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are rewards programs worth it?

by Ameann DeJohn

The concept of rewarding a frequent, loyal client is certainly not a new one. But in an informal straw poll of owners, spa rewards programs were either not that common or riddled with inherent problems. Tracking, for one, was a major dilemma, and programs that relied on the cooperation of a third party (e.g., giving airline points for spa services) also ranked high on the heartburn scale.

Interestingly enough, our experience at Luxe Spa has been far different.

Are we lucky? Perhaps, but let's not down-play the research and effort that went into the design of our rewards program. In the following paragraphs, let me share with

you the details of our program and the benefits it brings both our spa and loyal clientele.

Initially, the spa coordinators are instructed to offer our Luxe Spa Rewards Program application to any client who seems to be developing a relationship with us. If for some reason we have been remiss in offering the program in a timely fashion, we will occasionally back-load a client's rewards card based on his or her past spending.

Once the application has been filled out, the client is issued a credit-card style card, complete with magnetic strip. As a client pays for services, gift cards or retail, 100 points are loaded on to his or her card for each dollar spent. Please note that any and all purchases count except

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those paid for with a gift card. Since we give points when the gift card itself is purchased, we don't give them when it's redeemed.

To simplify tracking the points, we use Lynk Systems (most credit-card processing firms offer these electronic services) as they provide a Web site for clients to view accumulated points. This helps to relieve the inevitable demands on our spa coordinators at checkout and helps ensure prompt front-desk flow. As

our clients hit required point milestones, they book the services they desire and "pay" for them with their rewards card. As the card is swiped for payment, the points are

electronically deducted from their account. For clients, it's hard to pick a favorite service at most spas, but the ones that don't cost hard-earned money always rank near the top!

The in-spa costs associated with our rewards program, besides the obvious "free" inventory, are \$1 for each card issued and \$.20 each time the card is loaded with points. Remember, the initial design and printing cost of the spa rewards application needs to also be considered.

The benefits to our clients are obvious, but the spa reaps its own rewards as well. Luxe Spa is able to build client loyalty for our services, and also toward our retail lines. We also limit the services offered for rewards program redemption to the ones that are either less popular or brand new. In



that way, we can use our rewards program to build up enthusiasm for slower moving inventory. Very often, a loyal skin care client will foray into another department to get a nail service or perhaps a massage. This helps us cross promote our departments as well as cultivate further total spa loyalty.

Is our spa rewards program worth it? Sure it costs a few extra dollars and takes a few extra steps, but my answer is a resounding "yes!" After all, what kind of price does one put on client loyalty? ■

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