

Isn't It About Time You Raise Your Prices!

by: Susie Fields

First, it is important that you never justify a price increase to a client! You don't need to apologize for your talents. Do you think your customers are justifying their own pay raises? A price increase is something you earn with continued education, increased retention, and re-booking. When the demand is greater than the supply you raise your prices! We raise our prices based on the following criteria:

Booked Percentage- 75% or higher
Client Retention - 75% or higher
Client Re-booking - 75% or higher
Retail Sales-to-Service Ratio
Massage therapist - 5%
Nail technician - 15%
Hairdresser - 25%
Skin care therapist - 100%

Don't rely on the time of year or the demands of staff. Follow a systematic process and let that dictate your decision, not your emotions.

How do you inform your customers? Think of other professionals that raise their prices. Do they send a notice? Do they apologize? Do they post a sign in their business saying, "as of this date my prices will be _____"? The answer is unequivocally "NO!"

Why, then, do we feel compelled to post signs, sending letters, or apologizing to our clients for the raise? I say its self-esteem; not owning our power or our greatness about the work we provide. We have spoiled our clients by giving services to them for free, or undervaluing what we do charge them, then we end up mad because we don't make the money we deserve! I say, "shame on US!" It is time to take a stand, charge what you're worth and quit blaming your clients or anyone else for not getting what you deserve.

If you're so slammed you can't breathe, eat or pee, have a waiting list and are turning people away, guess what?.....it's time to raise your prices! Hold your courage in one hand and fear in the other and raise those prices!

So, how do we do it? Well, think about when you go to the grocery store and the soup price has increased. What does Mr. Campbell's do? They post the new price on the shelf and as you go through the check stand it's rung up with the new price. Now, I'm not saying you're like soup, but let's get some context! What about your physician? Your chiropractor? Your gym? Any signs of apology, probably not? It's dealt with more professionally.

Here is a dignified and professional way to post a price change:

1. Place a sign on the technician's mirror that says:
"Congratulate me, I've just received a promotion! Please ask me about the details!"
2. Decorate the station with balloons and banners. You know; like a promotion! "Congratulations" sign, etc. Clients are so excited for us! They don't know what is happening but it becomes more of a celebration than a penalty! "Perception is reality!"
3. Train the front desk staff how to respond to any questions regarding the price change in a positive and respectful way.
4. When we check the client out the new prices are presented to the customer on a bill or receipt that itemizes the services and retail purchases. Normally, about one-in-five customers will say

something about the new price structure, and some will even say "it's about time!" But, even for the one who has a challenge with the new prices our response should always be professional.

Here is how I would recommend responding:

Client: "Well, last time the price was "X".

Front Desk: "Yes, Ms. Client, we have given the technician a promotion and what comes with that promotion is a price increase of X. The technician has worked very hard, and has committed himself/herself to continuous education. Our technicians are rated the top in the industry and we are very proud of their accomplishments!" (State the facts. It is easier for the Front Desk to toot your horn than for the technician)

(Wait for client response)

Client: "Well, I wasn't prepared to spend the extra amount today!"

Front Desk: "I understand how you feel, Ms. Client, so I will honor the old prices today, but your next visit will be at the new pricing. Let's go ahead and schedule your next appointment. What works better for you, four or six weeks?"

(Wait for client response)

Client: "Six weeks works better for me"

Front Desk: "Would you prefer the first part of the week or the last part of the week?"

Front Desk: "Would you prefer morning or afternoon?"

Front Desk: "Great. We will see you on _____ @ _____."

It is our responsibility to take control of the situation. We are also giving the client a choice. It is time that we earn the respect we deserve and start charging what we're worth!

Now, for those of you that are "Independent Contractors" it is the same scenario and your criteria should be the same. Take the emotion out of it, and eliminate questions like, "am I good enough?," you made a business decision." If you're an Independent Contractor your client doesn't need to know how you are being compensated. Most customers haven't a clue about what Independent Contractor means. Run your business as a business, not a "one-man band!"

Good luck and much success with your next price increase and keep this in mind:

Fear leads you to believe that where you are is a safe place, and going forward is a risk. But the truth is you are always at risk when you are standing still; risk of stagnating, but more importantly, risk of missing out on your own destiny!