

WINNING IN SPRAY TANNING

LESSONS FROM HIGH GROWTH SALONS

SIMPLIFY

SIMPLE BEATS COMPLEX EVERYDAY

ALSO AVAILABLE
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SIMPLIFY

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**

- Easier 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**

Simplify (Not Lower) Price for Basic Tan & Additives (Prep, Bronzer, Moisturize, Scent)

- **Determining a reasonable and optimal price for a single spray session 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!**

Salon Owners Advise:

- **It's extremely difficult** to meaningfully grow your spray business by getting more from your current EFT customers
- When (new) spray 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 (No Additives)

- **A simple and reasonable price structure can increase the number of spray 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 spray sessions. If not, just capture all sessions (single + EFT).
- Determine % of single spray session tanners that came back to tan again in the latest year.
- Determine how many new spray customers the salon added in latest year.
- Select (new) price for a basic spray 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 spray visits.



WE CAN HELP: HOMEWORK EXERCISE

- Determine total # sessions sold last 12 months (e.g. $1,926 \div 360 = 5.3/\text{day}^*$)
- Determine total sales \$ from all sessions in last 12 months (e.g. \$25,112)
- Determine the Average Selling Price (ASP) for each spray tan session (e.g. $\$25,112 \div 1,926 = \13.03)

* Below industry average 7.7/day

Price: Additives

- **On average, salons sell about 1 additive for each spray session, but winning salons sell 2.**
- **Simplify 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 Spray 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 membership 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 spray 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 it's important to have a reasonable price for single sessions, because you need to get lots of new spray customers to grow sales and profit.

- **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

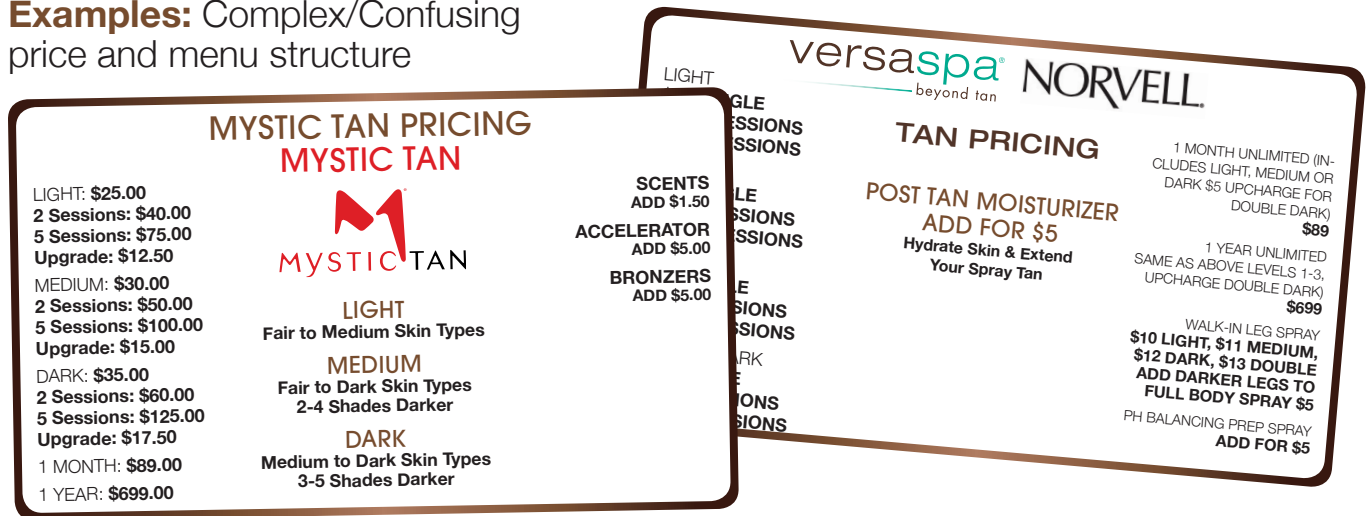
**SIMPLE BEATS
COMPLEX,
EVERY DAY**

ACTION STEP #3:

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.

Examples: Complex/Confusing price and menu structure



- **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.

Spray Tan 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 spray sessions, repeat visits and dollars per tan



ACTION STEP #4:

Simple: A Viable Path to 7.7+ Spray 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**

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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

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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