

Rem A. V.

LASH&BROW. MARKET ANALYSIS 2021

BEAUTY INDUSTRY FINANCIAL TURNOVER

EYEBROWS. NEW CULT

BROW INDUSTRY FINANCIAL TURNOVER

CRISIS INSPIRED INCREASED BUSINESS RIVALRY BETWEEN INDUSTRY PROFESSIONALS

LASH&BROW INDUSTRY PROFESSIONAL APPLICABILITY

LASH&BROW INDUSTRY, TRENDS

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Project developer: Anastasiia Rem.

Website: remnimbleheat.com

E-mail: dr.a.rem@yandex.ru

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I. BEAUTY INDUSTRY FINANCIAL TURNOVER

The leading multimedia and business Russian Federation holding RBC (<https://tv.rbc.ru/>) analytical research outcome:

- In 2018 total beauty salons and studios market turnover exceeded 150 billion roubles [1];
- In 2019, however, Russian beauty industry market surged to 235 billion roubles [2].

According to «Rossiyskaya gazeta» newspaper¹ (18.08.2020) before COVID-19 pandemic the annual beauty industry turnover compiled:

- 160 billion roubles for Moscow;
- 972 billion roubles nationally [3].

In 2020 the pandemic dramatically impacted the entire beauty industry. The overall revenue plummeted for the entire Russian beauty market including salons and hairdressers compiled 30-35% compared to the previous reporting year according to the data provided to the newspaper by Nina Litvinova, Russian Beauty Professionals Association vice president. The industry lost about 10% of the beauty salons, in other words every tenth business succumbed to the pandemic [3].

CONCLUSIONS

- COVID-19 pandemic and related social restrictions resulted in consumer income drop for multiple countries. As such we can expect volatility in the beauty markets for late 2021 and 2022.
- There's a bankruptcy or involuntary redundancies can impact even big market players without any breakthrough solutions and perspective technologies and techniques implementation.
- The financial turnover contraction enhances business rivalry for the entire beauty market, including professional electric equipment producers.
- Despite forecasted challenges the pandemic shaped grounds for new ideas and revenue sources research as well.
- The winner will be able to implement new solutions and have enough flexibility for new market conditions and revenue boost.

¹ «Rossiyskaya Gazeta» (<https://rg.ru/>) is a federal multimedia holding, an audience leader in the political and business segment. «Rossiyskaya Gazeta» is a daily Federal Government press. All Laws and Legislative Acts come into effect after being published in the newspaper.

II. EYEBROWS. NEW CULT

Brow industry, significantly impacting actual female appearance, has already occupied its own beauty market segment with own authorities, influencers, experts and trends.

Eyebrow care popularity enhanced the whole companies segment formation. Those companies are specializing in production lines and care specifically tailored for eyebrows and lashes.

Particular Lash&Brow industry educational institutions offer specific courses for this market segment. For instance Lash&Brow specialist, brow specialist (professional in eyebrow modelling, correction, shaping and care) etc. The professional helps choosing eyebrow colour and shape, dyes brows and lashes, recommends the appropriate home care. Lash&Brow professionals can also provide lash and brow permanent modification (straightening or curving).

III. BROW INDUSTRY FINANCIAL TURNOVER

«RBC» newspaper (10.10.2016) published the analytical data below quoting (NDP, theguardian.com, Shapes BrowBar, BrowUp, Browhaus):

- the \$132,4 million market segment is brow care, compiling solid 11% of total \$1,2 billion worldwide eye makeup market;
- stunning £20 million were spent in UK brow industry market in 2015 compared to 6,5 million in 2010 [4].

«Forbes» internet edition (03.11.2020) quoting the biggest Russian online retailer «Wildberries» stated that mask mandate enhanced the Russian females attention to brows and lashes. The research clearly showed a surge in eye and brow cosmetics sales in Russia with a lipstick sales holding the previous year lines [5].

«Wildberries» research (October 2020) showed sales surge for both personal care and professional treatments and instruments for Lash&Brow professionals. Certain sales positions surged 104-1052 % compared to October 2019 [5].

CONCLUSIONS

- Our Lash&Brow market research clearly indicates professional electric equipment producers for beauty industry (Müster e Dikson Service; Dewal; BaByliss Pro; Wella; Valera; Jaguar; Dyson; Parlux; Tecno Elettra; Coif-in; Ga Ma; Velecta Paramount; Ermila. WAHL Clipper Corporation USA; ETI; Hairway; Andis; HairOn; Philips; UKI; Panasonic, etc):
 - got absolutely zero presence in the Lash&Brow market segment and are not developing any trends possibly influencing the market;
 - are not Lash&Brow market players and do not compliment the revenue.
- Lack of breakthrough ideas, technologies and solutions in professional Lash&Brow industry electric equipment leads to the revenue loss, which is extremely unwanted during crisis periods.

IV. CRISIS ENHANCED BUSINESS RIVALRY BETWEEN LASH&BROW PROFESSIONALS

COVID-19 pandemic significantly boosted business rivalry within the entire beauty industry market segment, both for companies and individual professionals. Many clients used to regular beauty salons and studios treatments were not ready to give it up, breached health restrictions and referred to working from home professionals. Beauty salons employees facing uncertainty and instability turned to working from home mode as well [2].

RESEARCH ANALYTICAL RESULTS

One of the largest Russian Lash&Brow professionals forum «Brow-Sekta» poll results (n = 77). February 2021. Social network VK (<https://vk.com/>).

98,2% (71) respondents agreed that Russian Lash&Brow industry has a big level of business rivalry between the professionals (Figure 1).

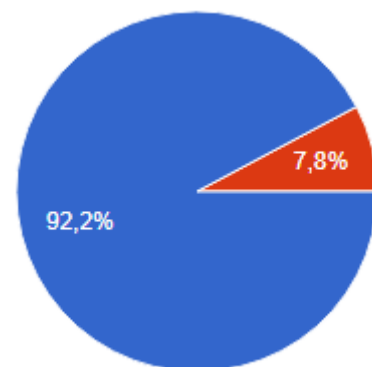


Fig. 1 — Answers «agree»/«disagree» spreadsheet. Blue – «agree», red – «disagree».

88,3% (68) respondents agreed that Lash&Brow professionals need significant and, sometimes, overwhelming efforts to widen clientele or keep up customers comeback (Figure 2).

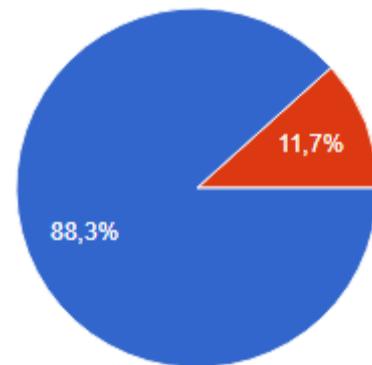


Fig. 2 — Answers «agree»/«disagree» spreadsheet. Blue – «agree», red – «disagree».

Overall **97,4% (75) respondents** agreed that to be reputable in the Lash&Brow industry the professional needs to invest in education, materials and equipment thus gaining advantage over rival professionals (Figure 3).

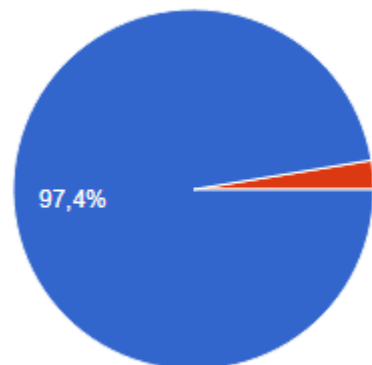


Fig. 3 — Answers «agree»/«disagree» spreadsheet. Blue – «agree», red – «disagree».

CONCLUSIONS

- The pandemic enhanced business rivalry within the Lash&Brow industry both between companies and sole professionals. We assume increased business rivalry between equipment and material makers in the industry as well.
- Simultaneously Lash&Brow professionals are stating that educational investments (for skills broadening), quality equipment and materials can boost market position as well.

V. LASH&BROW PROFESSION RELEVANCY

Lash&Brow educational courses demand grows consequently to the market segment surge. The educational courses can also be of interest for hairdressers, stylists or anyone seeking additional professional skills or job shifting.

RESEARCH ANALYTICAL RESULTS

WorldStat Yandex service analytics

(Russian language users search)

Despite Yandex (<https://wordstat.yandex.ru/>) users search «Brow stylist courses» plummet in April 2020 (6 214 searches) the same data in 2021 showed significant rise to peak figures in January (18 236 searches) and March (20 655 searches) for the entire considered period (Figure 4, Table 1).

Also the amount of March searches (20 655) surged more than twice compared to pre-pandemic March 2019 (11 135 searches). The entire collected data shows significant interest boost for the particular industry educational courses (Figure 4, Table 1).

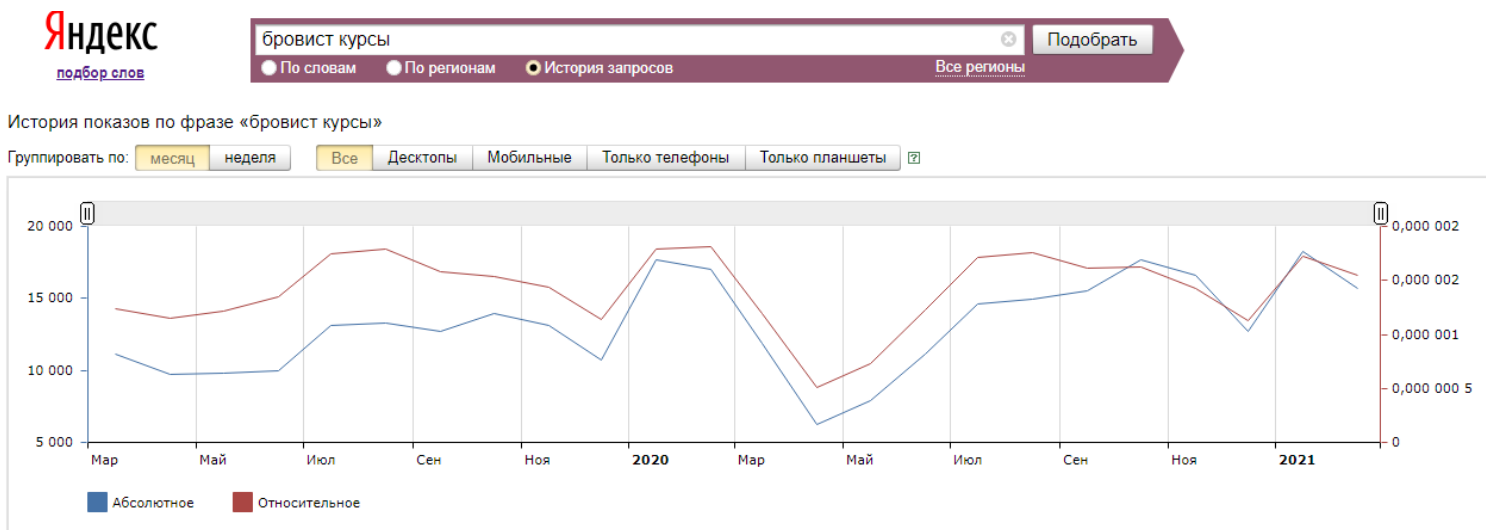


Fig. 4 — Yandex searches «Brow stylist courses» (rus. – «бровист курсы»), all regions, 01.03.2019 – 28.02.2021 [6].

Table 1 — Yandex searches «Brow stylist courses» (rus. – «бровист курсы»), all regions, 01.03.2019 – 10.11.2021 [6]

Timeframe	Searches *	Timeframe	Searches *	Timeframe	Searches *
01.03.2019–31.03.2019	11 135	01.03.2020–31.03.2020	11 884	01.03.2021–31.03.2021	20 655
01.04.2019–30.04.2019	9728	01.04.2020–30.04.2020	6214	01.04.2021–30.04.2021	14 036
01.05.2019–31.05.2019	9772	01.05.2020–31.05.2020	7935	01.05.2021–31.05.2021	13 813
01.06.2019–30.06.2019	9958	01.06.2020–30.06.2020	11 129	01.06.2021–30.06.2021	13 430
01.07.2019–31.07.2019	13 127	01.07.2020–31.07.2020	14 607	01.07.2021–31.07.2021	15 551
01.08.2019–31.08.2019	13 281	01.08.2020–31.08.2020	14 906	01.08.2021 - 31.08.2021	17 985
01.09.2019–30.09.2019	12 713	01.09.2020–30.09.2020	15 540	01.09.2021 - 30.09.2021	19 451
01.10.2019–31.10.2019	13 920	01.10.2020–31.10.2020	17 702	01.10.2021 - 31.10.2021	19 306
01.11.2019–30.11.2019	13 092	01.11.2020–30.11.2020	16 624		
01.12.2019–31.12.2019	10 729	01.12.2020–31.12.2020	12 667		
01.01.2020–31.01.2020	17 685	01.01.2021–31.01.2021	18 236		
01.02.2020–29.02.2020	16 984	01.02.2021–28.02.2021	15 732		

* Searches total quantity for the respective month in absolute value.

Please note that Yandex searches results do not include social network searches (Instagram, VK or Facebook). Social networks also form a decent field for Lash&Brow educational courses search and professional's conversations. Hence, the real searches and enquires amount can significantly exceed WorldStat data.

Website Trud.com analytics

Trud.com (<https://www.trud.com/>) — is the jobseeking portal for employers and jobseekers registered in Russia. It aggregates relevant vacancies and resumes being a decent scale database.

Trud.com data:

- 532 new vacancies for Brow stylist has been opened nationwide as at 27.02.2021;
- For 19.03.2021 the vacancies jumped to 691;
- For 20.05.2021 — 712 jobs [7].
- For 23.08.21 — 422 jobs. The explanation for reduced vacancies amount might be the holiday season or market volatility [7].

The website data doesn't include vacancies advertised through social networks (Instagram, VK or Facebook). As such the real jobs volume could be much higher than counted on Trud.com.

CONCLUSIONS

The surge in Lash&Brow professional popularity and education demand in 2021 might indirectly point to:

- Growing optimism in the industry, customer confidence despite the pandemic, social restrictions and income plummet.
- The recognition that widening clientele requires new solutions for quality improvement and business reputation increase. The professional education boosts service quality and make professionals advantageous within the Lash&Brow market.
- The trend for clients comeback to the beauty salons from forced home treatment solutions. As such the beauty salons and studios require extra employees to satisfy the surging demand.

VI. LASH&BROW INDUSTRY, TRENDS

TRENDS AND CONSUMER SERVICE DEMAND

Increasing life pace boosted the express service demand in the beauty salons and studios. This type of service boosts treatment and professionals service quality, increases the average paycheck and satisfy client's express service demand [2].

In the 2019 article A.S. Doholova published the data stating that in 2018 13,6% women regularly attended monostudios (including brow bars). In Moscow the nail service was the most popular (77,5%) followed by brow correction and colouring (41,3%). In 2019 because of the pandemic and customer income drop the treatment interval averagely increased 25%. However, the clients shift to the lower treatment price segment hasn't been observed [8].

CONCLUSIONS

- The express treatment popularity explanation is the time saving demand and customer desire to shorten the treatment as well.
- Despite the pandemic customers are not prepared to refuse Lash&Brow treatments, however, keen to get better quality and longer lasting treatment effect, thus saving the financials.

PROFESSIONAL TRENDS, RESEARCH ANALYTICS

Russian Lash&Brow professionals forum «Brow-Sekta» poll results (n = 77). Social network VK (February 2021).

84,4% (65) respondents agreed that Lash&Brow industry experiences significant innovations deficiency (large number of brands and makers of similar quality). However, if any innovational treatment or equipment emerges the professionals will readily take the certain educational course to boost market positioning and business reputation (Figure 5).

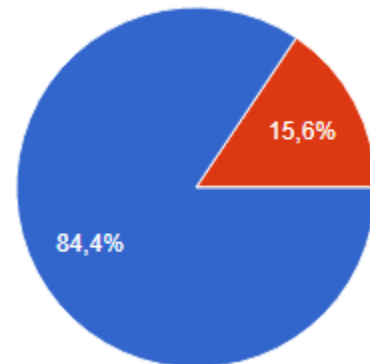


Fig. 5 — Answers «agree»/«disagree» spreadsheet. Blue – «agree», red – «disagree».

96,1% (74) respondents would like to possess unique skills or equipment boosting treatment quality and effectiveness, reduce residence time, attract the clientele and gain market advantage (Figure 6).

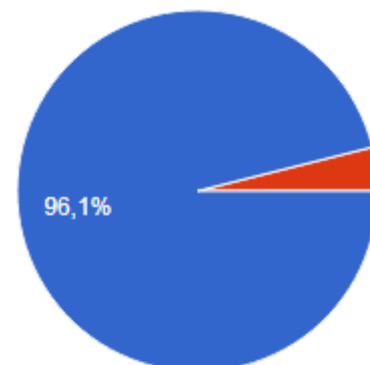


Fig. 6 — Answers «agree»/«disagree» spreadsheet. Blue – «agree», red – «disagree».

89% (65) business owners respondents (Lash&Brow school, studio) would like to possess a unique equipment to boost treatment quality and effectiveness, set a new industry trend or enhance the business reputation (Figure 7).

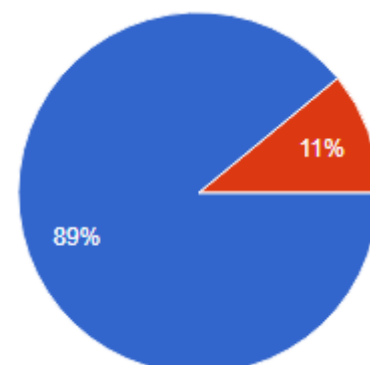


Fig. 7 — Answers «agree»/«disagree» spreadsheet. Blue – «agree», red – «disagree».

CONCLUSIONS

- Business rivalry growth pushes the professional development, boosts quality innovation demand for attracting and keeping the existing clients.
- Lash&Brow industry experiences significant trends and treatments innovation deficiency. Such innovations can significantly impact professionals effectiveness and treatment residence time.
- Lash&Brow professionals consider the longer lasting treatment effect the factor for clients keeping and attraction, as the clients are otherwise forced to save and can afford less frequent treatments.
- The beauty service business owners actively seek the path to boost effectiveness, widen the clientele. This target is relevant not only during crisis periods.
- Beauty schools and educational courses owners are actively seeking new options to attract students as well.

GENERAL CONCLUSIONS

The research results clearly demonstrated that professional electric equipment makers are not the active Lash&Brow market segment players. That consequently, significantly decreases the companies possible income.

Professional equipment making niche in the Lash&Brow market currently stays vacant thanks to the lack of the relevant innovations. The question now is: Who the winner will be to satisfy the growing customers, professionals and business owners demand for services and educational courses.

This niche will become occupied sooner or later. Why not you or your company? What are you waiting for? Be the first on the Lash&Brow electric equipment market, be a leader and set a new trend.

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