

# WWD

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## International Salon and Spa Expo Reports Tentative Beauty Consumers

By RACHEL BROWN

Good, but not great.

That was the consensus on the state of the salon industry at the International Salon and Spa Expo that ran Jan. 28 to 30 at the Long Beach Convention Center in Long Beach, Calif. It attracted 40,000 attendees, roughly the same amount as last year, to check out 400 beauty brands.

Salon owners and stylists were certainly spending, as evidenced by the enormous bags of products many were lugging around, but they reported their clientele has held onto recession habits, lengthening the time between their hair color and cut appointments, trying at-home remedies and searching for deals.

The Professional Beauty Association's quarterly tracking survey underscored tentativeness in the industry. For the third quarter of last year, the last period for which there is data, 60 percent of salon and spa owners surveyed expected higher service sales in the next six months, down from 71 percent in the prior quarter and the lowest level recorded since the second quarter of 2009. Twelve percent of spa and salon owners forecast their service sales volume in the next six months to be lower than the same period last year, up from 7 percent last quarter.

However, the outlook for the hair and nail salon industry beyond six months is encouraging. Market research firm IBISWorld Inc. estimates that between 2010 and 2011 revenues for the U.S. hair and nail salons climbed 1.5 percent to \$41.1 billion, but projects average annual growth over the next five years to 2016 will swell to 3.1 percent with revenues hitting \$47.7 billion. Growth will be propelled by the increased size and wealth of the demographic that visits salons most, women aged 20 to 64.

Smoothing treatments have been a business driver at salons, and the flood of new such treatments hasn't slowed. At ISSE, several brands promoted their versions of the treatments, notably Rusk's Deepshine Smooth Keratin Smoothing Treatment, Macadamia Natural Oil's StraightWear, Zerran Hair Care's RealLisse Vegan Hair Smoothing System and Joico's at-home Smooth Cure that promises 72 hours of smoothness, as alternatives to the controversial solutions emitting formaldehyde gas. With the addition of RealLisse, "In 2011 alone, our global distribution grew 70 percent," said Zerran Hair Care marketing director Cindy Van Steelandt.

Even Brazilian Blowout presented an option for stylists who prefer not to use its original formula. Brazilian Blowout Zero advertises itself as releasing zero percent formaldehyde before, during or after a treatment and is described as containing a plant-derived KeraSafe Bonding System. The original formula remains by far the more popular choice, according to Gil Dalva, director of sales at Brazilian Blowout, who said a "very, very small percentage of people" select Zero. "It seems that people have tried a variety of other formulas and are coming back [to the original Brazilian Blowout]," he noted.

The last day of ISSE was the same day California Attorney General Kamala Harris announced that a settlement was reached with Brazilian Blowout manufacturer GIB LLC, requiring the company to provide warnings that two of its products emit formaldehyde gas, cease deceptive advertising and pay \$600,000 in penalties. Dalva explained, "There is no need to reformulate for us as a company. That is huge because if the product did have major issues, they would force us to reformulate. We are really excited about that." Brazilian Blowout chief operating officer Scott Freeman said, "We are very positive about 2012."