WINNING IN SPRAY TANNING LESSONS FROM HIGH GROWTH SALONS

"HOW-TO"...
DRIVE GROWTH
IN SPRAY TANNING

CREATE MORE SPRAY TANNERS SELL MORE SPRAY TANS™

ALSO AVAILABLE

WWW.MYSTICTAN.COM/GROWSPRAY

WWW.VERSASPA.COM/GROWSPRAY

LET'S GET GROWING!

Winning in Automated Booth Spray Tanning - Secrets of High Growth Salons

Every salon shares the same goal: Create More Spray Tanners – Sell More Spray Tans! It's happening, in 2017, over 1,000 salons grew their automated booth spray tan sessions by 28% or higher.

How-To Guide

This "How-to" Guide was **distilled from salon owners** to share the new and winning methods salons are using to dramatically increase automated spray tan sales and profit dollars.

Grounded in Research

These insights come from salons just like yours, and were captured through

- Formal and informal market research with tanners and non-tanners
- An analysis of salon's POS data
- General market observations
- Feedback from salon owners

The insights are distilled to 5 Core Principles and a series of Action Steps to drive your automated spray business.

Get Ready to Grow!

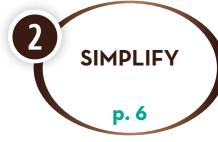
SALONS TEACHING SALONS



5 CORE PRINCIPLES



Focus on the most important stats (it's not what many think).



Simple beats complex every day.

TARGET
HIGHEST
POTENTIAL
CUSTOMERS
p. 13

More customers, more visits.



Simplify training, improve selling.



The right: customers, message, offers - **EVERY DAY.**

MORE IDEAS TO TURBO CHARGE YOUR BUSINESS see p. 26-30

The purpose of this handbook is to help you drive sales. The process should begin and end by placing yourself in your customer's shoes. Ask yourself:

- What would make them visit, buy, and come back?
- What do they want changed/fixed?
- What "promises" would they love to hear?

Detailed findings on customers' thoughts, feelings and desires can be found in the Market Research section at the back of the handbook.

CORE PRINCIPLE #1



Look at The Numbers

Your POS data offers a goldmine of new and valuable insights about your business and your Sunless, Inc. representative can be a powerful ally to analyze that information for you and serve as your partner for growth.

PRIORITIZE # OF TAN SESSIONS PER DAY OVER DOLLARS PER SPRAY SESSION.

You Need To Know:

- The number of spray tan sessions performed per day an important and often overlooked statistic.
 - Session growth is the best indicator of long term success
 - # of sessions need to be increasing consistently to have steady growth
 - Session growth indicates customer satisfaction

Current Average Selling Price Per Tan

- Industry studies show that salon owners over-estimate the Average Selling Price (ASP) per spray session.
- The analysis also reveals that after all the 'extras' (additives), deals, EFT, promotions and free tan sessions are factored in, the ASP for a single sessions is often much lower than salon owners think, between \$9 and \$18.
- Determine number of sessions paid at EFT price and walk-in price,
 which has a significant impact on the average selling price per spray tan
- Repeat visits to the salon is a critical indicator of customer satisfaction.
 - Most salons are disappointed with repeat % (customers who come back)
 - If repeat is below 30%, there's a problem with tan quality, price or salon experience
- Are you better than "average"? do you want to be?
 - In the USA, the average number of automated spray tan sessions performed per booth, per day is 7.7 across all booth models





ACTION STEPS:

Set a Big Goal & Beat the Average

- The spray tan opportunity is HUGE:
 - Only 3% of women spray tan annually, but millions are interested and willing.
 - You can't grow your spray business by getting more from your current EFT customers.
 - You need to get lots of new customers in the door to grow sessions, ASP, and dollars.
- How much would your business grow if every customer who spray tanned once last year came twice in the current year? Huge gain, right?
- Decide to increase the number of spray tan sessions by 25+% over the next 6 months. Make the goal clear to your staff and hold the team and yourself accountable to reach that goal.
- How to make it happen?
 - Evaluate and implement the action steps winning salons are using to drive growth





WE CAN HELP

If you don't know how many spray tans you average per day, your Sunless, Inc. representative can help you figure that out. Creating an actionable and viable plan depends on knowing that number.

CORE PRINCIPLE #2



Why Simplify?

Winning salons are seeing that a simplified (not lower) price structure and simplified menu/service options increase the number of spray sessions, increase the average selling price per spray tan and bring more new customers in the door.

Make it...Simple, Simple, Simple...to Spray Tan

- Businesses that offer customers a simple to understand and reasonably priced product/service, every day, are big, popular and growing. They have made it easy to try their product the first time, which creates a wave of new customers that remain loyal. You may even be one of their customers
 - Netflix, gyms (Planet Fitness, Crunch), used car dealers (Car Max), mobile phone carriers (one price, some no longer require a contract), Amazon Prime, Five Guys, car wash (3 bundles), Spotify, LinkedIn, storage rental units...
- 3 main benefits from simplifying the price and menu/service options
 - Fasier to train staffers
 - Easier for staffers to sell
 - Easier for the new customer to say "yes"
 - ... All three help drive increased sales and profit

SIMPLIFY PRICE AND MENU





ACTION STEP #1:

Simplify (Not Lower) Price for Basic Tan

& Additives (Prep, Bronzer, Moisturize, Scent)

 Determining a reasonable and optimal price for single sessions requires a little homework, using your POS system or data Sunless, Inc. can provide. You can simplify the homework exercise by having your Sunless, Inc. representative analyze the data for you for FREE. Just call us!

Industry Studies Show:

- It's extremely difficult to meaningfully grow your spray business by getting more from yourcurrent EFT customers
- When (new) tanners are required to pay \$30 and higher
 for a single session, the growth in new customers and return visits drop
- Tanning salons are competing with nail, wax and eyebrow services for customers. Consumers believe that nail salons have reasonable prices which has moved manicure and pedicure sessions from 'events' to routine.

Beauty Service	Price Range	How long does the 'benefit' last
Spray Tan (single session w additive)	\$32 - \$65	5 - 7 days
Manicure	\$20 - \$40	1 - 2 weeks
Pedicure	\$30 - \$55	3 weeks
Wax	\$40 - \$60	4 weeks
Eyebrow	\$12 - \$20	2+ weeks

Price: Basic Tan

 A simple and reasonable price structure can increase the number of sessions because when customers know that a reasonable price is available every day (along with hot promotions periodically) they come back more often, which will increase ASP, over time.



ACTION STEP #1:

New Approach

- Work with your Sunless, Inc. representative to see if your POS data can provide the ASP separately for single and EFT sessions. If not, just capture all sessions combined (single + EFT).
- Then, determine % of single session tanners that came back to tan again in the latest year.
- Then, determine how many new customers the salon added in latest year.
- Select (new) price for a basic tan. Select a price that will steal business from nail and wax salons as well as increase new customer visits and create more frequent repeat visits.



WE CAN HELP: HOMEWORK EXERCISE

- Determine total # sessions sold last 12 months (e.g. 1,926 ÷ 360 = 5.3/day*)
- Determine total sales \$ from all sessions in last 12 months (e.g. \$25,112)
- Determine the Average Selling Price (ASP) for session spray tan (e.g. \$25,112 ÷ 1,926 = \$13.03)
- * Below industry average 7.7/day

Price: Additives

- On average, salons sell about 1 additive for each tan session, but winning salons sell 2.
- Simplifying the price of additives, by assigning the same price for all additives. A common price has proven to increase overall sales. Winning salons are pricing all additives at \$3, \$4 or \$5, depending on their market.
- New Approach: -
 - Work with your Sunless, Inc. Representative to analyze your current additive business to understand sales trends to determine an optimal price to sell 2 additives per tan.





Simplify EFT:

A few words about EFT

- It's a great deal, in some instances, it may even be too good.
 - For many salons, the vast majority of spray tan sessions are paid via EFT pricing. This can be a double-edge sword. It's great that salons have a steady stream of revenue and give customers a great deal, but it also decreases average selling price (ASP) sometimes below \$10 per tan. To raise that ASP, salons are offering a more reasonable price for a single session to get lots of new customers in the salon, and have them return frequently, which will increase ASP.
 - For sunbed tanning, EFT makes great sense. After all, a tanner needs 3 to 6 sessions to reach their desired tan and must keep coming back to maintain the desired color. So, buying an 'unlimited' package via EFT makes perfect economic sense.

But spray tanning is very different than UV tanning

 A tanner reaches their desired level of tan in a single 4-minute spray session and history shows that only a fraction of spray tanners sign up for EFT, even if EFT is a great deal. That's why a high price for single sessions decreases frequency of spray tans.

• New Approach:

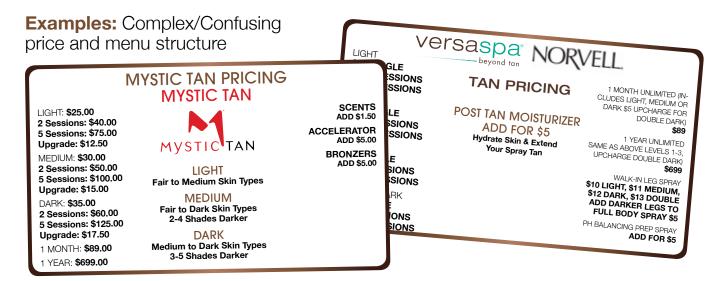
- In most instances, the EFT price should remain as is, it's already a great deal
- Several salon chains indicate that EFT memberships increased dramatically when online (one-click) cancellation was made available
- An easy cancellation process removed the tanner's fear of wasting money if they did not tan, so sign-ups increased
- Make it easy to sign up and cancel online





Simplify Tanning Menu/Service Options:

- In general, most spray tanners do not visit salons frequently enough to remember or easily understand the multitude of price and product/service options currently offered.
- This array of menu/service options can create confusion and frustration.
- It is also hard for staffers to remember, and communicate to customers.



- Fewer options make it easier...
 - To train staffers, for staffers to sell, for the customer to say "yes" and come back more often
- New approach:
 - Basic spray tan for single session (no additives): One price every day.
 - Additives: All additives have same price every day.
 - EFT: One option every day.
- Simple needs to be ... every day.
 - Customers respond to a fair deal, especially when they know it is available every day.

"One Size Does Not Fit All"

 Set price to best match your customer's budget. What's right for New York City may not be right for Toledo, OH. Regardless of the price, the structure of the menu/service options should be simple to maximize sales.







Salon Case Studies in Ohio, California, Kentucky Salons located in middle-to-lower income, and college markets

	BEFORE Average Selling Price (ASP) per Tan (Tan + Additives)	AFTER New Price Structure	AFTER Actual Price Paid per Single Tan Session (Tan + Additives)	AFTER % Increase in Sales Dollars/Session	AFTER % Increase in # Sessions/Day
Salon #1 - OHIO	\$13.46	Basic Tan \$15 Additives \$3	\$18.00	+25%	+8%
Salon #2 - CALIFORNIA	\$17.01	Basic Tan \$13 Additives \$5	\$18.00	+6%	+41%
Salon #3 - KENTUCKY	\$13.33	Basic Tan \$12 Additives \$3	\$15.00	+11%	+16%

After: Simplified & Reasonable price structure increased sessions, repeat visits and dollars per tan





Simple: A Viable Path to 7.7+ Tans per Booth, per Day:

- A more reasonable price for single session will get more new, young, millennial and middle-to-lower income customers to try spray tanning and come back more often
- More single sessions will also raise your ASP, driving incremental sales and profit
- More single sessions will lead to more EFT enrollment, over time, as tanners get hooked on spray
- New Approach:
 - Regardless of the price selected for basic tan, additives and EFT, the structure of the menu/service options should be simple, and be available **every day,** to maximize sales.

3 X \$21 IS MUCH BETTER THAN 1 X \$45



CORE PRINCIPLE #3



Focus on Your Most Promising Customers (Current and New!)

You cannot grow your spray business by getting more from your current EFT customers. You need to get lots of new customers in the door to grow sales & profit dollars.

Lapsed or infrequent spray tanners

- Often your best prospect is the customer who has purchased in the past
- Send an email/text with the great news regarding the new simplified price and service/menu options
 - Let her know you've listened to her
 - Give her a special deal to come back: 'Free Tan' for instance, so she can see and hear firsthand about the new simplified price and menu options.

Younger, middle-income customers

- Younger and middle-to-lower income people don't have much money so a spray tan needs to have a price that meets or beats the other things they spend their money on (nails, wax, brow, etc.)
- They're unlikely to spend \$30, \$40 or \$50 for a spray tan that lasts ~7 days
- Offer a simple and reasonable price for single session, every day

Millennials

 They're 'cord-cutters'. They don't like to be tied down (EFT) and they want to have the flexibility to tan-on-demand, at a reasonable price, everyday.

'Older' women are a gold mine

- The largest group who spray tan and buy self-tan products are aged 35 to 64
 - They have seen the damage the sun has done to their skin and are looking for an alternative method to tan
 - They have more money than younger people

3% OF WOMEN SPRAY TAN ANNUALLY, HUGE OPPORTUNITY!



ACTION STEP #1:

Event Tanning

 The surge in (new) tanners around events is the perfect time to offer a special deal like 'Next Tan, 50% Off must tan within 14 days'. Providing a great deal and creating urgency to tan again (soon) may help push spray tanning into her beauty and event routine.

Simplifying Impacts Promotions

 Simplifying the price and menu may allow you to decrease the amount of traditional price discount promotions, which will further increase ASP and profit.



Here Are a Few Promotion Ideas to get more tanners & create positive word-of-mouth

Improve 'Free Spray Tan Day'

- Make the inclusions/exclusions very clear
 - If "free" only includes Level 1 or Light, indicate that clearly
 - If 'additives' are not included, indicate that clearly
- Make 'Free Tan Day' a hugely impactful marketing event
 - Consider including all tan levels in the free offer (from light to dark), and 1 additive
 - Offer easy 'come-back' deals:
 - See promotional ideas section
- The more people who have a great experience and a great tan, the more repeat customers you'll get and, over time, more EFT enrollments

Free tan day

 This may be the quickest and best way to let customers know about your new/simplified price and menu options to get newbies and lapsed/infrequent tanners into the salon

Insight: Tanners can get turned off by Free Spray Tan programs if the deal is not communicated in a clear or easy-to-understand manner.

IMPROVE
'FREE SPRAY DAY'



- Bring a friend
 - 50% off or free tans for a friend
- Buy X Get Y Free!
 - Free spray session with purchase of any UV or self-tan retail product
- Student discount with school ID (\$10 tans)
- Buy 2 tans, get 1 free or Buy 2, get 50% off 2nd tan
- Free additive day
- Free additive or packette for a testimonial, "Like" or #ILoveSprayTanning
- \$25, any tan level, 2 additives
- Saturday Special
 - Historically, only 12% of spray tan sessions occur on Saturday, versus 51% on Thursday and Friday, combined
 - On Saturday, there are still 2 days left in the weekend lots of fun can still be had, especially when she's looking her very best
 - Make Saturday work harder for your salon by offering the "Saturday Special" with special price on Saturday morning spray tans

ACTION STEP #2:

Fish Where the Fish Are

- Start small if needed, accumulate a few wins and build from there – for instance:
 - Identify the high schools and colleges in your area
 - Google to see the enrollment of female students, for example, 500
 - Decide to get 10% to visit your salon (50 people)
 - Start marketing to those groups (see marketing section for ideas)
 - Consider how much those women can afford to pay for a spray tan (vs. nails, wax, eyebrows)
 - 50 customers x 2 spray sessions next year x \$21 per session = \$2,100 in new business, just from 50 of those women

REASONABLE PRICE EVERYDAY, BEATS PROMOS







Staffers Can Make Spray Tanning Cool and Desirable

 Develop a motivated, persuasive staff to be enthusiastic and convincing advocates of spray tanning

- Allow 1 free spray tan per week for staffers (any, and all options)
- Promote demonstrations seeing is believing:
 - Spray Tan Uniform: At least one staffer per shift should wear a fresh spray tan
 - Play spray tan demo video inside salon, on salon website and include in emails
 - Get staffers involved in marketing! Post customer testimonials and pictures on salon web site and social media

Easy Ways For Staff to Sell a Spray Tan

- A simplified price and menu makes staff training and selling to customers easier
- It is their job to sell spray tans and you need to make sure they are trained. Here's a few ideas to start the sales pitch/education:
 - Live testimonial: Look at me (or another staffer), I spray tanned yesterday
 - Here's what I love about spray tanning ...
 - Let me tell you what spray tanners love about it ...
 - We have 50 people spray tan each week and what they love is ...
 - UV tanning is my fave, however, our spray tan customers look amazing ...
 - Only takes 4 minutes to get a gorgeous tan ...
- Use Sunless, Inc. training resources
 - Have staffers watch and study the product training videos available from Sunless, Inc.
- Solve training and turnover issues
 - It's a fact that turnover is high in every retail business
 - The hiring, training and re-training process takes the salon owner/manager away from other important activities like advertising/marketing
 - Think how much time you will save in training and how much more effective your staff selling will be with a simplified price and menu option











Get More People in the Door! How to Market/Advertise Spray Tanning:

- The best catalyst for long term business growth is to increase the number of people who spray tan
 - To expand customers, you need to reduce the barriers to try spray tanning and offer a better overall deal than your competitors (other tan salons, nail, wax, eyebrows, etc.)
 - Your customer must see that the overall value of a spray tan, which lasts ~7 days, is better than other beauty treatments which can last 2-4 weeks longer



- What is marketing? Anything the customer deems important
 - What does the customer notice and care about?
 - Location of salon
 - Cleanliness (staffer uniform, waiting area, floors, rooms, walls, etc.)
 - Paco Underhill, best-selling author of "What Women Want", says that above all else women want 'clean'
 - Respect: politeness, assistance, knowledge, eye contact
 - Convenience: in and out guickly
 - Fair prices & policies
 - Results: looking great after the tan session
 - Salon website: easy and intuitive to use, helpful info
 - Email: friendly, easy to understand, helpful info
 - EFT: easy process to sign up or cancel
- How does your salon measure up to the things that customers notice and find important?

In short, customers of any business like to be treated the way **Southwest Airlines** treats passengers: Super easy booking and check-in process, no cost to change flights, bags fly free, no blackout dates for free flights, super friendly & helpful staff, reasonable prices, 'transferency' – no hoops, fine print or strings.





Get More People in the Door! How to Market/Advertise Spray Tanning (continued)

Provide Everyday Tips

- Facebook/Instagram/Twitter, etc. (standard posts, not paid advertising): It's critical to post regularly. Long gaps in your social feed suggest you may be out of business or not paying attention to your customers.
- It's important to monitor and respond to posts from customers politely and quickly – to both positive and negative comments. Avoid debates or conflict.

Offer 'value': Followers want to know "what's in it for me?"

It doesn't always have to be discounts or sales promotions.
 It can be instructional information, tips and tricks, 'salon-made' video.

Social media & marketing

- Increase the salon's social media followers
 - If a customer follows your salon on Facebook and Instagram, follow them doing so will make it clear to them that you care about them and their social media presence



Facebook

- Spray tanners tend to be women 35+ as do Facebook users, so use FB to send an ad to people who have an expressed interest in tanning and are located near your salon
- You can use FB paid advertising option (sponsored ads, boosted posts),
 which is inexpensive and allows you to control the budget
 - Pay to boost a post: boosting means that you send post/ad to people who already follow the salon. A boosted post/ad is more likely to reach all current followers vs. a standard 'organic' post
 - Pay for sponsored ad: This ad permits you to send the post beyond your followers and target people you select based on age, sex, location, interests (tanning), activities, etc.

WIN THE 35+ CROWD







Social media & marketing (continued)



Instagram

- It's all about attractive pictures (including before and after) and memes that are fun and catchy
- The top 3 rows on your IG feed are critical to gain interest and engagement make sure they look great
- Keep the words in the pics/images short and sweet
- Search and regram relevant posts, like those that carry the hashtag #salonname, #spraytan, #spraytanning, #sunless, #tangoals, #MysticTan, #Norvell, #VersaSpa



Advertising on Facebook, Instagram, and Google Search

- One great aspect of advertising with these companies is that you control the budget on a daily basis and you can spend as little or as much as you want
- But using the various tools these companies provide to advertise your business is not easy for everyone
- To make sure you're reaching the desired audience in the most cost-effective way, you may need to hire a digital agency/freelancer
 - Choose an agency/freelancer with Facebook, Instagram, Google Search experience
 - Above all else, make sure the agency/freelancer has experience with local retail marketing. This type of marketing is very different from national/product/brand marketing
 - Vendors will typically charge \$1,000 or more to setup an initial program, along with some additional dollars to maintain the program
 - Always make sure the vendor is focused on ROI (# new customers, # responses to ad, sales goal, etc.)



IT'S FREE

AN ON

CREATE MORE SALON VISITS



Social media & marketing (continued)

- Social Media: Messages, Images/Pictures
 - Messages
 - Make it simple and clear ("Save on a Spray Tan" or "Lose 10 lbs. in 4 minutes") versus something clever or ambiguous ("Want a happier, slimmer summer?")
 - Keep headlines short ... 4-6 words
 - Images
 - Choose images with clean backgrounds
 - If advertising to an 'older' demographic, use imagery which matches to that demographic as opposed to only using models in their 20's
 - Go to the Mystic Tan, Norvell, and VersaSpa Owner's Marketplace web sites and feel free to take the images posted there for use on your salon's social media pages.
 - Models:
 - Buy/use professional and attractive pictures
 - Go to iStock, Shutterstock or other sites and buy pictures of people with a great tan who match the profile of your customers. Buy 'Royalty Free' images - they cost a bit more, however, you own them and can use them forever, wherever you want
 - Pictures should look like the people who visit your salon
 - Pick models in different type of outfits: bikini, workout gear, party dress, etc.
 - Pick models across ages 20, 30, 40, 50+



FOLLOW @MYSTICTAN, @NORVELLSUNLESS, @VERSASPA ON INSTAGRAM FOR MORE IDEAS!



Social Media Ideas

- These themes and simple messages have proven effective:

Contest/Giveaway

- Particularly effective with Instagram and proven to generate the most likes, followers, engagement
- Give away something that's popular amongst your customers
- Offer customers an incentive to "Like", tag, post, give a testimonial or bring along a friend
- Experiment until you determine what works

IDEAS: Contests/Giveaways

- Tell us your favorite summertime activity and tag your BFF and enter to win
 - Reward everybody, or pick 1 winner at the end of each day
 - · Post winner on salon's social media

IDEAS: Prize Ideas

- Free applicator mitt, additive, packette, etc.
- BOGO retail products
- Free Tan

• Immediate Gratification Message

- Grab attention with the convenience spray tanning delivers

IDEAS:

- '4 Minutes to Beautiful'
- 'Exercise 4 months or get tan in 4 minutes'
- 'Drop 10 pounds in 4 minutes'
- 'If you can't tone it, TAN it'

DROP 10 LBS. IN 4 MINUTES



- Social Media Ideas (continued)
 - Remove the Fear of Orange

IDEA:

- '0% Orange, 100% Gorgeous'
- 'Goodbye Orange, Hello Gorgeous'



Celebrity Message

IDEA: Implied Celebrity Endorsement

- Celebrity-centric posts have proven to get high interest
- Use pic of a woman with a great tan who has the 'celebrity' look
 - 'The Celebrity Tanning Secret'
 - · 'Celebrity Beauty Secret'
 - · 'The Red Carpet Secret'

IDEA: Turn Celebrity Lemons into Lemonade

- The internet loves to play 'catch the celebrity with a spray tan fail'
- Repost the picture accompanied by message:
 - "Never happens at 'x' salon'
 - 'Wouldn't happen if 'JLo' tanned at 'x' salon'

Weddings and Events

• Use weddings to build trust – same goes for prom, etc.

IDEA:

- Use picture of bride and bridesmaids, or a bunch of friends in a wedding setting
 - Spray Tan: 'Trusted for her MOST Important Day'
 - Spray Tan: 'Trusted for the biggest events'

CELEBRITY SECRET
WEAPON

sunlessind





Update Your Salon Website

- Post NEW simplified price and menu/service options
- Post a great offer for new tanners in a prominent location
 - 1st time customers tan for free: Light, Medium or Dark tan
- Communicate & Sell BENEFITS of a spray tan, such as ...
 - Breakthrough technology neutralizes orange undertone
 - 4-minute tan session (fast, easy)
 - Lose 10 lbs. in 4 minutes
 - Use celebrity beauty secret
 - Satisfaction Guarantee
- Include FAQ section on the site that addresses spray tanners concerns and most common questions
 - See the Tanning Guide on Mystic Tan, Norvell, and VersaSpa for great information that tanners need and love
 - Will I turn orange?
 - How to avoid 'orange'?
 - How long will my spray tan last?
 - How do I extend my spray tan?
 - How dark can I get (they want to know they can get 'dark enough', and control the depth of color)?
 - Also, include the most common questions posed to your staff
- Place an Email address sign up on every page of web site
 - Allow visitors to leave their email address to receive news, specials

Get Local Bloggers to promote salon and spray tanning:

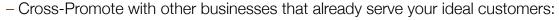
- Find local bloggers who write about beauty, health, lifestyle, fashion, culture, entertainment
- Where? Local ... Newspapers, TV stations, Colleges, High Schools, Chamber of Commerce
- Invite them to spray tan for Free
- Don't skimp with bloggers: Let her tan once a month for free! Offer any & all options, ask her to bring along 1-2 friends and ask her to write about the experience – no strings attached
- Give the blogger a special offer to include in the review, such as '1st timers tan for free'
- Once bloggers get hooked on the spray tan, they'll keep mentioning it in other posts





Maximize Guerrilla/Street Marketing

- Only 3% of women spray tan annually, but millions are interested and willing. What an opportunity for growth.
- Recruit that huge audience of potential customers
- The ongoing success of the salon depends on bringing new customers into the door to try spray tanning and then come back frequently.
 - The more first-time spray tanners you create, the more chance you have to sell an EFT down the line, once they are hooked
- Sidewalk sign: Let people know you offer spray tanning
 - One of the most highly ranked tanning search terms on Google relates to 'Tan salon near me' (as in, Where can I get a tan near me?)
 - Even if your salon is located in a prominent and high traffic area, you still need to let people know you are there



- Beauty/Hair, Nail, Massage, Spa, Gym/Fitness, Yoga, Pilates, Dance, Wax, Brow/Lash
- When you visit another business, 'wear' a great spray tan to provide a convincing testimonial
- Provide professional business cards that includes free spray tan offer to be passed out to their customers – also, let owners know you're willing to promote their business to your customers
- Ask owner if willing to include free spray tan offer in next email to clients
- Offer owner and staff free spray tan (anything they want)

EACH YEAR ONLY 3 MILLION WOMEN SPRAY TAN.





• Maximize Guerrilla/Street Marketing (CONTINUED)

- Colleges:
 - Contact leaders: Sorority, Cheerleaders, Gymnastics, Dance, Yoga, Pilates, Fitness
 - Recruit "Tanbassadors" so they can promote spray tanning with word-of-mouth endorsement
 - Newspaper, web site, DJ/radio station, blogger
 - Advertise and/or offer special promo
 - Host a Sorority fund raiser (Discount for members of sorority and 10% of sales donated to sorority)
- High Schools, Cheer Gyms, Dance Studios, Pageants:
 - Many areas have age restrictions on UV tanning and for many high school students that means spray is their only tanning option
 - Advertise in local high schools
 - Advertise and/or offer special promo (dances, prom, spring break)
 - Support school fundraiser to help fund dance or after-Prom party (\$10 per basic tan)
 - Cheer or dance team fundraiser to support travel to camp or competitions
- Beauty Schools
 - Offer free spray tan to staff and students
- Women age 35+ are a gold mine
 - The largest group who spray tan and buy self-tan products are age 35 to 64.
 - Why is that?
 - They have seen the damage the sun has done to their skin and are looking for an alternative method to tan
 - They have more money than younger people
 - They're smart and experienced
- Use staff's downtime, or slow periods to your advantage
 - Stay in Touch with your customers:
 - Two days after each customer's spray tan Text/Email/Call each customer to ask if they are satisfied with the results
 - If not satisfied, remind them about 'Satisfaction Guarantee'
 & offer free tan if satisfied, give tips to maintain the tan
 - Book appointment for next 'event tan': Vacation, Holiday, etc.

MAXIMIZE STAFFER PRODUCTIVITY





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MORE IDEAS TO TURBO CHARGE YOUR SPRAY TANNING BUSINESS

ACTION STEPS:

Optimize Performance of Spray Equipment

It's very important that the booth is operating in the best manner possible to give the tanner a comfortable experience and a beautiful tan, and maximize the salon's investment in spray equipment. **Here are a few steps to optimize the equipment and avoid/minimize downtime:**

- The VersaSpa PRO and Mystic Tan Kyss models have a 'Connect' feature. Connect acts like a car dashboard identifying and alerting the salon and Sunless, Inc. tech service to aid in fast diagnosis and correction. To take advantage of this powerful feature, the salon needs to connect the booth to the salon's WiFi. When connected, the booth will communicate alerts to the Sunless, Inc. Tech Service team to help you quickly resolve issues.
- Routine Maintenance: Salon also must adhere to the daily, weekly, monthly
 maintenance schedules created for each booth, which are available online.
 If these schedules are followed, performance issues are much less likely to occur.
 Keeping your booth clean and performing regular inspections is important to
 optimize performance and prevent downtime.
 - http://versaspa-businessowner.com/user-guides/
 - http://mystictan-businessowner.com/tech-support/
- Warranty: Take advantage of the terms of your warranty, regarding component defects. Your tech service representative can help you diagnose defects and coordinate replacement.
- Sunless, Inc, Tech Support team is available to discuss, troubleshoot and correct any issue that arises big or small. Contact the team at the first sign of any issue: Tech@SunlessInc.com, or call 855-450-3500.

ACTION STEPS:

Conduct a Room Productivity Assessment

- Make spray tanning easy, quick and enjoyable "I love to be kept waiting" #SaidNoOneEver. Yet, Thursdays and Fridays have very long wait times for spray tanners.
- What can a salon do to reduce this inconvenience and maximize sales?
 - Begin by conducting a market survey on Thursday and Friday to see if other local salons make their customer wait as long as your salon. If the wait is less than your salon, they may have more than 1 spray room, or too few customers
- Once you complete the survey, you should conduct a Room Productivity Assessment – again your Sunless, Inc. representative will be happy to do this work for FREE!
 - When you review your POS data, see if you have any salon rooms generating LESS THAN \$55,000 in annual sales at 80% gross margin. If some rooms are below that standard, here's something to consider:
 - Across all salons spray booth performs 7.7 spray sessions per day, per booth on average.
 Do you?

7.7 SESSIONS PER DAY (average # spray sessions, per booth, per day)			
x 360 days			
= 2,772 spray sessions per year			
x \$21.00 per spray session			
= \$58,212 in annual sales for salon			
90% gross margin (cost solution/tan = \$2.00, price \$21)			









Is It Time To Add Another Spray Room?

- Many winning salons are adding spray rooms to their salon. You might be
 concerned that adding a room will not add more sessions. While there is no
 guarantee, studies have shown that salons that have added a spray room and
 implemented a reasonable price for single sessions and simplified menu structure
 increase sessions 40%
- Adding a room makes tanning quicker and more convenient for your customers and they appreciate that. Convenience may help you win customers from nail, wax, eyebrow businesses and other tanning salons
- New or used booth?
 - If the thought of spending for a new booth is daunting, consider buying a used booth (as long as it has been treated nicely by the previous owner)
 - Take advantage of new IRS tax rules that allows salon to deduct 100% of the cost to buy a new or used spray tan booth. Check with your personal tax professional to understand how the rules may impact your business
 - Also, spray tan sales are exempt from 10% Federal excise tax ("Tan Tax")

Booth Payback Schedule

Booth	Booth Cost	Revenue Per Tan	Tans Per Day	Annual Sales (365 Days)	# Months For 100% Payback
NEW	\$22,000- \$26,000	\$22	7.7	\$58,212	5-6
USED	\$10,000	\$22	7.7	\$58,212	2-3

COMPARE ROOM PRODUCTIVITY





GETTING STARTED:

Talk to Your Sunless, Inc. Representative

- It's not easy to make the time to conduct an informative analysis of your spray tan business
- Your Sunless, Inc. representative is trained, ready and available to do that work for you, for FREE
- The analysis is most informative when your POS data is used, but some of the analysis can be done with data provided by Sunless, Inc. – Let's Talk!
- In addition to analyzing your current business, Sunless, Inc. has a tool called "Spray Tan Maximizer" to forecast sales and profit changes for your business. This can help you decide which actions to take and creates a measuring stick to assess your progress

WIN WITH THE "SPRAY MAXIMIZER" TOOL! CALL US TODAY!



MARKET RESEARCH

Consumer's interests, preferences and habits are changing.

Every business must be in tune with these developments, or they put their business success at risk. As salon owners, you live the business every day and it will be interesting to see how your own experiences align and contrast with the findings included in this section.

Understanding the hot button issues (good and bad) for current and prospective spray tanners will help you identify the issues most important to your customers – what's working and what needs attention – so you can make a plan to grow.

MARKET RESEARCH FINDINGS:

What is the Potential Market?

The spray tan opportunity is HUGE:

- Only 3% of women spray tan annually, but millions are interested and willing
- Go get that 97% with great advertising and marketing

Self-tan retail products:

- Approximately 4 million out of 100 million women purchase/use a self-tan product in a year
- However, it is projected that 70+% of women in the USA have purchased/used a self-tan product more than once in their life

What is the Age Sweet Spot?

 Well, 23% of the market is between the ages of 18 and 34, which means that 77% of the users of spray tan and self-tan products are 'older' – age 35+

% of Women per age group who used self-tan product during the season		
Women age 18-24	11%	
Women age 25-34	12%	
Women age 35-44	23%	
Women age 45-54	18%	
Women age 55-64	22%	
Women age 65+	14%	

Source: Media Research & Intelligence Study

Why are People Reluctant to Try Spray Tanning and Tan More Often?

Price:

- \$30-\$60 to try a product for the first time is just too much

Fear:

- Fearful of unnatural look due to orange tint, looking like "Ross" from Friends TV show, seeing celebrity "fails" in the news

Lack of awareness:

It doesn't cross my mind; I don't see it advertised; I'm not a tan salon customer;
 I don't see it offered in my hair salon/spa

Outcome / Quality:

- "The tan wasn't as good as I had hoped"

sunlessind





Top 3 Reasons People Try Spray Tanning for the First Time

- **1 Big-event:** date, wedding, prom, vacation, party/gala, etc.
 - Interestingly, most people try spray tan for the first time when they can least afford a 'beauty mistake'
 - The surge in (new) tanners around events is the perfect time to offer a special deal like
 'Next Tan, 50% Off must tan within 14 days'. Providing a great deal and creating urgency to tan again (soon) may help push spray tanning into her beauty and event routine.
- Priend had a great spray tan:
 - Never underestimate the power of a recommendation
- Free tan trial offer:
 - Free is a powerful word...

Are 1st time Spray Tanners Pleased with Their Spray Tan and Spray Tan Experience?

- **YES.** Most 1st timers are very pleased with the quality of the tan and the overall tanning and salon/staff experience "The tan was much better than I expected"
- Most people seem generally interested in spray tanning more often - <u>once they try it</u> and they believe they got a fair deal.







Know your competition: Women have many options for 'beauty treatments/services' - you need to offer her a better 'overall' deal than she is getting from other businesses

Beauty Service	Price Range	How long does the 'benefit' last
Spray Tan (single session w additive)	\$30 - \$65	5 - 7 days
Manicure	\$20 - \$40	1 - 2 weeks
Pedicure	\$30 - \$55	3 weeks
Wax	\$40 - \$60	4 weeks
Eye Brow	\$12 - \$20	2+ weeks
Hair Cut	\$40 - \$75	1 - 4 months
Hair Color	\$60 - \$80	2 - 6 months
Hair-Highlight	\$80 - \$140	2 - 4 months
Hair Blow Dry	\$30 - \$40	1 day
Facial	\$65+	1 day - 1 week
Massage	\$65 - \$100	1 day
Eye Lash	\$150 - \$250	3+ weeks
Teeth Whitening	\$30+ (store kit)	6 months

How Do Consumers Feel about Menu/Service Options?

• **Hard to understand:** Too many options with too many different prices, and lots of up-charges

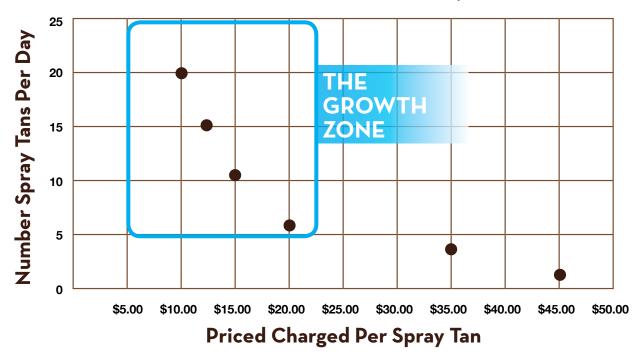


How Do Consumers Feel About EFT?

- The value/discount compared to single session price is very good
- Like the unlimited tan option
- BUT don't like the hard sell
- Just want to tan when I want to tan and pay a reasonable price at that time
- Don't want to have my card charged automatically, every month
- Afraid it will be difficult or complicated to cancel
- Salon Owners:
 - EFT is obviously the best deal (for person that wants to tan frequently)
 - Not happy with growth in EFT memberships

Price Affects # of Tans Per Day

Based on salon case studies, \$15-\$22 dramatically increases sessions



MORE VISITS MEAN MORE EFT

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THANK YOU!

Reminder: The growth planning process should begin and end by placing yourself in your customer's shoes.

Ask yourself:

- What would make them visit, buy, and come back?
- What do they want changed/fixed?
- What "promises" would they love to hear?

CREATE MORE SPRAY TANNERS SELL MORE SPRAY TANS™

ALSO AVAILABLE

WWW.MYSTICTAN.COM/GROWSPRAY

WWW.VERSASPA.COM/GROWSPRAY



