The Secret To Enrich Salons'
Rapid Scale

Enrich Salons grew to 54 salon centers at an alarmingly rapid pace. In these 5 case studies, we look under the hood to see how Enrich is growing their revenue at each center and maintaining operational excellence, as they scale their business.

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How Enrich Salons Sold $11,000 Of Memberships In A Single Weekend

When Vikram Bhatt, director at Enrich, realized that customers were increasingly engaging online, he knew he stumbled on an untapped business opportunity.

In January of 2014, Enrich launched their webstore - part of their zenoti solution that enables customers to browse their service menu, self-book appointments and purchase memberships, packages and gift cards from Enrich's website.

Vikram's team ran a limited time promotion using Zenoti's marketing tools that also announced the new online capabilities. As a results, their weekend promotion surpassed all expectations and resulted in phenomenal membership sign ups.

**We spoke to Vikram, here's what he had to say ……**

Describe your business in 1-3 sentences.

Enrich Salons is Mumbai's largest unisex salon with over 50 centers that span 5 cities. In the last year we successfully doubled our number of salons and are continuing that growth. Our customers appreciate the quality of service we offer, through high quality of training, our consistency in service and overall focus on customer satisfaction.

Describe the promotion you ran that resulted in such a high volume of membership sales.

We created 4 different memberships, which bundled services that could be redeemed within 60 days. The offer went out via email on Thursday evening, just before a long weekend in India. The offer expired by Sunday night, so customers had to make the purchase quickly, either by coming in to one of our centers or making the purchase online.
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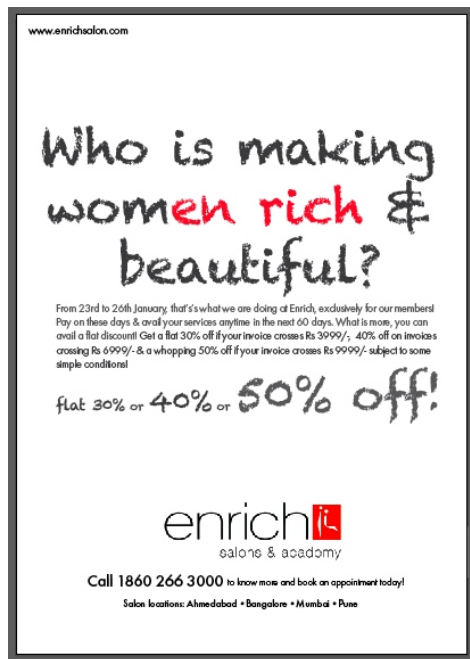
Have you run a similar promotion before?

Absolutely. This time however, we were able to accept online payments through our webstore. This is a significant difference and we saw it in the results of the promotion.

Customers often cannot make it into a center, as they only have a window of 4 days to purchase the discounted memberships. With the webstore, we were able to eliminate that pain point.

What do you know about the people that signed up for memberships?

The email promotion went out to a targeted segment of our customer base. We're careful to not send too many promotions to the same people, and target our customers based on their service history.

We also advertised the promotion on our website, and so in that way were able to attract new customers as well.

What software and tools are crucial for running a successful promotion?

We've been using Zenoti software to manage our salon operations for years now, but more recently rolled out the webstore, that allows us to sell our memberships online.

We ran our promotion using zenoti's marketing features and in the email directed traffic to the webstore, which processed the payments for us and updates our guest database with their membership balance. Our managers use reports and analytics to monitor the promotion's performance. We can look at each center's performance as well as how it did for certain regions and cities as well.

In that sense, zenoti software is critical for running our promotions.

But beyond the context of this promotion, zenoti helps us manage our busy days at the salon. My mangers appreciate how much is automated within Zenoti, freeing up their time to interact with customers in the center.

What key advice can you offer other spa and salon directors looking for additional revenue opportunities?

I was unsure about the potential of online sales given India is still relatively new at online engagement and payments relative to western markets. The success of the promotion surprised us - with such limited awareness of our webstore, we were able to see such great results.

Moving forward, online sales will only grow and expand and I would expect other businesses to take advantage of this trend.

Enrich Doubles Average Ticket Size With Smart Marketing

Zenoti helps Enrich generate over $100,000 in additional revenue

In this case study, we look at how Enrich Salons, a 54 center chain of salons, used Zenoti's targeted marketing tools to double their average ticket size and reduced discounts from 30% to 22% on their campaigns. The result of their new marketing campaign – Enrich generated more than $100,000 in additional revenue.

We spoke to Sachin Kamat, Director of Customer Engagement, at Enrich.

Can you describe a typical campaign that you run?

At Enrich, most of our customers are members; as a membership benefit, they receive a flat 20% discount. So, when we run a festival offer to our customer base, we need to offer at least a 30% discount to make it interesting. This becomes a big drain on budgets. But, running such campaigns was an effective way to get customers in more often.

What did you want to change with the new campaign?

We'd typically run a vanilla campaign where we'd announce between one to four different offers at any given time. The offers hovered around a 30% discount and customers could choose which offer they wanted.

With our new campaign, we had 4 goals in mind.

1) The first was to *create a targeted offer* so that as many customers as possible received a benefit that was relevant to the services they come in for.

2) The second goal was to *avoid giving away so much in discounts*. Lowering the discount value from 30% amounts to big savings for us.

3) Typically, very few customers buy retail products. Our third goal was to *sell more retail products*.

4) The fourth goal was to *send customers home with the proper home care products*. When a customer came in for a hair color service, we targeted these folks with a product that ensures their home care regimen kept their hair color going for longer and ensures they're happy with our in-salon service.

Can you describe the campaign that you set up using Zenoti?

First we paired services with the right home care product into a package. If someone came in for a Pro-Keratin service, we wanted them to purchase the right shampoo and conditioner. If they came in for Highlights, we included the right product again.

We created over 60 packages, sometimes it was a single service, but more often it was multiple services that we paired with a single product.

The pricing for each package was simple, the customer paid for the services and they received the product for free. The discount value across the 60+ packages ranged from 20% to 45%. This was different from our earlier campaigns where we were giving a flat 30% discount on services.

Now, our packages included a value add - the customer receives a retail product for free, but pays the regular price for services.

The targeting feature made it possible for us to run multiple offers simultaneously. We created about 20 target segments for our customers based on their spending patterns and service history. And then sent emails to each segment announcing the offers that made most sense for them.

We also announced some of the offers on our website, on Facebook, posted the offers to our mobile app, printed posters and trained our staff on the campaign. Zenoti makes it easy to share the announcements on our online pages.

What Were The Results Of This Campaign?

The campaign ran for 2 months and averaged at a 22% discount, this was 8% lower than old campaigns where we were giving away 30%. That savings in itself is significant.

We also doubled our average ticket size. Given that we had around the same number of redemptions – this is clearly a huge win for us. Enough so that upper management noticed the boost in numbers.

We reached all our goals – we reduced the discount we were giving away, sent people home with their home care products and also moved a high volume of retail products. We expect many of these customers to purchase their retail products from us going forward*.*

What else did you do to make the campaign successful?

Billing was really simple. Zenoti's POS maps the customer's bill to the offer they received. Our receptionists didn't have to do anything, everything was automated for them. That was important for us as it saves time and confusion, but also means that the system can't be gamed. Zenoti ensured that customers received a coupon that they used to collect their products, which meant that any chance of pilferage was reduced.

We also trained our employees on the offers. And we aligned their revenue sharing (commissions) with the campaign as well. They had an incentive to encourage the package sale, which sometimes meant they had to sell an add-on service to the customer.

Employees ended up making more on commissions, so they're happy with the campaign. This is in contrast to our previous flat discounts where employees got less commissions.

I also use the (Zenoti) Analytics to drill down into results – see what worked best and where I can leverage more from the campaigns.

Using Analytics For Actionable Insights

Identifying revenue opportunities, staffing needs, training needs and designing marketing promotions.


Making Informed
Business Decisions

I spoke to the management team at Enrich Salons about Zenoti's business intelligence software. Here's an excerpt of our conversation …

Can you describe how you use our analytics software?

Zenoti sends me an email at the end of every business day, with a collection of reports that let me track our performance for the day and against previous months. At the first level, I make sure that we're hitting expected revenues and counts.

If overall performance is good, then I spend a few minutes on the rest of the reports in the dashboard. The graphical nature of the reports makes it easy for me to glance through and quickly identify any outliers or unexpected behavior.

If something is not right, then I can log into the analytics software and drill down into the data to isolate the problem.
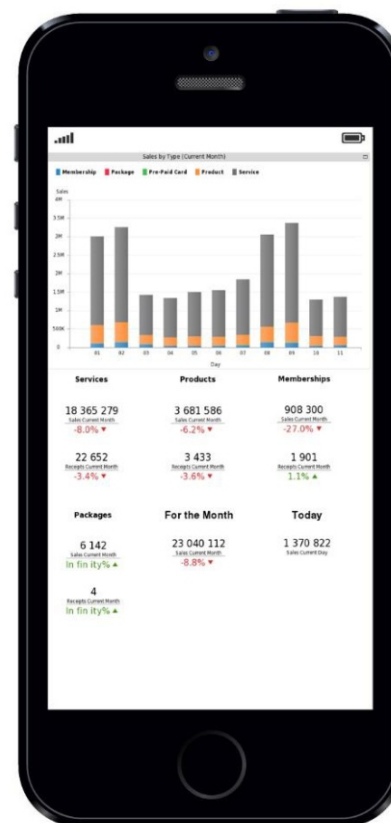
For example, in this discount Percentage Report, you'll see that two salons stand out of the pack. One is awarding higher than expected in discounts in offers and the other shows exceptional behavior.
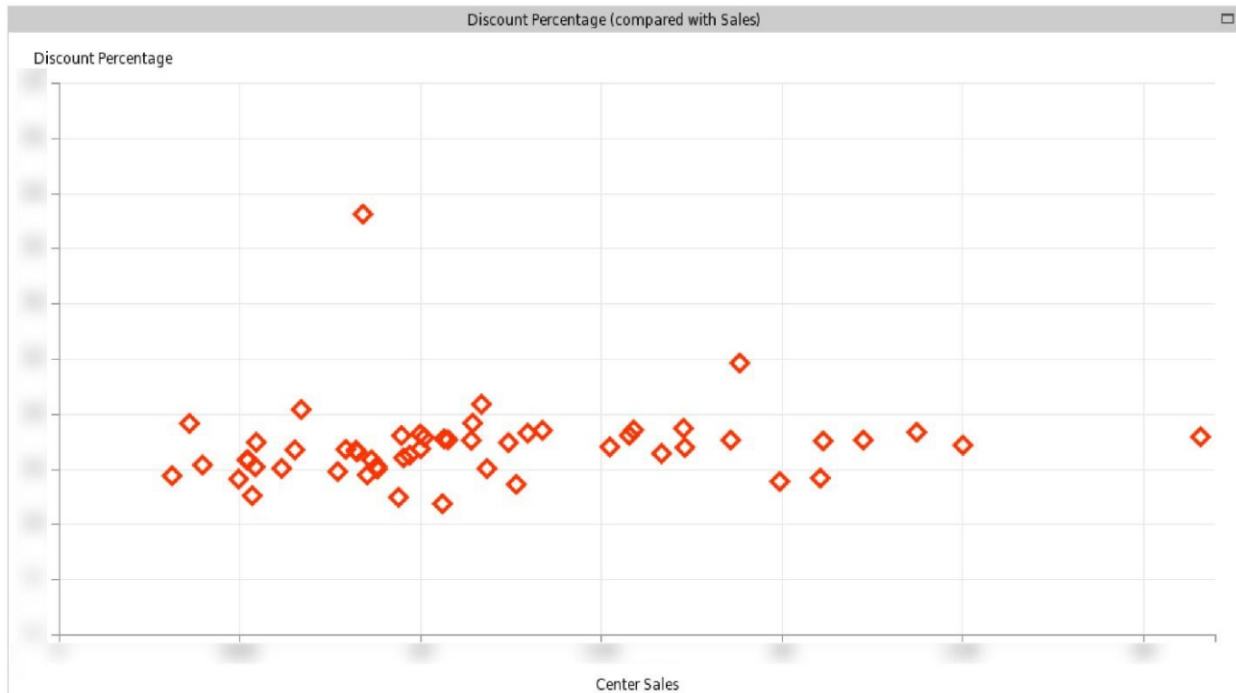

At this point, I'd log into the analytics software and drill down to find the reason for these outliers.

What are some actionable insights you've found using analytics?

Analytics help us identify revenue opportunities and operational issues. An operational issue might be the need for staff training or seeing that we have a staffing issue. We also find areas of pilferage and revenue leakage.

There are a few reports I can look at to monitor staffing allocation. For example, the Service Sales report shows me if a particular category of services is selling more than expected at a particular salon. I'll monitor whether this is a trend and prepare to adjust staffing if required. We're constantly adjusting our staffing based on revenue distribution.
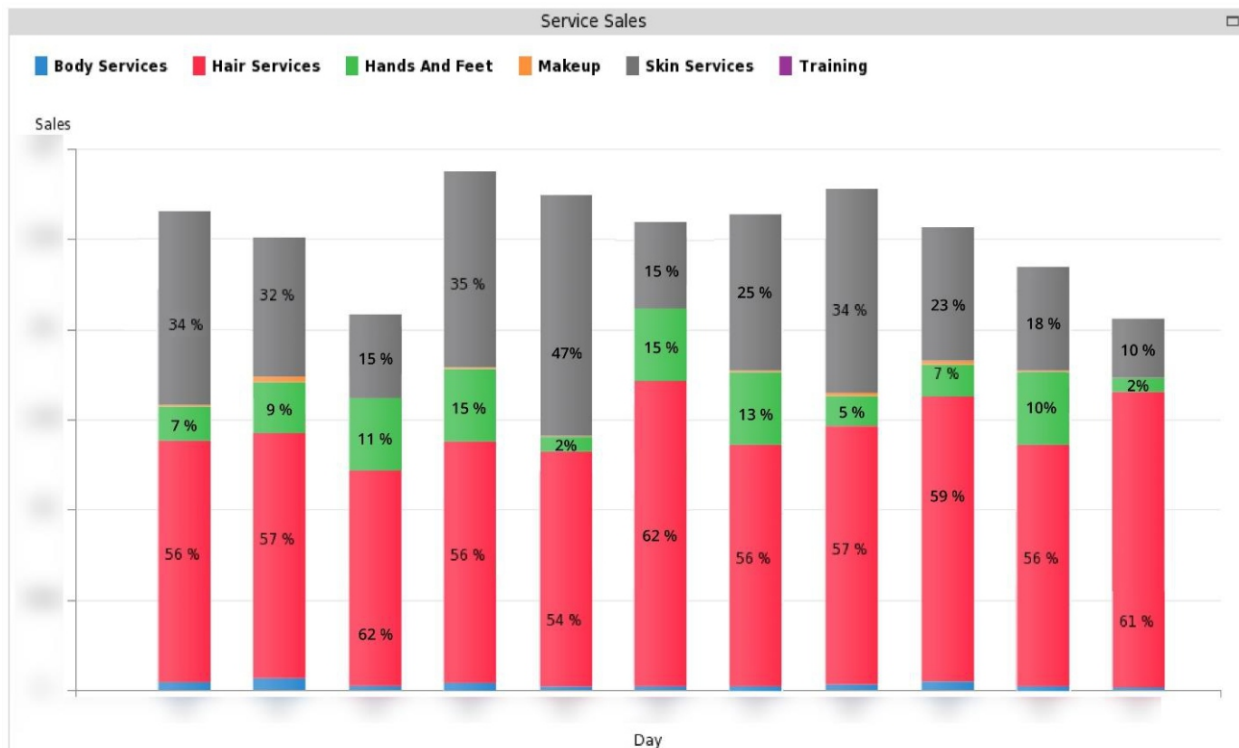
The data in this report is not representative of actual Enrich data.

We ran 3 promotions to boost skin services and used this report to track the results. We ended up increasing the sales mix for skin services by 2-3%. This is a significant increase as our skin services bring, on average, higher revenue than hair services.

In addition to the service sales mix, we also look at our product sales ratios. The Product Sales report maps our service sales mix to the product sales mix. Proportionately, hair does a better job of selling retail product than skin. So again, we'll decide what action to take based on this finding.

The key is that analytics gives us a 360° view into our business. I'm able to take an initial finding and drill-down into the data, let's say by centers, by categories, by gender and so on to get to the root cause of any behavior.

Have you achieved real business results by using Analytics?

Absolutely. A few months ago, there were two things that were standing out as clearly for us – we needed to see if we could give away les sin discounts and we needed to boost retail sales. Analytics helped us find specific opportunities to design the marketing campaign.

We launched the campaign from Zenoti, which is important because we were able to monitor the campaign results in real‑ time through analytics. We needed to ensure that we weren't giving away too much in discounts. If there was a particularly highly discounted offer, then we'd correlate this to additional revenue that the offer was bringing in. Based on that we decide the effectiveness of the offer.

Throughout the campaign, we knew how each salon was performing and could identify issues quickly. In some cases it was clear that staff needed training on how to promote our offers. We found and stopped pilferage issues. Some centers out performed others, so we would find out why and replicate that behavior at other centers.

That marketing campaign was extremely successful – we brought down our discount percentage significantly, moved high volumes of retail product, increased our average ticket size and even awarded more in commissions to our employees – so it was a win all around. (Get the details of the marketing campaign >).

Increasing retail sales is a common goal for most salons and spas. Where does someone start with analytics to address this goal?

The starting point would be by looking at the Product Sales Percentage report. This shows me where we have clear cut potential to sell more retail. I have a baseline expectation for percentage of product sales, so anyone that falls below that line, I know can improve their product sale mix.
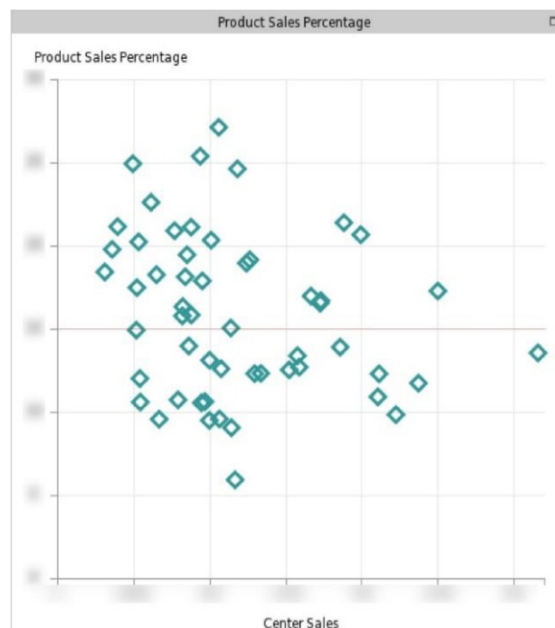
The report makes it easy to identify which centers are underperforming as well performing exceptionally. For the bottom set of salons. I'll address with training and also determine if I need to push a marketing promotion specifically for these centers. For the top salons, I need to find out what they're doing right – if it's a particular employee, manager or something else that's resulting in great retail sales.

Is there anything else that you want to add?

The power of analytics for us is that the data is real-time, we no longer have to wait days or weeks for aggregate data. This makes it possible for us to see early warning signs and take action immediately.

I check the traffic by gender report every day. It only takes a few seconds for me to make sure that our gender mix is right. Monitoring this is important for us as females have a higher average ticket price than males. If female traffic starts dropping then we know right away if the center is at risk for hitting their revenue targets.

Another example is tracking our new centers' performance. Memberships are a core loyalty program for us at Enrich. I check the new guest vs members report every day. New salons have a higher new guest ratio than the older locations, but I watch and make sure they are headed in the right direction. I know what the ratio should settle on. The report gives me insight onto whether membership sign-ups are happening and if we're getting new guests to come back for a second visit.

Our entire management team and even my managers that are on the ground check analytics data every day. The completeness of the data gives me certainty that all aspects of the business are running smoothly and the ability to immediately fix the things that aren't.

How Enrich Salons Grew Feedback Collection to 45% in 4 Months
And, the Secret To Customer Feedback Success
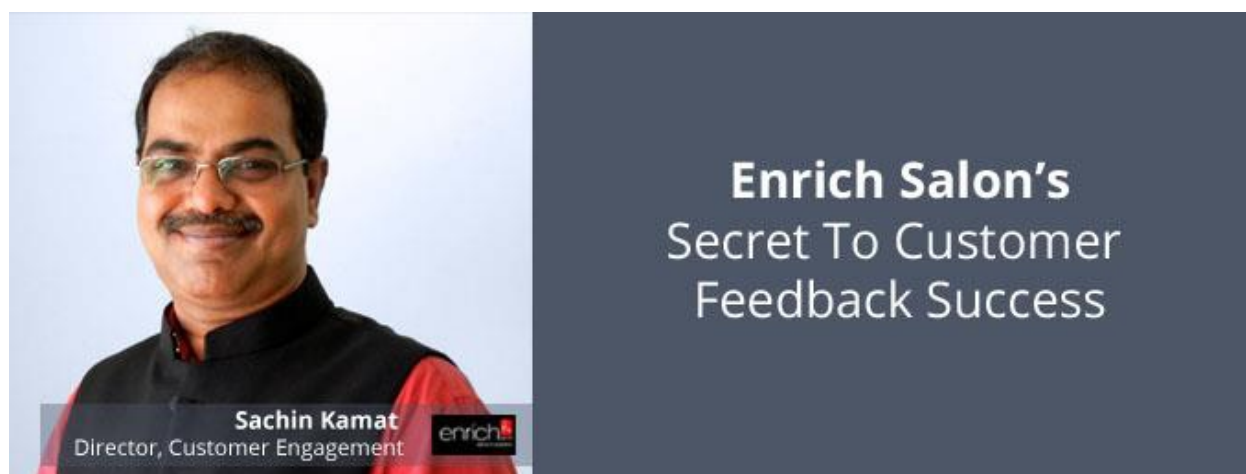
Last September, Enrich Salons replaced their existing customer feedback process with Zenoti's feedback capabilities. We spoke to Sachin Kamat, Director of Customer Engagement, at Enrich Salons to get the details.

What prompted you to make a change in your customer feedback process?

To start with, the overall issue with customer feedback in general is that 95% of your customers are happy with your service, but, these people aren't vocal.

On the other hand, there a few customers who are incredibly difficult to please and even when the issue is resolved– they tend to be overtly vocal. What we found at Enrich was that only negative reviews were popping up online and on our Facebook page, there just weren't any positive reviews to make for a balanced view.

So, this was the main driver for us, finding a way to effectively deal with negative feedback and give a voice to happy customers

What was your old customer feedback process like?

Our existing process required customers to fill out a printed form at the reception desk. Each salon sent those forms to our head office. We would follow-up on issues

that were reported. Beyond that, we had very little control over what we could do with the feedback because it was all physical cards.

We had grown from from 10 to 50 centers – this process just wasn't working for us and we had to find something scalable.

How has Zenoti's customer feedback capabilities changed your process?

All our salons were using iPads loaded with 1 minute promotional videos for each service; the videos helped customers get acquainted with services and helped us to add on services to appointments.

With Zenoti, we used their mobile customer feedback capabilities. So customers could enter their feedback directly into the iPads. This helped us a lot as we collected the feedback electronically, which made sharing the feedback on our Facebook page easy.

Secondly, the customers were filling out their feedback themselves. The mobile app has a screen lock feature, which reassures the customer that feedback would reach us as is. The app also helped us get the customer's permission to share their feedback on any other online forum.

The second point is important because, while it may sound odd, the customer's typos and small grammatical errors actually add to the authenticity of the feedback when we share to our Facebook and Twitter accounts.

Other than using the iPads, customers can also submit feedback after they leave the salon – either from our website or the Enrich mobile app (both are integrated with our Zenoti salon operational software).

In the first month of our switch we saw our feedback collections grow from 8% to 15%, then to 25% and in January we were at 45% on average for each salon. We now collect feedback from more than 25,000 customers every month.

Can you share what you do with the customer feedback you collect?

We put a system in place where we a) took action on any issue that the customer reported and b) we got back to the customer to tell them what we're doing based on their feedback. That second point closed the loop.

The other thing is that now that we had the feedback electronically and permission to share it, we could review the feedback in Zenoti and then easily push it to our website, mobile app, Facebook page and Twitter.
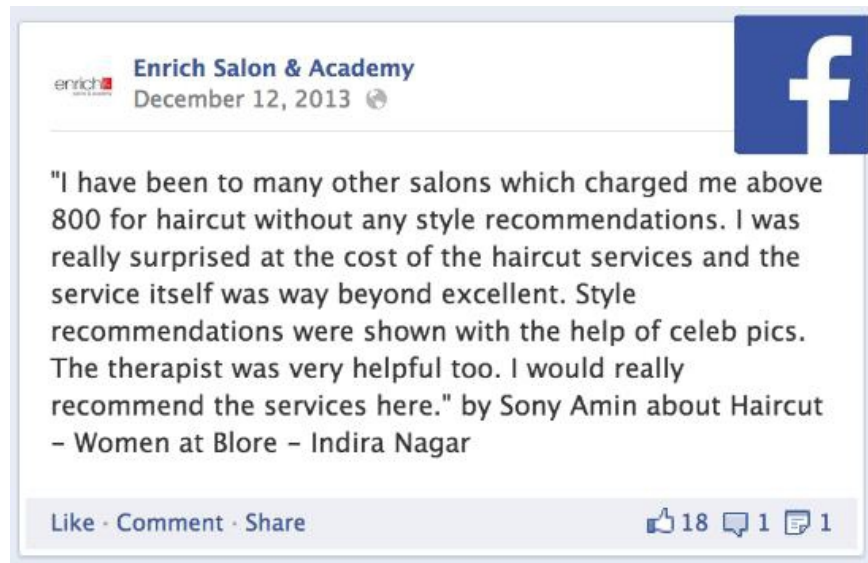

Once we put it on Facebook, we were able to get our own followers to interact with that post. And, also promote, highlight and boost those posts.

Have you seen any results from your new customer feedback process?

In our mobile apps, Zenoti has that beautiful feature where, like Amazon, you can see feedback on any particular service. I think that gives customers a great deal of confidence to see that there other people that came in for the service and liked it enough to post a review.

The feature also shows the customer name and location along with their feedback. That helped us as we expanded to new areas. In Mumbai anyone will know who we are because we have more than 30 salons. In Bangalore, people aren't familiar with our brand.
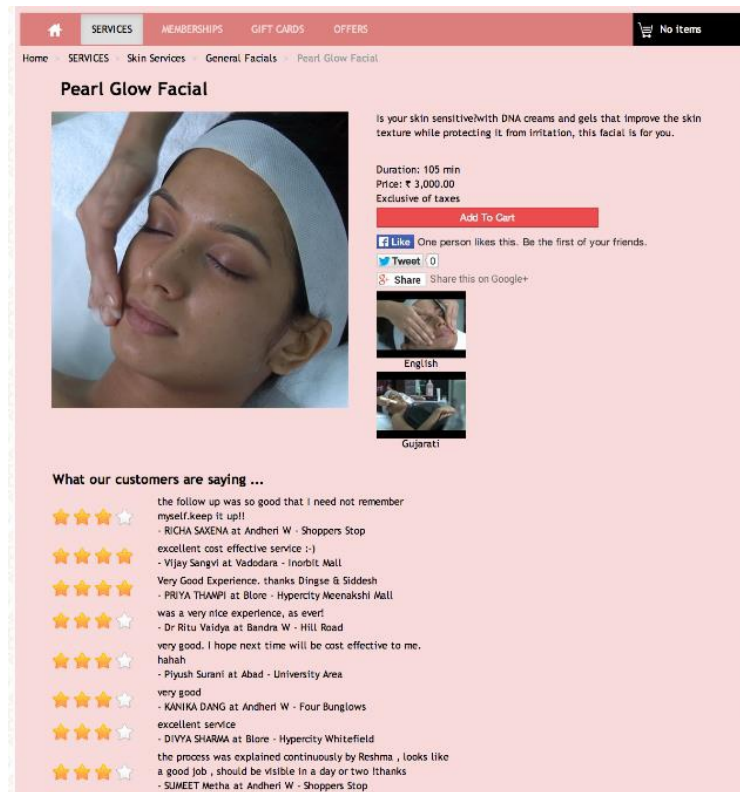
When customers walked into a new salon and saw our services on the iPad, and saw feedback from customers in four other cities, it made them realize that they're dealing with a chain, which gives us credibility.

Apart from that, we also saw that the customer's tone changes completely when they interact with us. Yesterday, I received an email with an issue. This customer could not get a touchup because her color shade has been out of stock. We took care of it, and she immediately wrote back to thank us.

She also mentioned that she doesn't like to complain, but with Enrich she knows that if she brings things to our notice we are quick to correct them (this was the second time she was addressing an issue to us When a customer knows you're listening, they give you the benefit of the doubt.

Finally, I'll just say that feedback is a two way street. Customers share worthwhile observations and suggestions, often they're an early warning system for us – we take care of the issue before it becomes a problem.

Considering you have over 50 salons, how do you process all the feedback that you receive?

Each salon manager is supposed to review each feedback form. But Zenoti also sends an alert through SMS (text message) to the salon manager any time negative feedback is submitted.

We also use the issue management in Zenoti – every negative submission is logged automatically for us and it ensures that we follow through on every issue through to closure.

Do you have any goals set for your customer feedback process?

When we started we didn't set a single goal for collecting feedback. Rather than saying we want to hit 20% of customer feedback collection, our front desk was made responsible for collecting feedback from 100% of four categories of customers:

- New customers
- High paying customers
- Customers that received a chemical treatment
- Customers that had any make-over service

While all feedback is important, these four categories in our opinion, head the list. The first because customers are making a first impression, the second is important because they are big ticket customers. Chemical treatments make the list because consultation and aftercare are important for the results to be as expected. With make-overs, customers sometimes get these drastic changes on a whim and it is important to establish that they like what they got done.

Do you have anything else you'd like to share around customer feedback?

Our employees are reacting positively to this new process. If a customer praises a specific staff member, we send out an internal email. It's a great morale booster.

Enrich Salons Grows From 10 to 54 Salons With Razor Sharp Focus On Operational Excellence

In just a few years Enrich Salons grew from 12 to 54 salons. We asked Bhupesh Dinger, Director of Operations at Enrich Salons, to share how he prepared for such rapid scale.

In this case study, Bhupesh shares how using Zenoti's alerts helped support their growth and achieve operational excellence. Here's what he had to say ….

Why Are Alerts Important For Your Salon's Operations?

We use fifteen alerts, which allow us to oversee most of our operations. Overseeing our operations through 'managing by exception' offers us far better operational control and makes us more efficient. Rather than having to stay on top of every operational process every day, we use alerts to notify us when something is not performing as expected. It was also essential to do this once we achieved our current our scale.

Can You Describe An Alert That Changed An Existing Process?

We used to monitor stock levels every day at each center. The salon manager exported lists to Excel, sent it to our admin office with her estimated indent, we'd have a lot of filters set up and would analyze stock levels from that. This was doable, but it took an inventory team that did this on a daily basis.

If there was an issue, we'd have to coordinate with the salon manager to resolve the problem. Overall, the process depended on the salon manager's understanding

and estimate of her projected business - which was not a reliable or scalable system for us. As we started growing, we simply couldn't check inventory levels at every center every day.

We used Zenoti's inventory capabilities for our auditing and stock management. And we adopted two of the inventory alerts. The first warns us when we're running low on any stock item; and the other, when we're critically low and in danger of going to be at negative stock.

These alerts ensure we never run out of stock, either for self consumption or for after care product sale. This is important for us to ensure we can deliver the requested service and also that we have enough of the right retail products when we run a promotion that bundles products with services.

Do You Have All The Alerts Sent Via SMS (Text Message)?

For the more critical alerts, we have Zenoti send them by SMS (text message). The ones that don't require immediate action, we use email. The inventory alerts and pilferage related alerts, like the one that warns us if too many invoices were delete require escalation, so those are sent by SMS.

Can You Describe Another Alert That You Find Useful?

I use the appointment alerts that warn me if too few appointments were created. The low footfall alert warns me of one of a few possibilities. It might mean that we should launch a marketing activity for a specific salon. The low footfall could also possibly be due to potential revenue leakage (pilferage) or in some cases, due to an unwillingness to provide a service around the salon's closing time.

After I receive the alert, I'll watch this center closely for 2 days to identify the problem.

Do You Have Any Other Insights Or Tips To Share Around Alerts?

When I first activate an alert, I set it up only for a few salons and have the sms or emails sent directly to me. As soon as I receive an alert, I'll call the salon and get the details on the issue. We then work together to identify and fix any issues with our own process.

After we've cleaned up our internal process, I then change the recipients in Zenoti and have the alerts sent to the salon manager and zonal manager so that they can take appropriate actions

About Enrich Salons

Enrich Salons is Mumbai's largest unisex salon with 54 centers that span 5 cities. In the last year we successfully doubled our number of salons and are continuing that growth. Our customers appreciate the quality of service we offer, through high quality of training, our consistency in service and overall focus on customer satisfaction.

Enrich uses Zenoti software for managing day to day operations including online booking, appointment scheduling, online sales and payment, billing, employee management, inventory, marketing analytics and mobile apps.

Visit Enrich Salon's website at www.enrichsalon.com.

About Zenoti

Zenoti is an easy to use, cloud software for spas, salons, fitness centers, medical spas, cosmetology clinics, and other service businesses. Our solution includes everything you need to run your business the easy way. Capabilities include appointment booking, POS, online booking, online sales, marketing, employee management, loyalty, inventory, analytics and a complete mobile solution.

See How Zenoti Can Help You

Drive Real Business Results

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