

Beauty Business Staying Strong for Neill Corporation

Experiences, not Possessions, Leads to Greater Happiness for Today's Consumer

New Orleans, La. (Vocus) April 2, 2009 -- Conde Nast Portfolio recently announced the results of a poll they conducted asking readers where they had made cuts--or were planning to--in their budgets.

In a move that shows a lesser focus on possessions and status and more on experiences, the last area in which cuts were being made, with only 1.1% of readers, is "Stop coloring hair" (after "Stop giving to charity," "Selling my house" and "Let go of nanny.")⁽¹⁾ This is the latest information in a string of recent reporting that indicates that buying experiences, not possessions, leads to greater happiness.

This statement also supports the long-held theory that the last thing for women to cut out of their budget is beauty; they still want to look, and feel better, even when going through tough times.

"Being a hair colorist, obviously this information is news to my ears," says David Adams, president of hair color training company Red Chocolate, and celebrity colorist. "But I think this is about more than just the aesthetic. When women go for professional beauty services such as a hair color, they are hopefully getting a great, personalized and relaxing service as well in a change in their look. We all need some of that, especially now."

Over the last year, professors at San Francisco State University have been researching consumers' most recent purchases in relation to how they feel. Participants indicated that experiential purchases, such as a meal out or theater tickets, represented money better spent and greater happiness for both themselves and others; these experiences satisfy higher order needs, specifically the need for social connectedness and vitality. This leads to longer-term satisfaction.⁽²⁾

"Maybe this belief has held because money is making some people happy some of the time, at least when they spend it on life experiences," says Ryan Howell, assistant professor of psychology at San Francisco State University. "And why they maybe be happier is that experiential purchases may provide 'positive memory capital.'"

But there is a catch: only up to a certain point, is the experience worthwhile. Within the life experience category, data showed no correlation between cost of a purchase and the happiness reported. "This is a fascinating indicator," says Howell, "it tells us that when times are tough people don't need to stop buying life experiences, they just buy the less expensive ones. We know that up to \$400 there is no greater happiness associated to the purchase, than, say a \$30 experience; they both make you equally more happy than a material item."

Paris Parker is a line of salons and spas across the Southeast of Louisiana--and a company that has recently seen increases of certain service sales along with the decreases.

Even though customers may be extending their haircuts by waiting an extra 4-6 weeks for a new appointment, women are still seeing their hair colorist on a regular basis, although perhaps getting less concentrated



treatments, such as highlights around the face, or a color-melt only, rather than all-over foils.(3)

In addition, more than 20% of all calls answered per day are now requests for value pricing, from men as well as women, leading to an increase in bookings with newer artists.(4) This system supports both the junior artists who need to build their client base, and the customer who is looking for a more economical option--providing a win-win for everyone involved.

"Businesses need to adapt, and they need to do it now," says Sharilyn Abbajay, Chief Operating Officer for Neill Corporation, owner of Paris Parker Salons and Spas. "It's time to listen to our customers and adapt to their needs. Every one of us, especially during hard and stressful times, will not compromise on finding a gratifying experience that for a moment creates an escape of pure joy."

"Whatever the reasoning behind this new research, one thing is certain," says Debra-Neill Baker, Chairman of Neill Corporation, "...women will always want to look and feel beautiful. Now is a time for business leaders the world over to realize the opportunity they have to make a positive impact on every one of their customers."

The goal of Red Chocolate is to connect the salon owner, manager and service provider to the essential tools, techniques and processes needed for sustained growth in their businesses. Through a combination of progressive in-field and online education along with inspirational creative imagery, Red Chocolate aims to strengthen the connection between the art and business of hair color.

Neill Corporation is an exclusive Aveda distributor serving ten southern states. Its services include product distribution, technology, education and retail design. Integral to the Neill Corporation mission is the belief that business development and personal development are completely interdependent and are responsible for creating opportunity and inspiring evolution. More information at www.neill.net.

(1)"Cease and Resist," conducted by Portfolio staff, Conde Nast Portfolio Magazine, March 2008

(2) "The mediators of experiential purchases: Determining the impact of psychological need satisfaction," conducted by Ryan Howell and Graham Hill

(3) Neill Corporation

(4) Paris Parker Aveda Salons and Spas

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