



Market Report

A Snapshot of your Market Sector

Hairdressing Salons and Barber Shops

Cost of Doing Business Support

For information on **reducing the cost of running your business**, the [Find Business Support](#) website has links to advice, funding and regional support.

This pack has been designed to provide information on setting up a business in the Hairdressing Salon and Barber Shop 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 September 2023. 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.

- ◆ Over the five years through 2028-29, it is anticipated revenue will rebound at a compound annual rate of **1.4% to reach £4.6Billion**. The average profit margin is set to reach **30.3%**. The industry is likely to grow alongside rising disposable incomes and demand for male grooming services. (IBISWorld, *Hairdressing and Beauty Treatment UK August 2023*)
- ◆ Men are becoming more conscious of their grooming with services on the rise. There is an increasing popularity of skincare and the influence of well-groomed male figures on social media are driving this trend. Men are becoming interested in more than just the basic haircut. Concerns about ageing and skincare issues will help to increase revenue. (IBISWorld, *Hairdressing and Beauty Treatment UK August 2023*)
- ◆ **Consumers under the age of 30** are a growing market for the industry. Consumers are influenced by fashion trends and the increasing use of social media has led to consumers trying to emulate their favourite celebrities. (IBISWorld *Hairdressing and Beauty Treatment UK August 2023*)
- ◆ Around **65% of consumers** have not used a hair colourant at home, while **75%** have not had their hair coloured professionally. Young millennials are the most likely to have their hair coloured professionally. This demographic are more likely to have disposable income to spend on professional hair treatments with events like home buying and starting a family being pushed back to later in life. (Intel *Hair Colourants UK January 2023*)
- ◆ There are over 46,000 hair and beauty businesses in the UK in 2021, a rise of over 1,300 (3%) from the previous year. Over half of hair and beauty businesses have an annual turnover of less than £99k. Almost three-quarters of hair and beauty businesses employ fewer than five people and 94% employ fewer than ten people (National Hair & Beauty Federation (NHBF), *Industry Statistics 2021 - Summary, 2022* – tinyurl.com/4b39rjpv).
- ◆ 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.

- ◆ IBISWorld - *Hairdressing and Beauty Treatment UK* (August 2023) – IBISWorld research indicates specialist hair services such as hair extensions and conditioning account for around 3.0% of revenue in the industry. This segment includes trichologists. These services are niche and account for a tiny proportion of revenue.
- ◆ IBISWorld – *Hairdressing and Beauty Treatment UK* (August 2023) – 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:

- ◆ Beauty Serve - *Barbers lead the way as independent retailers reinvigorate high streets* (July 2022) (tinyurl.com/4thurar3). This article looks at the continuing growth of barbershops on UK high streets.
- ◆ Beauty Matters - *Barbers, beauty, and nail salons are UK retail's rising stars* (September 2022) (tinyurl.com/2p895j7x). An additional article looking at the growth of independent beauty and grooming salons on UK high streets and their enduring loyalty from consumers.
- ◆ Creative Head Mag – *On the Floor report 2022*. (<https://tinyurl.com/54cx8wfb>). A look at the ups and downs facing hair professionals in 2022.
- ◆ National Hair and Beauty Federation – *State of the Industry Survey*. (January 2023) (tinyurl.com/4bp8fwx2) Hair and beauty industries face renewed fight for survival.

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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 [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 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 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.

Last updated: 1st September 2023

Updated by: Sue

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