

THE INSPIRED ESTHETICIAN

Starting Your Own Spa Product Brand: 7 Reasons To Do It Now!

By Douglas Preston

Private branding of consumer goods is one of the hottest and most sensible strategies for companies that are interested in being more than just another place to buy commonly sold products. With mega-malls, supermarkets, and online retailers competing with spas and salons for the beauty product customer, uniqueness, and exclusivity of brand is proving to be a sound way to attract *and keep* a loyal retail trade. Private branding (or private labeling) traditions extend back to the early days of fine department stores who saw brand-recognition value in labeling suits, coats, and dresses with the company name. Today the trend touches everything from fine wines to automobiles, with brand identity sometimes being more important to consumers than the item that bears it, i.e., the Nike swoosh on the most ordinary of low-tech goods such as t-shirts and athletics socks. In an era of celebrity endorsement deals (Oprah, Brittany Spears, or Michael Jordan as examples) the buying public no longer demands a real user connection between product and promoter—the mere media *association* of the two will now do. We're buying *feelings*, benefits far beyond the routine need to replace groceries and tires. In the spa and salon business the pursuit of *positive feelings* is the chief force driving the demand for beauty and luxury services. How well has your company tapped into this wealth of buying motivation? How prepared are you to fend off the growing fight for your customers' retail attention?

As a spa owner and private-label retailer with over 25-years of business success I offer you my 10 best reasons to create and sell your own product brand NOW! This is a strategy any spa business, large or small, can achieve with minimal expense and risk.

1. **Money, money, money.** Spa and salon owners never have enough of this. The cost of operating our business is much higher than we ever dreamed it would be! The majority of us are working owners—people who struggle to run a company while maintaining a crushing schedule of personal clients to help pay the monthly bills. In order to make money we need profit, and the typical 100% markup available on most recognized product brands doesn't leave

enough to cover the overhead let alone give us some extra income. Selling your own product brand, so long as it doesn't appear too generic or isn't too easily recognized in the competing market, is a great way to set your markup at a level consistent with real profit, at least 175% markup or more. Because your brand appears to be exclusive, price comparison becomes difficult if not impossible. Goodbye MSRP!

2. **Client retention.** Anyone have a problem with this? Between spa visits your customers are bombarded with slick newspaper and magazine ads, infomercials, seductive store displays, special promotions, and direct mail pieces. They go to product parties hosted by friends and family, and they hear the praises of some other hot spa, aesthetician, or hairdresser—that is, other than yours! Clients also forget to reschedule spa appointments, have need to cancel, or sometimes move out of your area. Products sold under your company brand and, available only through you, maintain the consumer connection with your business even when appointments aren't feasible for them. My spa has developed a remarkable mail order trade for our company branded products with customers who find it inconvenient or impossible to shop us in person. We work hard for those relationships and always need their business, so why make them easy to lose?
3. **Brand equity.** You may not be thinking of it right now but one day you may consider selling your spa or salon. When that day comes you're going to total up its value and pitch it to an interested party. Most important to a prospective buyer will be the *assets* of the company, chiefly, the things you own that can be safely transferred and to them. These assets, hopefully, will produce a reliable, *profitable* income. When you build up a strong retail trade in a product brand that you own then the brand itself becomes part of your company's sellable equity, something more than your fragile service goodwill.
4. **Market protection.** Competition will come. Internet discounters are eating away at the hard-won sales of Estheticians and day spas. Employees will leave and open up a shop in your market area primed by some of *your own* former clients! Name brand distributors, rightly so, will endeavor to create as many accounts as possible wherever they can, and will often chafe at a request for exclusivity (hey, they have to make a living too...) Some well-entrenched brands seem to be everywhere, thus diluting the uniqueness of your product offerings. You can be *the* source of something your client loves to use. Even if competitors sell a similar private-label brand it still has a different identity wherever it's sold. We carried a well-known private label brand of cosmetics in my spa for 16 years and, although the same manufacturer supplied numerous other salons in our area, never experienced a customer comparing a similar product to ours. Since most customers don't use more than one spa or salon anyway, they're not likely to see these same products repeatedly.

5. **Selling feelings (souvenir sales).** This is big business whether you're Disney or Niagara Falls. People love reminders of places, events, and experiences that make them feel good. While the souvenir is not an exact replica of the thing it represents, the buying customer will infuse the item with emotions that can be recalled by seeing, wearing, or using a product clearly associated with it. Brand identity also has the power to create a customer sense of identity with a place or event that others may admire. We're talking about fortified self-esteem here, and if your product can build that in your customer, all the better for everyone. Is your spa or salon a positive, memorable experience for your customers? Do they adore you and your business? Do they love to refer others to you? Help them out then by providing products that bear your company identity—let them take those good feelings home and use some of it there!
6. **Prestige.** The more established a business looks the better a business it will appear to current and prospective customers. It's impressive to have both your service and consumer products linked under a single identity. Seen any other coffee brands sold at your local Starbucks lately? Not likely! They look after their own brand and are confident in it. And while they didn't invent coffee they do prepare and sell it in their own unique way—not many would question their success in that old and saturated market. If you believe in your services then you can extend that confidence to a product brand that reflects a similar quality—there's a lot of money to be found there.
7. **Thinking BIG!** Most of the major producers of skin and hair care products today began as small companies. They grew along with their reputations and, for some, their advertising budgets. Could your brand rise up among the old guard too? Yes! Remember, not everyone will have the foresight, desire, or courage to self-brand a product line. In fact, the majority of spas and salons still prefer to sell products with well established reputations regardless of the fact that most clients will buy on the strength of the professional's recommendation whether or not they're familiar with the products being promoted to them. I can't name the line that we haven't won a client from with our brand. NYC's famed Bliss Spa now distributes its branded line as a national offering—just check out any Sephora if you're in doubt. Not bad for a local girl! In the business of spa, *product* is where the money is, and it provides the only alternative to those hard earned and notoriously thin service profits.

Identify the best selling products on your retail shelves and then ask yourself *why* they sell the best. The answer is invariably the same: you sell the most of what *you* most like, rather than a list of branded products customers specifically asked for. That's certainly true in my spa even though there is the infrequent request for a certain well-known brand. Clients will usually switch to our house collection when we crow about the benefits and results of them, never having to compare

them to what the customer has used previously. Most clients will leave it up to the *professionals* to help steer them toward the home care products they should use; and isn't that our job anyway? Why not keep the endorsement and the goodwill in the family by endorsing our own brand instead of the majors? It's time to bring your *whole* business together as a complete concept—and then own and profit by it. You've been working too hard!