



How Sport Clips Built an Empire on The Golden Rule

 Sport Clips Case Study





SportClips
HAIRCUTS

Earl Blood already had 20 years of franchise experience under his belt when he joined Sport Clips. It was 2008, and the heavy-hitting hair cutter had opened both its 400th and 500th stores in the previous year. Growth was picking up at a rate that was turning more than a few heads, and it was an exciting time to become a member of the brand. Scaling operations to match that pace would be a challenge for any franchise leaders, but Blood and his peers, experienced as they were, quickly found they had an even greater task on their hands.

Behind every remarkable business is a remarkable vision, and for Sport Clips, that vision came from Gordon Logan. The founder and CEO had built the company from the ground up since 1993, and he was committed to more than just providing a curated atmosphere for an underserved market. Logan's personal dedication to each and every client experience was unflagging. He was a firm believer that the Golden Rule was more than just a moral stance; it was a core tenet of business

that needed to come from the top down. "Do your best, do what's right, and treat others the way they want to be treated," were established as the company's core values. Logan was determined to see that mission visibly realized across the brand. Preaching the idea was admirable, but for Blood and other senior management, quantifying that on an operational level was a whole other beast.

"We wanted to know our clients are raving fans of our business, not just satisfied."

-Earl Blood, Senior Director of Operations

To find out if clients were happy with the level of service, the natural course was to simply ask them. The operations team's early efforts to gauge brand perception were a step in the right direction but just weren't effective enough to get them where they wanted to go. Blood and others grew frustrated as surveys turned into convoluted questionnaires with 20 or more questions. The length not only put a burden on clients but made information difficult to gather and evaluate over such an extensive network. Without being able to bridge that data gap, establishing any patterns among locations was nearly impossible. He realized that to gather a large amount of reliable client feedback and track it across the entire company, they needed to find a simplified, automated system.

The search began with a measure of caution. Dozens of techniques and software solutions for client engagement presented themselves, but Blood and the rest of management had to be certain to find a good fit. With such a large operation, rolling out a mismatched system could be a major setback. Careful research led to a customer feedback company called Listen360 where a trend began to develop. Many quickly growing brands similar to Sport Clips had been working with the company to track and strategize around client feedback, and it was paying off for them. He saw that they all had one thing in common. That's when Listen360 introduced Blood to the Net Promoter System.

When it came to scalable feedback systems, NPS was fast becoming king. From Apple to Zappos, big names everywhere were using the method to gauge the loyalty of their customer bases, and franchisors were catching on quickly. Up-and-comers like College Hunks Hauling Junk and FASTSIGNS were working with Listen360 and NPS to monitor the face value of their brands. They were getting data-backed insights down to the individual location and even to specific employees. References in hand, Blood knew how valuable such a tool could be at Sport Clips.

How likely is it that you would recommend us to a friend or colleague?

DETRACTOR

PASSIVE

PROMOTER

0 1 2 3 4 5 6 7 8 9 10

Not at all likely

Extremely likely



When Blood and other senior leaders discussed these findings, Logan became an immediate disciple of the system. NPS was exactly what they had been looking for to realize his mission. The work wasn't done, though, because the system itself was just a tool; success depended

“The stores that have higher NPS scores have a higher level of add-on sales and services.”

-Earl Blood, Senior Director of Operations

on how it was used. Blood and his ops teams implemented training, reporting, and behavioral practices based on NPS all the way down to the stylist level at each location. Leadership made sure the company provided the framework for the entire network to effectively use the system, and the payoffs they had noticed in the research started to develop for their team leaders.

The NPS scores began to correlate strongly with sales volume growth. The Listen360 reports allowed Blood to pinpoint very specific behaviors that could improve client experience. Locations that were acting on his observations had higher scores and better bottom lines. Clients at

“It’s important to us as a company. Just as important as those other metrics that have been in the business for 25 years.”

-Earl Blood, Senior Director of Operations

higher scoring locations were buying noticeably more add-on services. Blood watched, amazed, as even a difference of 3 or 4 points translated into a drastic difference in growth. The connection became so undeniable that Sport Clips incorporated the system into everything from monthly operational reviews to franchisee license renewals. NPS ultimately became a pillar in the foundation of Sport Clips brand management.

Today, that brand is booming. Franchisees, or team leaders as Sport Clips calls them, brought in \$625 million in revenue last year, and the company bagged \$4.2 million in profits on \$76.1 million in revenue. Registering at more than 1,800 locations in the US and Canada, Sport Clips is a true heavyweight champion of the franchising world. With the current trajectory of growth, there’s no doubt that Blood will be scaling for plenty more expansion in the years to come. Ever since he started using NPS, though, he’s confident he can keep equipping franchisees for success. He knows he has a finger on the pulse of Sport Clips’ relationship with its clients, no matter how big it grows.



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