



Client Retention Guidebook

Everything You Need to Know About
Client Retention as a Salon Owner



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1 Attracting, Retaining & Delighting Your Dream Clientele



Everything You Need to Know About Salon Retention

Attracting, Retaining & Delighting Your Dream Clientele

Ever wish you could replicate your favorite clients and have them visit you every day, instead of having to constantly chase new business? You know the people we're talking about; they're the clients that rebook religiously, happily pay full price on treatments, are open to trying out products, and exude friendliness while they're in the salon.

Here at Phorest, we believe that with some strategic planning, you can fill your salon with these people.

Why Are Loyal Clients So Important?

In the professional hair and beauty industry, repeat clients keep your business alive. They're the ones who spend the most time in your salon, spend the most money, and drive in new business via word-of-mouth referrals. This kind of client behaviour is vital for growing your business, which is why focusing on retaining these loyal clients should be top of your mind.

It may seem daunting to move your efforts away from attracting new clients, but placing your focus on retention is an easier, cheaper, and more rewarding strategy long term.



“

If a colour client comes in four times a year, and we can help her increase that to just one more visit a year, we increase her turnover by 20%. You can't get 20% new clients, but if you get clients to come in just one more time a year, you can increase your turnover significantly.

”



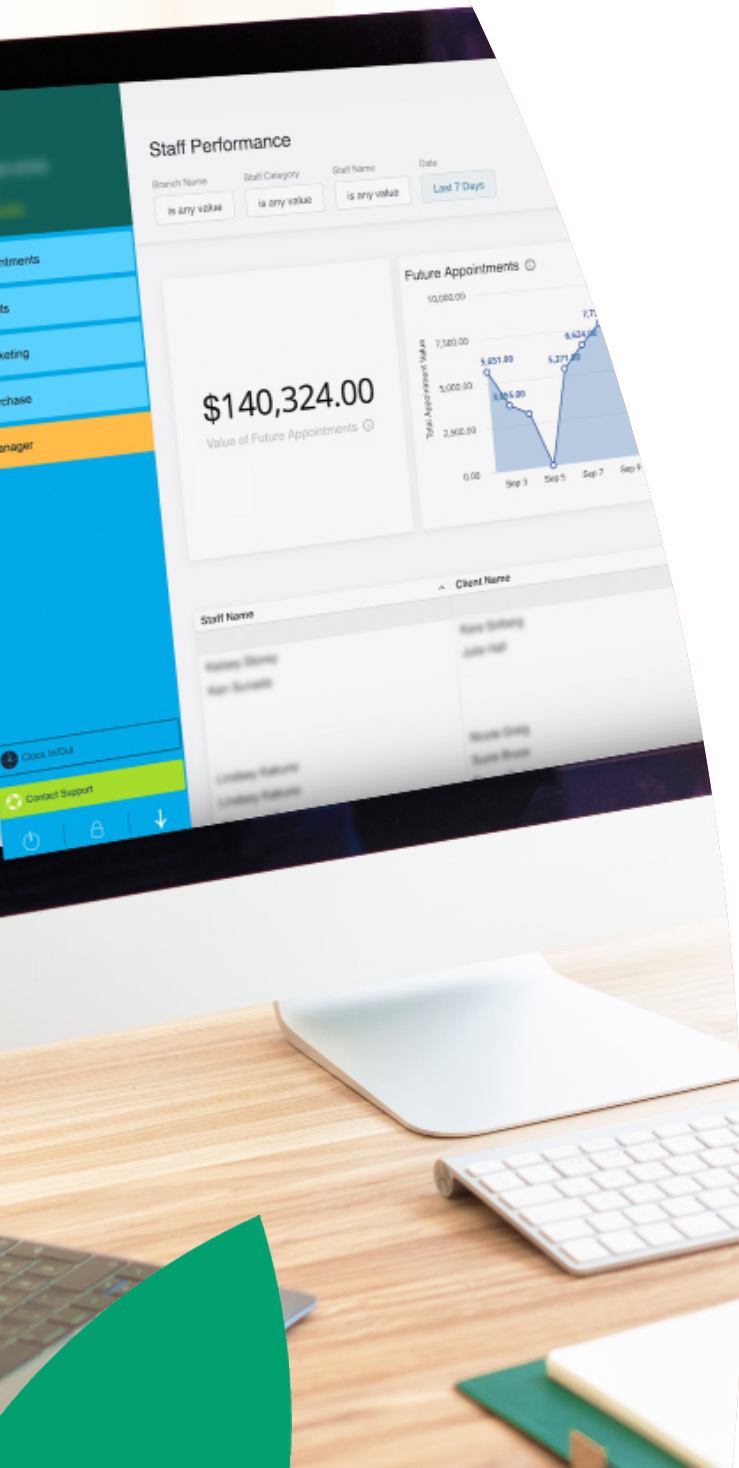
Paul Dromgoole, Owner
Zeba Hairdressing



Small changes, when made by multiple repeat clients, can skyrocket your ROI

Countless studies show that retaining existing clients is cheaper and more profitable than chasing new ones. In his research, Fred Reichheld, best-selling author and business strategist, found that increasing customer retention rates by just 5% can increase profits by 25% to 95%!

Our case study below explains this further:



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Case Study:
Attracting
New Clients
VS Retaining
Loyal Ones

Case Study: Attracting New Clients VS Retaining Loyal Ones

Meet our two salon owners, Emma and Olivia. Both are great therapists, and each owns a salon in Vancouver. In terms of business size, capability, and location, their two salons are the same.

Both therapists are immensely passionate about the industry and their clients.



Owner: Emma

Mindset: If new clients keep coming through my doors, it means my salon is growing.

Goal: To attract as many new clients as possible to the salon.

Strategies to Achieve Goal: Daily deals, tempting discounts, regular special offers, advertisements in a marketplace app

The Numbers:
Clients' average spend: \$50,
Percentage of new clients who return (retention rate): 15%,
Clients on database: 5206,
Appointments per month: 300



Owner: Olivia

Mindset: If I focus on providing great service to my existing clients, I am confident that they will return.

Goal: To attract current clients in more often and encourage them to spend more.

Strategies to Achieve Goal: Strategic loyalty rewards, team training & implementing a customer service policy, asking for referrals, hyper-targeted marketing.

The Numbers:
Clients' average spend: \$70,
Percentage of new clients who return (retention rate): 42%,
Clients on database: 3109,
Appointments per month: 400

The Figures Don't Lie

Focusing on boosting your client retention rate is a low-effort, high-reward strategy for helping your salon or spa business grow. With this in mind, *how* can you attract loyal clients back into the salon and encourage them to spend more money?

The answer to this lies in giving clients exactly what they want.

Let's explore how to achieve this.



3 What Keeps Clients Coming Back?



What Keeps Clients Coming Back?

In research conducted by Phorest, we asked over 1,000 consumers from across the globe what the main factors were that kept them returning to their salon or spa of choice.

The top answers were:



The Client's Relationship With The Salon/Service Provider



Price of Services/Value They Get From Services



The Convenience of Booking an Appointment & Visiting The Salon

Clients aren't just looking for the services you offer. In their minds, any salon can provide a high-quality haircut, massage, or facial. The salons that offer these services and a bit more win their loyalty in the long run.

“

It used to be enough to just be better than someone else...now, we have to be better and different. I used to teach students to be better or be different; now you have to be both.

”



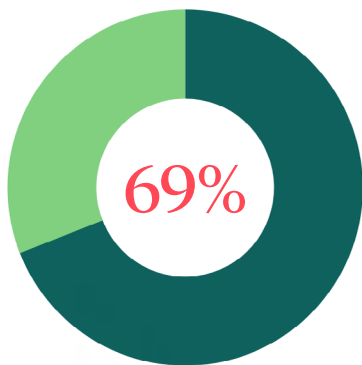
Sophia Hilton, Educator, Founder & Director
NOT ANOTHER salon, NOT ANOTHER social
& NOT ANOTHER academy

How can you lean into the wants and needs of your clients, with the end goal being to generate more revenue and boost retention?



Embrace The Strong Relationship You Have With Your Clients

The salon industry is fuelled by personal connections. Clients want to return to a salon they feel comfortable, cared for, and welcome in. Your team is your greatest way to achieve this, as they are the ones working directly with clients every day. When your team works together to cultivate a warm, welcoming environment for every client that visits your business, retention rates will increase.



69% of clients said that the **relationship** between them and their service provider encouraged them **to return** to the salon



Here's how to make the most of these connections;

Include Staff From The Beginning

Your teammates are the people that know your clients best and therefore should be included from the beginning when discussing retention rates and strategies.

Call an informal meeting and get everyone's opinion on how the salon could increase client retention efforts. This gives your team the chance to voice their genuine opinions and helps them feel a true sense of ownership and responsibility as part of the strategy. The involvement will make them more likely to stay focused on the end goal and hold themselves accountable.

Implement A Customer Service Policy

A clear customer service policy ensures everyone understands what is required from them when interacting with visitors and sets standards for service in your salon.


"A customer service policy isn't there to catch people out, or make a team act robotic; it's about giving people the tools they need to give great customer service by understanding client needs and the industry we serve. It helps your team understand what's expected of them, and in turn, this has a positive impact on the level of service your clients are getting too."
-David Ramsey, Phorest Head of Customer Success UK, Ireland & UAE



A Good Customer Service Policy Includes:



Your salon's vision & values



Your salon's mission statement



Guidelines for greeting guests, dealing with unhappy clients, and diffusing uncomfortable situations



Educational resources; your team should be able to easily access training and support on all things related to customer service in your business.



Staff expectations; what should staff aim to achieve when dealing with clients?



Response & resolution times to client queries and/or complaints

Make Your Business Safe & Accessible; For Everyone



With over 1 in every 6 people experiencing a disability, having an accessible business is vital if you want to establish yourself as a welcoming and inclusive space for clients. Make your salon a safe space for everyone by educating yourself and the team on ways to make your business more accessible for people with both physical and mental disabilities, as well as for minority communities.



Accessibility and inclusivity will look different for every business depending on your location, size, and physical space. This could include introducing silent services or ASD*-friendly evenings for clients who may find sensory processing difficult, or implementing service-based pricing, rather than male/female pricing, to take the gendered expectation out of clients' appointments.

“

“I've had uncomfortable experiences... not all places feel super secure and safe. Be mindful of what words you use. If you don't know someone's pronouns, don't use gendered language... try to break the stereotypes in the language that we use. It takes time, but the more you do it, the easier it becomes”

”



Noam Auger, *Entrepreneur & Owner Salon H4H* by call me noam

Making changes that cultivate a safe and welcoming environment in your salon shows that you truly value equality, which will encourage those clients that feel supported and seen by this ethos back in.



Listen more to what Noam has to say on the PhorestFm Podcast

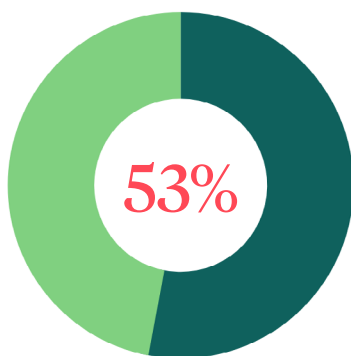
["Noam Auger on Celebrating Self- Acceptance"](#)

*Autism Spectrum Disorder

Don't Be Afraid To Ask For Feedback

There is no reason to be afraid of asking your loyal clients for feedback. Asking your clients what they like and don't like about your business gives you and your team a true idea of why clients are returning and makes them feel valued and heard.

Similarly, if you are actively seeking new clients similar to your existing ones, why not ask your current clients to [review your business online](#) or refer their friends and family? Doing this attracts more of your ideal clientele and also boosts your online visibility and reputation. If you've established a close relationship with your existing clients, they will more than likely be enthusiastic about leaving a positive review.

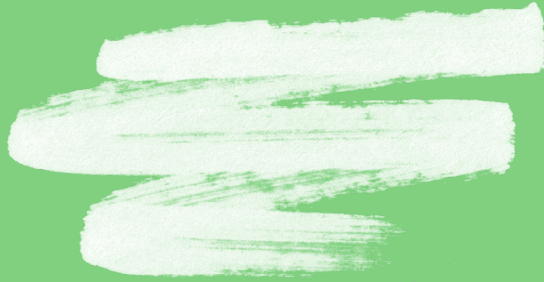


53% of clients said they chose their current salon after a **referral** from family or friends



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Convenience
is Key

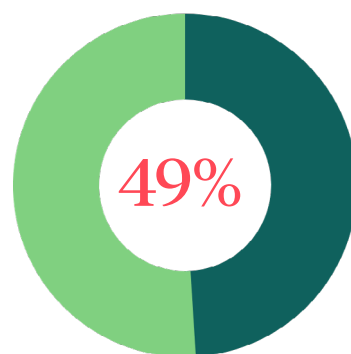


Convenience is Key

In today's digital world, people are looking for quick, convenient, instant ways of organizing their lives. They are choosing digital-first services over traditional ways of going about things, from food delivery apps to online shopping. How can your salon make the move to digital to simplify booking for your clients?



1 out of every 3 online bookings are made outside of business hours



Salons that offer online booking experience an average of **49% fewer no-shows**

Enable Online Booking & Self-Serving Technology

Online booking is an extremely popular method of scheduling appointments nowadays, especially for Millennials & Gen Zers. Allow your clients to book at the click of a button by integrating an online booking system into your website, socials, and Google Business Profile.

Similarly, offering a branded salon app, where clients can book appointments, receive marketing material, view loyalty points, and see past services from their phone, can help keep your salon top of mind for clients while also offering a more convenient way to book.

The Benefits of Retaining Younger Clients

Targeting younger people (25-35) can pay off in the long term for salons; by enticing this demographic into the salon now, you can build lifelong relationships and turn them into loyal clients who spend more as the years go on and their disposable income increases.

As young people generally have larger social circles and are more influenced by their peers, targeting this group and giving them a top-class service that they tell their friends about can encourage more referrals to your salon and help you build out a jam-packed diary of dream clients.



Weave Client Retention Strategies Into The Appointment Process

Looking for an easier way to boost client retention? Make it part of your salon culture.



Rather than leaving it up to your clients to book themselves, encourage your receptionist to suggest rebooking while the client is paying.



Ask your team to speak to their clients about the importance of rebooking in a timely manner to keep the results of their service fresh and low maintenance.



If your client doesn't want to book while in the salon, set up an automated SMS or email message after a set amount of time that encourages them to book their next slot and reminds them that they're due back in.



Encourage clients to stock up on retail products while they're in the salon. That way, even if they don't visit the salon as often as you'd like, their total spending will be greater, boosting revenue significantly over time.

Clients trust their service providers and are often very receptive to advice encouraging them back into the salon, as it makes them feel valued as a customer.

Implementing retention strategies at each step of the client journey can be a game changer- for revenue and relationships.



Create a Seamless In-Salon Experience

Convenience should also be a factor in your client's in salon experience. After a client books an appointment, consider:

❓ How easy is it for them to get in touch if they need to change something, or are running a little late?

❓ Do appointments generally run smoothly and punctually or do you spend your days apologizing to clients about the time they have to wait?

❓ Is check-in and check-out at the salon quick and simple, or are they waiting around at the reception desk for ages before someone notices?

❓ Do you offer free WiFi to clients who work from home and want to catch up on emails while getting their hair done? Is your tea and coffee offering up to scratch?



Put yourself in your clients' shoes regularly to help uncover what to change in the salon. Visiting the salon should be a relaxing and straightforward. ; If your salon is falling behind on offering any of the above or if you can identify processes that make the visiting experience clunky, change them as soon as possible.

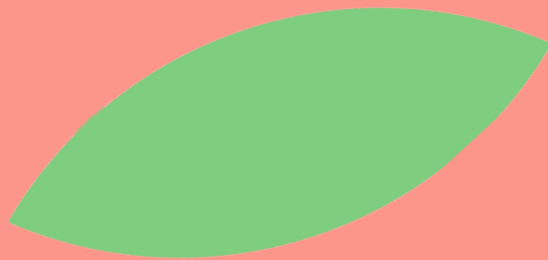


Top Tip

To ensure your clients are always getting the best service possible, nominate one team member per month to act as a “client” from start to finish. After their treatment, ask them to review the entire process. This allows your business to collect valuable, relevant, “client” led feedback while allowing your team member to be pampered and see things clearer from their clients’ perspective.

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People Want
Value For
Money



Many salon owners undervalue their services and reduce prices in a bid to encourage more clients in the door- just look at our case study on Emma & Olivia on [page 6](#)! While price reductions are a popular strategy to encourage new clients into the salon, they rarely contribute to long-term, sustainable revenue growth.

Clients do want value for money, but this doesn't necessarily mean that they're looking for cheaper services, rather; they're looking for something that feels like it's worth the money they're spending.

How can you create value for clients while still increasing profits and increasing your client retention rate?

“

It's important for the industry to understand that a master service provider can quickly take a customer beyond money. They can get to the point with their expertise, that money really doesn't matter. I've seen this happen in my own company thousands of times. If a customer is delighted with your service, nothing else matters.

”



Geno Stampora
Beauty Industry Business Coach



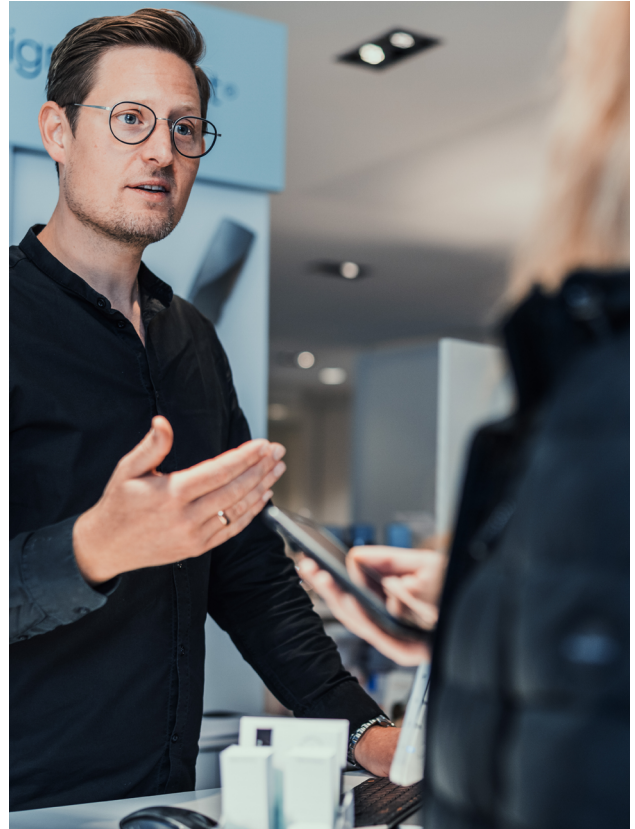
Be Smart About Salon Loyalty Schemes

Clients love a loyalty program; it gives them a chance to get a little more bang for their buck, shows that their loyalty to your business is being rewarded, and can save them money in the long run. But salon loyalty programs don't just have to benefit clients; they can be a fantastic revenue generator and client retention tool - when established correctly.

If clients regularly pay full price for a particular treatment, don't offer this as a free reward once they've collected enough points; all this achieves is discounting something your client is willing to pay full price for anyway. This lowers their average spending and reduces your profits over time.

Instead, allow clients to use their loyalty points to avail of products and services they've never had before. This introduces them to new experiences that they could fall in love with and avail of in the future; in fact, Phorest research shows that 27% of clients come back to pay full price for services they were originally given as a reward on the Treatcard Loyalty Program!

Phorest's Treatcard is the largest loyalty program in the industry, with over 4 million end users!

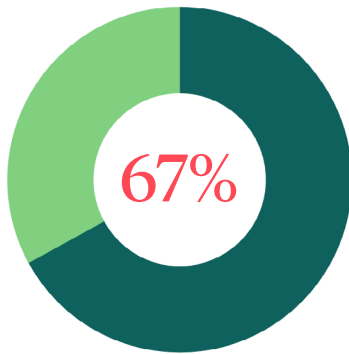


Make Your Salon Their One-Stop Shop

As mentioned previously, convenience and accessibility is a huge draw-factor for attracting loyal clients, adding an additional layer of value for them. Consumers no longer want to spend hours trawling through online stores or walking up and down their local high street looking for products to buy; they want to purchase them directly from their service provider.

also platforms your salon to a wider online audience.

You are a trusted source of information on all things hair/beauty/aesthetics to your clients. Make the most of this trust by recommending products to your clients! People are more receptive to purchasing products recommended to them by people they trust; all you have to do is open the conversation.



67% of consumers said that they would like to buy products from the salon they visit

Advertise your retail offerings in-store, and train your team to speak to clients about the type of products that would suit their needs and keep their hair/skin/nails looking great. Or why not go the extra mile and open an online store? Giving clients the option to purchase products for at-home delivery or in-salon pick-up is a fantastic way of making it more convenient for them to buy, and it



By offering retail products, expert information, and convenient ways to purchase your offerings, customers are encouraged to keep coming back to your business more often, spending more.



Combine slower-selling products with bestsellers in packages or gift sets- this allows you to move less popular products while also introducing customers to new products and potentially encouraging them to buy in the future!

When asked by the Phorest research team; *“If you could wave a magic wand and change something about the salon or spa you visit most regularly, what would it be?”*, many answers related directly back to the in-salon experience.

When considering value for money, what experiential value are your clients getting from visiting your salon?

If you advertise your salon as a funky community space, does your decor and music reflect this? Similarly, if your spa is supposed to be a haven of relaxation, are you offering soft music, soothing lighting, and comfortable furniture?

No matter your style or ethos, your salon business should act as an escape for clients, focusing on making them feel great after visiting. In addition to the treatment itself, the environment, customer service and atmosphere they experience while visiting all contribute to this feeling.



Case Study: KITCH Hair

One salon that has nailed the idea of offering an experience is London's KITCH Hair. A genderless hair salon and barbershop, KITCH Hair is an eclectic space bursting with colour and personality, designed in 1950s retro decor. As well as offering a range of high-quality hairdressing, barbering, and colouring services, Kitch Hair offers;

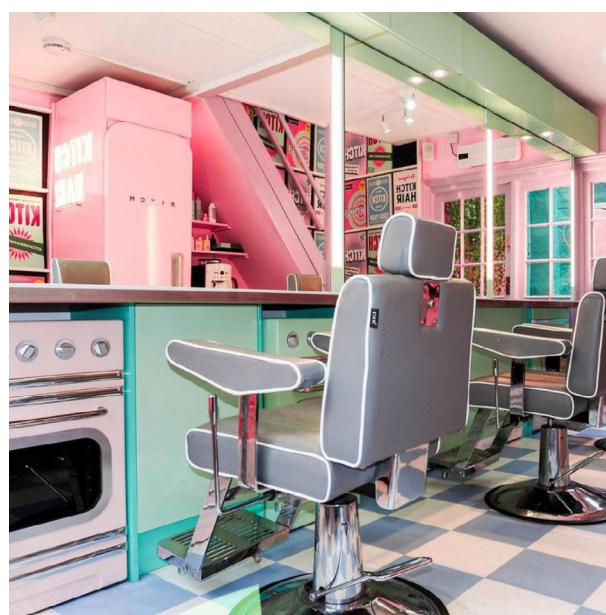
- Retro, 1950s-inspired decor and neon signage
- Pricing based on hair length & service rather than gender
- Cruelty-free, PPD-free, sulphate-free & paraben free products
- A strong ethos that aims to create a space that celebrates diversity, inclusivity & individuality

On creating a salon that provides a totally unique experience for clients, founders Luca and Scott say; "When we talked about opening a salon, we designed it mainly on a feeling... we wanted a

place where anyone could come, whether you're straight, gay, woman, man, trans, him, they, other... you're welcome here."



Learn more about KITCH hair [HERE](#)





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How To Measure Client Retention

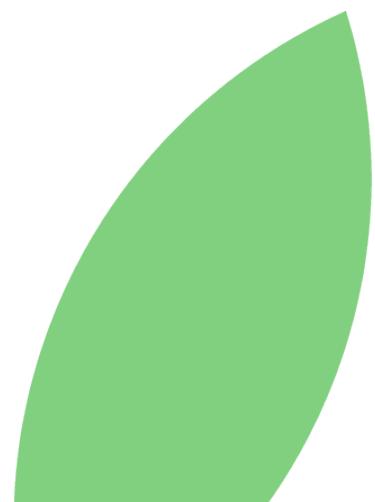
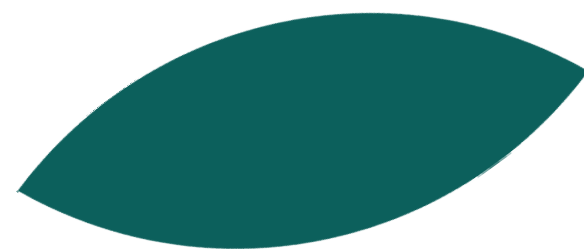
Now that you're armed with ideas on how to boost your client retention, it's critical that you know how to measure it. This gives you concrete data on how your salon and team are performing and allows you to see where to make tweaks when necessary.

Client retention can be measured by dividing the number of clients who have returned to the salon (usually in the last 90 days) by the number of total clients in your salon software system and multiplying the figure by 100.

You can measure client retention rates in several different ways, including staff-specific retention rates to overall salon retention rates. You can adjust this depending on your salon goals.




100



Here’s how client retention can be measured using your Phorest system;

Denzille Salon

Clients visiting between 01/31/16 to 04/30/16 and returning in the last 90 days



Individual Clients from 01/31/16 to 04/30/16		Individual Clients from 01/31/16 to 04/30/16		
	Total Clients	Total Returned	Non Returning	Salon Retention
Existing Clients	4438	2045	2393	46.0%

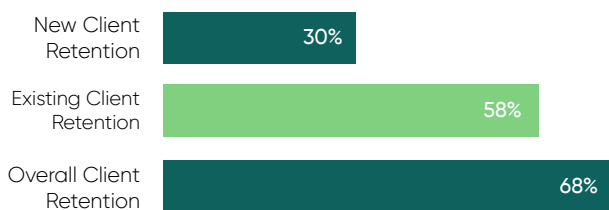
Staff Name	Clients	Returned to Staff	Returned to other	Staff Retention
Anne Miller	214	54	26	25.0%
Mary Young	224	105	46	47.0%
Rena Callahan	186	58	19	31.0%
Sally Clarke	77	27	20	35.0%
Hilda Vega	1	0	0	0.0%
Brian Vesey	3	0	2	0.0%

Retention rate = Number of customers returning withing 90 days/ Number of clients x 100

What is a Good Client Retention Rate?

Now that you have a handle on measuring your retention rates, you're probably wondering, what is a positive vs a negative rate? How can you know just based on a number? This is where industry benchmarks can be really useful.

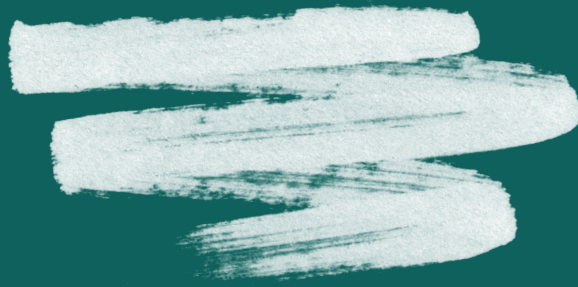
Based on Phorest's research of the salon industry, we've calculated the following salon industry benchmarks that are good targets to aim for.



While this reflects the industry figures on average, don't get disheartened if you find that your current client retention rates are below these benchmarks. This indicates an opportunity to start implementing new strategies to grow.

By following the steps outlined in this eBook and working every day to steadily improve your retention rates, you can tap into a whole new source of revenue and transform your salon businesses.

7 The Right Tools to Help



Phorest; Born On The Salon Floor, Bred To Help You Thrive

Phorest Salon Software is Used by Nearly 10,000 Hair, Beauty, and Aesthetic Businesses Worldwide

Phorest frees teams up to focus on their passion and business success. More creativity. Less admin. Known globally for providing the best salon marketing tools, Phorest touches every point of the salon experience, from custom salon apps, online bookings and inventory to ecommerce and payments.

Our system empowers businesses to manage, market, and grow, not just through innovation in technology but also through mentoring, education, and unrivaled support.

Phorest believes in the human touch at the heart of the salon community. That's why we're the only salon software provider to connect every business with their own dedicated success manager – a committed partner for helping salon owners achieve their dreams.



Listen to founder and CEO, Ronan Perceval, tell the origin story of Phorest in his own words on [PhorestFM](#)



Sources



The data was collected using surveys conducted by Phorest's internal research team and data from the Phorest system itself;

<https://www.liveagent.com/templates/customer-service-policy-templates/>

<https://www.kitchhair.co.uk/>