



Industry Trends Guidebook

Guiding Your Business to Growth
in 2023 & Beyond

This is where the future of your business begins.

When Phorest founder Ronan Perceval first worked as a salon receptionist, it was the energy of being on the salon floor that immediately drew him in. And it is the passion of the professional hair and beauty community that has kept him in the industry for over 20 years. However, the incomparable energy of our industry can also come at a cost for business owners. The day-to-day responsibilities of running a salon demand immediate attention, and tireless dedication can mean that it is sometimes difficult to step away to assess and strategise.

However, zooming out is vital.

Nothing in your business or our industry is happening in isolation. In this ebook, we offer a unique look at some of the larger forces shaping our industry in 2023, from culture to tech, bringing you a first glimpse at what your staff, business and customers need for the year ahead. And with this, we have also compiled concise and actionable recommendations for today's salon owners to flex with an ever-changing world.



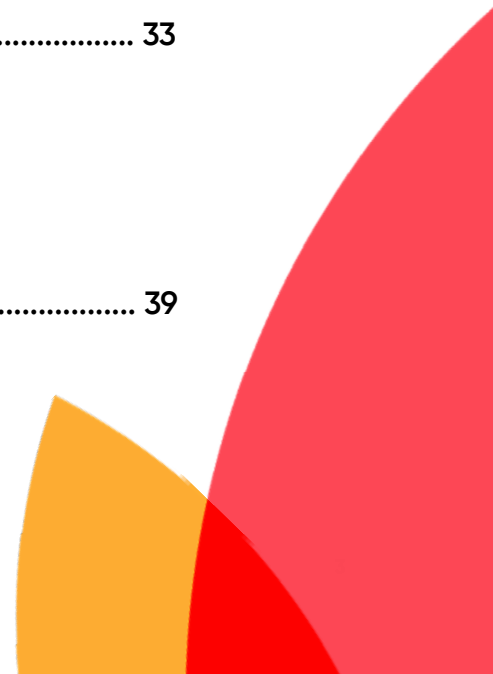
Together, We Grow

Your Phorest Team



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1 Economic Outlook



A war and energy crisis in Europe, combined with inflation, and the rising cost of living, is tightening budgets for medium and low-income households across the globe. Online communities band together, exchanging savvy tips to save on everyday expenses.

- The cost-of-living crisis is making almost one in every three (30%) Irish people 'fearful or anxious' about the future.
- 65% of Brits say they're putting off large expenditures like home renovations or having a wedding.
- A new cohort of frugal social media influencers, such as @breakyourbudget and @amoochlife, on social media with "no spend" challenges and budgeting hacks.

People want security



A look back

April 2022

Google searches for "How to save energy" peak worldwide.

September 2022

The British pound hits its all-time low against the US dollar.

November 2022

The annual inflation rate in the eurozone surpasses 10%

Despite the financial pressure, people want to treat themselves.

- Even during the cost-of-living crisis, 32% of Brits surveyed said they wouldn't give up their hair and beauty products and treatments.
- In 2022, **Revolut** users in Ireland spent 17% more on barbers, hair salons and beauticians than they did in 2021.
- Among the 14 discretionary retail spending industries tracked by **NPD** – beauty stood alone as the only industry with unit sales on-the-rise in 2022.

Still, people overall will be scrutinising their discretionary spending more carefully. Splashing out will, more than ever, need to feel “worth it.”

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Thinking of Raising Your Prices?

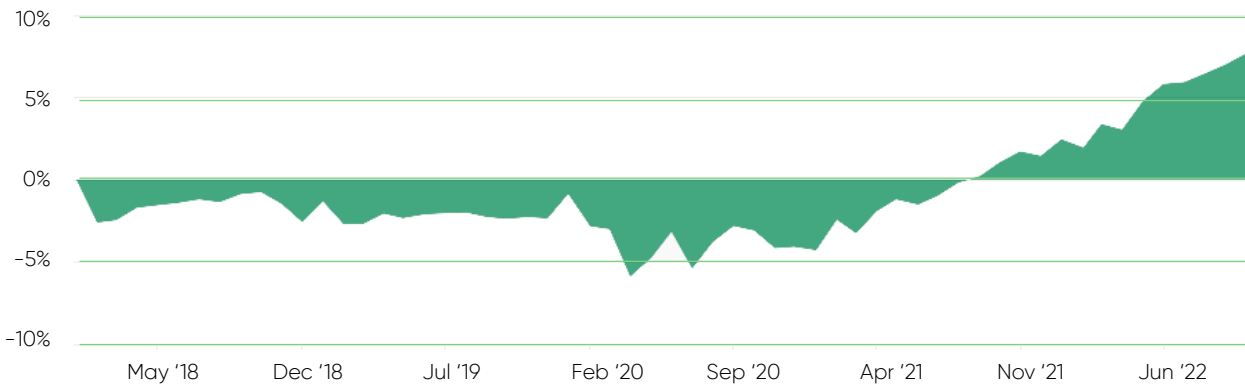
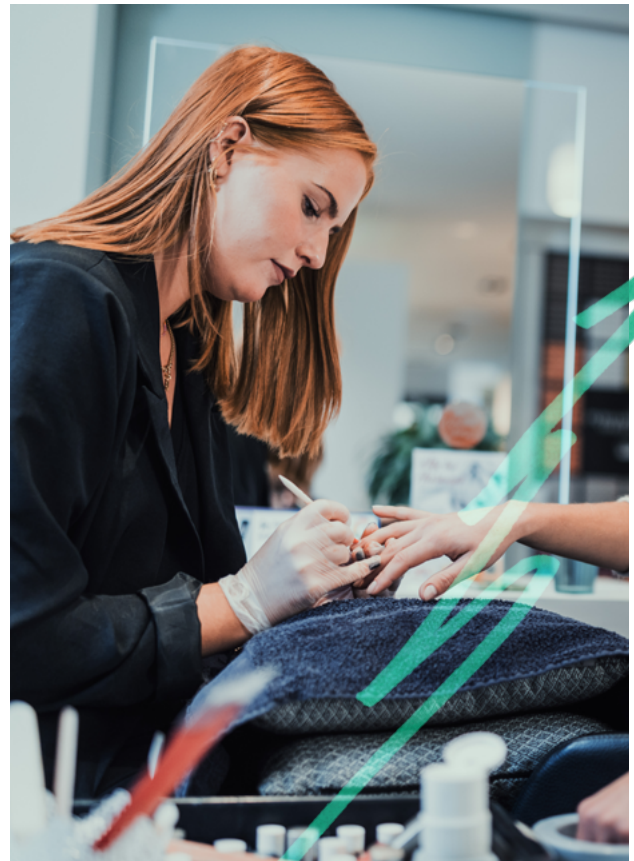


88% of Phorest salons in the UK say they have increased their service prices in the past year, while 58% say they have increased the price of retail products.

Inflation vs. Service Prices

Looking at Phorest salons, since 2018, service prices have steadily increased in line with regional inflation rates, with a sharp increase in 2020, as many businesses made up for lost volume.

However, since August 2021, inflation rates have begun to outpace salon prices for the first time.



Take Action

Be transparent about pricing and ensure guests have clear expectations before treatments and services. Have an honest conversation about any price

increases you may implement with your clients. Clients live in the real world too, and most will be empathetic if you provide some context.

Temper a price raise with added value.

“

If you provide great value, you can take people away from money... customers don't think as much about money as we [professionals] do.



Geno Stampora
Beauty Industry Business Coach

Customers are looking for an experience that they'll remember.

“

Every year is the year of the customer. We're seeing a massive shift in beliefs about what marketing actually is. It's no longer about trying to convince people to go to your salon. Instead, the priority has moved toward providing incredible customer experiences that will keep your clients returning. When you focus on building a positive culture and providing great service, marketing almost takes care of itself.



Sian Gray
Phorest Director of Global Marketing

In 2022, Phorest asked hair and beauty customers...

If you could wave a magic wand, what would you want to see from your hair/beauty salon?



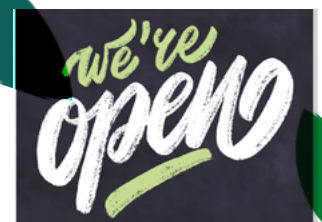
A Coffee Bar



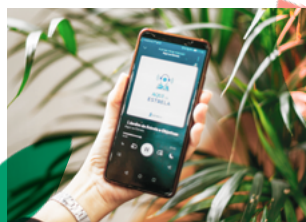
More Personalised Recommendations



Products with Natural Ingredients



Longer Opening Hours



Better Music



The Option of a Silent Service



TV or Gaming Station

Offer your clients things that they can't get elsewhere

Lean into your niche



Natural/Vegan Products



Plastic-Free/Sustainable/Waterless



Gender-Neutral Service Menu



Aesthetic Treatments



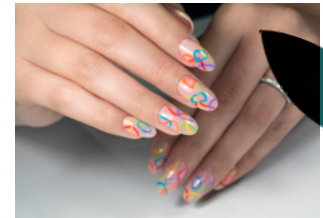
Hair-loss Consultation, Treatments & Scalp-Care



Silent Appointments/Work-from-Salon Options



Premium Hair Extensions



Expert Nail Artistry

3

Focus on How You Make Your Clients *Feel*



Wellness continues to be a priority for consumers and an opportunity for salons & spas.

Restorative Wellness

This newer wave of wellness is less about adding another thing to your self-care to-do list and is more about comfort. Resting is no longer “lazy” or “overindulgent,” but a practical part of being well.

- Google found a 4x increase in views of videos with “slow living” in the title in 2020
- 60% of people globally are interested in new information or strategies to help them get better sleep
- On TikTok, the hashtag #SpaBathroom has more than 26m views, and #BathRitual has more than 69m.



Sensory Wellness



CBD oil continues to be embraced in hair and beauty products for its calming, anti-inflammatory properties.

- Silent appointments allow clients to skip the chat and embrace complete zen.
- Sound baths become integrated into more spa services
- **Loop earplugs** reduce noise sensitivity and are designed for anyone who may struggle with overstimulation from parents, to professionals, to those with ADHD and Autism.
- “Smell-ness”: after lockdowns ushered in a home fragrance boom, the demand for scented candles, incense, and essential oils shows no signs of slowing.
- By 2030, the smart lighting market is expected to almost quadruple to 44 billion U.S. dollars from approximately 11 billion U.S. dollars in 2020.

Take Action

The salon floor can be an energising, exciting place to be, but it also has the potential to be overstimulating. Find balance. How are you catering to guests who are coming to unwind? For spaces already synonymous with serenity, like a spa, how can you take this to the next level? Reconsider the finer details like colour psychology, scent, and lighting. And don't forget your staff.



Learn more on the PhorestFM podcast

[Sonia Magier on Making Wellbeing a Priority as a Leader's Duty of Care](#)

[Amanda Baer on Why Being Intentional with Your Salon's Interior Design is Good Business](#)

People want peace

4

REALignment



Younger generations are becoming increasingly critical of overworking, mindless consumption, and online “fakeness,” making way for a shift towards slowing down, living intentionally and considering what really matters.

- 43% of employees and 53% of managers report feeling burnt out.
- 82% of Gen Zs want mental health days at work.

Is “hustle culture” dying?

In 2022, the “Great Resignation” rocked global job market. Meanwhile, a generational debate about so-called “quiet quitting” started online.

Let’s be real



Millions flock to the photo-sharing app **BeReal** which encourages people to share honest moments in their day. Their tagline is “Your friends for real.”

People are redefining success and finding purpose in community and mindful work.



- **LinkedIn Learning** launches “Conversations for Change,” releasing courses on topics such as mental health, allyship, and antiracism at work.



- **The Lions Barber Collective** is an international group of barbers who have undergone training in how to recognise symptoms of mental ill health in clients and signpost them to relevant support services

People want genuineness



Take Action

1. Let your guard down on social media and share some of your less polished, behind-the-scenes personality with your followers.
2. Partner with a charity that has meaning for you and your team. Could the team take some time out to do some volunteer work together?
3. Talk to your staff individually about what gives them purpose at work and how you can support them. It is easier to prevent burnout than it is to get a team to stay once they've reached this point.



Freedom, Purpose and a Voice for Everyone

In any salon or spa business, your team is the lifeblood behind it, helping you to boost client retention, increase revenue generation, and create a culture to be proud of. That being said, staff hiring and retention are two of the most pressing issues facing businesses in the professional beauty industry.

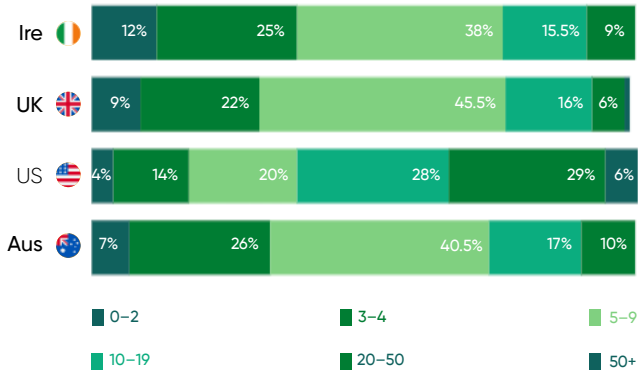
Phorest salon owners report that staff are leaving their jobs in favor of sole trading. Owners report that this was because staff want work that offers:

- More flexible schedules
- Better work/life balance
- Increased independence when it came to making money.

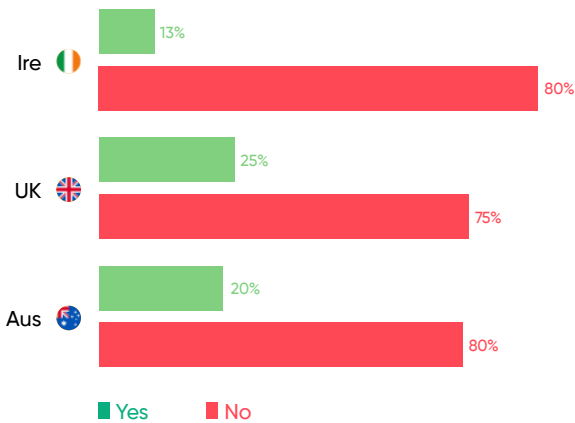


Here's a snapshot of how salons looked in 2022

How many people work for your business?

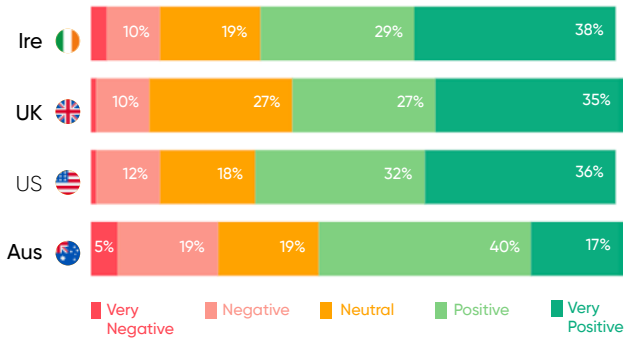


Do you rent a chair in your salon?

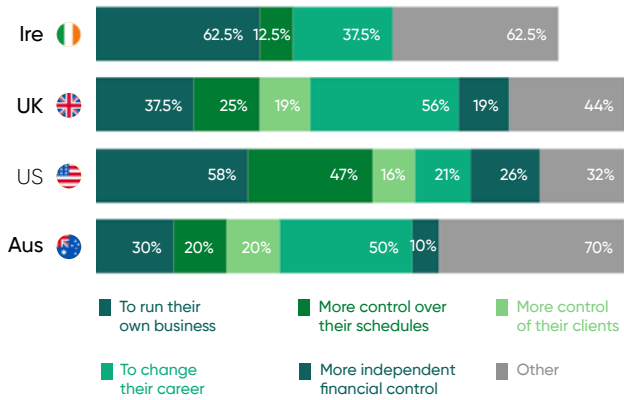


In salons across the globe, staff retention is cited as one of the biggest challenges, with recruitment in general also emerging as a pain point

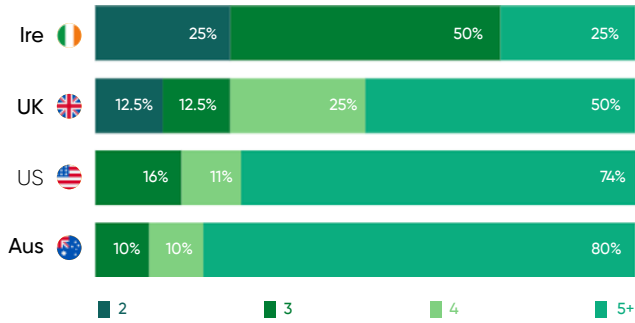
How would you rate employee retention in the business over the last three years?



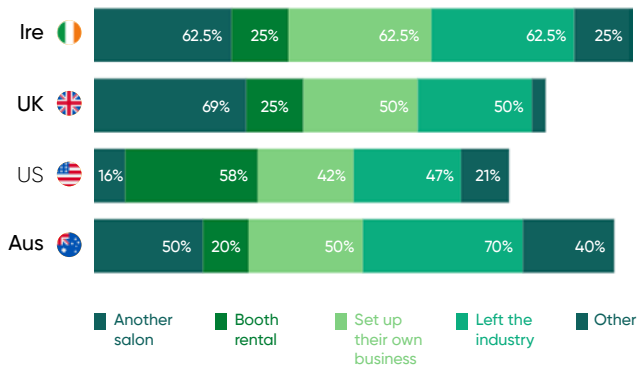
Why do you think staff retention is a problem? Staff want..



How many of your staff have left in the last three years?



Where have your staff moved to?



“

Staffing – there is a huge increase in self-employed/solo therapists/stylists – how do we incorporate them into a large salon to make it profitable/cost-effective for all parties?



Phorest Salon Owner Survey Participant



Self-Employment is a Hot Topic in The Professional Beauty Industry Right Now

There is no concrete “right or wrong” answer to how salon or spa owners should approach the rise of self-employment. In response, salon and spa owners have a choice to make:



You can give these individuals a space to work from within your existing physical salon space. Rather than panic about losing existing staff to self-employment, is it time to start developing a chair or booth rental system in your own business and adapting to increased self-employment in a way that works for your salon?



You can change how you manage and operate your salon in an effort to boost staff retention and make your business a place where your team stays long-term. Changing your management style, company benefits, working environment, and scheduling can help dissuade individuals from becoming self-employed or leaving to join other salon teams.



What are the top things that you [the self-employed staff member] need and want? The first, like the number one thing, was flexibility. Number two was autonomy or a sense of autonomy, and number three was money. Money only actually made up 23% of that pool. That’s amazing.



Stefanie Fox
Founder of Talent Match

How Can Salon Owners Retain Their Team?



While you may be unable to offer more money to staff members, you can still show your team you are invested in them. Work on things you can control, like improving communication, expanding educational opportunities, and actively seeking compromises regarding their day-to-day responsibilities and scheduling preferences.

If you want a loyal salon team, you need to reciprocate. Demonstrate your commitment to their long-term career success.

Employees who don't think their companies drive change based on feedback are more than twice as likely to consider leaving in the next year.



A professional hair, beauty, or spa business is only as strong as the team that holds it up. If you want to make your salon stand out for all the right reasons and hire a great team that lasts, offering a professional, growth-focused, and rewarding place to work is an absolute must...create a safe, open, honest, inclusive, and growth-focused work environment for people, and they will (more than likely) want to stay.

Workers want to go into a workplace where they feel valued and heard. They want to work somewhere their growth is encouraged and where they are treated fairly. Communication, education, expectations, culture, and a mindful hiring process can help your salon business achieve this.



Stefania Rossi
Specialist Industry
Recruitment Consultant



Read more on the
Phorest Blog

[The Salon Owner's Guide to Hiring
& Staff Retention by Stefania Rosi](#)



Learn more on the
PhorestFM podcast

[Stefanie Fox on Leadership & What
Staff Want From Their Salon](#)

[David Barnett on Inspired
Leadership and Shaping the Dream
Workplace](#)

[Evan Silver on Leadership
Communication Essentials for Salon
Success](#)

[Steve Gomez on Interdependent
Leadership & Holding Empowering
Meetings](#)

[Bonnie Conte on Visionary
Leadership and Opening Doors to
New Ideas](#)

[Amanda Olusanya On Developing
Individual Greatness & Retaining
Top Performers](#)



5

Be Part of Something Bigger



60% of people globally now choose a workplace based on their beliefs and values, whereas 58% buy or advocate for brands based on their beliefs and values.

Beyond the Binary

Traditional gendered rules for men and women are losing their once all-powerful grip, as is the concept of binary gender itself. From the language we use to the culture we live in, we are forging a kinder and more inclusive way forward, with transgender and non-binary communities leading the charge.

- 60% of Generation Z feel people should be given additional options outside just “man” or “woman” when filling out forms and 35% say that they know someone who uses gender-neutral pronouns such as they/ them.
- 50% of the world’s adults say their local area is good for LGBTQ+ people, a new high. 21% said the same in 2005.



Tiffany & Co releases its first-ever “all gender” jewelry range, following its first men’s engagement ring in 2021.



Apple unveils a gender-neutral voice assistant, “Quinn,” as an alternative to the overtly feminine voice of Siri.



People want affirmation

Hair and beauty often play an important role in your client’s identity and self-expression. However,



Take Action

Consider more inclusive pricing alternatives to the traditional men’s and women’s services. Contact a local LGBTQ+ organisation to advise on training your staff in gender-affirming best practices.

“

Follow the lead of your client with conversion. Don’t assume anything... make sure your language is kind and gentle and allow them to lead the conversion... Someone’s name is the best pronoun you can use if you can’t remember what their pronouns are.



Kristin Rankin
Founder of The Dresscode Project

The Dresscode Project is a global alliance of salons/barbershops committed to providing positive, gender-affirming services for LGBTQ2S+ clients. They believe that “hair has no gender.”



Learn more on the PhorestFM podcast

[Kristin Rankin & Lauren Wilde on Running Gender-Affirming Salon Spaces](#)

[Laura Graven & Brady Dahm on Inspired Action, Staying True to a Culture of Inclusivity](#)

[Noam Auger on Celebrating Self Acceptance; Working Beyond the Gender Binary](#)

Earth First

According to the IPCC, we need to reduce emissions by between 30–45 per cent by 2030 to keep global temperatures from rising to dangerous levels. We are moving the dial, but many fear we're doing so too slowly. Mass consumerism is being challenged while many profess the value of living with less and embracing plastic-free, compostable, and reusable.

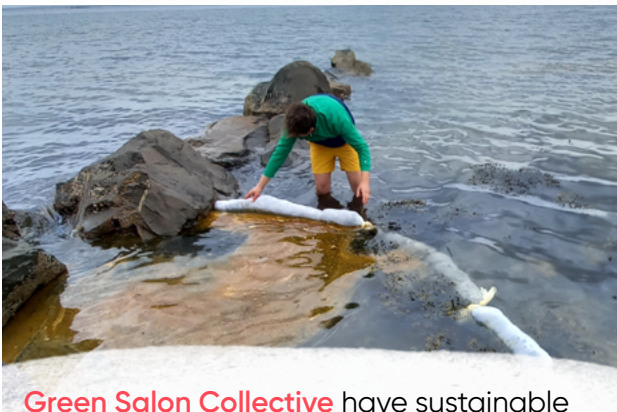
- 64% of people want to do more for – and be more mindful of – the environment
- 68% have chosen a product in the last six months based on its sustainability credentials. 44% go one step further and declare they “won’t buy” products in packaging that is harmful to the environment.
- Nearly half of global youth (45%) say climate anxiety and distress is affecting their daily lives.



People want hope



In 2022, [Patagonia](#) owners, the Chouinard family transferred their entire ownership, valued at \$3 billion to a specifically designed trust and nonprofit organisation committed to protecting the environment.



[Green Salon Collective](#) have sustainable solutions for salon waste like foils, colour tubes and human hair.

Take Action

Audit your operations to see where to implement small changes, like eliminating paper and going digital. Choose suppliers with a green agenda. If you sell retail products, consider offering your clients an incentive to bring back their empties for appropriate recycling. Get your clients involved by sharing the steps that you are taking.

Flexing your environmental credentials is also a great recruitment tool. Attract talent who share your purpose.



Learn more on the PhorestFM podcast

[James Alba on How to Be a More Sustainably-Conscious Salon](#)

[Prof. Denise Baden On Sustainability & Motivating Eco-Friendly Behaviors In The Salon Industry](#)

6 Digital Transformation



Amazon's first salon in London allows guests to "try on" new hair colors with augmented reality (AR) mirrors.



Hundreds of beauty brands such as Smashbox, Charlotte Tilbury, MAC, Maybelline, and Essie have embraced new apps that allow users to virtually test shades online.



Collagen Lip Bath
PEACHY PLUMP

L'Oreal's Colorsonic is a wand-like handheld device that aims to bring the future of at-home hair coloring with recyclable cartridges and an oscillating head that mixes and deposits dye without mess.



While this may still feel very futuristic, as a forward-thinking business owner, it is important not to ignore it. No, not every salon will install a smart mirror in 2023, just as not every consumer will put on a VR headset to shop, but more and more people will continue to try out these technologies. The time to get acclimated is now.



By 2030 every component of a client's experience will be enhanced by technology, from how they book to how they pay. Those who are proactive still have time to use it as a differentiating factor to win clients and set themselves up for the future.

The reluctance to embrace new technology today comes down to a central misunderstanding: that it is only being imposed upon us rather than something we have the power to shape. And in this, we miss out on its potential.

It is not about how long you can resist change and maintain your business as it is, but imagining how it can unlock a whole new level of success. It is the difference between whether your salon will merely exist in 2030 or if it will be thriving.



Ronan Perceval
CEO of Phorest
Salon Software

One-Size-Does-Not-Fit-All

As our lives become more saturated with technology, we now expect digital experiences that treat us as individuals.

71% of consumers expect companies to deliver personalised interactions, and 76% get frustrated when this doesn't happen.

High Tech



L'Oréal's Skin Genius App uses AI to face-map and analyse users' skin when they upload a selfie, generating a precisely personalised skincare routine akin to a trip to the dermatologist.

ruti

Ruti Fashion uses opt-in facial recognition to prompt store employees with loyal customers shopping preferences when they have arrived to shop.

Next-Level Attention to Detail



After a thorough questionnaire about texture, length, scalp health and styling preferences, **Prose** offers subscribers bespoke hair products, complete with their names on the bottles.

People want individuality.

Take Action

How can you make your consultations more in-depth and up the experiential factor with the resources available to you now?

- Collaborate with your client on a Pinterest board for colour and style inspiration
- Direct clients to one of the virtual try-on tools that some big brands already offer and discuss their findings during their appointment.
- Keep detailed notes on your clients, including before and after photos and product recommendations, so that you can give a personal touch every time.
- Can you create a questionnaire with questions about your clients' lifestyle and personal care routine, and hair and beauty goals to gather more information?
- Filter your client list and send targeted marketing campaigns based on appointment and purchase history to have the most impact.



Hybrid Everything

While our mass migration to virtual was originally out of necessity, many now have experienced some of the upsides. Whether it is work, retail, education, or social life, people are incorporating the digital with the physical for a best-of-both-worlds hybrid approach.

- Two-thirds of the global office workers (64%) say they would consider looking for a new job if their employer wanted them back in the office full-time.
- 64% of shoppers say they are opting for in-store pickup more often since 2020
- The global virtual fitness market is expected to grow from \$11.39 billion in 2021 to \$16.15 billion in 2022

People want flexibility

As remote working remains a popular option, more salons advertise free wifi and “work-from-salon” options.

Luxury brands like YSL, as well as independent businesses, continue to offer virtual consultations to reach more clients.

Take Action

1. Maximise your physical location. Could it transition to an event or education space after hours?
2. Would a work-from-salon option help you fill those tricky weekday slots?
3. Virtual consultations are not just for the pandemic and can be a complementary part of your in-person service offering.
4. Give your clients more options to buy the products they need by allowing them to shop online and pick-up in person

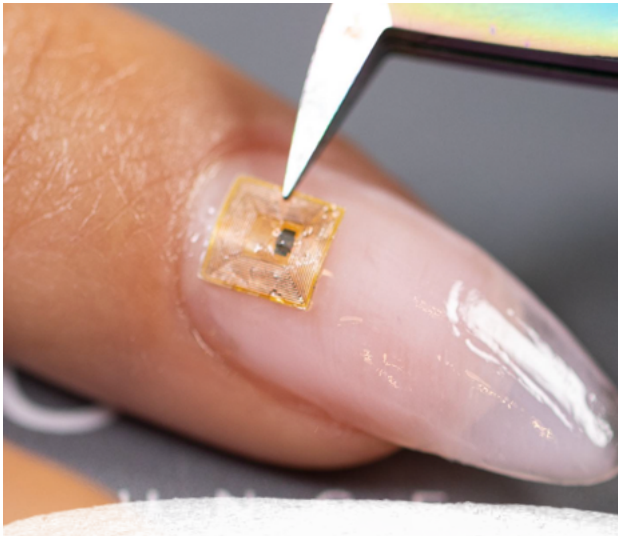
Digital Money

Our financial lives are becoming increasingly digital. By 2030, the volume of cashless transactions will be about double to triple their current levels across most regions. Meanwhile, 87 countries worldwide (representing 90% of the global GDP) are currently exploring central bank digital currencies. Accelerated by pandemic behaviour, consumers have become accustomed to the convenience of a fast tap of a phone, smartwatch, or contactless card and aren't looking back.

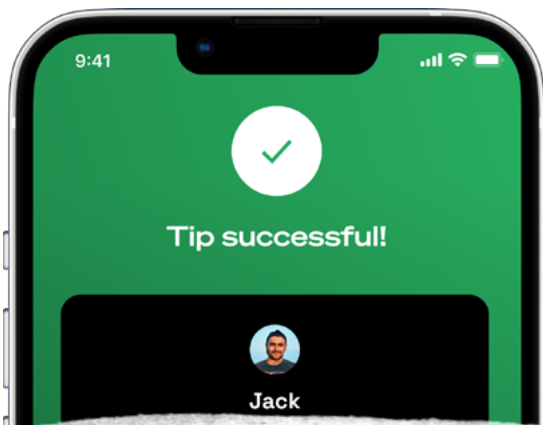
- Nearly two-thirds of consumers in Ireland now make contactless payments with a mobile phone, smartwatch or other device (65%)
- More than half (56%) of consumers surveyed in the US, UK and AUS say they have gotten so used to contactless payments that they find it irritating if they have to enter a PIN.
- 60% of people say they would feel comfortable leaving the house with just their phone and not their wallet.



People want seamlessness



Dubai beauty salon Lanour Beauty Salon uses a gel manicure to embed a NFC microchip, allowing the wearer the option to store payment details and pay using their nail.



With the decline in cash-carrying, a range of new apps, such as Strikepay, TiPJar, Tip Pot, and Easy Tip give customers the option to “tap to tip.”

Take Action

Take the pain out of payments for your clients and give you and your team valuable time back. Choose a card terminal that integrates with your POS system and offer a slick, seamless checkout experience. You can even store your client’s payment details (securely) on file, and empower your staff to check out their clients at the chair, giving them more time to provide the best service possible.



Taking payment is usually the last step in your client’s experience, so it’s important to finish things on a high. As payments technology becomes more widespread and advanced, so too do your client’s expectations. This may not be apparent until something disrupts the total seamlessness they are used to. The good news is that once you integrate payments with Phorest, you also get the benefit of a simpler process for your team too.



Steve Moffatt
Phorest VP of
Recurring Revenue



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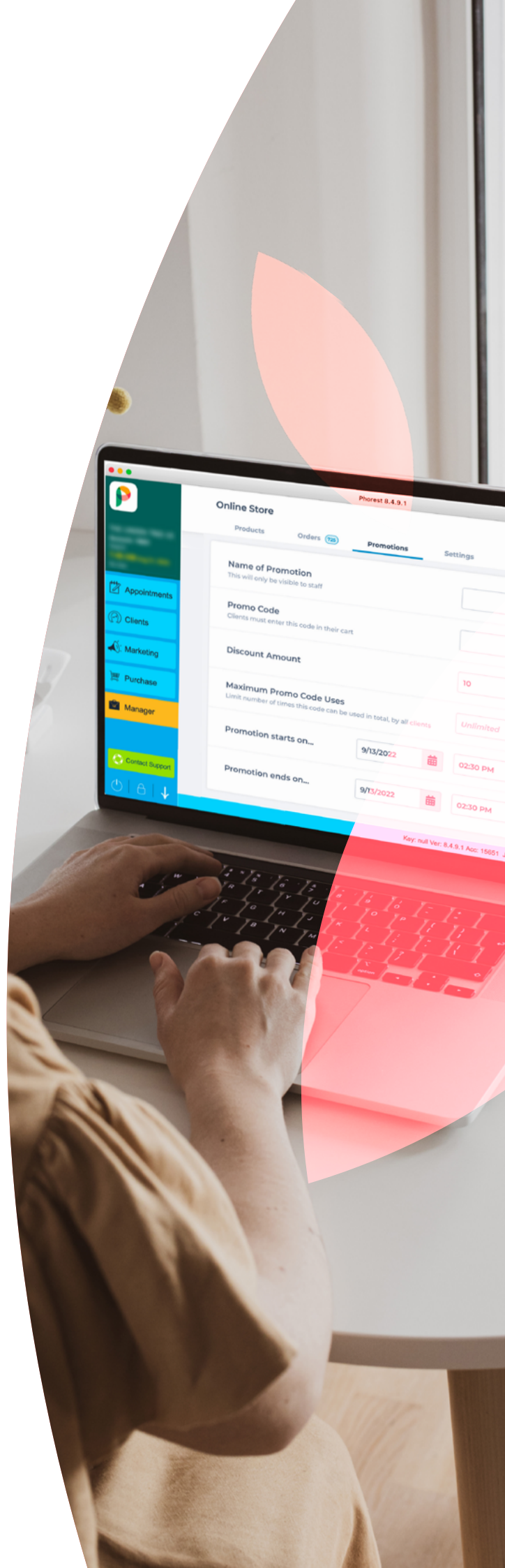
Looking ← Back and Planning for the Future →



In 2020 and 2021, Covid lockdowns dramatically impacted the hair and beauty industry. **Phorest data found that salons that were able to adapt during this time of upheaval were still coming out ahead in 2022.**

Phorest salons that began using an online store and/or selling online gift vouchers in May of 2020 saw **6x the revenue growth** from 2019 to 2022 compared to salons that did not adopt these features.

After looking at this finding more closely, Phorest could not directly attribute this increase to only the online features. **This cohort of salons also shared a mindset that allowed them to navigate crises quickly and implement several strategies which allowed them to see long-term gains.**



In 2023, Hair & Beauty Business Owners Will Need a Mindset of Adaptability

2019's thinking will not suit this new era. If the "Roaring 2020's" are still in our future, they will be hard won. This is the time to sharpen your focus; solidify your values. In other words, be sure you know what your business stands for and what your definition of success is.

Stay true to your vision. Be flexible with your strategy.

In 2023 business owners are still staring down an ever-shifting

landscape and must be prepared to pivot. Equipping yourself with the right tools is one of the first steps you can take. The latest salon software technology will help you to automate some of your most time-consuming tasks and connect with your clients in new ways.

Phorest is more than software.

Phorest is your partner as you rise to the challenges and seize the opportunities that lay ahead of you.



In 2022 Phorest...

- Granted €100,000/£100,000 between 49 hair and beauty businesses worldwide through the [Phorest Growth Fund](#) to support their plans for growth.
- Reinvigorated Phorest Reports to be more visual and interactive with the Health Check Dashboard and new Phorest Insights Reports
- Released 3 new updates for Online Store, including in-store pickup and promotions
- Released Cardless Checkout and the PhorestGuest the PhorestGuest self-check-in app to free up busy receptionists.
- Awarded over 5,000 salons the Client Experience Award for the outstanding online reviews they received from clients

In 2023 Phorest...

- Welcomed over 600 business owners and their teams to Dublin for the annual Salon Owner's Summit
- Will share a series of new masterclasses from the Phorest academy featuring industry experts and coaches from around the world.
- Will launch a brand new innovation to help hair and beauty businesses reach new clients
- Will release our Summer Collection, a drop of new features and resources for Phorest clients

And that's just the beginning. To learn more about all our Phorest features, [visit our website](#).

Want to learn more about joining the Phorest family? Let's chat.

[Book a demo](#)

Together, We Grow



What Will You Learn Next?

Introducing **"Grow With..."** Masterclasses! New on the Phorest Academy Portal.

Learn from renowned industry experts and fast-track your path to profitability.

Phorest Academy is available to all Phorest clients on demand. It makes learning easy, no matter how busy life gets.





→ **Watch Now**



Grow With Jen Baudier
Systems and Structures That Facilitate a Path to Profitability
Supported by Heather Manuel, Creator of PIP University & Neatbeat Salon

- Lesson 1:** Monthly Cash Flow Awareness
- Lesson 2:** Profit off the Top
- Lesson 3:** The Rap Structure
- Lesson 4:** Overspending No More

→ **Available in May 2023**



Grow With Stefania Rossi
Results-Driven Recruitment and Retention

- Lesson 1:** Building a Strategic, Proactive and Everlasting Recruitment Plan
- Lesson 2:** Making the Selection Process and Interviews Work for Your Culture
- Lesson 3:** Offering the Position Keeping Long-Term Staff Retention in Mind
- Lesson 4:** Encouraging Career Development and Growth

→ **Available in March 2023**



Grow With Britt Seva
Modern Strategies to Streamline Your Salon or Spa's Marketing

- Lesson 1:** The Marketing Funnel Explained
- Lesson 2:** Branding for Salon Success
- Lesson 3:** The Demand Margin Factor
- Lesson 4:** Platform Prioritisation and Strategy



8

Born on the Salon Floor, Bred to Help You Thrive



Phorest Salon Software is Used by Nearly 10,000 Hair, Beauty, and Aesthetic Businesses Worldwide

Phorest frees teams up to focus on their passion and business success. More creativity. Less admin. Known globally for providing the best salon marketing tools, Phorest touches every point of the salon experience, from custom salon apps, online bookings and inventory to ecommerce and payments.

Our system empowers businesses to manage, market, and grow, not just through innovation in technology but also through mentoring, education, and unrivaled support.

Phorest believes in the human touch at the heart of the salon community. That's why we're the only salon software provider to connect every business with their own dedicated success manager – a committed partner for helping salon owners achieve their dreams.



Listen to founder and CEO, Ronan Perceval, tell the origin story of Phorest in his own words on [PhorestFM](#)

