



# Market Report

A Snapshot of your Market Sector

## Hairdressing Salons and Barber Shops

This pack has been designed to provide information on setting up a business in the **Hairdressing Salons & Barber Shops** 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 **September 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 Hairdressing Salon and Barber Shop 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:

- ◆ Industry revenue is expected to increase at a compound annual rate of **0.9% to £5.3 billion over the five years through 2024-25 but with an increase of 0.6% in the current year**. Over the five years through 2029-30, revenue is anticipated to rebound at a compound annual rate of 2.5% to reach £6 billion. Improved economic conditions will give the industry more stability, although the industry will still struggle with increasing DIY due to increased content creation for hair and makeup tutorials on social media. (IBISWorld, *Hairdressing and Beauty Treatment 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. (IBISWorld, *Hairdressing and Beauty Treatment UK June 2024*).
- ◆ Consumers who have had their hair coloured professionally take a hybrid approach to hair colour, as they are more likely to use permanent colour, root touch-up kits and semi-permanent colour than consumers who have not had their hair coloured professionally. As consumers are already adopting hybrid behaviours, and they value professional recommendations, brands can retail products in salons that are designed to top-up more skillful hair coloring techniques like highlights between appointments, so salons benefit from hybrid colouring behaviours. These products will particularly appeal to the 27% of adults who have had their hair professionally coloured. (*Mintel, Hair Colourants UK 2024*).
- ◆ The hair and beauty industry generated £4.56bn in turnover in 2022-2023. There are over 61,000 hair and beauty businesses in the UK, a rise of over 1,900 (2.2%). Over 75% of hair and beauty businesses have an annual turnover of less than £99k (National Hair & Beauty Federation (NHBF), Industry Statistics 2023 - [Industry statistics 2023 sheet - National Hair & Beauty Federation \(nhbf.co.uk\)](#)).
- ◆ National industry bodies include [The Hair and Barber Council](#), [National Hairdresser's Federation](#) (NHF), [British Barbers Association](#) (BBA), the [Hair and Beauty Industry Authority](#) (HABIA), [Freelance Hairdressers' Association](#) and the [British Barbers' Association](#) (BBA).



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## 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).

- ◆ **IBISWorld - Hairdressing and Beauty Treatment UK (June 2024)** – IBISWorld research indicates male grooming boosts the hair-styling sector. The surge in demand for men's grooming services, like hair cutting, styling and colouring, has aided the sector's growth as increasingly image-conscious men invest in regular salon visits.
- ◆ **IBISWorld – Hairdressing and Beauty Treatment UK (June 2024)** – People with higher disposable income are more likely to spend more on hairdressing. Though personal grooming is essential, the extent and type of services consumers money on varies based on the disposable income consumers hold.
- ◆ **Mintel – Men's Haircare and Skincare UK (May 2023)** – Since 2021, more men claim to have a thick beard, a trimmed beard or moustache. The proportion of men claiming to have stubble has dipped, indicating that facial hair has regained popularity.

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

- ◆ **Hairdressers Journal** – *Hair and Beauty Services Sector Contributed £8.5bn to the UK Economy in 2023*. This article looks at the value of the UK's beauty and hair services sector. ([Hair and Beauty Services Sector Contributed £8.5bn to the UK Economy \(hji.co.uk\)](https://www.hji.co.uk)) (August 2024).
- ◆ **Professional Beauty Magazine** - 35% of Brits spend most of their disposable income on personal care according to Professional Beauty's article. (<https://professionalbeauty.co.uk/35-of-brits-spend-most-of-their-disposable-income-on-personal-care>). (September 2024).
- ◆ Between 2017 and 2022, the number of independent barber shops in England, Wales and Scotland rose by 29% to 15,711 (<https://professionalbeauty.co.uk/site/newsdetails/beauty-and-nail-salons-reviving-high-streets>).
- ◆ **The National Hair and Beauty Federation** – [Analysis of Trends Within the Hair & Beauty Industry by Ethnicity Across Great Britain](https://www.nhbf.co.uk/magazine/salonfocus). (September 2023). 'Salonfocus' is a magazine available to members of the NHBF. It is published every other month and features industry news and trends. ([www.nhbf.co.uk/magazine/salonfocus](http://www.nhbf.co.uk/magazine/salonfocus)).
- ◆ **SalonGeek** ([www.salongeek.com](http://www.salongeek.com)) is an online community for hair and beauty professionals that provides opportunities to share best practice and discuss industry developments.

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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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**Updated by: Lynda**

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