



SELLING WITH SCIENCE: RESEARCH-BACKED WAYS TO IMPROVE RETAIL SALES IN YOUR SPA & HOTEL

People might not think of retail as a science but it is. Spas often struggle with retail sales, but there are strategies to overcome these struggles, many of which are backed by research.

Kenneth Ryan, Vice President of Global Wellness, Spa and Fitness Operations for Marriott International, told Spa Executive in an interview, “I’ve learned that retail is very much a science. The more I work with the experts, the more I realize how much expertise there is in it. There’s a behavior in how people shop. There’s a reason why Sephora is successful. There is a science to everything they do, there’s a science to the way the store is lit, to the planogram and how it’s laid out, to the way they allow people to test and play with the product. When you work with retail experts, you see it, and we, as an industry, are not necessarily doing that. There’s opportunity for retail to get better by providing more education and guidance, and bringing in the people who do it well.”

How can retail science, or scientific retailing, be applied to retail in spa and hospitality? In a few different ways.

Consumer psychology

Consumer psychology, or consumer behavior, is one area of retail science. This is the study of purchasing behavior and “how our thoughts, beliefs, feelings, and perceptions influence how we buy and relate to goods and services.” In other words, why do we spend our money on what we do?

Some of the things that have been found to impact consumer purchasing behavior include scent, lighting, touch, and storytelling.

Scent

Research findings suggest that the use of ambient scent could impact mood and perception in ways like decreasing stress and anxiety, and [may help enhance customer loyalty and increase spending](#). Aromas of lavender, basil, cinnamon, and citrus are said to be relaxing. Peppermint, thyme and rosemary are invigorating. Ginger, cardamom, licorice, and chocolate may evoke romantic feelings. Rose is said to promote positivity and happiness. Scent marketing is the strategic use of fragrance at consumer touchpoints.

One study at Washington State University found that “simple scents” may work best when it comes to influencing spending. Researchers developed two scents: a simple orange scent and a more complicated orange-basil blended with green tea. Over 18 weekdays, they watched more than 400 customers in a home decorations store with either the simple scent, the complex scent, or no scent. The group exposed to the simple scent spent an average of 20% more.



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Stories

Selling with stories, sometimes called “storyselling,” may also increase sales. In a study called the *Significant Objects Experiment*, \$128.74 worth of thrift-store items sold for \$3,612.51 on eBay when accompanied by fictional stories, a value increase of 2706.50%. And **2015 research** found that “If people really love a brand story, more than half (55%) are more likely to buy the product in the future, 44% will share the story and 15% will buy the product immediately.”

In **another example**, Save the Children, a charity that connects donors with children in developing countries, found that telling stories about the children and their situations increased donation amounts by more than twice as much.



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Touch

A study published in the *Journal of Consumer Research* found that consumers who touched merchandise were willing to pay more for products than those who kept their hands off. Researchers placed two products, a Slinky and a coffee mug, in front of 231 subjects and told one group they were allowed to touch them and the other group they were not. Those who touched the items were willing to pay more to purchase them, and also reported “statistically significant higher levels of perceived ownership,” suggesting a desire to purchase.

"When you touch something, you instantly feel more of a connection to it," one of the study authors said. "That connection stirs up an emotional reaction — 'Yeah, I like the feel of it. This can be mine.' And that emotion can cause you to buy something you never would have bought if you hadn't touched it."

Lighting

Research from the [Kellogg School](#) indicates that people feel a disconnection from others in darker settings. Study authors theorize that this psychological distance encourages individuals to prioritize personal desires, often leading to choices providing immediate gratification. Three experiments were conducted where participants in dimly lit rooms displayed a preference for pleasure-based choices. Companies selling luxury or indulgent items might benefit from dimming the lights. There is also suggestion that **very bright lights** may increase impulse buying and dynamic lighting may **increase time people spend lingering** in front of store windows.



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Behavioral psychology in your spa, hotel, or resort

Companies aiming to increase retail sales should pay careful attention to these behavioral psychology elements and spend some time learning how they are best applied. What sort of lighting best works in your space and the scents that may induce a desire to purchase items, for example. Learning the stories behind your retail products and sharing them is also important. This is why brands share these stories; their mission, values, and histories. And allow customers to try the products that interest them and that may work for them. In a spa, this opportunity is built into treatments and services. All you have to do is find a way to communicate it.

Scientific retailing by the numbers

Another major aspect of retail science is numbers. Retailers today have access to massive amounts of data but don't always know how to use this information to their advantage. Analyzing the data collected in your software system can lead to smarter and faster decision making and bigger profit margins. Use customer data to design your sales and marketing strategies, identify customer needs and effectively tailor your offerings and messages.

Key areas of focus include:

Customer analytics: Analyzing customer data to understand purchasing behavior, preferences, demographics, and lifetime value. This helps retailers personalize marketing campaigns, optimize product assortments, and improve customer satisfaction.

Inventory management: Utilizing data to optimize inventory levels, forecast demand, and minimize stock-outs or overstock situations. By accurately predicting demand patterns, retailers can streamline their supply chain, reduce costs, and improve profitability.





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Pricing optimization: Analyzing pricing data and customer response to determine optimal pricing strategies, promotions, and markdowns. Retail science helps retailers identify price elasticity, competitive pricing benchmarks, and pricing structures that maximize revenue and profitability.

Store layout and merchandising: Using data analysis to optimize store layouts, product placements, and visual merchandising strategies. By understanding customer flow patterns and product affinity, retailers can enhance the overall shopping experience and drive sales.

Demand forecasting: Applying statistical models and machine learning algorithms to predict future demand for products, considering various factors like historical sales, seasonality, promotions, and external influences. Accurate demand forecasting helps retailers optimize inventory, improve supply chain efficiency, and reduce waste.

Market basket analysis: Examining customer purchase patterns to identify product associations and upselling and cross-selling opportunities. This analysis helps retailers create targeted product bundles, optimize product placements, and personalize recommendations to increase sales and customer satisfaction.

Retail science in this case leverages advanced analytical techniques, machine learning algorithms, and data visualization tools to transform raw data into actionable insights. By harnessing the power of data, retailers can make data-driven decisions, enhance operational efficiency, improve customer experience, and drive business growth in an increasingly competitive retail landscape.

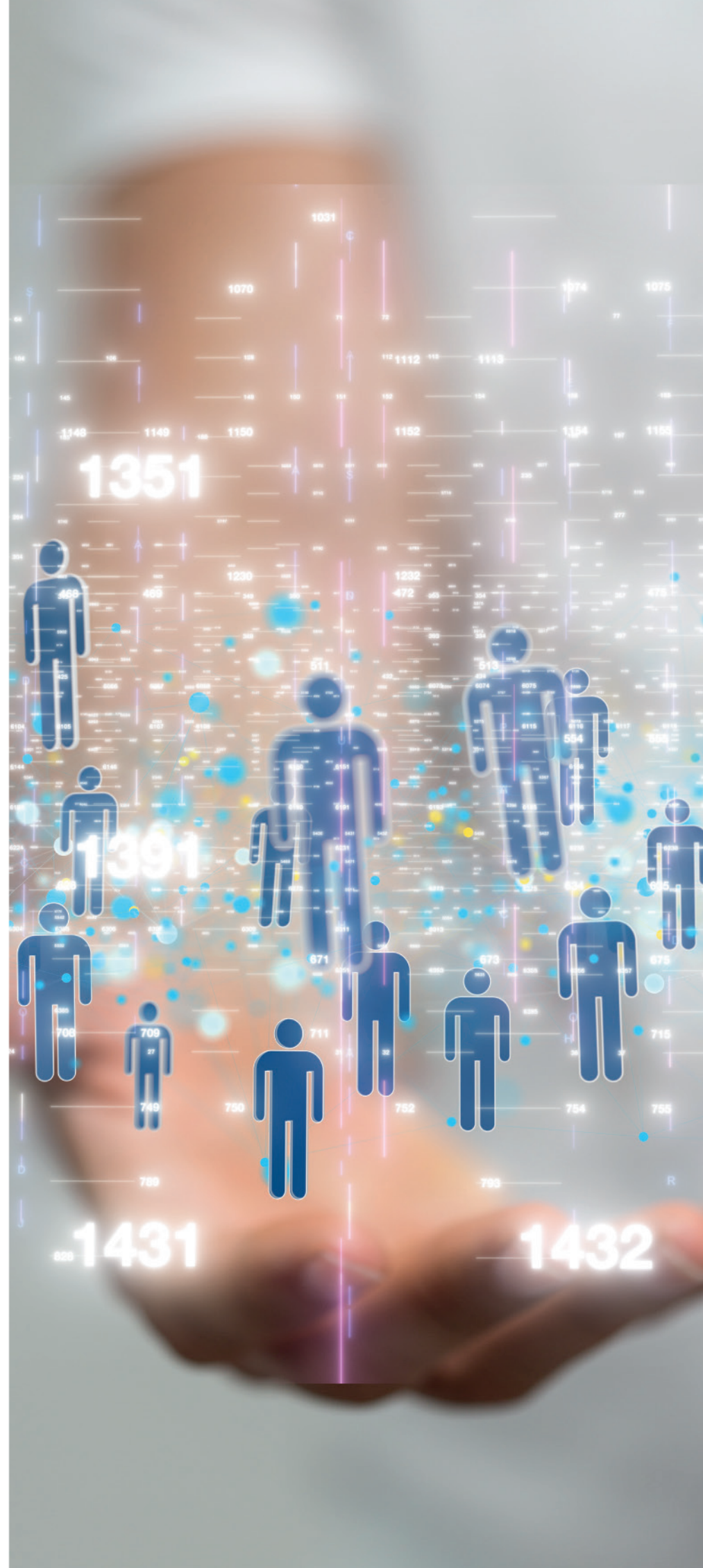


How to collect customer data

Your spa and ancillary revenue software system should collect the data you need and integrate with your hotel or resort's other systems as well. Data can be collected in a variety of ways, including through your online booking and intake forms, your loyalty and membership programs, and your POS system. Your staff members, meanwhile, should be entering valuable information into your software's note taking function. Birthdays, special occasions, life milestones, and expressed preferences, for example.


Book4Time's reporting dashboards display your data in an easy to read format. Our business management software features more than 250 reports and dashboards, from KPI tracking and financial reporting to revenue forecasting and purchasing trends. These features allow you to break down the metrics you're looking for giving you the insight you need to make the best decisions for the retail departments of your hospitality business.

Use these retail science strategies to increase retail sales in your spa and/or hotel.



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