

From the desk of Dave Holtgrewe, Four Seasons Salon Consultant

Are You Giving Away Too Much Money?

Instead of discounting products, promote a product with bonus services. Instead, keep your product price as is, and give away bonus tanning sessions.

Example:

TODAY'S SPECIAL

Purchase "X" Brand for \$30

Get 2 Bonus Sessions in Level 3 Bed FREE!

A \$24 Value!

Now that sounds like you're giving the customer \$24, when actually a Level 3 bed typically costs you approximately .85 per session. *The .85 cents is the cost of electricity and lamp replacement for that session.

The customer is getting a great value for his or her purchase by getting two bonus opportunities to use the upgrade beds. Customers look at it as \$24 worth of free tanning for the \$30 purchase. If I were to discount my product, I would be giving away \$7.50 in *real money*. With the bonus sessions valued at \$24, I was able to give them more for their money. It cost me \$1.70 of lamp replacement and electricity that had a perceived value of \$24. It did not substantially decrease my revenue because it was a bonus instead of a discount.

Something else happens here that you may have already picked up on. You have just given the customer the opportunity to use an upgrade bed that they typically may not have used. They will love the results and now will be more willing to pay for an upgrade all due to getting the bonus sessions. You added to your bottom line, and the customer gets a better deal. It's a win-win for all!

Remember, stock the display up, make it look shopped, and ask everyone that comes through the door if they would like a couple of free sessions in the upgrade beds. When they say yes, explain the promotion, close the sale and put a lot more profit to your bottom line.

Start your Rewards with Purchase program for your customers immediately. Change it up weekly throughout the busy season and make your dollars per customer ratio soar!

*Note: To help you determine the lamp and electricity cost per unit, call your Four Seasons Sales Specialist and they can give you a quick formula to determine approximate costs.