

Five proven tactics to drive revenue at your beauty and wellness business

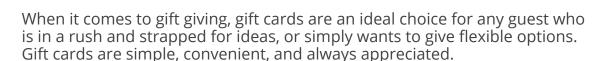
A recent Zenoti survey found that increasing revenue is the top priority for 76 percent of beauty and wellness brand owners. But when you're busy with the day-to-day running of a business, how can you find time to identify and implement new revenue streams?

In this whitepaper, we review five ways to boost your revenue without straining your resources. In most instances, you can set up these solutions quickly – they will run in the background to help bring in new guests, increase your average ticket value, and keep your appointment book full.





1. Increase sales with gift cards



With digital gift cards now available, gift giving is easier than ever. Guests can enjoy mobile convenience by giving and redeeming gift cards via their smartphones, removing the need for your business to invest in printed cards.

Often, you'll find that gift cards generate more sales than just the gift card value. According to Zenoti data, **65 percent of guests who receive a gift card spend around 40 percent more than its original value.**

Gift cards really shine during holiday times, particularly Mother's Day, Father's Day, Valentine's Day, and the December holidays. During those times, brands that offer Zenoti gift cards have seen a 180+ percent increase in gift card revenue – but that opportunity doesn't have to be relegated to gift-giving seasons. With some clever offers, you can use gift cards to drive revenue year-round.

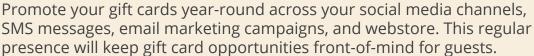
For example, instead of offering discounts to promote your services and retail products, you can use gift cards to better effect. Let's assume you have a new \$75 service you want to promote by offering guests a 20 percent discount. Instead of the discount, give guests a free \$15 gift card towards that service. The value is technically the same – 20 percent off or \$15 – but the perception is different.

When guests receive something for free (in this case, the gift card) they are more likely to act and will feel they're wasting the gift card if they don't use it. They'll come in, redeem the offer, and pay the difference – and you'll have successfully promoted a new service.



Three ways to maximize gift card sales

Create "give one, get one" incentive offers: When a guest buys a \$50 gift card, they get a \$10 gift card for free. This encourages the gift giver to visit the salon with the recipient, or to give the second gift card to someone else.



Get creative with your gift card strategies: Offer gift cards for corporate bulk buying, or give them to community organizations for raffles, giveaways, and promotional gifts.



32 percent of consumers say they typically buy seven or more gift cards per year.

Source: 2020 Holiday Gift Card Study



Salon spotlight



BLUSHES*

Blushes, the UK Salon Group of the Year for 2021, introduced online gift cards to boost sales around key calendar dates. They used the Zenoti platform to promote a campaign offering a free £10 gift card with the purchase of a £50 gift card, contributing to 134 percent growth in gift card purchases in one year.



2. Get new guests using a referral program

Word of mouth can be one of the best ways to help drive more business, with people <u>four times more likely</u> to make a purchase when referred by a friend. Your regular guests already come to your business because they love your vibe and your services – turn those happy guests into some of your most powerful advocates.

Traditional referral programs have been complicated, often involving guests writing down their details on flyers or cards. These cards are easily lost, and the unnecessary paper use isn't a good look among environmentally conscious guests.

Beauty and wellness software like Zenoti can help you create a digital referral program instead. Guests can access the program via their smartphone, making it convenient when referral opportunities arise in conversations with family and friends.

With just a few taps, guests can easily set up a referral on their smartphone. The software keeps track of any redemptions, accurately rewarding each guest for spreading the word.



Referral bonus ideas

The guest and their referred friend get 20 percent off their next visit.

Participating guests receive a free retail product for every successful referral.

The referring guest and their friend both get a free add-on treatment with any service.



How to ask for referrals

Asking providers to highlight your referral program at the end of a service is a great start, but you want to capitalize on every opportunity to promote your program.

Use your business management software to send SMS or email messages to satisfied guests at just the right time, asking them for referrals. For example, you can set up your system to send an email automatically to any guest right after they post a four-or five-star review of your services.



3. Convert more guests with social booking

Social media is an integral part of our everyday lives, with adults in the U.S. spending <u>95 minutes on social media</u> each day. Social media networks that are dominated by photos and videos – such as Facebook and Instagram – are ideal for promoting beauty and wellness brands.

Whether you post about the latest hairstyles, before-and-after photos of glowing skin, or a tempting view of a relaxing pool, social media gives you the opportunity to showcase your brand and the best aspects of your business. Use your social media channels to drive bookings, highlight promotions, and offer a more personal behind-the-scenes glance at your locations and what you do.

Social media also offers a powerful way to convert your content into appointments and revenue. The key is what's called social booking: adding a 'Book Now' button to your social media pages, which links directly to your online booking system.

This helps you secure more appointments by giving guests quick, easy access to booking while they're mid-scroll. When a guest spots that perfect new style or can't-miss promotion, they can go from 'I want that' to 'appointment confirmed' with just a few taps on their smartphone.



Social post inspiration

Before-and-after photos of your best transformations

Introductions to your staff, including their interests and specialties

Exclusive discounts and promotions



How to get noticed on social media

Ideally, social media posts draw guests' attention by being fun, informative, and engaging.

Beautiful photos help you stand out, so consider investing in a photography course for key staff, or hiring a professional to take photos when you need them. For brands in the hair or beauty space, a ring light for your DIY photo shoots is necessary to help capture a glowing new look.

To increase your social media reach, try running a competition. You can encourage visitors to 'like' your post and tag their friends with a line such as "Tag someone you'd like to try [service] with for a chance to win a \$50 gift card!" Then, choose a random winner, and create new posts (with their permission) to congratulate them and reinforce what they've won.



4. Secure recurring revenue with memberships

Subscription and membership-based business models are a significant consumer trend, and with good reason. Success stories like HelloFresh, Amazon Prime, and Fabletics show that consumers today favor consistent, long-term relationships with brands instead of one-off transactions. The relationship-driven beauty and wellness industry has quickly joined this trend, with Zenoti customers seeing up to a 55 percent increase in membership sales in 2021.

Memberships can be a powerful addition to your offerings because they benefit both businesses and guests. For businesses, they deliver monthly recurring revenue, bringing welcome stability to your balance sheets and support during quiet periods. The consistent monthly income also makes it easier to plan business expenditures like upgrades and other purchases.

For guests, a monthly fee lets them regularly enjoy the products and services they love. Because your providers can expect to see these members more frequently, they can cultivate a deeper relationship with them, and educate them on the best products and services for their needs. With that ongoing trust, your guests will continue to purchase happily and come back regularly.



Membership ideas

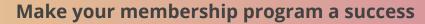
Free or discounted access to services that require regular maintenance

A percentage-off discount on quiet days or during less busy times

Weekly member events like "Friday Facials" or "Saturday Blow-dry Club"

Acquiring a new guest can **cost 6-7 times more** than retaining one. To increase your guest retention and visit frequency, promote memberships.

Source: American Express, Retaining Customers vs. Acquiring Customers





To create a thriving membership program, it's important to ask yourself two questions:

- 1. What do my guests want?
- 2. What does my business need?

The best membership programs are found where the answers to those questions overlap.

An effective membership program should feel exclusive. Members should know they're receiving benefits no one else gets. Create a program that offers enough to motivate members to pay monthly, while helping you fill your appointment book and create more sales opportunities.

Always promote your membership program across all your marketing and communication channels. To drive more sign-ups, offer it prominently on a regular basis – not just when you launch the program.



5. Boost retail sales with eCommerce

Many beauty and wellness businesses have experienced slow in-person retail sales and have dusted their shelves more often than they'd like. One potential reason: guests purchase their regular beauty products online.

It's no wonder. The endless convenience of online shopping, or eCommerce, empowers guests to order their favorite products from home with ease. Online shopping also gives guests a destination to learn more about products, with topline information and reviews available at a glance. If guests want product information in the store, they have to decipher beauty product labels – which can require their own dictionary.

To ensure guests come to your brand for their beauty products, go where shoppers already are: Introduce your own online store. While the idea can sound daunting, it is easier than you might think. With Zenoti, you can even integrate your in-store retail offerings onto Shopify, one of the world's most popular eCommerce systems.

After your eCommerce site is up and running, you are well-positioned to expand your retail opportunities. Keep recommending your product range during in-person services and in digital marketing, and be sure to mention that products are available online. This can spark a purchase from guests who can't visit regularly, prefer to buy online or at home, or need a product refill between visits.

As with social booking, use your social media presence to promote your products, too. Studies show more of our shopping habits spilling over into social media: Forty-nine percent of brands are investing in social media commerce content in 2022.



Directing guests to your online store

At your locations, display information cards that encourage guests to visit your online store and find out more about popular products. Include a QR code on each card for quick mobile access.

Add a 'Shop Now' button to your product-focused social media posts, linking shoppers to your eCommerce store.

Promote your range of products in your email marketing. Include a direct link to each product so guests can find them and act quickly.



Salon story



When Citrus Salon – three-time winner of *Salon Today's* Salon of the Year – started using the Zenoti platform to sell their products online, they doubled retail sales.

The business decisions you make today can boost your revenue for years to come. With the right beauty and wellness technology partner, it's easier than you think.

Book a Zenoti demo today

Additional Resources:

Turn clients into champions: Salon & spa referral marketing 101

- 3 Tips to boost your salon or spa's social media presence
- 5 Reasons why you should move to a membership model

