

# SO

SALON OPINION

World's Most Outspoken Salon Magazine

*Russell*

**MAYES**

Changing the Status Quo

**The Day SHAR  
SUTHERLAND-TODD's  
World came  
Crashing Down**

The Real Story  
Behind  
**KOBI BOKSHISH**

**BOOSTING  
your BRAND**

**Do LOYALTY  
Programs Really  
work for Salons?**

**Being the BEST  
in Beauty - What  
does it take?**

**YOUR  
RANT  
OR RAVE**



# SO

SO magazine is all about being your voice.

We showcase people who are doing things differently; people who are stepping out of their comfort zone; people who have something to say; people who want to share. In salon business today, there is only one thing constant – and that is change.

Fear is inevitable as we grow both personally and professionally, so don't try and live a life without fear – it's not possible. What is possible however, is how much more you are capable of.

When your desire is greater than your fear, even by just a little, you will 'feel the fear and do it anyway'. Every person featured in SO has done just that. Are you, or do you know a person who has done that too? Then we'd love to hear from you.

Email us [info@salonsuccessclubhouse.com](mailto:info@salonsuccessclubhouse.com)

Enjoy!

Karen & David Lynch, Steve Winder and Anthony Presotto



## SO Contributors

Editor: Karen Lynch

Publisher: Salon Success Club House

Designer: Michelle Scales-Springett

Steve Winder

Anthony Presotto

David Lynch

[www.SalonSuccessClubhouse.com](http://www.SalonSuccessClubhouse.com)

## YOUR RANT

**We want to hear from you!**

Have a RANT! We want your opinion! Send in your story (or tell us about someone else)

Send us images of your amazing work! Ask a question OR Let us know about something new! Please include your name, address and contact phone number, AND please let us know if you do not wish your name to be used.

Email: [info@SalonSuccessClubhouse.com](mailto:info@SalonSuccessClubhouse.com)

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## PERKANOMICS; BOOSTING YOUR



By Anthony Presotto

What exactly is Perkanomics? And how can we use it to create brand loyalty in our salons?

Perkanomics is the name given to the perks and privileges used by brands to create or maintain customer loyalty. It can also be used by brands to remove the commoditization of their products or services. This is not something new. Companies like airlines, credit cards, and banks have been using perks and privileges for years to bestow on customers gifts, convenience and status.

Some examples are with airlines' frequent flyer programs. Usually free to join, you accumulate points by the miles that you fly, and then they can be redeemed for more flights or upgrades etc. Fly enough with a certain airline you can be upgraded to silver and gold status. This often lets you accumulate points at a higher rate, have priority a check-in service, access to their exclusive pre-flight lounges, and in the case of the program I belong to, customised suitcase tags, not only identifying that they belong to me but they are colour coded so EVERYONE

can see I have silver status.

In the case of credit card companies, along with the perks of free travel insurance for holidays booked on the credit cards, extended payment dates etc., they have the added privilege, if you can call it that, of slightly higher interest rates, increased card fees. One credit card company offered me a PLATINUM card, with a couple of extra perks such as the travel insurance and insurance on purchases for 90 days and of course the status of being a platinum card holder. The up-side for the company was that the interest rate on the card was 4% higher than other cards and the annual card fee went from \$30 to \$180.

So as a salon owner, how can we use perkanomics to increase our client loyalty? Firstly by removing the commoditization from our services, this is especially true for hair salon owners. A haircut is a haircut, a facial is a facial. But by taking that service and loading it with perks and then selling

those perks to potential customers we remove the commoditization of the service, or in simple terms we are no longer competing on price.

Perks are going to vary salon to salon. It might be that your Cut and Blow-dry includes a shiatsu scalp massage or your facials include a hydrating hand treatment. Something like this often adds very little to the cost of providing the service. In most cases that extra treatment can cost very little but the value of this perk can be quite high.

Loyalty points are another perk that can help people frequent the salon or spend more. There are a whole lot of things I don't like about loyalty point programs and loyalty cards for a salon. Instead of the whole loyalty system I prefer "Love Bombs" (from The Salon Success Club) A Love Bomb is personalised, unexpected and makes your client feel valued. This in turn increases your client's sense of belonging. This sort of perk will give you customer



Anthony Presotto is a salon owner, author, and co-founder of Salon Success Clubhouse [www.salonsuccessclubhouse.com](http://www.salonsuccessclubhouse.com) and passionate about salon business.

loyalty and create a great referral story. In fact once you have organised your love bombs you can use it to replace all of the tired loyalty marketing things you might be doing in your salon such as birthday discounts etc, and again create uniqueness for your salon business.

Perkanomics is about differentiating your brand and your salon from others. It is in that difference that you will find customer satisfaction and loyalty followed by success. Giving perks is about creating a love for your brand, removing the commodity from the services you offer and creating uniqueness instead. Perks that add value to services can be a great low/no cost way of attracting new clients.

Perks also help create a good story. Everyone loves stories and they in turn create an excellent word of mouth for your business. Imagine the impact of love bombs on your clients and the story they have to tell

their friends. Creating stories for our clients is probably the most effective marketing tool we have. And it is virtually free.

What perkanomics is not, is creating a 10% or 20% discount, or getting pens or some other widget with your salon name on them. Discounts are just eroding your bottom line and widgets are so overdone and boring, they are not perks, they are junk that will get tossed by the customer sooner or later. It's also not about getting customers to jump through hoops. This is where my dislike of loyalty cards and point programs comes in. A perk should be something that surprises and delights your customer. When it's about carrying around another paper punch card or collecting 1 million points to get that upgrade, it's not a perk and it's not going to create that story we value so much.

Perkanomics is about delighting and surprising your customers. You shouldn't have a problem

coming up with ideas that can be implemented almost immediately for very little cost and effort. If you have a marketing budget, which you should have, set some of it aside and use it to fund your salon perks. SO

