

## US NAIL SALON GIANT PREPARES TO TAKE UK MARKET BY STORM

BY ANDREW DON

A US-based nail salon franchise has revealed plans to shake-up the UK market by opening up to 100 outlets here during the next four to five years.

Deborah Stortz, chief operating officer, confirmed: "Dashing Diva is now eyeing expansion into the UK. We have begun a hunt for the right UK partner [a master franchisee] and are in the preliminary phase of discussions with a couple of different players."

She said she saw potential for "explosive growth" in a UK market that was still in its infancy and that the company hoped to launch its first UK salon next year. "Ideally, we would like to open 50-100 stores in the UK in the next four to five years. Presumably, 20-30 would be in the London area."

She said sites that attracted a good balance of commercial traffic during the day and residential traffic during evenings and weekends would be suitable, naming Knightsbridge, Kensington, Notting Hill, Oxford Street and Canary Wharf as possible contenders.

The company's target is to have a total UK salon turnover of £15m-£20m after five years.

Wage costs are higher in the UK than in the US and pricing would



Dashing Diva plans 50 to 100 stores across the UK within the next five years

have to allow for VAT, which it did not in the US. Even so, Stortz said Dashing Diva hopes to offer 10% lower prices than those "the better nail bars" are charging, but offer more "bells and whistles".

Higher rents in the UK, especially London, also pose the challenge of optimal use of space. "In the US we think that the optimal store size is somewhere between 365 and 450sqm. For the UK, with the exception of a few larger formats, the size would be...maybe 245 to 275sqm."

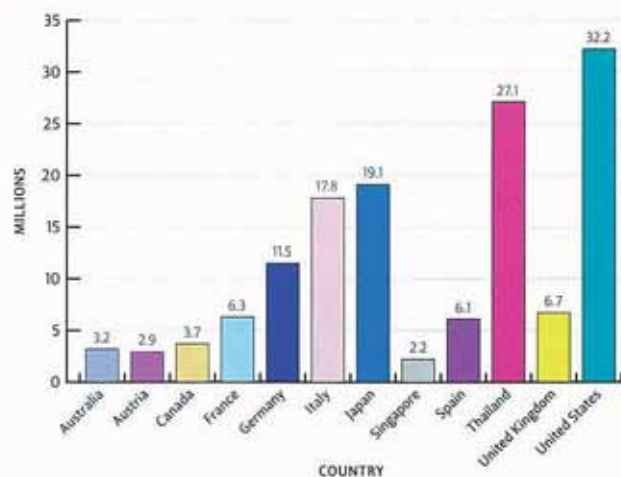
Stortz said the company would establish itself in the UK by "more than likely" selling the master franchise rights for a "low six-figure" sum, plus 3-5% of ongoing royalties. The master franchiser

might then sell franchises for a fixed fee, plus 1.5-2% royalty.

Dashing Diva, a subsidiary of nail enhancements giant KMC-Exim Corporation, is headquartered in Port Washington, New York, and opened its first company-owned salon in the city's Greenwich Village four years ago.

It now has six salons in the US, two in Japan, one apiece in Australia, the Philippines, Korea and Singapore, and three in Kuwait. A company-owned salon in Shanghai, China, is scheduled to open this October and five more company-owned outlets will open by the end of this year in New York and New Jersey. Dashing Diva is also working on new master franchises in Russia and Italy.

## FIRST GLOBAL SPA CONSUMER REPORT RELEASED



The spa industry is booming according to early findings from the first Global Consumer Report by the International Spa Association (ISPA) and Harris Interactive.

Although the full report was not published at the time of writing,

US-based ISPA confirmed there are now more than 150 million active spa-goers worldwide, with some 6.7m of those based in the UK (see table above). Unsurprisingly, the US is the most prolific spa-going nation, boasting some 32.2m regular clients.

Interestingly, the UK has the largest gender division of all countries surveyed, with a 78:22 female to male ratio, compared with the US's 69:31. Germany had the smallest division with 53:47.

When it comes to the most common treatments performed in each country, the UK joins Singapore and Australia in placing facials firmly at the top of the list. Saunas and steam baths were top in all other European countries surveyed, and also in Japan, while full-body massage rules the US and reflexology tops Thailand.

Regardless of location, the top reasons consumers visit spas are to relax and relieve stress. ISPA found men seek treatments that "get work done", such as deep tissue massage, whereas women tend to opt for beauty treatments.

"This research project [offers] the first-ever snapshot of the global spa consumer," said ISPA president Lynne Walker McNeas.

## NEWS IN BRIEF

### DE VERE GOES SPA

Spa Developments is working with De Vere



Hotels to plan and design new spas at four sites. First to open will be at the Cameron House Hotel, Loch Lomond (pictured), in July. The other three are at Royal Bath Hotel, Bournemouth; Camden Park, Chester; and The Grand in Brighton.

### STARS OF MAKE-UP

Jaimini Beauty, Leicester, took the crown at the Jane Iredale UK Salon of the Year Awards in London. The awards recognise hard work, sales and a commitment to the brand's philosophy. The Spa at Gleneagles Hotel was runner-up.

### NG BUYS DAVID LLOYD

Following our interview in *Professional Beauty* May, in which Next Generation (NG)'s spa specialist Miles Hill divulged that the brand was "very interested" in buying David Lloyd Leisure. We can reveal that NG bought the fitness brand from Whitbread for £925m in early June. NG's CEO Scott Lloyd said, "This deal...provides an excellent platform to take the business into the next stage of development while reinforcing our market leading position."

### WINNING WAYS

Joanne Goodwin (pictured) was the lucky winner of the KJT Beauty, Nails & Training competition at Beauty UK in Birmingham. Goodwin took home the new Konad Classic I Nail Art Stamping Set - the first available in the UK - containing new colours and image plates.



### SINGLE SITE FOR INTERBAD

From 2008 onwards, Interbad, the trade fair for swimming pools, saunas and spas, will take place only in Stuttgart. The bi-annual show previously alternated between the two German towns of Düsseldorf and Stuttgart. By concentrating on Stuttgart, the German Association for the Recreational and Medicinal Bath Industry and partner Messe Stuttgart hope to strengthen loyalty with a clear brand.

### A NATURAL WINNER

UK Holistics won the Best Training - Complementary award at The Health and Beauty Training Show at Excel London on May 20. Judges thought a high standard had been reached and that UK Holistics outshone other entries.