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Feel Good.
Find Great.

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FEEL GOOD. FIND GREAT.



The global wellness economy was a \$4.5 trillion market in 2018.



The wellness industry represents

5.3%

of global economic output.

Your business is your passion.

We understand why you got into this business—it's the same reason our founder went into business himself.

It's a passion for making people feel good about themselves so that they can go out and do great things. Whether that's to nail a job interview, relieve stress for an hour or two, or get a makeover to get a fresh start on life, our industry is filled with everyday examples of people living out their passion to help others.

Our goal at Zenoti is to empower our customers with the time and the ability to make other people look and feel their best. The way we're best equipped to help our customers achieve this goal is by providing solutions that transform their business into the brand and kind of experience that brings people back again and again.

When we first encounter a new customer, we're struck by how great the treatment and services component of the business is—there is so much pride on the part of the stylist, the therapist, the coach, the physician—it's apparent from the moment you meet them. They're invested in their client's success. They often see themselves as "artists" who are there to transform their client's idea or vision into reality. Or to make them feel calm and confidence they may not have felt recently, or maybe that they didn't even know existed.

But too often the greatness that exists in the treatment room or in the chair is limited to just that—the experience once the customer is there. For most businesses, there's a desire for that greatness to extend throughout the entire customer experience—from the time they first visit a business's website, to the time they rebook for their next appointment—*all* of that should be flawless.

We're privileged to work with many of the leading spas and salons around the world, and almost to a fault, there are three areas where these businesses excel end-to-end. Let us share three secrets of their success with you here.



Secret #1: They focus on the guest experience

The focus on an amazing customer experience—which most businesses in our industry are passionate and deliberate about providing—must also include everything that happens before and after the appointment.

For some businesses that means starting with a great online booking experience and an immersive mobile application. Something that's easily downloadable, looks modern and fresh, and is easy to use. It makes it simple to make an appointment, stores preferences, loyalty and membership information, credit card payment info, as well as treatment and appointment notes.

This may sound unusual to our industry, but take a step back, and you'll quickly realize (as you scan some of the most used apps on your phone) that it's commonplace for most other businesses today. Whether you're paying for coffee at Starbucks™ or booking a flight on your favorite airline's mobile app, the ability to eliminate friction by having all of your information stored in one place, including your location, preferences, rewards, and payment information is expected.

So why wouldn't we want our customers to expect that when they make an appointment with our salon or spa as well? Successful businesses delight in the ability to meet and exceed that expectation for their customers.



The spa sector has been growing by 9.9 percent annually from 2015–2017, and it is projected to reach \$128 billion in 2022.



Great beauty and wellness businesses establish a trust and bond with their clients that is found in few other settings. The ability to use technology to drive and nurture that relationship is fundamental to growing your business and elevating the experience for your guests.

Sudheer Koneru
CEO, Zenoti



The wellness industry
grew by

6.4%

annually from 2015–2017

For other businesses, it's not just about a great experience before your appointment starts, it's about completing that experience once the appointment ends. There's often nothing more demoralizing than coming out of a great massage or hair, nail, or waxing appointment feeling confident about ourselves, only to be confronted with a long check-out line, a receptionist who can't find the product we'd ordered from our provider during our treatment, or a credit card reader that's gone dark. The mood and relaxed feeling starts to deflate, to the point where we've interviewed some customers who practically need another massage by the time they got to their car after a frustrating check-out experience.

Fortunately there's a way forward here as well. By providing the ability for your employees to seamlessly add products to the invoice mid-treatment; by adding treatments notes and having them automatically sent to the customer after they leave, not having them wait for copies of the notes to be printed; by providing auto-payment features in your app that allow the employee to signify when the appointment is complete and allowing the customer to just walk right out with their products, we're able to extend that great feeling all the way to their car. Unfortunately we can't control traffic or the kids at home, but we can take them as far as we can. Great salons and spas are able to do this again and again, which keeps customers coming back again and again.

Secret #2: They know how to grow their revenue

It's one thing to see for yourself what's working "on the floor" and know the key types of treatments, customers, and services that make your revenue grow. But as *you* grow, you and your eyes can only see so much. That's where the best in the business turn to technology to continue to help them scale and increase the top line of their business.

They use marketing campaigns—both the ones they run, and the ones that run on automation—to help reach out to prospective new customers as well as customers that haven't visited recently, all in an effort to fill the appointment book and match up supply and demand.

They use their website and mobile app not just to make a great experience for their customers, but to drive incremental revenue as well. Knowing that online purchases often surpass in-store purchases, they make it easy for customers and potential customers to add products and upgrade their service not only when they're in the chair or on the table, but waiting in line for the bus or for the lunch line to move. They're personalizing offers and matching up past visits with future opportunities. And importantly, they're using data to test, learn, and see what's working and what's not.

Data is a tricky thing for many spa and salon owners. Often if you can't see it, it's not to be trusted. Which again, works when it's just you and you have a handle on all components of your business. But as your business continues to expand, data becomes the currency with which your entire team can trade in. Knowing the best type of appointments that make you the most money as well as the ones that don't can provide you with a great roadmap to market, target, and personalize offers. You get rid of the things that don't work, you do more of the things that do.



Wellness real estate is a \$134 billion global market in 2017, projected to grow to \$198 billion in 2022

And as your network grows, you're able to grow as well—as long as you're also able to keep the experience consistent for your guests wherever they choose to do business with you. Whether that's at one of your locations or opposite ends of the country, by offering the customer more choices while leveraging technology to provide a consistent, excellent experience, revenue growth generally follows.

Secret #3: They're experts at managing their operations

There's an old saying in the golf world that you drive for "show," but you putt for "dough." The meaning of course is that you can be as long as Tiger Woods off the tee, but you make your money sinking the 15-footer on the 18th hole with the gallery looking on.

Managing your spa and salon operations is about the equivalent of "putting for dough." It may not be the showy part of the business—back office operations never are. But the best run businesses are those who put a priority on making sure that while the guest experience is awesome and revenue is growing. After all, it's the bottom line that matters. And although there's no silver bullet on how they do it, there are a few common themes that come through again and again.

First, they have a handle on their employees and their inventory: two huge expense categories which are often a bear to manage. Whether it's understanding inventory levels by treatment or reducing waste and shrinkage, making sure stock levels are correct and not too high or too low is paramount to saving money. And managing employees is no different. With staff being in such short supply right now, the ability to schedule, pay, and reward staff in a timely manner while ensuring that they are earning as much as possible with your business is vital. There's nothing worse than either not having enough staff to meet your customer demand and having to turn away appointments, or having too many staff on hand costing you money while they wait for their next appointment. Getting this mix right is often the difference between profitable and unprofitable businesses.

Next, they are relentless about using data and insights to run their business. Just as it's important to use data to grow a business, it's even more important to control costs—especially if you have more than one location and are managing different treatments and teams. Understanding which locations are performing well and which are not and being able to diagnose "why" quickly to take corrective action is a recurring skill of leading salons and spas. Understanding revenue drivers, cost drivers, margin opportunities, staff mix, product and inventory mix—all this is the job of a great operations leader, someone who loves data and can use it to drive efficiency and profit.

Finally, they invest in modern technology that scales as their business does. Gone are the days when desktops and laptops were able to manage a growing business. Instead, using modern, cloud-based all-in-one systems that provide access to any level of detail from anywhere are increasingly the requirement if you want to call yourself an industry leader. And it's not just for smoother operations either (although the uptime and

security doesn't hurt). It's also related to providing that great customer experience we wrote about earlier. Whether I'm in San Antonio or Santa Barbara, if I come into your place of business, I expect your front desk staff to figure out who I am, what benefits I'm entitled to based on my membership or loyalty, what treatments I've received in the past, and other notes that would help improve my experience. You can't provide that insight from disconnected systems—only from the cloud.

Finding greatness is a habit, not an act

As the saying famously (but incorrectly) attributed to Aristotle tells us, "excellence is not an act, but a habit." The same goes for finding your greatness. As a business, it can start with an idea you have, a niche you want to fill, a service you believe you can provide better than anyone else. And in the early days, it's often that passion that's enough to attract a loyal clientele and to start a business. But to be truly great, you need to do great things—again and again. Do this by providing a tremendous experience for your guests, one that's elevated and above and beyond what they're normally used to receiving. Find new and innovative ways to grow your revenue, whether you or the "bots" are in charge of finding the customers, and manage your operations like a ninja, armed with the right data at the right time to make the right decision. With these initiatives in mind, you too can achieve the sustained greatness that has built so many amazing businesses in this industry.

We're so privileged to be partnered with so many of them, and are inspired every day by their desire to make the world—and their customers' lives—a little better. We'd appreciate the chance to see how we can help you achieve this goal as well.

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

