



**wynne business**

grow. delight. profit.

# Revenue Growth for Spas

**Presented by Peggy Wynne Borgman and Lisa M. Starr,  
Wynne Business Spa Education and Consulting**



# May we introduce ourselves?



- **Peggy Wynne Borgman, founder of Wynne Business Spa Education and Consulting**
  - Also Founder/Owner 30 year old Preston Wynne Spa
  - American Spa Reader's Choice Award, Top Consultant
- **Lisa M. Starr, Wynne Business Senior Consultant**
  - International spa consultant and educator
  - This year: Canada, US, China, South Africa



# How will you grow revenues in the second half of 2013?





# The “Discovery”

- Sales are growing slowly or are stagnant
- Growth is erratic: two steps forward, one step back
- Consumers have changed in the last five years!





# Market Trends



- Super-Affluent luxury spending dropped from Q4 2012 to Q1 2013
  - Uncertainty
- HENRYS are spending more on luxury than they did in Q4 2012
- Discounting has kept revenues down even as consumers have returned to the market

\*Pam Danziger, Unity Marketing Online



# Psychographic Trends



- Wellness and quality of life have increased in importance
- More consumers are having spa experiences
  - Spa-going is more affordable, ubiquitous/convenient
- “Good enough” is the enemy of the very good. Only the great get growth.



# Courting Millennials

- Millennials expect and want customization
- Millennials want service when *they* want it; don't smother them
- They do things in groups
- They know they don't have to pay full price
- They prefer to be spontaneous
- Oh yes, they write reviews





# Sales growth is simple. It's just not easy!



- **Three Ways to Grow Sales:**
  - Increase no. of customers
  - Increase average spend
  - Increase visit frequency





# Where do new customers come from? It's complicated.



## ■ WOM

- Referral
- Gifts
- Social Media

## ■ Web search

- Search engine
- Review sites
- Deal sites



# Why do spa guests refer?



- To share something they love
- Referral incentives? Maybe.
- They often refer with gifts.



# The market is oversupplied. “Referrals” are *layered*.



- Potential guests have a lot to choose from
- They “triangulate” recommendations
- Online search + review site + WOM + Facebook + ?



# Social media: where?



- Pick a platform (e.g. Facebook, Twitter, Pinterest, etc.) and be **GREAT**
- Don't just distribute the same content on every platform
- Use it to converse, not to broadcast (it's a “cocktail party” conversation.)



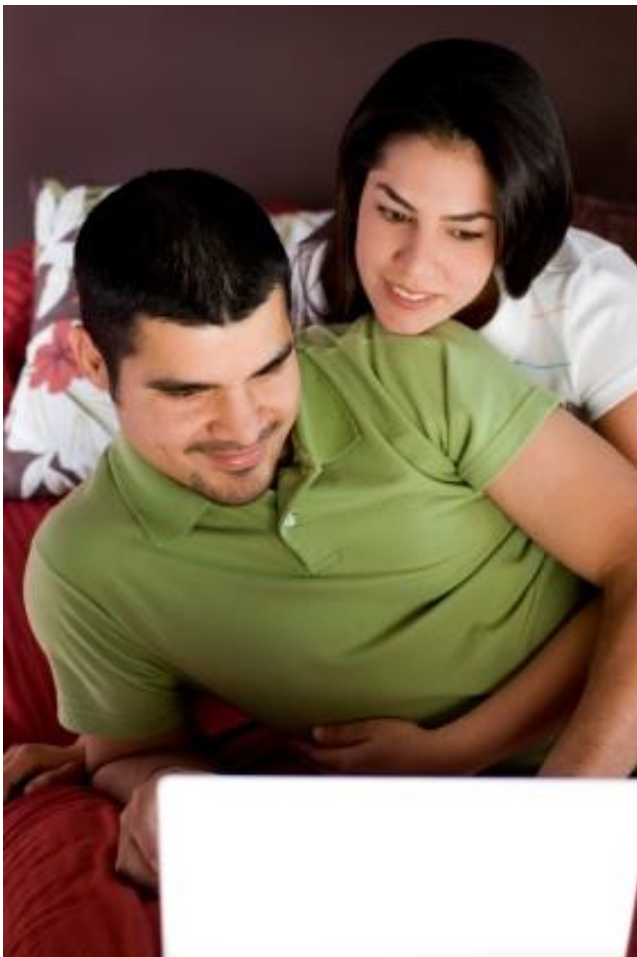
# Be findable!



- Search engine optimization (SEO) is a living thing
- Continuous updating
- If it's good for users, it's good for Google
- You can't cheat (for long)



# A great website is a fresh website



- **Up-to-date, accurate and easy-to-use can trump pretty**
- **Updating is a constant, rigorous process. Someone on your team must be combing it continuously.**



# The gift shopper



PRESTON WYNNE  
*Live Well.*

408.741.5525  
Online Reservations

The Spa Experience

Treatments

Packages & Deals

Gift Cards

The Store

Private Events

Fussy Stuff



## The Preston Wynne Spa Gift Guide

Special people in your life, meet the special people in our spa.

When you give a spa gift, make sure your special someone is in the best hands. Expert therapists, warm hospitality, and a luxurious atmosphere... a gift from Preston Wynne is a great memory waiting to happen.

Our spa gift cards are available in any denomination from \$25 up. They can be redeemed for any purchase at the spa and they never expire.

### Send a Gift Card

Our smart black gift card, in an elegant presentation folder with envelope (which can be sent via US mail or overnight via FedEx; rates vary.)

ORDER NOW

### Give a Gift Card

Our smart black gift card in an elegant presentation folder, nestled in a nice fluffy gift bag. For pickup at the spa.

ORDER NOW

## LUXURY for every budget

Just a few of the treats your gift recipient  
can choose from

### Small Indulgences

\$79 each treatment

Rock 'n' Rose Pedicure (75 min)  
Zen Lift Petite Facial (45 min)  
Short 'n' Sweet Sugar Scrub (45 min)  
Stress Zone Massage (45 min)

- Lured by discounts
- Motivated by the desire to delight and impress
- Easy e-commerce is essential

Screen shot of the gift-ordering interface on our spa site (above the “fold”)



# Upwardly mobile



- Yes, you still need a great website
- Increasingly, you need a great mobile website
- Search is going mobile





# Great social media reading



- **The Book of Business Awesome and Unawesome, Scott Stratten**
- **Unmarketing.com**



Love 'em or hate 'em...



**Review sites are a crucial source of new customers, if you manage them well.**



# Successful survivors are NOT dropping the D bomb



**25%  
OFF**

**There's always someone crazy enough to go lower! Stay out of this trap.**



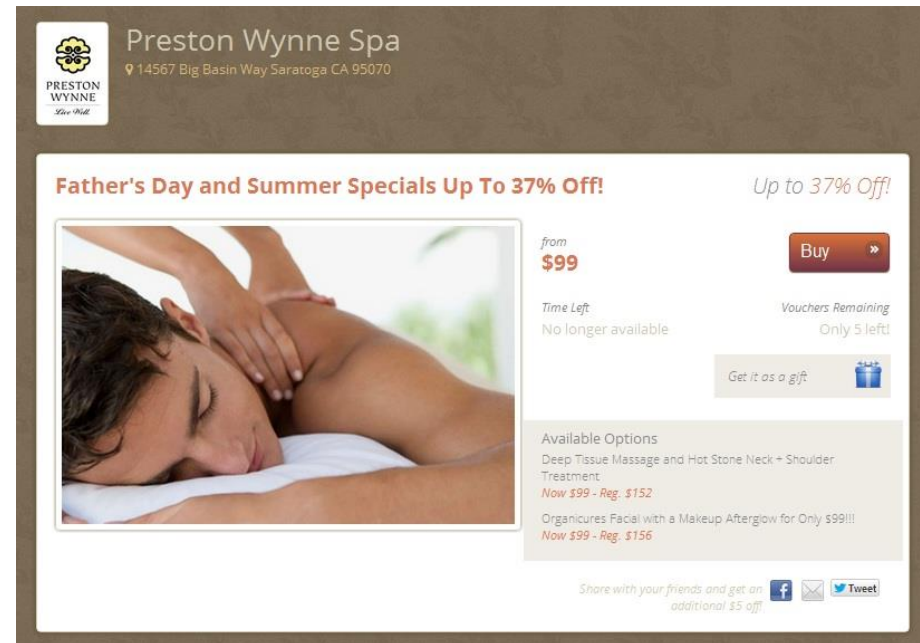
# Watch out for promos that drive high **volume without retention**



- **Groupon, Spa Week, etc.**
  - know what kind of business *you need*
- **Monitor results closely to see if it's worth repeating**
  - Repeat business or costly churn?

# Leverage powerful campaigns to build community

- Millions are being spent to promote health/issue Awareness campaigns.
- Care about what your clients care about.
- “Feel Good While You Do Good” eases guilt about self indulgence
- Benefit local organizations
  - Board members are born evangelists



The image shows a promotional page for Preston Wynne Spa. At the top left is the spa's logo, a stylized flower with the text "PRESTON WYNNE Spa" below it. To the right of the logo is the spa's name "Preston Wynne Spa" and its address: "14567 Big Basin Way Saratoga CA 95070". The main headline reads "Father's Day and Summer Specials Up To 37% Off!". Below this is a photograph of a man receiving a massage. To the right of the photo, the price is listed as "from \$99". A "Buy" button is visible. Below the price, it says "Time Left: No longer available" and "Vouchers Remaining: Only 5 left!". There is a "Get it as a gift" button with a gift icon. Underneath, there are "Available Options" listed: "Deep Tissue Massage and Hot Stone Neck + Shoulder Treatment" (Now \$99 - Reg. \$152) and "Organicures Facial with a Makeup Afterglow for Only \$99!!" (Now \$99 - Reg. \$156). At the bottom right, there is a social sharing prompt: "Share with your friends and get an additional \$5 off!" with icons for Facebook, email, and Twitter.



# Event marketing

- **Multiplies your marketing efforts**
- **Private and corporate parties are growing**
- **Provide a venue for fundraising**
- **“Hybrid” no-host events at an attractive price point**





## Summer Camp *for your skin*



**Get Clear.  
Stay Clear.**

the Wynne Clinical Skin Clearing System  
Our exclusive package of facial treatments, home care and online learning

408.741.5525 | [prestonwynne.com](http://prestonwynne.com)

# Keep it fresh

## ■ Events and classes

- Teen Skin Care
- Seasonal makeup workshops
- Client appreciation
- DIY: infant massage, couples massage
- Vendor events
- “Top 100” recognition
- Edutainment



# Get more customers by not *losing* customers.

- Customer retention/reactivation is the most cost-effective form of marketing
  - 10 cents on the dollar
- Great customer service retains great employees and they retain customers







# Increase the number of customers and visit frequency by offering great value

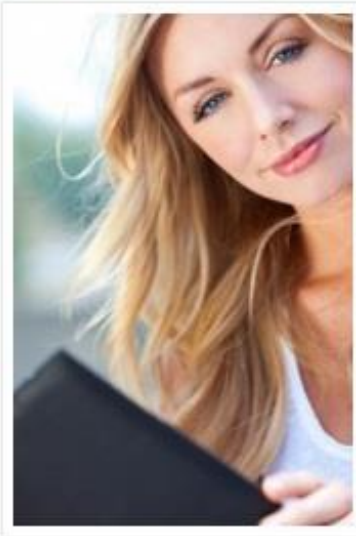
- “Budget” spas don’t always offer the best value
  - Educate clients
- Run your own “deals” and keep more profit
  - Locbox.com





# Increase visit frequency with membership programs

## Let Us Reward You



Your purchases, referrals, and even pre-scheduled appointments will earn you Spa Rewards Points, to use as you please toward our services, products, and even gift cards.

**Guest Referrals** are rewarded with 20,000 points, with a cash value of \$20. Your account will be credited after your "refer-ee" has visited us for their appointment.

**Rescheduling** before you leave earns you 5,000 Spa Reward Points, with a value of \$5.

**Your account balance** is printed on your receipt

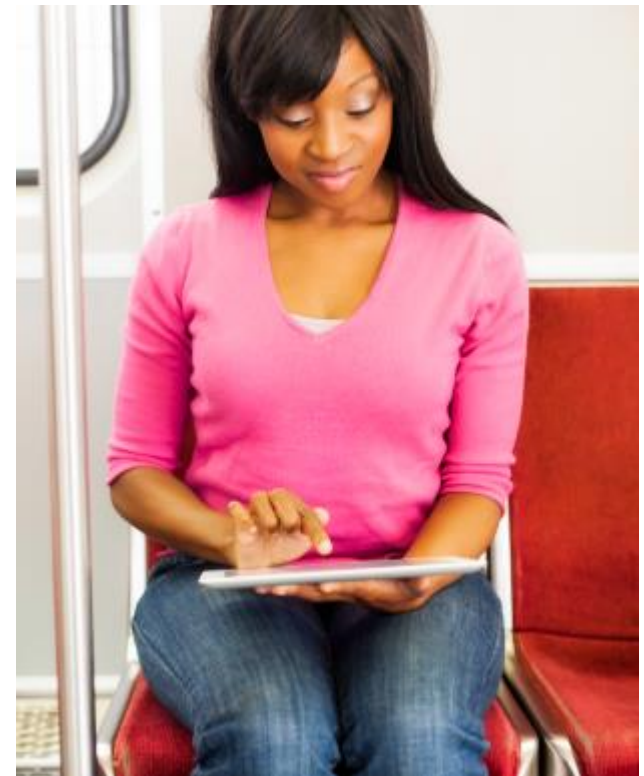
every time you visit. Or simply give us a call at 408 741-5525 to check your balance.

- **Massage Envy wrote the book on membership programs**
- **Reward frequency with price incentives**
- **It's about great VALUE, not having the lowest price**



# Increase visit frequency through yield management

- Maximize pricing in high demand periods
- Drive demand for low periods
  - Segment your customer base/e mail marketing lists and save your most aggressive offers for a self-selected group (“The Hot List”)
- Daily monitoring, JIT marketing





# ...but they ARE giving more value



- Offers that protect price points
  - They have to pay more to get more
- Offers that protect perceived value
- New guests “imprint” at the original price point
- GWPs rule
  - expire them!



# Service providers should participate in some promos

- “I don’t work for free” vs. “I co-invest with my spa”
- **Ask**, don’t *order* them to participate.
- **Don’t overdo it.**
  - Anyone whose retention level is X or more can opt out
  - They’ll see busier co-workers and get on board





# Do you need to increase prices?

- **Discount culture demands a higher base price**
- **You've probably waited too long. Your suppliers haven't.**





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# For Increasing Average Spend and Visit Frequency, Nothing Beats Retail!





# Retail is ready for a comeback. Are you?



Bask spa store, Revel Casino in Atlantic City,  
NJ

- Improve visual merchandising
- Make it easy to buy from you
- Be shop-worthy!
- De-clutter, edit, curate
- Create a checkout “experience” to slow guests down on exit
- Shop the national retailers for ideas





# Increase customer spending: retail

- Improve home care recommendation tools
  - Prescription pads are so last decade





# Rusty Retail Skills?

- **Continuously train (and retrain) your team in sales skills**
  - They have to extend the invitation!
  - Clients are better informed, better supplied and not as easy to sell to.
- **Build confidence with coaching**
  - You can't just pay commission. You have to pay attention





# Use contests to ignite excitement

- “Everyone can win”
- “Most improved”
- Create teams
- Celebrate progress





# Your “support” team is a sales team



- Incentives (pooled)
- Skills training
- Bridge the divide between the desk and service providers
- They’re the cheerleaders. They lead the celebration of team wins, great reviews.
- Use a Pre-shift huddle to set intentions, celebrate success

# Focus promotions on one “lever” per month



- **July: Increase average spend**
- **August: Increase visit frequency**
- **September: Increase number of customers**





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Thank you.  
Q & A Time!

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Reach Lisa: [lstarr@wynnebusiness.com](mailto:lstarr@wynnebusiness.com)



# Nurturing 5 Star Employees

**Q & A with Lisa Starr**

**THANK YOU FOR YOUR ATTENTION!**

**A copy of this presentation will be posted on  
[www.wynnebusiness.com](http://www.wynnebusiness.com)**

**[lstarr@wynnebusiness.com](mailto:lstarr@wynnebusiness.com)**