



# industry outlook

Analyzing this year's data, I'm intrigued particularly by a couple areas:

More than half of our respondents said that business had increased in 2006 over 2005. Yet prices are only up slightly and nail tech income was ever-so-slightly down. Perhaps this is due to a little less competition as the true size of the industry was down (the number of salons was down 1% this year and number of licensed nail techs was down 16%).

You're maximizing the power of the Internet more than ever. You're online to do everything from talking to your peers miles away to purchasing products.

Luckily the bad news coming out of the mainstream press hasn't dealt a blow to the business. While there were a few high-profile incidents surrounding pedicures as well as law changes in California and Texas, they didn't scare customers from the salons. In fact, pedicures remain one of the most popular services in the salon, and custom pedicures one of the most often new services added.

The hype over this year's chemical "scare" neither scared true professionals nor the salon-going public. While so-called activist consumer groups (and some manufacturers) tried to make an ingredient in nail polish sinister without testing or proof, it didn't dampen enthusiasm for nail color. In fact, as of this writing, the nail care story that is dominating is the story about dark nail polishes being all the rage.

NAILS readers are a remarkably responsive bunch, and I thank all of you who answered our survey. You turned them around quickly and thoroughly, allowing us access to very personal information. I appreciate your openness and trust; it allows us to benchmark important trends in the industry, and hopefully provide information that will help you run your business a little better.

Special thanks go to OPI Products, with special recognition to George Schaeffer and Suzi Weiss-Fischmann. Readers have been reading Suzi's in-depth "Crunching the Numbers" column every other month in NAILS, as she makes practical sense of these figures and shows salons how to actually use

the data in a practical business way (she devoted a column every other month to one key statistic from last year's Big Book). I know that George uses the data around the world in his presentations about the state of the nail industry. The sponsorship of this statistics section by OPI Products makes it possible for us to provide truly unique, detailed data on the nail industry, and I thank them heartily.

## Our Methods for Gathering and Presenting the Data

The statistics in this 32-page section are based on several surveys conducted by the NAILS Magazine staff. We do a major survey in August to our readership, which allows us to project the gathered data. We did additional surveys later in the year to keep our hand on the pulse of the salon business. All surveys were either e-mailed through an independent survey company, or mailed to the NAILS editorial research office. As an incentive to respondents we put their names into a sweepstakes to win \$1,000. We received 1,967 responses, giving us a 99% confidence level that our data is plus or minus 3 points (that means that if we say something is 30%, we are 99% sure that it is actually 27%-33%).

There are a few areas where we project the data, rather than use the pure survey results. We note where that is the case (most significantly, the ethnic breakdown of

survey respondents skews differently than the industry at large; see page 36 for more information on this). Next year we'll have truly universal information as we have done a major study of the Vietnamese salon industry this year.

The analysis of the statistical material was done by the editorial staff of NAILS and the research staff at Bobit Business Media. We have a variety of methods, some public, some proprietary, that we use to assure that the data is accurate and a true picture of the nail industry at large. We compare our data to other published information, third-party sources, manufacturer and distributor data, and other known data. Where our figures are significantly different or estimates or not drawn from the survey, we note that.

This publication is the most referred to issue we publish all year and it's quoted more often than any other issue, specifically because of the industry statistics. But more than getting quoted in the press, we want the effect of the Big Book to be directly on your business. Did you learn something that you didn't know? Did you get an idea of a service you should add (or discontinue)? Are your earnings and prices in the range of average or too low? This information isn't simply an "FYI"; it's FYU (for you to USE).

— Cyndy Drummey, publisher

## Nail Salon Services Market Size

NAILS' market size projection figures are estimates derived from our own research. They are calculated (in a proprietary way) based on the number of salons in the U.S., the number of nail technicians per salon in each state, the average service prices of four key salon services, and an estimate of the number of practicing nail technicians. The final figure represents, to the best of our ability, the total amount of money spent in the U.S. in nail salons for services.

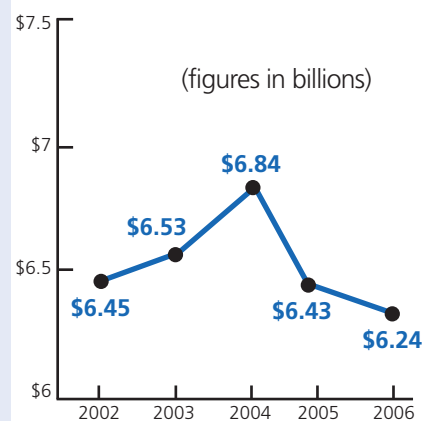


Figure represents total dollar volume, in billions, spent by salon customers on nail salon services.



# 5 trends

## 5 Industry Trends to Watch

**“Celebrity Manicurist” Is a Frame of Mind.** If ubiquitous self-styled “celebrity manicurist” Ji Baek can charge \$250 for her super-high-end manicure, why can’t you? Well, maybe because you’re not serving Heidi Klum and your salon isn’t in NYC. But you can get your own prices farther away from the national average by abiding by three simple concepts: Provide custom services unavailable anywhere but your salon; charge prices that reflect your quality of products, service, and exclusivity; and follow through on every promise you make. Tell clients you’ll get their nails to grow out in six weeks and make it happen. Promise no lifting nails and make sure there isn’t a bubble in sight for two weeks.

**Service Is the Common Denominator.** If you’re having your Lexus serviced at Magnussen’s in Northern California, you can also get a manicure while you wait. Or if you’re waiting for a tire rotation in Louisville, your new tires will be on the car by the time your manicure dries. Maybe the original idea was to lure women into a male-dominated retail business or maybe it was just smart business owners trying to set their businesses apart in their own competitive markets. So if tire stores are doing manicures, should you start rotating tires? No, but should you consider offering head and neck massages while clients’ nails dry? Yes. Should you reconsider that spray tanning booth you looked at during a recent show? Probably. And should you expand your retail offerings beyond cuticle oil and nail polish? Most definitely, yes.

**Don’t Be Callous About Callus.** The baby boomers — who’ve driven the huge growth in anti-aging services and the rise of the day spa — have another little present for salons. This one is especially for nail salons and it’s kind of yucky: built-up, hardened callus. What the boomers want you to do is remove it, make it stop growing back, and make their heels feel better. The boom in callus products, as well as the strength and effectiveness of the products themselves, can make a “callus management” service a profitable standalone service. As nail technicians who’ve watched these different products work know, there is something magical about applying some goo to the heel then watching the callus gently roll off with a file. This isn’t just a service for the vain and aging; everyone gets natural buildup. Since you can’t use a blade in practically any state, you need a gentle, powerful alternative and callus products are it.

**The Full Circle Effect.** A few years ago, we predicted new distribution opportunities for nail techs. Fueled by dissatisfaction with the traditional full-service dealer, we thought nail techs might branch out on their own and start cooperative buying groups or even become dealers themselves. Some have, but now more than ever, it’s the manufacturers themselves who are frustrated with “the system” and are taking their products directly to the salon customer. The fear of territorial issues that once prevented manufacturers from alienating their dealers seems a thing of the past. Nail techs who don’t have a dealer in their area can now buy direct from the manufacturer. You’ll find your products in more online stores than ever, giving you choice and variety. More nails-only dealers will spring up and you’ll start finding it easier to find products.

**Higher (and Higher) Education.** I’m not talking about taking six CEUs every other year on sanitation; I’m talking about nail techs and salon owners literally going back to school. We’ll see more salon specialization courses offered at the university level, farther-reaching curriculum being designed by manufacturers and independent outlets; super-specialized technical courses (in areas like medical pedicures, anti-aging treatments, solution-oriented natural nail care based on biology and chemistry). We’ll see salon owners going back to get business degrees, and we’ll also see more MBAs give the nail industry a look and start their own salons.

# demographics



The average nail technician today is a career professional: experienced (in her 30s, with at least eight years on the job), licensed, and has some college education. She still does nails regularly, often relying on her own clients more than the salon profits for her income. The average nail tech today is as often Vietnamese as Caucasian, most probably female, and works alone (54% of nail techs work in a single-tech salon). We also know the significant role this mostly female profession plays in today's economy: 67% of nail techs have children and either are head of household or are married and share a financial contribution to the household.

## Ethnic breakdown of U.S. nail techs

Vietnamese	41%
Caucasian	39%
African-American	10%
Hispanic	7%
Korean	2%
Other	1%

## Are you licensed?

96% **yes** 4% **no**

## Gender:

96% **female** 4% **male**

## Why have so many Vietnamese immigrants become nail technicians?

Although there are many reasons why Vietnamese immigrants came to the nail industry and have succeeded, there is also an interesting Hollywood angle: Apparently, in 1975 the actress Tippi Hedren, best known for her role in Alfred Hitchcock's "The Birds," was a regular visitor to Camp Hope in California as the first wave of Vietnamese refugees arrived. Hedren befriended a group of women at Camp Hope and wanted to help them develop a skill so they could make a living once they left the camp. Hedren told the documentary producer Jody Hammond in a documentary called "A Hand Up," "One of the things I considered was manicuring. At that time I had a really wonderful manicurist whose name is Dusty and I asked if she could come up and help these women."

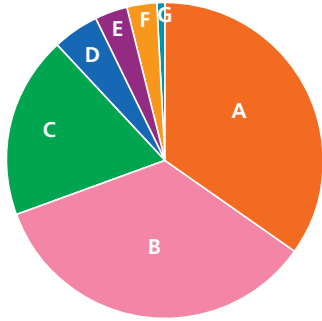
Hedren says Dusty came from Los Angeles once a week to teach the women manicuring skills, and then the women attended formal training at a nearby beauty college. Thuan Li, one of the women in that original class cultivated by the movie star, still works with the same company where she started in 1975.

Source: "A Hand Up" produced by Jody Hammond

## Top 20 Regions for Vietnamese in the U.S.

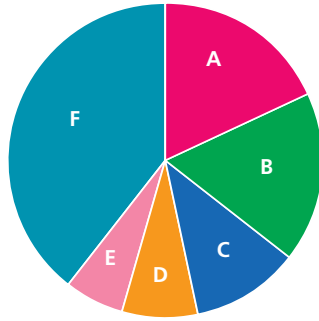
1. Los Angeles-Riverside-Orange County
2. San Francisco-Oakland-San Jose
3. Houston-Galveston-Brazoria (TX)
4. Dallas-Fort Worth
5. Washington DC/VA/MD/WV
6. Seattle-Tacoma-Bremerton (WA)
7. San Diego
8. Boston-Worcester-Lawrence (MA)
9. Philadelphia-Wilmington, DE-Atlantic City, NJ
10. Atlanta
11. Sacramento (CA)
12. Portland-Salem (OR)
13. Minneapolis-St. Paul (MN)
14. Chicago
15. New Orleans
16. Denver-Boulder-Greeley (CO)
17. New York City
18. Phoenix
19. Oklahoma City (OK)
20. Tampa-St. Petersburg-Clearwater (FL)

Source: U.S. Census data (2000)



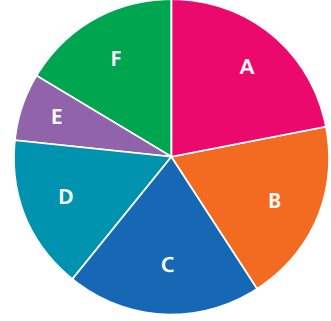
### Which title best describes your position?

<b>A</b> Salon owner (doing nails)	34.9%
<b>B</b> Nail technician/booth renter	34.6%
<b>C</b> Nail technician/employee	18.6%
<b>D</b> Student	4.7%
<b>E</b> Salon manager/nail dept. manager (doing nails)	3.4%
<b>F</b> Salon manager/nail dept. manager (not doing nails)	3.0%
<b>G</b> Salon owner (not doing nails)	0.8%



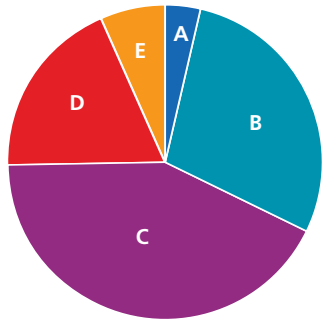
### How long have you been doing nails?

<b>A</b> One year or less	18.3%
<b>B</b> 2-3 years	17.4%
<b>C</b> 4-5 years	11.2%
<b>D</b> 6-7 years	7.7%
<b>E</b> 8-9 years	6.2%
<b>F</b> 10+ years	39.2%



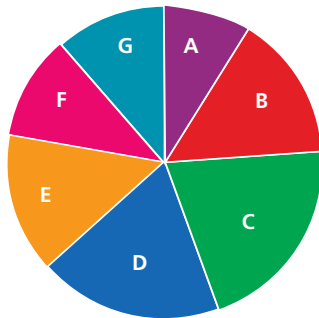
### Where do you live?

<b>A</b> New England/Mid-Atlantic	22.1%
<b>B</b> North Central	19.0%
<b>C</b> South Atlantic	19.9%
<b>D</b> South Central	15.9%
<b>E</b> Mountain	6.9%
<b>F</b> Pacific Coast	16.2%



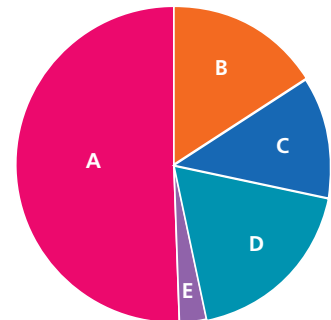
### What is the highest level of school you have completed?

<b>A</b> Some high school	3.9%
<b>B</b> Finished high school	30.8%
<b>C</b> Some college	40.7%
<b>D</b> Finished college	18.1%
<b>E</b> Graduate school	6.5%



### How old are you?

<b>A</b> 25 or younger	9.1%
<b>B</b> 26-30	14.8%
<b>C</b> 31-35	20.6%
<b>D</b> 36-40	18.9%
<b>E</b> 41-45	14.5%
<b>F</b> 46-50	10.9%
<b>G</b> Over 50	11.2%



### Home Life\*

<b>A</b> Married with kids	50.4%
<b>B</b> Unmarried with kids	16.1%
<b>C</b> Married with no kids	12.4%
<b>D</b> Unmarried with no kids	18.3%
<b>E</b> No response	2.8%

\* Source: 2005 NAILS Big Book

# salon environment



It's become a little lonely for nail techs these days. School enrollment is down, nail techs are harder to find and retain, and more salons than ever are staffed by just one technician. In 2006, more than half of all salons had just a single nail tech. The nails-only salon is becoming a thing of the past, with more and more salons adding services and offering clients more options. While not all salons are considered "full service," few salons offer only nail care these days. The booth renter salon arrangement is still the dominant setup, with 34% of all salons operating that way.

## How would you describe your salon?

Full-service salon	41.7%
Nails-only salon	23.4%
Day spa	12.7%
Home-based salon	11.6%
Mobile salon/spa	5.3%
Nails and tanning salon	4.8%
School	3.3%
Resort/hotel salon or spa	0.5%
Destination spa	0.3%
Health club	0.3%

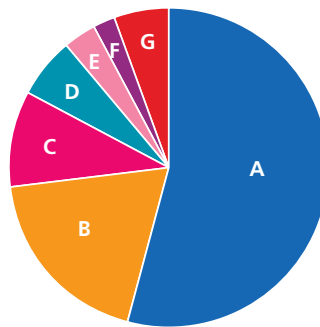
\* Responses do not add up to 100% as some respondents fall in more than one category (for example, a salon could be both home-based and nails-only).

## Does your salon have a dress code or require a uniform?

yes 38%

no 62%

## How many nail technicians work in this salon?



A	Just me	54.2%
B	2 nail techs	19.1%
C	3 techs	9.7%
D	4 techs	6.1%
E	5 techs	3.2%
F	6 techs	2.3%
G	7+ techs	5.4%

## BOOTH RENTERS ONLY

Do you carry your own professional liability insurance?

yes 51% no 49%

Do you also receive a commission on services you book at the salon?

yes 17%

no, I receive the entire service fee because I'm a booth renter 83%

## How much is your monthly booth rental?

**\$304.01**  
(average)

\$150 or less	22.6%
\$151-\$200	11.0%
\$201-\$250	8.2%
\$251-\$300	16.2%
\$301-\$350	7.8%
\$351-\$400	12.5%
\$401-\$450	4.1%
\$451-\$500	8.8%
More than \$500	8.8%



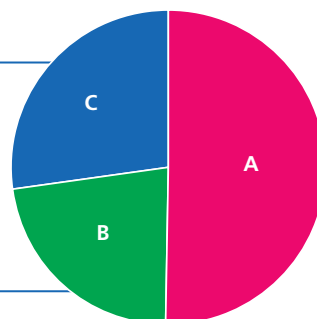
# salon services



Solidly recession-proof, three-quarters of salons said that business had either increased this year or stayed the same. Nearly 23% said they'd seen a decline, and most blamed the economy: Either their area had been hard hit, gas prices were affecting business, or clients simply didn't have the money for elective expenses like nail care. Nonetheless, those experiencing good years did so by following sound business principles: when the going gets rough, they would promote, advertise, expand services, or find a new location.

## Has your business increased or decreased in 2006 over 2005?

<b>A</b> Increased	50.3%
<b>B</b> decreased	22.7%
<b>C</b> stayed the same	27.0%



## If your business increased or decreased, please tell us what factors you think affected that.

	REASON FOR INCREASE IN MY BUSINESS	REASON FOR DECREASE IN MY BUSINESS	HAS HAD NO EFFECT ON MY BUSINESS
I've added new services.	59%	1%	40%
I've been advertising or promoting more.	49%	3%	48%
The economy in my area has been improving.	36%	3%	61%
I've redesigned my salon.	34%	3%	63%
I've changed locations.	25%	13%	63%
I've hired some good nail techs.	19%	3%	78%
The demographics in my area have changed.	18%	7%	75%
I've raised my prices.	17%	10%	73%
The bad press about nail care (especially pedicures) has affected my business.	11%	14%	75%
I've been advertising or promoting less.	6%	12%	82%
The price of gasoline has affected my business.	4%	35%	61%
The economy in my area has been in decline.	3%	33%	64%
I've had turnover in staff.	3%	16%	81%
I don't think people have as much disposable income as they used to.	0%	50%	50%
I've lost some good nail techs.	0%	12%	88%



## For the following service categories, has business increased or decreased from 2005 to 2006?

	INCREASED	DECREASED	STAYED THE SAME
Pedicures	77%	4%	19%
Custom or specialty pedicures	68%	5%	27%
Anti-aging treatments	62%	6%	32%
Waxing	62%	3%	35%
Sugar or salt scrubs	61%	7%	32%
Massage	60%	7%	33%
Manicures	59%	8%	33%
Custom or specialty manicures	57%	7%	36%
Nail art	56%	16%	28%
Gel services	55%	19%	26%
Acrylic services	54%	16%	30%
Colored acrylics	54%	16%	30%
Hot stone manicures or pedicures	49%	9%	42%
Microdermabrasion services	44%	11%	45%
Body wraps or body treatments	43%	10%	47%
Airbrush tanning	42%	16%	42%
Hot oil manicures	27%	27%	46%
Wrap services	18%	34%	48%

36% of respondents say they **launched a new service** in 2006.

### Services Most Frequently Added in 2006

1. Gel nails
2. Specialty pedicures
3. Nail art or airbrushing
4. Colored acrylics
5. Specialty manicures
6. Acrylic services
7. Massage
8. Eyelash extensions
9. Hot stone pedicures
10. Body waxing

14% of respondents say they **discontinued a service** in 2006.

### Services Most Frequently Discontinued in 2006

1. Acrylic nail services
2. Gel nails
3. Wraps
4. Pedicure
5. Spray tanning
6. All services
7. Manicures
8. Paraffin
9. Specialty pedicures
10. Fiberglass wraps

**82%** of nail techs retail products for clients' at-home use.

### What products are retailed in your salon?

Nail polish	88%
Hand lotions	85%
Nail strengtheners/treatments	83%
Top/base coats	81%
Cuticle treatments	77%
Nail files or buffers	61%
Hair care	51%
Polish-drying products	45%
Skin care products	44%
Toe rings	38%
Boutique items (clothing, jewelry)	33%
Makeup/cosmetics	31%
Adhesives/glue	30%
Tanning products	21%
Personal implement kits	20%
Vitamins/nutritional supplements	9%



# salon services

## What services are offered in your salon?

	2006	2004	2002
Manicures	97%	97%	99%
Pedicures	92%	96%	96%
Polish changes	92%	n/a	n/a
Full set acrylics (tip-with-overlay)	78%	n/a	n/a
Nail art	78%	78%	75%
Paraffin dips	72%	82%	86%
Pink-and-white acrylics	72%	n/a	n/a
Full set acrylics (sculpts)	71%	n/a	n/a
Waxing (for hair removal)	60%	68%	72%
Gels/UV light systems	59%	50%	51%
Eyebrow shaping	55%	n/a	n/a
Hair care	48%	52%	n/a
Colored acrylics	45%	32%	35%
Skin care	45%	33%	52%
Nail jewelry	42%	36%	51%
UV top coat service	41%	40%	60%
Facials	40%	35%	43%
Makeup application	36%	30%	36%
Massage	33%	33%	51%
Fiberglass wraps	32%	44%	57%
Eyebrow tinting	28%	n/a	n/a
Reflexology	23%	21%	32%
Airbrushing	21%	25%	31%
Eyelash tinting	20%	n/a	n/a
Powder/glue extensions	20%	28%	73%
Eyelash extensions	15%	n/a	n/a
Ear piercing	15%	17%	29%
Tanning	14%	21%	25%
Microdermabrasion treatments (face or body)	13%	n/a	n/a
Microdermabrasion treatments (for hands and feet)	11%	n/a	n/a
Ear coning/candling	10%	7%	n/a
Airbrush tanning	9%	n/a	n/a
Wellness treatments or mind-body therapies	6%	n/a	n/a
Non-waxing hair removal	5%	5%	n/a
Airbrush treatments (makeup, for example)	4%	n/a	n/a
Other services (Services mentioned: acrylic toenails, body wraps, colored gels, permanent makeup)	16%	n/a	n/a





# service prices



Although there are so many factors we look at to gauge industry health, service prices serve as a constant pulse. Due to salon over-saturation, intense competition at the low-end, and the commoditization of nail services, service prices have been making very little movement over the years. This year, however, prices at least kept up with inflation, with an average gain of 2.4% in the three key service categories. We have found that salons that are able to raise their prices with confidence are those that keep their service menus dynamic, constantly developing new items and regularly introducing custom services.

	2006	2005	% change
Manicures	\$18.23	\$17.16	+ 6.2%
Pedicures	\$32.72	\$32.45	+ 0.8%
Full set acrylics (sculpt)	\$45.77	\$45.39	+ 0.8%
Full set acrylics (tip-with-overlay)	\$41.65	\$40.23	+ 3.5%
Gels (full set)	\$47.91	\$45.36	+ 5.6%
Wraps (full set)	\$42.76	\$40.78	+ 4.9%
Colored acrylics (full set)	\$48.86	\$46.54	+ 5.0%
Pink-and-white acrylics (full set)	\$48.03	\$46.30	+ 3.7%
Paraffin dips (when offered as standalone service)	\$10.32	\$9.83	+ 5.0%
Polish change	\$8.33	\$8.23	+ 1.2%
Reflexology (hands) 8.5% include it in the service for no additional charge; 6.4% charge \$1 per minute	\$17.68	n/a	
Reflexology (feet) 9.2% include it in the service for no additional charge; 5.4% charge \$1 per minute	\$23.16	n/a	
Powder-and-glue extensions (full set)	\$39.09	n/a	
UV top coat service 12.1% include it in the service for no additional charge	\$5.62	n/a	

## Pedicures

\$15 OR LESS	5.1%
\$16-\$20	8.0%
\$21-\$25	17.2%
\$26-\$30	18.3%
\$31-\$35	20.2%
\$36-\$40	13.8%
\$41-\$45	8.6%
\$46 and higher	8.8%

## Manicures

\$10 or less	9.8%
\$11-\$15	34.5%
\$16-\$20	30.5%
\$21-\$25	16.0%
\$26-\$30	4.0%
\$31-\$40	2.5%
More than \$40	2.7%

## Gels (full set)

\$20 or less	3.4%
\$21-\$30	11.5%
\$31-\$40	24.8%
\$41-\$50	26.2%
\$51-\$60	17.9%
\$61-\$70	9.9%
\$71-\$80	3.6%
\$81 and higher	2.7%

## Full set acrylics (sculpt)

\$20 or less	4.1%
\$21-\$30	15.7%
\$31-\$40	25.4%
\$41-\$50	26.9%
\$51-\$60	16.0%
\$61-\$70	7.1%
\$71-\$80	2.5%
\$81 and higher	2.3%

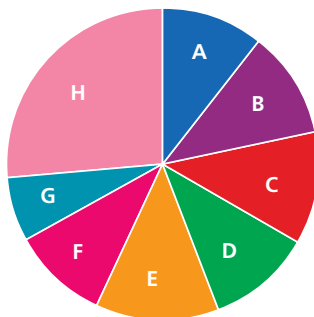
# nail tech income



Nail technician income is holding fairly steady (down a few dollars from last year at \$619 per week). Combine that with a fairly flat increase in prices and a “look at the bright side” attitude and you can say that despite all the things that went on this year, the nail industry held its own.

Nail salon owners tend to by and large still be doing nails themselves or working as an “owner” because of their booth renter status. Many owners have seen the incentive that can be created by cutting nail techs in on profits from retail (about half of nail techs receive some sort of retail sales incentive).

## Average weekly income **\$604.74**



<b>A</b>	\$150 or less	10.8%
<b>B</b>	\$151-250	11.1%
<b>C</b>	\$251-\$350	11.6%
<b>D</b>	\$351-\$450	10.9%
<b>E</b>	\$451-\$550	12.6%
<b>F</b>	\$551-\$650	10.0%
<b>G</b>	\$651-\$750	6.8%
<b>H</b>	More than \$750	26.2%

## Average commission by salon type:\*

Overall industry average	55.7%
Full service salon	56.8%
Nails-only salon	55.9%
Day spa	53.4%

## What commission percentage do you receive on services?\*

**55.7%** (average)

More than 60%	8.3%
56%-60%	24.1%
51%-55%	11.0%
46%-50%	37.2%
Less than 45%	10.0%
No response	9.4%

Supplemental income: **49.5%**  
of nail techs receive a commission or other incentive for selling retail products.

## Which best describes your compensation system?\*

Salary only	7.6%
Salary plus commission	13.8%
Straight commission	56.3%
Tiered commission	8.9%

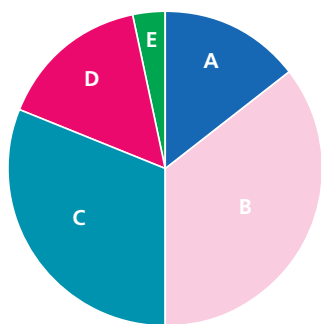
*(This data reflects only respondents who were not booth renters.)*

# buying habits



There have been some major shifts in the way nail techs purchase supplies these days. Perhaps the shifts are due to the consolidation at the dealer level, the inconsistency of available products from manufacturers, the ease of doing shopping online, or the shift of more manufacturers offering products direct-to-salon. What is for certain is nail techs are open to non-traditional buying in order to get the products they're looking for.

## How often do you purchase supplies?\*



<b>A</b>	Less than once a month	14.5%
<b>B</b>	Once a month	35.7%
<b>C</b>	Twice a month	31.1%
<b>D</b>	Once a week	15.6%
<b>E</b>	More than once a week	3.1%

## How much do you spend per month on nail supplies?

Less than \$100 per month	35.1%
\$100-\$150 per month	27.1%
\$151-\$200 per month	14.8%
\$201-\$250 per month	8.2%
\$251-\$300 per month	4.0%
\$301-\$350 per month	3.4%
More than \$350 per month	7.4%

## Where do you shop for nail care supplies?

	2006	2005
I shop in a professional beauty supply store.	82.7%	83.8%
I order over the phone from my dealer's catalog or deal sheets.	37.7%	37.6%
I order online from my dealer's catalog.	11.5%	30.2%
I buy products at tradeshow.	10.2%	25.4%
I order from an online-only distributor.	9.4%	20.0%
A distributor's sales consultant comes to the salon and takes my orders.	23.8%	23.3%
I buy direct from the manufacturer.	8.6%	20.2%
I shop in an open-to-the-public beauty store.	12.0%	17.0%
I shop from a mobile or van dealer who comes to my salon.	1.7%	2.4%
I shop at the drugstore or other general store.	1.3%	4.4%
For some items, I buy from non-traditional places that don't carry traditional professional nail supplies.	2.9%	7.4%

*Respondents were asked to select their two most-frequently used sources.*

## Do you purchase your own nail products?

Yes, I provide all my own supplies, including tools and equipment.	76%
I provide some supplies, the salon provides some supplies.	8%
The salon provides all my supplies, except my tools.	11%
The salon provides all supplies, including tools and equipment.	5%

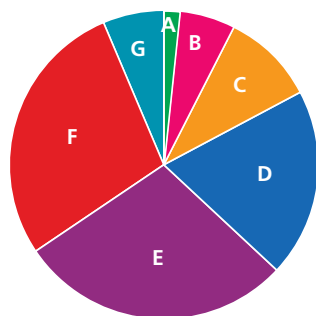
*\*Source: 2005 NAILS Big Book*

# clients



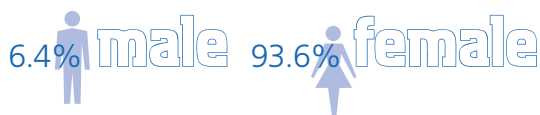
Knowing your clients' salon habits is clue number-one to understanding how to increase your business. If you know who your clients are by their demographics, how often they like to come in, and perhaps most important, why they often do not come in, you hold the key to customizing services and a salon environment that will appeal to the broadest number of potential clients (or, if you know those things, you can also create a narrow niche of the clients you want most to serve). We can give you a little bit of broad data, but most salon owners and nail techs would be smart to survey clients themselves and get a better handle on what they want, when they want it, and what they're willing to pay for it!

## Who are your clients?



<b>A</b> Girls under 12	1.9%
<b>B</b> Girls 13-20	5.6%
<b>C</b> Women 21-25	9.9%
<b>D</b> Women 26-35	19.4%
<b>E</b> Women 36-45	28.5%
<b>F</b> Women 46+	28.6%
<b>G</b> No response	6.1%

### by gender:



87% of women 18-45 years old say they have gotten their nails done at a salon.\*\*

91% say they sometimes do their nails at home.\*\*

### How many clients do you see a week?

30 (average)

## On average, how often do clients come in for services?\*

Weekly	16.5%
Every other week	72.5%
Every three weeks	6.9%
Once a month	3.1%
Every other month	0.3%
Less than every other month	0.7%

## Why do clients NOT patronize a salon? \*

I prefer to manicure my own nails	36.1%
Too expensive	28.2%
Too much maintenance/upkeep	14.4%
It's too much of an indulgence	9.7%
Other	6.9%
I don't care about how my nails look	4.0%
No salon near where I work/live	0.7%

Source: 2005 Big Book

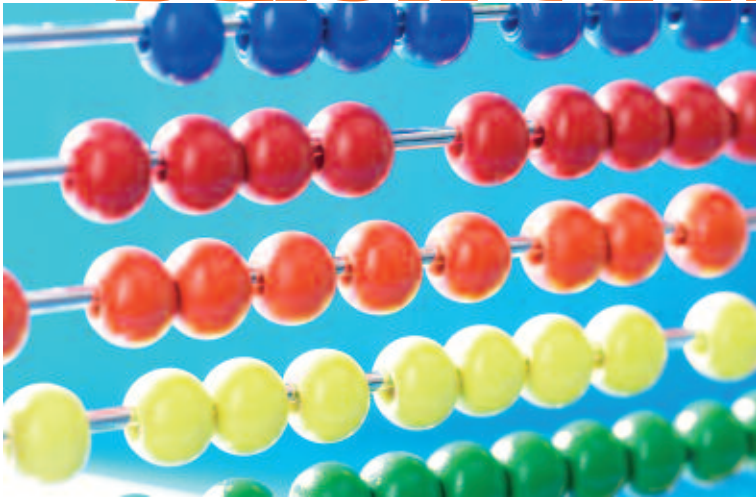
What is your busiest day of the week?

thursday

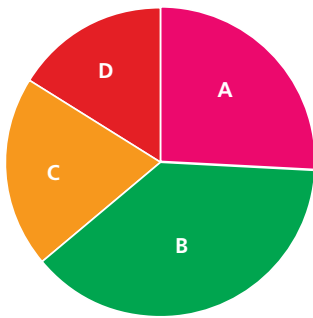
Day that salons are most frequently closed?

sunday

# salon technology



Nail technicians (along with just about every other profession on the planet) have become more computer-literate and web-savvy than ever. Each year, we see dramatic increases in Internet use for business functions, including product ordering, peer networking, technical trouble-shooting, and, of course, e-mailing. Just six years ago a puny 3.1% of nail professionals said that ordering products online was one of their two primary ways of getting product. This year, that figured jumps to 12%. Last year, we said that online was a key trend to watch and we've certainly seen the prediction borne out.



## How much time do you spend online each week?

- A** Less than five hours a week online 26%
- B** 5-10 hours per week on online 38%
- C** 11-20 hours a week online 20%
- D** More than 20 hours a week online 16%

## How tech-savvy are nail salons?

73%	use a computer to handle some business functions.
92%	access the Internet to do research on the nail business.
94%	access the Internet to learn more about new products.
93%	access the Internet to look at different product manufacturer websites.
82%	access the Internet to look at the sites of trade magazines.
24%	go online to chat with other nail technicians.
71%	go online to order products.
13%	of nail techs have their own websites.
26%	of salons have their own websites.
32%	of nail techs have a fax machine at the salon.
42%	of nail techs have a fax machine at home.

## Google Search

In today's online world, what constitutes legitimacy more than your Google search results? We plugged in some of the most commonly used phrases in professional jargon to see what came up. Although we don't have data from last year to compare, we'll start a tally this year and see how this progresses.

KEY WORD	# OF SEARCH RESULTS
<a href="#">manicure</a>	8,560,000
<a href="#">pedicure</a>	6,360,000
<a href="#">nail polish</a>	3,550,000
<a href="#">nail care</a>	2,960,000
<a href="#">fingernail</a>	2,280,000
<a href="#">nail art</a>	2,090,000
<a href="#">gel nails</a>	2,060,000
<a href="#">nail salon</a>	2,040,000
<a href="#">nail technician</a>	1,660,000
<a href="#">acrylic nails</a>	1,550,000
<a href="#">toenail</a>	1,530,000
<a href="#">manicurist</a>	504,000
<a href="#">salon professional</a>	116,000
<a href="#">discount salon</a>	42,300
<a href="#">nail artist</a>	39,800
<a href="#">NAILS Magazine</a>	38,300
<a href="#">nail industry</a>	27,300
<a href="#">nail professional</a>	23,600
<a href="#">nail enhancement</a>	20,400
<a href="#">professional salon industry</a>	936
<a href="#">nail care professional</a>	740





# top challenges



We asked respondents to our reader survey what they felt were their biggest challenges this year. We did not offer a list of challenges, rather allowed them to write in their own words what they were concerned about. Here are their top 12 challenges. In 2007, NAILS will devote a feature each month to one of these challenges, helping you develop solutions.

## Top 12 Concerns About Hiring Nail Techs

Finding good staff is a top priority for salon owners (of both nails-only salons as well as full-service salons). We asked salon owners and managers whether the following statements were true for them regarding finding and retaining nail care staff.

	<b>% who agree with this statement</b>
1. I usually re-train everyone I hire. ....	19.5%
2. I have had to turn away clients because I haven't had the nail techs to service them. ....	19.2%
3. I don't have trouble finding techs, I have trouble finding GOOD techs. ....	19.2%
4. I find that fewer people are getting into nail care as a career, so there's a decline in the number of nail techs available. ....	15.7%
5. I find that nail techs are leaving the industry. ....	12.9%
6. I have enough demand for nail care services that I could keep more nail techs busy than I currently have. ....	10.5%
7. I've lost nail techs who decided to open their own salons. ....	5.2%
8. I work with schools in my area and frequently hire techs right out of school. ....	5.2%
9. It's challenging, but I have a steady stream of good nail techs. ...	4.5%
10. I offer a higher-than-average commission structure so nail techs are attracted to my salon. ....	4.5%
11. I have no trouble finding good nail techs. ....	4.2%
12. My salon is well-known and I get plenty of resumes. ....	4.2%

*Respondents chose all that applied.*

## Top 12 Challenges of Nail Techs in 2006

1. Bringing and retaining new clientele
2. Competition from other salons, especially Asian-owned salons
3. Improving my technical skills
4. Finding competent nail techs to staff the salon
5. Economic slow-down affecting nail business
6. Educating my clients in nail health and safety and sanitation issues
7. Opening and starting a salon
8. Time management, balancing work and home life
9. Finding educational classes and trade shows near me
10. Handling a rapidly expanding business
11. Work-related injuries, such as arthritis and back pain
12. Clients with nail disorders







# regional analysis

## nail techs

## nail salons

	2006	2005	2006	2005
Alabama	1,587	1,265	764	771
Alaska	366	382	123	116
Arizona	8,531	8,662	1,023	1,049
Arkansas	1,485	1,679	430	447
California	79,582	85,316	8,112	8,291
Colorado	6,301	6,891	899	897
Connecticut	2,800	3,015	913	922
Delaware	450	498	178	182
Dist. of Columbia	750	801	83	90
Florida	38,452	42,120	4,107	4,075
Georgia	5,299	5,711	1,939	1,927
Hawaii	1,800	1,821	206	218
Idaho	1,174	1,293	222	228
Illinois	8,577	9,185	2,250	2,296
Indiana	3,168	3,442	860	942
Iowa	700	621	320	320
Kansas	900	1,200	445	477
Kentucky	2,134	2,243	534	549
Louisiana	1,260	1,400	836	904
Maine	786	852	185	177
Maryland	6,170	7,197	980	963
Massachusetts	10,499	11,708	1,470	1,485
Michigan	12,355	13,656	1,670	1,778
Minnesota	2,816	3,062	645	621
Mississippi	1,871	1,620	433	438
Missouri	4,310	4,946	928	910
Montana	483	488	168	180
Nebraska	831	913	297	298
Nevada	5,100	4,618	449	422
New Hampshire	939	1,250	217	222
New Jersey	7,995	8,675	2,597	2,641
New Mexico	1,215	1,368	348	371
New York	16,000	16,553	3,790	4,023
North Carolina	6,922	7,808	1,714	1,700
North Dakota	113	140	64	58
Ohio	12,096	13,181	1,725	1,787
Oklahoma	4,645	5,284	602	649
Oregon	15,266	17,469	628	646
Pennsylvania	9,308	10,166	2,696	2,742
Rhode Island	1,192	940	201	180
South Carolina	2,017	2,317	687	699
South Dakota	30	34	57	54
Tennessee	5,915	6,831	972	805
Texas	24,578	21,476	5,102	5,083
Utah	1,922	1,911	336	330
Vermont	208	175	59	56
Virginia	6,002	7,248	1,411	1,298
Washington	7,000	7,284	1,179	1,245
West Virginia	500	495	173	172
Wisconsin	1,696	1,886	975	996
Wyoming	395	326	107	108
<b>U.S. Totals</b>	<b>302,163</b>	<b>361,427</b>	<b>59,115</b>	<b>59,843</b>