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Maximize Revenue with Marketing Campaigns

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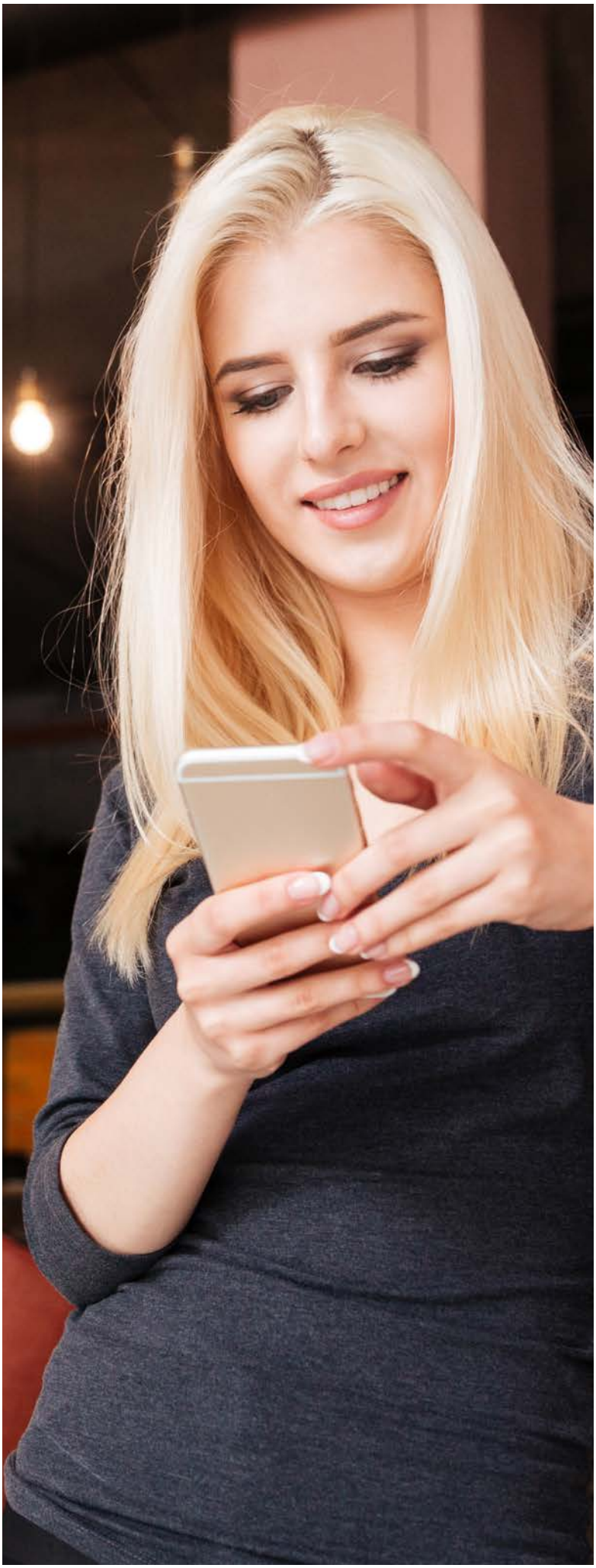

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MAXIMIZE REVENUE WITH MARKETING CAMPAIGNS

Spa and salon owners invest a lot of money in developing the right services, designing the right ambiance, training staff and attracting customers through marketing campaigns. However, many overlook a significant amount of revenue that can be gained from existing customers.

In this white paper, you'll learn how to build simple and low cost strategies to get your customers to spend more

Beyond the Traditional Methods

Traditional marketing methods include external marketing programs that use newspaper advertising, flyers or mailers. While these methods can be effective in attracting new customers they can also be costly and difficult to track.

Internally focused marketing programs help you get more from your existing customers. You'll find that there's a significant amount of revenue to tap into, but only if you put proper campaigns in place.

Spas and salons, if they attempt to get more from their existing customer base typically do so by introducing new, innovative services and through up-sell strategies.

- Up-selling requires that staff is well informed about services products. Examples of up-sell techniques include:
- Up-selling a customer from a 60-minute massage to a 90-minute session. Or, suggesting a higher quality service either while booking the appointment or when the customer comes in.
- Using a promotional package that combines services. For example, if a customer comes in for a facial, the receptionist could inform her that a package is available that includes the facial plus a manicure for only a little more than the cost of just the facial. The customer will most likely try the package.
- Promotional packages could result in a customer spending less than what they would have otherwise spent. A customer who regularly comes in for a facial, pedicure and manicure would spend less than she expected by taking advantage of the package.

UP-SELLING REQUIRES THAT YOU IDENTIFY CUSTOMERS THAT COME IN FOR LOW-PRICED SERVICES AND SELL A PRODUCT OR A SERVICE OF HIGHER COST OR VALUE.

- While promotional packages are certainly effective, knowing the right set of customers to target is the key to maximizing revenues.

While up-selling and creating promotional packages are a start to internally focused marketing strategies, there are other simple ways to increase revenue from your existing customer base. You can do so with negligible cost and significant increases in revenue. When deciding on an internally driven strategy, you should always aim for one of the following goals:

- Increase customer spend during the customer's visit.
- Increase the number of visits that a customer makes to your spa in a month.
- Encourage existing customers to try new services or products.

Some methods may be more effective than others. It's important to set revenue targets for any campaign and track the effectiveness of every campaign.

Effective Up-Selling with Memberships

Up-selling requires that you identify customers that come in for low-priced services and sell a product or a service of higher cost or value. To do this effectively, you must train your staff on how to achieve results with each customer interaction. This can be a significant undertaking requiring training and changing the staff's approach with customers. Additionally, your employees will have to do this with each customer to achieve significant results.

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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.

Up-selling is an effective method to increase average customer spend. However, you can automate how you up-sell to reduce the individual burden on staff and reach your entire customer base.

A highly effective and simpler approach to up-selling is to create memberships. Creating memberships for your spa or salon has tremendous benefits like driving predictable revenue and ensuring customer loyalty.

A membership program can be structured in a variety of ways, but typically you'll want the customer to pay a membership fee when she signs on. A basic membership plan can offer a set of services plus a balance of credits for a cost lower than the total value.

The membership in essence ensures that the customer keeps coming back to you, and often is successful in selling services that the customer would not have tried otherwise.

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 require focused attention on "the sale" only once. After the sale, the program brings customers back and encourages more spend on each visit without any further selling from your staff.

Memberships are covered in detail in the whitepaper, Effective Up-Selling Through Membership, available on our website at www.zenoti.com

Personalized Marketing

Personalized marketing refers to sending an offer to a targeted set of customers. By targeting your marketing, you avoid sending a coupon for a beard trim to women. Better yet, you're able to send a coupon for 25% off a new ultra-french manicure to only those customers that come in for manicures or pedicures. By targeting offers to specific sets of customers, you personalize marketing campaigns to be more meaningful for the customer and more effective for you.

Personalized marketing is achieved by grouping customers based on buying patterns and preferences to determine what offers would be relevant and successful. Personalized marketing campaigns can reach customers through email, sms (text) messages and custom coupons.

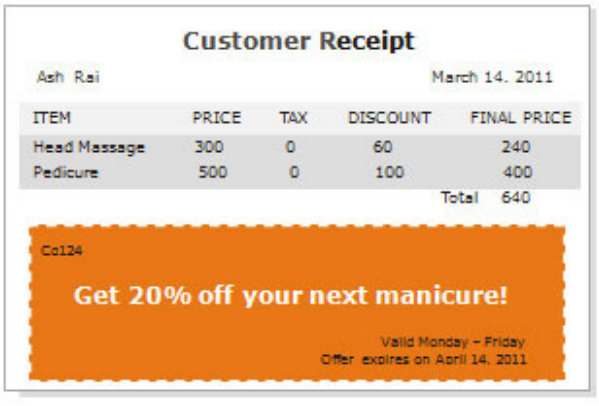
Custom Coupons

Custom coupons combine the concept of a coupon while providing the ability to target specific customers.

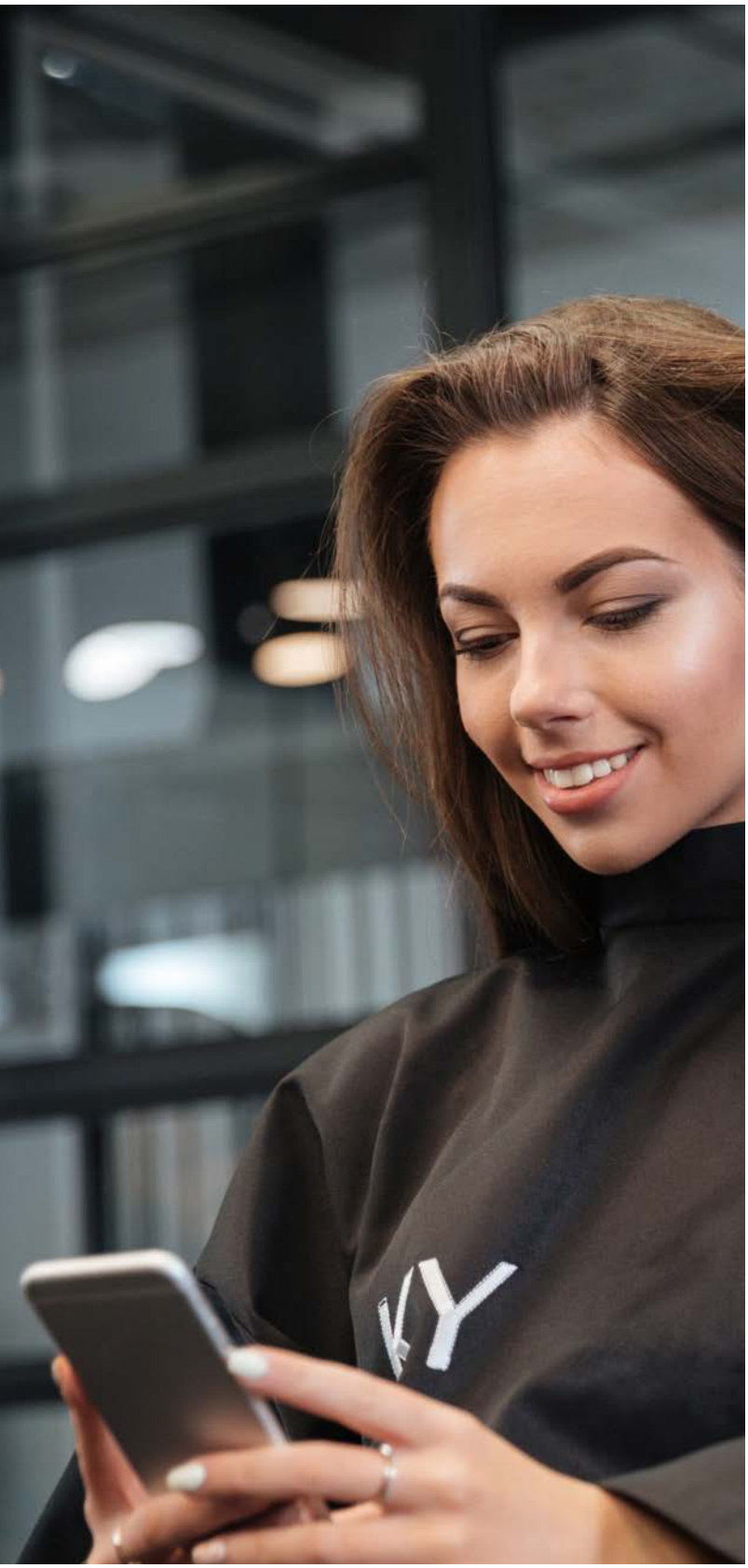
When you order pizza, you always receive a coupon. Often the coupon is for a pizza that you've never tried and expires in a month. The expiration date ensures that customers come back often and the discount encourages you to try a pizza that you may have otherwise never tried.

In the personalized marketing world, you can take traditional coupons, like the pizza coupons, one step further by targeting the right offer to the right person. This increases the success of the campaign because of two reasons:

- Not all services and products make sense for everyone. Vegetarians will never eat a pepperoni pizza, but they might try a new Mexican salsa pizza. By targeting the right offer to the right person, you increase the chance of the customer taking interest
- You can avoid giving discounts for a service or product that a customer would have paid full price for! If you offer a 20% discount coupon on a pepperoni pizza to a pepperoni pizza lover, you'd be losing out on regular revenue! Custom coupons need to offer something meaningful to the people that are most likely to show interest. The following examples show you how you can effectively use coupons:
- Get customers to try a service that complements a service they regularly get. For example, lets' assume you have a group of customers that come in regularly for a pedicure, but never get a manicure. A 30% discount for manicures, printed on their receipt will most likely result in a manicure booking along with the pedicure.
- Get customers to renew their membership. Do this by printing a coupon for a free massage along with a membership renewal within the next 7 days.



The possibilities of how you could use custom coupons are endless. Until recently, only large companies could run custom coupons. Today however, with the right software tool you can easily automate custom coupons. We'll cover the best software solution to do this later in the paper.



Targeted SMS (Text) Messages and Email

In today's world of immediate information and ready access to data, there's no form of communication more effective than sms messages and email. Use these vehicles for marketing to existing customers through discounts, reminders and announcements. For example, use sms messages to:

- Avoid cancellations by reminding customers about their next appointment
- Send a reminder to book the next appointment. If your customer got touch-ups done two months ago, send a reminder that it's a good time to come in again
- Send an offer to a targeted set of customers
- Announce a new service, product, or event

Regardless of how you use sms or email, personalized marketing techniques offer the most effective result. To do this you'll need to identify the group of customers you wish to target.

For example, you can assume (with caution) that if a regular customer has stopped visiting, she's likely going to your competition. By reaching out to this group of customers who has stopped visiting your spa or salon, use an SMS campaign to lure them back.

In order to run a custom coupon campaign, you must have the right systems in place to be able to pull lists of customers based on specific behavior, buying patterns, visit history or preferences. Later in this whitepaper, we'll talk about how you can accomplish this.

Cross-Sell to Encourage Customers to Try New Services

Cross-selling is defined by getting customers to try a new service based on a preference for a related service. Services have affinities with other services. A customer who tries a pedicure will likely be open to trying a manicure. A customer that gets a body massage will likely try wraps or scrub. If a customer regularly

Comes in for pedicures but has never tried manicure, promote manicures aggressively to that customer.

The challenge is in being able to identify customers who have tried pedicures, but never a manicure. For your ongoing campaigns, you'll need to be able to pull a customer list with the preferences or buying patterns you wish to target.

Cross-selling can significantly increase your monthly revenue. Similar to up- selling, to be highly effective at cross-selling, you should automate the process so that you lessen the burden on your staff to make individual sales, cast a wider marketing net within your customer base, and still be able to target your offers.

Promoting a cross-sell is a one-time effort, be it through a custom coupon, sms or email campaign, but the customer may incorporate the manicure as part of their regular routine. By encouraging the customer to try a new service, you increase the customer's average spend on an ongoing basis.

Executing Personalized Marketing Programs

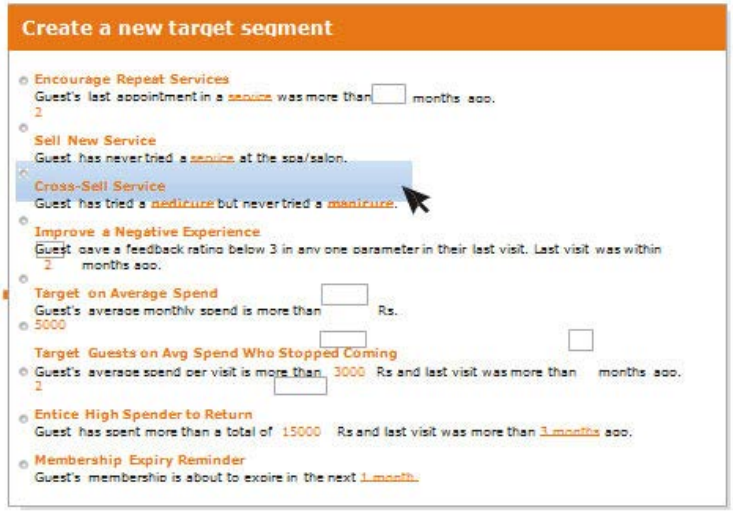
With sophisticated software like Zenoti you can create highly effective marketing campaigns, that manage memberships, custom coupons, sms messaging and email campaigns easily.

The software is fully integrated, which means customer profiles are automatically stored along with buying patterns, visit history and preferences. You can easily slice and dice your customer base to generate groups based on services they've tried, membership levels, frequency of visits and so much more. You can also build any number of offers to send to that particular group.

Pulling a Targeted List of Customers

For any personalized marketing campaign, you must have the ability to pull targeted lists of customers. Zenoti lets you create targeted list of customers, or segments, from your customer base.

For example, creating a segment of customers who have tried pedicure, but never tried



> **ZENOTI IS A SOPHISTICATED SOFTWARE THAT HELPS YOU IMPLEMENT MARKETING CAMPAIGNS WITH THE FLEXIBILITY AND POWER TO TARGET GROUPS OF CUSTOMERS, RUN MULTIPLE CAMPAIGNS AND TRACK EFFECTIVENESS.**

manicure is as easy as selecting and customizing pre-defined segments.

Zenoti offers 12 pre-defined segments that can be customized to fit your needs. And also, gives you full control to build a target segment based on any customer preference, buying pattern, visit history and more.

Example: Identify Target Segments to Attract Customers Who Stopped Coming

To attract customers that were regulars, but stopped coming back to your spa or salon, you will need to pull the right group of customer based on visit history.

You could pull one segment for "customers who stopped coming" and send them an enticing offer. Or, you could just as easily choose to create multiple segments that break that group down further:

- Customers who stopped coming for a specific service, but still come in for other services
- Customers whose membership expired and has stopped coming in. Get these customers back before they go to your competitor!
- Customers who spent a large amount of money, but stopped coming
- Customers who gave poor feedback once and stopped coming to your spa.

Creating Custom Coupons

Zenoti also enables you to run custom coupon campaigns on an ongoing basis. Set up is only required once and the software will automatically print a coupon on every customer receipt. The coupon is valid only for the customer's next visit and comes with an expiry date. The system tracks what coupons are issued, what is redeemed and the overall effectiveness of the campaign.

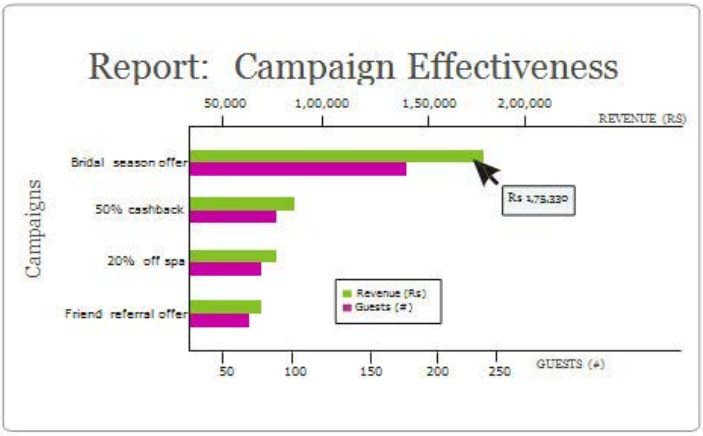
Sending out SMS Messages

Zenoti makes it easy to run sms message and email campaigns. It's as simple as typing in the message you want and selecting the target segment.

Track the Effectiveness of Your Campaigns

You'll find that some campaigns are more effective than others. You should always set revenue targets for any campaign and track the effectiveness for the duration of the campaign.

Zenoti, automatically tracks how each campaign performs with easy to understand reports. You'll know exactly what works best and can plan future campaigns accordingly.



Conclusion

These marketing techniques help you get more from your existing customer base. Zenoti is a sophisticated software that helps you implement marketing campaigns with the flexibility and power to target groups of customers, run multiple campaigns and track effectiveness.

You'll find that Zenoti is a far smaller investment for your business than the services and products you invest in at your spa or salon. By using the strategies discussed in this whitepaper, you'll increase revenue with little effort.

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

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