

[00:00:00] **Antony W:** Welcome to the Grow My Salon Business podcast, where we focus on the business side of hairdressing. I'm your host, Antony Whitaker, and I'll be talking to thought leaders in the hairdressing industry, discussing insightful, provocative, and inspiring ideas that matter. So get ready to learn, get ready to be challenged, get ready to be inspired, and most importantly, get ready to grow your salon business.

[00:00:30] Hello and welcome to today's episode of the Grow My Salon Business podcast. I'm your host Antony Whittaker, and it's great to have you here with us today. Whether you are a returning listener or perhaps this is your first time, welcome. Now I wanna say thank you for the feedback on the podcast. The reviews that people have posted really mean a lot to me.

[00:00:52] I do read every one of them, and I wish it was like social media where I could reply to you that you know who you are. So a heartfelt [00:01:00] thanks. And if you haven't yet left us a review, I have a little favor to ask of you. And that is that you write and review us on the Apple Podcast app. It's really easy, only takes a minute, and all my guests willingly give up their time to share their insights and knowledge with you.

[00:01:15] So if you enjoy the podcast then of the review as a way of thanking them for their time, all you have to do is go to the Apple Podcast app, search, grow My Salon Business, and scroll to the bottom of the page, select ratings and review and write a review. And we would be very appreciative. Okay, so with that said, let's get on with the show.

[00:01:38] My, every week I average four or five emails from people wanting to be on the podcast, and 99% of them never end up on the show because they essentially just have something to sell and they see this as an opportunity to promote their product or service. But that's not why I do the podcast. Now, at this point in time, the podcast is not [00:02:00] sponsored and we do not take advertising.

[00:02:01] So everyone I feature, I do so because I think that they're doing something that I believe is interesting and should be interesting to the widest possible global audience of hairdressers and salon owners. As I often say, this industry is all about change. I suppose in reality, every industry is about change, and the salon business is certainly not immune to the changing forces of technology, consumer trends, and generational changes.

[00:02:32] But today's podcast is specifically focused on changes in the professional salon retail model, and my guest on today's podcast is Randy Cotten, who is the president and GM of Salon Interactive. Now, at the moment, salon Interactive is only US based, but no matter where you live in the world, you will want to listen to this, as I firmly believe it will play a big role in [00:03:00] the salon retail model of the future.

[00:03:03] So without further ado, welcome to the show, Mr. Randy Cotten.

[00:03:08] **Randy C:** Antony, thank you so much for having me, and it's a pleasure to be here.

[00:03:12] **Antony W:** That's an absolute pleasure to have this opportunity to talk to you. I know that a lot of people are going to learn a lot about retail and their eyes even say the future of the retail business, uh, no matter where you are in the world.

[00:03:26] So, uh, look, before we dig into all that, what I like to do is just start off with a, with a brief overview. Who is Randy Cotten? Just give us just sort of, you know, two minute backstory, so to speak.

[00:03:36] **Randy C:** Yeah, absolutely. So I, uh, I grew up in the US Um, I am, my, my background is in engineering. I spent almost seven years in Switzerland.

[00:03:47] Um, I, I received my degree there and then started a logistics supply chain business, uh, in central Europe and moved back to the United States in 2016 to start a business, um, in the [00:04:00] beauty industry for the very first time with a colleague of mine. Um, and we built that business and worked very closely with a company that those in the US will know, uh, quite well.

[00:04:09] Ulta Beauty. Um, and I exited that company in at the end of, um, or sorry, the first month of 2020 January of 2020, and started at Salon Interactive. Basically immediately following, um, I built quite a relationship with Jim Bauer, who's the founder of Salon Interactive. Um, you know, we were called ourselves coo-competition, uh, you know, cooperative competition in my previous business.

[00:04:34] And, uh, we really enjoyed working together and, and got to know each other quite well. So we started, um, working here together at Salon Interactive.

[00:04:42] **Antony W:** Alright, Okay. Well, that's what we're gonna talk about today. Salon interactive, because, uh, I've, I've sort of, um, spoken about them or mentioned them several times on different podcasts and in conversations that I've had, but to be really honest, I didn't really know what it was I was talking about in any great detail.

[00:04:59] So, [00:05:00] uh, it's been a fantastic, uh, learning curve for me. And so I was really excited to, to get you on the podcast because, um, I, I genuinely do think that a lot of what you're doing is in varying degrees, it's the future of, uh, retail, not instead of, but as well as I sort of very much see it being a hand in hand thing.

[00:05:19] So, um, As you just mentioned, a lot of, uh, you know, a lot of the audience listening to this will be American and they'll be familiar with brands like Alter and they'll be familiar with Salon Interactive, but outside of the US uh, in the UK, Europe, Australia, they won't have a clue what it is that we're about to start talking about.

[00:05:37] So before we dig in and go into a lot of detail, can I just get you to give a simple explanation of what Salon Interactive is and then we can start to dig into a lot more detail?

[00:05:50] **Randy C:** Yeah, absolutely. So Salon Interactive is really an opportunity for stylists, beauty professionals, uh, as we like to call them [00:06:00] to.

[00:06:01] Increase their revenue, um, and do some of the things in their business that they, they perhaps don't love to do. So I always challenge people to find me a hairdresser or a beauty professional who, um, got into the industry because they really loved marketing or because they loved doing their inventory.

[00:06:17] Um, that this is an artistic community and this tool is really meant to, to help them in their day to day through creating an online store for them, which is meeting their clients where they have are increasingly shopping, right? Um, so now they can compete right there with the Amazons or the online sellers who have been for the past 10 years, taking sales away from this industry. Um, and then we also have two component, two other components that include salon ordering, which is the back bar fulfillment piece. So they can order products directly to their salon, um, directly from their brands or their distributors, depending on the model. And, uh, we also have some marketing components that they [00:07:00] can utilize to better communicate with their clients online, um, and make sure they're following up.

[00:07:05] Cause we like to, we like to say it, um, completing the service, which is making sure you're providing the proper home care. Um, because it, you know, in our opinion, you haven't really finished until they're able to recreate that look at home. And very important piece of that is, is providing the proper home care.

[00:07:21] **Antony W:** Right. Okay. So, Everyone will be familiar with the word Amazon. Uh, you'd have to be, you know, living on the moon if you weren't. And in varying degrees, people are aware of the fact that depending on the country you live in, again, you can only do this actually in the US Uh, but you can have your own online store within the Amazon platform and sell retail through that.

[00:07:53] **Randy C:** Mm-hmm.

[00:07:53] **Antony W:** I know that you don't necessarily like the comparison because what you have at Seller Interactive is very different to [00:08:00] that. And I think this is where also that I was personally a bit confused, you know, is that I just thought to myself, oh, it's just another, uh, affiliate marketing thing that you just give a client a link and they buy it from Salon Interactive and there'll be an affiliate scheme where you get a kickback.

[00:08:15] But it's not actually that, it's different to that. It, it is a e-commerce platform. Um, Where you sell retail from, but you own the e-commerce platform. But as a salon owner, and tell me if I'm getting any of this wrong ,as a salon owner, I have my own branded website or my own branded store within the Salon interactive website where consumers can buy products from and I get a commission from without me having to hold all that stock in my own salon.

[00:08:52] Is that, have I done, have I done justice to what we're talking about?

[00:08:56] **Randy C:** Yeah. Yeah. You have. I, I think the, the key differentiator that I [00:09:00] like to point out is if, if you're on Amazon or any other site that's doing what we call kind of affiliate linking, . Um, there, there is typically a, a deep blue sea of other products there that are available to the client that you've sent there.

[00:09:16] **Antony W:** Mm.

[00:09:16] **Randy C:** They also, what you're doing is you're, you're building a habit for them that that's where they go to buy their products. And if, if it's your store, great, but often what happens is they end up on your store, but here's this other side thing that's a sale that has nothing to do with your store, and you click that and now they've navigated into another part and they're beyond the walls of your store.

[00:09:35] Because there are no walls, there's no barrier to exit. And so clients can end up buying the incorrect products because it, it might be something that you would never recommend them. Amazon does not care at all about diverted products or products that are being sold into restricted territories, or not sold through the correct channels or products that have expired or products that are knockoffs.

[00:09:57] They don't do any quality control. The only [00:10:00] quality control is done by the brands themselves, which have to put a lot of work into that. And they're really doing that because that was Amazon's deal is they told them, you have to come and set up an account with us, otherwise we'll let anybody and everybody sell your products.

[00:10:13] So it's a very, um, And again, this is, this is a bit my personal opinion, but it feels like a very hostile, uh, relationship there in that it's kind of like, if you don't do this, we are gonna let anyone else sell your products here and not stop them.

[00:10:26] **Antony W:** Mm.

[00:10:26] **Randy C:** The difference is that Salon Interactive, the store for the salon is very much their store.

[00:10:32] They have control over which brands are sold there. They have control, you know, and they could change that daily if they wanted to. It's with a click of a few buttons as long as you have permission to sell those brands, which we're verifying on the back end. So they're putting in their account number with the brand or with the distributor.

[00:10:48] They are verifying that they have a contract signed if there's a, if there's a contract that's required to be signed. And our platform does all the work to verify territory, um, you know, boundaries. [00:11:00] So we know if you're a salon in a specific zip code or, or area. Southern California, you have specific brands that are available to you and other brands that are not.

[00:11:09] And our platform handles all of that. So we're really trying to maintain the integrity of the professional beauty product market while also serving the salons and, and what they need, which is a really easy way to keep up with these competitors who are coming in and not playing by the rules and basically just trying to get whatever product, whether it's the right one or not, into the hand of a consumer.

[00:11:31] And we focus on the client because the client relationship with the beauty professional is the most important thing. And and that's what we're here to protect and try to, uh, enhance and uphold.

[00:11:42] **Antony W:** Yeah. Okay. Um, now I warned you, I'm gonna jump all around the place. So, um, because I've got a hundred questions, you know, to ask you about all this and, and I know that this sort of thing, it, it gets people's backs up sometimes as well, and part of the reason it gets their backs up is they don't understand it.

[00:11:59] [00:12:00] And, uh, and I didn't really understand it either. And then the more we'd spoken before we started recording, the, the more clarity I've got around it and, um, I think some of the integrity of what you're doing comes from the fact that your founder, um, and CEO, uh, James is a hairdresser originally, as I'm correct in saying that.

[00:12:23] So he understands that the world of the salon owner doesn't he, yeah?

[00:12:27] **Randy C:** Absolutely. Yeah. Um, James or Jim, as we like to call him, uh, is the founder of the company and was a hairdresser. So he came out of, he was actually, uh, in the service, uh, served the military in the United States, and when he left, um, he went to beauty school and got his license.

[00:12:45] He, he studied under Sassoon, um, and then in the Chicago land area, um, started working in salons. He spent some time in California, started his own salons in Chicago when he was back there. Uh, and then ended [00:13:00] up in the technology world through a bit of a fluke. Uh, the software they were using was sun setting, so they were no longer going to be supporting.

[00:13:08] Uh, and this was very early days, right? Uh,

[00:13:09] Mm

[00:13:10] I think early 90's. So it is like you had your little Mac computer on the desk and it's an installed software. Um, but they, they decided to no longer support the software. It wasn't profitable for them or, or whatever the reason. So Jim and several other, um, salon owners got together and developed a new software.

[00:13:27] Um, and Jim decided he didn't like that one enough, so he went and built his own, which is known to those in the US market. They might know Rosy Salon Software.

[00:13:36] Yeah.

[00:13:36] Um, so Rosy was, was Jim's company and all along the way, salon Interactive. And what we are doing was in his mind as something that really needed to be done.

[00:13:46] And he finally realized, um, in around 2019 that he wasn't gonna be able to do that if he was tied to a single point of sale, booking scheduling platform, that it needed to be independent because it's really important that [00:14:00] we have relationships with all the point of sale and booking scheduling platforms to really be able to service the whole industry.

[00:14:06] And so he sold Rosy in 2019 to shift focus solely onto Salon Interactive. And that's, uh, that's really what brought us to today.

[00:14:14] **Antony W:** Okay. So it's still, it's privately owned, Salon Interactive.

[00:14:17] **Randy C:** That's correct.

[00:14:18] **Antony W:** Yeah. Yeah, yeah. So it, it, it's, a lot of people listening to this will be thinking that you are a fulfillment center, that you are warehousing and that you've got lots of product, but you're actually, you don't carry any product.

[00:14:32] Are you, how would you describe the company? It's almost like, it's a, it's a tech company, isn't it? It's like an IT company. You don't have warehouses and pallets full of product, but you are stripping out all over the, you know, the countryside. So am I right in giving it that sort of title .

[00:14:48] **Randy C:** Absolutely. We, we are a technology company. I think you could say. We, we dabble and, and play in the supply chain logistic because basically what we're doing is we're taking orders in and then we're making sure those orders are routed to the [00:15:00] appropriate places. And, and the real value we're bringing is our integrations to all these different brands and distributors to make sure that the, that one, that they're genuine products.

[00:15:10] And, and of course data, again, our platform is verifying, you know, do you as a beauty professional have an account with this brand or, or distributor? Do you know? Are you who you say you are? Um, are your clients receiving the product they need? So we're really kind of living in that middle space. Our long term vision is really, you know, to bring everything together into this network where when somebody's setting up a new salon or there's a business owner who, who wants to, you know, start a salon or even be on their own.

[00:15:37] That we have this network of tools that are already tied together that just make that so easy. Because again, I, I'll go back to what I said. There's no beauty professional who joins this industry because they love tech.

[00:15:48] **Antony W:** Mm

[00:15:49] **Randy C:** You know, and, and yet so much of their success is dependent on them working with technology tools, right?

[00:15:54] Every point of sale, booking, scheduling, their marketing, all of these things are increasingly digital, [00:16:00] right?

[00:16:00] **Antony W:** Mm

[00:16:01] **Randy C:** And so for us, it's, it's so important that we try to tie it all together, bring all of our, all of these different pieces in the industry, these amazing tools that are doing things that can really help the beauty professional.

[00:16:12] But what's happening is this, when, when they're in the salon, most of the time they're either behind the chair or they're focused on their people, right? Because they're very artistic and human focused. And so we're trying to just make it so easy for them to set something up that's gonna work for them, do what they need done without taking a ton of attention and time.

[00:16:30] And I, I know a few of them are tired of having to find 16 different passwords, uh, to log into all their different online offerings whenever they,

[00:16:36] **Antony W:** Yeah

[00:16:37] **Randy C:** uh, you know, are trying to do some work. So that's, that's our goal.

[00:16:41] **Antony W:** Yeah, totally. Okay. And, uh, I'm thinking about COVID. COVID in some ways must have been a bit of a blessing for you because it just totally made people consider buying stuff online that they wouldn't have considered before.

[00:16:54] Like, I will buy lots of stuff online, but as a consumer, I wouldn't [00:17:00] buy a bottle of shampoo online pre COVID. I might now, I would've bought books online. I would've bought all sorts of other stuff online. But when it came to a bottle of shampoo, I would've been one of those people that said, ah, people don't wanna buy that online.

[00:17:11] They're gonna buy it in the salon. So I'm not saying that it's, instead of, it's very much as well as, but I think that COVID, it must have, I mean, tell me if I'm wrong, it must have just made your, you know, business go through the roof during that period of time.

[00:17:23] **Randy C:** It did. I, I mean, it was a massive accelerator.

[00:17:26] Um, We, we really launched the company in January of 2020. Right. So we, we, we had existed, we had clients that had been using our platform for years before that, but

we were in what we'd kind of call like a beta stage where we weren't really talking, we weren't going out and, and banging pots and pans saying, Hey, we've got something that's helpful.

[00:17:44] We were testing and making sure it worked. And our goal was to have enough of the brands and distribution across the country that we could go out and say that. And then basically anyone anywhere could come and join. So, 2020 is really when we chose, okay, this is, you know, we're gonna go and we saw our sales [00:18:00] kind of double to from January to February.

[00:18:01] And when I say double, like very small amounts, you know, we're growing our business. And then from, from February to March it looked like we were on track to do the same. And halfway through March, uh, you know, things shut down and, and we just went from hopefully doubling to something like 10X-ing our revenue.

[00:18:19] And then, you know, 10 x did again the next month. So we just had this massive growth. But what was challenging, Antony, is that the consumer has been buying online. It's been, they've been buying online for a while. I think that beauty industry was saying, we don't think this is happening. We don't think they're buying online.

[00:18:38] But when you go and talk to any salon, the ones that I've had the pleasure of speaking to, most of them pretty well run salons as they're selling products to, you know, three out of 10 their clients. Well, that means there's seven people who are buying products somewhere because one thing we know is a hundred percent of people are typically using some kind of product.

[00:18:58] So, so they were just [00:19:00] missing out on all of that, right?

[00:19:01] And who better to make sure they're getting the right thing? Then the person who's actually put their hands on their head and, and seen what their scalp looked like and, and felt their hair, and so, What we saw is now suddenly all clients are buying from salons.

[00:19:13] And it's because the salons finally realized, Hey, we're gonna, we're we're closed, we're at home. We're gonna send out recommendations to our clients. We had, we had clients calling salons going, Hey, how can we support you? We don't want you to go out of business. We love you. And so they're sending them the link to their online store and they're buying, you know, a month's worth, a couple months worth of product just to try to support their beauty professional.

[00:19:33] So, so that's kind of what happened. And then we came down and we really leveled off. And so now we're back in that phase of, of building a, a sustainable business because that, I can tell you it was not fun to watch the, the pain and the suffering of all these salon owners. And we were so happy to have a product that was helpful to many of them.

[00:19:50] And we had, you know, wonderful clients calling us and telling. And when I say I should specify salons, salon owners calling and saying, Hey, you were the reason that we didn't [00:20:00] shut our doors over COVID. But we did lose many salons. We, we lost a lot. A lot of them didn't make it. And, and that was tough to see.

[00:20:06] And, and then at the same time, now we are trying to battle a bit the perception that we were a life raft during this, you know, emergency. And now that life is, you know, back to normal or, or we're back running, that it's not necessary anymore. And yet, if you go back to those same salons who are selling thousands of dollars in product, uh, some of them are, are doing nothing online anymore.

[00:20:28] And, and so we're, we're trying to change that perceptible because that's really what we're trying to do. We're trying to change the narrative, like you said in the very beginning, that this is not a one or the other. This is a. A supporting piece to your business that should be carried. It should carry you up along with what you're already doing.

[00:20:47] It's not a huge deviation from your current

[00:20:50] **Antony W:** Yeah.

[00:20:50] **Randy C:** You know, business operations, it should be in addition rather than, uh, an other,

[00:20:54] yeah.

[00:20:55] **Antony W:** Yeah. I, I can imagine that there's some salons due to physical space. [00:21:00] That they quite like the idea of not having to devote any wall space to retail shelving, that they can put a mirror and a chair there and generate more through services and, and have the retail fulfillment side of things being handled by someone else without them having to, a, invest in it or be, you know, uh, have it in the salon and, you know, displaying it and et cetera, et cetera.

[00:21:23] But, but I just wanna go back to what you just spoke about and, and get you to just address that for a minute. That there was a, you know, that there was massive growth during COVID and then COVIDS's over, and it's a little bit like, oh, now we're all back to normal, which obviously isn't in, in your interest, but, Re COVID, all this was happening anyway.

[00:21:44] I think you just used the word accelerator, that COVID was a huge accelerator for shopping online. Likewise for my business, COVID was a big accelerator for people learning online, and a percentage of them have gone back to, to wanting [00:22:00] in-person education. Just like a percentage of people have gone back to wanna buy everything in the salon and the salon, it's a great opportunity, you know? Uh, so, so if I had a salon, I would definitely want to have both these scenarios playing out, but I can, I can understand why some people would go, do you know what? I'm just happy not to have any money invested

in inventory and to be able to, uh, still offer the clients what they need as long as they purchased it online, they still get a commission. It's a, it's a win-win for everybody. But, but what I wanted to ask you about was just, just talk to us about consumer buying patterns. If COVID hadn't happened, And you and I were having this conversation, you would be talking to me very much about how consumer buying patterns are changing, that Gen Z have come along, and that they wanna buy online and social media and yada yada, yada.

[00:22:50] You know? So, so all this was happening anyway. It was just accelerated rapidly. What, what are your, what are your sort of things you can add to that part of the [00:23:00] conversation before we move on?

[00:23:02] **Randy C:** I, I, yeah. It's, it's a fascinating topic and there, I mean, there's, you could, there, there's people whose entire professions and PhDs are, are done on this because it is really, Incredible to see what's happening.

[00:23:15] I, I think a lot of people often overestimate the number of, the percentage of retail that's done online. It's, it's funny, it's either a wild overestimate estimation or it's, it seems like it's quite always under. Yeah. But right now in the world, we, you know, that the general consensus, and there's people who disagree with this, but again, the study that I've done, you know, the studying I should say is not my study, um, is that around 14 to 20% of, of products are sold online. And that, and that's every industry. I'm not talking about just the beauty industry.

[00:23:46] **Antony W:** Yeah.

[00:23:46] **Randy C:** So, so, and that's up from 10 years ago. 6%.

[00:23:50] **Antony W:** Yeah.

[00:23:51] **Randy C:** So it's, it's rapidly increasing.

[00:23:53] **Antony W:** Mm-hmm.

[00:23:53] **Randy C:** You know, we're talking about trillions of dollars

[00:23:56] **Antony W:** .Mm-hmm.

[00:23:57] **Randy C:** Um, so, so that's a [00:24:00] fascinating, you know, change. So it, so it clearly has gone more online, but, but what's really interesting is, is like you said, that the shift.

[00:24:08] What happened is, is people, I, I can give a personal anecdote. I never bought groceries online. Right? I always went to the market, and I know in Europe it's like, you know,

I'd go to the market almost every day. You pop in, you grab what you need for the day, and then it's just a quick five, 10 minute stop every day.

[00:24:24] In the US we shop a little bit differently. People will go with a big, huge trolley and, you know, fill up their cart and, and you know, it's, uh, hundreds of dollars and then you've got food for over a week potentially. But I, I buy all groceries online now. We get 'em delivered to our house, and that's, that's something that never happened before.

[00:24:43] So we have these consumers who are, who were used to grabbing a bottle of shampoo when they were, you know, getting their hair done or, or, or getting their hair products there that have now gotten used to buying it online. And if you are not there to meet them, With a store that's got your stamp of approval on every product there, they're [00:25:00] gonna end up on, on ulta.com or at, uh, Amazon or Sephora.

[00:25:04] You know, they will be buying it somewhere else because they have gotten used to buying it. And so that's really what kind of our, one of our core messages is, is make sure you meet your clients where they are. Right. They come to you for, for what you need to, to give them in person. But if they're shopping online, it's, it's really kind of your decision to, to choose to not meet them. Because again, what we do is free. I shouldn't say again. I don't think we mentioned that it doesn't cost anything

[00:25:28] **Antony W:** Yeah, exactly.

[00:25:28] **Randy C:** To online store.

[00:25:30] **Antony W:** Yeah.

[00:25:30] **Randy C:** So it's a transactional model. We don't charge for the store. So you can come to us as long as there is a distributor or brand that you have a relationship available in your area. Uh, you can set up a store. It takes about 15 minutes, and you literally could be selling products, uh, within 15 minutes of setting up. Starting the setup process, you can have someone purchase and they'd receive the product in two days and you'd get your, your cut of the sale, um, you know, that week. So it's incredibly simple and easy.

[00:25:57] **Antony W:** Yeah.

[00:25:57] **Randy C:** We really tried to do it in such a way that it [00:26:00] reduces those barriers because again, I know how painful it is and, and to go and, and have this like, big technology undertaking. I mean, for any of the salons out there who have changed over their point of sale or like switched to a new booking or scheduling system, it's, it's just a lot of work and changes hard.

[00:26:15] And even if something doesn't work perfectly for you, you get used to how the intricacies of it. Right. And then when you have a new software that's core to running your

business, it's like a whole new learning curve. And I just wanna, that's the message that I wanna make sure everyone hears, is that you don't need to worry about that with so on.

[00:26:31] And like, we are not that core management side of your business. We can be a setup, grab what you need, and then as long as you're getting it in front of your clients, there's no management needed. You're not having to go curate and do things. If you are happy with your brand still and happy with your distributors, as long as you're getting the store in front of your clients, they will buy from you and you will be making money.

[00:26:53] We joke that you can make money in your sleep. It's, you know.

[00:26:56] Yeah,

[00:26:56] **Antony W:** exactly.

[00:26:56] **Randy C:** It's a nice, nice method. Yeah.

[00:26:58] **Antony W:** Yeah. Okay.

[00:26:59] Um, [00:27:00] so, so let me go back to what I touched on earlier and we'll, we'll sort of walk through this journey as to what this looks like. Um, so I've made, I've given it the right analogy saying that it's your own e-commerce branded store that is housed within Salon Interactive.

[00:27:20] Um, so I've got that right now. Walk me through, what does that look like to the consumer? So, so, so like, what is the url? Is it, is it, do they, you know, Antony Whittaker at Salon Interactive, or is it just, you know, like, like, like what is it, you know, what does that look like for the consumer? What do they see?

[00:27:40] **Randy C:** So currently the way the URL looks, well, let me start from the beginning because the beginning is the right place to start.

[00:27:46] **Antony W:** Yeah.

[00:27:47] **Randy C:** What it looks like is they receive a link or they scan a QR code, or you send them a product recommendation. Any of those scenarios, when you hit that link, you scan the QR code or you click on the, I wanna [00:28:00] receive my product recommendation.

[00:28:02] It takes you to shop.salon or active.com/my salon name. So Antony Whitaker's Salon.

[00:28:10] **Antony W:** Yep.

[00:28:11] **Randy C:** So the url, but the important part is it's a, it's web front.

[00:28:15] **Antony W:** Mm-hmm. ,

[00:28:17] **Randy C:** and it has the salon logo and the upper left. Or if they haven't, some salons don't have a logo. Well, you don't have to have one. You can just type in and it'll just be the text of the name of your salon.

[00:28:27] So it's very clear in that first moment, this is my salon store.

[00:28:31] **Antony W:** Right. Okay.

[00:28:32] **Randy C:** And again, the key is there is no navigating anywhere else. We don't allow them to navigate out of that store into someone else's store or into our superstore where we're stealing, you know, we don't have a store. There's no sale that happens on Salon Interactive, that's not directly attributed to a professional, a beauty professional, someone with a license who is, who is allowed to sell these professional products.

[00:28:56] So we're very clear about that. So yeah, the, the URL ends up having [00:29:00] the salon name in it, whatever's chosen. Um, we do have some aspirations at some point to potentially try to get even a little fancier with what the URL looks like to be even more clear. But today it's, we've never had clients calling us going like, I don't understand, like what store am I in?

[00:29:16] As far as they're concerned, they're buying directly from their salon. Most clients are not having crossover with multiple salons, so this is the only store they're ever gonna see. It's their, their salon store. It's got the products that their, that their beauty professionals put in that store and they're happy.

[00:29:33] I mean, they, we stay completely out of that relationship. The only time we're ever involved. Is if the client has a problem with an order, let's say it gets smashed, the UPS driver runs over it and they get their box and their products are smashed. Um, they can call their salon and their salon can, their beauty professional can, can do a return right there.

[00:29:52] Um, you know, hey, the box was damaged and will send a new, a new product out. Uh, the other thing they can do is they can call us [00:30:00] and we can do the exact same thing. So we do have a support line that's, you know, always available to, to people who are calling in about issues and we handle it. And we try to always keep the salon in the mix so they understand what's going on and they have a dashboard they can go and log in and see any order that's been returned or any order that's been delivered.

[00:30:20] Um, it's, it's, you know, there's a little bit of learning for them to understand how to do all those things, but once they know it's incredibly easy. And like I said, it doesn't require any management. It's simply if they want to go be proactive and learn more and get more involved, absolutely. We love that and they can, but a big part of it is really just.

[00:30:37] Getting it set up correctly and then sharing it on their social media. You know, putting it on QR codes at the swan, handing it out to people walking out the door. Um, it's, it's all about making it really, really easy to get to because we know humans' attention spans are very short. I'm probably the worst offender of that.

[00:30:54] So if I'm going to look for a product, and I know my barber has it, you can tell I haven't been to the barber [00:31:00] in a while, but if I'm, if I'm gonna go, if I'm gonna go try to find my barber site right, but I can't find it, I'm, I'm like thinking like, where would it be? I look at my text, no, it's not there I go, I, you've got about 10 seconds for me.

[00:31:12] **Antony W:** Mm-hmm.

[00:31:14] **Randy C:** to, to be able to find that and go, or I'm gonna go, oh, but I know Ulta has the same product and I know where Ulta that come is.

[00:31:19] **Antony W:** Yeah.

[00:31:19] **Randy C:** Or I know Amazon and I'm gonna, you know, it's, it's real easy for them to switch and go back to that old behavior. Sorry, go ahead.

[00:31:25] **Antony W:** Yeah, no, I was just gonna say for our, for our non-American audience, when Randy says Alta, uh, it's very much like Sephora, except it's only based in, in, in North America, isn't it?

[00:31:35] There's like over a thousand stores. It's a, it's a, it's, it's like Sephora. Everyone knows what Sephora is. Um, and yeah, so, so, so that's a, it's a, it's a big box beauty retailer that is pretty much everywhere in the US now. Okay. So, so that was really interesting. So I open an account with you. I open a store within.

[00:31:58] Uh, salon Interactive, [00:32:00] um, and I decide what products are in there. So it's only the, the products that the client sees are only the products that I carry. They can't go off into someone else's store. They can't go off into some Salon, interactive Superstore and, and buy other brands or whatever. So they're very much in, in my world still.

[00:32:21] I brand my own website with my name. It has a look and feel that is, is what I want, and I carry the products in there that I want, and, Pricewise, they're at recommended retail price. Are they, I mean, how does that work? Who sets the price?

[00:32:36] **Randy C:** Yeah. Yeah. So the, the brand or distributor fulfilling the product sets the price.

[00:32:41] So typically they're keeping things around, you know, what we call MSRP or two times salon costs, however you like to refer to it. MSRP p is, is typically the easiest standard. Um, we do allow sales on the platform. So now we, we're kind of shifting to where I can maybe talk a little bit about some of the features.

[00:32:58] Um, there are components [00:33:00] to this where you can actually allow your brand or your distributor to market on your behalf as a salon or a business owner. So that means if you have your clients in the system, so let's say you have, you know, fifteen hundreds clients who are in. Your system that are people who visited your salon and given you their information, contact information, name, email, that, and, and giving you permission to contact them if they're in our system.

[00:33:27] Brands and distributors. And, and again, this is permission given by the salon. They have to check a box and, and opt in and say, yes, I want this to happen. But we can send out beautiful marketing campaigns and say, Hey, 10% off, you know, for this Memorial Day weekend in the US is a thing, right? Here's, here's a 10% off coupon for this, this brand.

[00:33:47] Your clients will receive that, but it's coming directly from you as the salon. So our system basically takes that beautiful marketing that was created by the distributor or the brand, and then puts it into our system and [00:34:00] sends it out from each individual salon that's associated with that brand. So let's take Kevin Murphy as an example, right?

[00:34:06] Kevin Murphy is a, a very popular product here. I, you know, it's an Australian brand, um, does very well all over the world. Um, Kevin Murphy can, can basically have a sale happen where every salon that carries Kevin Murphy, their clients receive an email saying, Hey, 20% off for, you know, for this three day period.

[00:34:28] And when they click that link, it takes them to their salon site. So we could send out an email that would go through, you know, 4,000 different salons and hit to 5 million consumer. And every single one of those, when they click that link, they're going back to exactly their salon. We're not sending them to some other, you know, they're not going to Kevin Murphy's website, they're not going anywhere else.

[00:34:50] They're going straight back to their salon site, to the Kevin Murphy page, and they're able to buy those products there. So it's a really incredible tool. It's very simple when you really [00:35:00] break it down.

[00:35:00] **Antony W:** Yeah, yeah.

[00:35:01] **Randy C:** But what we're doing, the important thing there is we are protecting the salons. Relationship with their clients too.

[00:35:07] **Antony W:** Mm-hmm. ,

[00:35:07] **Randy C:** we're not giving up their, their contact info. The brands and the distributors will never have access to that contact info.

[00:35:13] **Antony W:** Mm-hmm. ,

[00:35:14] **Randy C:** because to us that's, that is the salons, that's the salon to client relationship that's so important that this industry is built on. Right. But then at the same time, the relationship between the salon and the brand, or the salon and the distributor is important.

[00:35:27] So we're protecting that as well, making sure that we're, we're following all the correct. You know what, what we would hope everyone sees as the correct way to do it, which is we can provide metrics back to Kevin Murphy and say, Hey, you know, this many people clicked your marketing email, this many people followed a link and this many people bought.

[00:35:43] But for, but we would never say, you know, Sally Jane down the road here at, you know, 1, 1 12 Fallbrook bought this product. We would never pass that level of detail because to us, that's the salon's information. They're the ones who own that.

[00:35:55] **Antony W:** So the salon owns the intellectual property being the clients.

[00:35:59] **Randy C:** Absolutely.

[00:35:59] **Antony W:** [00:36:00] Buying patents, name, address, email address, whatever. Okay. Um,

[00:36:04] **Randy C:** that's our, that's our belief, right?

[00:36:06] **Antony W:** Yeah. What, what's to stop me, um, if I'm a Salon owner, uh, I, I would not normally carry a lot of inventory that I didn't need because it's tying up cash flow. But with Salon Interactive, you don't have any cash flow tied up.

[00:36:25] So what's to stop me? In my online store, putting 5, 6, 7, 8 brands in there that I don't even necessarily use within my salon. But at least having an online store that has a bigger presence so that, you know, um, someone can be driven there and go, well, actually I don't like Product A. Oh, they've got product B as well.

[00:36:46] I'll go with that instead. I mean, is there, is there a reason why you wouldn't do that or would do that?

[00:36:54] **Randy C:** I think it comes down to the individual salon and their brand, right? What, what is [00:37:00] it that they're bringing to this world? Because so far in my experience, every salon I've ever been to has something, right?

[00:37:06] Like they have a look and feel, or they have specific techniques they like, or it's the personalities in the salon. It could be the products they stand behind. So for us, what we typically recommend is only put the brands in here that you feel some connection to, that you feel like you could respond to.

[00:37:23] If a client calls you and said, Hey, You know, why is this Olaplex doing this to my hair? Why did 11 do this when I was using it? So, We don't recommend just trying to turn yourself into a mini Amazon.

[00:37:36] **Antony W:** Yeah, exactly. That's what I'm sort of,

[00:37:38] **Randy C:** but we do, we do have salons that do that, and if their clientele is wildly diverse and, and they don't have, you know, two brands that really, or, or, or again, a handful, four or five brands that really work well for their clientele, they can add as many brands as we have on the platform.

[00:37:54] As long as they're in the right territory and they have relationships with those distributors, we don't block them from doing it.

[00:37:59] **Antony W:** Yeah,

[00:37:59] **Randy C:** we do [00:38:00] recommend, again, like our, our thing is make sure your online store is reflective of you as a salon, because again, like this is just an extension of your salon.

[00:38:08] It's not this other thing entity, like you should treat it as an extension of your salon. Now, some people apparently are the, you know, the mini superstore type salons and they've chosen to add every brand that they can get their hands on.

[00:38:21] **Antony W:** Yeah, yeah.

[00:38:21] **Randy C:** And some of them do very well doing that. But our top seller, I'll tell you that the top seller on the platform carries one brand.

[00:38:28] **Antony W:** Right. Okay. Fantastic.

[00:38:30] **Randy C:** Right. And and he, he actually is very prescriptive. Every service he does, he hands someone a piece of paper and on it, his QR code to the store is printed.

[00:38:40] **Antony W:** Yeah.

[00:38:41] **Randy C:** And he writes the names of the products that he wants them to buy, and he hands it to them and he says, you need this.

[00:38:48] **Antony W:** Mm-hmm. .

[00:38:48] **Randy C:** And that's it. Incredibly simple. And he, he is absolutely crushing. I mean, he's doing, uh, he's had weeks in a row where he's done \$6,000 in retail a week.

[00:38:58] **Antony W:** Mm.

[00:38:58] For a seller or for [00:39:00] an individual.

[00:39:01] **Randy C:** For a single individual.

[00:39:03] **Antony W:** For a single individual. Right. Okay.

[00:39:05] **Randy C:** Yeah.

[00:39:05] **Antony W:** Right. So I mean,

[00:39:06] **Randy C:** it's a, it's, it's an experience. I'm not, I'm not trying to say that everyone should.

[00:39:11] **Antony W:** Yeah, no, that's, that's good. That's,

[00:39:12] **Randy C:** but it's, it's possible. I mean, it's, and again, just, just incredibly, you know, this is someone who's working an incredible amount of hours and very driven, but, you know, we have a lot of our, our sweet renters, which for anyone who I think most probably know what a suite is, but it's basically

[00:39:27] **Antony W:** Yeah, yeah.

[00:39:27] **Randy C:** For, for hairdressers who, who, who rent a small room that where they're operating typically by themselves inside of a building with other beauty professionals often.

[00:39:36] **Antony W:** Well, that's what I meant is, is that one person that you're talking about, is he a suit, a suit operator? So it's a single salon?

[00:39:42] **Randy C:** Not really,

[00:39:43] **Antony W:** not necessarily,

[00:39:44] **Randy C:** not really.

[00:39:45] He's, he's an individual who's also has some clout. He, he's a bit of an influencer, but basically we have, we have quite a few of our suite renters do very, very well themselves. And we also have salons, you know, kind of mega salons with 60 chairs. [00:40:00] That are absolutely, you know, doing an incredible job with it too.

[00:40:03] So that's kind of been what's amazing for us to learn over. And, and COVID really didn't give us much good data, but since things have leveled off and we're starting to really see, you know, performers rise to the top in more normal situations, um, we're realizing that the platform really works for almost any demographic so far that we've seen.

[00:40:22] It's all about how they choose to do it. That's what's driving their success. It's not, it's not a specific makeup of a, of a beauty professional. It is actually how they operate with the platform.

[00:40:34] **Antony W:** Yeah.

[00:40:34] **Randy C:** And so a couple quick examples that are, like I said, the handing them a physical note, and again, keep in mind, I, I said it's if you can't find the store, you've got a problem.

[00:40:43] Well now you have a little piece of paper with that QR code on it. So it's really easy to find that store. Others are doing classes where they're inviting all of their. With a specific hair type to say, Hey, we're gonna do a class on the products we recommend for your hair. And they're doing it online.

[00:40:58] And then they're linking the products [00:41:00] in, in that so that anyone who watches this educational piece can go directly to their side and buy the products. Right. And then others are really focused on what we have on the, in the platform called product recommendations. And that's the ability to go and grab a specific client in the system and, and put together a curated, you know, two or three products, whatever it is that you are recommending to them.

[00:41:21] And then when you send that, they get an email saying, you know, Hey, Antony Whitaker is, you know, your, your hairdresser is recommending. These products to you click that link and it pulls you straight into a shopping cart. It's already filled up with those products that you've recommended your client, and now it's as simple as check, you know, clicking, checkout, and they move on.

[00:41:41] So that, that is an incredibly powerful tool, and that's something where it's kind of like the core of our business because we see that relationship as being so important. And if you send your client a recommendation, they're gonna take it a lot more seriously than almost anything else because they're, this is the person.

[00:41:57] **Antony W:** So, so the hairdresser is actually [00:42:00] putting those products into the shopping cart and saying to the client, these are the products I've used on, you're here today, they're in your shopping cart. And then it's up to them as to whether they buy them then there or the next day or the next week. Or they buy one of them, but not four of them.

[00:42:14] They can do whatever they wanna do with it, but at least,

[00:42:17] **Randy C:** yep.

[00:42:17] **Antony W:** At least there's a salon as a hairdresser. So you, you've done your, your, your role there. Okay. So at least say no, well this is what you recommend, this is what he's used or she's used and, and, uh, yeah. Okay. Fantastic. Um, alright. I wanted to ask you about professional.

[00:42:32] So this is only retail product you don't have, like as a salon owner, you are not a fulfillment center for me to get my professional color supplies and stuff from, or is that something you offer or is that something you're thinking of offering or, or what?

[00:42:49] **Randy C:** No, we offer that today. It's, it's very dependent on the, on the distributor or brand.

[00:42:54] **Antony W:** Yeah.

[00:42:54] So some of our distributors and brands

[00:42:56] **Randy C:** offer that, some of them don't. So it's due to the way we're [00:43:00] integrated. Um, what happens is, is especially if they're, if, if the salon is using a point of sale that we are, uh, integrated with then inventory list, you know, they can create a PO We take that, basically pass that straight through to the distributor brand and then they just have to finish the checkout.

[00:43:17] But yeah, we're, we are doing that, so they're paying their salon price for all of that. They put together their order and it comes through. Cuz at the, at the end of the day, Antony, we're, we are trying to be the source of knowledge for all products. So we have, you know, an incredibly extensive database. We have over 430 brands now in the platform, and that's continuing to grow.

[00:43:36] Um, you know, when I started this business, I, I had no idea there was even 430 brands. I didn't realize that, but there's more, I mean, we're adding to that. Um, and so they're gonna be, you know, they are already able. Today we have quite a few salons that are, that are doing this regularly. And, um, we're currently in the process of integrating with several other point of sale companies to, to build out that feature, to make it [00:44:00] even more easy to use.

[00:44:01] And, I mean, ideally automate, right? Because I, I can imagine again that we're not gonna find a lot of hairdressers who love doing that inventory piece and running those orders. So we wanna try to find ways to automate that part of the business so they can really just focus on what they should be focused on, which is, you know, their relationship with their clients and building their service business.

[00:44:18] **Antony W:** Yeah. So, so I, I know you said it, and I'm just saying it out loud to myself. You've already got over 400 brands.

[00:44:27] **Randy C:** That's correct.

[00:44:28] **Antony W:** Wow, that's incredible.

[00:44:29] **Randy C:** Yeah.

[00:44:29] **Antony W:** That's that's amazing.

[00:44:30] Yeah, and, and, and to be clear, you know,

[00:44:32] **Randy C:** probably 25 of the brands are, are do 90% of what we do on the platform so that we have our popular brands, and then we have a lot of, you know, we have tools, we have all kinds of professional things that are just for this salon too.

[00:44:48] Basically, anytime we're integrating with a distributor or a a brand, we're bringing in all of their products. So sometimes those could be split into you know. We have an incredible amount of [00:45:00] data, basically.

[00:45:00] **Antony W:** Yeah.

[00:45:00] **Randy C:** And we're continuing to build it out and curate it and make sure that it's accurate. And we have salons call us sometimes and say, Hey, I don't understand this description doesn't look right.

[00:45:09] And we've got a product team that jumps in and if there's something wrong, we fix it. And we're actually passing this data back to some of our distributors and other brands saying, Hey, we've made some corrections here to what you sent us. Let's, uh, we can continue to improve this. So that's a core part of our business that we kind of offer, you know, to everyone we're working with, which is here's some access to this curated list of brands and products that, um, you know, until now has been very hard to find.

[00:45:36] **Antony W:** Yeah.

[00:45:36] **Randy C:** When you have all the data, is the individual salon download, you know, typing it in themselves, it's prone to a lot of mistakes and, and just ends up being a, a challenge to work with. So,

[00:45:46] **Antony W:** Yeah. Does it have, I I, I know the American. Model, um, between salons and manufacturers. There's a distributor in the middle and in Europe, the [00:46:00] UK, Australia, New Zealand.

[00:46:01] A lot of the other markets where people listen to the podcast, it's more that they deal with a direct sales force with that manufacturer. I know in the US you have some of that

as well. What I'm, what I'm thinking about is when you've got a direct relationship with the manufacturer, there's a lot of perks that come with it.

[00:46:20] You know, there's a relationship, there's a lot of events, there's a lot of stuff that goes on. Having salon interactive in the middle, does it change that relationship at all? Does it, does it lessen that relationship? Does that have any impact on it at all?

[00:46:37] I would hope that in fact, the opposite is true and that it enriches that

[00:46:40] **Randy C:** relationship because not only are, are you now more integrated to that brand, the data that you have about that brand is better because we're ensuring that it's accurate when that brand.

[00:46:52] So this is a, I love this story and it's, I mean, it's absolutely bonkers, but it's true when, when we go [00:47:00] and, and we're working with distributors and, and other. We're, we're taking the imagery and the marketing components and things that they have often to, to offer to salons to use to market if they want.

[00:47:12] Right. Let's, again, not to pick on Kevin Murphy, but to talk about them again, because it's easy.

[00:47:16] **Antony W:** Yeah.

[00:47:17] **Randy C:** If, if we take their imagery. Um, or let's focus on, let's talk about Paul Mitchell since you,

[00:47:22] **Antony W:** It's, okay. Yeah. I do a lot of work with Paul Mitchell.

[00:47:24] **Randy C:** So Paul, yeah. Paul Mitchell is a great example. So Paul Mitchell comes out, let's say they come with a new product, right?

[00:47:29] And they have, uh, imagery around it, or they're doing a new campaign and they have photos that are appropriate with that campaign, right. So we take that in and we're trying to go back and like update everybody that we are working with to say, Hey, here's the most recent imagery, because that's what, that's what Paul Mitchell wants used, right?

[00:47:48] They don't want their, so what we found is often when we bring these back and we're, you know, trying to update, we've got people out there who are using stuff from, not last year, but like years ago, you [00:48:00] know, outdated ingredients, lists out. So that's the other benefit of what we're doing and how we can enrich when, especially when we're direct, directly connected with a brand or a distributor who's doing a great job.

[00:48:10] We're able to bring exactly what's relevant and of course to the brand, you can imagine the attractiveness of being able to give us the new imagery or marketing materials.

And basically with that, they've updated now all of their distributors and all of their salons in one go.

[00:48:25] **Antony W:** Mm-hmm.

[00:48:25] **Randy C:** rather than sending out mass, you know, Hey, here's our new thing, please download this and get rid of, because we know what happens when you do that.

[00:48:32] It's the vast majority don't have the time or the space or have any desire to do that work.

[00:48:36] **Antony W:** Yeah.

[00:48:37] **Randy C:** So that's what we're trying to do is help curate, keep everything up to date and, and relevant because again, ingredients lists are, are incredibly important.

[00:48:44] **Antony W:** Yeah, yeah.

[00:48:45] **Randy C:** People allergies who like

[00:48:46] **Antony W:** exactly.

[00:48:47] **Randy C:** Can't use a product and, and if you don't update your ingredients list that that's something that could be, you know, damaging.

[00:48:52] **Antony W:** So yeah, it can be litigation issue there. Okay. Um, I just thought of something else that, you know, if I've got 10 salons, my [00:49:00] buying power, my discount level with a manufacturer is very different to if I've got one salon with two staff, what impact does this. Have on that? Does every, is it a, is it a level playing field?

[00:49:14] Does everybody, you know, is the margins the same for everybody? Because they never actually have any of their own, uh, cash flow tied up in inventory. So it's not like they're placing a big order because they're never placing an order. So how does that, right. How does that work?

[00:49:31] **Randy C:** That's a great question. I don't know if I've ever been asked that before, so I appreciate you asking that.

[00:49:35] Um, it depends on the brand or distributor because if they choose to, to tell that 10 person, you know, that, excuse me, that 10 location salon group that has that buying power, maybe they've negotiated on the side a slightly different purchase price, right? Because they're buying, you know, hundreds of thousands of dollars of product a month instead of a thousand dollars, right?

[00:49:57] So they're giving them maybe a little bit better deal. [00:50:00] They can choose to do that in our platform as well. So our platform is, it, there's a lot of power. Almost everything in our platform can be manipulated in a way to, to work for the way that industry works. And again, I've, I've gotta credit, you know, Jim and his vision for this, because it's really set up in such a way that it can handle all those scenarios.

[00:50:20] So, for example, let's say somebody, instead of paying, you know, \$50 for a hundred dollars retail product, they've negotiated, they only pay 45, right? That means in our platform, they can set it to where that salon just gets an extra. 5% of every sale, because that would basically do exactly the same from a math perspective.

[00:50:38] And it's, and they can set it individually by salon.

[00:50:41] **Antony W:** Mm.

[00:50:42] **Randy C:** So they can say, we wanna give this salon this percentage, and we wanna give another, so we as Salon Interactive, have a rule that we do not allow anything less than 25% to be given to the salons. Because when we went out and, and tried to understand the market and all the research that we've seen in a pretty well run [00:51:00] salon doing their retail, they're actually taking home and keeping about 25% of any sale.

[00:51:06] You know, a lot of people will go, wait a second, it's 50%. That's the, well, if you're ignoring all the, all the money side of things. And I, I don't like to get into that because that's an emotional discussion for a lot of people and they, you know, you get into the dollars and cents and it makes them uncomfortable.

[00:51:19] **Antony W:** Mm-hmm. .

[00:51:20] **Randy C:** But basically it, most people who've done any research on this, in this industry, agree 25 to 30% is kind of, A really well run salon in terms of like, that's their actual profit margin. If they account for all their costs and everything, you know, the rent, the, the space that's taking up any shrinkage, any sort, you know, shrinkage being, you know, things breaking or stuff being stolen,

[00:51:42] **Antony W:** whatever. Yeah.

[00:51:42] **Randy C:** Right. Yeah. Or, or you know, you're in the middle of a service and Oh, I'm out. I gotta grab, grab it off the shelf and use it. You know, those are all things that impact your, and not to mention the opportunity cost of the, the thousands of dollars that you have tied up on the shelf, which again, we're huge proponents of keeping in salon retail.

[00:51:59] I'm [00:52:00] never telling people, Hey, you have to get rid of this if it works for you. But if it's thousands of your dollars sitting on the shelf, that's not moving and, and then you've got your, you gotta pay someone to dust it because it's not, you know, that's a, that's a moment where maybe you should be thinking like, I, I, this probably isn't the model for

me, and maybe I need to be focused a lot more on my online sales because we, we are zero risk.

[00:52:21] **Antony W:** Hmm.

[00:52:21] **Randy C:** There's no risk if you don't make a sale. There's nothing, there's no cost. So it's

[00:52:27] **Antony W:** Exactly, yeah. Is there any particular business model that's embraced it more than another? In other words, is it, is it the Salon suite model, the independent contractor, the booth renter? Or is it the commission based salon?

[00:52:42] Which, which model have embraced what Salon Interactive offer, or is it much of a muchness?

[00:52:49] **Randy C:** I, so it's, it's amazing that it's not more skewed. Um, but I, I definitely think from a percentage standpoint, or. When I look at the [00:53:00] numbers and the way I look at it, I have to, because we don't have pure, you know, when someone joins our platform, we don't know exactly whether they're a suite renter or an independent, or they're a salon with 15 chairs.

[00:53:11] We have ways to estimate that. And that's depending, are they adding their employees or like the, you know, others who are in the, in their salon. So they can also use the same store because in some cases, if they're all independent booth renters in the same salon, they could each set up their own store, right?

[00:53:27] You don't need to set up one store. So there's some nuance to this, but basically the numbers that we look at is like, is it an individual person who's signed into the store or are there multiple people? And it breaks down very similar to where we're like, we're 80% are individual store administrators, right.

[00:53:44] And when I say store, I mean our e-commerce sites. And then the rest are like, you know, two to five, five to 10. Like we have it broken down. So we have the numbers. And it's pretty similar to what you'd expect from the U United States industry breakdown. Now that's [00:54:00] something we're really interested in, in continuing to dig in on.

[00:54:02] I think the, the suite owner, the individual kind of business owner who's on their own has embraced it the most, namely just due to convenience because they like you, you said so succinctly. They don't have the space or the money to put product on their shelves. You know, they're in a small area. They have to be super efficient and every dollar counts when you're trying to run your own small business and, and see clients.

[00:54:26] And so imagine spending even just 800, a thousand dollars on products to put on the shelves that that's a lot of money to take outta your pocket. That could go into, you

know, buying color or doing other things that could actually, you know, doing some market, whatever, whatever the case may be. Like grow your.

[00:54:43] So we have seen them really embrace and do very well. But at the same time, I don't want to ignore the fact that like we've had some really incredible, you know, high powered, you know, well known salons just absolutely run with this and do incredibly well. Um, you know, they can give their every stylist credit, so [00:55:00] when you're checking out, you have the ability to select who your hairdresser is.

[00:55:03] So they're getting credit in the back end. That's for, you know, multi chair locations. Um, you know, they can split their commission internally however they want. So they, yeah. Well that, yeah, that's what I was gonna ask you. 20.

[00:55:15] **Antony W:** Yeah.

[00:55:16] **Randy C:** Right. So we have all kinds of different models. We have salon owners who have said, we're going to give our hairdressers a hundred percent of the commission.

[00:55:23] We get, if it's their sale, it's their sale because there's no risk to me. So I want this as a perk for my people, and I want them to really do it because they believe that you didn't finish the service unless you provided the proper home care. You know, that's important to them. So they'd rather give a hundred percent of that commission to their, to the person who recommended it, or, or, or made sure that the client bought it.

[00:55:43] We have others who break it down, you know, if it's I, I'll take the 25% minimum if. The salon keeps 10 and the, the stylist gets 15. It can be reversed, it could be five. You know, they, we have people who set up tiers to say, once they've sold, you know, \$500 in the month, [00:56:00] then they move up from 5% to 10%. You know?

[00:56:02] **Antony W:** Mm-hmm. .

[00:56:02] **Randy C:** There's different ways that people do it, and it's been incredible to see because there's a lot of creativity and, and,

[00:56:08] **Antony W:** and that's all built in models, that that's all built into your system, working that all out? Is it?

[00:56:15] **Randy C:** So the record, the recording for all of that is the recording. They can set up the recording and see, be able to see who sold what and break it down there.

[00:56:24] **Antony W:** Wow.

[00:56:24] **Randy C:** We're not having each one of them link their bank account yet. We're not dropping in. So we typically have one bank account that we deliver the money to for each account. And then from there it, it's split up however the salon decides. So

[00:56:37] **Antony W:** that that's, if it's an employee based salon, you have, so I've got 10 employees.

[00:56:43] You have one account that you drop the money into. I'm the salon owner, it's my account. I get a minimum, or the business gets a minimum of 25% commission on whatever the product is. And then I can do what I want with that 25%. I can split it down the middle. I can give it all to the [00:57:00] stylist who sold it. I can do what, whatever, you know, pro ratter I choose to do.

[00:57:05] Right. Okay.

[00:57:06] **Randy C:** Exactly. And, and the stylist have a login. If, if the system's set up correctly in the salon, the stylist can log in and see the sales that are attributed to them and be able to, you know, send recommendations from the platform. So it's a really neat tool. So anyone who's listening. Interested and works in a salon, you could bring this and it's very easy to set up.

[00:57:25] It really, like I said, it takes 15 minutes for the basic setup, and that's the high end. Like we've set it up in seven minutes while recording it on a Zoom call with a client before. Um, it, it's very quick. It's really easy and very straightforward.

[00:57:39] **Antony W:** All right. Well listen, we're we, we've been talking at a hundred mile an hour.

[00:57:43] I've got like so many notes in front of me. I think we've touched on everything. Uh, I've certainly drank the Kool-Aid, so, um, you know, I'm, I'm, I'm a believer in this. I think this is, this is incredible and I, I keep thinking to myself, only a hairdresser could have thought of some of these [00:58:00] things. So I, I think that, uh, there's a certain amount of the fact that that is Jim's background, that he sort of looked at this from the professional hairdresser's point of view.

[00:58:11] As well as having a broader understanding of, you know, how it works in terms of technology in the manufacturer. It's a bit of a win-win, win for everybody. And I know there'll be some people that don't like this. I know there'll be some people listening to me that are going, Antony, this is not what we need in the industry, blah, blah, blah, but this you, you can't hold.

[00:58:31] Change back. And, you know, technology, the industry's pretty slow on picking up and embracing technology and, and this sort of technology is, is, uh, has a lot of positives about it. And as I, I think I opened up by saying I don't see it instead of, I see it as well as, And, uh, it, it comes down to that thing.

[00:58:52] You, you said at some point in the podcast you said that the amount of people that actually buy online, or the percentage of sales that are done [00:59:00] online, uh, I was, I was wanting to chirp in and say at 16% or something, because that was a figure I'd, I'd read. And then you basically came in with the same sort of ballpark, uh, dynamic.

[00:59:11] And I, I often say to salons, you know, when we talk about retail, because that's often an excuse that hairdressers will say, you know, is I'll say, oh, well I don't talk about retail cuz the clients will buy it online. And of course my, my standard answer is, they don't, or buy it online, A percentage of them do.

[00:59:28] And I, I usually use that figure, 16% of people buy stuff online. And then I also say, But in five years time or 10 years time, will it be more than that? Well, damn Rider will be more than that. It will continue to grow, but it's never gonna be at a point where everyone buys everything online. It's never gonna be a point where you go into the mall and all the shops are closed and you go into the high street or the main street and everything's closed because shopping and buying stuff and being in a salon presents a different [01:00:00] opportunity.

[01:00:00] So it's very much

[01:00:01] **Randy C:** mm-hmm. ,

[01:00:01] **Antony W:** uh, and as well as not an instead of, um, I think if you're listening to this, what you should do, if you wanna find out more about it, uh, is, is go to salon interactive.com website because there's a very simple graphic on there about how it works, and there's some really interesting blog posts there as well.

[01:00:22] I, I enjoyed reading them before we got on the call today about the difference between affiliate marketing and, and what Salon Interactive do, et cetera, et cetera. So I, I think you've done a fantastic job of it. Um, so over and above, saddle interactive.com, the website, whereabouts can people connect with you on Instagram or other social channels if they were intrigued to find out more?

[01:00:44] Yeah.

[01:00:45] **Randy C:** Awesome. Yeah, we have, you can just search Salon Interactive on Instagram and you will find us. Um, we have an Instagram account. We are active on Facebook. We, you know, we answer questions if people have support questions. You know, I'd love to hear from anybody [01:01:00] who doesn't think this is a great idea too, because I'm, you know, we are looking for feedback on how we can help improve what we are doing to be the fit for, for those of us in this industry who are trying to move things forward.

[01:01:14] And so, yeah, we love to hear from anybody. Don't, don't feel like you can't reach out and, and tell us why you don't think it's right. We'd love to hear why you love it. Um, and

of course we have a support team, so you can reach us@supportsaloninteractive.com with any, you know, setup needs or things, uh, of that nature.

[01:01:31] And, and our phone number, it can be found, I'm not gonna say the phone number here, but you can find it on, uh, our website. If you need to contact us, we have a support team, you can reach out. . But, um, yeah, Facebook, Instagram, um, we are there and we are looking forward to hearing from you and hopefully, uh, helping you make some more money and meet your clients where they're shopping and, uh, finish the service.

[01:01:54] **Antony W:** Good. Good. Okay. So listen, I will put all those links, uh, in today's [01:02:00] show notes for the web, uh, for the podcast. I'll be on my website, grow My Salon business.com and the show notes. Uh, and look, if you're listening to this podcast with Randy Cotten, have enjoyed it, then please do me a favor. Take a screenshot on your phone, share it to your Instagram stories, and, uh, tag us in it.

[01:02:16] And don't forget to subscribe and leave us a rating and review on the Apple Podcast app. So to wrap up, Randy Cotten, thank you so much. You've been an absolute avalanche of information and, uh, I really appreciate your, your honesty and enthusiasm and just wanna thank you for being on this week's episode of the Grow My Salon Business podcast.

[01:02:36] **Randy C:** Excellent. Thank you so much, Antony. It was a real pleasure. and the Can't wait to speak to you again soon.

[01:02:40] **Antony W:** Cheers. Thanks.

[01:02:42] **Randy C:** Cheers.

[01:02:47] **Antony W:** Thank you for listening to today's podcast. If you'd like to connect with us, you'll find us at Grow My Salon business.com or on Facebook and Instagram at Grow My Salon business. And if you enjoyed tuning into [01:03:00] our podcast, make sure that you subscribe, like, and share it with your friends. Until next time, this is Antony Whittaker wishing you continued success.