

HOW TO IMPLEMENT THE DREADED PRICE INCREASE WITH CONFIDENCE

Many salon owners struggle when it comes to implementing a price increase, but this article will encourage you to feel good about your decision.

When you visit the supermarket, are you surprised to find the price of your favorite soap powder has increased by 40cents? If you notice at all, you probably say to yourself. *“What, again? Oh well it’s only 40cents.”*

That usually represents about a 10% increase. Supermarkets do it regularly, they increase prices by amounts of around 10% and don’t think twice.

Most salons only consider a price increase once a year or in some case less frequently.

Once you have made the decision to do it and have taken the time to work out the increases, you then have the responsibility of telling the team and the clients, and it really is not as dreadful as you would expect it is.

Will I lose clients because I have increased the prices? This is always a question asked.

You as a business owner have every right to increase your prices to make up for the variety of increased costs that are passed on to you.

Just think about these questions:

- Has your rent gone up in the last year?
- Has the cost of product gone up?
- Has electricity increased?
- Has your insurance increased?
- Have wages increased?

The list goes on and on.

As a professional businessperson you not only have the right to increase prices, you must, if you want to continue to run a profitable salon. The secret is in selling it to your team and then getting their attitude right to handle any enquiries that may occur from clients.

No, I don’t suggest you put up a sign saying you have had to increase your prices. Does the supermarket, or your favourite restaurant advertise when they have an increase? When

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restaurants want to increase prices, they simply change the menu. They invent new dishes and increase prices so that clients who may be regular aren't obviously exposed to price increases.

What I do recommend you do is hold your head high and confidently say, *"Yes we have had a small price increase. It is the only one this year."*

Very often a client will comment, but it is not meant to be a negative or complaint, just an observation.

"You have had a price increase!"

We get overly sensitive and think they are reacting negatively, but it is just a comment. Be positive about increasing your prices, but make sure you are giving your clients the absolute best service and treatments so that your price is justified, and they know they are getting good value.

Price will only be an issue if that is all you are offering.

YOU DON'T GET PAID FOR THE HOUR
YOU GET PAID FOR THE VALUE YOU BRING TO THE HOUR

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