

Beauty Salon Management: Strategies for Building a Competitive Edge

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Abstract:

With the growth of services sector in global arena, the cult of beauty and popularity of beauty services is gaining momentum. Along with growth of demand comes increase of competition in both domestic and global markets. Thus, for successful business operation of the organization marketing and its approaches are imperative. Management of beauty salon ensures that the consumer's and manufacturer's interests are aligned, and it serves as the foundation for the establishment of effective manufacturing and competitiveness of the companies.

Although, abrupt shifts in the economy, politics, the growth of competitors' forces oblige the company to reconsider its strategy in order to maintain previous level of profitability. Hence, improving marketing strategy is an integral part of a successful business operation. For this purpose the management of beauty salon has been chosen for this research paper. The problems faced by beauty salon along with the strategies to cope up with the same has been discussed in this paper.

Keywords: beauty salon, consumers, competition, manufacturing

Introduction:

Global beauty has become a huge industry that affects the daily lives of almost every-one. As the global beauty business permeates our lives and international markets, demand for trendy goods with innovative and diverse characteristics became prevalent. However, the beauty industry has been on a rapid growth trajectory for years. There are some submarkets that are exceptions, such as the mass beauty markets, but overall the business of beauty continues to defy gravity. Additionally, there is unique consumer behavior in the industry. Consumers, mostly women, are constantly exploring new products, styles, and brands. This is part of a significant generational shift of younger consumers, rejecting large brands that their parents preferred and seeking out locally-made, artisanal, and natural products in all consumer categories. The need to be Instagrammable at all times is also very important to them. The global beauty industry (comprising skincare, colour cosmetics, hair care, fragrance, and personal care) has also experienced major disruptions due to the recent COVID-19 pandemic.

The beauty industry, which supplies products and services used for appearance management, is rapidly changing as it is further subdivided by customer demand and technological innovations. The key drivers for the changing trends of this industry are digitalization, customization, sustainability, and premiumization. The spread of digital and personalized trends calls for different strategies for marketing and distribution than in the past. The growth of online channels and professional beauty shops has further accelerated the change.

Objective of the study:

- To study various customer segments in beauty salon industry.
- To evaluate problems faced by beauty salon industry.
- To identify the marketing strategies adopted by beauty salons.

Review of Literature

Ramli mentioned that a hairdresser is not able to satisfy consumers if there is a lack of functional quality such as communication, consumer relationship management, or complaint handling despite possession of high technical qualities. Thus, it was stated that strategic planning was very important in terms of client services.

Yong,Jeong-Kim (2021) constructed strategies for the development of the Korean beauty service industry from a practical perspective. The overall strategy is comprised of SO strategies to use strengths and opportunities, ST strategies to overcome threats and complement weaknesses, WO strategies to take advantage of opportunities, and WT strategies to overcome weaknesses and avoid threats. Further AHP analysis showed that the WT strategies were the most important and suggested that priority should accordingly be given to the WT strategies for the development of Korea's beauty service industry. Based on the SWOT-AHP analysis, they suggested that beauty service companies should pay attention to the lack of profitability, poor working conditions, emotional labour, employee stress, and the resultant high turnover rates, all of which are major weak points the beauty service industry should overcome. Focusing on subsiding these weaknesses will help secure beauty service sustainability.

Pettinger suggested that the beauty industry should make efforts to provide high-quality service and academia should research improvements in quality with conferences, exhibitions, and competitions. In addition, the research stated that the government needed to adjust standards of hygiene-related laws to clarify the scope of qualifications and better align with the unique characteristics of each field.

Edmund O. Amoakoh stated that the use of relationship marketing model is beneficial to the competitiveness in hair salons, it leaves the sustainability of these effects uncertain. The long run effect of RM practices may be found to be insignificant. The positive effect too might be short lived or it might be the case that salon owners are not able to build a strategic RM plan that is sufficiently beneficial to long-run business performance and competitiveness. They also identified an interesting synergy by combining service quality, customer satisfaction and customer retention for hair salon growth and competitiveness. The findings of this study suggest that the entrepreneurial orientation of the owners might be an important component or "resource" that needs to be considered. The results suggest that increased practice of relationship marketing model in the salons by the owners will enable them to carry out entrepreneurial activities that is essential for performance and competitiveness for value creation.

Yash Jadhav (2024)The Salon Management System is one of the most effective systems which is aimed to improve the activity of beauty salons. The identified subject matter of the system is to increase productivity in significant processes and provide a strong platform for controlling all activities of the business to help improve the customer relations and expand the business. Due to the extensive features offered in the system and easy navigation organization, the Salon Management System is on the right path to becoming vital for owners and managers of such establishments.

Customer Segments in Beauty Salon Industry

Market segmentation in beauty salon industry is slightly different from general market segmentation. Developing marketing strategies based on appropriate market segments helps the company to get competitive advantage. Following are the market segments for beauty salon industry. By tailoring your marketing plans to these segments, you can attract the right clients and foster lasting loyalty.

Customer Segment	Primary Need	Best Marketing Channel	Preferred Services
Young Professionals	Convenience and efficiency	Social Media, Mobile Apps	Express Services
Special Event Clients	Quality and customization	Pinterest, Instagram	Custom Packages
Regular Maintenance Clients	Reliability and consistency	Email, SMS	Membership Plans
Luxury Seekers	Premium experience	Influencer Marketing	Exclusive Treatments

Young Professional : Due to ever increasing pressure of looking presentable at work place and for the sake of perfect selfies on social media, young professional seek expert and impactful services from beauty salons. As major part of their 24 hours day is at their workplace, they prefer express service where they need not wait. They usually prefer appointment on Sunday or after their regular office hours. Nowadays almost beauty salon works on Sunday, that too with some additional staff to meet the requirement of increased demand. The quality of service should be impactful. The salon needs to develop attractive social media page to capture the attention of this market segment.

Special Event Clients: Some clients go to avail beauty services only at the time of special events like marriage, engagement, festivals etc. These customers prefer customise services as per their needs. Beauty salons usually give festive discounts to attract such type of customers. Various offers and schemes are launched during wedding and festive seasons to attract the attention of customer. Nowadays salons are designing the weather related schemes also like during rainy season, frizzy hair treatments are provided at

concessional rate or during summer D-Tan bleaches and packs are provided in the package. Again social media especially Instagram is very appealing to attract this class of customer.

Regular Maintenance Clients: Some client visit the beauty salon on a regular basis majorly on a monthly basis. Such clients develop a long term bond with the salon and its staff. Building a long term healthy relations with such customer is utmost important for running the working capital cycle of the business. Proper data bank regarding these customers is to be maintained and SMS and Email is to be sent to these customers on their birthdays, anniversaries, and festivals. Salon can also prepare a membership plan with attractive benefits for this class of customer. Such membership not only help the salon gets the lump sum payment from customer but also the number of customer also increase giving boost to overall sales and goodwill of the salon.

Luxury Seekers: This class expects premium services from salon. They don't mind paying high prices for the same. They seeks exclusive and innovative treatments providing them wholesome rejuvenating experience. Hydra Facial, Korean Facial, Hair Nanoplastia, Kera bonding, Colgan treatment, Organic Brazilian Hair Treatment and many such new treatments are becoming popular due to this group of customer. They are also the main buyers of expensive, international cosmetic products sold at beauty salon. The salon owner build the long term relation with the customer by providing premium services and follow up products sales. These customers usually gets influenced with influencer marketing wherein modern day social media influencer promotes the beauty salon and its services.

Problems faced by Beauty Salon Industry

Customer Acquisition Channel: Some conventional beauty salons are less active in online sales channels, particularly the short video market, which is currently quite popular. The TikTok platform's settlement and the WeChat video number's operation both have a lot of potential for expansion. A key role in the functioning of new media is played by the short video industry. Businesses can receive a lot of attention from successful operations. Based on this, the makeover has the potential to draw a significant number of passengers. The collection of relevant media resources is insufficient if the business is just getting started. As a result, developing a brand takes time. Individuals must gain knowledge from past experiences, accumulate and precipitate, improve their service details, and draw in passengers.

Lack of Originality in Promotion: The life beauty sector frequently starts some promotional activities to give customers extra discounts and entice them to make a purchase. The Spring Festival, National Day, Valentine's Day, and even Labour Day are frequently the dates of these campaigns. It will initially attract some customers, but only a select group of loyal customers will find it appealing. In addition to being unattractive, it could have the opposite impact on prospective customers, who may believe that the store ignores the quality of beauty in favor of marketing.

Faulty Service System: Members of life and beauty stores typically have to complete a straightforward registration process. However, it's not a good thing if it's too easy for marketing development. For instance, the store only collects member information in a highly flawed manner and only has information like name, contact details, card gold, and gift amount. Comprehensive details like the clients' age, hobbies, experience, and background are absent, and the data is not updated on a regular basis. It provides customers with tailored service recommendations without classifying the corresponding tiers based on their individual features and consumption capacity.

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is collected in an extremely flawed manner, and the business only possesses information like name, contact details, card gold, and gift amount. The material is not updated promptly, and it is devoid of detailed information about the clients' age, history, experience, and personal interests [3]. Customers receive tailored service recommendations, but the corresponding levels are not categorized based on their individual traits or consumption capacity.

Staffing Issues:

Stylists and beauticians frequently change jobs, leading to inconsistency especially if the client gets comfortable with one of the staff and that staff leave the salon, it becomes difficult to retain that client. It is difficult to find skilled and experienced staff, especially in rural or developing areas. The staff needs to be constantly upgraded about with new trends and techniques.

Intense Competition:

Oversaturation in urban areas, making it hard to differentiate and retain clients. Every month training courses organised by beauty salons gives boost to more number of beauty salons. Price wars and discounts reduce profit margins. Entry of big chains and franchises with better resources have created problems for local and small scale beauty salons.

Changing Consumer Preference:

The customers are more concerned about the ill effect of chemical cosmetic products. This have increased the preference for organic or vegan products. Demand for sustainable and eco-friendly practices have been increasing due to media exposure and increased awareness especially in social media. Customer also expects the detailing about ingredients which they check and evaluate online along with service transparency.

Marketing Strategies for Beauty Salon

The expectations of consumer in beauty salon industry is ever increasing. Today's clients want more than just great salon services. They expect an appealing experience at every part of the customer journey – including the way they're treated before or in between services. To satisfy these expectations, salon brands need to get creative with their marketing strategies.

Effective marketing strategies for salons have evolved beyond traditional advertising, requiring a more holistic approach to client engagement. Whether you're focused on increasing bookings or building long-term loyalty, the key is to create meaningful connections at every touchpoint.

Getting salon listed on online directories

Majority of the individuals looking for a service or a product will check online before stepping into the actual store. This means that salon needs to show up in their search results. Using a phonebook is simply not going to get new clients, but there are some more modern options that will.

- Google My Business – Since 83 percent of the searches are done using Google, being listed on Google My Business is important for marketing salon.
- Facebook – This is another important directory that the business has to be listed on so that local active Facebook users can find salon.

Manage Online Salon Reviews

Many trust reviews and online recommendations just as much as if a friend were to give them the recommendation. A business with no reviews is worse than one that has a few mediocre reviews.

Encourage the clients to give salon reviews online and use salon review management software like Broadly to keep track and respond to all of your reviews in one place. One very important thing is that rather than deleting the adverse comment, the salon should make sure to provide justified response for the same and clear all doubts of the customer.

Offer Referral Discounts

Salon owner can also work with local businesses to give each other referrals. If the dental office next door has a customer that is looking for salon services, they can let the individual know that if they use the next door salon, such customer will get a small discount. Similarly, the salon owner can give the referral of dental clinic to its customers. Such give and take benefits both organisations.

Loyalty Programs or Punch Cards

Once the clients like the service of salon, they keep coming back to salon and also recommends your salon to others. In such case salon owner can offer loyalty cards that give them a little something extra for coming to you.

An example of a loyalty program could give the client a stamp for their first four washes and cuts, and then they get the fifth one for free. They can also provide such benefits for skin care treatments too.

Salon Promotions

Sales promotion helps to boost up the sales. Designing good sales promotion scheme require great deal of creativity. Here the view point of customer is utmost important. The expectations and choices of customers has to be taken into consideration while preparing sales promotion scheme. Some of the promotions that could be considered are:

- **First-time visit special** – All new clients get a special price for their first visit.
- **Last-minute specials** – If you have a free appointment during the day and a client asks for a last minute cut, give them a small discount.
- **Monthly specials** – Have one service discounted each month. This draws in clients looking for that service, but it also peaks the curiosity of those who may not have thought about getting the service in the past.

Social Media Advertising

The promotional campaigns of the organisation has to be uploaded on social media. Facebook, Twitter, and Instagram will help to get the word out that salon is having a special that is worth checking out. Today, everyone spend a good amount of their time on social media scrolling the reels. Informative and attractive reels will help to create larger customer base. The ads target specific interests who live locally, so by using this marketing method, salon will find the audience that they want to attract with ease.

Use Retargeting Ads

This is a method of salon marketing that will help to boost the business a lot. If someone comes to salon website and searches around for products or services, but never purchases anything, the next time they go

to Facebook or a blog with banner salon ads will come up on their screen to redirect them back to salon website. This way a reminder can be given to customer regarding salon's services. It will be more beneficial if the salon provide some offer to such customer to attract their attention.

Run a Contest in Salon

Running a contest in your salon and on social media sites is a great way to get clients. You can give the individual who gets the most referrals an all out spa day that pampers them a bit, especially if they net you more than a handful of new clients. Of course, you don't have to make the prize a spa day; it can be something smaller like a gift certificate that they can use during their next visit.

Create an email newsletter

Just spend a second gathering clients emails when they have an appointment, this can be used to send Email blasts a few times a month to let them know what is going on around the salon. The upcoming promotional tools can be added in that as well as anything else that salon owner want them to be informed about. Salon staff can also send individual appointment reminders to add a bit of a personal touch. Giving importance to such minute details always help the salon to expand their customer base.

Capitalize on Holidays & Special Events

Holiday specials always catch the eye of a potential client. Salon can give moms a little something extra on Mother's Day, have a Christmas discount, or even throw in something to bring in the New Year. The salon owner should not forget to include things like weddings and prom. They are not really holidays, but they are special occasions that can used to make clients feel special on their big day.

One idea is to advertise something like buy a wash, cut, and style and get a free manicure; this will draw in teens before prom. Maintaining the data bank about the birthdays and anniversaries of client and wishing them for the same works very well. Also salon can provide some special discounts or offers to clients for their special days.

Always Promote Gift Certificates

Gift certificates are a great way to attract new clients, especially around the holidays. Salon owner can even offer a special for gift certificate purchases that give the client a free gift card with gift certificate purchase. When their friend comes back to use the gift card, there is a good chance that they will return as well. Such chain marketing activity helps the salon to increase the multiplicity of their customers.

Host Parties at Salon

Holding parties or other salon events can be a great way to get the word out that salon is something special. Make sure to share the details on social media platforms and add plenty of pictures and hashtags to posts. If salon doesn't have a special event to host a party for, do something for charity, potential clients in the neighbourhood will notice. Nowadays salon owner are organising various awareness campaign as well as undertaking CSR activity.

Conclusion:

The Beauty Salon Management is one of the most effective systems which is aimed to improve the activity of beauty salons. It helps to increase productivity in significant processes and provide a strong platform

for controlling all activities of the business to help improve the customer relations and expand the business. Due to the extensive features offered in the system and easy navigation organization, the Salon Management System is on the right path to becoming vital for owners and managers of such establishments. After a deep understanding of consumer and their preferences suitable marketing strategy is to be prepared for better salon management. Modern digital media and attractive sales promotion plays a very pivotal role in the same.

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