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Case Study #1 - Hair Salons

Increasing Sales of Add-On (Ancillary) Products

The Challenge:

How to improve sales of ancillary add-on products.

The Client:

Multi-unit franchisee of 2,100 store U.S. Hair Salon Chain

Situation:

For many years, sales of hair care products stagnated at 3-4% of revenues. Although, employees perceived that they were educating customers on the products, sales remained flat.

Action:

Mindshare's CONNECTtm was installed to allow our client to get immediate daily input from their customers. The point-of-sale receipt for each customer includes a printed offer to call a toll-free number and receive an incentive. Customers call the number, answer a few questions via the telephone keypad, and receive a redemption code good for the next service.

In addition to the quantitative response, each customer also may leave a verbatim voice recording of their feelings about the service received.

Specific attention was given to measuring stylist recommendation of hair care products. A baseline measurement was recorded. Then individual training and coaching sessions were held. Goals were set, and additional focus was given toward increasing the customers' perception of how many times a stylist suggested products.

Each month, management uses the month-end and week-end reports and spends the first week of the next month reviewing, training, and setting goals with front-line associates.

Results:

Sales of hair care products grew **from 3% to 8%** in just two months, after remaining stagnant for eight years. Survey responses to the question, "Did the stylist suggest products?" jumped **from 46% to 55%** in two months.

To quote the franchisee directly, "I couldn't have made the program work if I didn't have the ongoing customer data. I have tried a million different strategies in the past eight years. It wasn't until I could "prove" to the staff that they were not educating the customers that the improvement happened."

Revenues have increased, profits have increased, repeat customers have increased, and customer loyalty has increased.

About us:

Mindshare CONNECTtm is a management tool that captures customers' experiences and perceptions continually on a **daily basis** and immediately transforms them into **actionable** customer intelligence. It was developed to fill the missing link in CRM efforts: **the actual customer experience**. Shortly after their service experience, customers respond to a short survey using their touch-tone telephone. Reports are updated immediately for client management to incorporate customer insights directly into their operations. (www.mshare.net)

CONTACTS: Richard Hanks (801) 263-2333 ext 22 rhanks@mshare.net
Jim Boyer (801) 263-2333 ext 19 jboyer@mshare.net