



## SUCCESSFUL DEALS for CLIENT GROWTH AND BUSINESS BUILDING

By Gay Wardle

**The plethora of “discount vouchers” is a topic that has attracted a great deal of debate and concern by the aesthetics industry. Are these deals business-building tools, or could they ultimately doom the business and lead it to bankruptcy?**

**The aesthetics industry is predominantly a service-based industry, therefore it needs to carefully examine the type of marketing trend it engages in to determine its suitability and the potential consequences of introducing a market trend that does not “fit” or suit the business. In this article Gay Wardle examines the potential pitfalls and puts forward proven recommendations that may better lead to prosperity without the risks.**

Many of you will have seen the rapid growth in group buying websites such as Scoopon, Cudo, Grabone, Spreets, etc. These websites offer a daily deal to their database of email subscribers in the form of a greatly reduced offer from a business. These deal-based websites are here to stay and beauty businesses are a favourite offer for these sites. But are they good for the health of your business and what is the effect of offering these deals on your beauty business long-term?

My view is that making the most of these sites requires a great deal of planning, preparation and care. The care you must take is related to a sudden, overwhelming rush of work that you have to deal with. Some businesses are selling more than 2,000 vouchers of treatments for \$59 that are worth \$300. For a small salon that could be almost two years of low-margin work that has been pre-paid and that you have to deal with on top of your normal client base! To properly assess the risks and value of these websites to your business let's go through the costs you have to beware of, the opportunity they offer and some planning considerations, and the alternatives you have to achieve business growth.

### THE COST TO YOUR BUSINESS

Nothing to pay up front and a huge database of potential clients is an enticing pitch. However, the costs can mount once you have sold your voucher.

The first is the substantial commission. Thirty to 50 per cent is the usual rate. This comes off an already discounted offer. Then we begin with the hidden costs. These costs include the profit potential you sacrifice over the time you are serving these clients. This can manifest itself in stunted business growth if you sell too many low-value offers and you don't have time to undertake business-building opportunities. Other costs can be the potential loss of existing clients if you can't provide them with convenient appointments and the extra work accounting for the vouchers and not spending the revenue until the costs of serving the new clients are delivered.

There is also a risk to your business image. Sometimes this type of marketing can make you appear to be desperate, which is not an image you want in a high-quality service industry. There is also the potential of negative word-of-mouth feedback if you can't service the new voucher clients quickly and they become unhappy, and if one of your regular full-paying clients finds out the deal you offered on these sites.

To make a choice on whether these costs are worth it you need to decide whether these clients are good prospects, or simply a new breed of travelling bargain hunters. Will they appreciate the service you offer and stay with you after the deal or will they disappear when the next deal appears? The jury is still out on this so let's move on to the opportunity.

### DEALS AND PLANNING FOR GROWTH

Your ideal goal for your business is to build a regular client base of clients who value your recommendations and pay a fair price for your treatments. The obvious opportunity with these deals would seem to be exposing your business to a massive database of potential customers. Other reasons you might consider offering a deal may include:

- Building a library of “before and after photos”
- Testimonials of the treatment you are selling (to be used in future marketing)
- Fill up quiet times in your week (make sure you clearly state the time it can be used this in advertising).

Whatever your strategy you must have a plan that defines the means to supply the offers being advertised. You must have a large amount of

excess staff capacity available and the time to book in other services or you simply will not survive. Second, you must have a plan on how you are going to convert these leads to long-term clients and you need to have your staff well-drilled on what you are trying to achieve so they don't get disillusioned with the volume of work they face.

The first goal is to impress the new clients so much that they want to return regardless of the price. You have to set yourself apart from any other salon and this requires more preparation than you think. Your staff needs to be highly trained prior to the deal to thoroughly analyse the new client's skin up-front and provide the client with advice that they won't receive anywhere else. They also need competent sales skills to sell extra services and to re-book these clients on to other treatments.

There is a good deal of investment in training required prior to the deal being offered if you want to make it work for you. Otherwise you will spend months working flat out and you may find yourself in exactly the same position you were in prior to the deal.

### WHAT ARE YOUR ALTERNATIVES TO BUILD YOUR BUSINESS?

If you are thinking of offering a deal it is presumably to build your business. Your alternative to achieve this is to look at where this industry is heading and position yourself to reach there. If cash flow is your problem then reinvent yourself, restructure your business and give your clients what they want.

Pampering is a great service to offer, but the modern-day client wants results that make a difference to them (anti-ageing, pigmentation, etc.). You have to ensure that you have the knowledge and the business systems so your clients see you as an adviser who will keep them looking their best for many years to come. You have to be confident in your skills so you are prescribing a solution rather than just waiting for your clients to ask for what they want.

Ongoing education to keep up to date with the latest anti-ageing and advanced products available is vital, as is ongoing refinement of your business practices. You do not need the most expensive equipment, but you do have to ensure you are equipped with the latest knowledge and skills.

So before you jump into a deal make sure you have taken a hard look at your business and if it is really performing at its best. Then consider what you really want to achieve long term and if the time you will devote to servicing the deals is going to achieve that. If it isn't then commit your time and resources to something that will take you to where you want to be.

And if one of your competitors offers a ridiculously cheap deal, look at it from the other perspective. While they are being swamped for a few months it may just be the opportunity for you need to market to attract their existing clients who suddenly require convenient appointments and a service that has the time to properly care for their needs. **APJ**

*Gay Wardle is greatly respected as a trainer and educator in the aesthetic industry in Advanced Skin Analysis and IPL protocols and techniques. She has owned successful salons and has won numerous industry and professional awards for her accomplishments. Gay is the principal of Masters Dermal Academy that has just launched a new series of post-graduate Training Courses designed to bring an advanced level of skill and knowledge to aesthetic and dermal therapists through sound science and proven training principles. Her courses cover advanced skin analysis as well as other units that deal with the effective integration of equipment technology. For information on her courses and training dates near you visit [www.masterdermalacademy.com.au](http://www.masterdermalacademy.com.au) or phone Gay Wardle on 0418 708 455.*

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