



Adding a hair department to a day spa may seem daunting, but the profit potential is high.

Rediscovering Your Roots

By J. Elaine
Spear

THE DAY SPA MOVEMENT EMERGED FROM THE salon industry during the 1970s as the full-service concept grew from including only hair and nail services to embracing a more complete menu of tip-to-toe grooming. Today, the spa industry is again taking a new direction as a plethora of newer day spas—sans hair departments—enter the marketplace, often run by business owners who've never managed a hairstylist. While the thought of a spa owner trying to turn a profit in the hair business might seem foolhardy at best, it can also make sense in many ways. The discussion has left many day spa owners wondering if they're missing out on potential profits.

"I introduced the concept of 'day spa' to my clientele in 1976 by offering skin care, massage, nails, makeup, wardrobe consulting and a boutique that sold everything from beauty products to accessories," says Bella Schneider, founder of La Belle Salons and Spas based in Palo Alto, California. "The only thing we didn't offer for a total look was hair services. I didn't think they belonged in my business, and I knew I didn't have a clue about how to run a hair salon. Our business was all about providing a quiet, relaxed environment; a hair salon was all about fashion, high energy and 'interesting' odors.

"Six and a half years ago, I became involved with hair services because I realized that hair had become a very lucrative business," continues Schneider. "Hair color was everywhere and celebrity styles that needed a professional's touch to look fabulous had become mainstream. Hair extensions and Japanese straightening techniques were growing in popularity, as well as intricate color designs that simply couldn't be done at

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Show Me the Money

Like Schneider, most day spa owners with active salon departments report that hair services are more profitable than spa services. From a nuts-and-bolts standpoint, "you can fit two hair stations into the square footage used for one spa treatment cabin," says Richard Calcasola, founder and president of Maximus Salons and Spas in Merrick and Westbury, New York. (Calcasola added a spa component to his Merrick location in 1990 and built a 12,000-square-foot day spa in Westbury in 1998.) "You can produce about the same amount of money per station, for a higher return on the salon area—\$1,000 a day per spa cabin vs. \$2,000 a day per dual hair station—and service costs are



Culture Clash

"Even though many of the characteristics of stylists and spa technicians are at odds, the key to having a successful day spa is creating a single culture," says Daired Ogle, founder of Daired's Salon and Spa Pangea in Arlington, Texas. "You can always tell whether or not a day spa culture is united by how staff members gather for meetings. If your spa and salon technicians sit in separate groups, you have a fractured culture."

Ogle has worked on uniting his staff members by setting the same set of rewards and expectations for the entire business, rather than by department. They include: 1) initiative, 2) loyalty, 3) going the extra mile, 4) being a team player, and 5) leadership. "We celebrate these things four times a year by acknowledging individuals and rewarding them with things like theater tickets, restaurant certificates and, when we manage to do a trade, a weekend at the local Marriott or another nice hotel. In the case of cross-referrals to either our spa, salon or new medical aesthetic division, we often gift participating staff members with services provided by that department."

The Commission Question

Bella Schneider, founder of La Belle Salons and Spas based in Palo Alto, California, notes that paying the proper commission or salary to hairstylists is important, something that can be difficult to do in the face of stiff salary competition from other local salon businesses. "In our area, many stylists rent chairs, and a lot of the commission salons are trying to attract stylists by paying extremely high commissions," she says. "I've found that when we pay our hair staff a 40% or less commission, and charge premium prices for our hair services, our stylists will make the same amount of money as they would receiving a 60% commission at a regular hair salon and the spa makes more money. We're able to do this because we have a very high-end day spa in terms of prices and the caliber of our work."

much lower." Calcasola adds that a hair salon utilizes space more efficiently because it doesn't require nonrevenue-producing areas such as locker rooms. "The ratio between support staff and guests is also far less than for spa," he says.

Can a hair department really help create a steadier cash flow for day spas? Absolutely, says Patricia Shepherd, general manager of Yamaguchi Salon & Day Spa in Ventura, California. "Most individuals see haircuts and colors as more of a necessity than a massage or body treatment," she says. "A massage makes someone feel good while a haircut and color will make him or her feel *and* look good. It isn't unusual for a haircut and color ticket for two hours to be \$400 to \$500; it would be unusual for a massage or body treatment to generate as much money. In addition, hair clients will book standing appointments and are extremely loyal in keeping them."

"There's definitely more direct profit in hair, plus you can draw from a wider demographic," agrees Calcasola. "Not everyone receives professional nail, skin or body services, but how many people do you know who cut their own hair at home? Offering all types of services keeps a much higher percentage of clients in your place, rather than going here and there. That's the last thing you want when so many businesses offer a full array of beauty and spa services. Equally important, because so many of our clients come to us for *all* their beauty and esthetic needs, if something isn't quite right or a service

provider relocates, they're much more willing to work things out and remain committed to our business."

Mane Managing

"If you've never owned or managed a salon, adding hair services can be intimidating," counsels Peggy Mitchusson, esthetician and founder of The Face and The Body in St. Louis. "I became involved in the salon aspect of the business after realizing that we couldn't build a big bridal business without offering hair services because wedding parties usually wanted their hair, nails and makeup done at one location. Because I needed guidance in this endeavor, once we built our hair department, we partnered with Jon Tomas, a well-known salon in our area. The owner rented our hair stations and we split the revenues. Three years later when we were more educated about the salon business, we assumed full control. Today, our hair department produces \$1.6 million in annual sales and represents a full 20% of our total income."

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Adding hair services to a day spa requires a delicate balance: Although a hair area should be an integrated part of your spa, it must also have its own character and design (see "Culture Clash?" on page 48). Certainly, physical facility concerns might include ventilation, a separate waiting area and soundproofing. "I think most spa owners are reluctant to add a hair section because of the noise," says Sonny Rapozo, owner of HotLocks SalonSpa, with two locations in Massachusetts. "Hair is a different animal completely. It's high powered and can really work against the spa if the two areas are in close proximity. Having both hair and spa areas works for us because they're located on two different floors in our North Falmouth location and are completely separated in our Plymouth location."

Physical considerations aside, when adding hair services it's vital to maintain the high service levels to which your spa clients have become accustomed. "Clients have been actively seeking one-stop service and shopping experiences for the past several years," says Schneider. "But for them to become full-service clients of your day spa, they must receive superlative services and care in every department of your business. To meet their expectations, you must give your hair department as much attention as you give your esthetics or bodycare departments, including providing an organized, ongoing training program. We have an assistantship program at our spa, and we encourage each stylist to specialize in either hair color or cutting; we also place a great deal of emphasis on hair finishing. Clients know that when they come



Checklist: Salon Basics

Considering adding a hair department? Here are a few physical considerations for your new space. A hair department must have:

- A minimum of 500 square feet to be effective.
- A separate area where sights, sounds and scents don't co-mingle with those from the spa.
- A separate foot path to prevent hair clients from crossing over into the spa.
- An excellent ventilation system.
- Additional electrical power.
- Special plumbing.

HAIR: BENNIE POLLARD & TEAM BENEFACOR; MAKEUP: LESA MILLER; PHOTOGRAPHY: ED BROWN



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to our salon, they'll receive a fantastic style or updo that looks as good as any seen on a celebrity walking down the red carpet. Because many of our clients frequently attend social events, our hair finishing services are in great demand.”

People Skills

Managing hairstylists can be different from managing estheticians, nail technicians, and massage and bodycare therapists. “When I first expanded the size of my Stanford location and opened a small six-chair, 570-square-foot hair studio, it was tough because I lacked experience managing in the hair business,” says Schneider. “Instead of faking it, though, I made a point of learning everything I could about running a salon and managing ‘artists.’ I found out right away, for instance, that renting out a few chairs and expecting to have a great hair salon wasn’t realistic. You need to hire stylists as employees

and expect nothing less from them than you would from your spa practitioners. Today, I employ 20 hairstylists, have hair departments in two of my locations and plan to open a salon department in my third location in the not-too-distant future. Hair services have become absolutely essential to the well-being of my business.”

Just as spa managers have become essential to the operations of today’s complex spa businesses, so salon managers are essential to a healthy salon department. “To ensure that your hair department is successful, I recommend hiring a salon manager who can help you hire the right people, make the best product selections, establish a training program and set goals for your hair department,” says Mitchusson. “If possible, that person should also be able to deliver top-notch hair services. In return, be willing to give your hair salon manager a good salary, as well as a share of the profits generated



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by the department.” Mitchusson adds that when hiring a salon manager or stylists, you should look for the same characteristics as you do for your spa staff. “In our business, we always hire for attitude and honesty, and train for technical excellence,” she says.

Promoting Growth

Promoting your hair department by using it as part of a package deal for clients is good business, but to really thrive, owners who market hair departments suggest treating them as their own entities. “Our greatest success came after we created a separate identity for our salon,” says Mitchusson. “We began calling it ‘The Salon’ [The Face, The Body, The Salon]. At the same time, we created our Style Agent program that consisted of a series of ads that included before-and-after pictures of our clients. We placed these ads in the *Ladue News*, a local society publication, and invited readers to log on to our website and tell us why they should become the next Style Agent makeover. It was a popular program that got people talking about our salon. We also became an on-air

provider for hair and makeup on the *Show Me Styles* television program that featured weekly on-air weddings each fall.”

Kearns Davidson Skin Hair Nails in Toronto is swiftly creating a full-service clientele by giving existing clients a “gift slip,” a certificate worth a discount on select services to encourage clients to try something new. Kearns’ front desk staff also gives walk-ins who drop by to purchase retail products a gift slip for the service of their choice. “If we have a devoted hair client who doesn’t receive facials, for instance, we’ll give her a beautifully printed gift slip worth \$15 toward her first facial service,” says owner Jason Kearns. “We’ll do the same thing for spa pedicures and manicures, haircolor services and massage. The gift slip program has actually been the best cross-marketing program we’ve done to date, and it’s one that we intend to continue indefinitely.” ●

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