

A Strategic Planning Guide for Salons

*Navigating 2024 and
Beyond*



OVERVIEW

When you think of the future of the salon industry, what comes to mind? Convenience is not a typical answer when you think about salons. An industry that provides pampering, luxury, and beauty services that take time, mastery, and artistry doesn't exactly look for shortcuts.

The COVID pandemic's lockdown and restrictions forced businesses to pause in-person contact and move their interactions to an online setting. During that time, consumers turned to apps and e-commerce to:



make purchases for contactless deliveries at home



schedule appointments in advance to ensure a safe capacity was met

This report is designed to share what we've learned about the recent evolution in salon industry technology and how your business can take advantage of technology trends.



We'll cover:

- A pre-pandemic overview of the industry
- A deep dive into salon appointment software
- How technology can transform your salon
- A look at successful salon businesses
- What to keep in mind about the customer perspective
- The financial impact of salon appointment software
- What to expect for the future of software trends and innovations

A PRE-PANDEMIC OVERVIEW OF THE INDUSTRY

Before the beginning of the 2020 COVID-19 pandemic, the salon industry was projected to experience rapid growth, resulting in a 21.25% decline for the industry in 2020.

Key Challenges:

The salon industry faced key challenges that impacted businesses' ability to streamline operations and drive growth. Salons lacked the right resources to:



manage clients



harness resources



oversee employees



automate tasks



organize schedules and bookings



access data on sales and growth

Before the pandemic, booking methods varied throughout the industry, with some businesses taking appointments by phone and tracking them with pen and paper, digital spreadsheets, or digital calendars.

QUIZ

As a result of the pandemic, thousands of salon professionals turned to software solutions with features built for their unique needs.

This resulted in:

- a.** Increased efficiency and productivity
- b.** Improved marketing strategies
- c.** Enhanced client management
- d.** All of the above



**d all of the above*

A DEEP DIVE INTO SALON APPOINTMENT SOFTWARE



What is Salon Appointment Software?

Salon appointment software is designed to help salons, day spas, nail salons, and barbershops efficiently manage their business, customers, salon sales, and business growth. The software is typically used by hair salons, day spas, nail salons, and barbershops.

Here are a few things to look for when exploring reliable salon software solutions:



Appointment scheduling features

Make it easier for clients to book and rebook from any device at any time



Client database records

Get access to appointment history, service records, preferences, and contact information in one place



Employee management tools

Keep track of schedules, payroll, and commission



Communication features

Use automated appointment reminders and two-way texting to contact clients anytime, anywhere



Inventory tracking

Identify your best sellers, order more products, and get insights on sales trends



Payment integrations

Make payment processing easier with fast checkout, balance tracking, and contactless payments



Marketing tools

Create email promotions, and social media posts, collect reviews, and drive more business



Using the features mentioned above will streamline all of your operations, giving your salon an edge with benefits such as:

- **Saving time and money** with cloud-based features that allow you to work faster no matter where you are or what device you're using
- **Reaching loyal and prospective customers** with marketing tools that promote your business via email, social media, and review sites
- **Providing a better customer experience** by making it easy for customers to book with you, make payments, fill out forms and information in advance, and more
- **Increasing sales** by using robust reporting that can pull data on your top products and services, top-performing staff, and sales trends to identify ways to increase profitability

HOW TECHNOLOGY CAN TRANSFORM YOUR BUSINESS

During the pandemic, contactless services became a necessity for consumers in order to avoid contact with COVID-19. Businesses quickly adopted online platforms for scheduling and purchasing to give consumers a safe way to obtain goods and services.

QUIZ

Using software instead of staff, meant that employees could:

- a.** Hire more staff
- b.** Spend their time and resources on other priorities
- c.** Sell more retail

**b spend their time and resources on other priorities*



Widespread software adoption also means more opportunities to gather customer data. Salons now have a treasure trove of information about their customers, including locations, spending habits, preferred products and services, and beauty trends. Customers are looking for a connection to businesses in the beauty and wellness industry, as demand for those services and products grew during and after the pandemic.



Salon appointment software gives salons the chance to harness their customer data and send targeted promotions to the customer groups most likely to take advantage of them, leading to an increase in revenue.

SALON SUCCESS STORIES

Steel Beauty Hair Spa in Palm Coast, Florida, opened less than two years before the start of the COVID pandemic. Owner Linda Ballard is a DaySmart Salon customer and relied on salon appointment software during the uncertainties of the last few years but has come out on top.



Steel Beauty Hair Spa, Palm Coast, FL

Ballard said the mobile capabilities of the software are essential to her staff. The team can be on the same page daily and easily access client information wherever they are.



All the change from the pandemic has pushed us to be even more creative. If someone had told us that we would be hit with a pandemic, and shut down for months but that our team would still grow, our business would prosper, and we would be able to move into a new salon space later this year, most people would say you are dreaming. A huge part of our success is this software and the support we get.

Linda Ballard

Owner of Steel Beauty Hair Spa
and DaySmart Customer





Belleza Salon and Day Spa, Frederick, MD

Dawn and Ann Belleza, owners of Belleza Salon and Day Spa, in Frederick, MD, have managed their salon for 17 years and have tried several salon appointment software solutions. Their most recent solution — DaySmart Salon — has been their best investment. Salon employees can access the software on their phones, which makes it easy to track bookings, view metrics, and make changes to meet their goals.

On the client side, the appointment features make scheduling bookings much easier, and they get automatic reminders via text and email. Reports have allowed the salon to check in on its revenue and maximize profits.



We also have forecasts as a salon, and it's wonderful that the dashboard allows us to see where we are financially or in accordance with our goals every day or week. At one point, our goal was to hit \$1 million in annual sales. With the software, we were able to monitor monthly projections, and we met that goal within one year.

Dawn and Ann Belleza

Owners of Belleza Salon and Day Spa
and DaySmart Customers



MEETING MODERN CUSTOMER DEMANDS

Salon customers are embracing the widespread adoption of appointment software, it's becoming more common to use online booking when making an appointment.

LET'S LOOK AT THE STATS



60% of salons and spas can achieve up to a 60% online booking rate



38% of spa and salon bookings are for same-day bookings, while 88% of appointments that women book are for salons and spas

Salon appointment software also impacts the customer experience and strengthens customer loyalty. Your loyal customers are also more likely to leave online reviews for your salon. Salon appointment software with marketing features that remind customers to leave reviews and to share reviews via your salon's social media profiles can go a long way to promote your business.

LET'S LOOK AT THE STATS



When customers are regulars at a small business, 42% say they would refer a friend if they always have a positive experience



About 70% of salon customers have stated that they are loyal to their stylist or salon. And those loyal, repeat customers will bring you new customers

THE FINANCIAL IMPACT

Adopting salon appointment software has a significant impact on return on investment (ROI) for your business, no matter the size. Businesses that use appointment software experience a 30% to 45% revenue increase. Re-booking reminders result in a 30% growth in repeat appointments. On average, online scheduling leads to a customer invoice amount of \$125.30.

PICTURE THIS

A small salon, with 3 software users and 150 customers per month would receive a one-year return of \$3,499 (an increase of 394%). A larger salon, with 15 software users and 400 customers per month would see a one-year return of \$4,287 (a 261% increase).

You can estimate your salon's ROI by using DaySmart Salon's online ROI calculator.



FUTURE TRENDS AND INNOVATIONS

In 2023, the salon industry was expected to spend \$46 billion on cloud-based hardware and infrastructure software.

This growth in spending intersects with a growth in consumer demand for beauty salon services and products. Once lockdowns and COVID safety restrictions were lifted, consumers focused more on personal appearance and a healthy lifestyle. The ease of booking that came with salon appointment software adoption reduced time and barriers for consumers, and they are seeking providers that provide online booking.

CONSUMER RESPONSE

> 94% of consumers said they would likely choose a new service provider if that provider offered online booking.



CONCLUSION

The consumer need for salon services and products isn't slowing down anytime soon. The growth of personal appearance and healthy lifestyle trends has influenced the growth of salon businesses. The global salon services market is expected to increase from \$15.65 billion in 2022 to \$355.45 billion by 2029.

What does that mean for you?



Increase profitability



Streamline daily operations



Improve customer experience

Salons can claim their piece of this global revenue by staying competitive with the right technology. Best-in-class salon appointment software is your best bet.