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Managing Your Membership Program

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EFFECTIVELY UPSELLING THROUGH MEMBERSHIP PROGRAMS

Upselling is a technique where you encourage your customer to purchase more expensive items, upgrades, or other add-ons in an attempt to increase your revenue. While many spas and salons may have staff attempting to upsell customers, this requires proper sales training and a commitment to repeating the upsell on every customer.

How can you make your upselling process more consistent and effective? One solution is to use a membership program. Creating memberships for your spa or salon has tremendous benefits beyond upselling, like driving predictable revenue and ensuring customer loyalty.

Read on to learn how to implement a membership strategy that enhances your upsell revenue.



MEMBERSHIP PROGRAMS BRING SIGNIFICANT VALUE BY INCREASING UPSELLS AND CROSS-SELLS AND IMPROVING CUSTOMER RETENTION FOR YOUR SALON OR SPA.



Memberships: What are they good for?

Membership programs bring significant value to your spa. They can encourage customers to try new products and services they wouldn't have considered, resulting in more frequent upsells and cross-sells. They'll encourage customers to spend more, as people don't like to see a balance of credits with an expiration date on it. They will help with customer retention and help to avoid customers going to your competition, because they've already invested in your membership.

If you strategize and constantly improve your membership program to serve your clients, they'll stay loyal even after their membership expires.

Designing a Revenue-Boosting Membership Program

A membership program can be structured in a variety of ways, but it's important to create your membership program to fit the needs of your customers, and your business. With that in mind, there are a few best practices that can help you get the most out of your membership program:

- Launch new services or sell new products exclusively to members through your membership program to test their popularity, the goal being to encourage members to try new things rather than continue spending on the same things (which they would've purchased anyways).
- Have a system in place for encouraging membership renewals. Whether it's an automatic email that goes out toward the end of their membership period or a script that your receptionist follows, you can increase revenue by retaining your members over the long-term.
- Require a small fee when the customer signs on in order to increase revenue and enhance the value of the membership.
- Provide free services which are generally not used on their own, like one free steam service every month as part of the membership. The customer will perceive the free steam service as an added benefit, and will often come in for a paid service to go along with the steam.

Next, we'll cover three common membership types that are proven to increase customer spend and help with upselling.

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How can you make your upselling process more consistent and effective?



SILVER MEMBERSHIP PLAN

A silver membership plan is a basic membership that offers a flat discount. This type of membership encourages customer loyalty, but has a low barrier to entry, making it ideal for consistent customers who aren't quite brand enthusiasts yet.

Here's an example of this type of membership:

Membership cost: Rs 10,000

Features:

- 10% off spa services
- 15% off salon services
- Membership expires in one year



GOLD MEMBERSHIP PLAN

A gold membership plan charges a customer upfront, but then provides the customer with a balance of credits that's higher than the membership cost. For example, the cost to join might be Rs 15,000, and then the member is given credits worth Rs 20,000. This type of membership is perfect for encouraging customers to try new (less popular) services with good profit margins, and it helps build long-term loyalty.

Here's an example of this type of membership:

Membership cost: Rs 15,000

Features:

- Customer gets two body massages and two body wraps (value of Rs 10,000) credited to their account
- Customer gets another 10,000 credits to use on any service in the spa or salon
- Customer gets regular perks, including 15% off spa services and 20% off salon services
- Membership expires in one year



PLATINUM MEMBERSHIP PLAN

A third type of membership combines the cost of joining the membership plan with services. For example, if a customer pays Rs 15,000 to become a member, she will receive credits worth Rs 10,000 to spend on any services, plus a set of services that you've chosen that amounts to more than Rs 5,000.

By doing this, your customer will likely try services that they may not have tried otherwise, but they'll still gain value from becoming a member.

Here's an example of this type of membership:

Membership cost: Rs 20,000

Credit balance: Rs 30,000

Features:

- No discounts
- Membership expires in one year



**MEMBERSHIPS
ARE A POWERFUL
WAY FOR YOU
TO INCREASE
CUSTOMER
AVERAGE SPEND,
GET CUSTOMERS TO
VISIT MORE OFTEN,
AND ENCOURAGE
CUSTOMERS TO TRY
NEW SERVICES.**



The Modern Membership Program

Memberships are a powerful way for you to increase customer average spend, get customers to visit more often, and encourage customers to try new services.

They offer a simple, automated way to upsell to customers. Memberships reduce the burden on staff to make individual upsells.

Further, when you integrate your membership program with your marketing software, you can reach your customer base all at once with special offers. You can use automation to bring customers back in and encourage more spend on each visit. When you modernize your membership program, you will save time for your staff and see a direct result on your bottom line.

Learn More

Zenoti is for receptionists, managers and owners of spas or salons. Our fully hosted, easy to use software helps you grow your business resulting in higher revenues, loyal customers and an easier way to run your business. Our software incorporates best management practices and the latest in technology. To learn more, visit www.zenoti.com.

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.

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