

## **IT'S TIME TO STOP FEARING CANCELLATION FEES**

### **Caronlab Australia in Salon Management**

In our line of business, we have been putting up with every whim of our most dreaded clients: The Serial No-Show and the Last-Minute Canceller – the clients that can cripple our business and are costing the beauty business huge amounts of money. Most of us have probably got a cancellation policy in place in some way or another, but we're too afraid we'll rub our clients the wrong way if we enforce it. But times are changing. Clients expect to be charged a cancellation fee from laser clinics, hairdressers and injectables clinics – it's time to make it common practice for waxing salons too!

Over the last two years we have successfully implemented a cancellation procedure at our flagship salon Smooth & Tan. You might wonder why it's taken me this long, when I've been in business for over 40 years: it's because a lot of my clients have been with me from the beginning. I have been struggling to implement the cancellation policy with our most loyal clients, and I know many of you can relate to that. But I believe we have found a way. It wasn't always easy, and we've had to fine tune our procedure as we went, but we got there! It has helped us minimise the number of no-shows and cancellations and 95% of all cancellations and rescheduled appointments are now done at least 24 hours in advance.

#### **First things first – the actual Cancellation Policy**

A cancellation policy is a tool that protects you from losing money when clients change or cancel their appointment last minute – or worse; don't show up at all. The policy has 2 main goals: 1. Deterring people from making last minute changes and 2. Covering staff wages and other costs if it does happen. It should be clear that it's not a tool to make money.

Keep the policy simple and fair: if a client cancels or changes their appointment with less than 24 hours' notice, a cancellation fee is charged for 50% of the service cost, but never more than \$100. Make sure all staff are educated so they are aware of the policy and repeat the same conditions to the clients. If you want to implement a cancellation policy effectively, everyone and everything in your salon needs to be consistent and tell the same story.

#### **Giving people the opportunity to cancel or reschedule on time**

More than anything, our success comes from putting systems in place to PREVENT last-minute changes. Actually, enforcing the cancellation policy is a final measure to fall back on if all else has failed. After all; positive reinforcement works better than negative!

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The absolute best tip I can give you when it comes to this issue is to set up a reminder-SMS that is sent out 48 hours prior to the appointment. The SMS should state your business name, the date + time of the appointment and a request to confirm the appointment. Most clients reply to the text immediately, but if they don't, we follow it up with a phone call on the same day.

We regularly get feedback from our clients that they appreciate the reminder very much!

### Discouraging people from cancelling late

Another incredibly helpful way to minimise last-minute changes and no-shows is simply to encourage people to pre-pay their appointments. At our salon, clients receive a 10% discount when they prepay their appointment. It's a standard question our receptionist asks with every booking: "Would you like to prepay this appointment to receive a 10% discount?". Most people love this easy way to save some money and take the offer.

If you find it hard to ask your clients to prepay the full amount, a great alternative is to ask for a \$50 deposit on appointments over \$100. Or, if you don't feel comfortable taking any payment up front, you can always ask them to walk in when they want and let them know you'll do your best to fit them in at that time. Remember, you only need to do this with people that have proven to cancel last minute in the past.

### Now for the hard part: enforcing the policy

So far, everything is relatively easy; clients are happy that they get a discount, they appreciate that you offer the ease of online booking, even the added service of reminding them of their appointment is valued. To keep this positive vibe going, we don't recommend strictly enforcing the cancellation policy with every client that cancels late. It's better to ease into it with proper, consistent communication. It helps to pinpoint clients that have cancelled last minute or haven't shown up in the past. In most client management systems, a pop up or note can be added to these client's accounts. This way, when the client contacts the salon, every staff member immediately knows what information has been given to the client and how lenient to be with them.

We enforce our cancellation policy with a 3-point procedure. You know your clientele best, so please use your own best judgement when enforcing the cancellation policy at your salon.

**Point 1 – Inform:** a client rings to say they won't be able to make it to their appointment today. You bring up their details and you see that this is the first time they have cancelled last

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minute since you've implemented your new policy. You kindly inform your client that a last-minute cancellation usually results in a cancellation fee of 50% of their appointment, but that you'll waive that for now. Make sure to make a note in the client's account details so that your staff are aware that this client has been informed of the cancellation policy.

**Point 2 – Remind:** the next time this client rings to cancel or reschedule last minute, you bring up their details and you remind them of the cancellation fee. Tell them that you'll waive it for now, but that they need to prepay or book online from now on. Make another note in the client's account so all staff know they've been reminded of the policy and that they need to prepay their appointments going forward.

**Point 3 – Enforce:** if the client still cancels last minute, you've given them fair warning of the cancellation fee and you can charge them accordingly. By now they will have prepaid their appointment and they will only receive a 50% refund if they cancel.

We've found that clients are usually very understanding, but it's always important to gauge the situation – after all, you don't want to lose a good client!

### Be prepared

It can be difficult to handle conversations like these well; it's very important to always keep your tone pleasant and to turn it into a positive where possible. Be understanding, be friendly, and let them know that unfortunately, you have to charge them the fee. If you feel your junior therapists aren't fit to deal with these phone calls, they should only be handled by the manager or by a senior staff member that can read between the lines and trust their intuition. If you or your staff find this hard, it's a good idea to write a script to help you get your message across in the best possible way.

### The exception to the rule

There will always be exceptions to the rule, for example when a client is ill or if there is an emergency, but we have found they are few and far between. Use your best judgement in these situations.

If you follow the above procedure, and give it some time, you will notice a big difference; not only in reducing the amount of money and time that gets wasted, but you'll also greatly reduce the amount of stress that you feel because of it.

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### Standing together to change our client's behaviour

It's not easy to change the behaviour of our clients. Consistency and repetition is the key: our power and influence is at its greatest when we all stand together. If we act now, it won't take long until our clients will start to expect a cancellation fee, after all; it's common practice in many other industries. Together, we can hopefully put an end to Serial No Showing and the Last-Minute Cancelling.

To end this article on a positive note; many of my clients have been with me since I opened my salon 40 years ago and they helped me get to where I am now. I value their business and am very grateful for their ongoing support. 95% of them are reliable and respectful – they appreciate the dedication we put in and value our skills and professionalism. These clients are the reason we're in business at all! The cancellation fee is really only in place for that 5% of clients that find it hard to organise themselves.

*Lilliane Caron is the founder and director of Caronlab Australia. Known worldwide for her waxing techniques, she has dedicated herself to her motto: 'for a better salon', by delivering superior products, exceptional service, and industry-leading education. But she's about more than just wax: in her untiring quest to make beauty therapists' jobs easier, Caron continues to devote herself to salon innovation. Her success is attributed to a high standard of customer service, training and customer support. Therapists can deliver every treatment in confidence knowing that Caronlab Australia's products care for the health, comfort and well-being of their clients as they indulge in their salon treatment.*

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