



Gwendolyn Neal has her hands full with a new distributorship, two beauty stores and another on the way. by Inga Hansen

*BEAUTY STORE BUSINESS* FIRST SPOKE WITH GWENDOLYN NEAL, OWNER OF Nefertiti Beauty Supply & Salon, in 1999. Back then her business was comprised of one location in San Jose, California. It has since grown to become a whole lot more.

A former paralegal, Neal entered the professional beauty industry in 1993 when she recognized the need for an ethnic beauty store in her hometown of San Jose. "There were no stores in this area that really catered to African Americans, in terms of hair extensions and beauty products," says Neal.

"People were driving to stores up to 50 miles away to buy what they needed. That's when I decided to open Nefertiti." Twelve years later her company is going strong. There are now two Nefertiti locations in San Jose, and a third is scheduled to open this winter in Washington state. Neal also recently launched Melissa Distributors, which allows her to share her industry experience with other beauty supply owners. *BSB* recently returned to San Jose to find out how Neal maintains her thriving businesses, and what she feels the future will hold for her growing chain of Nefertiti beauty supply stores.

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**Owner:** Gwendolyn Neal  
**No. of stores:** 2  
**Location:** San Jose, CA  
**Years in business:** 12  
**Average store size:** 1,850 square feet  
**No. of employees:** 8  
**Average sale per customer:** \$30-\$35  
**Leading lines:** Creme of Nature, Helen of Troy, Kizure.

### BSB: How has your business evolved since 1999?

**GN:** Nefertiti is doing well in spite of the bad economy. At the San Jose store on Santa Teresa Boulevard, which includes a seven-chair salon, we've brought in a barber, Frank Finkley, and the men love him. Having a barber here has brought more male customers into the salon and store.

I'm in the process of opening a third location, in Lacey, Washington, and it will be a salon store that features the same product mix as the two San Jose locations. I think having a salon and beauty supply store under one roof is the best way to go because the two businesses really complement each other. I'm going to set the new store up, and my niece, who lives in Lacey, will be the general manager. She'll oversee the day-to-day operations, and I'll visit periodically to make certain things are running smoothly.

I also launched Melissa Distributors this year. The name is in remembrance of my mother, Melissa. We have a warehouse in Milpitas, California, which is about 15 minutes from San Jose.

### BSB: What inspired you to become a distributor?

**GN:** It's just a natural progression. In this business you always look for new inroads, and when you see an opportunity you take it. That's how it came about. Store owners were asking me where they could get products, so we started to distribute a little bit through Nefertiti. It wasn't working very well because we didn't always have what they needed, but with the new distributorship we stock the full spectrum of products. We also offer special programs where owners, upon credit approval, can make purchases with extended payment terms and special discounts. Our goal is to help store owners stock their shelves and assist them in any way possible.

### BSB: How have your product selection and clientele changed in the past 12 years?

**GN:** Hair extensions make up the bulk of our business. But women of all ethnicities are now experimenting with extensions,

so we've seen a significant increase in Asian, Caucasian and Hispanic customers. I'd say about 60% of our customers are African American. We've also expanded our hair-goods offerings, bringing in wigs, extensions and hair that's used for fusion services, which is when the extension is attached to the hair with glue. Fusion can last up to six months. The service has really taken off with celebrities, and is gaining popularity in the general market.

Hair that's used for braiding continues to be a large part of our business. It's not a highly profitable category, but it does

bring a large number of customers into the stores. Synthetic hair for weaving is also very popular, and the manufacturers have made major inroads in terms of quality. It's amazing to see the difference in synthetic hair from 12 years ago to today.

We also offer skincare products and are in the process of adding nailcare items. Last time we spoke, I had brought in a nail technician who worked as a booth renter. He sold retail products from the salon, so we didn't stock any nailcare items at that time. He has since moved on to another area in his career, so we're now looking to expand into nail care as well.

### BSB: What are some of your leading lines?

**GN:** We have a number of lines that have been staples of our stores for many years. We consistently sell a lot of Colomer USA's Creme of Nature products, including relaxers, shampoos, conditioners and leave-in products. We also carry Helen of Troy's Hot Tools appliances and the Kizure appliance line, which

are very popular with hairstylists.

### BSB: What differentiates Nefertiti from other beauty supply stores?

**GN:** Our focus is on great customer service. Customers know they can come to Nefertiti and get ideas on products and hair care that they won't necessarily get at another store.

### BSB: How do you stay up to date with new products and trends?

**GN:** I read consumer and trade magazines, and my customers really help as well. They'll come in with articles they've read or advertisements and ask, 'Do you have



Nefertiti's store on San Jose's Santa Teresa Boulevard includes a full-service salon.

this product?' And if we don't have it, we get it for them. *Essence* and *Ebony* are major sources for new products for us. We also get requests from our stylists. They were asking for higher-end products because some of their customers were sending away to other vendors to get higher-quality hair, so I did some research and chose to carry Ashanti hair from Brazil, as well as the Ashanti Maintenance haircare line. Both lines are available in our stores and exclusively through Melissa Distributors.

### BSB: How do you track your best-sellers?

**GN:** We use Keystrokes point-of-sale software. It tracks inventory and shows us our



Gwen Neal, owner of Nefertiti Beauty Supply & Salon (right), gets a lot of help from general manager Barbara Knox and barber Frank Finkley.

best-sellers. It's very user-friendly, and it gives me all the reports I need to run the salon store. I can see from week to week what's selling, which allows me to put slower-moving items on sale. It has been a great help.

**BSB: Tell us a little bit about your marketing strategy.**

**GN:** We have a flyer that we send out at least quarterly, but my goal is to mail one monthly. Every time a customer comes in and makes a purchase, her information goes into our database. We've collected about 3,000 names, and we use this data to send out the mailers. We've found that just keeping our name in front of customers is a big help. The flyers also include coupons and discounts that bring customers into the store.

We have a website at [www.nefertiti.com](http://www.nefertiti.com) that offers online ordering, but we've found that people often log on to the site to see what kinds of products we carry, and then they come in to experience the products before purchasing them. The website has brought a number of new cus-

staff. Barbara Knox, our general manager, and Vicki Collins, the store manager, along with my other staff members, keep the stores and salons running smoothly. Their help enables me to work on other business opportunities.

This industry tends to weather dips in the economy quite well because women always want to look their best. However, we did start to feel it when the economy was doing poorly a few years back, and that made it difficult to hold on to really good employees.

**BSB: So how do you recruit new staff members?**

**GN:** My staff mainly is drawn from my



Nefertiti Supply & Salon carries a vast array of haircare products.

This has simplified things tremendously, because you can access so much information with little expense.

I also take my employees to trade shows from time to time so they can see what's new in the industry and meet other



“Great customer service is the overall focus of Nefertiti Beauty Supply & Salon.”



Hair extensions make up the bulk of Nefertiti Beauty Supply & Salon's business. The shelves are stocked with synthetic hair for weaving and hair that's used for fusion services.

tomers into the store, but word of mouth is still our best means of advertising and marketing. We really depend on it.

**BSB: What are some of the greatest business challenges you've faced?**

**GN:** Finding good employees. No matter how well you are able to run your business, you need help. I have a wonderful

customers, and I've done very well hiring from within our customer base. We have a friendly environment, and the patrons are generally excited about doing new things with their hair and learning about new products. Since I have employees who already use and understand the products, their recommendations come from personal experience. This helps us provide great customer service, and that's the overall focus of Nefertiti.

**BSB: What type of training do new employees receive?**

**GN:** Overall, the training program focuses on customer service and keeping employees abreast of new products. I do most of the training myself. When we hire someone new, she goes through a two-week training program in which she learns to use Keystrokes and about the different types of hair that we carry.

Customer service is extremely important, so I put a lot of emphasis on how a person communicates with the customer, in terms of giving her accurate product information and making good recommendations. Some of the product information I use in my training comes from the Internet, and I teach my employees to use it to answer customers' questions.

beauty professionals. The ideas you can get from attending trade shows and conferences are amazing.

**BSB: How important are beauty professionals to your business?**

**GN:** They are very important, because many times stylists will tell their customers what products to buy and send them to our store. We always want to keep communication open to make sure we're meeting the needs of stylists and their clients, so we try to cater to stylists and keep them abreast of new products and trends. We've used our flyers to publish haircare tips from stylists at local salons, which helps promote their businesses. This creates a bond between the local salon owners and our stores. We haven't done it as often as I would like, but the customers really enjoy it and often ask when we'll be talking to stylists from other salons.

**BSB: What are your future goals?**

**GN:** To expand the operation. Abiding by my motto, "Find the need and fill it," has worked for me so far, and I intend to keep doing just that. ■

Inga Hansen is a Los Angeles-based freelance writer.