



## Selling to Professionals

The OTC store holds a unique and political position within the beauty industry. Selling professional products to the general consumer can generate animosity from many salon owners and frustrate some salon-only manufacturers. Some feel it hurts business by de-valuing the products used and sold at the salon level. At the same time, however, many professionals shop OTC stores for everyday items. So the question is: can you truly cater to this customer while simultaneously marketing to the beauty novice? We spoke directly to a handful of salon owners to explore this issue.

Current Situation Opinions ran the gamut. George Buckner of Hair Fashions East of New York, compares the selling of professional beauty products to that of prescription drugs. He said, "Services, such as coloring, is professional and should strictly be done by stylists only." On the other hand, Zulene Newkirk, owner of Zulene Hair Design & Beauty Consultant located in Philadelphia, told us she spends 20% of her budget in OTC stores. When we asked her what would make her spend more, she answered, "If they had more knowledge about the products." We constantly hear this as an issue and yet again, the lack of sufficiently trained sales staff is hindering sales.

### Today's Sales

Currently OTC stores make most of its professional sales in everyday items or sundries, such as cotton, hairpins and nail files. Equipment such

as straightening irons and hairdryers also do well. Both categories work because the products are only as good as the user, so logically, the untrained person is likely not able to create high style. Many professionals are aware that due to the bigger quantity breaks from manufacturers

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OTC stores are able to sell these products at lower prices than the salon distributors. Although lower pricing is a great advantage for everyone, it doesn't guarantee business. Noori Daili, owner of the Next Salon in Santa Monica,

CA, finds her local OTC store to be unclean, too crowded, and lacking in parking. When taking these factors into consideration, along with the higher prices at the professional distributor, she stated, "It's worth paying a little more for better service."

### Setting Prices

Pricing discrepancies are another concern. Barry King, owner/stylist/barber of Visions Multicultural Hair Design in State College, PA, finds "an incredible lack of price consistency." He said, "The professional products are locked behind glass at inner city beauty supply stores, but they offer the professional products to the general public at salon prices. This conflict of interest with salon product distribution makes it harder for salon owners to continue to buy and retail professional products that at one time were only available in salons." Again, offering this lower price to the public brings up the issue of devaluing the professional brand. On the other hand, some stores are doing the complete opposite and are

posting prices near (or as high as) consumer retail prices, which makes it impossible for the salon owner to purchase here and maintain profitability.

## The OTC Advantage

It may appear that the OTC store owner is at a disadvantage in building business with the salon owner, which is not necessarily true. There is one circumstance that sheds a different light on the store. It's called the salon "emergency run." Whether it's due to a lack of space to stock back-up items or whether there was an influx of a particular treatment that caused product to run out, the OTC store actually saves the day. This is one situation that causes the salon professional to step through their doors and appreciate the convenience of having product readily available. Even if salon professionals experience these runs a handful of times, it offers the OTC store owner an extraordinary opportunity to increase their salon business.

## Making Changes

The obstacles to overcome the strained relationship between the OTC store and salon professional seems challenging, but the potential is there to start something new. If an OTC store is serious about becoming a bigger asset to the salon professional, then changes need to be made. First and foremost, the commitment must be made to service the professional needs. That means:

- no more selling salon-only products to consumers...ever, even if you have a salon facility in the back of the store
- keep the salon price consistent as recommended by the manufacturer
- create a line that separates the truly salon-only product from the OTC brands that have on their label "for professionals only"

## Take it a step further by:

- developing an area devoted specifically for salon professionals: Perhaps you can close that area off to general public foot traffic using display cases or, better yet, have a separate room. This separation shows pro-

fessionals you support them, which in turn increases credibility among your general consumers

- selecting a few staff members and have them specially trained in professional products
- keeping manufacturer product information handy, including copies of marketing material and instructions
- being prepared and willing to make phone calls to get answers to questions you may not already know
- consider doing what bank branches do: have special check-out lines for businesses. This will help ensure the higher level and faster service the salon owner needs.

## Extend Sales Effort

Professional distributors use sales representatives to call on stores via phone or in-person to drive business. It's the one-on-one time that makes it easier and less time consuming for the salon owner to shop and further build the relationship between the two. If you are unable to devote a full-time person, then utilize existing staff. Time is of the essence to the salon owner so have phone and fax orders pre-packed for quick pick-up. If you have the ability and staff, consider offering a drop-off service, especially for orders over a certain amount.

## Unique Opportunity

No matter what changes you decide to make, remember that it takes time to build business, especially when you are dealing with such a fragile relationship. There is, however, a lot of opportunity here. Major industry consolidation has left some salon brands without distribution.

The OTC store may just be in the position to pick up these lines, if they are truly committed to selling only to the professional. Initially, the greatest challenge will be to convince licensed professionals that you will sell only salon products to them. Next, you'll need ample time to prove you stay true to your word. For those who want to make these efforts, it may just offer a whole new outlook on business. **JK**

## How internal sales staff can cater to salon professionals:

1. Promote staff members with great customer service skills to Salon Representatives
2. Build relationships with the salon brands you carry by having a manufacturer representative meet regularly with your Salon Representatives for product training
3. Create reference manuals with all product information, contents, instructions, MSDS sheets, price sheet and marketing material for each brand that can be used as a sales tool
4. Develop an order form that includes professional items for salon use only
5. Allot specific times when staff is required to make phone calls/visit salons
6. Set goals for staff such as how many salons they need to contact per week. Schedule calls during your slower in-store traffic periods to make the most of your staff's time
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8. Develop a bonus program to encourage staff to meet and exceed sales goals
9. Be consistent and don't give up. It takes time to build relationships and establish your new way of doing business.