

business | a must to survive

by Rob and Carol Trow

WHEN A CLIENT ENTERS YOUR facility, the retail area should stand out. Certainly not an afterthought, the retail space must be designed to draw attention. It should reflect not only your overall design concepts but your desire to move products. The area should say, "Over here! Look at what you just must have."

The basics

Below are some facts to remember when designing retail spaces:^{1,2}

- The client who purchases effective retail/at home products related to their professional treatments are much more likely to return for additional services.
- No less than 20 percent of your gross income should be retail related.
- Allocate at least 15 percent of your space to retail and keep impulse items by the check-out station.
- Most women average a height of 5'5", so keep items at eye level, especially products with a higher profit potential.
- Put your name on everything to help build your brand.
- Point of purchase displays, shelf talkers and special offers help build retail sales.
- Offer promotions, sales and discounts for purchases of multiple items or for exceeding a certain dollar range of purchases—such as an additional 10 percent off for all purchases above \$50. Everybody

likes a bargain. Create specials: attractive packaging works.

- Retail sales increase client retention. If the products you carry are only available in a limited amount, you can dramatically increase your client's loyalty.
- The retail area is the only place you can earn money without being dependent on someone's hands.
- Every person who works with you should be expected to participate in retail selling.

Placement, incentive

There are several key factors to consider in retail space layout from a business perspective. For one, retail areas should be educational and informative and be organized by collection, range or order of application (e.g.: cleanse, tone, treat, protect). It should tell a story.

You should be able to measure your sales as a percentage of revenue. Keep track of item sales (skin care, spa accessories, gift or apparel), sales by staff, sales per square feet and inventory turnover by item.²

Businesses that reward retail sales success with money do better, especially in the current economic environment. It is also a way to increase compensation without it translating into wages and related costs.

A simple fact to note is that higher retail sales and faster product turnover equal greater profits. You should turn over your inventory every 60 to 90 days.



Retail success keys

- Superior service that provides results. Fluff and buff products are losing appeal.
- Commit to staff training on retail items.
- Choose vendors carefully. Select limited distribution, destination products.
- Hire for success. Make everyone aware that they must contribute to retail sales.
- Reward performance—assign one person as the retail driver. ■

1. Day Spa Association
2. International Spa Association, "Retail Management for Spas"

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