Q1 2025 PROFESSIONAL HAIR & BEAUTY INDUSTRY REPORT

PREPARED BY

INSIDE INDUSTRY

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Phorest

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LAUNCH STRATEGY
NEW MARKET ENTRY
BRAND ACCELERATION



ABOUT INSIDE INDUSTRY

We speak the language of the hair, beauty and aesthetic industry, with an intimate understanding of the professional landscape, through unmatched insights and expertise.

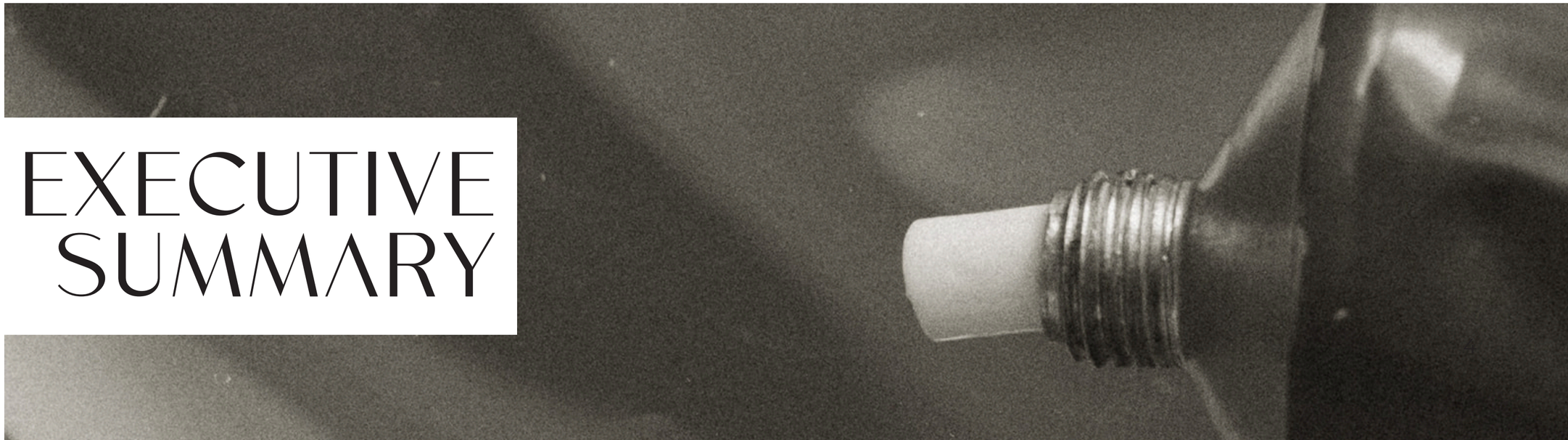
The Beauty & Wellness market in Australia experienced expansion in Q1 2025, driven by growing consumer focus on self-care, stable employment growth, and strategic physical retail expansions from major brands.

Key Metrics:

- +2.145% estimated market growth
- Employment: 110,101 employed in Hairdressing & Beauty Services; 6,956 in Health and Wellness Spas
- 12% YoY rise in 'skin clinic' search interest

Primary Takeaway:

A steady rise in consumer interest in professional skincare services, combined with robust self-care spending, improved appointment frequencies, and stable employment figures, suggests a cautiously optimistic outlook for the remainder of 2025.



EXECUTIVE SUMMARY

This report would not have been possible without the collaboration and transparency of key industry data partners:

- **Phorest Salon Software**: Provided insights across average client spend, service category breakdowns, appointment frequency, and retail-to-service ratios across commercial salons and solo operators.
- **Timely Online Booking System**: Shared performance benchmarks including booking value, rebooking and cancellation behaviour, and new client acquisition across thousands of Australian salon businesses.
- **Aglow Beauty Memberships**: Contributed exclusive membership data, including payment preferences, personalisation insights, and consumer behaviour analysis related to recurring services and loyalty economics.

Together, these partners enable a comprehensive and up-to-date picture of the Australian Beauty & Wellness industry.



DATA PARTNERS

Australia's economy entered 2025 on a recovery trajectory, although inflation remains a consideration for discretionary spending. Within the Beauty & Wellness industry, post-pandemic self-care trends have cemented themselves, with notable increases in both product and service-based wellness spending.

Supplements, self-care products, and professional skin treatments are seeing rapid adoption, particularly among millennials. Meanwhile, aesthetic preferences are evolving toward bold, maximalist styles as forecasted by Pinterest trends.

Structural changes are also evident: Adore Beauty's expansion into brick-and-mortar retail signifies confidence in a blended physical and digital beauty retail environment, while none of the major franchise players opened new locations across the quarter.



MARKET OVERVIEW



DATA DRIVEN FINDINGS

EMPLOYMENT TRENDS

Sector Employment (Q1 2025):

- Hairdressing and Beauty Services: 110,101 employed
- Health and Wellness Spas: 6,956 employed

Growth:

- Hairdressing and Beauty Services employment grew at an average annual rate of 1.6% (2020–2025).
- Health and Wellness Spas grew at 3.0% over the same period.

Sub-Sector Insights:

- Hairdressers: 62,800 employed, median weekly earnings $1,121.
- Beauty Therapists: 41,400 employed, median weekly earnings $1,200.
- Massage Therapists: 20,300 employed, median weekly earnings $1,472.



FRANCHISE & CHAIN FINANCIALS

While Adore Beauty announced plans to open 25+ new physical stores, major aesthetic and skincare franchises showed limited location growth in Q1 2025.

Laser Clinics Australia, Endota Spa, Results Laser Clinic, SILK Laser Clinics, and My Body Vibes (amongst others) **did not report any new openings during the quarter.** Clear Skincare Clinics added a new warehouse site in Wendouree (VIC).

In contrast, **network contraction was evident** across several brands: Clear Skincare closed its Sunshine Plaza (QLD) and Southland (VIC) clinics; Endota Spa exited Airlie Beach (QLD); and My Body Vibes shut its Carlton (VIC) location.

The subdued expansion activity, alongside targeted closures, suggests a consolidation phase across established networks - despite **franchise revenue increasing +1.2% year-on-year** and contributing +0.30% to overall market growth.








CONSUMER
SPENDING
BEHAVIOUR

B2C CLIENT SIDE

- Self-care products reached $13 billion in retail sales.
- 66% of Australians now take supplements daily, up from 34% the previous year.
- Consumer spending grew +3.1% YoY, adding +0.62% to overall market growth.

The $13 billion valuation of self-care products **reflects a continued shift toward proactive health and beauty routines**, including skincare, supplements, wellness tools, and mental health-related products.

The surge in **daily supplement use** (particularly among millennials and Gen Z) shows a desire for internal health control with visible benefits like improved skin, energy, and aging outcomes.

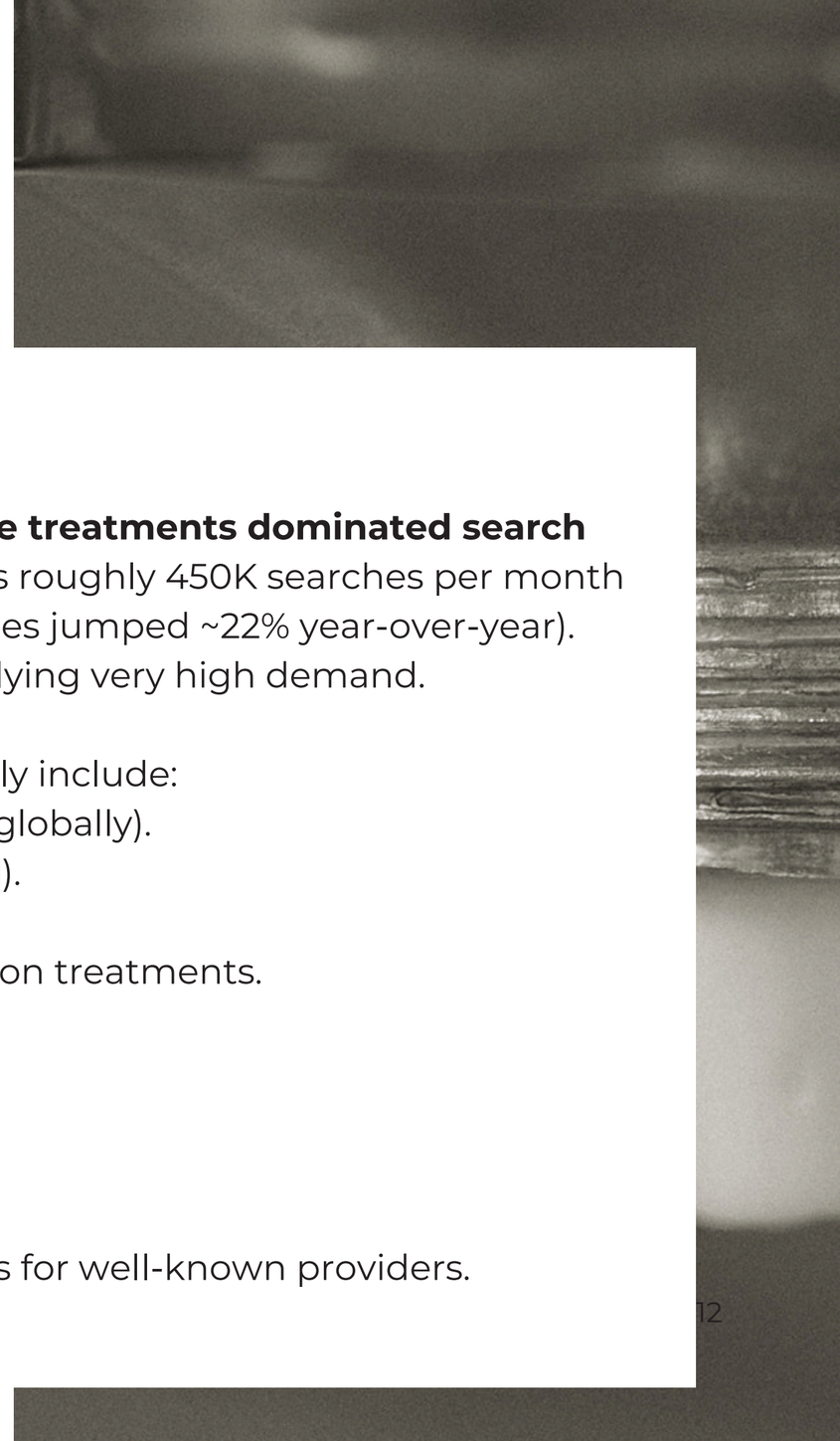
Social media, especially TikTok and Instagram, **heavily influence consumer discovery and behaviour**. Trends like “skin cycling” and “glow-up routines” are driving demand for both products and services that align with these narratives.

Emotional drivers such as escapism, control, and self-worth are increasingly shaping retail psychology. **Beauty is seen as an affordable luxury amid rising living costs.**

Outcome-based skincare is rising. Consumers are savvier and seek efficacy, which **favours professional cosmeceuticals** and expert-backed product recommendations.



SEARCH BEHAVIOR (GOOGLE TRENDS INDEX)



Analysis of Google search volumes and industry **data indicates that facial and injectable treatments dominated search interest in Q1 2025.** For example, med-spa marketing data show “facial near me” garners roughly 450K searches per month globally. Searches for “Botox” and other anti-wrinkle treatments also surged (Botox queries jumped ~22% year-over-year). This aligns with the booming injectables market in Australia (valued ~$4.1B in 2024), implying very high demand.

Based on these insights, the top organic search terms (ranked by estimated volume) likely include:

- “Facial near me” – general facials/skincare searches (highest volume; ~450K monthly globally).
- “Botox near me” – searches for local Botox providers (reflecting strong Botox demand).
- “Skin clinic near me” – general searches for cosmetic/dermatology clinics.
- “Anti-wrinkle injections” or similar (e.g. “botox injections”) – interest in wrinkle-reduction treatments.
- “Laser hair removal near me” – popular cosmetic procedure search.
- “Lip fillers” (or “lip filler cost”) – growing interest in fillers.
- “Dermal fillers” – search for non-Botox injectables.
- “Microneedling” or “microdermabrasion” – interest in skin rejuvenation procedures.
- “Chemical peel” – facial resurfacing treatments.
- Brand/clinic names (e.g. Laser Clinics Australia, Skin MD, Cosmetic Solutions) searches for well-known providers.

REGIONAL INSIGHTS

Search interest is highest in Australia's major metro areas. Sydney (NSW) and Melbourne (VIC) unsurprisingly lead in query volumes for these beauty keywords, followed by Brisbane (QLD) and Perth (WA).

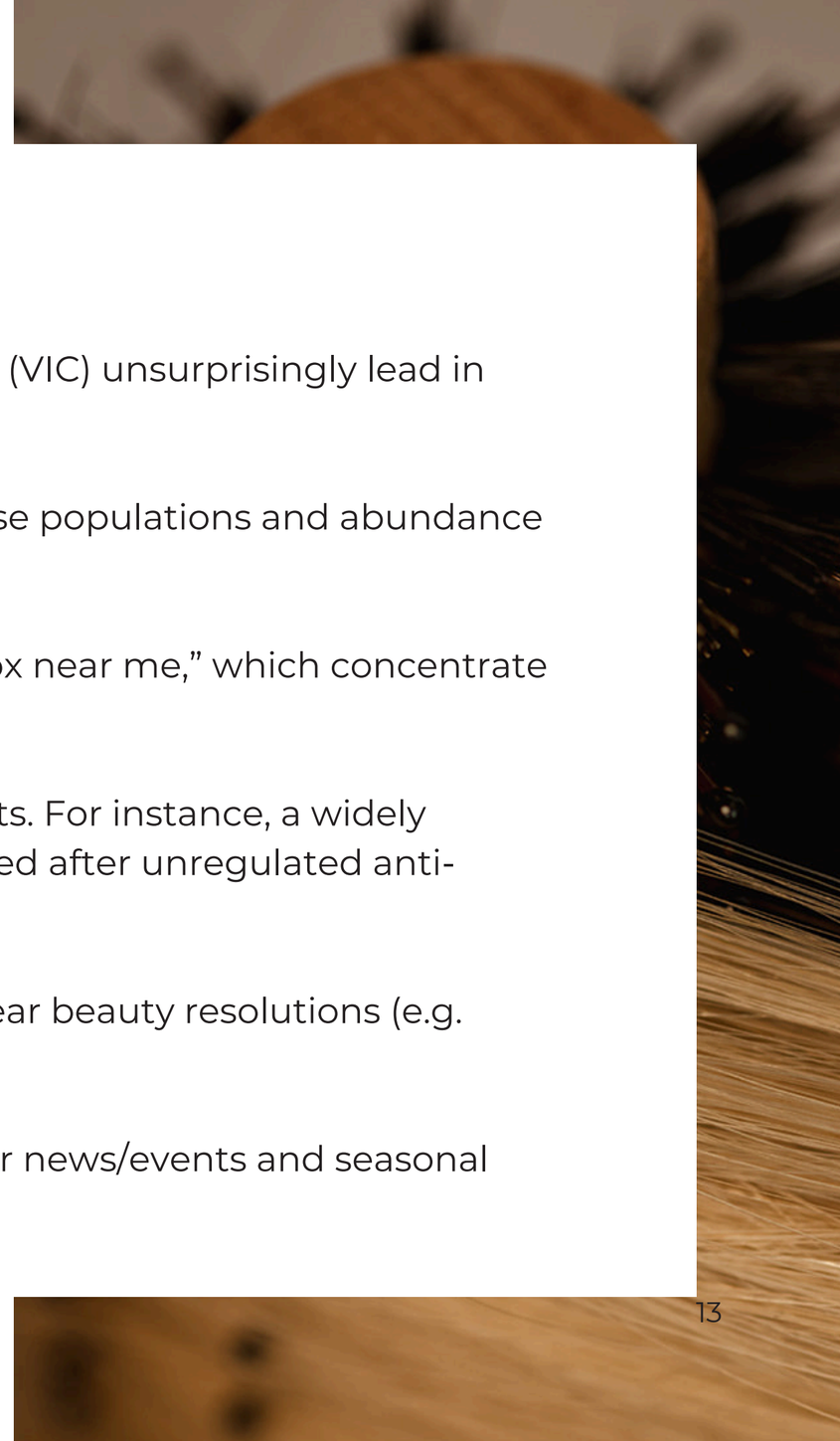
In general, **urban states** (NSW, VIC, QLD) show the greatest interest, reflecting their dense populations and abundance of clinics.

Regional hotspots can be seen in Google Trends for terms like "facial near me" and "botox near me," which concentrate in cities like Sydney and Melbourne more than rural areas.

Notable spikes occurred when media news or events drew attention to these treatments. For instance, a widely covered botulism incident in late Jan 2025 (when three people in Sydney were hospitalised after unregulated anti-wrinkle injections) likely triggered a surge in searches related to Botox safety and clinics.

Seasonal effects also play a role: interest often jumps in January as people make New Year beauty resolutions (e.g. searching "facial near me" or "anti-wrinkle injections" after the holidays).

In summary, search volumes for facials, botox, and related treatments peak around major news/events and seasonal cycles, superimposed on an overall strong upward trend



CONSUMER BEHAVIOUR INSIGHTS

- 87% of consumers budget for beauty treatments.
- 65% of consumers would commit to regular treatments if flexible payments and exclusive perks were offered.
- 89% would consider additional purchases if their main treatment was prepaid via a membership.

Recent consumer research reveals a high level of intentionality in beauty spending: **87% of consumers actively budget** for beauty treatments, reinforcing that services are not just luxury indulgences, but planned, recurring expenses.

Furthermore, **65% of consumers say they would commit to regular treatments** if offered flexible payment options and exclusive membership perks - highlighting the power of accessibility and perceived value in driving commitment.

Notably, **89% would consider additional purchases** (such as retail products or service upgrades/add-ons) if their primary treatment was prepaid through a membership. This indicates that removing transactional friction at the point of sale not only supports client loyalty but unlocks additional revenue potential through strategic packaging and upselling.


COMPREHENSIVE
B2B
INSIGHTS

CLIENT SPEND & BOOKING VALUE

Average Client Spend measures the total value a client contributes over a defined period (typically per quarter), including all appointments, retail purchases, and upgrades. It offers a broader picture of client value beyond a single visit and reflects loyalty, frequency, and purchasing behaviour.

Average Booking Value refers to the total dollar amount associated with a single service appointment, regardless of how many services or items are purchased. It is a key indicator of how much revenue is generated per visit. A higher booking value often reflects bundled services, premium treatments, or the upselling of add-ons during a single session.

- Commercial Salons:
  - Avg Booking Value:
    - Hair Service $155.57, Beauty $112.19
  - Avg Client Spend:
    - Hair $161.18, Beauty $136.28

- Solo Traders:
  - Avg Booking Value: $106.50
  - Avg Client Spend: $131.52



% RETAIL SALES VS TURNOVER

% of Retail Sales vs Turnover represents the proportion of total revenue that comes from retail product sales, as opposed to services. This metric helps gauge the strength of a business's retail performance and its ability to generate non-service income.

A higher percentage indicates successful retail integration into the client journey — often through expert recommendations, personalised prescriptions, or membership-linked incentives. It also signals stronger revenue diversification and resilience, especially during quieter service periods.

- Commercial Salons:
  - 6.98% (lowest scenario)
  - ranging up to 22.95% in Beauty (highest scenario)

- Solo Traders:
  - 5.83% (lowest scenario)
  - 25.04% (highest scenario)



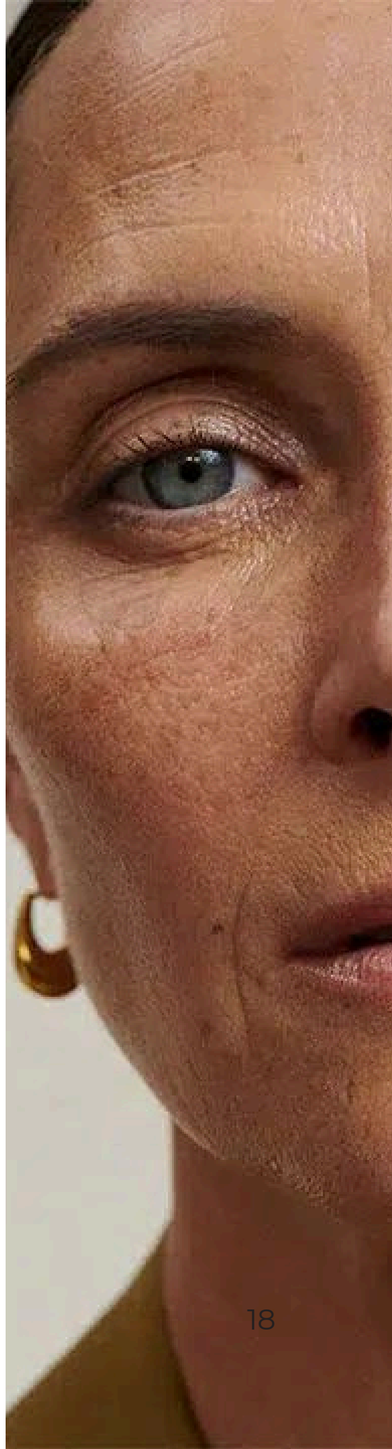
APPOINTMENT FREQUENCY & RETENTION

Appointment frequency is most accurately understood by tracking both the average and median weeks between appointments. The average reflects the overall client cadence, while the median gives a more realistic view of typical client behaviour by minimising the impact of outliers — such as clients who return infrequently.

When both metrics trend downward, it indicates clients are returning more regularly, often due to strong treatment planning, effective rebooking strategies, or well-structured memberships. Shorter gaps between visits typically signal stronger retention, as clients are more engaged and committed to their ongoing results.

- Commercial Salons:
  - Avg 5.94 weeks
  - Median 4.95 weeks

- Solo Traders:
  - Avg 6.41 weeks
  - Median 5.57 weeks



CANCELLATIONS & REBOOKING

Cancellations and rebookings are two sides of the retention coin.
A lower percentage of cancellations typically indicates strong client commitment and clear communication around treatment expectations or appointment policies. Meanwhile, a higher average percentage of rebookings suggests clients are engaged and planning their next visit before they leave — a key marker of satisfaction and relationship strength.

Together, these metrics help paint a clear picture of business stability: when cancellations are low and rebookings are high, it reflects not only effective systems but a loyal client base.

- Cancellation Rates:
  - Commercial: 7.52–8.05%
  - Solo: 5.82%

- Rebooking Rates:
  - Commercial: 44%–49%
  - Solo: 38%



NEW CLIENT ACQUISITION

In Q1 2025, **Average New Customers** served as a key indicator of acquisition momentum across the industry. Commercial salons reported a higher intake - averaging over 46 new clients per quarter and 13 per week - reflecting stronger volume-driven marketing and brand visibility.

In contrast, solo operators acquired fewer new clients on average (9.35 per quarter), suggesting a heavier reliance on retention and word-of-mouth. While existing client loyalty remained strong across both groups, this quarter’s data points to an opportunity for solo traders to bolster structured acquisition strategies to complement their high-value retention performance.

- Commercial Salons:
  - 46.26 new clients per quarter
  - 13 per week

- Solo Traders:
  - 9.35 new clients per quarter
  - 3 per week



SEASONALITY

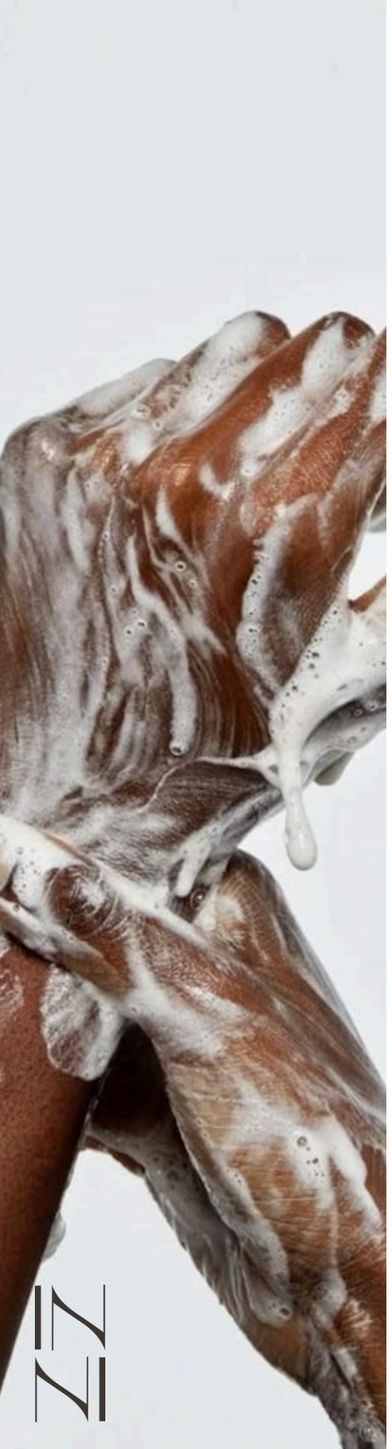
When it comes to **seasonality**, client-facing salons consistently experience predictable fluctuations in demand. In Q1 2025, January emerged as the busiest month, while February was the slowest - likely reflecting a post-holiday surge followed by seasonal drop-off.

However, when considering annual trends across the full year, December is historically the busiest month as clients prepare for the holiday period, while June typically marks the slowest due to mid-year fatigue and discretionary budget constraints.

- Yea On Year seasonality:
  - Busiest month – December
  - Slowest – June

- Q1 Seasonality:
  - Busiest month – January
  - Slowest – February





BUSINESS OPENINGS AND CLOSURES

Business **net growth was recorded at +0.5%** for Q1 2025, indicating a modest but positive shift in market activity. This growth suggests a climate of cautious optimism among new and existing entrepreneurs within the Beauty & Wellness sector.

While not reflective of a startup surge, the positive net movement reveals that **more businesses opened than closed** - a promising sign given lingering economic pressures.

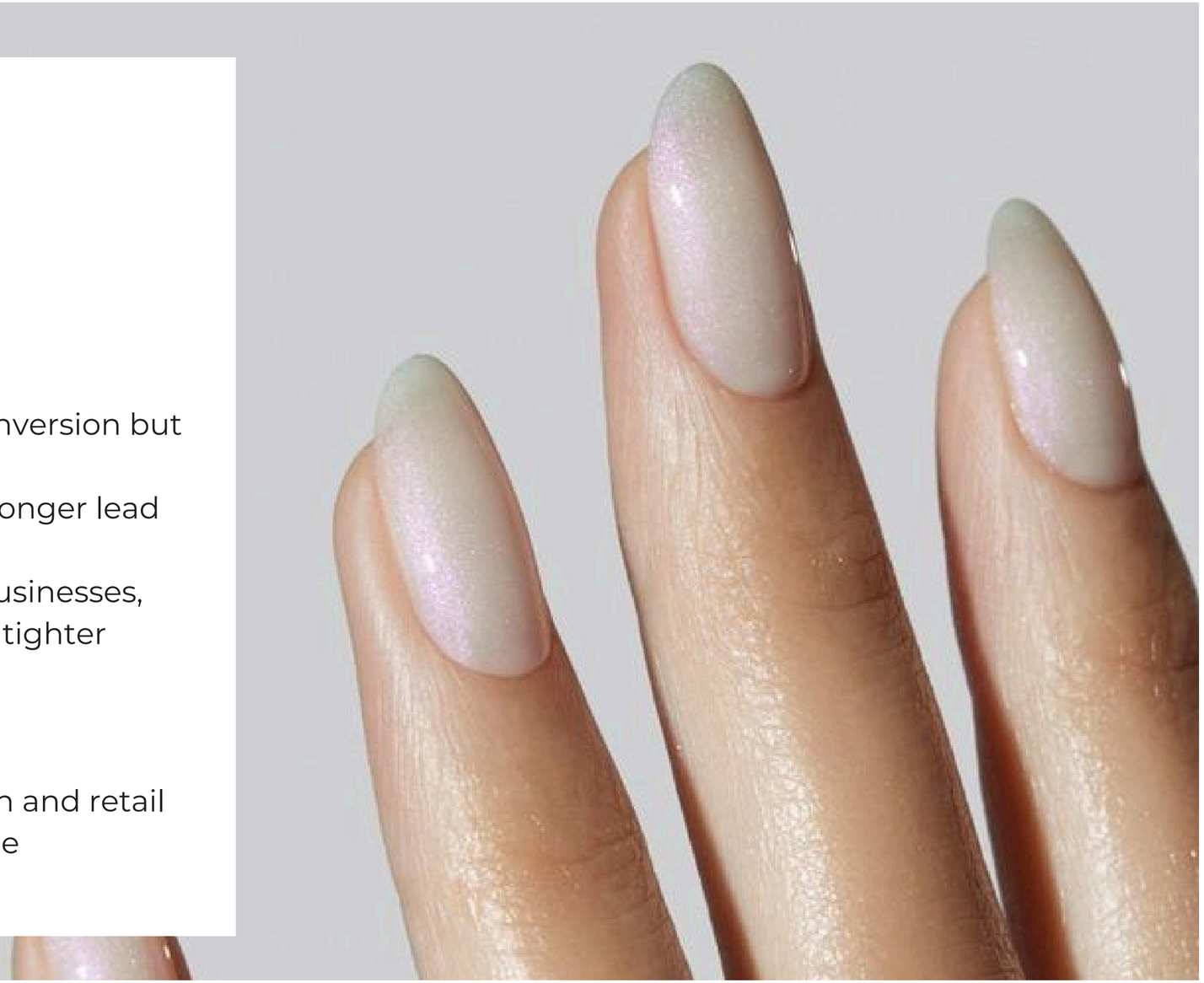
Factors such as improved client retention, demand for personalised services, and evolving consumer expectations around wellness likely contributed to this measured confidence.
It also reflects a stabilising market in which operators are being more strategic, prioritising quality over speed when launching new ventures.

B2B INSIGHTS CONCLUSION

This data set reveals consistent trends:

- Solo Traders lead in client value and retail conversion but lag in frequency and acquisition.
- Commercial Salons thrive in volume, with stronger lead generation and shorter time between visits.
- Cancellations are lower in Phorest-tracked businesses, especially among solo operators, suggesting tighter client relationships or improved systems.

Strategic focus by business type remains key:
Solo Traders can double down on personalisation and retail programs, while Commercial Salons can enhance operational scale and acquisition funnels.





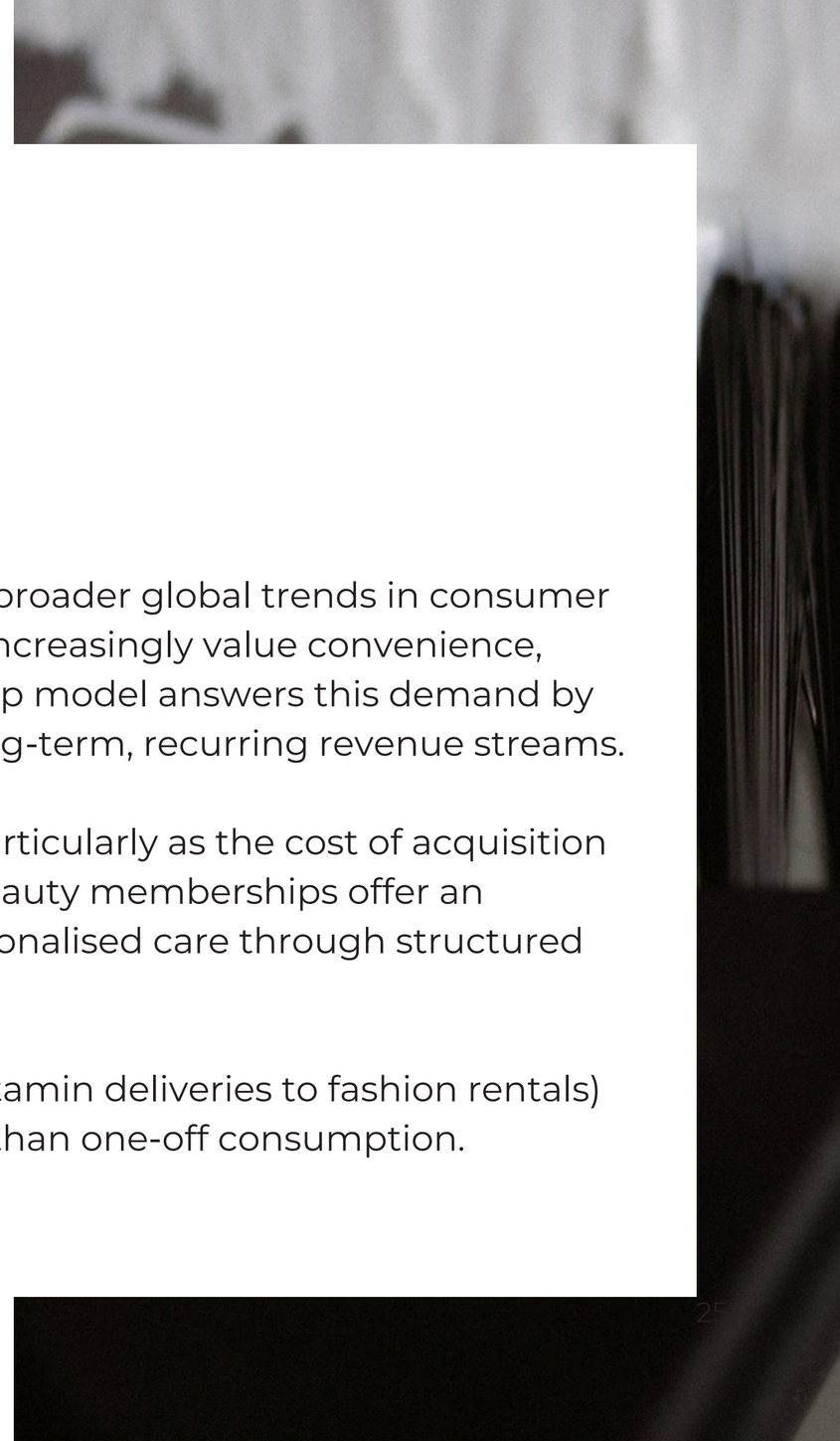
MEMBERSHIP ECONOMICS AND BEHAVIOUR

MEMBERSHIP MARKET CONTEXT

Market Context: The rise of memberships across the beauty and wellness sector reflects broader global trends in consumer behaviour and business model evolution. In a post-pandemic environment, consumers increasingly value convenience, predictability, and access to perks that enhance their overall experience. The membership model answers this demand by creating a sense of exclusivity and habitual care — turning once-occasional visits into long-term, recurring revenue streams.

Memberships are also becoming a commercial necessity for many service businesses, particularly as the cost of acquisition rises and retention becomes critical to profitability. Like gyms and streaming services, beauty memberships offer an opportunity to smooth out cash flow, build stronger client relationships, and deliver personalised care through structured treatment plans.

This trend mirrors the rise of subscription culture more broadly (from fitness apps and vitamin deliveries to fashion rentals) where the value proposition lies in sustained access and ongoing transformation rather than one-off consumption.



MEMBERSHIP STRUCTURE & PAYMENT PREFERENCES

Membership models in the beauty and wellness space are increasingly tailored to the individual client, with **78% of memberships personalised around treatment plans** rather than template offerings. This signals a shift toward more bespoke client care and long-term results-based engagement.

The **average membership value per month sits at $195**, highlighting the growing willingness of clients to invest in ongoing skin health and results driven homecare routines.

In terms of payment preferences, **most members choose weekly payments** (61%), followed by fortnightly (23%) and monthly (15%), indicating a preference for manageable, recurring payments that align with personal budgeting habits.

While **59% of memberships are paid via credit card**, 41% use direct debit, reflecting flexibility in how clients choose to commit financially to their service plans.



PAYMENT RELIABILITY & MEMBER PERKS

From a business operations standpoint, **direct debit offers a 6% higher success rate** than credit card payments, making it the more reliable option for ensuring stable recurring revenue. Despite occasional payment failures (a common occurrence across all subscription-based models) **9 out of 10 payment declines are successfully resolved through automated follow-up systems**, maintaining cash flow and client continuity.

Beyond the mechanics of payment, **the value of membership lies in the perks:** clients most frequently receive priority booking, retail discounts, complimentary birthday treatments, treatment upgrades, and access to member-only events. These benefits not only incentivise loyalty but also foster a sense of exclusivity and enhanced service experience that deepens client retention.





THE STORY BEHIND THE NUMBERS

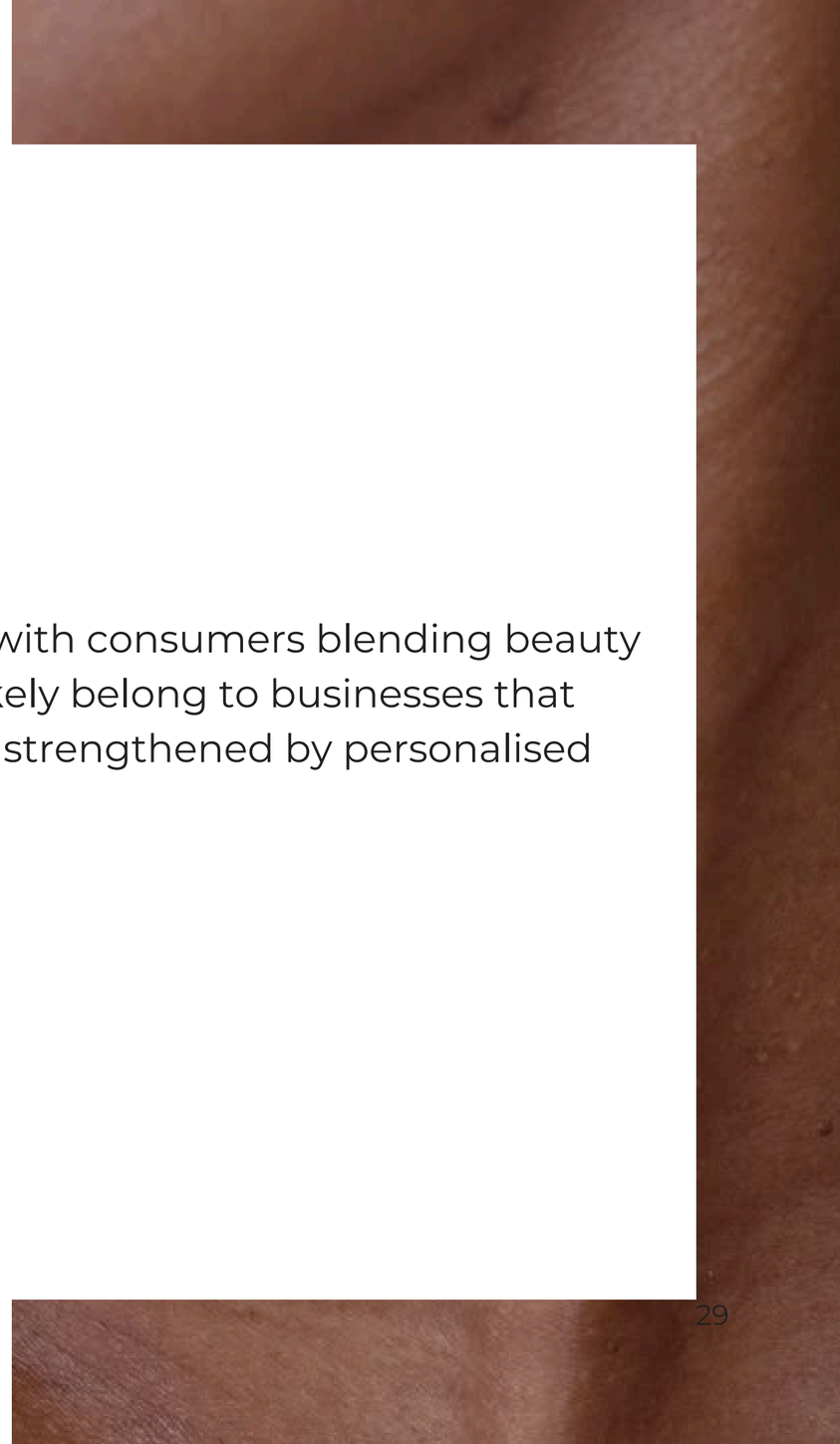
The Beauty & Wellness industry in Australia continues its recovery and repositioning post-pandemic. Employment growth is steady, with particular strength in wellness-aligned segments such as massage. Franchise and corporate activity reflects stagnance, however not shown in the commercial retail space by Adore Beauty's aggressive physical expansion.

Consumer behaviour trends highlight a shift towards comprehensive self-care, with supplements and skin health commanding growing shares of wallet. Google search trends corroborate this, with a notable spike in demand for skin clinics. Membership models, especially personalised treatment plans, are strengthening client loyalty and encouraging repeat business.

Shortened appointment intervals, rising rebooking rates, and strong membership economics indicate that existing clients are returning more frequently and spending more steadily. However, a slight dip in new customer acquisition suggests the need for targeted marketing strategies moving forward.

SYNTHESIS

Q1 paints a picture of a resilient and evolving beauty and wellness industry, with consumers blending beauty maintenance with holistic health and wellness aspirations. The future will likely belong to businesses that can integrate high-end service experiences with wellness-driven outcomes, strengthened by personalised memberships and enhanced client retention strategies.



RISKS AND WATCHPOINTS

- Inflation remains a threat to discretionary service spending.
- Potential labour shortages in high-demand wellness sectors.
- Regulatory shifts, particularly around cosmetic procedures, could alter business operations.
- Slight decline in new client acquisition may pressure growth rates in later quarters.



FUTURE OUTLOOK

- Q2 2025 is expected to continue the growth trajectory, albeit with potential slight moderation if inflation pressures rise. Emerging trends to watch include:
- AI-driven skin diagnostics
- At-home beauty devices encroaching on clinic demand
- Increased focus on holistic skin health solutions over traditional beauty services



- Australian Bureau of Statistics (ABS)
- IBIS World Industry Reports
- Google Trends
- Aglow Membership Research Data
- Inside Sector Survey Data (Q4 2024 vs Q1 2025)
- Internal Market Modelling and Estimates



DATA SOURCES & METHODOLOGY

Summary of Key Metrics:

- Estimated Market Growth: +2.145%
- Employment Growth: +2.5%
- Franchise Revenue Growth: +1.2%
- Consumer Spending Growth: +3.1%
- Business Net Growth: +0.5%
- Google Search Growth: +4.0%
- Appointment Frequency Improvement from Q424: -1.28 to -1.78 weeks
- Rebooking Rate Increase from Q424: +1% Commercial, +4% Solo Traders



APPENDIX



STOP GUESSING FROM THE OUTSIDE

LET US ACCELERATE YOUR BRAND, INSIDE INDUSTRY.

LET'S CHAT
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