, in turn, must be moved, rotated, marketed and sold. If an item isn't selling, it is killing floor space and the company has paid for a non-productive item. However, a good item that sells well should always be close at hand. When an item is moving well, the last thing a retailer wants is a break in the flow of that product that could inconvenience consumers and harm overall sales. To alleviate large backlogs of inventory, the retailer must control the quantity of stock so it doesn't take up too much storage space, but also so that it can be reached quickly for immediate sale. For this reason, finding a supplier who has a good, reliable source for the product and offers quick delivery is important.

### **Selling**

The retailer or salon owner must know the proper methods of selling goods. Obviously, the salon owner already should know the market for his salon service, but dealing in hard goods can be a different technique. Selling takes place in three ways. There is personal selling where a salesperson or the product itself confronts the consumer and says, "Buy." Advertising is the presenting of a product through a medium such as television, radio or the press. Finally, promotion backs up a product through in-store displays, radio contests and similar tactics.

Each time a retailer introduces a product, there must be a promotional campaign. Be it large or small, the promotional package must get the word to potential buyers that the product is available to them. A simple way to promote a product line (such as tanning

lotions or cosmetics) is through an in-house promotion with fliers handed or mailed to steady tanning customers.

In any case, promotion can come from two sources: producers and retailers. The producers push the product by offering inducements to wholesalers and retailers to stock the item. They can provide promotional materials or special discounts to help push the product out. The pulling technique is used to stimulate consumer demand for a product. Here the consumer doesn't see the product at the store first (as in the push method of promotion) they might see it on television. The next time the consumer is in a store, he or she thinks to ask for that product. The producer has created a strong demand for the product and now the retailer will have to stock it.

## **6 Selling Services And Products**

A successful business depends upon how well a service or product is marketed, and the tanning business is no exception. However, not everyone is a born salesperson and some people need a little more direction.

How do salon owners and employees, whether they be in tanning, nails, massage or body wrap facilities, go about selling packages, lotions, clothing and accessories to clients? There are specific techniques for selling in each of these areas.

### **Tanning Packages**

The vast majority of regular tanning customers purchase their tanning time in packages; an arrangement that is to their benefit as well as that of the salon. The principle at work is that the customer receives a discount on the price of each session in exchange for paying for a number of sessions up front. Within this loose guideline, there are many options for setting up tanning packages.

There are basically three different categories of packages that can be offered with tanning; you can work with minutes, sessions or unlimited packages within a set time period. Effective selling of any package involves spending time with the customer and finding out what they want and need.

Obviously, a person who wishes to get a tan just before going on a vacation is going to need a different package than a person who plans to be tanned for an entire season. If you can diplomatically determine what customers need to satisfy their wants, you can offer them the appropriate package right off the bat and avoid trying to sell them something they can see they don't want.

Individuals who tan frequently may prefer unlimited tanning within a one-, three-, six- or 12-month period. Infrequent tanners are more suited to session packages, while beginning tanners should go with minutes, due to the fact that their first few sessions may be less than 10 minutes each.

It is important to let clients know that you are trying to cater to them as much as possible. However, you always must be looking out for yourself and your salon. That's just good business sense.

Try not to quote rates over the phone. Instead, invite potential clients to come in so you can show them around personally and discuss the different package options so they can determine what would be best for them. During the slower seasons you also might offer them a free session.

Whatever you are trying to sell, your success depends upon the way in which you present the product and your degree of enthusiasm. The bottom line is that people will buy anything if it is marketed correctly. Salon owners should offer a lot of trial tanning sessions and discounts. For example, the first time a client buys a tanning package, give him or her a coupon for a discount on some of the salon's other services or products.

To avoid over-complication, offer a few packages to address your clients' main needs and arrange special packages for individuals as necessary. Having too many options only confuses the customer, who assumes that one must be a hidden deal. Ten-session, 20-session, one- and three-month packages are practical options. According to those in the industry, most customers are interested in the 10-session package.

## **Lotions**

Lotions are taking the indoor tanning industry by storm. In fact, lotions have been the fastest-growing segment of the indoor tanning scene in the past five years. When introducing a lotion line to a customer, first ask if they traditionally use lotions. If you find this out right away, you'll be able to determine how difficult the sale is going to be. If they answer no, you may have a difficult time selling them.

Ask if the client has a few minutes to learn about lotions. Sit down with them and explain the different products, what they do and why they are important. Also, touch upon the principle of why skin tans, so they can gain an understanding of what actually takes place. Clients really need to know this before they can comprehend why accelerators and amplifiers are useful.

Offering a few different lotion lines is very beneficial. It's important to do this because women like a choice of scents, and men usually prefer something unscented. The easiest way to sell is to let the client smell each lotion and then choose the scent he or she likes best. Also let customers try a dab of each.

If a customer's skin looks dry, tell them. If they come in without a bottle of lotion, remind them that they need to keep their skin well moisturized when tanning. Use attractive lotion displays, and put them in clear view and within reach of customers. Remember, however, that just having lotions in view doesn't mean they'll be a sure sell. You need to put some effort into selling your products.

## **Clothing**

Clothing also has become another attractive additional profit center for many tanning salons. The salons that seem to do the best with clothing are those that have an attractive staff that likes to wear snappy, upbeat clothing; the kind you're going to want to sell in your salon.

If you're planning to introduce a clothing line, you should make a bit of a production about it. Close your salon on a typically slow day, send out personal invitations to all your clients and have some of them model your clothing line--like a mini fashion show.

Activewear sells well in tanning salons because people who tan usually are active, more health-conscious individuals. Swimwear is another particularly appropriate retail sideline. People don't tan with the intent of keeping it covered up all of the time, and attractive swimwear is a great way to show it off.

Many salons also have found that their peak swimwear season is the winter, when department stores are either out of stock or only have on hand what wouldn't sell in the normal season. People planning winter vacations to sunny climates may frequent your salon to get a head start on their tans, and if they see attractive swimwear displayed there, they are all the more likely to buy it, since they probably can't find it anywhere else.

# **7 Advertising, Marketing And Promotion**

## **Salon Marketing**

Often a misunderstood term, marketing in its broadest definition encompasses every facet of running a business. Marketing includes choosing your location, deciding on type of services, interior decorating, buying equipment and products, hiring employees, setting prices and planning advertising. In short, a marketing plan is everything that goes into providing a tanning service to your customers.

When you decided to go into business, you undoubtedly believed that your salon could provide a needed or desired service to the community. In exchange for this service, you expected that the community would pay a reasonable price. All of the principles of marketing rise from this simple scenario.

First, you had to decide what services you would offer for the community's consumption, what setting would best accommodate the performance of those services and the price the public was willing to pay. Then, so the members of the community would make use of and pay for your services, you had to ensure that your customers' expectations were fulfilled so they would return in the future. And, if you were successful in each step of the process, you made some money.

Simple marketing procedures are inherent in the basics of operating any business, including an indoor tanning salon. However, to make a business boom, you need to pay particular attention to the entire marketing scheme. You must be aware of what you are and aren't doing to enhance the climate in which your tanning services are performed.

## **The Marketing Plan**

According to almost any marketing text, the primary points to keep in mind in devising a marketing plan can be distilled to four essential areas or the Four Ps--*product, price, place and promotion*.

## **The Product**

Before placing an item on the market, a company must conduct a large amount of research to come up with a product and its accessories. Product planning involves the entire process of investigation that goes into the making of a new product. Some of these steps include:

- surveying consumer needs
- design
- buyer expectations (meeting them)
- determined final needs
- brand name
- packaging
- services that accompany product

The product isn't just a physical entity to a consumer, it is a physical entity that suits some purpose and completes some need. Many excellent products have failed because they are clever items but no one needed them.

Product development is an ongoing affair, and every manufacturer has new products, products at the height of their maturity and products in decline. Each of these products experiences a lifecycle that begins and ends relatively quickly.

In tanning, the first widely used tanning systems were quartz lamps, initially used for the treatment of disease and later picked up for recreation and beautification. This product, like any other, went through a period of popularity and then entered a decline. Modern tanning began with the introduction of UVA lighting systems and, since the introduction of modern tanning equipment, the products have gone through several phases. New models and refinements of old ideas are being changed constantly for new tanning equipment. They are becoming more efficient and reliable. In a toy store, the product is a toy. In a plant store, it's a plant. In a salon, the product you are selling is the tanning session or any of the other ancillary services you provide. It isn't a tangible, concrete item, but it is a marketable product nonetheless.

When a large corporation decides to begin production of a new product, it does a great deal of research to determine what features will entice the desired audience to buy it. It then sets out to design a product with those features that will be attractive to the audience.

Are you catering to the under-30 age group? To women aged 30-50? To retired persons? To professionals on their lunch break or on the way home from work? It is entirely possible to offer services for all of these audiences in one facility, but the needs and wants of each group will be different.

Those in the first group will be receptive to tanning and to a variety of fitness and beauty services, but it may take some personal selling to hook them on some of your other ancillary services.

Professionals at lunch are pressed for time. If they can take the time to come in, they will be in a hurry and may book appointments well in advance for quick tanning sessions. They may pass up other services, unless the session time is short. On their way home, time is often less of a factor. After a busy day, a stop at your salon may be considered time to unwind. While a fast tanning booth or a 10-minute bed may be the ticket for lunching yuppies in a time crunch, a slower bed with a good sound system could be the key to reaching rush-hour relaxation.

In assembling and re-evaluating the product line of your salon, then, you need to visualize the prospective audience for each service and then look at ways to tailor that service to that audience. Certain services will lend themselves to a particular audience and vice versa.

## **Price**

Price is still one of the guiding factors that companies live by because it represents the power of logic and marketplace. A product must be sold at a price high enough for a company to make a profit but low enough to entice the consumer to buy it. More specifically, a producer will consider a number of factors when structuring the final price:

- cost of production



- consumer price attitudes
- competition pricing
- laws governing fair pricing
- industry pressures

As a general rule to fiscal happiness is never regularly sell something for less than it costs. That is not to say that you can't give free promotional sessions to boost your potential customer base, just don't make a habit of it.

There are other ways of getting new customers into your salon. In figuring what each session costs you, simply add up your costs for a month and divide by the number of sessions taken. If you take everything into account--including utilities, space, rent, payments on the machinery, maintenance and payroll--you should come up with a fairly accurate per-session cost. Include the desired profit and the result is the target price.

However, your target price may or may not be attainable, depending on many market conditions. If your competition is charging less for an identical or similar service, it may not be possible to make the profit you want without distinguishing your service in some way. In tanning's early boom phase, price wars became common and drove many salons out of business. The principle at work was that the more business a below-cost price generates, the more it hurts the company.

Think about it. Suppose salons A and B are both losing \$1 per session because of their price war. If A is "winning" and is running 150 sessions per day to B's 75 per day, salon A is losing \$150 a day to B's \$75. They're both cutting their own throats; salon A is just doing a better job of it.

On the other hand, if salon B combated the price war by selling sessions at cost and lost another 25 sessions to salon A because of the price difference, it would be running 50 sessions per day and breaking even. However, salon A would be tanning more customers than ever, but paying \$175 every day for that privilege.

Maximum price will vary by region. Generally speaking, the going or market price will stabilize at a value determined by the community as a whole. If every salon in your area is asking \$7 for a tanning session, you may have difficulty charging more unless the service you offer is perceived to be better or special in some way.

For example, if you can offer a first-rate service in correspondingly elegant surroundings, and you can communicate this to the right clientele, you may be able to persuade them that the difference is worth a higher price.

## **Pricing Strategies**

There are a number of other ways to price services and products. Loss leaders (normally supermarkets) take a loss on some items in the hope that the consumer will come in and buy other items on which the retailer can make a profit. Salon owners try this on a temporary basis by giving inexpensive tanning sessions and then making up the short fall on more expensive packages.

Flexible pricing means that the unit cost of an item is negotiable. That is, the manufacturer can afford to sell the same product at different prices to different levels of the retailing chain. For example, a manufacturer of tanning equipment can afford to sell

its equipment to a wholesaler at a reduced price but would only sell at a higher price to an actual salon owner. There are two actual prices, but only one for each market.

Multiple unit prices are like quality discounts--the more you buy, the less you pay per item. Two effective strategies are skimming and penetration pricing. Skimming means getting the most profit from a product or one with limited competition. The policy quickly changes when demand lessens or competition enters the scene. Penetration pricing is charging an artificially low price (similar to loss leaders) and hoping to make up for it with dramatic sales. The low profit margin discourages competition and provides substantial benefits to consumers.

Both skimming pricing and penetration pricing have been applied to tanning with mixed results. When many salons opened, there was little competition and several salons took advantage of skimming prices to maximize their profit. Competition hit these salons hard and forced many into competitive price wars. Other salons that later entered the market tried penetration pricing but found it difficult to service heavy client loads and maintain an adequate profit margin.

Commercial tanning systems equipped with various options basically will run anywhere between \$2,000 and \$10,000, and higher for high-pressure units. When examining equipment costs, take into consideration the return profit potential that the system is able to produce. Average session costs vary from \$3 to \$12 for low-pressure tanning.

Generally, equipment with a longer recommended exposure time such as a tanning bed would have a higher cost factor when establishing a pricing schedule. Therefore, the shorter the recommended exposure time, the easier it is to establish more competitive pricing and the greater the profit return. Based on a 15-minute session time at \$5 a session, it would take 1,200 sessions to recoup a \$6,000 investment. Realistically, this could be accomplished easily in less than two months, providing your service is promoted properly.

## **Place**

Once the manufacturer decides what to produce and how much to charge for it, he has to get it to the place where a potential customer will buy it. Among the considerations for product placement are the following issues.

- Where will customers shop for the product?
- What is the best perceived location?
- Does location affect the quality appeal of the product?
- Will consumers know to look for it here?
- Are there other locations that are overlooked that could be suitable locations for the product?

Whatever location or locations a manufacturer chooses, the main point about a place is the consumer's expectations. In the past, consumers have bought products like the ones they've bought before, by looking for the product in the locale where new and old products are grouped according to category.

The process of placing the tanning service is a difficult one because the salon owner must select a location that will draw in the most tanning customers. Attractive display shelves and point-of-purchase displays within the salon warn the consumer that this is an opportunity to purchase. One way the manufacturer places his goods is with a wholesaler who in turn distributes them to locations where they will get the best attention. Convenience is very important in our society, and unless a product or service is important to people, they won't go out of their way to purchase it. Therefore, having decided on your primary audience and what will appeal to them, you must find a way to offer it in a location that is convenient to them. That may mean that it is near their home, their work or other places they frequent.

It is also important that the location mesh with the other facets of the marketing plan. If rent is prohibitively high and will push the cost of offering the service beyond your target audience's reach, the convenience of the location is irrelevant. Or, if the salon is in a seedy part of the downtown district, and your target audience is young female professionals, it doesn't matter if it is close to their work or if the rent is low.

The particular requirements of the services that you offer also must be considered in choosing a location. At the very least, minimum space requirements must be met. If you anticipate a bright future, you should make sure there is room for expansion. If your service is unique or is perceived to be more desirable than that of your competition, you may be able to get away with operating in a less convenient location that accommodates those features that make your services distinct. As long as your potential customers know about you and will go out of their way for what you have to offer, the location may not be a major handicap.

In choosing your location, keep in mind the overall image you want your salon to portray. If you're aiming for an upscale, elegant salon, you're going to have to locate in similar surroundings. Its decorating style also will have to be correspondingly tasteful. Even with an existing salon, you must be aware of how the location is working to sell your product. In any service industry, it is imperative that the space be clean and attractive and promote the type of atmosphere you want your salon to convey.

## **Promotion**

The act of promotion is creating an interest in your product by a variety of methods. Many excellent products languish because they lack the proper promotion. They never capture the public's attention, and therefore, never reach a broad market. Specific means of promotion include:

- advertising
- packaging
- branding
- personal selling
- sales manuals
- dealer cooperation (displays/rebates, etc.)
- coupons/premiums

Most salons have small budgets for advertising, if they have any budget at all. It makes sense then to try to ensure that those few dollars are spent as wisely as possible. Before you pick up the phone to call the local newspaper and arrange for an ad, stop and think. Do the customers you want to attract read the paper? In what section will an ad reach them in the right frame of mind? What should the ad say to get their attention and then make them want to come into your salon? Is a local radio station a favorite of the desired audience? Might fliers distributed at a local mall work as well? Can you get hold of a mailing list specific enough to make direct mail pay off?

After you choose and run an ad, make sure the dollars were well spent. Get in the habit of asking new customers where they heard about you and keep track of their responses. You'll begin to see patterns indicating the effectiveness of different promotional efforts. Keep those patterns in mind in future advertising decisions and you will see results without wasting advertising money.

A fifth "P" inherent in making decisions about each of the other four is People. Meaningful marketing decisions always must take the desired customer into account. The four Ps, then, are the basis of any effective marketing scheme. The effective and efficient interrelation of them may not guarantee success, but it goes a long way in that direction.

## **8 Creating An Image**

The single most important resource a salon can have is its staff. Thousands of dollars can be spent on advertising and equipment and offer freebies to get customers into the salon, but if they're not treated well, they won't be back. And no salon can survive without repeat customers.

On the other hand, what better promotion can there be for a salon than to have courteous, helpful and attractive employees ensuring that everyone who comes in has an enjoyable visit? You've been in restaurants where the waiter ignored you, or in stores where the sales staff knew less about the product than you did. It didn't leave you with a favorable impression and you certainly don't want your clients to have a similar view of your salon.

Building the perfect staff starts with the hiring process. Staff your salon with friendly, attractive, healthy looking people. Tanning is a vanity business and the more you can appeal to your clientele's sense of beauty, the better off you'll be. Let your staff use the equipment for free. You will see two benefits: they will look better and will know more about how it works. Both help your salon.

Make sure they are well trained in the services they administer. Your customers, for the most part, don't possess a detailed knowledge of how the service works or even what it is supposed to do. They will be much more comfortable if your staff can answer their questions correctly and confidently.

Finally, give them some incentive to promote your business. A commission of a few dollars for introducing a client to a new service or for bringing a new customer into the salon is a very cheap way to improve your cash flow.

Your clientele is another excellent promotional resource. If you don't already offer them incentives to refer friends and acquaintances to your salon, start now. You're missing out on a huge network of potential customers.

### **Salon Location**

The location of your salon is a critical decision. According to industry experts, location is probably the single most important factor in the success or failure of a tanning salon.

For years we've all heard about the importance of location. When choosing a location, companies like McDonald's and Burger King spend enormous amounts of money on studies that provide them with the information they need before a final decision is reached.

In the tanning business, most of us do not have the luxury and cannot spend the money on a study that will help us make a location decision. So how can you actually decide where to open your salon? Would it be more advantageous on a bustling commercial avenue? Nobody but you can answer these questions, and the answer always depends upon your own situation, goals and objectives.

However, there are guidelines that will help you in making this most important decision. The immediate goals of this section will be to provide you with the necessary guidelines that will help ensure the success of your new salon.

Keep in mind that your services are appealing to people who want to look better or enhance their image in the eyes of others as well as themselves. For these people, looking good is their top priority. Remember, the better the salon looks, the more comfortable people feel and the more your clients will feel that they are getting the most for their money.

There are five basic location factors that should be considered when selecting a business site:

- (1) *Population Density*--This refers to how many people in the general population there are and, of that total, how many are actually potential customers.
- (2) *Population Income*--Obviously, a high disposable income among your customer base is very desirable. The more disposable income a person has, the more free money, and probably time, they have for enhancing their looks.
- (3) *Competition*--It is highly unlikely you will choose a location next to another tanning salon, but there's nothing to prevent you or a competitor from opening a few blocks away from each other. As indoor tanning becomes more and more popular, increased competition is inevitable. Your best protection is a well-respected, ongoing business based on exceptional service and outstanding equipment performance.
- (4) *Targeting Your Audience*--If you want to target an upscale audience, the location should then be in an upscale neighborhood. If you want to set your sights on students, it would be wise to select an area near a local university or several high schools. Make sure you have defined your audience. When you know who your potential clients are, it will be easier to select a site where there is an abundance of these people. This is a key factor in the success of your salon.
- (5) *Selecting and Leasing/Buying a Building*--In determining the size building you are going to need, consider the amount of money you have to invest and the amount of equipment that it will take to operate profitably. Also, before building or leasing, always check with the proper local offices to verify all zoning ordinances, building codes, etc. Prior to signing a lease, it is wise to seek legal help.

## **Salon Layout And Design**

In the retail world, a great deal of attention is given to the packaging and presentation of products. Snack companies spend millions of dollars determining the exact amount of air that should be used to "puff" up a potato chip bag so it looks fuller to the customer. Clothing manufacturers produce tons of display aids annually to make their individual brands sell better.

In the indoor tanning industry, lotion and skincare companies work carefully to label their products attractively and, in many cases, make coordinated display devices available to the salon. Lotions are but one example; the same can be said of almost every accessory item sold in the salon.

But what about the atmosphere of the tanning salon? The design and decor of the salon itself, inside and out, do as much to influence the buying decisions of the customer as does the packaging of a consumer item for its particular audience.

When a customer walks into your salon for the first time, several things are going to contribute to his first impression. One of the first things is the reception he receives from the salon attendant. It bodes well if the attendant is courteous and gives the impression of being knowledgeable about tanning. However, no amount of nicety and proficiency on the tanning process will induce that customer to return if the salon itself seems dingy, gloomy, claustrophobic or otherwise makes the client feel uncomfortable.

Almost every aspect of the salon can play a role in encouraging or discouraging initial or repeat business from potential customers. When deciding on the features of the facility, then, do things with a sense of purpose. Whether examining the idea of remodeling or planning a salon from scratch, choose your materials for specific reasons. Some of the most important considerations in the design of the salon are space utilization and layout, decor and furnishings, lighting, use of color and environmental control. The successful synthesis of these elements will result in a salon that presents a quality image of tanning as a healthy and pleasant way to look and feel better.

Space should be the first and best used feature of the salon. Its use and misuse can help or hinder the customer's passage through the salon, better or worsen his mood, increase or decrease his level of comfort and affect his overall perception of the business in a variety of other ways, probably all without his even being aware of it.

One of the most widespread complaints in regard to tanning salons is the claustrophobic feel people experience in the tanning rooms and even tanning units. Even though extreme claustrophobics are rare in society, few of us truly can relax in confined spaces. When most of the space in a small room is taken up by the tanning unit, the odds of a relaxing tanning session are greatly reduced.

If, for some reason, you can't avoid placing a unit in a room that is too small, whether it be for tanning, a wall-sized panoramic print on one wall can lend a feeling of space. The effect of the same technique in a somewhat larger room is better still. The layout of the entire salon should be designed to facilitate the flow of traffic. Tanning rooms should be clearly marked and easily accessible. An island arrangement is an interesting layout option. In such a setup, the reception area is located directly in the middle of the salon, allowing the clients quick and easy access back to the desk. It also makes it easier for you to observe and monitor operations.

The reception area should be planned with the display of accessories in mind. Waiting areas should be comfortable and should be supplied with some sort of diversion, be it television, current copies of popular magazines or newspapers.

### **The Advantages Of Hiring A Designer**

Many of you already have a successful salon which you either designed yourself or did with the help of an architect. If your customers and salespeople aren't complaining, and sales seem to be adequate, you may not need any help. On the other hand, if new packages aren't selling and sales are down or have reached a plateau, and your neighboring salons are bragging about their new sales peaks, it would be wise to look at your salespeople, your advertising, your pricing, and, of course, your salon. Is your salon too dark? Are all the lights glaring florescence? Is the carpet worn and stained? Do you use showcases to feature your retail products?

If you are planning a new look or are opening a salon, don't hesitate to consult a store designer. Look for a designer that specializes in retail operations, rather than office or home designs. The cost will be offset rapidly by the increase in sales that a new look will bring. A salon designer has a multitude of functions. First, this designer must work with you to understand your product, customer and your competition. Then, he or she must ascertain just what it is that you want; a new salon, a revamped salon with a hi-tech, contemporary or all natural look. Do you want a discount operation, or are you selling quality, performance and service with less of an emphasis on price?

All of these are factors that the designers must consider when laying out the salon. Most important, however, is determining your budget. If you do not supply accurate estimates of available dollars, both you and your designer will spin wheels in working out a design that may not be buildable due to lack of funds. Conversely, if you indicate a smaller budget than you actually have, you may not get the desired look. Calculate a realistic budget, give it to your designer and then try to stick with it.

In order to get the most from your designing dollars, it works best if you do some research yourself ahead of time. Select two or three color schemes that you like so the designer has a starting point. Investigate different carpet qualities--you want something low-maintenance and wear-resistant, but still attractive. Also check out a variety of wall treatments, both for appearance and maintenance requirements. This way you'll be able speak the designer's language a bit better, which results in a design you'll really be comfortable with, less time to get the design done and less cost to you in both the near and long term.

Once your needs, wishes and budget are determined, the designer will begin drafting the store plan. This plan usually will include a space layout including a reception area, a waiting room, tanning equipment, washrooms, a utility room and product showcases. Floor and ceiling treatments will be selected, as well as lighting requirements for display. In addition, the storefront will be planned including signage and if required, mechanical drawings for heating, air conditioners, electric, plumbing, etc. The plans must be detailed sufficiently to allow both a contractor to bid the work, and for you to understand what it is that you're getting. Blueprints are not enough, make sure that you get renderings.

Experienced designers can demand a high hourly fee, and some experts suggest that a flat-fee basis is the best way to go. A complete salon plan, excluding mechanical drawings, is based on the square footage, the type of salon, its size, etc. Ballpark figures are rough in this business, and we would urge that you get a firm bid prior to contracting the job.

You might ask yourself the question, is a professional designer worth the investment? The answer is sometimes yes. A well-planned and thorough salon always will do better than a poorly designed operation if all other factors are equal (location, price, etc).

For those owners who don't feel they require a designer, we would advise that you work with competent tanning unit manufacturers. These people usually have been involved in the design and supply of hundreds of salons and are a fount of knowledge when it comes to available equipment. Many manufacturers don't charge for their time. Instead, they hope you will buy your equipment from them. They will work with you on laying out your salon in much the same manner.



Planning your own salon requires an initial layout of the floor area and all wall elevations. Use grid paper and a 1/8-inch or 1/4-inch = 1-foot scale. Draw a very accurate plan of the floor indicating architectural elements. Then do the same for the walls in an elevation drawing.

Now draw in the washrooms, tanning rooms, reception area, waiting area, product display area and utility room. Make sure that the washrooms and utility room are somewhere to the rear of your facility so the front is left for sales and display. At this point, we can start to detail the salon.

*Floor Coverings.* Floor coverings are one of the first things your customer will see when he/she walks in the front door. A few suggestions: Use a dark, neutral, subtly patterned, commercial carpet for the bulk of your salon. It looks good, is easy to work on and won't show the dirt. Don't skimp on price. If you buy a cheap carpet, it will not last and will look miserable soon after you install it, and will have to be replaced shortly.

*Ceilings.* Most salons are not in the business of selling ceilings, so unless the ceiling is quite low, paint it a darker color than the walls. This tends to make it disappear. If your ceiling is quite high, we would suggest spaceframes or banners to bring it down. In addition, get rid of all glaring fluorescent lights. Either replace them with standard or low-voltage track lighting or cover them with diffusers to direct light down to the floor where it should be.

*Windows.* Windows also are important because they pull customers in. If possible, use a professional window trimmer monthly or set up an exciting display yourself. Many successful salons have been built around creative windows. A good window trimmer will cost up to \$100 per visit, but is well worth it.

*Showcases.* Showcases also can be very attractive because they not only display product, but they identify merchandise as having enough value to be put behind locked doors. Make sure your cases imply value; in other words, buy quality showcases. Light them using mirror doors and color coordinate the bases with the rest of your salon. Showcases come in virtually any size or finish and can be used on the salon floor or up against the walls of the store. Showcases sell lotions, jewelry, sunglasses and other small impulse items.

*Washrooms.* Since you cater to male and female customers, it is advisable to have two washrooms that your customers can use either before or after tanning. Always keep them clean. Your customers will appreciate it.

*Utility Room.* Because you do provide each tanning customer with several towels, it is a good idea to have a washer and dryer. These are optional items, however, it will make it much easier for you to provide your customers with fresh, clean towels.

## **Advertising And Promotion**

With the concern for higher profits and increased revenue per venture, the modern-day entrepreneur constantly is seeking avenues for increased income. One of the most successful ways that tanning salon owners have conquered the dreaded specter of "seasonality" and tamed the rising and falling tides of business flow is through diversification.

Reorganizing a business that has been solely focused on one service can be tough. A lot of thinking has gone into creating profitable addenda to tanning that increase profits, provide stability, smooth the peaks and valleys of the tanning cycle, provide a long-term potential for continuing business and generate opportunities for businesses that can branch off from the main salon operation.

The point is that accessory enterprises do not detract from the owner's commitment to tanning, they increase the sales power of the tanning environment and broaden the base of the entire industry.

This section should not be misconstrued as an inclusive assessment of all the options open to the tanning salon owner. It is hardly that. Instead, the editors of LOOKING FIT have looked at some of the most popular and profitable sidelines and the ways to market them in order to provide the owner with some options that can work for a variety of salons. Most notably, this list tries to encompass some diversity, but be forewarned, that the type, style and amount of accessory products are limited by only one factor-the imagination of the owner.

Regional geographical and cultural approaches are diverse and abundant. What success a Northeastern tanning salon might have with T-shirt accessories in a summertime promotion, might not be repeated by a Florida salon with abundant suppliers of T-shirt lines all over. The designation of consumer goods is broad. What could be a convenience purchase or a shopping item in one shop would be a specialty item in another locale. For example, T-shirts might be a convenience item in the South, but in the colder Northeast, during some months of the year, they could be a specialty item.

Just as important as the idea of what to market is the responsibility for how to market accessories. We consider the marketing of retail items to be a business quite different and in many ways more complicated than tanning. Marketing knowledge is crucial.

Although accessories and auxiliary businesses aren't the answer for everyone, for the non-purist, the accessories game makes good sense for bringing in solid sales and repeat business.

## **Considerations**

The move to retail selling is not for everyone; however, the versatility and flexibility that sales can add to the service-based salon operation can be an invaluable source of capital during lean times. The promise that retailing holds is not realized in every instance, but if the salon owner has practiced good selling techniques in marketing the salon operation itself, retailing is not that great a leap.

More often than not, salon owners talk themselves out of retailing for fear of taking on an entire new industry. Selling is selling, and in each case, the salon operator has a product. It is either an intangible product like a tan or a tangible one like a garment. Obviously, some of the most successful salon operations are ones where the barriers

between retailing and servicing are broken down and melded into one seamless enterprise.

This is not an impossibility, but it takes a firm commitment to both aspects of the operation and an awareness of the similarities and differences between the various operations.

### **Retailing vs. Service**

The perception is that retailing is a vastly different business than a service business. In truth, the two are very much the same. The retailer and the service company both offer a product.

The retailer offers a tangible one, some form of goods, the service business offers a service which affects the consumer. Both involve some facility, a marketing plan and a price structure. Most importantly, both involve selling. The salon operator who is not able to sell the salon's service will likely have little better luck at selling a product.

To be more analytical about it, the retailing business takes some form of product, manufactures it and sells it. The service business utilizes processes that do not change the physical form of materials, but merely manipulates them. At the consumer level, the retailer buys a product (usually from a wholesaler) at one price and moves the product along to the consumer at another price. The service industry (tanning) performs a professional, personal or financial function (in the case of tanning: personal) that does not normally create a new end product.

Though the retail and service industries share much in common there are some important differences that the salon owner must understand before entering the retail operation.

### **Labor**

While the salon needs trained personnel, the actual operation of a tanning salon need not be labor intensive. That is, few people really are needed to keep the salon going on an hourly basis. This is not true of retailing. The labor demands are much more intensive and often involve a lot of leg work. In the salon process, the salon attendant need only check in customers, accept payment, show the facilities and turn on and clean the machine, but the requirements for the retail worker are much more substantial.

First, the retailer must man the shop area. The sales floor need not be a large area, but it should invite the customer in and make that customer comfortable. In this environment, the retail worker must stock, sell, take inventory, re-stock, work the floor and register sales. The salon owner carefully should weigh the various responsibilities that a service and retail worker have and decide what the appropriate labor force would be for these two separate enterprises.

### **Space**

Although the salon environment can exist in a relatively small area with tanning booths or beds tightly bunched for maximum space utilization, the retail environment needs an aesthetically pleasant space. This needn't be an opulent setting with a luxury

decor, but it must be an environment that lets the consumer know this is a store. You shop here. Too often, the salon operator treats retail sales as an inferior partner. There is no window display, no interior display area and no aesthetic arrangement of sale items. Space must be provided to give the impression that retailing is a primary function, not a secondary bail-out to a floundering tanning business.

## **Promotion**

If the addition of a retail division is a new item in the salon, it is mandatory to announce it. Promotion by way of in-store flier, direct mail, radio, television, magazine and newspaper ads will let the community at large and the clientele know of your existence. Opening a retail division without adequate promotion can seem like not opening at all. Remember that the results of advertising are often invisible except when one looks at the year end receipts.

Constantly look at the big picture and remember that promoting the tanning operation will draw customers to the retail establishment and vice versa. Promotions should take advantage of the tanning salon's name, character and industry. Cross promotions that link tanning products to the tanning act are especially successful. Promotions should play upon the lifestyle sales technique. Blend all promotions under the banner of "looking good" and consumers will see each purchase as an aspect of personal "image enhancement." Remember that promotion can be synonymous with perception sometimes and that a salon identified with healthful products can build an entire cottage industry under that banner.

## **Product Lines**

What to sell? There are as many tanning and tanning related products as the smart retailer can imagine. What is an off limits item? Virtually nothing so long as it promotes an image consistent with the salon's identity and the tanning customer's mental image of himself/herself. These are a few products that have been tried:

- tanning products (lotions and skincare)
- clothing for tanning
- activewear
- juices, health foods
- frozen yogurt
- coffee bars
- goggles/sunglasses
- swimwear
- home tanning equipment
- fitness equipment (home)
- cosmetics and nail products
- perfume
- jewelry

While these are some of the typical offerings, other lifestyle add-ons also could be beneficial. Consider these additional options:

- promotional posters
- new age music
- crafts
- cards
- books on fitness and health
- video tape rentals

Again, the list of possible products is bounded only by the imagination of the salon owner. Sometimes customers will request products if a suggestion box or other means presents itself. By catering to a customer's needs you are keeping a potential profit maker in the store longer.

**Commitment**

Unfortunately, the most fantastic product available will not help the salon owner without the necessary commitment. The new retail operation will require as much, if not more work than the salon operation. Retailing is not a panacea and thinking that a retail concern will bolster a salon simply by wishing it, will not work.

The commitment must be exhibited at all three levels. First, the level of buying and displaying adequately. Then in terms of superb promotion. And finally, in terms of day-to-day selling. The retail shop must receive the same attention that the salon operation receives.

**Costs**

As often as not, the salon owner doesn't consider that a retail operation will have its own costs. It is presumed that the costs of retailing will just be a part of the total salon operation. It is important for the business to set a budget for each aspect of the business and account for each separately. This will check the relative profits of both companies and illustrate where improvements and adjustments must be made in the merchandising plan. Here are some sample analyses of basic costs for both a salon operation and a retail business.

<b>SALON</b>	<b>RETAIL</b>
<ul style="list-style-type: none"> <li>• rent</li> <li>• utilities</li> <li>• professional services</li> <li>• telephone service</li> <li>• insurance</li> <li>• advertising</li> <li>• labor</li> <li>• equipment (tanning)</li> </ul>	<ul style="list-style-type: none"> <li>• rent</li> <li>• utilities</li> <li>• professional services</li> <li>• telephone service</li> <li>• insurance</li> <li>• advertising</li> <li>• labor</li> <li>• stock (inventory)</li> </ul>

At a glance, one can see that a number of the expenses are the same. Rent is a constant, although the retail addition to a salon could necessitate gaining a larger environment so the retail operation can grow and achieve full partnership status with the root business. Utilities must be paid for both operations. For the salon, the utility bill is increased because of the power used by the tanning machines. In the retail environment, power will be consumed by display lighting. Just as a fully functional tanning unit is necessary to the complete function of a salon, so excellent lighting produces the right atmosphere to feature merchandise. Lighting can almost make a sale.

Professional services will differ. For the salon, professional services may include the advice of a lawyer, realtor and several tanning professionals in your local association. With the retail aspect, professional advice may include a designer to create the store section and consultation with local retailers or consultants in retailing who know the regional market. Professional advice puts the business on a solid footing and hopefully starts it in the right direction.

The salon probably will be more dependent on telephone service in order to schedule and cancel appointments, answer inquiry calls and order equipment and supplies. For the retail business, a telephone also is essential for inquiries and ordering stock. Phone use for the salon business is usually customer to business while telephone tasks in retailing are usually business to business.

Insurance in the tanning field is a must. This protects the salon owner from claims and loss. There is less of a need for insurance in a retail operation, but a good insurance program can protect the retail business from loss through inventory destruction, fire damage, theft, etc.

Advertising can be the lifeblood of a tanning operation. A salon that no one knows exists will have difficulty getting and keeping business. The retail operation also is bound to good advertising. With a variety of stores to choose from, advertising keeps the salon/retailer before the public eye. Particularly if the retail shop is a new venture, advertising must announce the arrival of this aspect of the business.

Possibly, combination ads targeting the salon client and that client's consumer needs would work best. Some salon owners may want to bill the two businesses as independent of each other and draw in an entirely new set of customers. This could be a part of a coordinated marketing program to find new audiences for tanning. The retail store could be a lead-in to new tanning customers, making the store and salon a one-stop shopping/recreational visit. The possibilities for advertising and promotion are unlimited, but both ventures need sufficient advertising to keep a high profile.

Labor is necessary for the tanning salon, but many people have been drawn to the salon business because they believe the salon offers a service industry with less labor costs. Many owners staff a salon with only one attendant. Here is a big difference with the retail organization. In retailing, the salesperson is the personal representation of the retail store, just as in tanning.

The retail operation requires employees that can sell and sell aggressively. This can mean that more than one operator (depending on the size of the store) may be needed at one time. Though this cost greatly increases the operating expense of the retail store, it does provide several public relations advantages. For one thing, the increased traffic in the salon/retail environment promotes more business in general. Also, the employees that

come in constant contact with customers in the retail environment help to sell your salon as well. So, though more money is spent, more can potentially be made.

The big cost for many tanning salons is the tanning equipment. Many salons prefer to lease equipment because of service contracts, and convenient terms and rapid technological advances that tend to date equipment quickly. This is a major cost to many salons and a major drawback to entering the business.

The retailer obtains stock through a wholesaler. Usually once the transaction is made, the retailer has possession and ownership of the stock. Depending on the size of the store, the retail stock can cost as much or more than the tanning equipment. This expense is not leasable. The retailer buys from a distributor or wholesaler and then must sell or liquidate the stock, ideally at a profit. Naturally, this requires smart and efficient buying for success.

An unspoken cost for a retail operation is location. With the number of shops located in malls and other shopping square/village environments, it is difficult to drag the public into an isolated specialty shop. If the salon wants to compete at that level and seek a more generalized business environment it might be wise to move from an off center location to one directly in the thick of the retail climate. The thinking in this approach is that to sell you need to be where the buyers are. This is much easier than trying to drag the buyers to you. In any event, having to relocate the entire salon operation for the sake of creating a retail entity might seem counter-productive, particularly if the salon has established a respectable clientele of regular followers.

## **Selling Strategy**

When the salon owner attempts to sell tanning, the end result is a combination of the tanning technology and the client's own natural tanning ability. When a salon owner goes into retailing, he must follow a different strategy to sell the product. By one means or another, he must inform the public of the product's presence. People have to know it's there to buy it. The retailer must strive to increase his marketshare. The more he can sell, the more he can plan for the future and increase revenue.

One method of creating a market for a product is through the process of differentiating. That is, a retailer can market a product by positioning it as different to any other product like it in its class.

## **The Selling Step**

This process is similar in tanning, but the objective here is to apply sales techniques to the retail operation. There are three steps in the process. First the seller must locate people interested. Then he must make a sales presentation. Finally, he must close the sale. A salesperson begins by finding prospects. A person may browse through a shop, but he may not be intending to buy, for one reason or another (no money, just a passing interest, etc.). This type of window shopper is not a serious prospect. A sales presentation to such a person is pointless. A good prospect is someone with cash or credit who is interested in buying at this time.

The sales presentation should involve getting the customer's attention, then psyching the customer to buy and finally meeting any objections to the product. For

example, a good sales presentation was made for a novelty tanning lotion with colorful sparkles built in. The product itself when applied to a model attracted a consumer's attention. The salesperson pointed out that the product was inexpensive as well as novel (stimulating an interest to buy), and when the customer asked if the sparkles detracted from the cream's usefulness, she (the salesperson) answered the objection with cheerful "no." The consumer was sold and so was the tanning cream.

The final process in selling was the closing. This is where the salesperson asks if the consumer would like to purchase some of the product. The closing can be the hardest part of the sale. It shouldn't come as a forced "push the customer" approach, but should seem to be a natural outgrowth of the proceeding conversation.

### **Auxiliary Functions**

The salesperson also performs other functions. One is to cross-promote the salon operation. Other functions may include some recordkeeping, stocking and collecting credit information.

### **Advertising**

When the retail operation can't sell directly, it is time to consider advertising to locate potential consumers for the product line. Advertising has a number of functions and each is important for the sales process. Advertising can be done at the retail level or at the manufacturer's level. Some of its functions are to:

- help personal selling by getting the product name out
- reach beyond the sales floor to approach customers
- improve ties with manufacturers
- open new markets
- promote goodwill
- create a beginning demand for an unproven product
- make sales volume higher.

### **Promotion**

Now that the salon owner has decided to venture into the accessories or retail business, he needs every tool available to him to make his product line shine. Promotions are usually a low-cost way to do just that. When a retailer is not selling or advertising, he is undoubtedly promoting. There are a variety of sales techniques that make promotion successful.

**In-house Promotion** is simply talking up the product while a customer is there to tan or buy another product.

**Point-of-Purchase (POP)** advertising displays and posters offered directly at the retail area to encourage more sales.



**Specialty Advertising** is done by various logo items such as matchbooks, pens or calendars. These items keep the store's name in the consumer's mind and might jog a return visit.

**Coupons** give the buyer a discount on selected items from your store and promote repeated visits.

**Trade Shows** provide the retailer with an insight into the newest and most marketable products. The idea is to approach the trade show with a consumer mentality. What do you see there that could work in your salon?

**Samples** are a particularly effective way to get people to try tanning creams while in your salon. Offer the customer a free sample and if he or she likes it, the customer may decide to buy more.

**Contests** actually involve the consumer. They keep people thinking about the product and invite repeat business so people can see who won.

## **Product**

It is interesting and important to know about the process of retail selling, but a strong product does a lot of the selling for the salon owner. Consider some of these items as potential money makers for your salon. Each has a definite appeal and can broaden the salon's natural customer base easily. Each builds on the tanning lifestyle and encourages future sales and other retail ventures. Each of the products mentioned in this section have actually been tried in salons. Which is the appropriate product for your area? That is difficult to say. The salon owner must have a clear idea of how to pick the right product for his geographic area, consumer group, salon ambiance, marketing program and price point.

All these factors and more make the selection of a proper product a crucial matter. These brief descriptions are not intended as endorsements of any specific product, but rather as a service to salon owners that have an interest in expanding into retail sales.

## **Product Selection**

The right product can be picked keeping three important points in mind. First, the consumer that is willing to spend for a tan will doubtless spend on other products that can beautify him or her. Also, a good product line can keep the tanning consumer frequenting a salon throughout the year, something that most salons currently don't have. Finally, a distinct and unusual specialty item will keep a customer coming to find what that person can't find elsewhere.

## **9 Yellow Pages Advertising**

*Since the 1984 breakup of AT&T, Yellow Pages competition has boomed. The federal ruling freed AT&T's regional phone operating divisions and those former siblings have started competing with old AT&T rivals like GTE, and each other. The open market and low paper and printing costs also have attracted many new companies to Yellow Pages Publishing.*

The Yellow Pages Publishers Association (YPPA), the industry's national trade association, says that more than 6,000 directories are now published in the United States. Adding to the confusion, any publisher can use the walking-fingers logo and name "Yellow Pages" since they were not trademarked in the United States by AT&T. What does all this competition mean to you, the tanning salon operator? It means lower advertising prices, flexible terms, new ad options and a confusing array of choices. Let your fingers do the walking through this article, and you'll learn how to get the most for your Yellow Pages dollar.

### **Choose A Directory**

A study commissioned by the YPPA found that 58 percent of adults use the Yellow Pages weekly. Another advantage for you as an advertiser is that your message is available to consumers 24 hours a day, 365 days a year, at home and in the office.

The first step in tapping this source of customers is to find out what's available in your area. Your city may have only one Yellow Pages directory, or 10 or more produced by a variety of publishers. You also may want to consider the specialty directories that have appeared recently; Yellow Pages targeted to women, senior citizens, Spanish-speaking consumers and college students. To find out what directories are available in your area, check (you guessed it) your Yellow Pages under Advertising-Directory and Guide.

Next, look at the listings and think about your products and customers. Do you mainly provide tanning services to local customers? Or do you want to promote your ancillary services such as hair and nail to women throughout the city? Would flexible, walk-in hours appeal to readers of a college students' directory?

Decide where your customers come from, where new customers might come from, and look for directories that fit those needs. You can advertise in one or several, depending on your budget.

Now you're ready to make some phone calls. You should ask how long the company has been publishing its directory, the total number of copies delivered, the geographic coverage area, and any special features the company offers. How much do the ads cost? Do businesses receive copies for each telephone in the office? Are you interested in special features like four-color ads or clip-out coupons? Comparison shop and look for an established company that delivers the largest number of directories in your geographic area at the lowest cost.

Look at what your competition is doing, and ask about the distribution method. Most large directories are distributed by hand because mailing would be expensive. A

directory distributed by mail might be a small one. Ask to see a copy before placing any ad.

Take the time to choose your directory carefully. Remember, you'll have to live with your decision for at least one year.

### **Get More Bang For Your Buck**

Now that you've picked your directory--or directories--you need to decide which heading to list under. There are a number of possible subheadings for the tanning industry, ranging from "Physical Fitness" and "Reducing and Weight Control Services" to "Massage" and "Health Clubs." But unless your business offers a wide array of services, you'll probably want to choose the main heading: "Tanning Salons." For a small business, one heading is probably sufficient. Again, ask yourself, "Where would my customers look for me?" And if you're introducing a new service, such as weight control, or if one area of your business has been slow, you might consider additional listings under those headings.

Next, select which type of ad to buy. Three basic classifications are available. A listing is just that, your business name and address with a phone number. A space listing, measured in inches, includes additional information about your business and will be boxed. A display ad is measured in vertical rows called "columns" and might include eye-catching typefaces, art, logos and other elements.

Usage studies indicate that the eye goes right to the bigger ads. Costs for Yellow Pages advertising vary widely, depending on the city, the directory's distribution, ad size and current market conditions.

According to figures from the YPPA, the one-inch space listing that costs \$150 in Frostproof, Fla., could run you \$1,772 in Boston. And the quarter-column display ad that a Buchanan, Va., tanning salon pays \$252 for would cost a Manhattan salon owner \$3,831. A Yellow Pages representative can provide specific costs for your area. One possible way to stretch your advertising dollars is co-operative advertising. Under this program, a business owner and manufacturer jointly fund an ad, promoting the business while highlighting the manufacturer's product or logo.

Ask your suppliers if they participate in co-op advertising. You'll usually have to meet certain minimum purchase requirements, and buy these products from the manufacturer within a specific time period. You'll also have to follow guidelines for the ad itself, but the manufacturer may reimburse you for up to 100 percent of your space costs.

### **Create A Unique Ad**

There are two kinds of people who use the Yellow Pages--those who already know who they're looking for, and those who know what they're looking for and are trying to find a place to buy it.

Your job is to grab that second group of readers. The YPPA offers these tips to help you create an ad that will make customers dial your number. Your headline, the ad's descriptive "title," should not restate the heading: if you're listing under "Tanning," don't

put your business name, unless it's descriptive. "Tom's Tanning" won't grab readers, but "European Tanning & Spa" might.

Ad copy the words used to describe your business, should set you apart from the competition. Use phrases like "Walk-Ins Welcome," "Complete Massage and Manicure Services Available," "One of the Largest Salons in the Area" or "Serving Greater St. Louis for 15 Years." Be specific and concise.

Your company name should appear in the ad, and you might want to add any logo or slogan you use. Your address and phone number are certainly important. And if your salon is difficult to find, consider adding a map, directions, or a phrase like "Located 2 Blocks East of Northland Mall."

Listing your hours or that credit cards are accepted also might entice customers to call you first. Remember, think from your reader's point of view.

As far as art and layout, don't worry, you don't have to be a Picasso. Advertisers are not responsible for providing finished, "camera-ready" ads to the publishing company. If there's room in the budget, you can hire a graphic artist if you wish. Otherwise, a rough sketch will do. Your Yellow Pages representative will take it from there.

If you want to add illustrations, keep them simple. Complicated drawings or fuzzy photographs will not reproduce well. The same goes for typefaces, the lettering styles used in printing. Try to choose only two for your ad. To set off a word or phrase, use boldface or larger type, not a different type style. A clean, balanced ad with lots of white space is best.

## **Track Results**

Once your ad has been published, you'll want to follow up to find out just how much business the Yellow Pages is sending your way. You can do this in three ways. First, you can use a special telephone number that appears only in your Yellow Pages ad. This can be expensive, but when that line rings, you'll know the Yellow Pages generated the call.

A second, less-expensive method is to add a line of copy such as "Mention this ad and receive a 10-percent discount." However, some directories have restrictions on this type of offer. Check with your ad representative.

The simplest and least expensive way to track your advertising is to use a tracking form. This is simply a form that employees use each time they make contact with a new customer or potential customer, checking off whether the contact was a phone call or walk-in, and where the customer heard of the salon. At the least, spaces should be provided for the Yellow Pages, verbal referrals and walkbys, in addition to spaces for any other forms of advertising you do.

The information may surprise you and will help your plan later advertising. Train your employees to use it for every customer and you'll have an exact record of how your ad dollars work. You might want to design your own form including questions on whether customers had trouble finding the store, or under what headings they found you. Today's Yellow Pages have many advantages for the tanning salon operator. With more directories and ad options available, you can target your audience, create an ad to grab those customers, and make an impact without breaking your budget.

## **10 10 Steps To Profitable Print Advertising**

What's black and white and read all over? According to the Newspaper Advertising Bureau, retailers hope the answer is "my newspaper ad." If you're like most small business owners, each year you spend the largest chunk of your advertising budget on newspapers. With that kind of investment, every ad you create should do double duty: sell tanning services and build your salon's positive image. You won't win customers by boring them into buying. You've got to create a desire. A few simple pointers from experts will show you how to use newspapers to get those maximum results, without a Madison Avenue budget.

### **Step 1: Set A Budget**

There are many tried-and-true techniques for deciding on an advertising budget. Yet many small businesses fall into the trap of spending "all we can afford" or "as much as our competition."

This can get a salon in trouble, because its budget should be based on goals for the coming year and what the project sales will be. Experts say the fixed percentage of sales budget is most widely used. As a rule of thumb, experts recommend spending 10 percent of gross sales the first year in business, 7 percent the second year, and never less than 5 percent a year after that. Base the figure on predicted future sales, using your knowledge of your average annual sales.

### **Step 2: Plan Your Campaign**

The most successful advertisers are not capricious ad-by-ad makers. They're consistent ad campaigners. If you're constantly changing direction, the audience won't recognize you. Plan your ads six to 12 months in advance to deliver a central selling message and consistent look that build customer confidence.

Start by clipping a few ads run by other local salons. Studying your competitors will help you discover your shop's "unique selling proposition." As you look at the ads, ask yourself "What do I offer that the others don't?" That aspect can become the focus of your campaign.

Next, define your store image. What kind of services do you provide? Do you specialize in tanning? Or do you offer a full range of beauty services? Remember, the image projected in your ads must match the reality customers see when they walk in the door.

Finally, think about your customers. What is their gender, age, education level and income? This will be your target audience.

Write down these answers and keep them handy. You'll use them in creating ads and in choosing newspapers.

### **Step 3: Find Inexpensive Help**

Unless you spend more than \$10,000 a year on advertising, the experts say, you probably don't need an advertising agency. But professional help with writing and art can make your ad stand out from the "home-grown" variety often seen in local papers. What's a budget-conscious salon owner to do?

Experts recommend staying away from newspaper advertising departments. Avoid them like the plague and your ad will look just like all the other ads in the paper. Freelance help is a better choice. Freelance writers and artists work on a per-project basis at a fraction of what you would pay for an agency. You can sometimes find these independents just by checking the Yellow Pages, but chances are you'll have to look a little harder. A few sources to try:

- Local advertising clubs or trade associations
- Your chamber of commerce
- The advertising, journalism, or art department at a local college
- Local printers

*Adweek* magazine, published nationally in regional editions, includes a weekly directory of freelancers

Most freelancers will be happy to visit your office and provide a free portfolio showing. Find out their fee and look at work they've done for others. Do you like what you see? Have they worked for other tanning salons? Also ask what results the ads had for clients. And before any work begins, get a written agreement specifying what services the writer or artist will provide, delivery dates, and the fee you will pay.

#### **Step 4: Write Customer-Oriented Copy**

Even if you hire a freelancer, knowing what goes into good copy is an essential part of successful advertising.

Copy needs to emphasize benefits, not features. A feature is what the service is or what it does. A benefit tells customers what's in it for them. State your offer in clear terms.

Appeal to your target audience's desire for style, status, popularity, savings and fun. Tell them how your services will make their lives better.

Spend at least as long working on the headline as you do on the body copy. The headline and illustration have to work together-combined they are about 60 percent to 75 percent of the ad's effectiveness.

Your headline should not tease the reader. Don't say, "Looking for the ultimate in tanning?" Say, "Enjoy a summer tan year-round. Open 7 days!" Remember, your purpose is to bring customers into your store, not to entertain.

Our panel of advertising experts also offered these points to remember in writing good copy:

Use your unique selling proposition. Throughout your campaign, emphasize the one thing you want customers to know about your shop-price, quality, selection or convenience: "Five locations to serve you," "Your complete tanning headquarters." Remember your target audience. Write your ad as if addressing one customer. Use the word "you." Call your prospects by name: "College students ... Ask about our special discounts."

Pick the right services to advertise. The Newspaper Advertising Bureau suggests these guidelines: your most profitable services, "hot" or trendy services, your best values, services with new value, and services typical of your salon.

Decide on one goal for each ad and make sure every word in the ad reinforces that goal. Use short paragraphs, sentences, words.

Be specific. Don't say, "Low prices," say "Tanning from \$5 a session." Use proven "magic" words and phrases as high-impact, reader-stoppers. Try to get them into the headline: Free, New, You, Love, Results, Announcing, Save, 50% Off, For a Limited Time Only.

Don't forget the basics. Include your salon name, location, phone number, hours, credit cards accepted and dates of the sale.

Close the deal. Tell the reader to act now with a call to action: "Call today for your appointment," or "Stop in this week and ask for your free gift."

### **Step 5: Use Design To Reflect Your Image**

You've decided on a central message and copy, now it's time to design the selling package. All your ads should have a consistent "family" look-the same ad size, typeface, basic layout and illustration style.

Repetition is reputation and having a consistent tone of voice and graphic look will build audience recognition. It becomes your business' signature.

For great looks on a budget, experts recommend hiring an artist to create one "shell" ad. Have the artist select a type style and border, and show where the headline, illustration, copy and logo will be. For future ads, you simply write your headline and copy, and drop in the appropriate illustration.

Experts offered these design tips to present your salon at its best.

- Select an unusual border and use it for every ad. Borders add impact even to tiny ads, and give your business instant recognition.
- Save money on borders and other illustrations by using "clip art." Available at local art supply or book stores, "clip art" books contain copyright-free designs that you cut out and drop into your layout.
- Limit yourself to one typeface for the headline and one for body copy. Use boldface or larger type for emphasis, not another type style. Having too many typefaces is like mismatching clothes, plaid with stripes and dots. Is that the image you want to send out?
- Make it readable. Don't use type smaller than that used by the newspaper. Don't put type over your illustration and avoid "reverse" type, white type on a dark background.
- Because newspapers are printed on rough paper, photos generally don't reproduce well. If you do use a photo, ask the newspaper's photo department for tips on how to get the best reproduction in their paper.
- Leave enough white space so the ad looks clean and balanced.

### **Step 6: Choose A Newspaper**

Most towns today have a flurry of newsprint vying for your advertising dollar-metropolitan newspapers, local papers, campus papers or weekly papers. What's the best choice?

The first thing to consider is reach-the number of people in your target audience who read the paper. Your ad rep should be able to provide you with circulation statistics

broken down by gender, age, income and other demographics. Look for papers that reach the largest number of people in your target audience.

The next point to consider is price. Newspaper space is measured in inches per column or lines per column. An inch equals 14 lines, so you can easily convert line rates to inch rates for comparison. A simple "cost per thousand" or "CPM" formula can tell you how much it costs to have your ad seen by 1,000 people in each paper.

CPM equals the cost of an ad divided by the newspaper's circulation in thousands. For example, if you buy a \$200 ad in a newspaper with a circulation of 20,000, your CPM would be 200 divided by 20, or \$10. It costs you \$10 to reach 1,000 people in that paper.

On the other hand, if you buy a \$300 ad in a paper with a circulation of 50,000, your CPM would be \$6, a much better deal. Compute the CPM for each paper you consider and you'll easily see which is the best bargain. But remember, an inexpensive ad in a newspaper that reaches few people in your target audience is no bargain.

Finally, ask about special discounts. Many metropolitan newspapers publish separate zone editions for different zip codes or areas of the city. By advertising in a zone edition, you reach the readers of a major metropolitan paper in your area at a fraction of the normal cost. Some newspapers also offer large discounts if you sign a contract to buy a certain number of inches or lines per year.

### **Step 7: Decide When To Advertise**

Follow these guidelines for picking your best day to advertise: Avoid the clutter days, when your ad will get lost in the shuffle. Wednesday is traditionally "food store day"; Friday is usually crowded with entertainment ads.

Thursday is the traditional "retail day," a good day to catch shoppers getting ready for weekend spending. Sunday is good because people take more time for a leisurely read of the paper and the ads.

Also consider advertising on days of the week your business is heaviest, payroll days of important local businesses, and just before holidays and local events, such as school proms or reunions, that might put consumers in the market for tanning services.

### **Step 8: Choose Frequency Over Size**

Experts say frequency is one of the most important elements of successful advertising. "Frequency" means the number of times your target audience has an opportunity to see your advertising message.

Experts agree that the average person sees 2,700 advertising messages a day, and they won't make a decision based on one or two ads. However, most small businesses run an ad for two months and give up because nothing happens.

Generally, it will take three or four months of consistent advertising before you'll see a significant change in sales. Why? Nine out of 10 people who see your ad this week might not be interested in buying tanning services this week. You'll get that one customer in 10 with a good ad, but you need to advertise frequently enough so that when the other nine are in the market for your services, they think of you first.

You have to get a 'share of mind' and that will lead to a larger 'share of market'. Advertise a minimum of once weekly to make an impact. The good news? Size is not nearly as important as frequency. Unless you want to announce a grand opening or other



major event, you never have to buy a full-page ad. Run lots of quarter-page or smaller ads and you'll make an impact without blowing your budget.

### **Step 9: Choose The Best Position**

Since your ads will be small, page position is very important. When buying newspaper space you can either request "ROP" (run of the paper) or "preferred position." ROP means the newspaper places your ad wherever it fits; preferred position means you choose a specific section, page or even location on a page.

Again, the experts are unanimous: ask for a preferred position. Some papers charge a little extra; however, these rates are often negotiable, especially if you are a new account. Many papers will honor your request at no additional cost.

The best place to be is on a right-hand page, near the right margin, above the fold. Main news is generally the best section, since it has the highest readership, but remember your target audience. Appealing to college students? Choose the entertainment or fashion pages. Advertising convenient hours for working women? Buy space in the business section.

The most important consideration is to get next to editorial material—a story, column or photograph. Avoid the "buried" position, surrounded by other ads, which some refer to as "the readership cemetery."

### **Step 10: Test And Follow-up**

Simple testing and follow-up techniques can tell you how your ads are working and which newspapers work best. You can test headlines and other elements by doing a "split run." Run an ad in half the copies of one newspaper; run the same ad with a different headline (or illustration, ad size, whatever you want to test) in the other half. Include a coupon offering an incentive such as a discount or free gift. Write a different code number on the coupon for each half of the run, counts up the coupons and you'll see which headline worked best.

You also can use coupons to test newspaper effectiveness. Run the same ad in several papers, again including coded coupons. Count how many coupons came in from each newspaper, and you'll see which paper worked best. Test several types of ads, offers, sizes, newspapers and days of the week until you come up with an "optimum ad," then run the ad with confidence. Remember that consistency plus repetition equals sales. And at the end of the year, you'll realize that advertising is fairly low-cost for the returns you get.

