



# Market Report

A Snapshot of your Market Sector

## Beauty Therapy

This pack has been designed to provide information on setting up a business in the **beauty therapy** industry in Scotland, as well as helping to inform the market research section of your business plan. You can find more information on how to write a business plan from the Business Gateway website ([www.bgateway.com/businessplan](http://www.bgateway.com/businessplan)), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in **August 2024**. If you find the information contained in this document useful, tell us about it! Send us feedback [here](#); we will use your comments to help improve our service.

## What do I need to know about the beauty therapy market?

The following summary statistics have been taken from market research reports and reliable resources that the Information Service uses to compile industry information. They should give you an indication of how your industry is faring at present and whether there is demand for your type of business:

- ◆ The Hairdressing and Beauty Treatment industry's revenue is expected to increase at a compound annual rate of 0.9% to £5.3 billion over the five years through 2024-25. Over the five years through 2029-30, revenue is anticipated to rebound at a compound annual rate of 2.5% to reach £6 billion. Nail-care services account for 16.5% of industry revenue, while skincare services account for 4.2%, Tanning and spray tan services 3.6% and hair removal services 2.1%. (IBISWorld, *Hairdressing & Beauty Treatment in the UK*, June 2024).
- ◆ The professional beauty/grooming/hair treatment market is expected to recover to its pre-pandemic value in 2024, reaching £16 billion, with growth fuelled in part by inflationary price rises. Continued innovation in treatment options will also tempt engagement. (Intel, *Professional Beauty and Grooming Treatments – UK – 2024*).
- ◆ Over the five years through 2024-25, the Health and Wellness Spas industry revenue is anticipated to decline at a compound annual rate of 1.6% to £7.9 billion industry. However over the five years through 2029-30, industry revenue is anticipated to grow at a compound annual rate of 3.2% to reach £9.3 billion. Spas fluctuate with consumer trends. Consumers are expected to become increasingly concerned about their physical and psychological wellbeing, relying on spas to relieve stress and anxiety. (IBISWorld, *Health and Wellness Spas in the UK*, May 2024).
- ◆ The national organisation for this industry is the [British Association of Beauty Therapy and Cosmetology \(BABTAC\)](#). Other industry bodies include the [Guild of Beauty Therapists](#), the [Hairdressing and Beauty Suppliers Association](#), the [British Beauty Council](#), and the [National Hair and Beauty Federation \(NHBF\)](#).

## Where can I find more information on my market?

The Information Service has access to a number of databases which can offer more detail on this industry. Some of these reports are listed below - if you would like to be sent extracts from any of these reports, please contact us on **0300 013 4753** or email [info@bgateway.com](mailto:info@bgateway.com).

- ◆ **Mintel - Professional Beauty and Grooming Treatments – UK – 2024.** An appetite for subscriptions amongst 40% of professional treatment users suggests that mirroring subscription strategies adopted by gym chains could be effective. Tiering subscriptions taps into the appetite for varying price points in beauty/grooming treatments, with trade-up opportunities in beauty/grooming, due to a willingness to splurge on services like massages and facials. Social media has encouraged 40% of consumers to experiment with a new type of treatment and 37% are following the professional they go to on social media. This signals an opportunity to create seasonal treatments to add more excitement to existing options. Showcasing new treatments on social media can encourage consumers to book an appointment.
- ◆ **IBISWorld - Health and Wellness Spas in the UK (May 2024).** Day spas are a sought-after relaxation retreat. Offering services like massages, facials and manicures, these spas are ideally located in urban areas and are seeing a surge in demand as more people seek stress relief. Aging population boosts therapeutic spa services. With the UK population growing older, more consumers aged 65 and over are switching from cosmetic to therapeutic spa treatments, making them an important customer base for the industry. The rising popularity of medical spas is because more people are opting for non-surgical and cosmetic procedures to improve their appearance because of social media influences. Technological advancements are boosting medical spas' revenue by making medical services more affordable and less invasive.
- ◆ **IBISWorld - Hairdressing & Beauty Treatment in the UK (June 2024).** Men are becoming more conscious of their beauty, so male grooming services are on the climb, providing growth opportunities for beauticians that cater to this market. The increasing popularity of skincare and the influence of well-groomed male figures on social media drive this trend. Men are increasingly interested in more than the basic haircut; concerns about ageing and general skincare issues will likely increase revenue from these product areas.

There are also a number of online resources you may find helpful:

- ◆ The National Library of Scotland (NLS) has a range of eResources, including COBRA reports, which can be accessed at [auth.nls.uk/eresources/browse/title/C](http://auth.nls.uk/eresources/browse/title/C). COBRA has several Business Opportunity Profiles on the beauty industry. These include key market issues and trends, trading, commercial and legal issues and legislation. Register for free access to the eResources at [www.nls.uk/guides/how-to-register](http://www.nls.uk/guides/how-to-register).
- ◆ Fresha & WSGN - [The Future of Beauty and Wellness Report 2024](#). This report looks at three key consumer drivers that are transforming the beauty services industry: Wellness, Liberated; No-Boundaries Beauty; and New-age Experiences, which are fundamental pathways for growth.

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## How can I find out about my competitors?

Business Gateway's online guide to [Competitor Analysis](#) explains how to find your competitors, how to research what they're doing and how to act on what you learn about them.

Immediate competition will be from other businesses in your local area. There are several online directories which can be used to find company information and generate lists easily and at no expense. Many Local Authorities also publish local business directories on the web. Below are some key web resources:

- ◆ General business directories such as [Yell](#) ,[Thomson Local](#) or [Google Maps](#)
- ◆ Trade specialists like [EuroPages](#) (European directory), [The Wholesaler](#) or [Free Index](#)
- ◆ Business to business (B2B) specialists such as [Kompass](#)

Likewise, your local Chamber of Commerce may publish a members' directory; find your local Chamber on the [Scottish Chambers](#) website.

Once you've identified who your competitors are, the next step is to gather information on the way they do business. Which services do they provide? How do they market themselves? How much do they charge?

To learn about your competitors:

- ◆ Look for articles or adverts in local newspapers, trade press and directories.
- ◆ Try to read their marketing material; if the company has an online presence, visit the company's website as a first port of call. Not only does it give you a better understanding of the company's activities, it can also offer a wealth of information such as a company history or staff biographies, as well as the company's partners or suppliers
- ◆ Search for information on limited UK companies via the [Companies House](#) website
- ◆ Gain an insight into your competitor's performance using credit checks and the accounts that limited companies are required to submit to Companies House each year.

We can provide credit checks free of charge; if you are interested in using this resource, or looking for us to help you find relevant publications, please contact us by emailing [info@bgateway.com](mailto:info@bgateway.com) or by calling **0300 013 4753**



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## What about suppliers?

[Choosing and Managing Suppliers](#) can help you decide what you need from a supplier, how to identify one and how to choose one to deal with.

Trade associations or industry specific organisations may also be able to recommend suppliers or contacts. You can also use the aforementioned resources for finding competitors to find suppliers.

Once you have decided on a supplier, we can run a credit check on the company to help assess their financial stability. We provide credit checks free of charge; if you are interested in using the resource please [info@bgateway.com](mailto:info@bgateway.com) or by calling **0300 013 4753**.

## Who are my customers?

Your business plan should include information about the customers you would expect. Business Gateway's guides on [Market and customer research](#) will help you to identify new trends, opportunities, customers and competitors.

It can be useful to group your customers by geographical location, age or lifestyle. The websites listed below are freely available and can provide most of this information. If you can't find what you're looking for from these websites, please contact us and one of the team will be happy to help:

- ◆ Access the latest population estimates from the [National Records of Scotland \(NRS\)](#). NRS also offers demographic factsheets for each council area in Scotland, which can provide summary statistics for the area you will be based in.
- ◆ Information from the most recent census in 2011 is released via the official website. See in particular the [Census Area Profiles](#). Clicking on your area of interest will give the latest population figures, including estimates by age.
- ◆ [Understanding Scottish Places](#) has interactive profiles of towns and cities across Scotland. It can be useful for understanding the interrelationships and flows between towns, and also gives comparisons between two or more places.
- ◆ [Scottish Government Statistics](#) provide accurate and up-to-date statistics on Scotland, covering population, health, education and housing.
- ◆ [The Scottish Household Survey](#) provides information on the structure, characteristics, attitudes and behaviour of Scottish households, both at a national and local level.
- ◆ [Office for National Statistics \(ONS\)](#) is the recognised national statistical body for the UK. ONS covers a wide range of demographic, economic and social issues at a UK level.

## How can you help me with other aspects of starting my business?

The Business Gateway website has guides, videos, online tutorials and tips on all aspects of starting up a business in Scotland. Follow the links below to explore each resource:

### Accountancy

Institute of Chartered Accountants of Scotland's (ICAS) "[Find a Chartered Accountant](#)" tool

### Funding

[Practical information](#) on finance and funding for starting and growing your business

### Insurance

[Business insurance guide](#)

### Legal Help

Gov.uk "[Licence Finder](#)" tool

Law Society of Scotland's "[Find a Solicitor](#)" tool

### Pricing

Business Companion [Pricing & payment guide](#).

**Please note:** the most effective way to research pricing is to conduct your own research – visit wholesalers or suppliers to obtain price lists, find quotes from similar companies and work out what other businesses in your area are charging

### Promotion

[BG guides to Marketing](#)

### Training

[Skills Development Scotland's My World of Work](#)

[Funding for training](#)

[Small Business Bonus Scheme \(Scotland\)](#)

Your local Business Gateway can offer events, workshops and 1:2:1 support on all aspects of starting and developing your business. Call the helpline on **0300 013 4753** to find out what is available in your area.

We hope you find this Market Report useful and we'd love to hear your feedback [here](#).

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You must not rely on the information in the report as an alternative to advice from an appropriately qualified professional. If you have any specific questions speak to your Business Gateway Advisor or consult an appropriately qualified professional.

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