



## How to Earn More Money Through Retail at Your Salon/Spa

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# Retail is your ticket to greater profits

Looking for a single strategy that provides additional revenue for your business, allows for greater retention, and helps clients achieve long-lasting results?

## Let's talk merchandising.

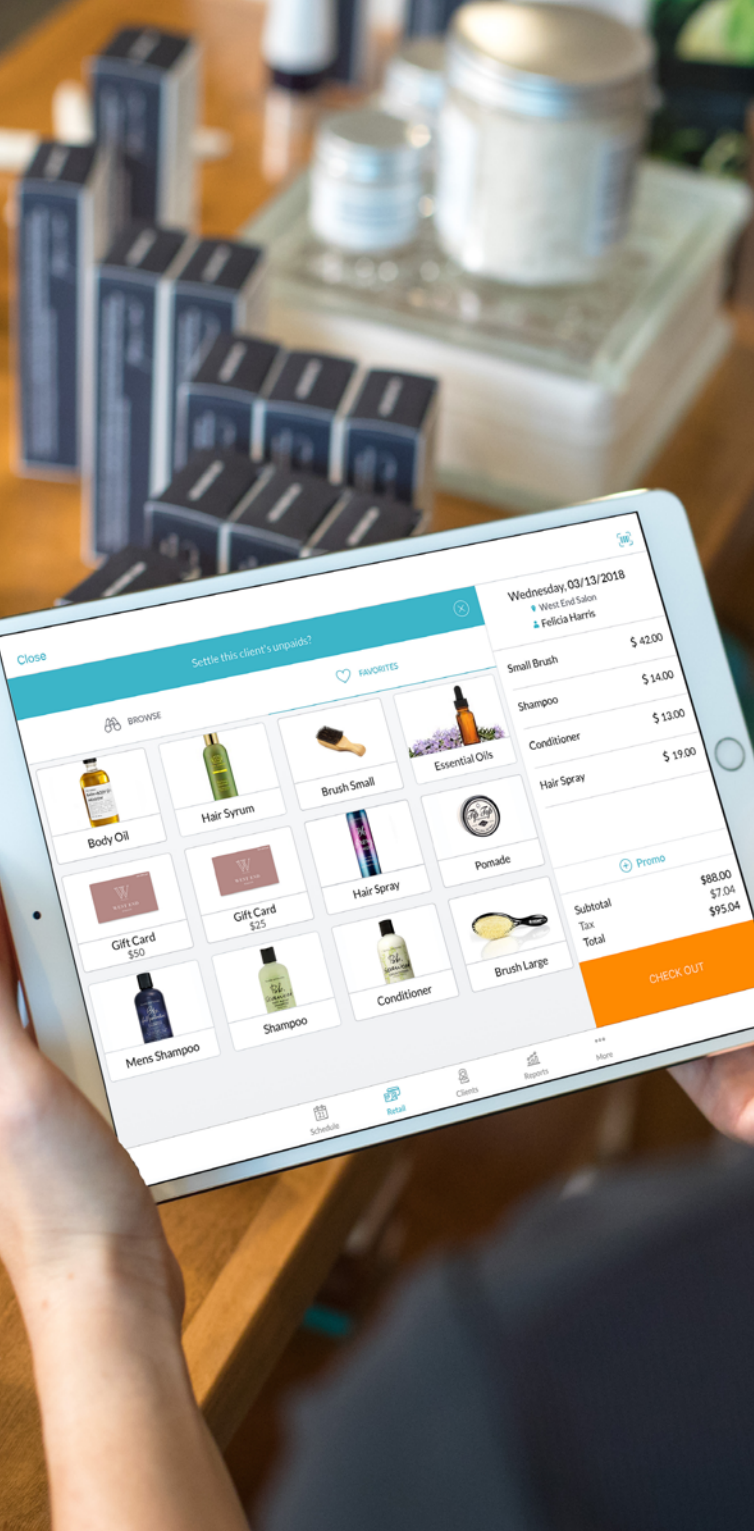
Offering hair, skin care, and other products is a perfect addition to every spa or salon. Clients appreciate a one-stop shop where they can both achieve results and purchase what they need to maintain—and enhance—their.

Plus, merchandising creates a revenue stream that can be significant for your business. Selling big-ticket items improves your profit margins, as do consistent smaller sales that add up.

## Ready to start?







# What you should sell

## The products

Be sure you have a good stock of items appropriate for your business. Clients will likely ask what products were used to style their hair, or for skin care recommendations to enhance post-treatment results. Instead of simply telling them, show them what you have on your shelves.

Some good basics to sell include:

- Hair care products like shampoos, conditioners, styling creams, heat protectant sprays, and hairsprays
- Skin care products like cleansers, moisturizers, serums, sunscreens, masks, and retinols
- Cosmetics
- Nail polish

## The equipment

It's also a good idea to sell equipment your clients can utilize at home. Consider merchandising your shelves with:

- Hair styling equipment like brushes, hair dryers, curling irons, and straighteners
- Skin care tools like facial brushes and jade facial rollers

## The extras

Rack up sales with other related items. Get clients browsing with:

- Travel-sized products
- Hair accessories
- Essential oils
- Candles
- Supplements
- Apparel
- Jewelry

# Developing a retail strategy

Setting up and running your merchandise section is simple to do as long as you start with a plan. Here's how:

## Set your budget and sales goals.

How much can you budget for retail—not just the product itself, but the space, time, labor, and even the price labels? What amount of product will you need to sell to break even? What's an achievable but ambitious goal? If you don't have answers to these questions, see how other local businesses price similar merchandise.

## Understand what your clients need.

If you're in an area with high humidity, you're likely to merchandise your shelves with anti-frizz products. Whereas if you're located along the coast, a beach-wave enhancing spray might be more fitting. Similarly, if your salon or spa services teenagers, you'll offer different products than if you serve older clients concerned with aging. The takeaway: depending on your location—and clientele—it's important to stock your retail section accordingly.

## Stagger product orders and allow time for delivery.

If you place an order after selling your last of a particular product, you're already too late. Make sure you know how long it takes suppliers to ship items so you always have products on hand for purchase. Also, coordinate orders so your business isn't overwhelmed with new inventory at any one time. This will require a designated staff member to keep tabs on ongoing orders.

## Establish an incentive program for your staff.

Incentive programs encourage staff to sell products, promoting your retail section and boosting sales. Try giving them commission on sales made, credits toward free merchandise or services, or even gift cards to local boutiques or restaurants.

## Offer prepaid gift cards.

Perfect for holidays and celebrations throughout the year, gift cards are a relatively inexpensive business purchase. Plus, you can easily [create branded gift cards online](#).



Photo courtesy of Noniko ([www.nonikoskin.com](http://www.nonikoskin.com))





## Selecting retail partners

Once you have an idea of what products to offer, start looking for vendors. The best partners are ones that:

### **Allow low minimum order quantities.**

Purchasing smaller orders helps with cash flow and keeps your back stock manageable.

### **Accommodate quick turnarounds.**

If you've sold out of a product unexpectedly, it's essential to get the product back on your shelves as quickly as possible. Otherwise, you'll miss out on sales when a client is ready to shop.

### **Offer product support.**

Your retail partner should provide ample resources and continued education opportunities, especially for new product lines. Find out if you will have a designated sales rep and how they will support your team; you'll want to develop a good working relationship.

### **Provide benefits.**

Many partners provide benefits for salons and spas that sell their product lines. Ask about their community, events, and other benefits like product samples or back bar product points.

### **Are easy to work with.**

Above all, each vendor you work with should be communicative, proactive, and willing to correct any issues you come across. Returns, for example, should be simple.

## Arranging inventory

Having an array of effective products is important, but clients won't purchase anything if they can't actually see them. Arranging your inventory is extremely important—an attractive and organized display catches the eye while a messy one hinders sales.

Try themed color sections, placing merchandise of similar hues in the same area. If your products are all different colors, spread them out to give clients' eyes breathing room.

Display your products at eye level and easily within reach. With packaging, make labels easy to see so customers don't need to shift things around. Above all, keep your inventory stocked to make displays look appealing.

In need of more shelf space? Slatwall panels, cork boards, or magnetic panels help maximize displays with just a few square feet. You can create a good-looking retail area for as little as \$200.

Looking for a dose of inspiration? Check out our [Pinterest board](#) for examples of salons and spas who merchandise well.

## Managing inventory

Properly managing inventory is essential to keeping your shelves stocked and clients happy. You'll probably want to place orders every couple of weeks. That way, you'll avoid "Sold Out" signage and keep clients from going online or to another business to shop for their favorite items.

When stocking new products, promote them even before you start selling. Ask your vendor to send samples so you can use them ahead of time and get customers on board with the results.

Don't forget to think seasonally. You may need to stock up on sunscreen and UV protective finishing spray before summer or holiday-themed merchandise in early winter.

## Selling online

If your clients are scheduling services online, they'll appreciate the ability to pay for products the same way. For example, an out-of-town family member of one of your clients may buy a gift for that person. Without an online store, you'd have missed out on that sale.

It's easy to integrate retail into your [salon software](#) to sell on your MINDBODY site as well as in person. Adding products and shipping options is just as simple.

On that note, make sure a staff member is responsible for fulfilling orders, making sure merchandise gets out in a timely manner and according to the customers' selected preferences.

# Understand your merchandising with MINDBODY

MINDBODY's inventory management capabilities keep you on top of what's selling and what isn't. You can look to numerous reports to upgrade your merchandising, clear out products that aren't moving, and reward your top-selling employees.

Interested in learning more? These screenshots show you just how detailed you can get with reports:

The screenshot shows the 'Inventory Reports' dashboard. On the left is a sidebar with navigation icons for Favorite Reports, MINDBODY, Sales, Payment Processing, Clients, Staff, and Inventory. The main content area is titled 'Inventory Reports' and includes a 'FILTERS' section with tabs for 'All Inventory Reports', 'Management', and 'Sales'. Below this are several report cards, each with a star icon, a title, a brief description, and a 'View Report' link. The reports listed are: 'Inventory on Hand' (Check and adjust your inventory levels.), 'Sales by Product' (View all your product sales for a given date range.), 'Cost of Goods Sold' (Find out which retail products are generating the most revenue for your business.), 'Sales by Supplier' (Pull sales data about each of your different product suppliers.), 'Manage Online Orders' (Check for new online product orders and update existing ones.), 'Inventory Change Log' (View changes that have been made to your inventory levels.), 'Retail Sales Performance' (Find out which staff members are best at upselling products during their appointment services.), and 'Inventory Age' (Identify your slowest moving products.).

Learn everything you need to know about your inventory, including sales, costs, and online orders.

The screenshot shows the 'Staff Reports' dashboard. On the left is a sidebar with navigation icons for Favorite Reports, MINDBODY, Sales, Payment Processing, Clients, Staff, and Inventory. The main content area is titled 'Staff Reports' and includes a 'FILTERS' section with tabs for 'All Staff Reports', 'Productivity', 'Payroll', and 'Administrative'. Below this are several report cards, each with a star icon, a title, a brief description, and a 'View Report' link. The reports listed are: 'Ratings and Reviews' (View feedback about your business that was submitted through the MINDBODY app), 'Staff Performance' (Get an overview of how efficient your staff members are compared to the amount of time they are scheduled.), 'Clients per Teacher' (See how many unique clients each of your staff members provided services to.), 'Appointment Metrics' (Find out how your appointment-based staff members are doing in terms of productivity and client retention.), 'Retail Sales Performance' (Find out which staff members are best at upselling products during their appointment services.), and 'Trainer Conversions' (See which staff members successfully used a promotional appointment type to retain clients.).

Figure out which of your staff are best at upselling and who might need a little help.





How can MINDBODY position your business for success? Schedule a guided tour today at [www.mindbodyonline.com/salon-software](http://www.mindbodyonline.com/salon-software), or give us a call at 877-755-4279 to learn more.

For more educational resources, including webinars, guides, conference presentations and online courses, visit [www.mindbodyonline.com/resources](http://www.mindbodyonline.com/resources).