



*Diagonal Reports*

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

**SAMPLE PAGES**

## **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)**

## **UK SECTION 1 - SUMMARY**

**Number of beauty salons\*:** x.

(Suppliers suggest only x beauty salons are professionally operated.)

**Employees:** x.

**Turnover:** £x million (€x million).

**Turnover:** x% services, x% product retail.

**Trends:** xxxx.

Up x% in 2005 compared to 2004.

**Product sales to salons:** €x million, at the manufacturer level in 2005.

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

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

### **The top 3 suppliers (ranked):**

1 – x

2 – x

3 – x

The top three are followed by another x names, which cannot be ranked. The top three could have a combined share of over x% in terms of the number of salon clients in the UK.

The market experts consulted include suppliers who represent just under 50% of total product sales to salons in the UK.

**Average** salon turnover is ST £x (€x) a year, and the average number of employees is x per salon. Some x% have less than x staff.

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

Date of publication: February 2006.

## **UK 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 a lack of data in the UK, particularly on the value of product sales to salons, and the sales of individual companies. 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.

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 can 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.

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

**Table 1 UK beauty services sector - sizes (2003-05)**

<b>Year</b>	<b>Units</b>	<b>Employees</b>	<b>Turnover (T/O) (ST £)</b>
<b>2003</b>	x	> x	£x million
<b>2004</b>	x	> x	£ x million
<b>2005 (e.)</b>	X	> x	£x million

(Source: DR Professional Beauty UK 2006)  
(Figures are latest available data.)

### **Beauty services sector**

In the UK, more than x outlets provide beauty services to consumers. They have more than x staff, of whom, over x are beauticians. Turnover is more than ST £x billion (€x billion) a year.

Note: The data above is from different sources, who disagree about market sizes in the different years. Estimates of annual turnover range from ST £x billion to almost ST £x billion. (This compares with an estimated combined turnover in hair and beauty salons of ST £x billion a year.) There is also disagreement about the number of beauty salons in the UK. Product suppliers estimate there are approximately x, but salon associations and other sources estimate from x to over x salons. The higher estimates count not just beauty salons but a variety of different types of outlets that offer beauty and related services, such as relaxation therapies.

In the UK, beauty salons, like hair salons, are concentrated in the largest population centres.

### **Trends**

In the UK, the beauty services sector continues to be positive, growing by x% a year. Beauty salon turnover and product sales to the sector were up x% in 2005, compared to 2003. The growth rates in beauty salons have been higher than for sales of mass market beauty products since 2003.

Drivers growing the market in the UK are much the same as in other countries. They include:

- The greater concern of consumers with their appearance.
- The increased population of older consumers, many of whom want to hide or delay the signs of ageing.
- The entry of new consumer segments into the market – specifically men and younger consumers.

## **SECTION 3 – BEAUTY SALON PRODUCTS MARKET**

**Table 6 UK beauty services sector – products market (value)**

<b>Year</b>	<b>Value</b> (million euro)
<b>2004</b>	€x
<b>2005 (e.)</b>	€x
<b>2005 (e.)</b>	€x

(Source: DR Professional Beauty UK 2006)  
(Market experts sample UK.)  
(Manufacturers' selling prices.)

The salon products market is the sale of all products to salons for use in the salon and for sale to clients (in-salon retail.)

The salon products market in the UK was worth €x million a year in 2005 at the manufacturer level. The market could be worth over €x million at the salon level.

The salon products market is very positive. Individual product suppliers expect growth rates of about x% in 2006, compared to 2005, and those specialising in skin care expect growth of x%.

Market experts stress that estimates of the value of the salon products market should be treated with caution.

**Table 7 UK product sales to salons – destination (salon / retail)**

(As % of total product sales to salons.)

<b>Destination</b>	<b>%</b>
In-salon	X%
Retail (OTC)	X%
Total	X%
Value 2005	€x million

	<b>Suppliers</b>	
	<b>Large-sized</b>	<b>Small-sized</b>
In-salon	X%	x%
OTC	x%	X%

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

In the large and fragmented salon market there is disagreement about the final destination of the products sold to salons. On average in the UK, some x% of products are used in the salon, and x% are retailed over the counter (OTC) to clients.

There is disagreement among suppliers as to what percent of beauty and other products are retailed (OTC) to clients. Large sized suppliers, whose combined sales represent almost x% of the salon products market in the UK, suggest that x% of their sales are used in the salon. But smaller suppliers suggest that x% of sales are used in the salon.

## **SECTION 4 – BEAUTY SALON PRODUCTS, MARKET SHARES**

### **Market size and number of product suppliers**

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

In the UK, there are many suppliers to the salon channel, but they are numbered by the "x" and not by the "x," as in other countries in Europe. Experts identify x companies by name as among "the most significant suppliers to the beauty salon channel in the UK."

They report that changes in the distribution policies of some suppliers make it difficult to estimate rankings and market shares. For example, some suppliers changed from being salon-only suppliers to supplying the wider market, such as retail in department stores. One such was the x company.

**Table 9 UK Suppliers to salons - "the top 11" (ranked)**

<b>Rank</b>	<b>Supplier</b>
1	X
2	X
3	X
6=	X
6=	X
6=	X
6=	x
6=	X
6=	X
6=	X
6=	X

(Source: DR Professional Beauty UK 2006)

(Market experts sample UK.)

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