

Build it, then what?...

Experts say 95 percent of all marketing is ineffective. Victoria Wurdinger uncovers the five percent that works, and how you can reap huge returns.

Your DSCs told on you. They said more than half the salons they visit don't do any marketing at all. Their owners just wait for clients to come.

Being generous, let's explain by guessing either these salon owners discovered the return on investment is non-existent for most programs, or their accountants told them, "Times are tough; cut back."

Neither is a very good idea. In an e-mailed article, Bob Pritchard, Australia's International Marketer of the Year, writes that the old paradigms of product, price, brand awareness and satisfied customers "aren't worth a damn" in today's information-driven, increasingly competitive marketplace. To market effectively, he advises, build multi-channel approaches that enhance potential customers' knowledge, then increase the dialogue and improve the lifestyle connection between you and them.

We asked three salon consultants how, and discovered that what's most effective barely costs a thing.

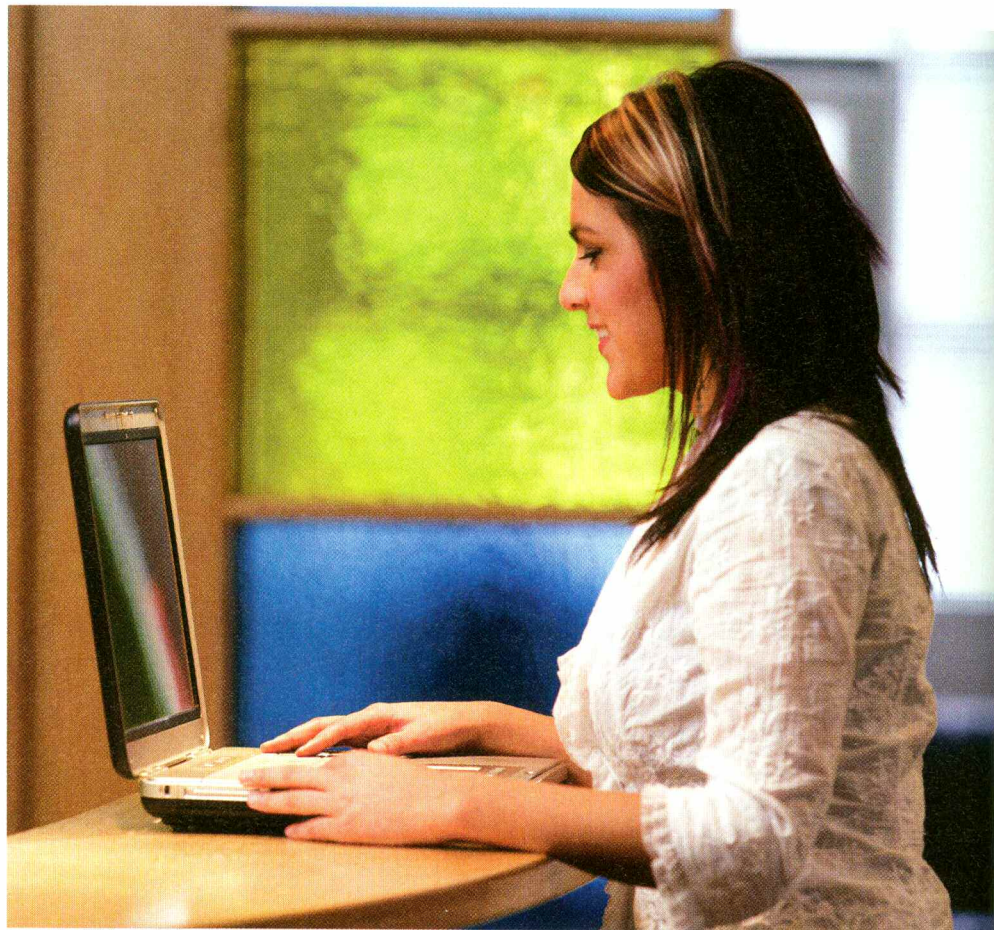
Carol Phillips, president of EncompassOne in Gainesville, Virginia, and author of *Low Cost, No Cost Marketing* advises that well-established salons in a maintenance mode put five percent of sales back into marketing.

"If you're growing, use 10 percent of projected sales for marketing over the next 16 to 18 months," she says.

Start with the best programs—which also happen to be the free ones.

Ask First

Word of mouth is the primary driver of service or retail purchases. Of nearly 35,000 weekly messages consumers receive, they tend to act on just three to five—but they respond to one in three word-of-mouth



suggestions. What's the best way to take advantage?

"Define a program and a budget; have specific, trackable results," recommends Bryan Durocher, president of Durocher Enterprises in Austin, Texas.

The reason: Most programs fail because they aren't measured. Once you're prepared to track what works and how well, try a

triple approach that Durocher says works without fail.

1. Create an in-house referral program.

Pass out business cards with a call to action. For instance, once you get three referrals from one client, give the client a retail reward.

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“Begin with an electronic list of all current clients who have had a service in the last year. Use a city map to chart them out so you can actually see where they are coming from.”

2. Hold quarterly in-house referral contests. Procure prizes from local businesses, such as a limo ride, flowers, dinner for two or gift certificates—small things that add up to a \$500 value or more. For the next 90 days, enter clients' names in a drawing for the whole shebang, every time they refer a new client.

3. Create a VIP card. In addition to 10-percent savings on services and retail, the card rewards with attendance at four VIP nights a year, plus swag. During VIP nights, have vendors provide education, include hors d'oeuvres, drinks and goodie bags, and let guests bring friends. Base the cost of the card on your average ticket and number of visits a year. If it's \$100 every eight weeks, the more the client spends or visits above the average, the more she saves on a \$100 VIP card, plus she gets all the other perks.

"It's a no-brainer," says Durocher.

"Programs like this are why people stay with one airline or buy more at Barnes and Noble bookstores. Additionally, you collect the cash upfront and can use it to grow your business."

Out and About

Community efforts usually take the form of donated hair cuts or gift baskets and participation in fashion shows. But you can't measure their return. Instead, get involved by hooking up with a networking group.

Two Durocher recommends are LeTip International, which teaches you how to network and ask for business (www.letip.com), and Business Network International (www.bni.com), which holds breakfasts in many cities throughout every state.

"I know of a Dallas stylist who joined BNI and in six months, had 50 referrals for new clients," he says. "You have to be willing to get up once a week for a 7 a.m. breakfast, but nothing comes on a silver platter."

To make an emotional connection and let

everyone know you're different from the rest, photographing your work is a must. Barter with photographers and models; seek them out among clients. Use local retailers for fashions, but stick primarily with head shots. The photos can be used in almost any channel, and there's even a radio tie-in.

Explains Phillips, "Don't use stock photos or a manufacturer's; your own work is a gold mine that can be used on a website, in a press kit or in the salon. Once, I held a radio station contest to win a makeover. I made over 16 entrants in two days, and the photos became my slide show, which I took to local groups. When you go to the public and do a class, focus on a topic they want, such as 10 ways to change your hair from day to night.

"Women's groups, churches, high schools, colleges—they're all interested. When you do these and demonstrate your work, the investment is time, not money. There is so much competition, you can't just say, 'come here.' You have to show consumers why."

Flipping Channels

New media and consumer-to-consumer marketing are the darlings everyone's chatting up, but can they really work for you? Aren't they expensive?

To afford new media, go back to supporting those who support you. Chances are you have a client who can build you a low-cost website with online booking. Use contests to get clients to opt-in to e-mails—just don't over-do it.

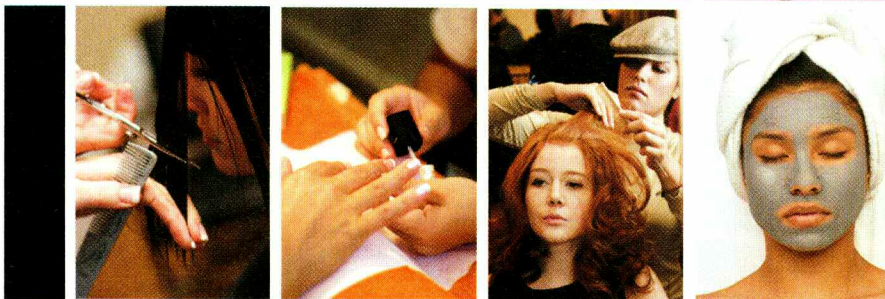
"Clients don't want an e-mail from you every day," says Bart Foreman, president of Group 3 Marketing in Wayzata, Minnesota.

Realizing that every day, salon pros have open appointments, Foreman created a simple web-based program that links into a salon's website, allowing it to post open bookings

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daily. The program includes a short Monday morning e-mail reminder that's sent to everyone with an e-mail address on file at the salon. (Visit www.fillmychairs.com to see a live demo.)

Foreman says clients want information and offers that are relevant to them; the challenge is mining data and using all the features that your point-of-sale software allows. An easy way to put your database to work is to do the following, he says.

Begin with an electronic list of all current clients who have had a service in the last year. Use a city map to chart them out so you can actually see where they are coming from or get a marketing services company to help you do this. Then purchase a list of people in those areas. Before you create a direct-mail postcard inviting them to your website, use a "de-duping," program to eliminate current clients from the list you bought.

Why not simply invite prospects to your salon? Here's where the web can get highly personal and make emotional connections.

"A postcard cannot tell your whole story, but your website can," says Foreman. "Use a technique called a PURL, which is the prospect's personal url. The web address would be www.yoursalonname.com/sandysmith. You have already loaded Sandy's name into your special web database. Ask her three or four easy questions to build a simple profile, then ask her what kind of an offer she would like to try in your salon."

Once Sandy has filled out her personal form, give her a web coupon, added-value offer or whatever meets her needs, and invite her to schedule an appointment online or by calling. If she wants highlights, you could even place a few photos of your stylists' highlighting work on her page to see.

Relevant, personal, emotional. And when Sandy visits and you use her before-and-after photos on your website, she'll tell her friends to go have a look-see, which brings you right up to the moment, with consumer-to-consumer marketing that doesn't cost a thing.

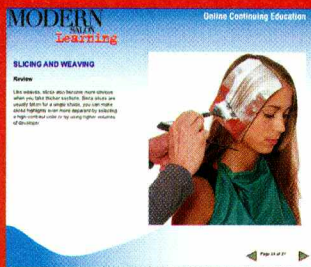
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