

SA's beauty spas and salons shake up strategy to boost recovery

FNB has recorded a steady turnaround for the personal care and beauty industry over the past 12 to 18 months. This industry suffered severely through Covid-19 due to lockdown restrictions, and even after restrictions were relaxed, some customers remained hesitant to visit salons and spas which resulted in activity not picking up sooner.



Source: Pexels

Warren Pratt, industry specialist: retail at FNB Franchising says, over the past six to 12 months, most of the health and beauty shops are trading at pre-Covid-19 levels and others exceeding the pre-Covid-19 numbers.

Since the pandemic, most brands have since relooked at their models to remain relevant and accommodate the post-Covid-19 shopping trends. Pratt shares some of the trends he has observed over the last 12 to 18 months that brands have implemented.

Store size: Some brands have reduced their store sizes and redesigned their look and feel to be more appealing to their customers and attract new customer base, especially the male customers.

New product range: Brands have brought in new product ranges to cater for a broader customer base. Moreover, some of the products they use in the salons/spas are also sold at counters to maximise their income.

Relocation: Most brands have relocated closer to anchor stores to be able to take advantage of the traffic driven by anchor stores at the malls/shopping centres.

Consolidation: Some retailers combined stores where there are different product offerings and using online and delivery services for their products.



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Pratt says brands that have relocated their stores closer to anchor tenants at malls and shopping centres have seen good growth since the relocation as they pick up more traffic. Moreover, bolstering their e-commerce and delivery services has also contributed to growth.

While sales in the personal care and beauty industry are mostly dominated by women, a new trend is emerging where male customers are starting to drive sales in the industry. As a result, cosmetic companies are working to capture this market by developing products to cater for this demographic.

While there has been a decline in retail sales with less people visiting malls, the brands within the industry are destination visits and shouldn't be impacted by this decline as the outlook is positive, concludes Pratt.

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