



Diagonal Reports

**THE PROFESSIONAL BEAUTY
MARKET ITALY 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. Wherever 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)

ITALY SECTION 1 SUMMARY

Number of beauty salons *: x.

Employees: x.

Turnover: €x million.

Turnover: x% services, x% product retail.

Trends: x, +x% in 2006 over 2005.

Product sales to salons: €x million, at the manufacturer level.

Product sales: x-x% used in salon, x-x% product retail.

(All data refers to the year 2005 unless stated otherwise.)

The top 5 suppliers (ranked):

1 – x)

2 – x

3 – x

3 – x

3 – x

The top x suppliers could have a combined share of over x%.

The market experts consulted include suppliers who represent more than 45% of total product sales to salons in Italy.

Average salon turnover in Italy is estimated at €x per year, and the average number of employees per salon is x.

*This report only covers beauty salons, that is, outlets that offer beauty services. It does not cover other types of salons or at home (mobile) beauticians.

Date of publication: February 2006.

Italy data issues

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.

All data is the latest available.

The market experts consulted stress the severe shortage of accurate data on the beauty salon market in Italy, particularly on the value of product sales to salons, and the sales of individual companies. The suppliers tend to be familiar only with their own sales, and not with the total market. Also, some do not supply every product category, for example, a company might supply face care and body care products, but not nail care products.

Data conflict

There is data conflict among the different sources. The conflict can be 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 of the market in a region, or even 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. Data is not collected or not updated frequently enough.

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

Most salons, over x%, employ fewer than x beauticians. Some x% of salons have x or x treatment rooms (cabins), and over x% have less than x square metres of space

A nationwide franchise of x salons that has treatment rooms to offer budget beauty services estimates an initial investment per salon of €x can yield an average yearly turnover of €x.

SALON INCOME SOURCES – SERVICES AND RETAIL

The average income per salon in Italy is about €x a year, at least in larger outlets. This compares to about €x in France, although in that country the average figure is much disputed.

Table 3 Italy income source (services and retail)

(As % of income on average in sector. Figures rounded.)

Source	%
Services	X%
Product retail	X%
Total	X%
Turnover a year	> €x million

(Source: DR Professional Beauty Italy 2006)

(Market experts sample Italy.)

In Italy, on average in the sector, income in beauty salons is largely from the sale of services, estimated at x%, and income from product retail is around x%.

In Italy, as in other countries, in this fragmented beauty salon market an “average” disguises the very wide variations in the sources of salon income and, in fact, some industry experts report a higher breakout for product retail.

Salon services

Note: beauty salons can offer a wide, and bewildering, range of services or treatments. There is no standard terminology for, or agreed definitions of, those treatments. This means that the terms used by different salons may not be an accurate guide to what is offered, and the same term may mean very different things in different salons.

It is difficult to accurately estimate the sources of salon income. This is because income from the different services varies widely within the salon channel. Further, very few salons record this type of data. Salons that record data include the small number of nationwide franchises, and large independents. Data from this segment identifies the most popular and

SECTION 4 – BEAUTY SALON PRODUCTS, MARKET SHARES

Market size and number of product suppliers

The beauty salon products market in Italy is worth some €x million (2005) – based on manufacturers' prices.

Experts suggest there could be “hundreds” of suppliers to the salon channel, but very few have significant sales or market share. The large number of suppliers is because salons tend to handle at least x if not x brands in each product.

In Italy, the companies in the salon channel are a mixture of some of the largest international brands and small brands whose sales are almost all domestic.

Table 8 Italy suppliers to salons, “the top 7” (ranked)

Rank	Supplier
1	X
2	X
3=	X
3=	X
3=	X
4=	X
4=	X

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

Table 9 Italy suppliers to salons, “the top 5” (market share)

(As % of total product sales to salons.)

Rank	Supplier	%
1	x	x%
2	x	x%
3=	x	x%
3=	x	x%
3=	x	x%
		x%
	Total of above	x%
	All other	x%
	TOTAL	€x million

(Source: DR Professional Beauty Italy 2006)
(Market experts sample Italy.)
Value at manufacturers' prices

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