Retention strategy and customer loyalty in beauty salons in Belo Horizonte: A comparative study between target clients

Estratégia de retenção e fidelização de clientes em salões de beleza de Belo Horizonte: Um estudo comparativo entre clientes-alvo

Glesdiriana Ferreira da Cruz*, Sandro Patrício Ananias
Centro Universitário Metodista Izabela Hendrix University

ABSTRACT

This article aimed to study the beauty salons of the Centro and Savassi regions in the city of Belo Horizonte (MG), trying to understand what strategies are used to ensure the loyalty and retention of clients in these regions, since this sector has grown In a significant way in recent years, resulting in greater competition and competitiveness, as it is a demanding public that seeks better services allied to a fair price. As a theoretical basis, the works of the main authors related to the themes of Marketing and Strategy were visited. The research was carried out in an exploratory character that gave the researcher greater knowledge about the subject. The technique used to obtain the information was the in-depth interview with the owners of the salons of these regions, composed of two open questions that enabled them to identify the strategies used by them for retention and customer loyalty. The data extracted from the interviews were analyzed and compared to the researched literature.

KEYWORDS: Beauty salons; Customer loyalty; Retention; Marketing; Marketing strategy.

RESUMO

O presente artigo teve como objetivo realizar um estudo nos salões de beleza das regiões Centro e Savassi na cidade de Belo Horizonte (MG), buscando entender quais estratégias são utilizadas para a fidelização e retenção de clientes nessas regiões, uma vez que esse setor tem crescido de forma considerável nos últimos anos, trazendo como consequência, maior concorrência e competividade, por se tratar de um público exigente que busca por melhores serviços aliados a um preço justo. Como fundamentação teórica, foram visitadas as obras dos principais autores relacionados aos temas de Marketing e Estratégia. A pesquisa foi realizada em caráter exploratório que conferiu ao pesquisador maior conhecimento sobre o tema. A técnica utilizada para obtenção das informações foi a entrevista em profundidade com os donos dos salões das referidas regiões, composta por duas perguntas abertas que possibilitaram identificar as estratégias usadas por eles para retenção e fidelização dos clientes. Os dados extraídos das entrevistas foram analisados e comparados à literatura pesquisada.

PALAVRAS-CHAVE: Salões de beleza; Fidelização; Retenção; Marketing; Estratégia de marketing.

*Glesdiriana Ferreira da Cruz
Graduate student in Business Administration, Centro Universitário Metodista Izabela Hendrix University (CEUNIH).
(CEP 30160-012, Belo Horizonte, MG, Brazil).
E-mail: glesdiriana@gmail.com
Address: Bahia Street, 2.020, Funcionários, 30160-012, Belo Horizonte, MG, Brazil.

Sandro Patrício Ananias
Master in Administration, lecturer at the Centro Universitário Metodista Izabela Hendrix (CEUNIH).
E-mail:
sandro.ananias@izabelahendrix.edu.br

1   INTRODUCTION

The current scenario of beauty salons has been constantly growing in Brazil, becoming a great employment generator. The competition between the salons is increasingly persistent, and customers are more rigorous and dissatisfied. According to data from the Brazilian Micro and Small Business Support Service (SEBRAE) (2015), among the individual microentrepreneurs (Meis), professionals who earn up to R $ 60 thousand per year, the category that grew the most was beauty services. In Belo Horizonte city (MG), the beauty sector is practically not affected by the current economic stagnation in Brazil. The State of Minas Gerais is currently the second in Brazil in beauty treatment and care. There are more than 25 thousand beauty salons throughout Minas Gerais, only in Belo Horizonte are more than 6 thousand establishments.

In this way, the purpose of the present study was to analyze the retention and loyalty strategies used by beauty salons to keep clients loyal to the company. Strategies that aim at retention and loyalty in beauty salons are important to improve performance, market share, and thus, be able to measure customer satisfaction. This study specifically sought to understand the strategies of retention and loyalty used by the salons active in the market of the city of Belo Horizonte. A bibliographic research was carried out, based on the theoretical references of the authors that approach the theme. He also had a field research, aimed at researching the strategies of loyalty and retention of the salons.

According to data from the Brazilian Association of the Personal Hygiene, Perfumery and Cosmetics Industry (ABIPHEC) (2014), the segment of beauty salons has been growing steadily in Brazil, and is a great generator of jobs in this market. This growth is related to the participation of women in the labor market. The concern with physical appearance has increased, causing the growth of the beauty sector. The salons are increasingly investing in their professionals, in differentials and services to meet the preference of consumer customers.

The competitiveness of the salons in Belo Horizonte has been increasing since the market is more competitive and with a high availability of services for the customers. The customers are normally loyal, only going after a different salon when the services provided do not meet their needs. In this sense, the salons seek to offer quality services.

When analyzing the beauty salon market in Belo Horizonte, it is notorious to perceive the increase in competitiveness. This competition has increased due to the current requirement for a physical look that has a positive impact, both professional and personal. There is diversity in the market and greater availability of services for customers. This competitiveness puts companies in a state of attention; any failure can contribute to the loss of the customer and even, a financial loss. In this way, a segment of marketing strategy is an essential criterion for any company seeking for customers, loyalty and ultimately retains them.

In addition, in this competitive scenario, salons, as well as other companies, face an intense and dynamic change in the people's need and a significant increase in the community's expectations, aspects present in the reality of the entrepreneurs who have organizations in this segment and also those who are about to enter the market with a new organization of the same segment. Thus, it is up to the salons to establish strategies to retain customers. It is not enough to just do the service offered well done, it is necessary to have good service, improvement in the facilities, good products to carry out the services provided and offering a well-being, while the customer stay in the salon.

Strategies should also take into account the segment of clients served by these companies. There are salons that serve various public consumers - men and women - demanding, who value beauty and want to find, in one place, a personalized service. Each salon has its specific strategy to succeed and show a high level of competitiveness such as: schedule with a professional of your choice; being in an environment where they identify themselves, flexibility in schedules; and some amenities, such as: coffee, water, valet parking, magazines etc.

However, do the salons of the Savassi and Centro neighborhoods are using strategies for retention and loyalty of their clients? Are there differences between your strategies because they are different neighborhoods?

In order to obtain these answers, the aim was to identify and compare the main strategies of retention and loyalty used by beauty salons in the neighborhoods of the Centro and Savassi of the city of Belo Horizonte, to establish, along with the salons, which strategies for customer retention and loyalty they use, and to compare the strategies found in the neighborhoods surveyed. This study is justified by the growth of the beauty area, in the case specifically salons. The relevance of the theme is centered on the growth of this market, in which competitiveness has increased, after all, with the growing market, more competitors appear and the availability of services for these clients is greater.

Is there a difference between the profile of the customers from Centro and Savassi salons? In this case, the selection of the beauty salon segment by certain customer is verified, having as a great tool the correct marketing approach. Marketing guides entrepreneurs to develop effective strategies for retention and customer loyalty.

2   METHODOLOGY

This paper proposes to identify the main strategies of retention and loyalty used by the salons of the neighborhoods of the Center and Savassi of the city of Belo Horizonte. The methodology of this project followed the steps presented below. The type of research used was exploratory. According to Mattar (2008), exploratory research can be used for the following purposes:

- Help establish priorities to research;
- Familiarize and raise understanding of a prospective research problem;
- Generate information about the practical possibilities of conducting specific research;
- Establish priorities for future research;
- Classify concepts.

In other words, the study of exploratory nature has the purpose of knowing the variable as it presents its meaning and the context in which it is inserted.

The exploratory research was the most suitable for the project, since the strategies used by the salons of the regions already mentioned are not fully understood, therefore, the familiarization and initial understanding of the theme, essential for the researcher. Moreover, the strategies can be diverse, making it impossible at the moment to elaborate a research already with the determined options, which is a characteristic of the descriptive research.

As for the media, a bibliographic research was carried out using studies by several authors, focusing on topics such as: marketing, strategies, among other subjects. A field survey was also conducted. According to Gil (1999, p. 70), this research "consists in the collection of data and information to a significant group of people about the problem studied and then to obtain the corresponding conclusions of the collected data". A survey was carried out at the place where the salons are installed.

According to Malhotra (2001), the universe of research is the set of elements that share a common set of characteristics of interest for the investigated research problem. The universe of this research was formed by the salons existing in the Centro and Savassi in the city of Belo Horizonte, in a total of 205 salons, according to the site Kekanto (2016).

Sample is the subset of the universe by which the characteristics of that universe are established or estimated. Mattar (2008) states that sample is a fraction of the population or part of it. The advantages of working with samples are numerous, since they provide a low cost that requires less investment with researchers, faster data collection and faster fieldwork.

In this study, the owners of the salons were interviewed to identify the strategies used to retain clients. The sample used in this research corresponds to 20 salons, being: 10 salons located in the center district and 10 salons located in the neighborhood of Savassi in the city of Belo Horizonte. Sampling is of a non-probabilistic and judgmental nature, since the elements were selected following a criterion of personal judgment of the researcher. The choice of the sample was made up of the salons that have a five star rating.

This classification was made by the site Kekanto (2016) and shows the result of this research, presenting the salons by classification in descending order, that is, the 5 stars salons first, and so on. There was an insufficient number of 10 salons with 5 stars, so the first ones were chosen from the list with four stars to total a sample of 10 salons located in the Center district and 10 salons located in the Savassi neighborhood.

The technique of data collection was based on the choice to obtain the data from the owners of the salons surveyed. For this research, an in-depth interview was used. The in-depth interview constitutes another method of obtaining qualitative data: "Unstructured, direct, personal interview, in which a single respondent is tested by an interviewer" (Malhotra, 2001, p 163). This type of interview can take about 30 minutes, based appropriately on the interviewer's reality, on the formulation of methodological procedures and confidence in results.

In order to conduct the interview with the owners of the salons, a script containing two open questions was applied, through which it was possible to identify in detail the strategies used by them to retain and retain their clients. This interview was conducted by the researcher herself, in the months of June and July of 2016.

Data analysis, according to Malhotra (2001), is the research phase in which, in general, the results obtained with the presented theory are compared, aiming to compare information and obtain data for a possible intervention. Thus, after the data were collected, they were grouped and analyzed in a qualitative way, seeking to make a comparison with the researched literature.

3   RESULTS AND DISCUSSION

The observation units of the research were the salons of Centro and Savassi neighborhood, in the city of Belo Horizonte, where interviews were performed with the owners of the salons. From this perspective, the interview was applied to the owners of the 20 selected salons, from June 29 to July 16, 2016. The results obtained were organized and presented in Tables 1, 2 and 3, which are included in their respective analyzes.

Table 1 - Retention Strategy

Retention Strategy	Centro	Savassi
Agenda	1	2
CRM	-	1
Facebook	4	7
Instagram	4	5
WhatsApp	1	6
None	2	3

Source: Research data, 2016.

Table 1 shows the retention strategy used by the beauty salons of both Centro and Savassi, which shows that salons use social networks as a means of disseminating and retaining their services. They use in these salons simple tools like Facebook, which has been a great online retention tool. From the insertion of images, they can show hairstyles, cuts, make-up and other work done by the salons, thus increasing the sharing and the number of people enjoying the work.

These are important tactics to be able to increase customer retention free of charge. Only four of the Centro's salons use Facebook as a retention tool. Maybe these salons do not understand how to use the new digital marketing strategies. In Savassi's salons, Facebook is much more popular in a

number of seven salons that use the tool, and it seems that these salons are realizing the new strategies of using digital marketing, always innovating and creating.

Digital marketing is more accurate because it allows for easier identification because people are always connected to the virtual world and this facilitates how to showcase their services, products and attract customers to the salons.

WhatsApp today is the most widely used among the salons researched as a way to retain its customers. It's the fastest way to promote news in real time. This app is looking for speed in return. Table 1 show that Savassi salons are the ones that use the WhatsApp application the most, compared to the salons of Centro. From the salons of Savassi, six uses the application to set schedules, promote promotions and solve small problems.

This marketing channel is for the receptionists. They are trained to use the application in a way that is able to retain their customers, creating a differential over the competition. In the salons of Centro only one uses WhatsApp as a customer retention tool. The agenda is already used by the salons for its older clients who have different schedule. Savassi's salons use this service more extensively through the application to facilitate scheduling. The salons of Centro still use the phone book, where the receptionist checks the daily appointments on the agenda.

Customer Relationship Management (CRM) is a database that enables you to record the personal information of customers, employees and suppliers. It is a tool that salons can adapt to your needs and it is very important to keep the system up to date. This database is used by only one Savassi salon. Many salons in Centro and Savassi do not use any customer retention techniques from digital communication and marketing tools, it seems that they believe in the quality of their services, products and professionals prepared for customer retention.

Table 2 - Loyalty Program

Loyalty Program	Centro	Savassi
Loyalty card	4	3
10% discount	1	1
Haircut discount	1	-
Discounts for service package	3	3
None	4	3

Source: Research data, 2016.

The relationship with the client is one of the most important points for the success of beauty salons. Customers have been in the same place for years, this is because they establish a loyalty bond with the salons. The result shown in Table 2 shows that the salons surveyed use the loyalty card that allows to give exclusive benefits to the clients. In the salons located at Centro a greater number of clients use this type of service. Depending on the number of times the customer uses the services of the salon, the customer still receives a gift.

According to the entrepreneurs, it is a tactic that is generating results. Savassi's salons work with loyalty cards in a different way, with exclusive advantages for customers, such as the bonus on the card. Customers can use the points both to have discounts for treatments as they can gain beauty products, massages, among others. The loyalty card can be a great differential of strategies to loyal customers. The salons of Centro and Savassi also work with a way of retaining their customers, providing a 10% discount on their services and products.

The salons of the Center offer this discount to customers on the beauty products that are sold in the salon. Savassi salons work with discounts on services such as hairstyling and make-up. There is also, in the salons of the Center, discounts on haircuts: every five cuts the customer earns one. Discounted service packages can be checked in Table 2, which shows that the salons of Centro and Savassi have the same numbers of three salons each, and that there is a difference in the service packages between the salons.

The salons located at Centro work with discounts on manicure and pedicure. Savassi's salon has discount packages for eyebrows, hairstyles and make-up. This package is sought after by brides,

bridesmaids and audiences who use them in seasonal times. This package, in addition to customer loyalty, maintains a satisfactory operation at all times of the year. The loyalty program of a salon is the guarantee of a loyal clientele. A good relationship with customers and offer quality care can make all the difference. Even more than the current market is highly competitive.

During the survey, the market time of each salon was also researched. The salons located at Centro are older; they are establishments that already have more than 30 years in the market. It has been noted that its facilities are older; many do not have good lighting and a place to accommodate customers well. Regarding the new technologies, it seems they are not prepared for the changes. Perhaps that is why older entrepreneurs seem to prefer to continue with tradition, keeping up with their routine without too many technologies. The target audiences attending the salons located at Centro are residents or passers-by, middle-class clients.

Savassi's salons have been on the market for 19 years. This shows a very large difference from the salons of the Center. The difference can be noticed already by the facilities: there is a waiting area with "treats" for the clients, the lighting is great, the environment is airy with good ventilation, they have updated magazines and even catalogs with the services that are offered in the salon. The target audience attending the Savassi salons is local and people working in the region, upper and middle class clients.

Table 3 - Genre of the entrepreneur

Genre	Centro	Savassi
Female	4	6
Male	6	4
Total	**10**	**10**

Source: Research data, 2016.

Table 3 shows that, according to the gender of the entrepreneur (s), in the survey with a sample of 10 entrepreneurs from the Centro's salons, four are female and six are male. Of the 10 entrepreneurs in the salons of Savassi, six are female and four are male. There is a greater number of male entrepreneurs in the salons of the Centro, which shows that this segment of beauty salon has no prejudices, since men are also administering them.

The greater participation of female entrepreneurs in the Savassi salons shows that women are ahead, especially in a sector such as beauty salons that has been attracting the growth of the economy. Embodying is a task for both men and women, research itself has shown that there is a balance of feminine and masculine genders toward the salons surveyed. It is enough for these entrepreneurs to use creativity, innovate and take risks to achieve the expected success.

4   FINAL CONSIDERATION

The general objective of this study was to raise customer retention and loyalty strategies in beauty salons in Belo Horizonte, in two different regions of the capital: Centro neighborhood and Savassi neighborhood. In this respect, it has been found that, in general, the entrepreneurs of Centro and Savassi do not use in an adequate scale the existing tools to retain customers. In the development of the research it was noticed that, although the salons use some adequate strategies in the search to retain clients, there is a need to improve these strategies with the use of communication tools that can more effectively achieve this goal.

It was possible to realize from the research that the salons need to review the currently used marketing strategies. The results found in the work make clear the importance of a better scientific treatment in relation to customer relationship marketing. According to Bogmann (2000), relationship marketing "is essential to the development of market leadership, the rapid acceptance of new products and services and the achievement of consumer loyalty."

It was also observed, in relation to the results, that the salons surveyed have other limitations to the relationship marketing activities. Among them, it can be mentioned the lack of database for information about its clients. It was observed that technological tools are still used modestly, without the absolute mastery of their capabilities. Regarding the comparison between the salons from Centro and Savassi, it was observed that there are differences regarding retention strategies.

Savassi's salons make more use of digital marketing tools, creating a better relationship with their customers. The salons located at Centro use the retention strategy in a restricted way. It seems that the entrepreneurs of these salons are still resistant to digital marketing. It can also be mentioned that there is a difference between the profile of the clients of the salons. Savassi's salons serve a clientele with greater purchasing power and those of the Center are concentrated in classes C and D.

In the salons located at Centro it was observed that its external facilities and the internal environment are in need of more care. This is aligned with the theoretical framework, in which consumer satisfaction is related to what the customer expects from the company, that it offers quality products and services and looks good. Savassi salons already have their newest facilities.

In relation to the loyalty program, it was shown that there are differences between the salons researched, and that the salons located at Centro use this program more efficiently. According to Bretzke (2000), the loyalty program is a process that uses integrated communication to establish a continuous relationship. Given the strong competition and taking into account the objectives outlined in the study it is possible to make some suggestions to retain the clients that will be presented below.

To promote their brand and retain their customers, the salons studied must invest in digital marketing. In this case, it is suggested that salons make more use of digital marketing tools such as Facebook, Twitter, Instagram, WhatsApp and others that are important to publicize the services of salons. With this, customers will always be present to comment, share and be attentive to promotions.

The salons must invest in the database (CRM). They are important to having the most customer-centric information, to centralize a long-term relationship building, which will result in more loyal customers. Salons should adopt relationship marketing with their clients, to get closer to reality and, thus, ensure greater satisfaction for customers.

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PMKT – Brazilian Journal of Marketing, Opinion, and Media Research (PMKT online) | ISSN 2317-0123 | São Paulo, v. 10, n. 1, p. 71-78, jan.-abr. 2017 | www.revistapmkt.com.br

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