



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 and 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), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in August 2018. 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 Salons and Barber Shops 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:

- ◆ Demand from the male market is expected to continue to increase over the next five years. The growing trend for male grooming is expected to provide opportunities for industry operators. Recently, styled beards and neater styles have come back into fashion, fuelling an increase in demand for barbershops. The rise of the hipster trend in the United Kingdom has led to demand for barbershops increasing. (IBISWorld, Hairdressing & Beauty Treatment in the UK, May 2018)
- ◆ The overall value of the in-salon hair services market may have shown some decline in 2016 (-0.1%), but is expected to increase by 2.9% to £7.43 billion in 2017 as consumers invest in expensive colouring and conditioning treatments. The current expected value growth of the in-salon hair services market can be credited to expensive colour trends and a subsequent focus on hair health. (Mintel, In-Salon Hair Services, UK, August 2017)
- ◆ Retail sales of women's haircare products through salons totalled £95m in 2017 (Mintel, Women's Haircare, UK, April 2018)
- ◆ Older women instead turn to salons to achieve multi-tonal results; 89% of women over 65 get their hair done professionally, with 45% of these having some form of colour treatment (Mintel, Hair Colourants, April 2018)
- ◆ The national organisation for this industry is the Hair Council (HC). Other industry bodies include the National Hairdresser's Federation (NHF), British Barbers Association and the Hair and Beauty Industry Authority (HABIA).

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.

- ◆ **Mintel - In-Salon Hair Services – UK – August 2017** -76% of adults have visited a hairdresser in the last 12 months, with the majority being women. While men tend to use professional hair services less as they age, women do the opposite as shorter styles and hair colour changes require more upkeep. Price and convenience are the main drivers of salon choice across demographics, with 51% of adults stating prices/special offers are important and 54% stating convenience is important.
- ◆ **IBISWorld - Hairdressing and Beauty Treatment in the UK – May 2018** - Over the next five years, industry revenue is projected to increase at a compound annual rate of 1.1% to reach £4.3 billion in 2023-24. In the short term, the industry's performance is expected to be constrained as a result of the economic uncertainty caused by the UK's decision to leave the European Union. In the future, it is likely that consumers will begin to feel the effects of falling disposable incomes more keenly and may reign in discretionary expenditure. Nevertheless, the industry's performance is expected to improve over the longer term, with growth in male grooming anticipated to support demand for industry services.
- ◆ **Mintel - Women's Haircare - UK – April 2018** -The prestige and mass markets have both grown in line with the category, as a lot of women remain confused about the quality of salon brands. This has driven growth in purchases from both supermarkets and salons, as women continue to look for a brand that works at the best value
- ◆ **Mintel - Men's Haircare – UK – March 2018** - The men's mass-market haircare category saw continued growth in value in 2017, rising by an estimated 3% as men invest in specialised hair products such as hair treatments and scalp protecting products.

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

- ◆ **National Hairdressers' Federation, NHF Guides** (tinyurl.com/ycz56r92) Access a range of guidance documents on starting a hairdressing business, apprenticeships, pensions, salon software etc.
- ◆ **Beautiful Britain Survey 2017, results released by Salon Services** (tinyurl.com/y7oud7qw) Finds that haircuts for women cost an average of **£27**, their highest price since 2012. The average cost of a men's haircut (across all barbers, hairdressers and salons) is **£14**, up £3 since 2016.

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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 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 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 [Retaining and Grow Your Customer Base](https://tinyurl.com/c2fw4o4) (tinyurl.com/c2fw4o4) will help you to identify who your customers are, how to use this information to sell more effectively and how to actively compete in your marketplace.

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 website, 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 Account](#)" 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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