

1 INTRODUCTION

BOLD Beauty is a hair and beauty salon that will offer a wide range of services, they will provide high quality hair, skin and nail services. The salon will be located in Liverpool city centre on Bold Street which is a convenient location with easy access. Price and convenience are the main drivers of salon choice across demographics, 54% say convenience is important, and 51% believe prices and special offers are important (Intel, 2017). Services are offered either by appointment or on a walk-in basis.

2 SECTION 1

The hair and beauty salon market consist of both men and women of all ages who spend time and money on a range of services to look and feel good. The average British woman spends around £70,000 on her appearance in their lifetime (Independent, 2017). In the UK beauty industry 51.3% of consumer spending is spent on beauty treatments and 39.8% on nail services (Habia, 2019).

Just over half of hairdressing and beauty businesses have annual turnover of less than £99,000; and just over 34,000 UK businesses that employ almost 153,000 people (IBIS World, 2019). Salons make a total revenue of £4.1bn (IBIS World, 2019).

In the UK, England owns 83% of the market share, 5% Wales, 9% Scotland and Ireland have 1% (The NHF, 2017). Taking into consideration of where BOLD beauty will operate, the biggest barrier to entry will be surrounding competition, other beauty salons on Bold Street in Liverpool have been open for a few years and will already have their loyal customers which may make it difficult to begin operating in the area. A SWOT analysis for BOLD beauty is shown in figure 1.

Recently, the use of beauty services in salons has emerged. In 2018's first quarter, 1,962 million GBP was spent in beauty salons (Statsia, 2018). On average, the industry has grown 2.7% annually in the past 5 years and is expected to grow 2.2% annually for each of the next 5 (Quickstone, 2018). Keeping in mind the amount of competition, growth is still steady.

A PESTLE analysis will help to analyse the market and define key trends or issues that may arise.

Young, S. (2017). *Average British woman spends £70,000 on her appearance in a lifetime*. Available: <https://www.independent.co.uk/life-style/fashion/average-british-woman-spend-70000-appearance-lifetime-cosmetics-beauty-products-groupon-uk-a7623201.html>. Last accessed 20th March 2019.

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Page 15 of 17