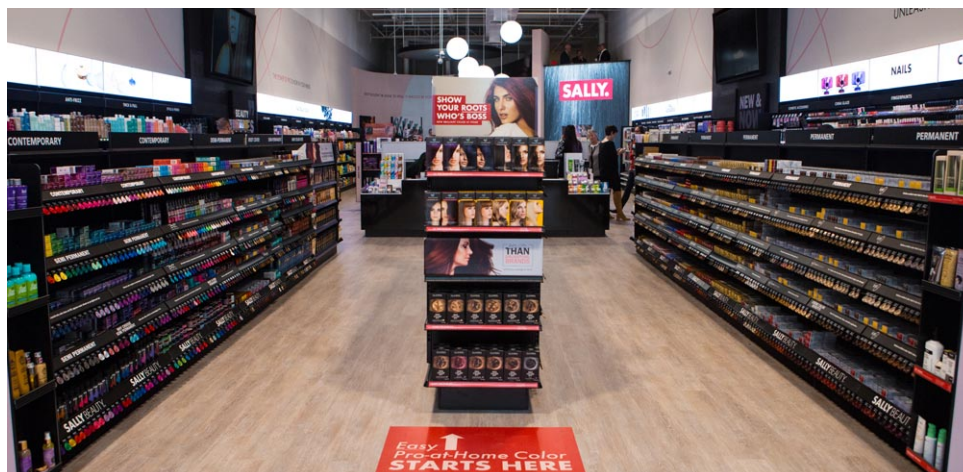


Sally transitions from beauty supply to beauty boutique

By Jayne Morehouse, CEO, Beauty Industry Report

Sally Beauty Holdings, Inc. has staked its claim as the next beauty boutique with the opening of its 3,200-square-foot store in Columbus, Ohio. Located within Lennox Town Center between Old Navy and Barnes & Noble, right off The Ohio State University campus, and serving the affluent areas of Upper Arlington and Grandview Heights, this leading hair care and color retailer recently hosted a grand opening event for local shoppers. **Beauty Industry Report** stopped by to check it out.

Key members of Sally's leadership team—including **Robert R. McMaster**, chairman of the board; **Chad Selvidge**, senior vice president and chief merchandising officer; **Chris Kobus**, group vice president, marketing and e-commerce; **John Goss**, group vice president, stores; **Mike Martin**, vice president, Sally store operations; **Jennifer Masie**, senior director, marketing strategy and operations; and **Kristen Whitfield**, influencer and PR manager—attended the opening to greet guests, signaling the new store's importance to the retailer. Festivities included free goody bags; demos by **Arctic Fox** founder and YouTube creator **Kristen**



At the entrance to the spacious new Sally Beauty store in Columbus, Ohio, guests begin their journey through hair color and care.

Leanne; gel polish manicure demos by **Gelish**; prizes and product giveaways; and exclusive access to the new **Sally ColorView Virtual Reality Tool**. The store employs 23 associates. Once considered a not-so-fancy,

black shelving and displays, a tool bar and a demo area. The checkout is in the center of the store, surrounded by samples and promos. Jennifer Masie explained that using in-depth consumer research, Sally has created a

4-step process to help consumers buy hair color. All of the shelves and displays are labeled accordingly. The steps include:

1. Pick your color
2. Pick your developer
3. Get your tools
4. Get your pre- and post-treatments

"We understand the needs of our customers," she said. "Our goal is to create an environment where they can explore and feel special. Stores will be merchandised based on the demographics of their areas, while complementary brands will provide in-store demos. Almost 40% of our store associates are licensed cosmetologists, so they are able to use their expertise and knowledge to help our guests select the right products for them. "Our edge and heritage are Care



Two special merchandising areas call out "Game Day" favorites for OSU students and "Beauty Faves" for everyone.



The Sally Beauty team greets Columbus guests. From left: Chad Selvidge, senior vice president and chief merchandising officer; Robert R. McMaster, chairman of the board; Chris Kobus, group vice president, marketing and e-commerce; Jennifer Masie, senior director, marketing strategy and operations; and John Goss, group vice president, stores.

For example, the **ColorView Virtual Reality Tool**, aka the **Magic Mirror**, makes it easy for guests who have never colored their hair to try on a huge range of shades from partner brands, including **Ion** (Sally's house brand), **Wella**, **L'Oréal** and **Manic Panic**.

Chris continued, "Kristen and her team of influencers give the brand a younger voice on digital and social media. Plus, we're incorporating more technology, like the Magic Mirror, which is appealing to millennials. In fact, we have designed and customized this store to bring Sally and Ion to our future customers with a focus on 18- to 35-year-olds. We have OSU artwork up front with a 'Game Day' display. We are also accessing OSU to bring Sally closer to the customer, with our Street Team doing product drops to the sororities and planning game-day activities in the fall."

In addition to Color and Care, the store features a section for Multicultural products, as well as special areas for Textured Hair, Men, Travel & Trial, Nail Care, Salon Basics and much more.

Sally plans to make over existing stores with elements of this location, based on the demographics of each market and the space available in each store.

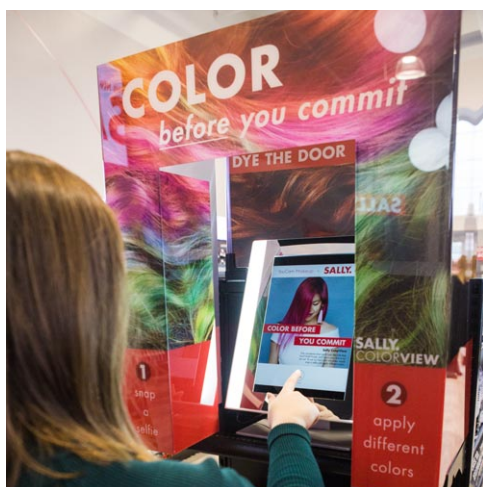
There are currently about 20 Sally Beauty stores in the Columbus market. Sally Beauty is the world's largest distributor and retailer of professional beauty products, with over 3,700 stores in 13 countries. The brand offers up to 10,000 products for hair, skin and nails. Sally Beauty Holdings, Inc. (NYSE: SBH) has revenues of approximately \$3.9 billion annually. To learn more, visit sallybeauty.com and sallybeautyholdings.com.

and Color, with great products across multiple categories," she added. "Our heritage is also rooted in the professional business: Consumers shop at Sally because the pros shop here. If pros trust Sally, consumers trust Sally."

Hair Color and Care are front and center for convenience. Sections are clearly labeled with the type of color—permanent, semi-permanent, etc.—tools or care on shelf. Technology enhances the guest's experience.

have chosen your shade, you have the option to email your photo and product information to yourself," explained Kristen Whitfield.

"The Sally brand has so much potential," Chris Kobus said. "While it's rich with history and nostalgia, it's now more empowered and updated." For example, in addition to heritage brands like **Wella**, **L'Oréal**, **Zotos** and **Roux**, the company has added more contemporary labels like **Manic Panic**, **Arctic Fox**, **Macadamia Oil** and **CHI** to the mix.



Technology has changed the way we buy beauty. With the help of Sally Beauty's new Magic Mirror (photo on left) and guided by (center photo) Kristen Whitfield (left), Sally's influencer and PR manager, and Dana Rueda, (right) account supervisor, TruePoint Communications, I tried on a new violet hair color (center). What do you think? right: The new Tool Bar invites guests to get up close with dryers and irons.