

# How competitive are beauty salons?

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Can beauty salons survive in an environment of constant change in the future? This question is asked above all by those who are about to make the decision to become self-employed. What answers can be given to them?

**S**kin care is an integral cultural part of our lives. It is subject to constant change and is managed by each individual in their own way. Consumer behaviour varies accordingly. The spectrum ranges from the use of services in beauty parlours and pedicures to unlimited trust in industrially manufactured products to those who think about every last detail and question everything.

## Customers and their needs

For example, there are the price-conscious consumers for whom the composition of products is a lower priority. They are used to applying cream from childhood and the majority of them have no problems with their skin. They alternate between shopping at drugstores, online shops and supermarkets.

Users with sensitive skin who cannot tolerate everything are receptive to articles in the trade press, research on the internet, use social media or seek advice from experts in cosmetics institutes or dermatological practices in order to then make targeted purchases from the source or brand they know.

For consumers who are concerned about their status, price is not an issue because they can afford it and want to show it. This group will stick with the luxury brand unless a skin problem arises that the luxury brand cannot solve.

Occasional users who decide on a whim, depending on whether they are in a spa, on the beach or in a special situation such as shortly before an important event, are not brand loyal and decide spontaneously.

Users who want intensive care at regular intervals and entrust this to a beauty institute expect visible effects.

Then there are those for whom personal trust in a beautician is as important as trust in a hairdresser. They value dialogue and social contact. This group likes to be advised and generally follows the recommendations of the beautician.

People who suffer from a skin indication such as neurodermatitis, rosacea or acne are dependent on constant dermatological treatment, usually with medication, but also need appropriate skin care to accompany the indication.

A final group are those who hardly think about skin care at all and only reach for a product such as sunscreen or hand cream in an emergency. This is usually the large group of male contemporaries.

## No standardised qualifications

On the other hand, there are the beauty salons, which are characterised by different qualifications in terms of their training, professional experience and equipment. They are often specialised and therefore serve a different clientele.

The job title of beautician is not protected in Germany and training to become a beautician is not specified. Everything is possible, from a crash course over several weekends, a 4-week intensive course, an online distance learning course in 1-4 months, a 1-2 year training course at private, state-recognised cosmetics schools to a three-year dual training course.

The Federal Employment Agency (Germany) describes a training occupation in the dual system, where training usually takes place over 3 years at a vocational college and a registered company such as a beauty salon. The final examination is taken at the Chamber of Crafts or Chamber of Industry and Commerce. In some federal states (Germany), it is also possible to train at higher vocational colleges. In this case, however, the prerequisite is a technical secondary school leaving certificate. Due to this unregulated situation, it is quite difficult for customers to assess the qualifications of the beautician and the studio – especially if the institute has just opened. This makes it difficult for beginners to acquire customers.

Cross-entry from the nursing and medical field can then be an advantage, as professional experience from related fields is available. Cooperation with dermatological practices in which therapy (medicine) is combined with prevention (cosmetics) or cosmetic pre- and aftercare in aesthetic surgery is taken over is ideal. In this constellation, the acquisition of new customers by the beautician is practically superfluous. The situation is similar for insti-

tutes that are integrated into hotels or spa companies.

### Score points with the equipment

With their measurement results, skin analysers have the important function of underpinning verbal skin assessments. This creates trust, especially when building up the customer base. Devices such as ultrasound or radio frequency are also an important lure for potential customers, but are generally overvalued. "Bioengineering" requires a high financial investment as well as extensive courses due to the Ordinance on the Protection against Harmful Effects of Non-Ionising Radiation when Used on Humans (German NiSV). The cosmetician's most important tool is often underestimated – the hands. It is precisely these hands that exude a very personal aura. Massages of the face, feet, hands etc. play a major role in this. This is why customers are happy to make use of beauticians' treatments, despite the fact that online skin assessments are available and there are now more and more automatic machines that combine automated skin analysis with the customised production of modular preparations.

### Expertise makes the difference

In view of the different clientele described at the beginning, persuasiveness is required. With regard to the range of treatments on offer and the accompanying explanations and recommendations, you have to be able to adapt to the customer. An essential prerequisite is the ability to recognise the cause and effect of skin problems and to personalise treatment and advice as far as possible. This requires a great deal of knowledge about active ingredients as well as psychological empathy. These skills protect against competition from drugstores and modular do-it-yourself systems à la Jean Pütz. Additional training is helpful. These include qualifications such as alternative practitioner, podiatrist or make-up artist.

The pricing of treatments and preparations is directly related to the expertise of an institute. With a high level of expertise and helpful advice, it is downright counterproductive to try to undercut the prices of institutes in the immediate vicinity. Good work and increased expenditure have their price within the business calculation. The frequent desire to expand the business with an internet shop is unrealistic, as this is associated with a downward price spiral. The most effective form of advertising is still word-of-mouth. It takes time and a continuous, above-average performance.

### Consistent argumentation

An important factor is consistent positioning in terms of product composition and the associated treatments. There is no point in trying to sell all the brands for which there is customer demand if these contradict each other in fundamental ways. Typical examples of this are preservatives – with and without, pH values – acidic and alkaline, animal ingredients – with and without, mineral oils – with and without, acid peels – yes and no, physiological and non-physiological compositions etc. Contradictory explanations appear untrustworthy and diminish trust. Consumers with different motivations may or may not be possible target groups for the institutes. Catering for all of them does not work. Focussing is necessary. The following factors are essential in order to survive the competition from drugstores, online shops and, last but not least, neighbouring beauty salons:

- **Target group-orientated** way of working
- **Personalised range of** treatments and products
- **Authenticity:** Transparent, fact-orientated information policy and no false promises
- **Competences:** Practical and theoretical know-how regarding products and treatments, skin analysis skills, substantive advice including the translation of complicated issues into understandable language
- **Continuity** in the strategic orientation of the institute, the services offered and the associated prices; rejection of short-term, unsustainable hypes with justifications for the customers
- **Reliability** in the decisions made and the positions taken externally and objectively considered to be correct; fairness in all parts of the business
- **Control** over internal and external processes, especially social media

If all of the above points are taken to heart, there is no need to worry about the future viability and possible unique selling points of beauty salons. Then their status within the skincare sector is beyond doubt.

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