

# INVESTMENT GUIDE

## Salons

3 SMART INVESTMENTS / TO GROW YOUR SALON BUSINESS



A publication of



# INTRODUCTION

The beauty salon trade is a [20 billion dollar industry](#) to which just about every American woman (and man) contributes. As the owner of a small salon it's important to stay on the cutting edge of the industry in order to remain competitive. There are several improvements you can make to dramatically increase the appeal and revenue of your business. Here we've outlined several smart investments that will help your salon stand out from the competition.



# INVESTMENT ONE GOING GREEN



# SUSTAINABILITY



The salon industry is one of the more difficult businesses to convert to an eco-friendly model. Currently there is no green-star rated traditional equipment. There is however several ways you can reduce your carbon footprint and make your salon more environmentally friendly. The salon industry is all about beauty, it's important that we don't sacrifice the health of the earth in order to obtain that. Converting to a green business model not only reduces the impact you have on the environment, it can also be a way to increase salon revenue. There are droves of environmentally conscience people who may rarely go to the salon or have stopped going completely. Being able to advertise your salon as a green business can bring some of them back, and at the same time, reduce attrition of your current customers.

Source: [Sustainable Brands](#)

88%

Are more loyal to environmentally and socially responsible companies.



## USE RECYCLABLE MATERIALS

According to the Institute for Sustainable Communication, an estimated 14 billion pounds of trash, much of it plastic, is dumped in the world's oceans every year. This causes severe damage to the ecosystem. Essential plant and animal life suffer as a result. The issue comes with what the plastics are made of, plastic is either recyclable or not. Making informed and educated decisions to purchase recycled products and then recycle them again can take additional time but is worth the effort.





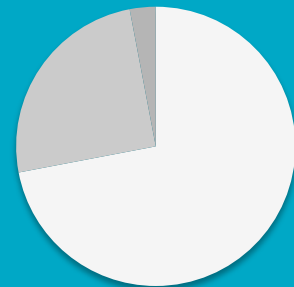
## NO ANIMAL TESTING

It's actually more expensive for beauty product manufacturers to test on animals and that cost is passed on to the consumer. This is a sad fact and one that is not necessary. Avoiding products that are tested on animals will not only make you feel good, it's an important step to take in going green.

# 72% Agree

Testing cosmetics/personal care products on animals is inhumane or unethical.

Source: Physicians Committee for Responsible Medicine

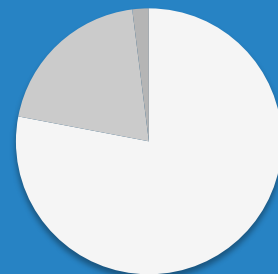


■ Agree ■ Disagree ■ Don't Know

# 78% Agree

The development of alternatives to animal testing for cosmetics/personal care products is important.

Source: Physicians Committee for Responsible Medicine

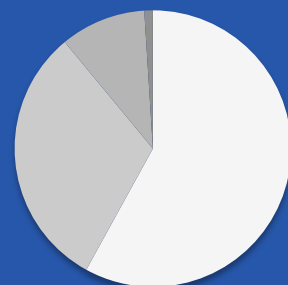


■ Agree ■ Disagree ■ Don't Know

# 58% Likely

To purchase a cosmetic/personal care product if it were NOT tested on animals.

Source: Physicians Committee for Responsible Medicine



■ Likely ■ No Effect ■ Not Likely ■ Don't Know



## INTERIOR DESIGN AND DECORATION

The décor of your salon is very important and you need to create an atmosphere that makes your clients feel comfortable and welcome. There are many choices you can make to ensure your décor is environmentally friendly. You'll want to purchase art that is recyclable and made using environmentally safe materials and practices. You can also use VOC-free paint which is a far healthier option than traditional interior paint. This means they are free of volatile organic compounds which have been shown to cause throat and lung issues.



Reused pieces can  
be 50% to 75%  
cheaper than their  
new counterparts

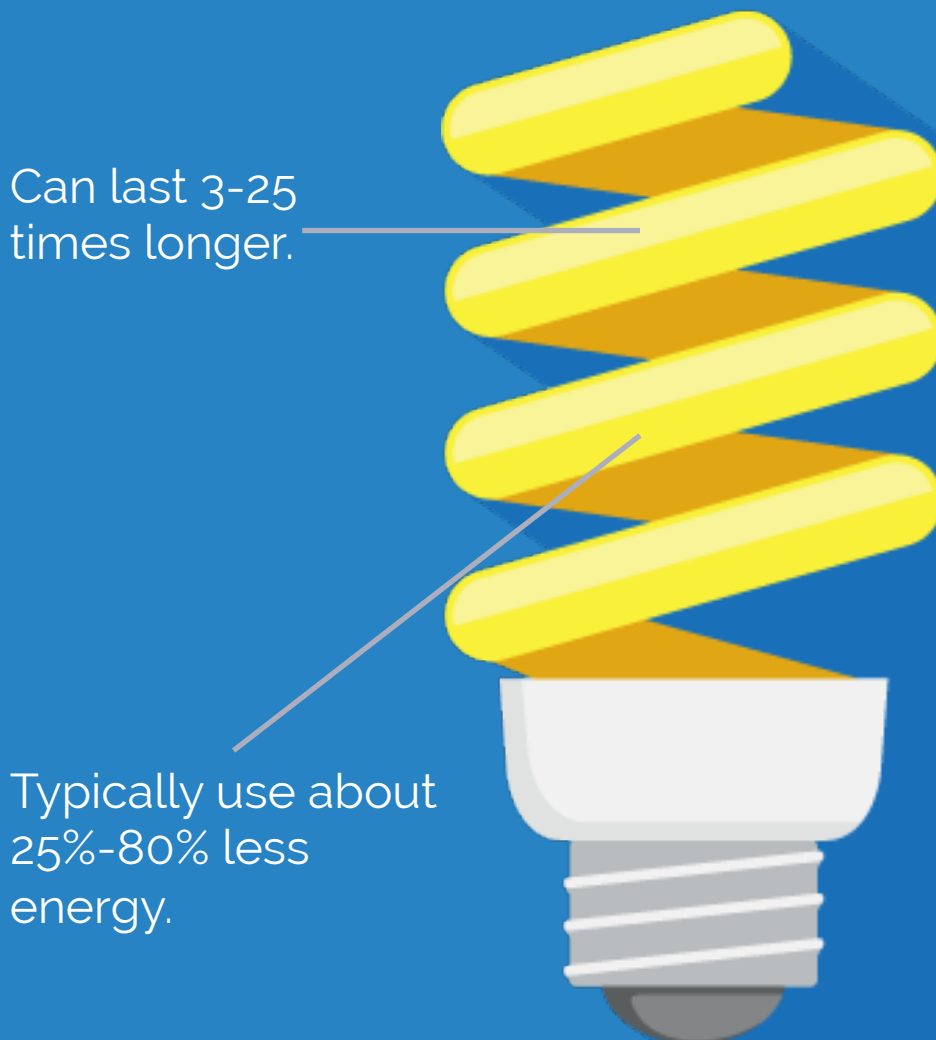
Source: housellogic



## EQUIPMENT

There are many simple ways your salon can cut down on energy consumption. You'll want to make sure you check your pipes and faucets to make sure you're not wasting any unused water. Installing a water recycling system that allows you to reuse rinse water is a trend that is already catching on at salons across the country.

Not ready to make big change? You can start with efficient lighting. Compared to traditional incandescents, energy-efficient light bulbs such as halogen incandescents, compact fluorescent lamps (CFLs), and light emitting diodes (LEDs) have their advantages.







## ORGANIC HAIR COLOR

Choosing a brand that predominantly uses organic ingredients is one of the best ways to make your salon environmentally safe. Many hair dyes contain ammonia which is not only harmful to the environment; it can cause breathing issues and contaminate your salon's air quality. These products are not only better for the earth; they are also better for hair and have longer lasting colors.

## NEGATIVE CARBON FOOTPRINT PRODUCTS

These types of products are still in the works but part of salon industry trends for the future. These are items that are manufactured in facilities that utilize solar and wind power to drive their equipment. They also use containers that are recyclable. They also use recyclable materials to ship their products and some go as far as making smaller deliveries using hybrid vehicles.





# INVESTMENT TWO TECHNOLOGY



With many industries relying more on technology to drive sales, the salon industry is no exception. In a business that is customer-centric with a heavy focus on convenience and luxury, it is important that your salon offers the latest and greatest in beauty options. One of the most obvious and important steps in keeping up with the times is to ensure your website is mobile friendly. Being on the cutting edge is essential in the success of any beauty based business, here are some high tech trends you want to make sure your salon is offering.

## APP BOOKING

There are apps that have already been created that your salon can use to allow customers to set appointments. However, it's a great idea to develop an app of your own that is personalized for your salon. This provides greater exposure, personalization and an additional avenue for promotions and advertisements.

Having the ability to set up and change appointments on their mobile device allows customers greater flexibility and control over their beauty regimen. An app that is simple and easy to use is important as you do not want to alienate those customers that may not be tech savvy.

Source: [FitSmallBusiness.com](http://FitSmallBusiness.com)

Two smartphones are shown side-by-side. The left phone's screen displays the text '35% of clients want to schedule appointments during non-business hours.' in blue. The right phone's screen displays the text '25% of millennials will only book appointments online.' in blue.

35% of clients  
want to schedule  
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## VIRTUAL INVENTORY

Over the years, many consumers have stopped purchasing their hair and beauty products directly from the salon. The reasons for this can range from price to limited inventory.

Having an online store that customers can access while at your salon is a great way to increase revenue. This allows you to provide them with advice on which products to buy and offers unlimited inventory. This also provides your business with additional opportunities for promotions and discounts. For example, offering free shipping for customers that spend a certain amount in-store or offering discounted services for customers that spend a certain amount online is a great way to take back some of the beauty product business that has migrated to outside establishments.



## HOW-TO VIDEOS WITH CALLS TO ACTION

Many salons post “how-to” videos demonstrating different hair styles and beauty tips with access to their company website as well as social media avenues. These videos are a great way to promote your business; however, many salons are not reaping all of the benefits of these postings. It is essential that you include some type of call to action along with these videos. Having a link attached to these videos that brings your prospect directly to your website to set an appointment or view different beauty options will make your advertisements much more effective.

[Search Engine Land](#)

**70%** Year-over-year growth of searches related to “how to.”

## TABLET MENU

Traditionally, hair salons display books with different hair styles and themes to pull inspiration from and a lot of salons still have these books collecting dust on their selves. What if you could revolutionize the way that your clients choose their hair styles; something that is more inclusive of today's trends and styles? Use tablets in the shop that offer the latest and greatest, as well as older fashion trends. The user interface could have haircut options for different lengths of hair as well as an up-do menu for all those clients that come in for prom season.

It doesn't have to be all hair though! Nail salons with designs for nail shape and polish designs in an electronic portfolio would be a great way to free up space in your store. You could also list services offered with pricing so your clients can find all the answers they are looking for.

# INVESTMENT THREE ADDITIONAL SERVICES





Taking your salon and turning it into a high end day spa boutique can be a rewarding challenge. With a few small additions you can make your salon more extravagant and increase your bottom line. Services that are not offered at your everyday salon can be a big draw to new customers and help to keep your current clients spending their time and money at your establishment.

## NAILS

Being able to offer manicures and pedicures is a simple way to add revenue and provide convenience to both men and women clients. Be sure to hire certified technicians that have experience serving your target audience. Your ideal person should not only be nail savvy, but offer an artistic touch that will make this service unique. Variety and knowledge of up to the minute trends will make your salon shine.



**\$19.50**  
Average cost  
of a manicure

**\$32.25**  
Average cost  
of a pedicure

**\$1,345.00**  
Average annual  
spend  
on mani/pedis

## MASSAGE

Having an in house masseuse offers a relaxing option to your clients helping them to unwind and enjoy their salon experience. You will need to hire a licensed professional to offer this service. This is an option that is primarily offered in high end boutiques. The ability to have everything done under the same roof will encourage your clientele to stay awhile.

RESEARCH ESTIMATES MASSAGE THERAPY WAS A **\$12 MILLION** INDUSTRY IN 2015, EXCEEDING PROJECTIONS BY MORE THAN **\$1 BILLION**.

## WAXING

[AMTA](#)

This is a common service and something that clients come to expect as part of their regimen. You want to be able to offer all of your client's one stop shopping. Ensuring they are comfortable and the area is private will help make this experience more enjoyable.

PERSONAL WAXING AND SALON INDUSTRY GREW AN AVG. OF **7.6%** FROM 2010 TO 2015 AND SALES TOTALED **\$11 BILLION** in 2014.

[inc.com](#)





## FACIALS

Facials are a must have at your new salon-day -spa-boutique. There are several types and you should strongly consider offering as many varieties as you can. Using natural and organic ingredients will attract customers with even the most sensitive skin. Providing products to pamper their every need, relaxing, exfoliating, invigorating - will increase time and money spent in your salon.

## SPECIALTY HAIR AND MAKEUP SERVICES

Simply offering a "hair cut" is not enough to stand in this highly competitive industry. Providing unique styling options, extensions and specialty hair coloring services are necessary to pull in more clients. Adding make-up artists to your menu of services can make your salon the place for special events like weddings, formals and holiday parties. Reach out to wedding and event planners to open this avenue of attracting new customers.

[Bridal Association of America](#)

# \$183

The average spend by a bride on hair and makeup.

The salon industry is booming and there are several ways you can get your slice of the pie. The ability to improve and increase services while remaining environmentally responsible will help to maximize business. Many small salons may lack the cash flow to make these changes. Quikstone Capital Solutions can help by providing your business the necessary funds to help your salon compete with the larger chains.

## WE'RE YOUR FUNDING PARTNER.

Learn more about how Quikstone Capital Solutions can provide the cash needed to make these smart investments and help your salon grow.

Speak with Quikstone Capital Solutions today.

GET STARTED

QUIKSTONE  
CAPITAL SOLUTIONS



QUIKSTONECAPITAL.COM