



Market Report

A Snapshot of your Market Sector

Nail Technician

This pack has been designed to provide information on setting up a business in the **Nail Technician** 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 **November 2020**. 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 Nail Technician 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 category is set to see a sharp fall in value in 2020 as the COVID-19 lockdown period significantly impacts usage and purchase of colour cosmetics. Closure of non-essential stores made it difficult for women to get hold of products, whilst the desire to avoid spending too much time in physical stores impacted impulse purchase. (Mintel, *Colour Cosmetics: INC Impact of Covid-19 UK*, July 2020).
- ◆ Demand for nail-care services is highly sensitive to wider economic conditions, as consumers can easily forgo more expensive salon visits and perform their own treatments at home. However, demand for low-cost services such as basic manicures can remain steady when consumer sentiment is low, as these services are perceived as an affordable luxury. Overall, this segment's share of revenue has grown over the past five years, supported by innovation and new products such as gel nails and shellac polish. (IBISWorld, *Hairdressing & Beauty Treatment in the UK*, September 2020).
- ◆ The professional nail treatments market has benefited from social media as a source of inspiration, whilst the professional hair removal uplift has likely been driven by the increased pressure people are feeling to look a certain way because of the people they follow on social media. (Mintel, *Spa, Salon and In Store Treatments UK*, October 2019).
- ◆ The COVID-19 outbreak will drive significant loss in value for the beauty market in 2020 as the lockdown period has not only limited retail sales, but has also affected usage habits. Whilst some categories such as skincare will see growth, this won't be enough to offset losses in other sectors. (Mintel, *The Impact of Covid-19 on BPC*, June 2020).
- ◆ **495 new beauty salons** opened in the UK in 2018, despite it being one of the toughest trading years in recent times for high-street retailers (Professional Beauty, "*Beauty and hair salons growing faster than any other business*", May 2019) (tinyurl.com/waa3hsq).
- ◆ The national organisations for this industry are the [Hair and Beauty Industry Association](#) and [British Association of Beauty Therapy and Cosmetology](#).



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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.

- ◆ **Mintel - *Colour Cosmetics: INC Impact of Covid-19 UK (July 2020)***. The nail segment continues to show value decline in 2019, as the affordability and accessibility of professional manicures continues to see women shift to the professional sector. Despite NPD in home gel manicures, women were not taking up home products in 2019.
- ◆ **IBISWorld - *Hairdressing & Beauty Treatment in the UK (September 2020)***. Over the next five years, industry revenue is expected to increase at a compound annual rate of 1.2% to reach £4.2 billion, supported by anticipated growth in real household disposable income. Though economic uncertainty could limit discretionary spending in the short term, the industry is expected to be supported by stable demand for more basic beauty treatments, such as manicures and facials. Many operators are also expected to benefit from a growing number of men using their services, which is anticipated to drive demand and revenue growth in the coming years.
- ◆ **Mintel - *Spa, Salon and In-Store Treatments (October 2019)***. There remains a lack of engagement in the category as the majority (59%) of UK adults have not had a beauty or grooming treatment in the last year. Young adults continue to drive the market, with young women particularly engaged. The most popular treatments are massages (17%), nail treatments (14%) and facials (13%).
- ◆ **Mintel – *The Impact of Covid-19 on BPC (June 2020)***. Self-care and indulgence will evolve. The emotional impact of COVID-19 will be unlike anything the world has seen before, with many people losing loved ones as well as job losses. Whilst consumers may turn to BPC for the ‘feel-good’ factor, it will need to be a mindful feel-good factor rather than a purely superficial one, as people will resist anything that seems too indulgent or frivolous.

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

- ◆ **National Careers Service** (tinyurl.com/u74h8o4) provides information on Nail Technician Job Profile.
- ◆ **Nail Tech Network** (tinyurl.com/yalkw82q) online community for professional nail technicians.
- ◆ **Nails magazine** provides useful trends for nail professionals (nailsmag.com)
- ◆ **Startups** provides a guide on “How to start a mobile beautician business” (tinyurl.com/vxr22ze).

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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.

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