

Business Mastery

§6 Business Operations

Retail Management

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Retail Management

Boost Your Bottom Line While Serving Clients

- Extend Session Benefits
- The Importance of Retailing
- Retail Reality

Ethical Concerns

- The Power Differential
- Product Knowledge
- Nutritional Supplements

Choose Appropriate Product

- Product Research
- Distributors
- Pricing Products
- Inventory Control

The Art of Selling Products

- The Three C's of Effective Sales
- Sales Methods
- Creative Ideas for Selling Products
- Closing the Sale
- Fostering Ongoing Sales

Merchandising

- Visibility
- Design

Drive Your BUS to Success

KEY

Terms

- Analgesics
- Baking
- Bottom Line
- Bundling
- BUS
- Distributor
- Ergonomic
- Ethics
- Inventory
- Keystoning
- Manufacturer
- Merchandising
- Nutritional
Supplements
- Point-of-Sale (POS)
Displays

KEY

Terms

- Power
- Differential
- Retailing
- Shelf Talkers

Retail Management

Product sales is a great diversification method and profits from them can defray overhead expenses. It's hazardous—physically, emotionally, and financially—to rely on your hands-on work as the sole source of your livelihood, particularly if your work requires intensity.

- Product sales is a natural extension of the standard of care and healing already associated with wellness practitioners.

Boost Your Bottom Line While Serving Clients

- Product sales offers clients a valuable service because you can offer many products that aren't easily available to the general public.
 - Extend session benefits at home by providing clients with products to use between appointments.
 - When clients use a product at home, it reminds them of the treatment, and that inspires them to book another session.
 - If they share products with friends, those friends are more likely to become clients.

The 4 Requirements to Effectively Extending Session Benefits

1. Properly assess clients' needs.
2. Take the time to match up potential products to meet those needs.
3. Educate clients on the proper use of those products.
4. Inspire clients to use the products at home.

The Importance of Retailing

- The 3 major ways to increase revenue in your practice are:
 - Increase the number of clients you see by working more.
 - Increase the amount you sell (in services and products) to the same number of clients.
 - Raise prices.

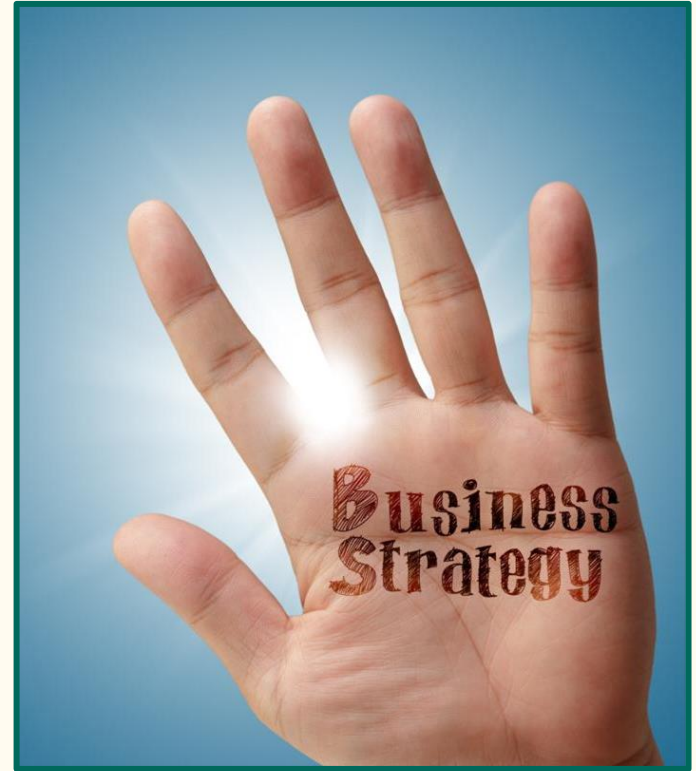


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The Importance of Retailing *(cont.)*

- Employers commonly expect wellness practitioners (such as massage therapists) to generate between 10 to 20% of their total sales in home-care products or supplies.
 - Salaries, bonuses, and seniority are often based on the amount of products sold

Advantages & Disadvantages of Retailing

Disadvantages:

- Doing extra paperwork
- Collecting and remitting sales tax
- Handling inventory management
- Investing time and energy

Advantages:

- Adding value to your sessions
- Extending the benefits at home
- Providing convenience to your clients
- Increasing your bottom line

Ethical Concerns

- The focus of ethical products sales is providing your clients with easy access to high-quality products that help enrich their wellbeing.
 - Beware of unethical practices, *e.g.*, aggressive sales techniques or misinformation, with product sales.
 - **Power differential:** the key factor in ethical product sales
 - Only sell products you know are reliable, professional grade, suitable for client use, within your scope of practice, a natural extension of your business, and congruent with your image
 - Proceed cautiously with nutritional supplements

Ethical Product Sales Do's and Don'ts

DO:

- Make sure products you carry are appropriate and wanted.
- Find products that meet clients' goals and needs.
- Know the products well.
- Educate your clients on the proper use, benefits, and possible side-effects.
- Restrict discussion of products to before or after the session.
- Ask for client feedback.
- Clearly label the cost of products.

DON'T:

- Overuse products.
- Make product claims that the manufacturer doesn't make.
- Manipulate or coerce your clients.

Choose Appropriate Products

- Select products that have a healthy profit margin, are beneficial, you believe in, and your clients need or want.
 - It's also appropriate to sell products that help clients feel pampered
 - There might be some industry-specific items to sell
 - Carefully consider the products you sell. When choosing the right product, ideally choose one that is NOT commonly sold, is unique, and, if possible, is an extension of your work.

Choose Appropriate Products *(cont.)*

- Research is the first step in determining which products to carry.
 - Identify retail products corresponding to services you offer
 - Keep track (for a month) of all the products you recommend
 - Purchase and test them yourself



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General Product Ideas

- Bath salts
- Body butters
- Books
- Candles
- DVDs
- Ergonomic devices
- Essential oils
- Eye pillows
- Foot balms
- Gifts
- Hot and cold packs
- Music
- Oils, lotions, creams, gels
- Pain erasure balls
- Relaxation tools
- Scrubs
- Self-care items
- Self-massage tools
- Slippers
- Support pillows
- Topical analgesics

Choose Appropriate Products *(cont.)*

- Financial success in retailing requires purchasing products at wholesale prices and marking them up.
- Many purchase items from distributors carrying a wide selection from many manufacturers.
 - Manufacturer may offer free items; yet many sell through distributors.
 - Benefits of buying from distributors include only having to place 1 order for multiple product lines, and minimum quantity orders might be more flexible than manufacturer's requirements.

Choose Appropriate Products *(cont.)*

- Two creative ways to work with manufacturers or distributors (particularly for high-end items):
 - The item is displayed and clients place orders with the practitioner. The item is either delivered directly to the client or the practitioner. This involves some time and paperwork but lessens your financial risk.
 - The item is displayed, clients are provided with order information, clients order directly from the manufacturer, and the manufacturer sends you a commission check. This option takes almost no time and incurs no risk.

Choose Appropriate Products *(cont.)*

- When it comes to pricing, charge a fair but profitable price.
 - Your distributor, or the product's manufacturer, should guide you with suggestions of the proper selling prices (e.g., MSRP).
 - Most retail sales use the keystone method, which means that you mark up merchandise to an amount that is double the wholesale price.
 - The cost of selling products isn't limited to purchase price and shipping. Also consider the time involved in research, placing orders, displaying products, and marketing.

Choose Appropriate Products *(cont.)*

- Practitioners who sell products need to keep track of what has been ordered, how long it takes to receive merchandise, how long it takes to sell merchandise, and what's in stock.
 - If you carry a limited selection of products, daily inventory can be checked visually and a written tally (often referred to as a physical inventory) taken at least twice per year.
 - A more formal approach to inventory is recommended if you stock a wide variety of goods.

The Art of Selling Products

- The Three C's of Effective Sale
 - Consultation
 - Convenience
 - Compliance
- Three Methods of Selling Products
 - Recommending
 - Baking
 - Direct Selling



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Creative Ideas for Selling Products

- **Spotlight Products**
 - Choose a limited number of products to highlight monthly
- **Bundle Products**
 - As gifts or seasonally
- **Public Speaking**
 - Include products whenever you host open houses or give public presentations or demonstrations.

The Art of Selling Products (*cont.*)

- Closing the Sale

- After session give brief overview of the session, highlight client's major goals, assign homework, allow client to ask questions, make any necessary referrals, discuss products that might be helpful (and sell those products or provide samples), and schedule next session.

- Foster Ongoing Sales

- Key to **working smarter—not harder** is to develop long-term product sales relationships with your clients.
- Follow up on product sales, especially initial sales.

Merchandising

- “The activity of trying to sell goods or services by advertising them or displaying them attractively.”
 - Check product visibility
 - Use eye-catching designs, particularly with point-of-sale displays
 - Display smaller impulse items, sale products, or new items on the front desk area



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Drive Your BUS to Success

- When it comes to retailing, you need to drive your **BUS** to selling success!
 - **B Believe** in the products you use.
 - **U Use** products in session.
 - **S Supply** samples to clients.



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Retail Mastery Tips

- Conduct product research before you offer products for resale.
- Try a product before offering it in any session or for retail in your practice.
- Sell only products that fit into the type of work you do or gift items that align with your image.
- Choose products you believe in and trust.
- Find products that aren't easily accessible to your clients.
- Educate yourself and your staff on the products you use and sell.
- Focus on a few product lines.
- Purchase products from a distributor/manufacturer that offers marketing support.
- Charge a fair but profitable price.
- Encourage questions about the products used during sessions.
- Ask clients for their reaction to, and opinions on, the products being used.

Retail Mastery Tips (cont.)

- Make recommendations for homework and products during the post-interview.
- Display your products and promotional literature in your waiting area.
- Make the products visible and attractive.
- Put the products on display so clients can see, feel, and smell the product.
- Bundle items.
- Put price stickers on your products.
- Utilize Shelf Talkers.
- Put testers on display.
- Keep the display area clean, organized, and well lit.
- If you carry self-care DVDs, play them before and after sessions in the waiting area.
- Utilize products during the session.
- Print flyers that describe all the products you carry.

Retail Mastery Tips (cont.)

- Promote specials in your waiting area, newsletters, social media, and website.
- Make price sheets and recommendation sheets available for clients.
- Keep track of your sales and inventory.
- Know your local, state, and federal tax laws.
- Offer samples to your clients.

If a client tries and likes a product,
the product will sell itself!

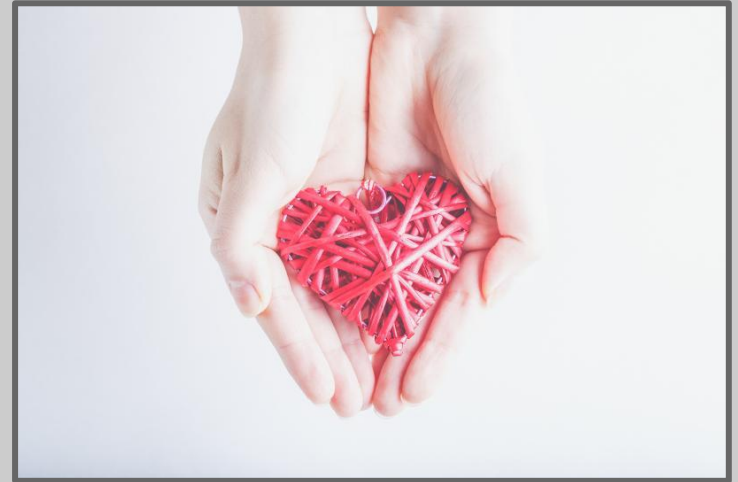


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Highlights

A good way to recession-proof your practice is to offer holistic wellness products for resale.

When appropriate, demonstrate products during wellness sessions so clients can experience firsthand the benefits of the product.

Extend session benefits by having those products used in a session for sale that the client can use at home.

Highlights (*cont.*)

Most wellness practitioners in the spa industry are expected to make a percentage of their income from retail sales. Salaries, bonuses, and seniority are often based on amount of products sold.

Reduce the abuse of the power differential by restricting your conversation about products to before or after sessions.

Your clients rely on you to provide them with guidance so you must know every one of the products that you intend to have available for purchase.

Highlights (*cont.*)

Nutritional supplement sales can be problematic. Proceed cautiously as there may be potential side effects and contraindications to some products. To ensure the most positive results, thoroughly educate your clients about the nutritional products you offer.

Choose items that aren't commonly sold, along with some industry-specific items. Though, consider common items if they would provide convenience to your clients.

Highlights *(cont.)*

Financial success in retailing requires you purchase products at wholesale prices and mark up those prices appropriately.

If you sell products through your office, it's important to develop an efficient inventory control process to keep popular products in stock and to avoid overstocking other products. Most accounting software packages include inventory recordkeeping tools.

The Three C's of Effective Sales are: Consultation, Convenience, and Compliance.

Highlights (*cont.*)

Three types of sales methods are: recommending, baking, and direct selling.

One creative outlet for selling products is during a presentation such as an open house or public demonstration.

Following up develops long-term product sales relationships by making sure the client always has product on hand and that you, the practitioner, will always have some available for the client to purchase.

Highlights *(cont.)*

Be sure retail items are displayed in an attractive and accessible manner since merchandising should appeal to all the senses.

Drive your **BUS** to selling success:

B - Believe in the products you use.

U - Use the products in your sessions.

S - Supply samples to your clients.