

GETTING BACK TO BUSINESS

The Journey Salons Took To Maintain Business Health Through a Pandemic



vish

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Still at just 50% capacity, Joseph Anthony Retreat Spa and Salon in Glen Mills, Springfield, and Philadelphia are managing thanks to owner Joe Gaglioti's foresight and business savvy.



[Read More](#) about what Joe has done to help his business on page 5

Introduction

Nearly a year ago, the world broke out into a pandemic, forcing businesses across the globe to shut for an undetermined amount of time. Over the first couple of months, Vish was consulting with salon owners across our network to see how different salons were handling their closures.

What we found was:

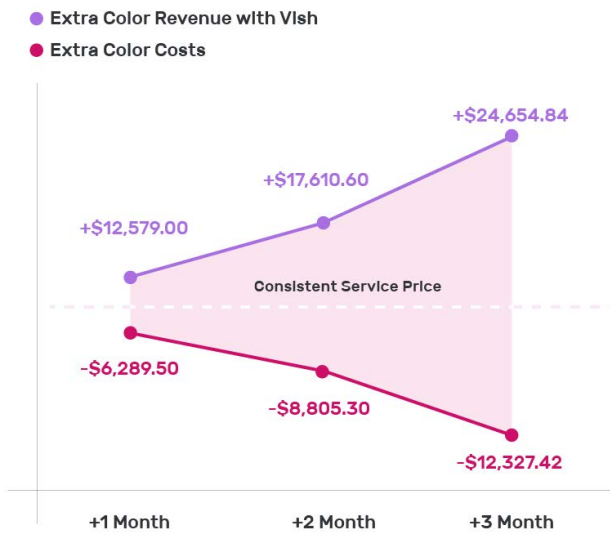
- 1 Salons are taking on debt or using savings to provide much needed short-term relief.
- 2 Dealing with the stress of the lockdown has put extra pressure on the reopening process and a need for improving systems.
- 3 Salons are worried about making enough profit when they reopen to rebound.

Back in July of 2020, we had assumptions that guests would be returning with bad hair, having more than their typical amount of regrowth, requiring color correction on their DIY hairdos. Bringing up the question:

**Should salons increase their prices?
And how?**

Rethinking Your Color Pricing

Prediction: The chart below presents the forecasted financial impact of lockdowns, compared to the positive offset of Vish Color Management System, which captures extra color revenue by tracking extra product used beyond the allowance included in the service price. This amount varies by salon as it's based all on rules setup by management.



Reality: Salons weren't able to take in as many clients as they would have liked, making it only more important to gather profits in every way possible. With closures lasting anywhere from one to four months, salons were seeing an average increase of 27% on color used per service.

Most salons reopened at half capacity, averaging about 600 services per month. Based on those numbers, we are able to see the effect that extra product charges could have on a business.

TABLE : Average increase in color costs adjusted for capacity.*

	Increase in Cost Per Service	Extra Product Charges
25% capacity	\$750.70	\$1,501.39
50% capacity	\$1,501.39	\$3,002.28
100% capacity	\$3,002.28	\$6,004.56


*Based on an average \$2.54 (27%) increase in cost per service.

The middle column shows the extra color costs salons were absorbing as they reopened. While the right column shows what they could charge their clients and gain as revenue instead.

AVERAGE INCREASE OF

27%

in color used per service



How They Did It

Using a pre-crisis pricing structure in a post-crisis environment costs salons in every way possible. With reduced capacity, less frequent appointments, more product needed per service, and PPE costs, salons need to do what they could to gather profits.

Did you add on fees or raise your prices?

Some salons decided adding an extra service charge (or PPE fee) fit their needs, while others decided to increase their prices altogether. But it did nothing to mitigate escalating expenses directly tied to the amount it cost to service the same client after a prolonged shutdown.

See how other salons changed their pricing. [→](#)



We were closed for four months. Looking back I cannot believe that.

Joe Gaglioti

Co-owner of Joseph Anthony Retreat Spa and Salon in Glen Mills, Springfield, and Philadelphia

After being closed that long, Joe made some essential changes, knowing how important they would be to the health of his business. Months

later, Joseph Anthony Retreat Spa and Salon are still at only 50% capacity (mandated by the state) and are managing because of Joe's foresight and business savvy.

Here are some things Joe has done to help his business:

1 Changed their cancellation policy:

Salons are no longer overbooking in anticipation of no-shows or compensating by double-booking. Changing their cancellation policy ensures every client that books will show up, or is discouraged to cancel last minute.

2 Extended their hours:

To accommodate for the mandated capacity restrictions, Joe stays open longer than usual. This allows them to see more clients in a day even when they are only allowed 50% of their usual clientele at one time.

3 Increased their prices:

Restrictions on people inside the salon mean each minute becomes more valuable. Adjusting your prices to reflect that releases some of the pressure salons are feeling during recovery.

The Vish Difference

The Vish extra product charge feature made all the difference when salons began to reopen, especially when you consider most salons were working at half capacity. Because Vish tracks exactly how much product is used in a service, salons and stylists were able to charge for any additional product used and captured all service add-ons as well. So instead of absorbing these extra costs on clients who had gone more than their typical 6 weeks between appointments, salons were able to charge clients accordingly, capturing profits instead.

Have you made any changes to your business?



How Did You Recover?

There was no doubt in our minds that color costs would increase dramatically as salons began to reopen. How did you recover?

As we face another lockdown, there are steps salons can take to alleviate pressure and ensure they are more prepared to reopen. Whether you're working at 25% capacity or 100%, absorbing the extra costs associated with lengthy regrowths (or below average client frequency) will cut into your profits.

Reflect on your business:

- Look at your cost of color before and after the lockdowns. Is it up by 10%, 40%, or more? Did your revenue go up by the same amount?
- What strategies do you have to enforce extra charges?
- Decide whether to raise prices or add fees and coach your team on how to communicate to clients.
- Evaluate labor impact alongside color use. When double-booking is impossible, your time is much more valuable with each client. Review your revenue per hour and consider the impact to your individual stylists and business.

THIS SPECIAL REPORT HAS IDENTIFIED:



Increased costs salons are facing due to COVID restrictions and lockdowns.



How to assess your business and identify the right strategy for you.

Calculate your potential profits based on real data from Vish users. [→](#)