

YOU CAN'T GET QUALITY CHEAP

Quite often, I hear the question “why are some products significantly more expensive than others?” It does get confusing, because the ingredient list may sound very similar but work very different.

The first decision of pricing is based on how the product will be marketed. When a company comes out with a product, they decide where they want to hit in the market. Are they trying to compete on price or on quality? The price can vary greatly by manipulating the quality or the quantity of the ingredients/scents/additives, cost of the formula, packaging etc. Some make the decision to produce a cheap product and charge a high price with hopes that consumers will purchase it with the notion that it must be good due to the hefty price tag. This is not a great strategy as eventually consumers will realize that they have been taken advantage of.

The greatest effect on price is the quality (and quantity used) of the main ingredients of the product. When we look at active ingredients, additives (like argan or caviar), as well as scents, there are different grades of these products and large differences in pricing. Working with a CBD company that wanted to use honey in an anti-inflammatory treatment they found there is 20 different grades of honey alone, let alone the other ingredients. The price of the different levels was significant. It was indeed concerning for them as they would be competing with a product with a much lower grade selling for a considerably cheaper price. Their goal was to heal wounds, so they opted for better quality of ingredients to obtain better results and priced accordingly.

In discussions with another shampoo company representative, I was informed that they diluted their products (made less concentrated) to sell to a big box store. They did this not only because the general public doesn't understand how to dilute products, but also to reach a price point that is acceptable for the big box stores.

We as consumers are always looking for a bargain but sometimes forget that we may give up quality for that deal. This is not unique to just the shampoo and conditioner market. You will also see this in products like dog food where there are different levels and grades of protein sources. I once toured a cottage cheese factory and they showed us how the large curds with very little liquid went out to the premium vendors and then it went down to generic brands. The tour guide joked that they were sent what was the left before they cleaned the tanks. A lot of people don't realize that many grades of dog foods or food items are produced in the same manufacturing plants. The top grades are sold to the companies willing to pay more and the lower brands are sold to the companies that want to compete on price. Both have their place in the market. The question is, “what level of quality do you prefer?”

As a groomer in a salon or a veterinarian in a clinic we are not much different. We decide where we want to sit in the market. Are we going to offer the best quality service by offering an amazing facility, continuing our education, utilizing the best quality products, and hiring the most qualified people to support us? Or are we trying to compete with the big box stores on price?

One of the conflicts of competing with the big box stores is they have very deep pockets and a large organization which gives them the advantage to beat you on price. Some big box stores also use grooming as a lost leader, meaning they don't plan on making money from the grooming, but instead will profit off of the products the consumer buys while their pets get groomed.

It is very important as a business owner that you decide which market you want to be in. Who do you want as a client? A person who seeks out quality or a person highly concerned about price. You pick your clients by your philosophy! When competing on price, you must understand if you are cheap you will have to do high volume (10-18 dogs a day) to make a good wage. If your goal is quality (and charge accordingly) then you can do fewer dogs (5-7 dogs a day) to get the same paycheck.

As mentioned with products, if you charge a high price, but don't produce a good quality groom your clients will eventually realize they can get a better deal down the street. The biggest issue I see when I visit salons and groomers (as well as veterinarians) is mixed messages. You may have a beautiful facility, great staff, and have the best products, but are offering bargain basement prices. Or the facility is dirty, stinks, and the staff is rude, and the salon is charging a premium fee and only doing 3-4 dogs a day. Mixed messages are a great recipe for potential failure!

So, whether you are buying product or running a salon, evaluating what you want to accomplish becomes important. The day and age of just setting up shop and being successful is going away. As corporations start buying up smaller grooming shops and the economy gets tight, it becomes imperative that you have a plan for success. With Covid, one of the issues we are running into is being short staffed for the volume that is available. This becomes a supply and demand issue. I hear all around the country that groomers are turning away clients. You don't have to look too far to see prices are rising everywhere, so this is the perfect opportunity to raise your prices. It is significantly important to establish whether you want to be a high volume /low price salon or you want to be a high quality/ higher price salon so that when things get back to "normal" you have a strong consistent message.

Remember "you can't get quality for cheap, but you can get poor quality at a high price" or as other put it "Good ain't cheap and cheap ain't good!". Be wise as a consumer and a business!