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# SALON & SPA SERVICES RETAILING - US - MAY 2021

The pandemic caused an immediate disruption to salons and spas and caused a change in consumers' needs and routines within the category. This change in needs and behavior will continue moving forward as some consumers have grown more comfortable doing things on their own or receiving fewer treatments. To maintain interest and engagement, salons and spas can explore ways to evolve and extend their offerings, including utilizing virtual consultations, branded products, at-home visits and social content as ways to better meet consumers' needs. Further, embracing messages of self-care and offering flexible pricing will make services more accessible and help motivate consumers to indulge in affordable luxury.



A Mintel Analyst, Global Analyst

26 MAY 2021

REPORT

This Report looks at the following areas:

- The impact of COVID-19 on consumer behavior and the salon and spa services market
- Accelerated focus on value-seeking behavior and price sensitivity
- Evolving beauty trends stemming from the pandemic
- How social media content influences discovery and streamlines the path to purchase

## OVERVIEW

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## Overview

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### What you need to know

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The pandemic disrupted how, where and when consumers receive salon and spa services. The impacts of the crisis will be long-lasting, as some consumers have grown more comfortable doing things on their own or have realized they don't need as many services. Future growth will have to include a new approach to how and where services are conducted, including virtual consultations, at-home visits, and implementing social commerce capabilities. Further, emphasizing wellbeing and self-care and offering flexible pricing options will help motivate consumers to continue to seek services.

### Key issues covered in this Report

- The impact of COVID-19 on consumer behavior and the salon and spa services market
- Accelerated focus on value-seeking behavior and price sensitivity
- Evolving beauty trends stemming from the pandemic
- How social media content influences discovery and streamlines the path to purchase

## Definition

The salon services market, as defined by Mintel for this Report, includes any services performed at a professional salon as well as products sold through a salon to consumers. Services include hair treatments, nail services, facial/body treatments, makeup applications, body waxing and tanning. Products consist mainly of haircare products such as shampoo, conditioner and styling products, and skincare products such as cleansers, toners and moisturizers. Brushes, hair accessories and nail polish are also included. Additionally, on-demand or on-the-go services provided by professionals in one's home (or other location) are also included.

The following products are excluded from this Report: mass haircare and skincare products that are mainly sold through other retail outlets such as drug stores.

This Report builds on the analysis presented in Mintel's *Salon Services – US, September 2018* and *June 2012*.

This Report includes consumer research fielded in February-March 2021. The Report was written April- May 2021 and the analysis reflects the state of the category and pandemic during this time.

COVID-19: US context

*The first COVID-19 case was confirmed in the US in January 2020. It was declared a global health pandemic and national emergency in early March 2020. Across the US, various stay-at-home orders were put in place in Spring 2020, and non-essential businesses and school districts closed or shifted to remote operations. The remainder of 2020 saw rolling orders, as states and local governments relaxed and reinforced guidelines according to the spread of the virus in each region.*

*Vaccine roll-out began in December, 2020. Mintel anticipates business operations in the US will remain in a state of flux through 2021 as vaccines are widely administered and social distancing restrictions and capacity limitations are relaxed.*

*In the initial part of lockdown and throughout 2020, salons and spas were temporarily closed, causing consumers to seek service at home on their own. As consumers' lifestyles changed (eg working from home, canceled social events), so did their beauty needs and routines – resulting in consumers exploring DIY options and emerging trends or scaling back services altogether. As the vaccine rollout continues and consumers adjust to the next normal, salons and spas will need to continue to evolve their offerings and how they reach consumers to maintain interest and engagement moving forward.*

## Economic and other assumptions

*Mintel's economic assumptions are based on CBO estimates released on February 1, 2021. The CBO's previous forecast for US GDP to fall by 5.8% in 2020 was revised after a stronger second half of the year, and the updated estimate indicates negative 3.5% GDP for the year. The CBO forecasts GDP to grow by 4.6% in 2021 and projects unemployment to continue to fall to average 5.7% for the year.*

# Executive Summary

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• “The pandemic caused an immediate disruption to salons and spas and caused a change in consumers’ needs and routines within the category. This change in needs and behavior will continue moving forward as some consumers have grown more comfortable doing things on their own or receiving fewer treatments. To maintain interest and engagement, salons and spas can explore ways to evolve and extend their offerings, including utilizing virtual consultations, branded products, at-home visits and social content as ways to better meet consumers’ needs. Further, embracing messages of self-care and offering flexible pricing will make services more accessible and help motivate consumers to indulge in affordable luxury.”

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Alexis DeSalva Kahler, Senior Analyst, Retail and eCommerce

## Top takeaways

### The pandemic changed beauty trends

The pandemic caused sudden changes to consumers’ lifestyles and impacted their routines. Many have re-evaluated their needs, replacing treatments with products, discovering new services or realizing they don’t need as many services. Salons and spas must acknowledge this shift and expand offerings to include shades that embrace natural colors, expand offerings to include time-saving services (eg lash applications) and offer branded products for consumers to use at-home.

### The future of salon/spa services includes an omnichannel approach

Professional salon/spa services are most used, but in-home services not done by a professional grew in 2020. Consumers indicate they may not entirely return to pre-pandemic routines, highlighting the need to offer more options to receive a professional service in and out of the salon or spa and create new offerings such as at-home kits. An omnichannel retail approach can help salons and spas maintain customer engagement, using in-home professional visits; live, virtual consultations; and instructional social media content.

### Wellness messages will encourage consumers to invest in themselves

Consumers want to know a service is worth their investment. As beauty evolves to encompass a holistic meaning of wellness, messages that encourage consumers to receive a treatment as a form of self-care will resonate. Additionally, salons and spas can acknowledge the functional benefits received by a particular service (or product) such as those that strengthen and protect or stimulate growth. Educating consumers of the added benefits can help them see the worth in investing and receiving services.

## The pandemic disrupted growth and changed how consumers seek services

Prior to 2020, US retail sales of salon and spa services were growing steadily and consistently, with sales growing more than 5% in 2019. Unfortunately, the pandemic disrupted this pattern in 2020, especially as salons and spas were deemed nonessential and remained closed throughout the year, depending on the location.

Figure 1: Total US retail sales and forecast of salon and spa services, at current prices, 2015-19

Year	\$ billion	% change	Index (2015 = 100)	Index (2019 = 100)
2015	64.28	-	100	80
2016	67.62	5.2	105	84
2017	71.48	5.7	111	89
2018	76.67	7.3	119	95
2019	80.64	5.2	125	100

*Source: based on US Census Bureau: Service Annual Survey, County Business Patterns, Non-Employer Revenues and Economic Census/Mintel*

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02 Due to limited availability of 2020 sales data at the time of publishing, Mintel is unable to provide an estimate of sales beyond 2019. However, based on available data, it's evident the industry experienced a downward shift in sales during 2020, as many consumers began seeking at-home treatment during lockdown and/or halted their normal beauty routines. More than 20% of those who have sought services in the past 12 months said the pandemic has made them realize they don't need as many grooming services (see [Changes Because of COVID-19](#)).

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But the real impact to the category is the shift from out-of-home service to DIY, in-home service. For example, in the 2018 version of this Report, 40% of consumers received services at an independent or local salon (see Mintel's [Salon Services – US, September 2018](#)), compared to 32% of consumers who did so in 2020. Further, in 2018 26% received services in their home, done by themselves, while 32% did so in the past 12 months. This indicates the restrictions enforced by the pandemic shifted the category, with consumers seeking less professional out-of-home service, opting instead to do more at home and on their own. Even as the distribution of the vaccine lessens the threat of COVID-19 and signals a return to more normal lifestyles, some consumers are maintaining their new approach toward receiving services. Changes to financial situations and lifestyles (such as working from home) are prompting consumers to reduce their visits to salons and spas or opt for an at-home DIY service instead of a professional one. This will continue to challenge the market, emphasizing the need for product evolution, digital engagement and flexible payment options (see [Market Opportunities](#)).

Figure 2: Destinations for service – 2018 vs 2020

"Where have you received salon/spa services (eg haircuts/hair treatments, nail services, facial/body treatments) in the past 12 months? Please select all that apply."

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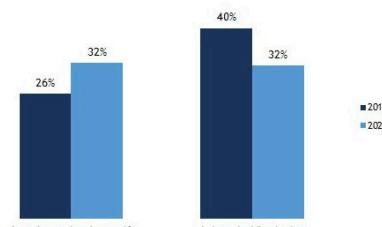
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**Base:** 2,000 internet users aged 18+

**Source:** Lightspeed/Mintel

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## Impact of COVID-19 on salon and spa services

With many salons and spas closed for extended periods of time in 2020, the industry was drastically impacted at the onset of the pandemic. That impact resulted in major shifts to how, where and if consumers received services and treatments. Some consumers inevitably shifted their beauty treatments from out-of-home, professional services to doing it themselves in their own home, while others bought products and scaled back uses or halted their routines altogether.

As the pandemic becomes less of a threat, not all consumers will resume their prior habits, as evidenced by the number who realized they don't need as many services and/or are more comfortable doing things on their own (see [Changes Because of COVID-19](#)). However, the chaos of 2020 accelerated a shift toward omnichannel operations within salon and spa services, with consumers doing more online shopping and adopting more digital tools. As consumers grow more comfortable with shopping online across categories and the idea of having items, and even services, brought to their home, it's evident future growth in the category will include a multichannel approach to how consumers seek services from salons and spas. This includes having professionals make home visits, opting for a virtual consultation for those wanting to do services themselves but with guidance, and leveraging technology (eg augmented reality) to enhance the overall shopping experience. As the rest of the retail industry adopts more seamless shopping options, between in-store and online, salons and spas, which have primarily operated in person, will follow suit.

The following Figure provides a traditional stoplight analysis of the impact of COVID-19 on the salon and spa services category, which includes Mintel's analysis for when consumer behavior is expected to resume to more normal or traditional levels prior to COVID-19.

Figure 3: Short-, medium- and long-term impact of COVID-19 on salon and spa services, April 2021

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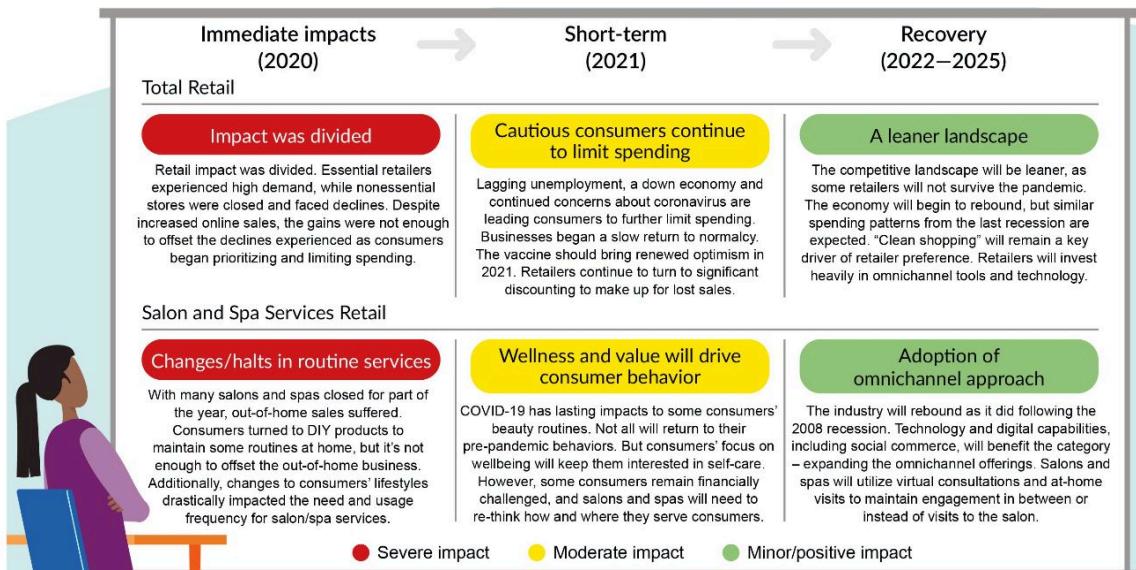
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Source: Mintel

## Opportunities and challenges

Consumers are shifting out of the salon and growing more comfortable at home

The pandemic has caused consumers' needs and behaviors to shift. Although salons and spas services have reopened, not all consumers have resumed seeking professional service or maintained their pre-pandemic routines. Some (more than 35%) see less need for professional services, as they've grown more comfortable doing things on their own now. Others are scaling back their usage, realizing they don't need as many services as they used to (see [Changes Because of COVID-19](#)). Moving forward, these changes will challenge the market, and salons and spas must evolve their services to include more options for consumers to receive treatments at home, such as DIY kits and/or virtual professional assistance.

## Use social content to engage with consumers from their home

Looking ahead, even as consumers' behaviors evolve, expertise will still be important. But as some consumers see multiple benefits, including affordability and convenience, of at-home and/or DIY services, salons and spa retailers will need to take an omni-channel approach similar to those outside the industry, using social commerce. Considering that social media is a top influence on the services consumers receive (see [Sources of Influence](#)), salons and spas can utilize it as a tool to offer more expertise. Informational content, such as livestreams and video tutorials, will help to maintain engagement among those who want to remain home, as will hosting panels or Q&A sessions featuring both experts and customers. Further, adding options to purchase products or make appointments through social media is also beneficial. Social commerce streamlines the process from consideration to purchase and can help salons and spas keep customers' attention.

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## Re-think approach to pricing to offer flexible and affordable luxury

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The pandemic has accelerated value-seeking behavior, causing consumers to take a price-sensitive approach toward the category. This behavior is not going to dissolve quickly, potentially threatening the types of services consumers will seek and how often. As consumers seek to balance quality experiences and low prices (see [Preferences for Receiving Services](#)), salons and spas must re-think their offerings and pricing models. Consumers are willing to invest if a service proves to be worthwhile or special. Salons and spas can educate consumers on the functional benefits a service offers, such as stimulating growth or improving circulation, to signal a treatment is worthy of investment. But they can also refresh their pricing options to make more services more accessible, regardless of consumers' budgets. Salons and spas can consider tiered pricing, allowing customers to choose a price point for a service based on the skill of the professional; they can utilize payment installments, such as Klarna; and they can explore subscription-based pricing that offers a cheaper price in exchange for frequent visits.

## Focus on importance of wellbeing and self-care to encourage engagement

Consumers' approach to beauty has evolved to a more holistic meaning of wellness, and it's important for salons and spas to mirror this sentiment. Using messages that remind consumers of the importance of self-care will motivate them to continue seeking services as they look to maximize mental and physical wellness. This opportunity also extends to the types of services salons and spas can offer, exploring ways to add functional and beneficial ingredients to their products and services, such as a CBD-infused oil to a massage or LED light therapy to a facial. Educating consumers of the added benefits can help them see the worth in investing and receiving such services. Further, salons and spas can explore selling products with similar ingredients or benefits so consumers can recreate the experience at home. Incorporating additional wellness-focused social content, such as livestream meditation classes, can add another element to the holistic wellness experience.

## Increase the focus on sustainability to better appeal to consumers

As consumers become more focused on sustainability and caring for the environment, salons and spas have an opportunity drive appeal by incorporating sustainable practices, products and treatments. For example, providing consumers with the option to recycle or reuse old product containers, incorporating more eco-friendly products and/or eliminating use of products that contain toxins and may be harmful to the environment (and the consumer) are some potential ways businesses can highlight their commitment to sustainable practices. As this will continue to be an area of focus and concern for consumers moving forward, salons and spas will want to ensure they are clearly communicating these efforts and looking for ways to get them involved in their efforts.

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## MARKET

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## The Market – Key Takeaways

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### The pandemic challenged how consumers seek services

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### Unemployment and low confidence result in price-sensitivity

The pandemic drove a rise in unemployment and caused consumer confidence to drop. Even as the state of the pandemic improves, many consumers remain out of work and/or uncertain about the future, resulting in value-seeking behavior. Moving forward, consumers will seek ways to save, including reducing their visits to salons and spas, or opting for a DIY at-home treatment instead of professional service, putting pressure on businesses to re-think pricing and offer consumers ways to receive services or consultations from home (see [Market Factors](#)).

## Market Size

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The pandemic disrupted growth and changed how consumers seek services

Prior to 2020, US retail sales of salon and spa services were growing steadily and consistently, with sales growing more than 5% in 2019. Unfortunately, the pandemic disrupted this pattern in 2020, especially as salons and spas were deemed nonessential and remained closed throughout the year, depending on the location.

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Figure 4: Total US retail sales and forecast of salon and spa services, at current prices, 2015-19

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Source: based on US Census Bureau: Service Annual Survey, County Business Patterns, Non-Employer Revenues and Economic Census/Mintel

Due to limited availability of 2020 sales data at the time of publishing, Mintel is unable to provide an estimate of sales beyond 2019. However, based on available data, it's evident the industry experienced a downward shift in sales during 2020, as many consumers began seeking at-home treatment during lockdown and/or halted their normal beauty routines. More than 20% of those who have sought services in the past 12 months said the pandemic has made them realize they don't need as many grooming services (see [Changes Because of COVID-19](#)).

But the real impact to the category is the shift from out-of-home service to DIY in-home service. For example, in the 2018 version of this Report, 40% of consumers received services at an independent or local salon (see Mintel's *Salon Services – US, September 2018*), compared to 32% of consumers who did so in 2020. Further, in 2018 26% received services in their home or done by themselves, while 32% did so in the past 12 months. This indicates the restrictions enforced by the pandemic shifted the category, with consumers seeking less-professional out-of-home service, opting instead to do more at home and on their own. Even as the distribution of the vaccine lessens the threat of COVID-19 and signals a return to more normal lifestyles, some consumers are maintaining their new approach toward receiving services. Changes to financial situations and lifestyles (such as working from home) are prompting consumers to reduce their visits to salons and spas or opt for an at-home DIY service instead of a professional one. This will continue to challenge the market, emphasizing the need for product evolution, digital engagement and flexible payment options (see [Market Opportunities](#)).

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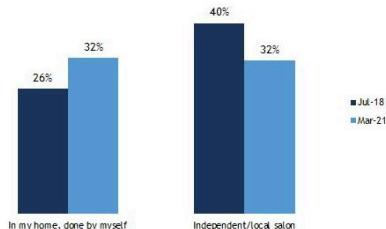
Figure 5: Destinations for service – July 2018 vs March 2021

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"Where have you received salon/spa services (eg haircuts/hair treatments, nail services, facial/body treatments) in the past 12 months? Please select all that apply."

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**Base:** 2,000 internet users aged 18+

**Source:** Lightspeed/Mintel

## Impact of COVID-19 on salon and spa services

With many salons and spas closed for extended periods of time in 2020, the industry was drastically impacted at the onset of the pandemic. That impact resulted in major shifts to how, where and if consumers received services and treatments. Some consumers inevitably shifted their beauty treatments from out-of-home, professional services to doing it themselves in their own home, while others bought products and scaled back uses or halted their routines altogether.

As the pandemic becomes less of a threat, not all consumers will resume their prior habits, as evidenced by the number who realized they don't need as many services and/or are more comfortable doing things on their own (see [Changes Because of COVID-19](#)). However, the chaos of 2020 accelerated a shift toward omnichannel operations within salon and spa services, with consumers doing more online shopping and adopting more digital tools. As consumers grow more comfortable with shopping online across categories and the idea of having items, and even services, brought to their home, it's evident future growth in the category will include a multichannel approach to how consumers seek services from salons and spas. This includes having professionals make home visits, opting for a virtual consultation for those wanting to do services themselves but with guidance and leveraging technology (eg augmented reality) to enhance the overall shopping experience. As the rest of the retail industry adopts more seamless shopping options between in-store and online, salons and spas, which have primarily operated in person, will follow suit.

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## Learnings from the Great Recession

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During the last recession in 2008, the weakened economy impacted the salon industry. Consumers looking to cut down discretionary spending reduced the amount of services and products they used. Consequently, the number of DIY treatments increased, as did purchases of products such as nail and hair color products, as consumers skipped the salon/spa. This is reflective of what's currently happening in the market (see [Types and Frequencies of Services](#)), indicating a similar pattern will occur. The good news is that, during the last recession, things began rebounding fairly quick, with beauty salon sales increasing slightly in 2009 and more robustly in 2010 and 2011 (see Mintel's [Salon Services – US, June 2012](#)). As disposable personal income increased, so did spending at salons, a trend that will likely happen again during the current economic uncertainty. What is different from the last recession, and a benefit for the industry, is the overall advancement of ecommerce and specifically the presence of digital capabilities, including social media and tech-enabled shopping. This will help to maintain both interest and engagement in the category, as both consumers and salons will have more options to seek and offer service.

## Market Factors

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• Health and safety protocols enforced during lockdown have long-lasting effects on how consumers seek services

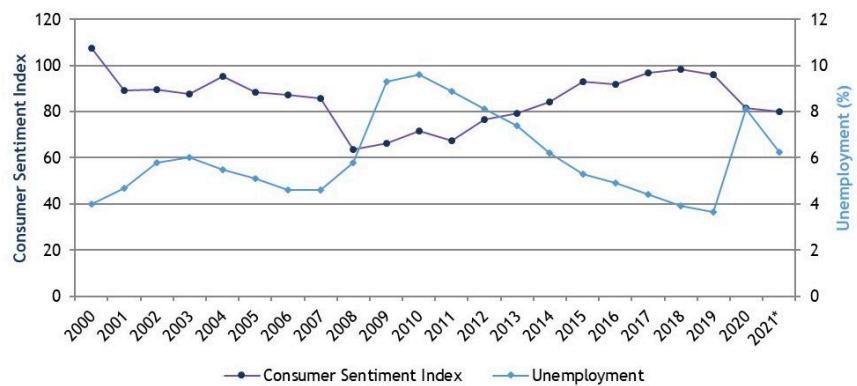
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During the initial lockdown, most salons and spas were deemed nonessential and were forced to close. With lockdown restrictions varying by region, some salons were closed for months into 2020, and some even had to close again, after reopening. These closures directly impacted where and how consumers received their routine treatments. Frequency reduced, with nearly 25% of consumers receiving hair treatments less often compared to before the pandemic and one in five receiving any other treatments less often (see [Types and Frequencies of Services](#)).

In addition to changes to frequency, some consumers began re-evaluating their needs and abilities as salons and spas were closed. More than one third of consumers (36%) are more comfortable doing things on their own now; for those who want to continue seeking professional service, new concerns have emerged. Nearly 40% say a salon or spa's health and safety procedures will influence whether or not they visit (see [Changes Because of COVID-19](#)), indicating these businesses can't rely on existing customers to return without reassurance. Salons and spas will need to provide direct and transparent communication on the changes to their policies and procedures across formats (eg email, social media, text messages) to ensure all customers are informed and feel safe enough to return.

## Consumers are re-evaluating their spending amidst high unemployment and low confidence

The pandemic introduced financial challenges for many, driving unemployment and plummeting consumers' confidence. Even as the threat of the pandemic lessens and things improve, unemployment remains at an elevated level of 6.2% as of February 2021 and consequently, consumer confidence remains lower than pre-pandemic levels at 84.9 for March 2021 – the highest since March 2020 (89.1) but still lower than 101.0 in February 2020. Less than half of consumers describe their current financial situation as "healthy" (see Mintel's *Global COVID-19 Tracker, US – March 31-April 17, 2021*), prompting consumers to limit and prioritize their spending. With consumers' access to salons and spas cut off for part of 2020, and many taking a closer look at their spending, some have made changes to their beauty routines. More than 20% of those who received salon/spa services realize they don't need as many services, and others are re-evaluating how they receive treatments, with some now replacing services, such as manicures, with products such as nail polish (see [Changes Because of COVID-19](#)). This will have an impact on which services consumers prioritize, where and how they want to receive treatment and their price sensitivity. Even as the economy and consumers' financial situations improve, they will remain value-conscious and seek affordable luxuries when they invest in beauty treatments. For this reason, it's important for salons and spas to re-think their pricing options and product offerings, including bundled services, introducing new wellness-focused services, and offering payment plans and tiered pricing.

Figure 6: Consumer confidence and unemployment, 2000-March 2021



\* average to date (January-March 2021 for sentiment, January-February 2021 for unemployment)

**Source:** Thomson Reuters/University of Michigan Survey of Consumers/Bureau of Labor Statistics

## Lifestyle changes created emerging interests among younger generations

Trends change from generation to generation but the lifestyle changes caused by the pandemic created new beauty needs and interests among Gen Z and Millennial adults. In fact, 20% of both generations say they're more interested in certain services, such as lash extensions or teeth whitening, because of increased time spent on digital video services, such as Zoom (see [Changes Because of COVID-19](#)). This signals that younger adults may have more interest in services that offer more functional benefits and provide a boost of confidence, benefiting their mental wellbeing (see [Appendix – The Consumer](#)). It's also possible that as younger generations invest in these types of services, they may scale back on other services, especially those they may be more comfortable doing on their own (eg manicures, hair color). To keep younger adults engaged, salons and spas should promote any type of service that has functional benefits and can even consider using messages that signal being "Zoom" ready, for example. Further, salons and spas can explore offering products that also help consumers to do such treatments at home and perhaps offer a virtual consultation with a salon associate for added guidance. As more companies adopt permanent work from home policies, virtual meetings and events will continue, and consumers' want and need for such services will continue.

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## Technology will play an increasingly important role in consumers' omni-channel lives

Salons and spas are traditionally about hands-on service, but as consumers become accustomed to doing more things at home and online, technology will be critical in maintaining their interest and engagement with the category. Even into 2021, only 3% of consumers don't shop online and 48% are shopping online on a weekly basis, indicating online shopping habits will last (see Mintel's [State of Retail and eCommerce – Impact of COVID-19 One Year Later – US, June 2021](#)). As highlighted by the Mintel Trend Driver *Technology*, consumers are looking to find solutions through tech in the physical and digital worlds. Thus brands are encouraged to innovate digital capabilities to bridge the gap between the online and offline worlds to offer more reliable and consistent experiences. It will be imperative for salons and spas to have a strong ecommerce presence, to provide safer, cleaner options for those seeking treatments in person, such as contactless booking and payment options, and even implementing scan-and-go technology for customers to easily find and buy products during their visits. This will also be important to appeal to those who may not want to receive services outside, by offering tech-enabled options such as one-on-one live chats or facetime consultations.

## Sustainability is a growing concern that must be acknowledged

While sustainability isn't something all consumers prioritize, it is a factor of growing concern for many. Currently, 45% of those who receive salon or spa services are concerned with the sustainability of the services and products they use, and that increases to 53% among those aged 18-44 (see [Preferences for Receiving Services](#)). Mintel Trend Driver *Surroundings* explains that consumer consciousness of sustainability will evolve beyond recycling and carbon emissions into a more holistic, longer-term view, with many considering how to be more resourceful with the products they buy and use. This will result in consumers (especially younger adults) shifting their purchases to support brands and businesses with sustainable products and ethical practices. As more than 40% of US consumers agree it's worth making individual sacrifices to protect the health of the greater community, salons and spas may risk losing customers if sustainable options aren't offered. Businesses should look for ways to incorporate sustainable options, either in treatments and products or in programs that encourage customers to reuse or recycle their products' packages.

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## BRAND/COMPANY

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## Companies and Brands – Key Takeaways

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Digital options can help maintain engagement in and out of the salon/spa

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To adjust to the shift of consumers doing more on their own and at their homes, salons and spas should utilize digital capabilities to bring the experience *to* consumers' homes. By offering on-demand home appointments, virtual consultations and sharing instructional content on social media, salons and spas can maintain awareness and interest in their business and offered services, while potentially reaching a new audience (see [Market Opportunities](#)).

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Salons and spas re-think their messaging and use DIY kits to connect with consumers

While many salons and spas were closed because of the pandemic, some took a new approach to customer engagement. Some businesses, such as Los Angeles-based nail salon Olive & June, turned to their branded products to promote at-home service and used social media to offer professional guidance virtually. Others, such as New York-based spa Chillhouse, focused their marketing on messages that centered on wellbeing. Using social content that urged consumers to prioritize self-care and share the spa's sanitation policies helped encourage consumers to return in person when it was permitted (see [Competitive Strategies](#)).

# Market Opportunities

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- Evolve social media to provide on-demand, shoppable content

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Social media is important for building awareness of and interest in beauty services and treatments and can ultimately help introduce a salon or spa to a wider audience. It is the top method for discovery, with half of those who received salon/spa services in the last 12 months learning about such services from social platforms (see [Sources of Influence](#)). Going forward, as consumers do more online shopping and expect omni-channel capabilities from retailers, salons and spas can utilize social media not only as a tool to drive interest but also to offer consumers direct access to their brand and experts, as well as options to purchase products and services. For example, they can share or host live video tutorials to help consumers learn how to create beauty looks, such as beach waves, from home (as seen in the example below). Linking the available products used in the video will allow viewers to easily learn more about the products and streamline the path to purchase. Further, a “click to book” link can be added for those who wish to seek professional service, providing a seamless experience.

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Salons and spas can take this a step further and create an on-demand library of video content and access to stylists via digital channels. If a consumer is looking for instructions or guidance on how to trim their bangs, style their hair or even paint their nails, they can create an account, and under a paid membership, have access to professional guidance whenever they need it. Memberships can be offered at a flat monthly rate or as an à la carte option, giving consumers access to various levels of content depending on their subscription, similar to how many fitness studios are offering on-demand classes. Such options offer flexible access to consumers without restricting those who wish to stay home or have to scale back their spending.

Figure 7: Base Salon Chicago beach waves how-to video, April 2020



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**Source:** Instagram

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Bring the salon to consumers' homes via tech and at-home kits

The pandemic increased consumers' adoption of online shopping and accelerated overall ecommerce sales growth by more than 30% in 2020 (see Mintel's [Key Elements of eCommerce – US, February 2021](#)). Consequently, consumers have higher expectations for the online shopping experience; they expect convenience and want to have their needs met on their own terms – which for some consumers, may mean at home. This is no exception when it comes to salon/spa services. The pandemic caused consumers to re-think their pre-existing routines and re-evaluate their needs; and not all intend to go back to their pre-pandemic rituals (see [Changes Because of COVID-19](#)). To combat lower visitation frequency and keep more consumers seeking professional service, salons and spas should explore alternative, more convenient ways to offer services.

First, there's the potential to introduce at-home services, similar to offerings from on-demand massage services. Salons and spas can, perhaps, start by offering at-home service for the treatments that are more difficult for consumers to do on their own and/or have experienced a lower frequency of service, such as massages or haircuts (see [Types and Frequencies of Services](#)). Customers can book an appointment as they normally would and select an at-home option. Salons and spas can also consider ways to make scheduling and managing appointments easier, such as through an app. As health and safety will continue to be a top concern, these businesses must clearly communicate their health and safety measures and protocols in place to protect both the service provider and client.

Second, salons and spas can be present in consumers' homes without physically being there. In addition to (or instead of) at-home appointments, salons and spas can consider offering virtual consultations. Consumers can make an appointment for certain services they can do on their own but need guidance, such as nail care or hair styling – also at a more affordable price. They can reserve a slot with their stylist as they normally would, and the stylist would guide them through how to complete the service on their own. Another way to bring the salon to consumers' homes is with DIY products and kits designed to help consumers maintain their rituals from home. Selling such products through the salon/spa keeps those who wish to do more on their own engaged with the company, especially if the products are branded by the salon as seen in the below example.

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Figure 8: Olive & June salon-at-home manicure kits, March 2021



Source: Instagram

## Offer flexible payment options to protect visit frequency

The high unemployment caused by the pandemic has many consumers limiting their spending (see [Market Factors](#)). While the pandemic has caused one in five consumers to realize they don't need as many services, even more (38%) will opt to do things on their own. In fact, 34% of adults plan to keep doing their nails at home to save money (see Mintel's [Nail Color and Care – US, February 2021](#)). The value-savings drives some consumers to stay home, since DIY may be more affordable than professional service, emphasizing the need for salons and spas to introduce more flexible pricing options.

There are a few options to explore, the first being payment installments, such as Klarna or Afterpay, which allow consumers to split their total into separate payments over time. Another idea is to introduce tiered pricing, allowing consumers to choose from three different professionals with varying levels of experience and rates. For example, consumers could choose a haircut from stylists ranging in experience from novice to experienced, with the pricing based on experience level. Such options will be especially important as consumers express higher price sensitivity for frequently sought services, such as haircuts (see [Price Sensitivity](#)).

Additionally, salons and spas could explore offering subscription plans for services, especially those that may be viewed as an affordable luxury but, perhaps, less essential such as manicures or facials. In this case, consumers would get a better price in exchange for a higher frequency. For example, if a customer receives a nail service once a month it would be a higher price, such as \$40, but if they increase their visits and come every week or every other week, the average cost would be less expensive. A subscription-based offering allows consumers to take advantage of a more affordable price for a service, with a set frequency.

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- Implement sustainable options to appeal to conscious consumers

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Sustainability is a growing priority, especially for younger generations. Currently, 45% express concern with the sustainability of the products and services they use from/at salons and spas, and that grows among adults aged 18-44 (see [Preferences for Receiving Services](#)). Salons and spas should be exploring ways to implement sustainable practices, products and treatments, including smaller efforts. One opportunity is to offer recycling programs that invite consumers to bring in their old product containers, such as shampoo or hair spray, and donate them to be properly recycled and/or refilled. This can even be offered in exchange for a discount on a future service. This offering leverages consumers' interest in sustainability and involves them in more responsible practices.

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Another option is to promote the environmentally friendly practices and/or products that salons already use. Sustainability takes many forms, and products or services that are "clean" and/or "free from" certain harmful ingredients or avoid harmful practices (eg animal testing) will appeal to those looking to be more conscious in their purchase decisions. Salons/spas can promote the products they use in their services and sell for take-home use those that avoid harmful measures by calling out what's *not* included in products, as seen in the below example. This type of messaging signals to conscious consumers that the salon is also conscious of their practices.

Salons and spas should also keep sustainability in mind when evolving and introducing new services and products, such as embracing the use of eco-friendly products in services (eg all-natural hair dye and plant-based or toxin-free nail polish). Further, it's worth exploring opportunities to remove certain toxins or ingredients/products that aren't environmentally friendly. If salons and spas are making eco-friendly swaps, they should be sure to communicate such changes with their customers to build credibility as a sustainable business and further drive appeal.

Figure 9: Fox & Jane Salon clean products, April 2021

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**Source:** Mintel

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Encourage self-care and embrace the functional wellness benefits

The preferences for a quality experience over price is very narrow (see [Preferences for Receiving Services](#)), and consumers want to know a service is worth their investment. As consumers' approach to beauty evolves beyond aesthetics to a more holistic meaning of wellness, it's important for salons and spas to mirror this sentiment. Messages that encourage consumers to receive a treatment as way of practicing self-care (as seen below) will continue to resonate with consumers as they seek ways to maximize their mental and physical wellbeing.

Additionally, salons and spas should explore adding ingredients and elements with functional benefits to their products and services. Cannabis is one such ingredient consumers are increasingly using to help manage stress, anxiety, and other ailments (see Mintel's [Cannabis and Health – US, March 2021](#)), indicating one opportunity for salons and spas to incorporate into their offered services and products. For example, offering wellness benefits to services, such as a CBD-infused oil to a massage or LED light therapy to a facial. Customers can have the option to upgrade their service with the addition of a wellness inclusion. Educating consumers of the added benefits can help them see the worth in investing and receiving such services. Further, salons and spas can explore selling products, such as LED skincare devices or masks or CBD oils, so consumers can recreate the experience at home. Additional social content, such as livestream meditation classes, can add another element to the holistic wellness experience.

Figure 10: Chillhouse self-care Sunday, February 2021



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**Source:** Instagram

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## Shifts in Advertising Approach

### Businesses shift the narrative amidst the pandemic

All salons and spas were significantly impacted by the pandemic, causing them to revisit advertising and social strategies as they experimented with new ways to reach customers, while navigating new challenges and changing consumer behaviors. To better understand the shifts, Mintel explored digital marketing and paid social spending across select companies within the salon and spa industry - Olive & June, a Los Angeles-based nail salon; Supercuts, a hair salon franchise; and Massage Envy, a massage and skincare-focused spa with national franchises. Despite their differences (ie specialty areas, size of company), one thing stands out among all three businesses – an increased focus on social media. As consumers rely more on social media as a source of inspiration, salons and spas are adjusting their advertising approach to better reach and influence them. For a chain such as Supercuts, overall spending was minimal during the onset of the pandemic and began to spike in the summer of 2020, likely as locations began to reopen. For Olive & June, which also sells products for at-home use, spending began to increase as they initially used social to promote products and later to encourage a return to in-person visits (see [Competitive Strategies](#)). For Massage Envy, spending across platforms has diversified to include more of a focus on Instagram, indicating Massage Envy's engagement efforts during the pandemic include an expanded presence across social media.

It's important to note that the channel used depends on the salon, and the consumer, and different platforms will be more effective for engagement depending on who the target audience is (see [Sources of Influence](#)). As social media will continue to play a critical role in engaging with consumers, Mintel expects to see salons and spas relying more on these platforms as methods of engagement to drive both customer acquisition and retention.

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Figure 11: Monthly digital marketing and paid social spending, select salon & spa companies, January 2019-April 2021

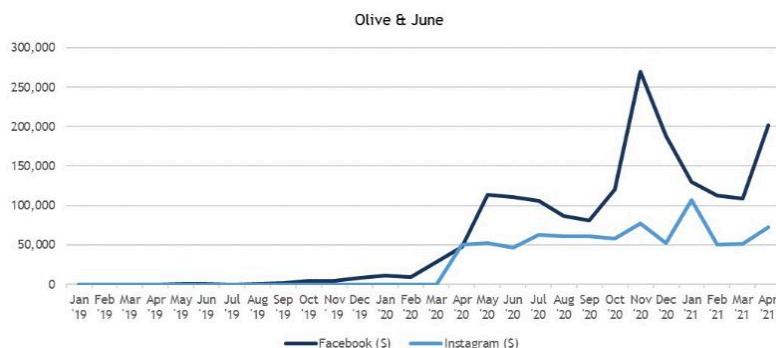
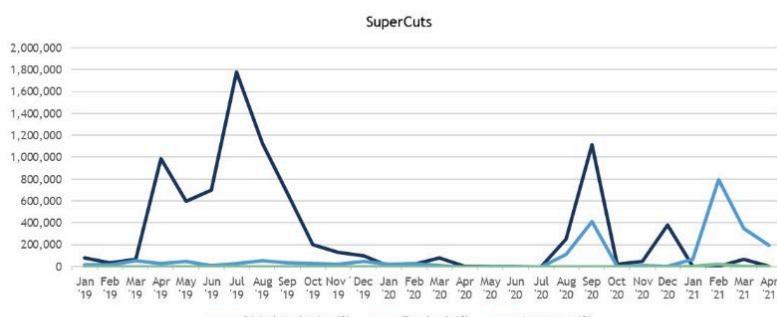
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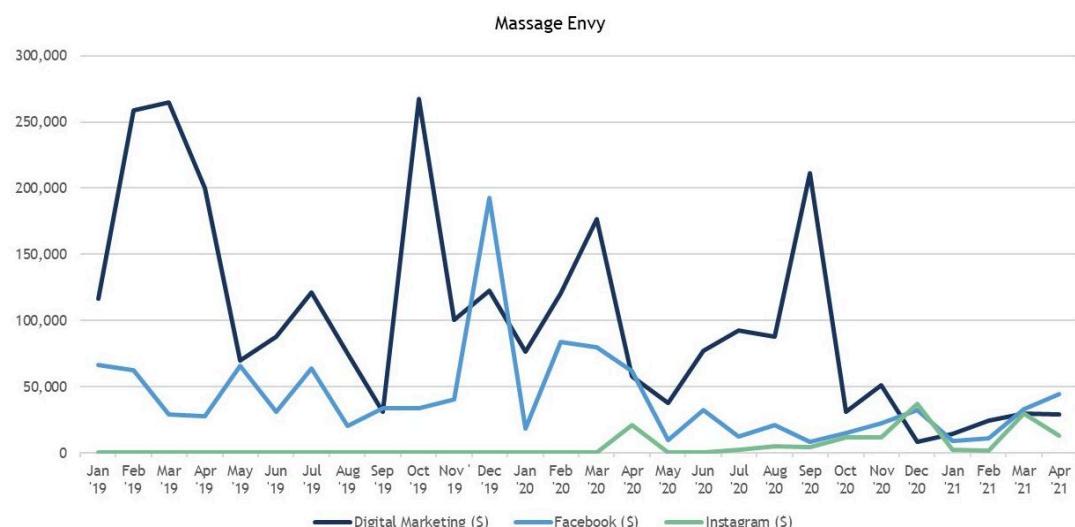
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Note: digital marketing includes – desktop display/video and mobile display/video

Source: Mintel analysis of Pathmatics data

Figure 11: Monthly digital marketing and paid social spending, select salon & spa companies, January 2019-April 2021



Note: digital marketing includes – desktop display/video and mobile display/video

Source: Mintel analysis of Pathmatics data

## Competitive Strategies

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L.A.-based nail salon promotes DIY kits to fuel at-home growth during the pandemic

Nail care is one category that boomed in at-home service during the pandemic. By the end of 2020, social mentions of “at-home” and DIY within nail care had increased by 20% year over year, according to Infegy/Mintel (see Mintel’s *Nail Color and Care – US, February 2021*). With many consumers suddenly doing their own nails for the first time, they sought not only the right products but also guidance from brands. Olive & June, a nail salon based in Los Angeles, leveraged its branded products (launched prior to the pandemic) and social media to stay engaged with consumers and drive growth while salons were closed. The brand made an effort on social media to educate consumers on how to do a manicure at home. Using IGTV Olive & June launched a series of “Bootcamp” videos that showed viewers how to get beautiful nails at home by using the brand’s products. Not only did this help nail care stay top-of-mind for consumers, but it also helped Olive & June to expand their brand awareness. Monthly social mentions of the brand within nail care conversations have increased by 50% during the pandemic, according to Infegy/Mintel. Presumably, some consumers will head back to the salon, wanting the professional experience they missed during the pandemic. But for those who aren’t willing or able to do so, Olive & June has made at-home manicures more accessible to a wider audience that otherwise might not know of them. Looking ahead, more brands should utilize products (especially if the product is a salon-branded product, as seen below) and episodic social content to make at-home services less daunting and keep all consumers engaged.

Figure 12: Olive & June educates followers on at-home nails via IGTV, January 2021

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**Source:** Instagram

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## Salons share customer feedback to promote safety protocols

Cleanliness and safety have emerged as new priorities for some consumers as a result of the health crisis. Nearly 40% of those who received salon/spa services in the last 12 months said health and safety procedures will influence their future visitation decisions (see [Changes Because of COVID-19](#)). It's evident that salons and spas must not only implement protocols but also promote those protocols to ensure customers feel safe – even as the threat of and concerns around COVID-19 lessen. One strategy some salons and spas are utilizing is leveraging customer feedback; by allowing customers to share their experience, many are now including how clean and safe the destinations felt and the helpfulness of the staff in their reviews. This type of endorsement may hold even more weight than communication shared direct from salons/spas, especially since friends and family are the primary source of influence when it comes to services – indicating the value of feedback from others (see [Sources of Influence](#)). Looking ahead, salons and spas should continue to prioritize sharing updates to health and safety procedures, especially in the form of customer reviews. Even as the threat of the pandemic lessens, wellness and cleanliness will continue to be priorities for many consumers, and they will seek such information.

Figure 13: Fox & Jane salon customer review, January 2021



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## Prioritizing self-care and wellness to encourage visits

As the concept of beauty expands to encompass a more holistic meaning, consumers will respond to messages that help them take care of both their mental and physical wellbeing. Some salons and spas are shifting the narrative to focus less on improving aesthetics and instead emphasize the wellness benefits. This means embracing the term “self-care” and using messages of encouragement, but it also means highlighting the functional benefits of certain products, services and treatments, whether done in the salon or spa or at-home. The below examples highlight just that; the New York-based salon Chillhouse introduced products, including oils and facial massage tools, designed to help consumers get the hydration and other benefits they’d receive from services at home. Chillhouse used social media to promote the products, share how to effectively use them and educate consumers on the benefits. Alternatively, these products can also be incorporated into professional services received in person. While some consumers consider ways to save or cut back and consider doing their own treatments at home, such messages may help keep consumers that seek professional services and maintain frequency.

Figure 14: Chillhouse self-care motivation, March and April 2021

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**Source:** Instagram

## Amazon puts tech at the focus of its in-person salon

In April 2021, Amazon announced its foray into salon and spa services with the launch of a two-floor 1,500 sq ft salon in London. While customers can visit and receive a variety of services from professionals, such as hair care and styling, technology will be a primary focus and will be implemented throughout the customer experience. Amazon is implementing the “try before you buy” option used in its Prime Wardrobe and is offering a virtual version in the salon, where customers can virtually try on various hair colors before a service. During or after a visit, customers will continue to enjoy a tech-centric experience, with the option to point to a product on shelf and receive product information and educational content videos. For a seamless checkout, Amazon is implementing its scan-and-go technology so customers can purchase products by scanning the QR code at the shelf and purchase through their phones for home delivery.

It's important to note that while Amazon's salon embraces technology, it doesn't replace the human part of the experience. Consumers are still interacting with professionals, but they are offered an easier experience to discover and buy products with the digital enhancements. As consumers continue to use *Technology* to make their lives easier, such offerings will be appealing and give an indication to what the future of in-person service looks like.

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Figure 15: Amazon launches UK-based hair salon

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**Source:** Twitter

## CONSUMER

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## The Consumer – Key Takeaways

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Consumers are shifting out of salons/spas and turning to DIY

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Although professional service in a salon is still highly sought, the pandemic forced consumers to press pause or turn to a do-it-yourself method. Consequently, there's an increase in consumers receiving services at home (without a professional), indicating a potential threat if this behavior lingers (see [Destinations](#)).

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The pandemic caused a shift in priorities and decreased frequency

Hair treatments remain the most sought services overall, but some services have been deprioritized over the last 12 months. In particular, women are receiving haircuts less often compared to men, but interest in emerging services, such as teeth whitening or lash extensions, is growing in general (see [Types and Frequencies of Services](#)). Further, the time spent at home (especially while salons and spas were closed) caused some consumers to re-evaluate their needs and routines. Some consumers have realized they don't need as many grooming services, while others are more comfortable doing things on their own or have replaced services with products – which will impact the category moving forward (see [Changes Because of COVID-19](#)).

Consumers prefer flexibility, quality and more options to receive services

In general, more consumers prioritize quality, but value is still a motivating factor to consumers' purchases. As consumers remain financially challenged and/or interested in affordable at-home options, salons and spas can look for ways to provide more value. This includes offering flexible payment plans and appealing to consumers' interest in sustainability by tying in a recyclable program (see [Preferences for Receiving Services](#)).

## Peers and social media are influential for discovery

Consumers trust those they know (both personally and via social media). Peers and social media are the top sources for learning about salon services, even outpacing stylists. It's important for salons and spas to leverage social media to build brand awareness, credibility and grow engagement (see [Sources of Influence](#)).

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• Consumers are willing to spend on affordable luxury

Price sensitivity is high, especially as many consumers continue to face financial challenges and are more careful with their spending. The services that are more common and more frequently sought, such as haircuts, are those that consumers have a higher sensitivity to. A service that is typically sought less often and is, presumably, considered a treat elicits a willingness to pay more, but to an extent. Salons and spas can explore new ways to approach pricing, including payment plans, tiered pricing options and even subscription-based pricing to keep consumers seeking professional service consistently (see [Price Sensitivity](#)).

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## Destinations

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Analyst perspective: the future of the market includes an omnichannel approach

Going forward, consumers will take a hybrid approach to where and how they seek salon and spa services, alternating between in-and-out-of-home. To avoid losing customers or decreased visits/frequency, salons and spas can offer in-home assistance, such as through virtual consultations or at-home visits. Not all consumers will return to pre-pandemic routines, and they will want salons and spas to offer them alternative options to in-person visits.

## Professional service is highly sought, but DIY is on the rise

Despite the restrictions caused by the pandemic, most consumers are seeking professional services, indicating beauty services remain of interest for most. However, priorities have shifted, and where and how consumers receive services has changed. While expertise is preferred, some consumers see the benefit of at-home treatments. Nearly two thirds of consumers sought professional service, but as evidenced by responses from Mintel's online discussion panel, some consumers are re-evaluating their needs and/or comfort levels.

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*"Do you consider it worthwhile to maintain frequent/routine trips to your salon/barbershop? Once the COVID-19 vaccine has been distributed more universally, do you think you will feel more confident about going?"*

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*"I find it less worthwhile for me to go to the salon as often. Once the vaccine is more available, I will still not go as much as it is not needed."*

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*Female, 45-54*

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*"I would feel safer to go to the salon once the pandemic dies down."*

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*Female, 18-24*

*"I will probably go to the barber every 4 or 5 months post pandemic, just to stay on the safe side. I have learned to stay away from groups of folks and I like that posture. I do not feel more or less confident going back to pre pandemic schedules. I do like the fact that I have culled the expenses during the pandemic."*

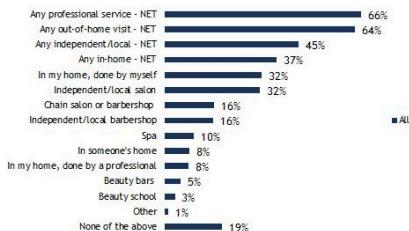
*Male, 65+*

Looking ahead, this will impact where and how services are received, and priorities will presumably shift for some consumers. Quality of service and/or expertise will still be important, but as some consumers see multiple benefits of at-home and/or DIY service (such as affordability, convenience and safety), salon and spa retailers will need to expand their offerings and take an omnichannel approach similar to that of other retailers. This entails appointments for home visits, either with a professional visiting the client in person at their home or through a virtual (but live) consultation, in addition to traditional appointments at the salon or spa. Offering the chance to alternate between receiving service in a salon and at-home treatments caters to those who want to seek service from the comfort of home.

Figure 16: Destinations – NET, March 2021

"Where have you received salon/spa services (eg haircuts/hair treatments, nail services, facial/body treatments) in the past 12 months? Please select all that apply."

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**Base:** 2,000 internet users aged 18+

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**Source:** Lightspeed/Mintel

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## Younger consumers are exploring all options

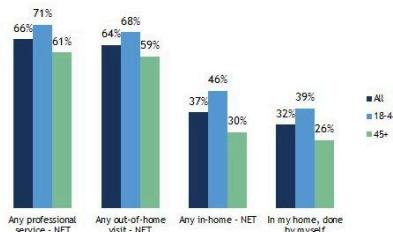
A majority of consumers are receiving services, including professional and/or out-of-home service; however, interest in services done in-home (including DIY service) is more prevalent among those aged 18-44. There are two elements impacting younger adults' behavior. Young adults feel the impact of having to always be presentable or "on," especially now with virtual work calls or social events. In fact, nearly 20% of those aged 18-44 are more interested in certain services because of increased time on video compared to 4% of older adults (see *Databook*). Consequently, they feel the need to maintain their beauty regimes, and they are willing to explore all options, including doing it themselves or visiting a different destination.

The second factor is that younger generations equate beauty with self-care, more than their older counterparts. The goal for younger consumers isn't just to look good but also to feel good. Such services are an essential part of their wellness routines, and they want to maintain that, regardless of where or how they do so. Both Gen Z and Millennial adults invested in their beauty routines during the initial lockdown as a form of self-care, which meant more DIY service (see Mintel's *Perceptions of Beauty across Generations: Incl Impact of COVID-19 – US, September 2020*). Looking ahead, younger consumers will continue to turn to beauty regimes as a way to manage stress and treat themselves, but not all will consider professional services done in a salon. Salons and spas can explore messages that encourage visiting the salon/spa as a way to "feel" one's best (not just look it). Additionally, they can offer virtual consultations and/or sell DIY kits for those receiving services from home.

Figure 17: Destinations – NET, by age, March 2021

"Where have you received salon/spa services (eg haircuts/hair treatments, nail services, facial/body treatments) in the past 12 months? Please select all that apply."

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**Base:** 2,000 internet users aged 18+

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**Source:** Lightspeed/Mintel

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## Multicultural consumers are seeking at-home service

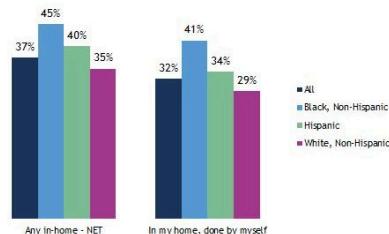
Black and Hispanic consumers are seeking more services at-home compared to White consumers. Multicultural consumers feel more comfortable at-home and have more willingness to do it themselves. This may be tied to price and safety concerns. Black and Hispanic consumers were some of those most affected by the pandemic, in terms of both unemployment and contracting the virus. For example, 64% of Hispanic households reported a loss of income, and Hispanic women were more concerned about the exposure to the virus compared to non-Hispanic women (see Mintel's [Hispanics and Color Cosmetics: Incl the Impact of COVID-19 – US, July 2020](#)). To these consumers, there may be greater risk involved with resuming pre-pandemic routines, and they see more value (in terms of both affordability and convenience) to stay home.

At-home service may also be connected to a lack of services available professionally that meet their needs. Multicultural consumers have interest in a variety of services (see [Types and Frequencies of Services](#)), indicating they want to experiment, but a lack of options makes it difficult for them to do so outside their home. Salons and spas can consider adding services that specifically cater to concerns or needs multicultural consumers have or want to address. Black consumers are particularly interested in their haircare regime, especially products that focus on hair health (see Mintel's [Black Haircare: Incl the Impact of COVID-19 – US, August 2020](#)). Highlighting services that promote hair health, including moisturizing and strengthening benefits, will appeal to these consumers. Further, multicultural consumers will respond to seeing relatable peers in a salon or spa's marketing, as well as providing the services in these locations; thus, businesses should prioritize diverse representation in their marketing campaigns and employee hiring practices.

Figure 18: Destinations – NET, by race and Hispanic origin, March 2021

"Where have you received salon/spa services (eg haircuts/hair treatments, nail services, facial/body treatments) in the past 12 months? Please select all that apply."

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**Base:** 2,000 internet users aged 18+

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**Source:** Lightspeed/Mintel

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## Types and Frequencies of Services

Analyst perspective: embracing self-care will keep consumers engaged

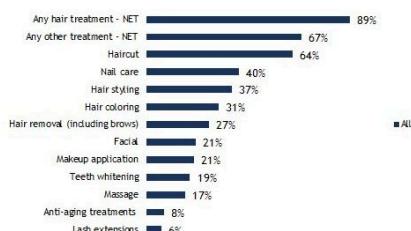
The pandemic benefited at-home products, such as hair and nail color. Some consumers plan to stick with at-home maintenance to curb spending or simply feel less obligated to maintain old regimes, indicating a longer-term threat to salons and spas. Looking ahead, salons can embrace the natural trend by offering a variety of shades and treatment in salons, including grays and silvers for those who want to remain natural. Spas can leverage consumers' emerging interest in services that benefit the "on camera" lifestyles many have adopted and promote treatments such as teeth whitening and lash extensions. Salons and spas can also encourage consumers to continue to prioritize self-care and promote services with wellness benefits, such as strengthening or stimulating growth.

## Haircare remains a top priority, but the pandemic continues to disrupt service

Consumers' interests in salon and spa services remains strong, but priorities have shifted for some. Nearly 90% of those who sought services received haircare treatments, and haircuts are the most used service; however, the number of those who received haircuts decreased drastically since 2018, when 82% received a haircut compared to 64% in 2020. This shift is largely impacted by the pandemic; with businesses closed and less need for some to get a haircut due to changed lifestyles and routines, more than a third of consumers received haircuts less often than they did pre-pandemic. Conversely, treatments that consumers can do more easily themselves, such as nail care and hair color, mostly increased or remain the same since pre-pandemic. While such services help consumers maintain their physical appearance, part of their appeal is in the emotional benefits they offer, helping to boost consumers' spirits. It's important for salons and spas to focus messaging on the wellness benefits of services and embracing the desire for holistic wellbeing and self-care. It will continue to be important to highlight a product or a service's functional benefits to motivate consumers to seek treatment, whether done in or out of their home (see [Market Opportunities](#)).

Figure 19: Types of services – NET, March 2021

"Which of the following salon/spa services have you received or done yourself at home in the past 12 months? Please select all that apply."



**Base:** 1,620 internet users aged 18+ who received salon/spa services in the last 12 months

**Source:** Lightspeed/Mintel

Other interests have also emerged, such as teeth whitening and lash extensions. Those who have received such treatments have done so more often compared to before the pandemic, unlike those who are seeking other services, such as haircuts or coloring. Despite a relatively smaller number of consumers receiving such services, increased screen time has prompted some consumers to explore such options (see [Changes Because of COVID-19](#)). As many activities, such as work or events, will likely continue to be held virtually – at least to an extent – interest in such services will likely continue. It's worthwhile for salons and spas to promote such services if they already offer them, and if not, test consumers' response to them. Additionally, they can also explore offering products such as lashes and teeth-whitening kits to sell to those who would rather experiment at home.

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Figure 20: Frequency of services, March 2021

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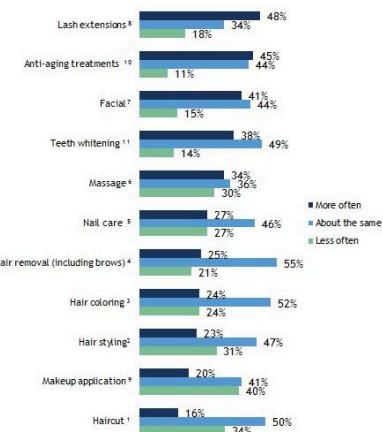
"How often are you receiving (or doing yourself at home) the following services now compared to before the COVID-19 pandemic began (in mid-March 2020)?"

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Note: 1-11 is based on internet users aged 18+ who received the particular service in the last 12 months

Base: internet users aged 18+ who received select salon/spa services in the last 12 months

Source: Lightspeed/Mintel

## Women are de-prioritizing haircuts in favor of other services

The COVID-19 pandemic has changed beauty trends for women. While receiving haircuts is the most used service for women, nearly 40% are receiving haircuts less often since the pandemic. Furthermore, women's haircuts declined more than 20 percentage points since the prior version of this Report (see Mintel's [Salon Services – US, September 2018](#)). Conversely, women increased or maintained services such as nail care treatments, hair styling and hair coloring since 2018. Women still want to maintain their beauty services, but they've developed new interests and have shifted their priorities.

This shift could threaten some salons and spas that don't offer a wider variety of services, such as hair styling or other treatments women seek, including nail care, hair removal and lash extensions. Bundled promotions, such as offering a better price for booking a haircut and color treatment or nail care with a facial, or deals for booking an extra treatment as an "add-on" service, will motivate women to engage in more services and encourage routine maintenance, because of the added value. This approach to pricing signals multiple services offer "better bang for the buck." Additionally, salons and spas can include communications and content that focuses on healthy treatment and growth for those who are growing out their hair and are receiving cuts less frequently. Highlighting the products that stimulate growth, such as a leave-in conditioner, can encourage some spending in the absence of cuts.

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Figure 21: Types and frequencies of services, by gender, March 2021

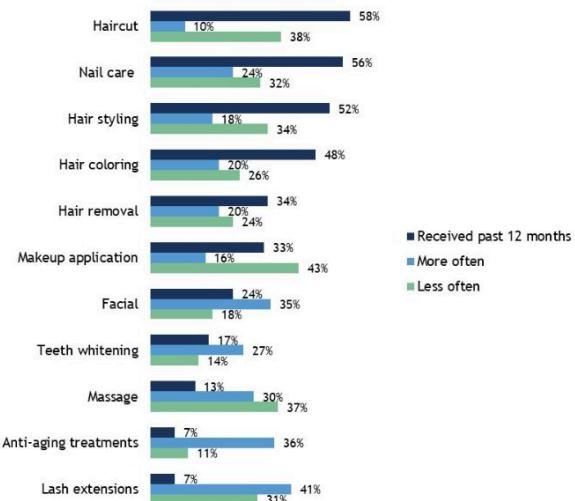
02 "Which of the following salon/spa services have you received or done yourself at home in the past 12 months? Please select all that apply."

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04 "How often are you receiving (or doing yourself at home) the following services now compared to before the COVID-19 pandemic began (in mid-March 2020)?"

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**Base:** 1,620 internet users aged 18+ who received salon/spa services in the last 12 months

**Source:** Lightspeed/Mintel

## Pandemic fatigue motivates younger generations to try additional services

Consumers' virtual lives have had an impact on their mentality and approach to beauty. Pandemic fatigue is real – 56% of consumers are tired of dealing with the pandemic – and consumers are looking for ways to cope with it (see Mintel's *Global COVID-19 Tracker, US – March 31-April 17, 2021*). Increased screen time with others, such as virtual meetings, is one side effect of the pandemic, which has caused younger adults to take interest in certain services. Teeth whitening, anti-aging treatments and lash extensions have all seen a boost among Gen Zs and Millennials, presumably as the result of having more visibility to these areas of the face on video calls for work, school or even social activities. In fact, one in five Millennials and more than 25% of men aged 18-44 attribute video calls to driving interest in such services (see *Databook*). Consumers are turning to beauty services to cope with the pandemic's changes, and for some, that means an interest in services they haven't previously sought.

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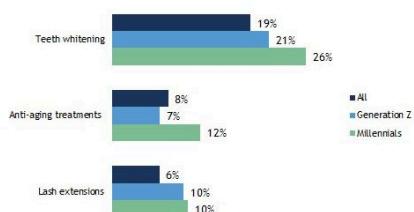
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As consumers spend more time working remotely and doing more things virtually, interest in such services may increase and more consumers may view them as routine services, emphasizing the need for salons and spas to offer such services. There's also an opportunity to offer products for consumers to experiment with these services at home, such as fake eyelashes or teeth-whitening kits. Gen Z and Millennial adults expressed higher interest than other adults in products, such as these, that can save them time elsewhere. For example, one might get eyelash extensions instead of applying eyeshadow, liner and/or mascara. The investment in a service may save them time in the long run. For that reason, younger adults may be more willing to invest in these services if they see a long-term benefit (see *Databook*).

Figure 22: Types of services, by generation, March 2021

"Which of the following salon/spa services have you received or done yourself at home in the past 12 months? Please select all that apply."



**Base:** 1,620 internet users aged 18+ who received salon/spa services in the last 12 months

**Source:** Lightspeed/Mintel

## Black consumers engage in head-to-toe treatments

Black consumers received a wider variety of services compared to White and Hispanic consumers, including services other than haircare, such as lash extensions, facials and nail care. Many are receiving some of these services more often than before the pandemic. Black consumers take a holistic approach to beauty routines, opting for services that benefit many areas rather than focusing on one specific type of service, such as haircare. They have varied interests when it comes to beauty routines, and the pandemic has heightened interest in more services. To keep them engaged, brands and salons can ensure they offer options that tailor to Black consumers' interests across categories.

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Figure 23: Types of services, by race, March 2021

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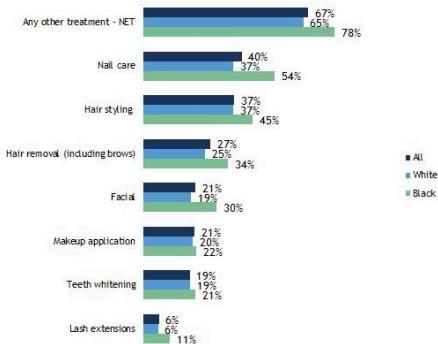
"Which of the following salon/spa services have you received or done yourself at home in the past 12 months? Please select all that apply."

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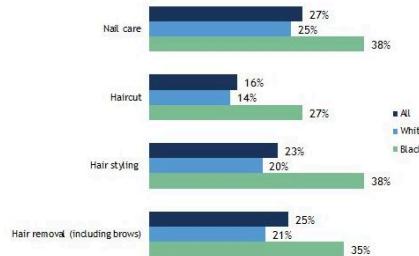
**Base:** 1,620 internet users aged 18+ who received salon/spa services in the last 12 months

**Source:** Lightspeed/Mintel

Figure 24: Frequency of select services, by race, March 2021

"How often are you receiving (or doing yourself at home) the following services now compared to before the COVID-19 pandemic began (in mid-March 2020)? - NET "receiving more often"

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**Base:** internet users aged 18+ who received select salon/spa services in the last 12 months

**Source:** Lightspeed/Mintel

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Black women in particular are buying brands and products that are created with them in mind (see Mintel's [Black Consumers and Color Cosmetics: Incl the Impact of COVID-19 – US, July 2020](#)). Products and services that are created to specifically treat certain skin types, tones and hair textures will indicate to Black consumers that products and treatments were designed for them and give them more options to choose from, which may motivate them to try new services. Further, salons (and the brands working with them) can consider creating a product guide across skin and/or hair characteristics, complete with recommended product or treatment combinations to help Black consumers achieve the look or benefits they want. These recommendations may motivate Black consumers to opt for an in-person visit (versus stay at home) and potentially prompt more services in one visit.

## Changes Because of COVID-19

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Analyst perspective: flexibility and added reassurances will help salons combat the pandemic's longer-term impact

The pandemic's impact varies by consumer; age and economic situation influence consumers' comfort with or ability to return to salons and engage in pre-pandemic services. To keep consumers returning, salons and spas should consider using messages of reassurance and encouragement, reminding consumers of the importance of self-care. Further, convenient and flexible services, such as bundled promotions and payment plans and childcare services during appointments, will encourage young adults, Black consumers and parents to return. Thanks to the ecommerce boom fueled by the pandemic, consumers have adjusted to flexible options that allow them to pick and choose how they want to receive products. Going forward they will expect that same flexibility when it comes to receiving services, emphasizing the ongoing need for omnichannel options, such as home visits and contactless payment and discovery options.

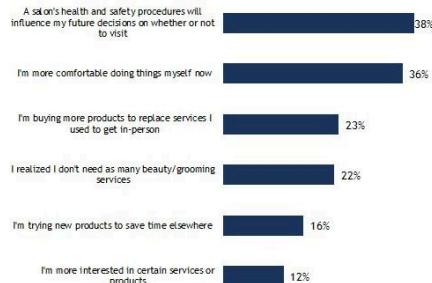
The pandemic has caused longer-lasting impact to how consumers seek and receive services

The pandemic has created new needs and concerns regarding salon/spa services that will impact consumers' decision making on how and where to receive services moving forward. Even as the vaccine rollout continues and the threat of COVID-19 lessens, nearly 40% of consumers will be influenced by a salon/spa's safety policies. Additionally, consumers are realizing their pre-pandemic routines aren't necessary or are no longer relevant – further impacting their use of services. Moving forward, salons and spas must evolve their communications, offerings and policies to reassure customers and keep them returning.

Figure 25: Changes because of COVID-19, March 2021

"In light of the COVID-19 pandemic, which of the following statements about salon/spa services do you agree with? Please select all that apply."

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**Base:** 1,620 internet users aged 18+ who received salon/spa services in the last 12 months

**Source:** Lightspeed/Mintel

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Certain categories, such as hair coloring, may see a decline in professional service in favor of consumers doing more at home (see [Appendix – The Consumer](#)). Another risk is that some consumers realize they don't need or want to maintain all their pre-pandemic regimes, either receiving services less frequently or opting for a more natural look and embracing gray hair (see Mintel's [Home Hair Color – US, January 2021](#)). Below, some consumers express how the pandemic has changed their approach to certain haircare routines.

*Since the beginning of the pandemic, are there any services that you would normally get at a salon or barbershop that have become less important? If so, what are they? Have you considered or have you tried doing any of these services at home (either for yourself or other members of your household)? What services do you feel like you could only do with professional help?*

*"For a while I was not having my hair colored. While teaching at home, it seemed less important. Some coworkers even just went gray. I considered both letting my hair turn gray, and buying touch-up or coloring my hair myself. In the end, I just waited it out, and now have been getting my hair colored at the salon, just not as frequently as in the past"*

*Female, 45-54*

*"I have maintained myself at home especially my hair color. There are several professional grade brands that I have purchased and used during the pandemic at my home and I am happy and very much satisfied with their quality and results."*

*Female, 35-44*

For many, once the vaccine is more widely distributed, that will bring a return to pre-pandemic comfort levels, but some likely won't completely resume their old routines. Concerns with a salon's health and safety procedures are higher among older adults, particularly women (see *Databook*). They are less likely than younger women to conduct services on their own, indicating they want to return to salons, and will do so if they're reassured that safety policies are implemented.

Communications regarding the steps salons are taking to maintain cleanliness and healthy safety will appeal to older women, as will messages that reemphasize and encourage consumers to return to their beauty routines as a wellbeing practice and a form of self-care.

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Conversely, interest in DIY or replacing services with products is higher among younger adults, particularly women, indicating this is a group that salons and spas risk losing. To prevent that, these businesses should focus on the unique experience that can't be replicated elsewhere. If salons offer or add any unique features, such as Bluetooth speakers, free perks (such as sample products) or even newly added services, they should promote those features on social media and in customer marketing. Additionally, salons and spas can consider promotional specials designed to get consumers to leave their homes, such as a free service after receiving five treatments or the option to buy a discounted pass if a friend joins for certain treatments, such as nail care or facials. The chance to save and/or experiment with new features or services will keep consumers interested.

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There's also an opportunity to adjust offerings to reflect some of consumers' changed needs and behaviors, particularly of those who prefer to receive treatments at home. Salons and spas can offer DIY kits for products such as nail and hair care to help consumers obtain a better at-home experience. They can also explore offering live, virtual consultations with stylists and other professionals as well as instructional content shared on social media and/or in an on-demand library on the salon or spa's website (see [Market Opportunities](#)). eCommerce will be an important vehicle for reaching those who remain at home, and such offerings provide an evolved home experience.

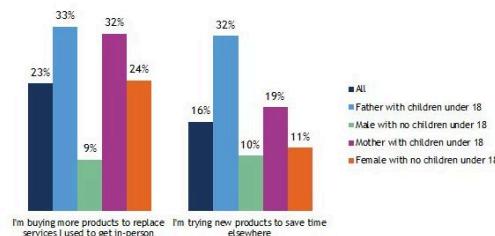
## Parents are replacing services with products

The pandemic has caused parents to be more value-conscious, and many are focused on ways to save time and money. Consequently, parents are turning to products to replace services and are looking for products that save them time elsewhere, more than those without children. As explained by the Mintel Trend Driver *Value*, consumers see value if they find tangible, measurable benefits from their investments. This is especially true for parents, who are presumably short on time and are looking to be more efficient. The sudden changes caused by the pandemic made them realize they can use products to do a similar job from the comfort of their home without making a special trip to the salon.

Figure 26: Changes because of COVID-19, by parental status, March 2021

"In light of the COVID-19 pandemic, which of the following statements about salon/spa services do you agree with? Please select all that apply."

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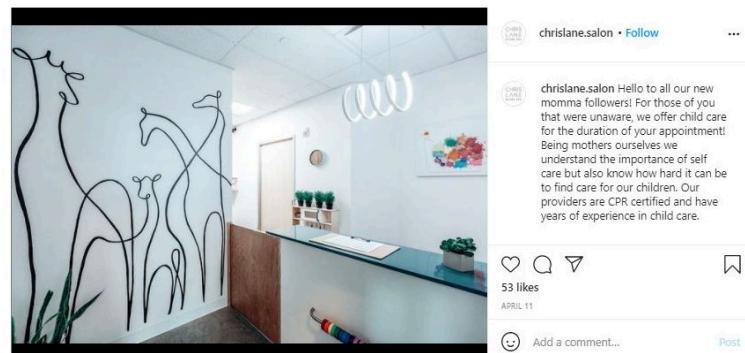
**Base:** 1,620 internet users aged 18+ who received salon/spa services in the last 12 months

**Source:** Lightspeed/Mintel

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However, parents are likely feeling even more strapped for time than usual due to remote learning and balancing home and work life. Presumably, many parents would welcome the chance to visit a salon or spa but don't feel they have the time. Salons and spas can offer more ways to make salon visits easier and quicker, such as online scheduling, contactless payment (eg Venmo) and even the option to have a virtual at-home consultation with a stylist or receive at-home professional visits. Further, these businesses can explore offering on-site entertainment/babysitting for kids, so parents don't have to worry about finding and paying for a sitter. Finally, using messages that encourage parents to treat themselves and remind them to prioritize self-care and "me time" may motivate them to make the trip, especially if the aforementioned options are included.

Figure 27: Chris Lane Salon highlights childcare services, April 2021



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## 05 Potential risk of losing Black consumers

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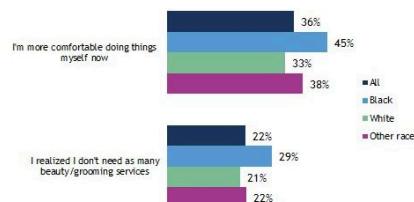
Black consumers' sentiments indicate they may be one group of consumers that salons/spas may lose because of the pandemic. They prioritize the type of service over expertise and/or where they receive it (see *Databook*). Since they tend to engage in head-to-toe beauty treatments (see [Types and Frequencies of Services](#)), this shift indicates a potential threat to salons, as Black consumers may decrease their visits or stop visiting altogether in favor of doing things on their own.

As noted in Mintel's [\*Black Haircare: Incl the Impact of COVID-19 – US, August 2020\*](#), Black consumers have been disproportionately economically impacted by the pandemic, and their choice of products and services may depend on their financial situation. To keep them engaged, salons and spas can revisit the services they offer and pricing. One option is to offer shorter – and more affordable – services, such as a 30-minute massage or facial or a haircut with no rinse or blow dry. Adding options for in-person or at-home visits may increase appeal and may even encourage Black consumers to try more services, if they can get them more conveniently or affordably. Additional options include flexible payment plans, including the ability to select a professional by price range for various services as well as offering payment installments to allow consumers to spread out their spending. Flexible payment plans also might be an opportunity to encourage consumers to continue receiving services deemed less essential, such as facials or extra hair treatments.

Figure 28: Changes because of COVID-19, by race, March 2021

"In light of the COVID-19 pandemic, which of the following statements about salon/spa services do you agree with? Please select all that apply."

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**Base:** 1,620 internet users aged 18+ who received salon/spa services in the last 12 months

**Source:** Lightspeed/Mintel

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## Preferences for Receiving Services

Analyst perspective: flexibility, sustainability and new experiences will encourage salon visits

Most consumers are drawn to the familiar, and they appreciate options to shop more responsibly, in terms of both sustainability and affordability. To evolve with consumers' changing needs, salons and spas can explore offering group options so friends can have a shared (and potentially more affordable) experience; offer payment plans and subscription options for those who are more considerate of price and/or prefer to buy products after their visit; and experiment with sustainable treatments or practices, such as allowing customers to recycle their product packages during their salon visit. The pandemic has caused many to consume more consciously and seek flexibility. Introducing the aforementioned options may help consumers feel better about resuming some of their habits, whether they do so at home or in a salon or spa.

## Preferences for service: safety in familiarity

Beauty services aren't something most consumers are willing to risk, and for many, there's safety in familiarity. This is good news for existing salons/spas and for stylists or professionals with existing clientele, but it can present challenges for growth, especially new salons and spas looking to build their customer base. To leverage some consumers' willingness to experiment, salons and spas can turn to social media, which is an influential tool (see [Sources of Influence](#)). Previewing services on social media will reach many consumers, and giving them the chance to be featured may be even more appealing. For example, if a salon or spa has introduced a new product or tool, they can unveil it on social channels and recruit interested followers who are willing to try it on camera (perhaps for a discount). These new launches can even be a regular form of content on social channels to help build awareness for the business.

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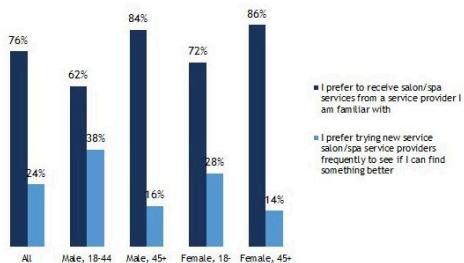
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But not everyone is interested in taking a risk. Women express a particular preference for remaining consistent and sticking to the familiar, so salons and spas can leverage this knowledge to find ways to invite them to try something new in a more comfortable setting. Friends and family are particularly influential to women compared to men (see Sources of Influence), so group offers, such as the chance to experience a salon together with a group of friends or family, might remove the fear from trying something new for some women. User generated content and reviews, especially those shared on social media, may have the same effect. Even if consumers aren't visiting a new salon or experiencing a new service together, an endorsement shared by someone they know or someone they can relate to may provide extra motivation, including for men who utilize social media as a source of influence. Further, loyalty rewards, such as special offers or discounts, can help incentivize those who are willing to stick to the familiar, not just women.

Figure 29: Preferences for service, by gender and age, March 2021

"Which of these statements about salon/spa services do you most agree with within each pair? Please choose the one that you agree with the most in each pair of statements."



**Base:** 1,333 internet users aged 18+ who received salon/spa services from someone other than themselves in the last 12 months

**Source:** Lightspeed/Mintel

## Preferences for sustainability: increasing focus on eco-friendly offerings

As highlighted by the Mintel Trend Driver *Surroundings*, consumers are driven to behave in a way that is not harmful to the environment. That said, while this is a driving force overall, it's currently not always a top focus when it comes to salon/spa services and products. However, as sustainability continues to be a key focus for many consumers, particularly younger adults, it will undoubtedly become a bigger factor moving forward. Salons and spas should explore ways to implement more sustainable options and practices going forward, as this will impact the services and products consumers seek, including where and how they do so. Below, consumers describe their awareness of eco-friendly products available at their salon and their willingness to pay more for such products.

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*"As long as the pricing doesn't increase, I would be fine with eco-friendly products."*

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*"I don't know about the products my salon uses. It really never occurred to me that they may be more eco-friendly products available. I would be willing to pay slightly more for such products."*

*Female, 45-54*

While adopting more sustainable products and/or practices may require heavy lifting on the internal side of the business and operations, this shift will be important to the future of the category's businesses – especially for appealing to younger consumers. Businesses can explore ways to be more environmentally friendly and should practice transparency, openly communicating efforts they are taking to be more sustainable to customers. Aside from using eco-friendly products for services, another idea is to consider ways to tie in sustainable initiatives or policies. One option is to allow customers to bring in their empty or unused products or packages (eg shampoo bottles and leave-in conditioner) to be recycled or to allow consumers to re-fill products using the same container. Additionally, salons and spas can incorporate charitable efforts to their services and sales – such as contributing a portion of sales or an amount for every appointment booked to a cause focused on helping the environment.

Figure 30: Preferences for sustainability, by gender and age, March 2021

"Which of these statements about salon/spa services do you most agree with within each pair? Please choose the one that you agree with the most in each pair of statements."

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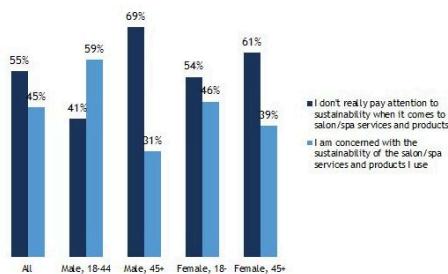
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**Base:** 1,333 internet users aged 18+ who received salon/spa services from someone other than themselves in the last 12 months

**Source:** Lightspeed/Mintel

## Preferences for price: consumers see similar value in affordability and quality

Quality assurance is an important purchase factor when it comes to salon and spa services; for a majority of consumers, quality outranks price – but it's close. Consumers see value in investing in their appearance, and they don't want to skimp on something that will make them look and/or feel good. They view salon services as an affordable luxury; however, there is a large group who sees more value in saving, especially those aged 18-24. As Gen Zs were particularly impacted financially by the pandemic, and many consumers continue to deal with the current economic challenges, salons and spas can explore ways to appeal to value-seeking consumers (see [Market Factors](#)).

First, salons and spas can educate consumers on the benefits received from a particular service, such as a facial or hair treatment, helping to justify the cost and proving the investment is worthwhile. They can do this by sharing tutorials or information on social media as well as by sharing endorsements from other customers who've had the service and see the benefits. Second, there are other ways to deliver value aside from price slashing. Payment plans and installments, such as Affirm or Klarna, are increasingly utilized in apparel and other nonessential purchases, indicating an option for salons. Another idea is to allow consumers to choose the level of expertise (and corresponding price) they're comfortable with for each service, such as a novice stylist for a haircut at a price of \$50, an intermediate stylist at a price of \$70, an experienced stylist at a rate of \$100. This idea can also extend to virtual consultations; consumers can opt for a one-on-one virtual guidance session rather than visit in person, at a lower price. This allows consumers to choose rather than feel forced or restricted.

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Figure 31: Preferences for price, by select demographics, March 2021

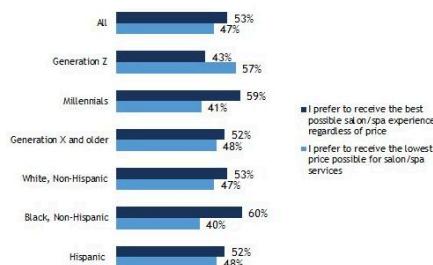
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"Which of these statements about salon/spa services do you most agree with within each pair? Please choose the one that you agree with the most in each pair of statements."

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**Base:** 1,333 internet users aged 18+ who received salon/spa services from someone other than themselves in the last 12 months

**Source:** Lightspeed/Mintel

## Preferences for purchasing: most prefer to prioritize the service and purchase products later

Spending on the service and experience is the priority, and most consumers prefer to wait to buy products at a later time rather than during their visit. This suggests there's greater comfort with buying products on their own terms and time, with less pressure, and perhaps be able to hunt for a deal. However, this means that salons and spas may lose potential sales if products are bought elsewhere. In order to close the loop and drive more sales, salons and spas can follow up with post-visit communications (eg email, text or phone call), perhaps a week or two later, to encourage purchasing the products. If the salon or spa also provides easy checkout and shipping options, such as Venmo payments or free shipping to a customer's home, consumers may view it as a good deal, which may especially resonate with those looking for affordability or convenience, such as older men and women. This also will appeal to customers not wanting to leave the house.

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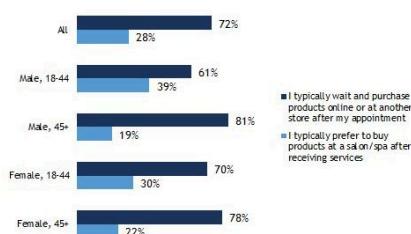
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Further, salons and spas can provide small samples of products with a visit and even, potentially, offer the option for customers to get a better deal if they purchase through a subscription plan with the salon. This would resonate with younger men, who prefer purchasing during their visit more than others. They presumably trust the experts and feel unsure about what to buy after the visit. Samples and subscriptions help them stay on top of the recommended products from experts. The method that works best will depend on the salon, but regardless, eCommerce options are necessary to encourage more purchases through a salon or spa.

Figure 32: Preferences for purchasing, by gender and age, March 2021

"Which of these statements about salon/spa services do you most agree with within each pair? Please choose the one that you agree with the most in each pair of statements."



**Base:** 1,333 internet users aged 18+ who received salon/spa services from someone other than themselves in the last 12 months

**Source:** Lightspeed/Mintel

## Sources of Influence

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Analyst perspective: social media will continue to be an influential resource

Social media is heavily influential and is especially important because it centralizes information, including that from peers and brands, and streamlines both the discovery and (potentially) the purchase process for consumers. As some adults consider decreasing their salon visits, social content will be a critical way for salons and spas to maintain engagement with existing customers and reach new ones. They should explore social content that highlights their expertise, such as tutorials and livestreams, and encourage salon-goers to share their own content to help spread the word.

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The influence of others has the most reach

The top sources consumers rely on to learn about salon/spa services are their peers, preferred stylist/salon and social media. Many trust their peers more than experts because of the personal connection and the established trust. It's also possible consumers not only value their peers' opinions but perhaps also want them to think they look good and value their honest feedback. If a friend recommends a service or style, consumers may be more receptive, just as if a friend recommended an outfit. Social media is a primary resource for information and discovery. Consumers utilize social media – a place they can access a variety of information (including from their peers) – and use such sources more than other sources, including experts, ads (on TV/in magazines) or celebrities/personalities. Social can be a powerful tool for salons, spas and professionals to keep engaged with their customers in between visits, but it can also pose a threat to loyalty, as consumers can easily discover other services and locations or even discover ways to do it themselves.

Beauty consumers seek equal parts informational and inspirational content from social media (see Mintel's [Evolving eCommerce: Beauty Retailing: Incl Impact of COVID-19 – US, November 2020](#)), and businesses have an opportunity to leverage such platforms to connect with clients and prospective clients, offer suggestions (eg tips, products) and ultimately drive engagement. More importantly, this streamlines and centralizes the path to purchase, allowing consumers to discover, engage and purchase (or schedule) without ever leaving the platform or website. Salons and spas can experiment with different social strategies, such as livestreams and tutorials, promoting special offers shared through social pages, and feature clients on their social channels to serve as another endorsement. As consumers increase online shopping across different categories, social commerce will play a bigger role in driving sales, and it's important for salons and spas to utilize it.

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Figure 33: Sources of influence – NET, March 2021

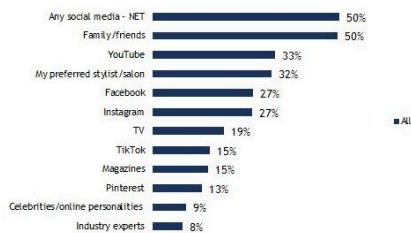
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"Where do you learn about salon/spa services or products you are interested in? Please select all that apply."

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**Base:** 1,620 internet users aged 18+ who received salon/spa services in the last 12 months

**Source:** Lightspeed/Mintel

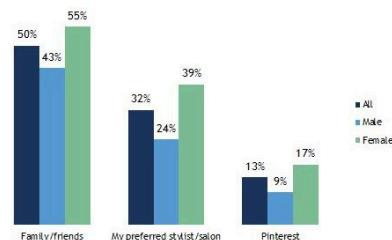
## Women turn to familiar sources

Women trust those they know, and they're more likely than men to learn about services from friends/family and their preferred stylists. If their peers are receiving or recommending certain services, this creates interest because women trust them but also don't want to miss out on something good.

Figure 34: Sources of influence – NET, by gender, March 2021

"Where do you learn about salon/spa services or products you are interested in? Please select all that apply."

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**Base:** 1,620 internet users aged 18+ who received salon/spa services in the last 12 months

**Source:** Lightspeed/Mintel

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Below, some consumers explain their sources of influence.

*Where do you typically look for inspiration when it comes to hairstyles or other services you might receive from a salon/barbershop? Are there any go-to resources you look to for inspiration?*

*"I will look on Pinterest sometimes"*

*Female, 45-54*

*"I usually go to the internet to find a new hairstyle. I also rely on my stylist for recommendations."*

*Male, 55-64*

*"There are several online resources and magazines that inspire me in terms of my hair care. I follow different influencers and celebrities on social media to follow the new and emerging trends in beauty industry."*

*Female, 35-44*

*"Magazines and facebook, twitter, instagram and others"*

*Female, 25-34*

Salons and spas can utilize their experts and word-of-mouth endorsements to better appeal to women and offer guidance. Encouraging direct communication between stylists and their clients, whether through social, email or text messages, will help build a personal relationship and build trust. On social media in particular, salons and spas can explore hosting live panels with their stylists (or other professionals) and clients, in a Q&A format. Clients can ask specific questions and request guidance, while stylists provide some expertise and feedback, blending both perspectives. Another idea is to share other customers' experiences to promote awareness and build a reputation. Examples include showing before and after posts of clients on social media (as seen in the below example) or livestreams broadcasting new or special treatments (eg infrared light therapy facial) on select clients. Salons can also explore encouraging all customers to share behind-the-scenes images while they're receiving treatments and posting it to the salon or spa's account. Finally, stylists can also direct clients to their own social channels (not just the salon or spa's account), sharing instructional content to build their credibility. These examples will build awareness and create interest.

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Figure 35: Fox & Jane Salon “before and after” post, February 2020

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Heart Comment Share

200 likes

foxandjane Fox & Jane inside secret: Why your stylist takes the time to grab your "after" pic 🙌

✓ You look amazing of course! 😊

✓ Your Fox worked their butt off to have your hair looking it's best!

**Source:** Instagram

# Social media preferences vary by generation

Social media is a critical platform for engagement, especially within the beauty and wellness space. The pandemic only increased this importance, as engagement on many platforms grew while consumers were in lockdown. For example, TikTok experienced a 120% increase in the number of users visiting the platform at least daily, according to Mintel's Social Media Tracker and in particular, the platform grew engagement particularly in the nail care category (see Mintel's *Nail Color and Care – US, February 2021*).

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Gen Z and Millennials equally cite social media (in general) as an influence, but not all sources hold the same influence. Where they learn about services depends on their age. YouTube is the most universally influential; further, Millennials turn to resources that have been available longer and that they're presumably more familiar with, such as Instagram and Pinterest, while Gen Z also appreciates emerging sources, such as TikTok. This is why it's essential for salons and spas to understand their core audience and where they are engaging/looking for information. While a presence on every platform isn't necessarily needed, content on the right platforms will be more effective as long as it's consistent and reflective of the salon or spa's image.

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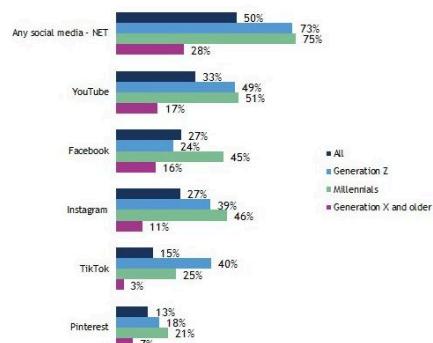
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The inspirational nature of sites such as Instagram and Pinterest are appealing to young women, while young men gravitate toward video content, making YouTube and TikTok important sources for those with a male customer base (see *Databook*). Regardless of which platform salons and spas use, features such as how-to videos, video reviews and video consultations give customers more ways to learn about services. Looking ahead, as salons and spas integrate more digital content and capabilities into their offerings, social content will help these businesses transfer more activities online, such as scheduling or even follow-up consultations.

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Figure 36: Sources of influence – NET, by generation, March 2021

"Where do you learn about salon/spa services or products you are interested in? Please select all that apply."



**Base:** 1,620 internet users aged 18+ who received salon/spa services in the last 12 months

**Source:** Lightspeed/Mintel

# Price Sensitivity

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Analyst perspective: price sensitivity may pose a bigger threat as consumers grow comfortable with in-home treatment

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For most consumers, special treatments and services, especially those that they can't do themselves, elicit a willingness to invest. The more routine (and likely frequently utilized) the service, the less consumers want to pay. Price sensitivity accelerated for many consumers during the pandemic and that value-seeking behavior won't disappear as the threat of COVID-19 lessens. Moving forward, salons and spas should consider ways to refresh their pricing options, including offering tiered prices, payment plans and rewards for sustainable behavior to provide more affordable avenues to services for consumers.

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Consumers willing to spend more on specialized services they receive less often

Frequency affects price sensitivity for most consumers. Haircuts and hair styling, along with nail care are the services that consumers most associate with a lower price. There's less price sensitivity for the services that consumers presumably consider to be more of a "special treatment." Consumers equate routine services with necessity, making them less willing to pay over a certain threshold. The services viewed as specialized signal a need for higher quality and a willingness to invest in the experience. As a result of the pandemic, consumers have a heightened interest in holistic Wellbeing. Consequently, many are seeking things that optimize their health, both mentally and physically, and driven to invest in products and services that help them to stay healthy and calm and reduce stress (see Mintel Trend Drivers). Businesses can leverage this interest in wellness and willingness to invest by highlighting the functional and emotional benefits all services offer, such as improving circulation, strengthening nails, stimulating hair growth or boosting immunity. Communicating the holistic benefits of services signals to consumers that all services (not just the special ones) are worthy of investment.

Figure 37: Price sensitivity – Select services, March 2021

"What is the most you would be willing to spend for each of the following services?"

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**Base:** 1,333 internet users aged 18+ who received salon/spa services from someone other than themselves in the last 12 months

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**Source:** Lightspeed/Mintel

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Still, the pandemic caused financial challenges for many consumers (see [Market Factors](#)), and price sensitivity will continue to be a factor moving forward. Salons and spas should make it possible for all consumers to return to salons and their routines by offering flexible pricing options, such as payment plans or installments (eg Afterpay, QuadPay) or the option to choose from tiers of price points for each service.

There's also an opportunity for businesses to offer a "pay it forward" option, where clients can round up their bill and donate the difference to an open bucket to be applied to customers who are struggling financially or can be used to provide services to those in need for key events (eg job interview, prom). Re-thinking price and payment options, as well as the option to give back, will give consumers some control and flexibility over the cost – preventing salons from alienating certain consumers.

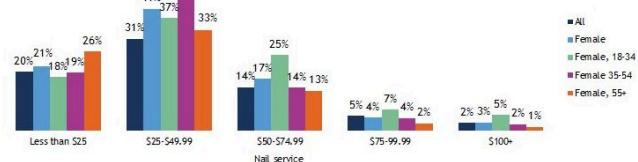
## Most women are willing to spend on nail services (to an extent)

Nail care is a highly sought service that attracts most women. Women seek services as a pick-me-up, not just for routine maintenance, as long as it's an affordable indulgence. Few women wouldn't pay for nail services, but the majority isn't willing to spend over \$50. The sweet spot for this service is \$25-\$49.99. While it is one of the more frequently used and affordable services, nail care is a category that runs the risk of losing customers, as consumers are seeking more DIY and/or at-home service. More than 80% of adults who did their nails at home during lockdown plan to continue to do their nails only/mostly at home going forward, and more than a third do so to save money (see Mintel's *Nail Color and Care – US, February 2021*).

To motivate more consumers to seek professional service, salons and spas can refresh their pricing options. One idea is to offer tiered pricing based on frequency (similar to a subscription service). For example, salons or spas may offer a nail service for \$40 for a one-time visit. If a consumer visits and receives the service more frequently, perhaps weekly, the service would be cheaper. This allows consumers, especially women, to seek the indulgences they want and choose the price and frequency that works for them.

Figure 38: Price sensitivity – Nail service, by gender and age, March 2021

"What is the most you would be willing to spend for each of the following services?"



**Base:** 1,333 internet users aged 18+ who received salon/spa services from someone other than themselves in the last 12 months

**Source:** Lightspeed/Mintel

# Hispanic consumers are value-seekers

Hispanic consumers express a higher price sensitivity compared to other consumers for most services. They are less willing to pay a higher price, and Hispanic consumers overindex for viewing "less than \$25" as an appropriate price for many services, including haircuts, nail services and hair removal. As value can come in a variety of forms, price and affordability are a driving factor for Hispanic consumers when it comes to salon and spa services. Nearly 50% of Hispanic consumers prefer to receive the lowest price possible versus the best experience (see *Databook*). This price sensitivity has accelerated during the pandemic, with a majority of Hispanics reporting a loss of household income at some point during the pandemic, causing Hispanic women in particular to focus on value (see Mintel's *Hispanics and Color Cosmetics: Incl the Impact of COVID-19 – US, July 2020*).

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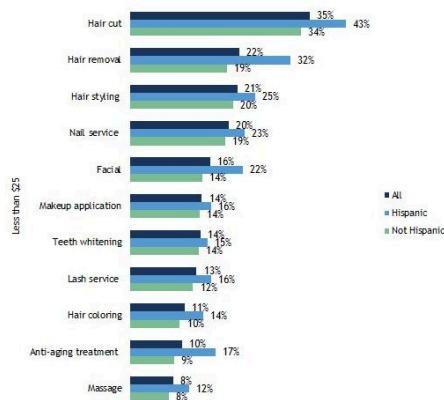
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Additionally, Hispanic consumers also prefer sustainable and/or eco-friendly products and services when it comes to their salon and spa treatments. Highlighting any sustainable treatments or products may motivate Hispanic consumers to pay more, as they view it as a worthy investment. Further, salons can incorporate a sustainable tie-in to certain incentives or programs. For example, they can allow customers to donate or reuse their old packages in exchange for a discount on a future service.

Figure 39: Price sensitivity, by Hispanic origin, March 2021

"What is the most you would be willing to spend for each of the following services?"



**Base:** 1,333 internet users aged 18+ who received salon/spa services from someone other than themselves in the last 12 months

**Source:** Lightspeed/Mintel

## DATA

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## Appendix – Data Sources and Abbreviations

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### Data sources

### Sales data

- *The Market:* The salon services market, as defined by Mintel for this Report, includes any services performed at a professional salon as well as products sold through a salon to consumers. Services include hair treatments, nail services, facial/body treatments, makeup applications, body waxing and tanning. Products consist mainly of haircare products such as shampoo, conditioner and styling products, and skincare products such as cleansers, toners and moisturizers. Brushes, hair accessories and nail polish are also included. Additionally, on-demand or on-the-go services provided by professionals in one's home (or other location) are also included.

**Value figures throughout this Report are at retail selling prices, excluding sales tax, unless otherwise stated.**

## Consumer survey data

For the purposes of this Report, Mintel commissioned exclusive consumer research through Lightspeed to explore consumer attitudes and behaviors toward salon and spa services. Mintel was responsible for the survey design, data analysis and reporting. Fieldwork was conducted in March 2021 among a sample of 2,000 adults aged 18+ with access to the internet.

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Mintel selects survey respondents by gender, age, household income and region so that they are proportionally representative of the US adult population using the internet. Mintel also slightly oversamples, relative to the population, respondents that are Hispanic or Black to ensure an adequate representation of these groups in survey results and to allow for more precise parameter estimates from reported findings. Please note that Mintel surveys are conducted online and in English only. Hispanics who are not online and/or do not speak English are not included in survey results.

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Starting in July 2017, Mintel's consumer research has been conducted using a device-agnostic platform for online surveys (ie respondents can now take surveys from a smartphone in addition to a computer or tablet). This methodology change may result in data differences from previous years; any trending should be done with caution.

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## Consumer qualitative research

In addition to quantitative consumer research, Mintel also conducted an online discussion group among a demographically mixed group of adults aged 18+. This discussion group was asynchronous (ie not run in real time), functioning like a blog or bulletin board, with questions remaining posted for a predetermined period of time. This method allows participants to respond reflectively, at their leisure, or to log off to think about any issues raised and return later to respond. Participants were recruited from Lightspeed's online consumer panel, with responses collected in February 2021. Relevant quotes are included verbatim and, as such, include typos and other grammatical errors as they originally appeared.

## Mintel Trend Drivers

[Mintel's Global Trend Drivers](#) track seven fundamental themes that influence consumer choice and change. These drivers (*Wellbeing, Experiences, Rights, Technology, Identity, Value and Surroundings*) and their underlying Pillars can help explain the key behavioral changes likely to impact consumers in the years ahead.

# Abbreviations and terms

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## Abbreviations

The following is a list of abbreviations used in this Report.

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<b>CBD</b>	Cannabidiol
<b>CBO</b>	Congressional Budget Office
<b>CPI</b>	Consumer Price Index
<b>DIY</b>	Do-it-yourself
<b>GDP</b>	Gross domestic product
<b>IGTV</b>	Instagram TV

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Generations, if discussed within this Report, are defined as:

<b>World War II/Swing Generation</b>	Members of the WWII generation were born in 1928 or before and are aged 93 or older in 2021. There are fewer than 1.5 million members of the WWII generation still alive today. Members of the Swing Generation were born between 1929 and 1945 and are aged 76-92 in 2021.
<b>Baby Boomers</b>	The generation born between 1946 and 1964. In 2021, Baby Boomers are between the ages of 57 and 75.
<b>Generation X</b>	The generation born between 1965 and 1979. In 2021, Gen Xers are between the ages of 42 and 56.
<b>Millennials</b>	The generation born between 1980 and 1996. In 2021, Millennials are between the ages of 25 and 41.
<b>Generation Z</b>	The generation born between 1997 and 2010. In 2021, members of Gen Z are between the ages of 11 and 24.
<b>Generation Alpha</b>	The newest generation began in 2011. In 2021, members of Gen Alpha are younger than age 11.

When split into two groups, Millennials are defined as:

<b>Younger Millennials</b>	Millennials born between 1989 and 1996. In 2021, Younger Millennials are between the ages of 25 and 32.
<b>Older Millennials</b>	Millennials born between 1980 and 1988. In 2021, Older Millennials are between the ages of 33 and 41.

In order to provide an inflation-adjusted price value for markets, Mintel uses the CPI to deflate current prices. The CPI is defined as follows:

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CPI

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The Consumer Price Index is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services.

The CPI and its components are typically used to adjust other economic series for price changes and to translate these series into inflation-free dollars. Examples of series adjusted by the CPI include retail sales, hourly and weekly earnings and components of the national income and product accounts. In addition, and in Mintel Reports, the CPI is used as a deflator of the value of the consumer's dollar to find its purchasing power. The purchasing power of the consumer's dollar measures the change in the value to the consumer of goods and services that a dollar will buy at different dates.

The CPI is generally the best measure for adjusting payments to consumers when the intent is to allow consumers to purchase, at today's prices, a market basket of goods and services equivalent to one that they could purchase in an earlier period. It is also the best measure to use to translate retail sales into real or inflation-free dollars.

*Based on Bureau of Labor Statistics definition.*

## Appendix – The Consumer

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Figure 40: Types of services by destinations, March 2021

Where have you received salon/spa services (eg haircuts/hair treatments, nail services, facial/body treatments) in the past 12 months? Please select all that apply. - NET

02 Which of the following salon/spa services have you received or done yourself at home in the past 12 months? Please select all that apply.

	Total	Haircut	Hair styling	Hair coloring	Hair removal (including brows)	Nail care	Massage	Facial	Lash extensions	Makeup application	Anti-aging treatments
Any independent/local	45%	54%	62%	59%	54%	57%	56%	53%	60%	52%	59%
Any professional service	66%	78%	84%	80%	78%	78%	86%	79%	91%	75%	89%
Any out-of-home visit	64%	75%	83%	78%	76%	76%	83%	78%	88%	73%	87%
Independent/local salon	32%	38%	52%	51%	42%	50%	40%	41%	48%	48%	48%
Independent/local barbershop	16%	19%	15%	14%	17%	14%	25%	20%	26%	11%	25%
Chain salon or barbershop	16%	21%	20%	17%	22%	17%	26%	21%	32%	19%	29%
Spa	10%	9%	14%	15%	15%	16%	30%	26%	38%	15%	38%
Beauty school	3%	3%	6%	6%	8%	6%	13%	10%	22%	10%	21%
In someone's home	8%	8%	14%	13%	14%	12%	16%	16%	28%	15%	21%
Beauty bars	5%	5%	8%	9%	8%	8%	19%	16%	24%	10%	30%
Any in-home visit	37%	48%	54%	59%	59%	59%	53%	66%	70%	70%	71%
In my home, done by a professional	8%	9%	12%	12%	10%	11%	18%	12%	30%	12%	27%
In my home, done by myself	32%	42%	48%	53%	54%	53%	44%	61%	55%	65%	57%

Base: 2,000 internet users aged 18+

Source: Lightspeed/Mintel

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## Report highlights

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## Report highlights

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Databook for Salon & Spa Services

Retailing - US - May 2021.xlsx

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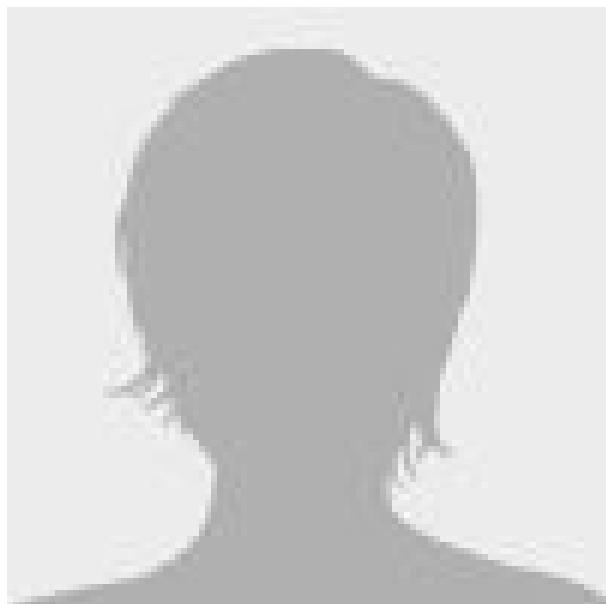
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