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Guaranteed Customers for Life

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WHY CUSTOMER RETENTION MATTERS

Spas and salons survive on repeat business from regulars. These customers provide predictable revenue and help you meet monthly revenue targets. As you cannot rely on finding new customers every month, you have to hold on to the customers you have. The cost of not retaining customers is enormous — when you lose customers, you not only lose revenue, but also increase profits for your competition!

In this whitepaper, you'll learn how to establish a core group of customers as regular customers for life. And, you'll see how easily you can consistently provide world-class experiences to each and every customer.

Customer retention: A strategy for the long term

Customer retention reflects your ability as a spa or salon to get customers to stay loyal over a period of months and even years. Most spas and salons encourage customer retention by providing:

- A variety of services
- A great ambiance
- Well-trained staff
- Excellent quality of services

While these are important, repeat business hinges on providing customer service that goes beyond expectations. The following four methods you'll learn about, when done right, can provide exceptional customer service and keep customers coming back — and accomplishing each of these methods is easier than you might think.



Personalize customer experiences

Customers always respond positively to personalized attention; every smart business owner knows this. The challenge is to implement a framework for staff to provide a personalized experience to every customer, on every visit.

Here are some effective ways to personalize a customer's experience:

Greet customers by name, always. This makes a customer feel remembered and valued. A quick look at the appointment book will help when a customer walks in the door. To greet customers by name when they call in, try caller ID or looking up customer info in your software database when their number is displayed.

Know your customer's service history. Track services and service provider preferences. Any customer appreciates being asked if they would like to book their appointment with their preferred provider. This shows that you haven't only remembered them, but you care about what's important to them!

Know your customer's preferences. Does your customer prefer a specific room, a particular order of service, or have other special requests? Perhaps she likes to get her services done in a particular order — eyebrows before hair, for example. Cater to her preferences and she'll reward you with her loyalty.

Remember key dates like your customer's birthday or anniversary. Send an SMS (text) message or email to show them you remembered, and offer a complimentary service or discount to get them to come in for an unplanned visit.

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If you want to secure your clients' loyalty, work to learn as much as possible about your customer so you can divine their questions, concerns, and interests.

In order to effectively personalize customer experiences, you must store customer profiles, track service histories and preferences. Make this data easily accessible, and you'll be able to make every customer feel special.

Anticipate customer needs

It's a rare business that actually anticipates the needs of their customers. If you want to secure your clients' loyalty, work to learn as much as possible about your customer so you can divine their questions, concerns, and interests.

Suggest additional services

For example, imagine a customer books a hair appointment in preparation for a party. What can you do to add to her look? Could her nails use pampering, or do her eyebrows need shaping or cleaning? Offering a free eyebrow clean-up, for example, shows the customer you care about her success. And in this situation, the missed revenue from an eyebrow cleanup is insignificant compared to the loyalty you're sure to secure.

Here's another example. If a customer just returned from an international trip and looks tired, but has only booked a haircut, suggest a relaxing massage. Often times, your customer just hasn't thought of the option. The revenue from the massage is an added advantage, but you gain more by showing the customer you noticed and cared to suggest a service they truly needed.

Remind them about pending services

Another way to anticipate your customers' needs is to call them to remind them about a pending service. For example, if they're in the middle of a skin treatment and need to visit every two weeks, get in touch with them.

Be hospitable

If your customer regularly asks for water, fresh squeezed juice, or a snack, have it ready for them before they arrive. Is a customer in for a long hair appointment? Be prepared to respond to boredom with magazines and beverages. Some salons even offer tablets to really wow their customers!

Listen to your customers

The simplest way to know what works in your business and what needs improvement is simply to ask your customers for feedback. It's also an effective way to show your customers that you care about their experience.

To effectively gather feedback, provide opportunities to offer feedback immediately after a service.

You could use:

- A computer kiosk placed in an easily accessible location

“Ask the most telling question of all – ‘Would you refer us to friends and family?’”

- Feedback forms accompanied with the bill. You could even print the form directly on the bill!
- An SMS (text message) with a thank you message and a phone number to send feedback

Ask enough on the feedback form to get the information you need and not so much that the customer needs to put in too much effort. Are your customers hesitant to fill out a form? Why not ask them the most important question of all: “Would you refer us to friends and family?”

Gather customer feedback, measure it, and act on it

After you’ve captured and collated customer feedback, analyze the feedback to make the right improvements.

Be sure to:

- **Gather accurate data.** Often, receptionists and therapists submit feedback forms that contain positive feedback about them. In certain cases, the customer may not ever see a feedback form! It’s important to implement a process that ensures you, the owner or manager, get accurate and reliable access to all feedback – good and bad! Implement an audit mechanism so you know that you’re getting an accurate view of feedback and ratings.
- **Look at individual customer feedback, averages, and overall trends.** Looking at individual level feedback calls out any warning signs that may be missed in averaged out data. When you look at average feedback, you’ll see a high level trend of information
- **Organize data into meaningful categories.** For example, collate the data so that you know how ratings rank against particular services. Perhaps your hair team does an excellent job, while pedicures have a long way to go. By organizing feedback ratings by services, therapists, and more, you’ll know exactly what to address in your business. While it may seem a tedious task to organize all of your customer feedback, you can analyze your data quickly and simply once you have a system in place.

“You’ll only need a few minutes a week to gain insight to how customers feel about your business.”

Convert negative experiences into opportunities

Any business can expect to receive negative feedback. But by taking immediate action, you can turn a customer’s negative experience into an opportunity for your business. One way to track negative feedback is to send a daily report to the manager, who can call the customer and address the problem immediately. Often times, a call can simply acknowledge that the complaint was valid and will be addressed. Most customers are delighted to know someone actually listened and acted on feedback, and will look past their poor experience.

In many cases, feedback may reflect action items that cannot be addressed immediately. And unfortunately, without a system to track requests, much of what customers are communicating can be lost. By putting in a system that tracks action



items, assigning an owner and a delivery date, you can vastly improve future experiences. The manager may call the customer to understand their grievance, ensure the problem gets resolved by a particular date and inform the customer after the problem is resolved. This system should ensure that tasks do not slip through the cracks, allows the manager to quickly identify “to-do’s”, and communicate with the customer as appropriate.

How Zenoti helps with customer retention

While spa and salon owners may agree that customer retention is a critical factor for success, the question still remains: how you go about implementing these processes without overwhelming staff and incurring cost in time and money?

Software tools like Zenoti incorporate all of these best practices so that even novice staff can perform like seasoned professionals. Zenoti can take you beyond basic customer retention and by providing a complete set of features, including appointment booking, marketing, and inventory management.

Personalize customer experiences and anticipate requests with Zenoti

Zenoti integrates customer profiles, service history, and preferences with your appointment book. That means receptionists and therapists have access to important information about customers through a single click. Things like detailed customer history, alerts, and a smart booking system help personalize experiences, and help you anticipate customer needs.

Automate customer feedback with Zenoti

With Zenoti, you can choose to enforce the printing of a feedback form on every customer’s bill, and ensure the receptionist enters the feedback into the system. This gives you full visibility to what customers are saying. It’s easy to conduct audits, and the system does all the heavy calculating for you. As the owner or manager, you’ll see exactly which services and therapists garner the best ratings, a daily report will highlight any negative experiences, and you’ll be able to see trends within feedback as well. You’ll only need a few minutes a week and still gain full transparency into exactly how your customers feel about your business.

Turn negative experiences into opportunities

The system also sends you a daily report by email to highlight any negative experiences reported for the day. This enables the manager to take immediate action and contact these customers right away. For issues that can not be rectified right away, Zenoti provides an issue tracking system to store, track and follow-up on issues. Issues might include things like the sound system needing fixing, or to tighten a rod in the shower cubicle. The issue tracker is a sophisticated “to-do” list that tracks the person who reported the problem, the owner responsible for fixing the issue and even a due date. By communicating with customers about these longer term items, you show them that you truly value their feedback.

Customer retention reports

Zenoti offers you something that no other software can — accurate customer retention reports. These reports are automatically generated from bookings made in the appointment book. Use these to determine your actual retention rate, find which service providers are best at customer retention and even which services attract the most customers back.

Conclusion

To retain your customers, the first step is to provide a world-class experience. Simple gestures like greeting customers by name, or remembering preferences, form the foundation for a strong, long-term relationship. Gathering and acting on customer feedback provides you with an accurate picture of your business, and gives you an opportunity to connect with your customers.

It's easier than ever to implement processes to personalize experiences, anticipate needs, gain insight from customer feedback and retain customers by using software like Zenoti. You can easily turn every receptionist and therapist into a seasoned professional and increase your customer retention significantly.

To see Zenoti in action, contact us today.

About Zenoti

Zenoti is the most advanced cloud-based, business software for spas, salons, and medi-spas. Trusted by 5000+ spas and salons across the world.

www.zenoti.com

