Diagonal Reports

THE PROFESSIONAL BEAUTY MARKET SPAIN 2006
(BEAUTY – AESTHETIC – SALON – SPA – DAY SPA – INSTITUTE)

SAMPLE PAGES

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SECTION REPORT STRUCTURE

This section describes the contents of the different sections of the report. The different country reports follow the same structure, to allow for cross country comparisons. Where possible, data is presented in table format.

SECTION 1 - REPORT SUMMARY

SECTION 2 - BEAUTY SALON MARKET (SIZE / STRUCTURE / INCOME / SERVICES)

•• MARKET SIZE and TRENDS - that is, the estimated number of units, employees, and turnover a year in the beauty services (salon) channel. All data is the latest available over a three year period.
•• The STRUCTURE of the beauty services market - that is, the different types of outlets whose main business is the sale of beauty services and products to consumers. Changes in market structure are reviewed.
•• Breakout of sector TURNOVER, (in %) from the sale of services and the sale of products over the counter (OTC).
•• The top salon SERVICES are identified, and ranked.

SECTION 3 - BEAUTY SALON PRODUCTS MARKET

•• The value of the BEAUTY SALON PRODUCTS MARKET - that is, the sale of products to the beauty salon channel. Typically values are at manufacturers' sales prices.
•• The breakout of products (in %) in terms of use in the salon, and retail over the counter.
•• The top product categories are ranked.

SECTION 4 – BEAUTY SALON PRODUCTS, MARKET SHARES

•• The estimated number of suppliers in the beauty services channel.
•• The number of top suppliers, their names, rankings, and market share, where available.
•• Sales strategies common to the top suppliers.

SECTION 5 – PROFILES OF PRODUCT SUPPLIERS, SALONS

•• The suppliers identified are listed, (alphabetical order).
•• Profiles of the leading suppliers.
•• Profiles of selected salons, typically these are the top franchises, the largest supplier linked salons, and award winning salons.

SECTION 6 - PROFILES (AGENCIES, ASSOCIATIONS)

This section identifies and profiles of the most important of the following:

Statistics agencies, government agencies, regulatory agencies, training agencies, trade associations, professional associations, trade magazines, internet sites, trade shows, trade awards.

SECTION 7 – APPENDICES

This section includes other data, presented in the same order as in the body the report.

INDEX OF COMPANIES, BRANDS, SELECTED PUBLICATIONS, AND ORGANIZATIONS (REGULATORY, TRADE, PROFESSIONAL)

SPAIN SECTION 1 SUMMARY

Number of beauty salons *:x.
Employees: x.
Turnover: €x million.
Turnover: x% services, x% product retail.
Trends: Market is x.
Growth was +x% in 2005 over 2004.

Product sales to salons: €x million, at manufacturers' level.
Product sales: x% used in salon, x% product retail.
(All data refers to the year 2004 unless stated otherwise.)

The top 5 suppliers (ranked):
1 – x
2 – x
3 – x
4 – x
5 – x

The top ranked supplier could have a market share of x%.

The market experts consulted include suppliers who represent more than x% of total product sales to salons in Spain.

Average salon turnover in Spain is €x each a year. Some x% of salons have no paid employees, that is, they are owner / family operated.

An estimated x% of women in Spain use a beauty salon regularly.

*This report only covers beauty salons, that is, outlets whose main business is the sale of beauty services. It does not cover other types of salons, such as hair salons, or at home (mobile) beauticians.

Date of publication: February 2006.

Spain data issues

All data is the latest available.

Data sources consulted for this report includes trade and professional publications, market experts from trade organizations, product suppliers (manufacturers and distributors) to salons, and operators of salons.

The market experts consulted stress the severe lack of accurate, up-to-date and detailed data on the beauty salon sector in Spain.

There is data conflict about the size of the beauty services market, that is, about the numbers of beauty salons, salon employment, and salon turnover. Conflict can be due to a number of factors, the most important of which is that different data sources may count different types of outlets.

The extremely fragmented market makes data compilation and analysis difficult. The majority of beauty salons are micro-businesses, that is, they are very small. Some estimates of the market may be extrapolations from sample surveys, for example, of franchise operated salons, or the market in a region, or even in one city. But such extrapolations are seldom representative of the wider beauty salon market. For example, business in the largest franchise salons is different from that in small, single unit salons.

Data on beauty salons is not always available at any great level of detail. It is often amalgamated with data on other types of outlets offering beauty services, for example, hair salons.

Furthermore, x, a national association representing the largest suppliers and the most reliable source of data on beauty products, reports that figures for 2005 will not be available until May 2006.

Table 2 Spain beauty services sector – distribution by size

(As % of hair/beauty salons. Figures rounded.)

Staff per salon	**%**
0 staff (self-employed / owner)	X%
Under 5 staff	X%
Over 14 staff	X%
Years in business	
10 years or more	X%

(Source: DR Professional Beauty Spain 2006)

The majority of beauty salons are micro businesses. That is, they are small in terms of turnover, numbers of employees, and physical size (square meters). This will not change significantly due to the levels of investment required to expand.

Table 3 Spain salon sizes, franchise-operated outlets (average and large)

	Average	**Large sized**
Turnover a year	€x	> €x
Square metres	xm2	X m2
Investment	€x - €x	€x

(Source: DR Professional Beauty Spain 2006)

Salons of over x m2 have x (x) treatment rooms to offer the following services: x, y, z, and z.

Typically beauty salons are significantly smaller than the high street retailers of cosmetics that offer beauty treatments. These outlets are about xm2.

SECTION 4 – BEAUTY SALON PRODUCTS, MARKET SHARES

Market size and number of product suppliers

The beauty salon products market in Spain was worth some €x million in 2004 based on manufacturers' prices.

Experts identify by name more than x product suppliers to the salon channel in Spain, but very few have significant sales or market share.

It is difficult for suppliers to rank brands because the salon products market is fragmented. Furthermore, even the brands identified as leaders are often leaders in only one market segment, such as upmarket salons, or in one geographical region, or in one or two product categories.

Table 10 Spain suppliers to salons, "the top 10" (ranked)

(Ranking by value of product sales to salons.)

Rank	Company
1	x
2	x
3	x
4=	x
4=	x
4=	x
7	x
8	x
9	x
10	x

(Source: DR Professional Beauty Spain 2006)
(Market experts sample Spain.)

Leading suppliers

The largest suppliers in the salon market identify the "top three" companies in the fragmented beauty salon market in Spain as x (x), x, and x.

X could have a x% share of the €x million beauty salon products market in Spain. The brand is a major retail line in one of the largest nationwide salon chains, x.

x and x are two x-based suppliers with significant sales in the salon market around the world.

They are followed by another x or x suppliers, but there is no agreement about their rankings. They include: 1, 2, 3, 4, and 5.

x and x are leaders in products used in salons.

x uses its exclusive distribution policy to maintain sales in the professional channel in Spain. It claims that x beauty salons use the brand and that sales were €x million in 2004. Beauty therapists, who are its main clients, remain loyal to the brand because it is not supplied to department store chains in Spain. However, it is supplied to perfumeries with a treatment room.

x is important in retail, that is, products sold over the counter (OTC).

The biggest brands in the spa channel, which includes both mineral spas and day spas, are x, x, and x.

x estimates that its sales in Spain increased x in the six year period after 1997.

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