



HOW TO PRICE YOUR SERVICES AS A NEW NAIL PROFESSIONAL GRADUATE

So **CONGRATULATIONS** you've now completed your **TAOND** program and it's time for all your extremely hard work to pay off! Your next step is opening a **TAOND Certified Home Salon** just as you've always envisioned from the beginning! So where to begin?



I've been asked many, many times by my students on how to create a service menu as well as how to price your services as a new graduate opening perhaps a home salon, so I thought it would be a good idea to write a short article explaining my thoughts on service pricing. You can take these key points into consideration or come up with your own service pricing basis – It's up to you!

To start pricing your services can feel tricky. First of all if you price your services too high then you'll price yourself right out of the market and find it hard to build up a clientele, but if you start out pricing yourself too low then you'll find it very difficult to raise your prices later in your career without upsetting your loyal clientele that you've build up. So, a well-thought pricing plan is vital to the success of your new venture.

Step 1 – Research whether there are competitors in your area or none. If there are competitors in your area you need to visit them in person to see first-hand what services they are offering and at what prices, and to experience their salon or spa atmosphere to find out if their service prices are justified. And are they busy? Do they emulate an environment that you appreciate? What are the differences between your home salon space and their store front space? What extras do you (or they) offer that may affect your pricing? Are you offering your clients a convenience that these salons or spas are not? Are their services good?

Once you figure out your basic pricing formula (discussed below) then given the answers to these questions above you may want to add or discount service pricing from your competitors.

If there are no competitors in your area (a real bonus BTW) then you're going to need to come up with a calculation and basic formula for setting your prices.

Very Basic Pricing Formula

Start by calculating a basic formula you need in order to determine a basic hourly service wage.

To do this you need to take into account your overhead costs (including rent, utilities, taxes, insurance, product costs etc.) then add into that amount your guess-timated cost of living (the amount you figure you need to live on) and finally your profit. Combine all that to get an hourly rate, divide that by 60 minutes, then times it by the length of time it takes you to complete each service (for example a basic manicure takes you 45 minutes so you'd divide your required hourly rate by 60 then times that by 45 to get your service price for a manicure. Or if it takes your 2 hours to complete a set of acrylics with tips then multiple your hourly rate by 2 to get your service price). Once you have that hourly formula you can apply it to all your services listed in your service menu.

Now, other thoughts that can affect your pricing; you are a newbie and will be making mistakes and may find it hard at the beginning to build up a clientele if your services prices are too high, or at the same price point of the local competitors, so in that case you may want to take that hourly rate and minus 20% to get your starting prices.

You can use this discount as your entry selling point with new clients to attract them away from local competitors. A lot of clients will be adventurous and may try you out just to save a little on their services at first, but you need to maintain them with your excellent customer service, beautiful salon atmosphere, service extras, and skills or they'll go right back to where they came from.

Once prices have been determined, one huge difficulty nail and beauty professionals face is raising their service prices for fear of upsetting their existing clients. And unfortunately, because they didn't start with a plan and a basic formula, they do it out of desperation

because they feel that they aren't making enough money.

But now that you have a basic formula you can choose when the right time is to increase your service prices **AND** you'll know by how much. It won't be some "willy nilly" price increase out of nowhere.

You'll be able to choose to raise them 10% at first, then later on, the left over 10%, or raise it the original 20% you discounted at the beginning when you feel the time is right.

Aaaahhhh when is the time right? Good question! A lot of nail professionals will tell you that the right time to raise your prices is when you have a "full book". A "full book" means that you are completely booked and can't take on any new clients and while I do agree with that theory in part, there may be other influences that can lead you to discover when that right time may be as well – use your instincts, listen to you clients, and base it on how you feel you are doing.

When getting to your hourly rate keep in mind – you are going to be providing unparalleled services for your clients – services they can't get anywhere else. Not only is it about your skill set, but it's also about your beautiful salon environment, your add-on services, your quality products, both during your services and retail, and their total experience with you. And providing these things cost money, so factor, for heaven's sake **TALK** about your extras so your clients know what they're getting for their buck. If you're not a good salesperson in this business you won't survive, so talk about what you do and why – **ALL THE TIME!!**

Also, it has always been my belief that you should offer a full range of services (natural nail care – spa and basic, fiberglass, acrylic and UV Gel) in order to meet the demand of anyone who may come to your door. You can't ever afford to turn away a client because they don't fit into your '**one size fits all**' world, you definitely need to be able to accommodate any client (healthy client) in order to become financially successful.

The complainers! You are always going to run across complainers! And that's OK! These are usually the clients who started out with you from the beginning and won't like paying more for the services they get from you even though your skills and probably timing have improved greatly over time – they can also be family members who expect you to do services for almost nothing!! If they have legitimate concerns about how they're spending their money and how you can improve your services or the extras you provide then fine,

you should listen and make adjustments along the way, excellent customer service is becoming a lost art and you need to keep it alive by really listening to your client's concerns, BUT if they are complaining for the sake of complaining – then fire them and make room for a new client who would be happy to fill their service time slot and pay you for what you're worth - the point is don't let them drag you down if you feel you're on the right path.

Now my final point is "how do you make up the 20% difference or even make more money in the beginning when it's slow building up a clientele?"

The answer is simple: **RETAILING!!** You will be making a markup on every item you sell! That's money in your pocket without ever spending an extra minute providing a service. Retailing is really the difference between financial success and failure.

I can't drill that into all my student's heads enough!! Work at retailing as hard as you do perfecting your service skills. Do your research in finding the right product lines to carry (make sure they can't walk across the street and buy the same thing at a Shopper's Drug mart), create gift baskets during holiday seasons, hand out discount coupons on new or old stock products, mention the retail that each and every one of your clients need EVERY visit! It will soon become second nature – and your financial statements will reflect it.

We have an AMAZING retailing program at TAOND called "**Earn While You Learn**" that puts together an entire retailing plan for you. Hope all of you find this information helpful. Of course, if you have any questions on any of the points mentioned please feel free to contact us at any time during business hours to chat as we would be happy to explain everything in more detail for you.

Take care and happy creating!

Thanks,

Jennifer