

Industry Information Sheet—Beauty Salons (NAICS 812112) including Day Spas

Industry Statistics

- More than 250,000 businesses in the United States, and more than 8,000 businesses in Georgia are classified as beauty salons. Beauty salons are business establishments that offer primarily hair care and nail treatments. Spa services include those services provided by beauty salons as well as beauty and therapeutic body treatments (i.e., skin care such as tanning, massage, hair removal, exfoliation, and other services that are intended to benefit the mind and body).
 - In the United States, more than 845,000 persons are employed in the beauty industry (NAICS 812112). In Georgia, nearly 25,000 persons are employed in beauty salon establishments. More than three-fourths (85.0%) of the beauty salons in Georgia have fewer than 5 employees. (Source: Dun & Bradstreet's *Marketplace* data, October – December 2001).
 - According to the *American Salon Green Book*, day spas are one of the fastest growing segments of the beauty industry. According to the International Spa Association's *1999 American Spa-Goer Survey*, nearly one-half (45%) of persons who visited a spa more than once per year are persons between the ages of 34 and 52; 41 percent of those persons have college degrees; and 35 percent have earnings greater than \$75,000. (Source: "Queen for a Day" by John Fetto. *American Demographics*, p 31, March 2000.)
 - The fastest growing and most used spa services are pedicures, the removal of facial hair, along with simple relaxation services. (Source: Diagonal Reports' Review 2001, Spa (Beauty) Services Grow Business in Salons, <http://www.diagonalreports.com/reviews.html>. For more information, visit <http://www.diagonalreports.com/multi-service-salon.html> or <http://www.diagonalreports.com/pdfs/spas.pdf>).
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Industry Trends

- *American Salon Magazine* surveyed distributors and manufacturers in the beauty industry about the top trends that will impact the beauty business and profitability over the next ten years. Experts believe that mid-size salons will offer specialization of services; e-commerce will grow among salon professionals; the recruitment and retention of good hairdressers will challenge owners over the next decade; a small number of salons will retail products; and consolidation of manufacturers and distributors are selling directly to salons (Source: "The Future of Beauty" by Kelley Donahue. *American Salon*, March 2000).
 - By the year 2010, the number of teenagers in the United States is estimated to grow to 35 million. Teenagers spend an average of \$80 on themselves each week. Young women (ages 12-24) out-buy all other age groups when it comes to haircare, skincare, cosmetics, and fragrances (Source: "Junior League" by Kelley Donahue. *American Salon*, January 2000).
 - When polled, a majority (63%) of medium-to-large-size salons owners and managers indicated that the number of men using their salons have increased. Men are requesting hair, skin, nail, and body treatments, and 41 percent of them purchase retail products at a salon. (Source: "Hair-raising Truths" by Regina Molaro. *Global Cosmetic Industry*, April 2001).
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- Men's hair coloring is one of the fastest growing segments of the hair coloring market (Source: "Hair Color Garner Broader Customer Base." *Drug Store News*, Beauty Care, p 86, March 26, 2001).
- The fastest-growing segment of the beauty industry is day spas. As many as 8 percent of the beauty salons which focus primarily on hair and nails in the country have become day spas since 1997. This trend is expected to continue with as many as 10 percent of all beauty salons becoming day spas by 2001. This growth has been attributed to the thriving economy, Baby Boomers' aging crisis, and the commercialized awareness of organic benefits. (Source: "Queen for a Day" by John Fetto. *American Demographics*, p 31, March 2000; and "Reflect the Calm Within" by Virna Sanabria. *Global Cosmetic Industry*, p 26-31, February 2001).
- Many spas offer education, instruction, and continuing treatment in the home. Basically, the programs offer training in making time for one's self and offer products that brand with the spa for take-home maintenance (Source: "Spa products are now a tangible take-home concept as more Americans relieve stress, get well, and indulge in new-found luxuries." *Business and Industry*, Rodman Publishing Corporation, v 37, n 11, p 110, November 2000).
- According to a July 2000 article, the International Spa Association identified "What's Hot, What's Not in Spas." Spas that focus on the mind-body-nature activities such as ayurveda, hiking outdoors, and Thai yoga massage are "hot." In contrast, "what's not" are spas that focus on activities without a purpose (such as makeovers that focus on the 'outside' without addressing the inside) (Source: About Spas by Julie Register. *What's Hot, What's Not In Spas*. <http://spas.about.com/travel/spas/library/weekly/aa071600.htm>).
- Findings from a survey administered by *DAYSPA Magazine* reveal that more than three-fourths of day spa establishments were open for at least 6 days each week for more than 8 hours per day. Average gross income was \$534,090 for day spa facilities that are larger than 3,000 square feet. Those facilities that have been in business for five or more years appear to have higher gross incomes than younger establishments. (Source: *DAYSPA Magazine*, November/December 1998, pages 28-40).

Resources for Salon Industry

American Salon Green Book

(800) 736-3665

<http://www.salon-greenbook.com/greenbook/>

U.S. Bureau of Labor Statistics *Occupational Outlook Handbook*

Barbers, Cosmetologists, and Related Workers

(404) 331-3415

<http://stats.bls.gov/oco/ocos169.htm>

Food and Drug Administration,

Center for Food Safety and Applied Nutrition, Office of Cosmetics and Colors Fact Sheet

(202) 331-0651

<http://www.cir-safety.org/>

Food and Drug Administration,
Center for Food Safety and Applied Nutrition, Cosmetics
Small Business Representative in Atlanta (404) 253-2238
<http://vm.cfsan.fda.gov/~dms/cos-toc.html>

Georgia Department of Labor's
Licensed and Certified Occupations in Georgia
Barber, Cosmetologist
(404) 656-3177
ftp://quicksourc.dol.state.ga.us/Occupational_Information/Licensed_and_Certified_Occupations_in_Georgia/cerlic97.pdf

Georgia Secretary of State's Professional Licensing Boards Division
(478) 207-1300
<http://www.sos.state.ga.us/plb/>

State Board of Barbers and State Board of Cosmetology
(478) 207-1430
http://www.sos.state.ga.us/plb/barber_cosmet/default.htm

IRS Beauty and Barber Shops Market Segmentation Report
(800) 829-1040
http://www.irs.ustreas.gov/prod/bus_info/mssp/beauty.html

National Accrediting Commission of Cosmetology Arts and Sciences
(703) 527-7600
<http://www.naccas.org/>

Georgia's Technical Colleges
(404) 679-1700
<http://www.dtae.tec.ga.us/teched/schoollist.html>

The American Spa-Goer: Market Habits, Preferences and Intentions
<http://spas.about.com/travel/spas/library/weekly/aa051300.htm>

American Health and Beauty Aids Institute
(312) 644-6610
<http://www.proudlady.org>

Spa Industry Business Related Articles
<http://spas.about.com/travel/spas/msub38.htm>

Spa Business Resources
<http://spas.about.com/travel/spas/cs/spabusiness/index.htm>

The Beauty and Barber Supply Institute
(800) 468-2274
<http://www2.bbsi.org/index2.html>

Milady's Links to Resources
(800) 998-7498
<http://www.milady.com/web.html>

Magazines Related to the Salon Industry

American Salon Magazine
(800) 736-3665
<http://www.americansalonmag.com>

Dayspa Magazine
(800) 624-4196
<http://www.dayspamagazine.com>

Cosmetics and Toiletries Magazine
(630) 653-2155
<http://www.thecosmeticsite.com/>

Beauty Industry Report
(818) 225-8353
<http://www.bironline.com/>

Modern Salon
(847) 634-2600
<http://www.modernsalon.com>

Nails Magazine
(310) 533-2400
<http://www.nailsmag.com/home.cfm>

Salon Business Strategies
(800) 417-4848
<http://www.strategiespub.com>

Salon Today Magazine
(847) 634-2600
<http://www.salontoday.com/index.ihtml>

Snip Magazine
<http://www.snipmagazine.com/>

Spa Management Journal
(514) 274-0004
<http://www.spamanagement.com>

Virtual Spa
(978) 356-0824
<http://www.virtualspa.net>

Trade Associations

American Association of Cosmetology Schools and
Cosmetology Educators of America
(800) 831-1086
<http://www2.beautyschools.org/index2.html>

American Massage Therapy Association
(847) 864-0123
<http://www.amtamassage.org>

Day Spa Association
(201) 865-2065
<http://www.dayspaassociation.com>

Destination Spa Association
(888) 772-4363
<http://www.destinationspagroup.com>

Georgia Cosmetology Association
308 Main Street
Thomson, Georgia 30824

International Spa and Fitness Association
(888) 651-4772
<http://experienceispa.com>

Salon Association
(800) 211-4TSA
<http://www2.salons.org/index2.html>

Getting Started

Successful Salon Management, 5th Edition, By Edward Tezak, 2002.
ISBN/ISSN: 1-56253-679-6, Published by Milady Publishing Company.

Training

Georgia Cosmetology Continuing Education Programs
(770) 472-8687
<http://www.georgiacosmetologyceu.com/>

List of Continuing Education Programs that have been certified by Cosmetology Licensing Board
(478) 207-1430
ftp://www.sos.state.ga.us/examboards/cosmetology/cont_ed.pdf