



FEATURES
Face & Body Salon

Industry Overview

"Despite lower spend attributable to worries over the US economy, market researchers say that the skin care category is still likely to show plenty of growth potential in the year ahead."

"US skin care market still has potential despite economic woes."

Even in the midst of a tough economic time, consumers still find value in taking care of their face and body. Studies show that the US Health & Beauty market continues to grow and was estimated at an unbelievable \$382,000,000 for 2007.

More specifically, the US total skin care market is currently valued at \$15,100,000,000 and grew by 2.9 percent in 2007. The facial market segment represents 20 percent of the skin care category, totally \$3,000,000,000. Its also proven to demonstrate the highest growth rate year-over-year.

This growth is believed to be attributable to "continued interest in increasingly sophisticated and technically advanced facial skin care products that focus on anti-aging properties." Customers are also actively looking for the following product ingredients: vitamins, SPFs, oil-free formulas, antioxidants, salicylic acid and retinol.

Sources: *Cosmetics Design* .<http://www.cosmeticsdesign.com/news/ng.asp?n=83084-skin-care-facial-growth>

Market Trends

Based on a study completed by the American Salon Magazine, the following are the top trends predicted to impact business and profitability over the next 10 years in the beauty and skin care industry:

- Specialization of services.
- Young women (ages 12-24) out-buy all other age groups when it comes to haircare, skincare, cosmetics, and fragrances. By the year 2010, the number of teenagers in the United States is estimated to grow to 35 million. Teenagers spend an average of \$80 on themselves each week.
- The number of men using salons has increased. Men are requesting hair, skin, nail, and body treatments, and 41 percent of them purchase retail products at a salon.

Source: *The University of Georgia BOS/SBDC, Applied Research Division*
<http://www.sbdc.uga.edu/pdfs/beauty.pdf>