



# **7 TIPS FOR RAISING PRICES**

WITHOUT HURTING BUSINESS

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*Few subjects are as taboo in the beauty and wellness industry as the topic of raising haircut prices. But for [Booksy Ambassador](#) Ivan Zoot—this very subject has been the key focus of his career as an industry educator, motivational speaker, and widely read author.*

*If you haven't heard of Ivan or read about his professional legacy, then it's time to take note. He is the founder of the [\\$100,000 Hair Cuttery Academy](#), a company dedicated to making absolutely sure that industry experts have the knowledge and skill sets to run their businesses. And the bulk of his career has been focused on the topic of raising haircut prices.*

*To help implement that change, Ivan offered valuable information in regards to the importance of raising haircut prices. Ivan also gave careful tips on how industry professionals should proceed with making changes to their prices. Continue reading to learn from this bonafide expert in the field of making sure that barbers and stylists run successful, six figure businesses.*



# KNOW THE FACTS ABOUT HAIRCUT PRICES

It's impossible to deny the artistry in cutting and styling hair. There's creativity and self-expression in every cut, style, or grooming treatment. But the business side of the industry is just as important. And that's especially true when it comes to raising haircut prices.

"Industry professionals view themselves as artists, not sales people or business people. And artists have a very difficult time putting value on their art. I think that mindset starts people out from a really challenging position, because we don't learn most of this stuff in most beauty schools—they simply don't teach enough when it comes to pricing," he said.

Ivan continued by stating that many industry professionals speak highly about themselves when it comes to their busy schedules. It's almost a badge of honor to be booked as far out as possible. But Ivan said this is the first mindset that needs to change.

"Busy haircutters love to brag about how far out they are booked. And of course, when I hear that I shake my head, because these are individuals who, as I like to put it, are leaving money on the table. **If you're too busy, you're too cheap.** You are failing to accept, acknowledge, and leverage a valuable economic principle: the law of supply and demand," Ivan said.

# APPLY FUNDAMENTAL ECONOMICS

**SIMPLY PUT, PART OF THE LAW OF SUPPLY AND DEMAND STATES THAT IF LESS OF A PRODUCT OR SERVICE THAN THE PUBLIC WANTS IS BEING PRODUCED, THE LAW OF SUPPLY AND DEMAND STATES THAT MORE MONEY CAN BE CHARGED FOR THAT PRODUCT OR SERVICE.**

If you are fully booked and busy and you raise your prices by 10%, the law of supply and demand states that if you raise your prices by 10% then 10% of your customers will leave you. But at that point, you will be earning the same amount of money with more padding in your schedule and with additional room in your book for opportunities from your top

90% customers, said Ivan. “The people who don’t object to your pricing and the people who are happy to pay you what you’re asking are birds of a feather who will flock together. And those top 90% customers have what we call top 90% friends, which means they will refer their friends and family and your business will continue to grow,” said Ivan.



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## SET A DATE FOR RAISING HAIRCUT PRICES

Another tip that Ivan offers, when it comes to raising haircut prices, involves choosing **the best date to implement the price increase**. In fact, about 12 years ago Ivan created a holiday to commemorate the date that he believes is the best for raising haircut prices.

Raise Your Haircut Prices Day in the United States is **July 1st**. To prepare for that holiday, Ivan spends weeks engaging both industry newcomers and experienced professionals. The reason he believes that **July 1st** is the best day for raising haircut prices involves a number of factors.

Ivan believes it's best to avoid raising haircut prices just before, after, or during the holidays—roughly October to January are poor times for raising haircut prices. It gives clients the impression that you're “gouging” them when money is tight, he said.

On that same note, tax season in America is another poor time period for raising prices. And tax season in the United States runs right after the holidays until the spring.

However, July 1st is the peak of the summer. People are busy, active, and most importantly they're spending more time outdoors. Many clients choose this time for vacations. But too much time after July 1st runs into the back to school season. And raising prices is tough during that time too, since customers are planning to spend money on academic related necessities.





## KNOW YOU'RE WORTH IT

According to Ivan, haircuts in America today are cheaper than they've ever been at any time in the history of the United States, once you factor in inflation and the cost of living. He also said the cost of cars, food, gas, college tuition, and housing have all accelerated at a rate significantly higher than the price of haircuts.

Unfortunately for beauty and wellness providers, federal data supports those claims. The [U.S. Department of Labor](#) reports that barbers in this country make roughly \$29,283, while hairstylists and cosmetologists make about \$30,084.

With regards to raising haircut prices, Ivan simply states that it's important to know and believe that your services are worthy of a price increase—just like other major services that regularly increase in cost. Once you believe in yourself, your customers will follow that same mindset. And they will become willing to pay more for your time and energy, he said.

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## CONTINUE TO DELIVER VALUE

Ivan believes that industry professionals should always try to **offer experiences**, instead of only providing a haircut or styling session. Experiences are worth more. And that's why it's important to ask yourself the following question: What are some of the ways that you can consistently deliver the best client experience, since higher valued experiences command more money?

Industry experts across the country need to spend some time thinking about how they can **continuously deliver value**. Once industry professionals understand their value and what distinguishes them from others in the industry, then it's much easier to charge more, instead of continuing with the tired narrative of charging the same amount year after year.

Ivan regularly shares this widely accepted mindset with both industry newcomers and experienced professionals. And that includes speaking directly to the students who enroll in his courses and working with more than 40,000 [Instagram followers](#) and [YouTube subscribers](#), who regularly seek his advice.

# FIRMLY RAISE PRICES BY AT LEAST 10%

If your chair traffic is healthy, defined as 80% occupied with 80% repeat requests, you can sustain a 10% price increase with no fear of loss of revenue. Even if 10% of your clients quit, you are generating the same revenue with air in your book for new referrals, Ivan said. So, make sure to **raise your prices by at least 10%**.

Just as importantly, when you choose a new price remember: This is not a request. Actually, it's just the opposite—it's a business decision. Make sure to stay firm in your decision and ***tell clients the new price, instead of asking.***

Communication is important here, so be careful of the language you use and the confidence you project. Don't make excuses or apologize for the price increase. Simply pick a day and make changes to the necessary signage. Update your Booksy price list. Edit any stacks of menu flyers on the front desk. And definitely change the programming within the computer or cash register.

"Then, just start cutting hair—do absolutely nothing else. And this is a huge challenge for professionals in our industry, because our industry, cultural tradition, of posting their prices in advance. But there's no other industry in the world that I am aware of that provides customers advance notification of price changes," said Ivan.



## ALWAYS BE CONSISTENT

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Always avoid holding onto the old price for even your most loyal customers. Make sure to raise the prices for everyone—together. Trying to keep track of who pays what amount and why will cause more headaches in the long wrong, said Ivan.

In addition to making sure that you consistently raise prices for everyone, remember to **keep raising your prices every year**. Enjoy the price increase but start planning for the next increase. Employees in just about every other industry expect an annual pay increase. But that culture doesn't exist in the beauty industry. And that needs to change.

“By remaining consistent, you will be able to **change client expectations**. Once you raise your prices one or two years in a row, by the third year, clients will expect a price increase. This is about client training. It's about programming. This is about customers anticipating and expecting the behavior. And two years is all it takes to get clients to say, 'what's your new price?'” said Ivan.