



Beauty Industry Developments Impacting Spa and Wellness

Concurrent Breakout Session

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La Salle Davinet, Victoria-Jungfrau Grand Hotel & Spa, Interlaken, Switzerland

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The reasons to look at beauty therapies more closely is the great value these revenues bring to Spas and other businesses. The definition of the beauty market includes the sale of therapy and retail – it is not just retail as some in the spa world segment it.

The aim of this breakout session is to present a number of businesses in different countries to have a general overview of the global beauty market. However, there is a difference between businesses that pretend to offer beauty treatments and the ones who actually do. There are big discrepancies between data in countries. It depends very much on who you get the data from. Sources for the studies presented are beauty salons, publications, and associations.

In the U.S. there are big discrepancies between associations and the government regarding the number of people employed in the beauty salon industry. These numbers don't count the self-employed people.

In China the association says there are more workers than what is stated by the government. It seems that the number proposed by the association is exaggerated.

In general, the number of salons per person is similar between countries. The beauty salon segment is separated into hair care and beauty in some countries, and in other countries not divided. A full service salon does both hair and beauty.

In France they segment the beauty salons into beauty service and body service. The reason is because of the training above and below the shoulders. The French law requires a different training for therapists. In addition, beauty salons are not allowed to do hair.

The classification in the UK: "Home based" salons are the ones where therapists practice at home. The mobile ones have therapists that move to their customers' houses. Some services in the UK need a license (facials, massage, sauna). The need for a license is not consistent over countries.

The size of businesses, on average, is similar in the U.S. and the UK. In China it's minimum 10 square meters by law.

In China, 40% of 9 million professionals in the beauty industry have no training. In European countries the annual revenue for a salon is 50,000 Euros or less. [see chart showing the fragmentation between units and revenues.] 4% of the salons in Europe account for 50% of the revenues. Regarding revenue, there is no average. Large companies target 70% in retail and 30% service.

There are tens to hundreds of permutations of various combination of therapies. The beauty therapies are very fragmented. The first four treatments between countries all over the world are facial, make up, body care and nail care. The most demanded treatment in the UK is hair removal. Comparing revenues between France and Japan, facial care is ranked number one.



There are different services all around the world but a lot are similar.

In the 1990's "salons" become day spas in the U.S. The word "salon" refers to hair only. Elsewhere in the world Spa has a different meaning. The adoption of the term Spa is now a terminological upgrade. Beauty, Wellness and Health Medical were traditionally separated industries.

New regulations are required for Med Spa according to the new treatments on the market. All of the skin care in the U.S. is done under license by medical people. Regulations are going to decide who can provide treatments. In France for example there were strikes because of a law allowing "kinésithérapeutes" to provide massage.

The beauty salon market has been stagnating. But new treatments have appeared so it does continue to evolve.

There are new concepts in the beauty salon market. Spa is a new concept of beauty, e.g. Esthetic Centres, www.esthetic-center.com, and Body Minute, www.bodyminute.com. Today it is very important to have a reproducible formula. Some operators are very successful at running one salon but are unable to expand it.

Key sources on the kind of therapies they offer, their price (membership, cost between Eur10 and Eur100, member get discount of up to 70%). New beauty treatments in line with new lifestyle. Time, budget, non-intimidating, easy quality, easy access.

Clients: 48% of clients are under 35. Beauty salons need to attract new clients (eg. Men).

Esthetic Centers has big plans for expansion around the world which is very unusual. The French are the most successful in expanding their beauty salons (eg. Dessange www.dessange.com, Jean Louis David www.jeanlouisdavid.com).

The audience feels that the hotel industry is not looking at the reason why customers go to a salon. According to the audience a lot of customers are going for cosmetic aspects.

Having regular customers is the engine of the industry. Beauty salons are less exciting but a lot of people go to beauty salons.



The Global Spa Summit is an international organization that brings together leaders and visionaries to positively impact and shape the future of the global spa and wellness industry.