



THE 2024 BEAUTY AND WELLNESS BENCHMARK REPORT

THE DATA, INSIGHTS, AND GROWTH TRENDS DEFINING THE INDUSTRY

INTRODUCTION

After four years of steadily rising growth, the beauty and wellness industry experienced a modest slowdown in 2023. **Overall growth for the year reached just 5%** following a period in which most businesses saw gains of 20% or more.

In any industry, a change like this always inspires the question “What’s next?”

The answer is in the data. For the third consecutive year, Zenoti has analyzed performance data from salons, spas, and medical spas across North America to identify trends and compile **the industry's only definitive, up-to-date benchmark data.**

Two of the most notable trends reveal strategies that beauty and wellness businesses should capitalize on to bolster growth in 2024 and the years to follow:

1. Membership revenue models are rapidly becoming more common and have become the steadiest source of growth.
2. Businesses that expand their customer connections using digital touchpoints – online booking and check-in, text messaging, mobile app access – continue to have higher revenue.

By responding to these and other trends, and using industry benchmark data to understand performance levels, beauty and wellness brands can achieve ongoing growth – even in challenging or slower times.



ABOUT THIS REPORT

The annual Beauty and Wellness Benchmark Report is a selection of relevant, actionable insights – high-level highlights we feel can deliver a great overall benefit to today's business owners and managers. As the industry's technology leader, Zenoti is uniquely positioned to analyze and share this data, and we're proud to do so.

For Zenoti customers, however, we deliver far deeper data analysis. Zenoti gives each customer comprehensive insight into which business areas drive revenue growth most effectively, and which would benefit from adjustments or changes. This consultative approach to performance data and benchmarks – ongoing, customized, interactive – helps Zenoti businesses chart their paths to greatness.

If you'd like an insightful review of how your business metrics compare to 2024 benchmarks, [connect with one of our consultants](#).

WHAT'S INSIDE

Notes from the CEO

Key findings and trends

2023 recap: What drove revenue growth?

2024 industry benchmark and trend data

To provide accurate data for a variety of business categories, the Beauty and Wellness Benchmark Report covers these seven business segments:

Nail salons

Barbershops

Salons

- Includes full-service salons, brow and lash salons, and other specialty salons

Membership-based spas

- Spas with more than 30% of revenue from memberships

Non-membership spas

Medical spas

Waxing centers





NOTES FROM THE CEO

What do today's most successful beauty and wellness brands have in common? Access to data.

Business owners and managers with the right data have a distinct edge. Data shows what they do well, where to focus, and which business strategies deliver the greatest impact.

But business data is only powerful when there's something to compare against: industry-wide benchmark data. As the definitive source of industry data – more than 13 years and nearly 30,000 businesses – that's what Zenoti presents with this report, for the third year.

In this industry we're so passionate about, there's a fascinating shift taking place. Data shows that the use of technology, such as automated tasks, AI, and mobile tools, is related to revenue growth. The details reveal ways that brands can thrive like never before, whether you own two locations or run a national chain.

Take a look at the data. See how you compare to businesses like yours and check out the tactics that can make a real difference. As always, I invite your questions and feedback.

A handwritten signature in black ink, reading "Sudheer".

Sudheer Koneru
Zenoti CEO and co-founder



KEY FINDINGS AND TRENDS



Nail salons and membership-focused spas experienced the highest revenue growth.

The nail studio category saw **12% revenue growth in 2023**, more than twice the growth of the beauty and wellness industry overall. Spa businesses that key in on memberships (30%+ revenue from membership sales) grew 8%.



Businesses with the highest revenue have high rates of online booking and rebooking.

Salons, spas, and medical spas that earn the most revenue – the top 10% of the industry – **have online booking rates at least 61% higher than average**. Further, their rate of rebooking a client within 24 hours of a visit can reach 3x the average business.



Membership revenue is growing – and in more types of businesses.

Membership collections grew 8% in 2023, **greater than retail products, packages, and gift cards**. The expanding presence of memberships is illustrated by the types of businesses with the greatest membership growth, including nail salons (+22%) and waxing centers (+14%).



Online sales of gift cards is the fastest-growing new revenue channel.

Although gift cards account for just 8% of the industry's revenue collection, online sales of gift cards across the industry are rising rapidly, **up 16% in 2023**.

2023 RECAP: WHAT DROVE GROWTH DURING A SLOWER YEAR?

In any year and economic climate, it's vital for business owners and managers to know which revenue channels drove the greatest growth – and which faltered. In a comparatively slower year like 2023, that data is even more valuable.

The data below summarizes how each category performed in 2023 and, perhaps more important, the revenue channel that was their greatest source of growth. Even in instances when that channel contributes just a small portion of overall collections, the growth indicates tactics that are likely to resonate with customers in 2024 and the years to come.

WHAT WAS THE MOST RELIABLE SOURCE OF GROWTH IN 2023?

The answer goes beyond the four walls of any salon, spa, or clinic: center expansion. When including newly opened centers in 2023, industry growth increases from 5% (year-over-year growth per location) to 11%.

WHICH BUSINESS TYPES EXPANDED THE MOST?

The number of medical spa locations increased 18% in 2023. Nail salons expanded 12%.



2023 beauty and wellness industry revenue

5% growth

2023 revenue growth per category



Nail salons

12% ↑

Growth area: Memberships



Membership-focused spas

8% ↑

Growth area: Memberships



Waxing centers

6.8% ↑

Growth area: Memberships



Non-membership spas

6% ↑

Growth area: Memberships



Barbershops

5% ↑

Growth area: Packages



Salons

4% ↑

Growth area: Packages



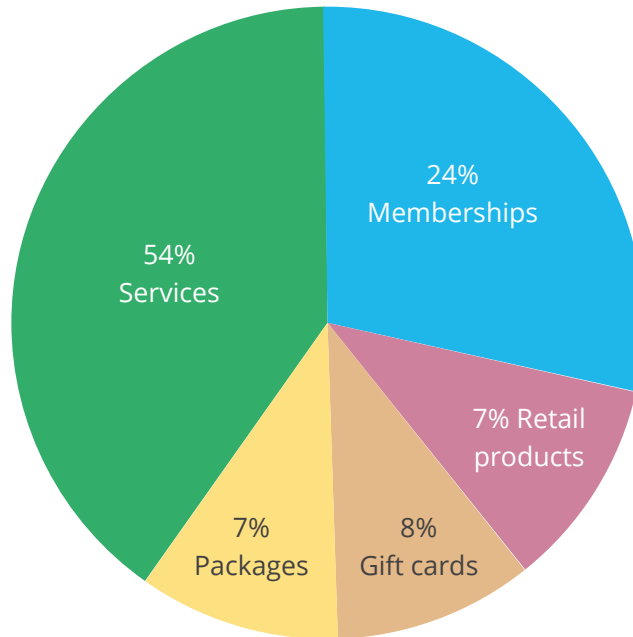
Medspas

2% ↑

Growth area: Packages



How did guests spend their money in 2023?



FAST FACTS



Membership revenue will soon account for 1 out of every 4 dollars spent in the industry.



83% of all salon revenue comes from services, the highest rate across the industry.



Medspa revenue is shifting: less money from services, and more from memberships and package sales.



2024 BENCHMARK DATA

All benchmark metrics featured in this report refer back to the most pivotal business key performance indicator: annual revenue per location.

Using results from that metric, we identify three benchmark levels of performance:

Top earners

The top 10% in revenue collection for each business category

High achievers

The top 25%

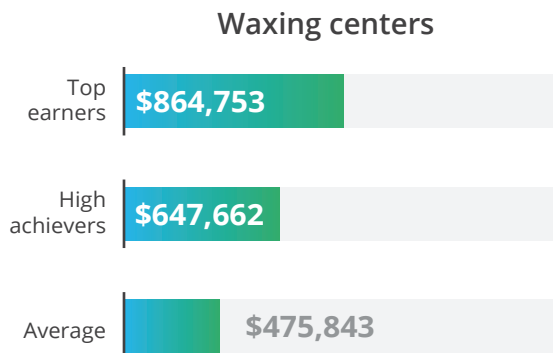
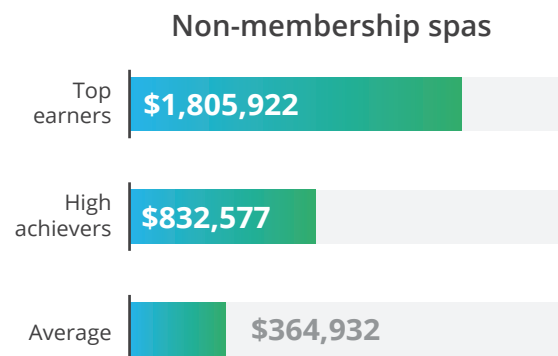
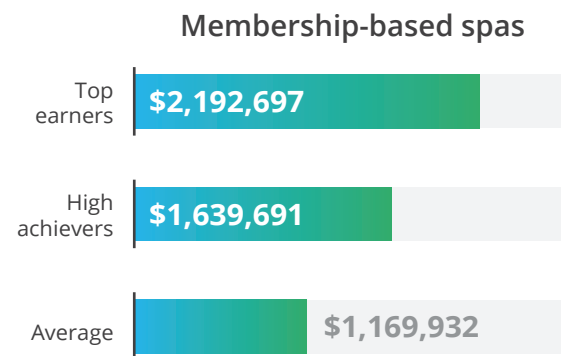
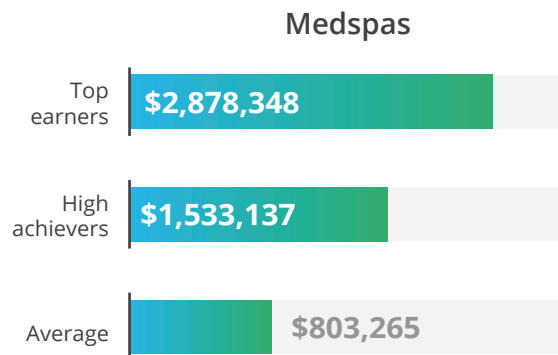
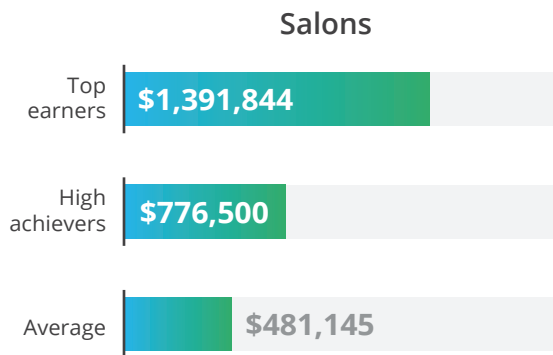
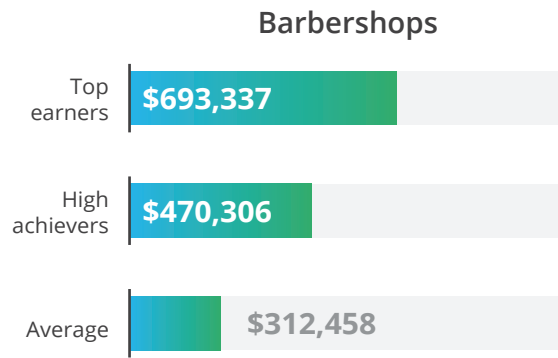
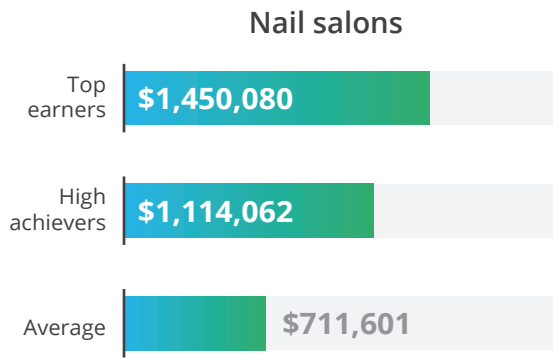
Average

Revenue for the average-earning business

These three designations are referred to throughout the report, allowing for a quick check on how businesses at each of these revenue levels perform across other tactical KPIs.



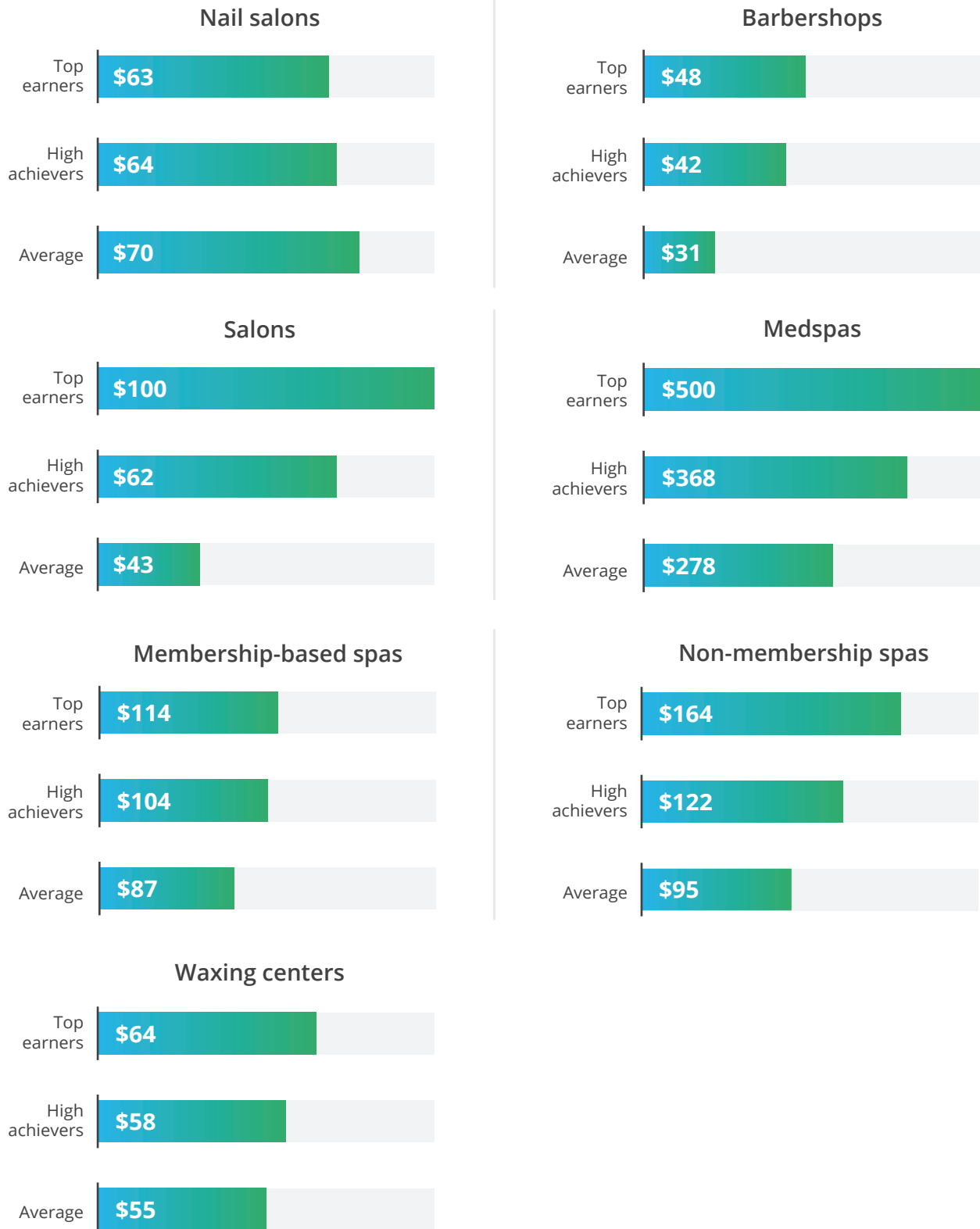
2023 revenue per center



Average ticket size / guest spend per visit

The average invoice at any business reflects more than just the cost of services. It highlights the ability to upsell, create packages, manage pricing skillfully and dynamically, and successfully promote add-ons.

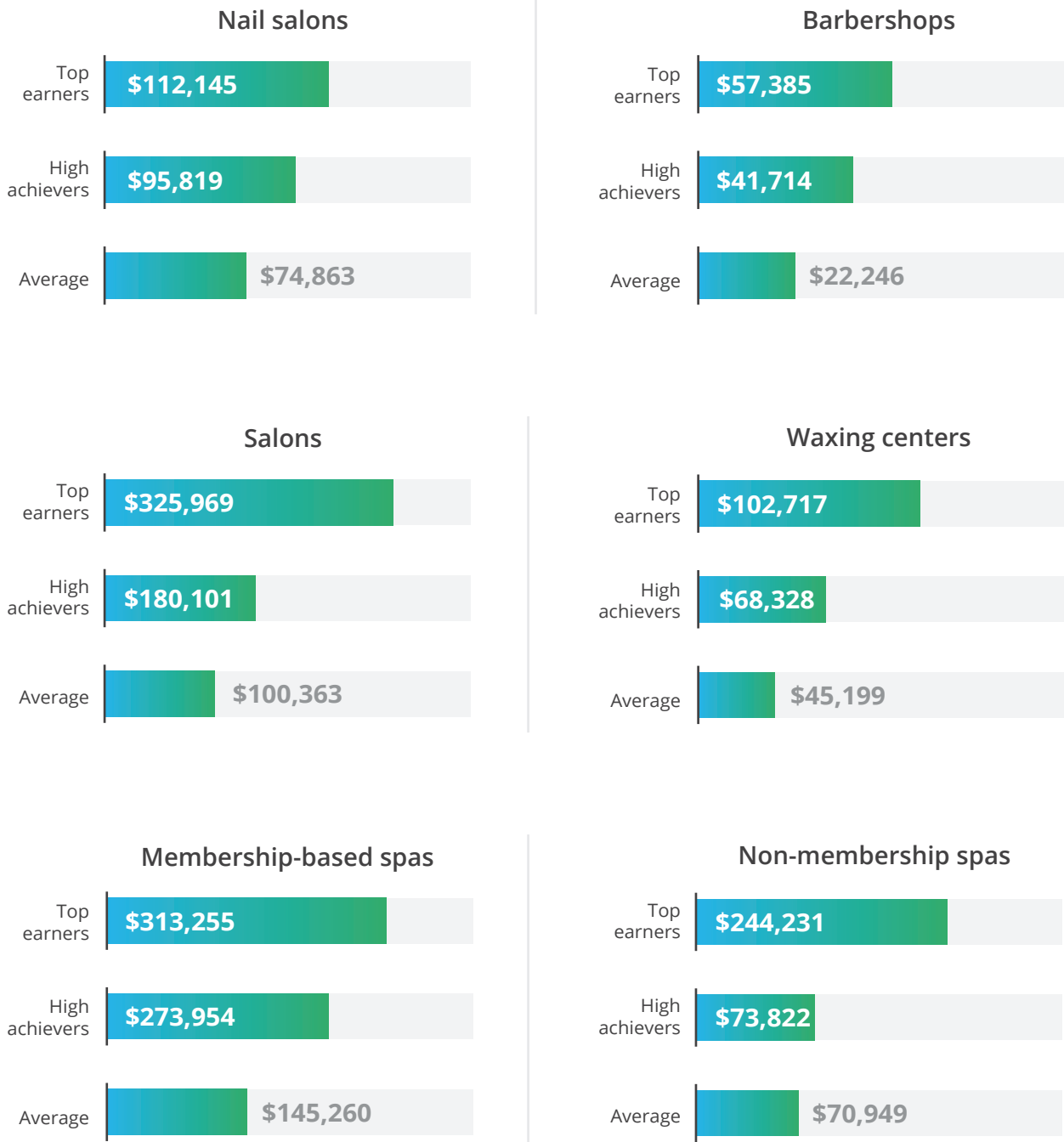
Average ticket size data can even identify busier brands, as it does below with nail salons. Top-revenue nail salons have a slightly *lower* average ticket size than the average salon – meaning those top earners are likely booking more visits per location.



2023 in-person upsell revenue

Service, retail, or gift card sales added to an invoice after guest check-in

At top-performing businesses, upsell revenue can account for a notable percentage of earnings. Successful upselling is about more than just perfecting a “sales” pitch – it shows a team’s ability to connect and engage with clients and create appealing reasons to purchase more while in the store.





Upsells make up
15% of all industry revenue

BUSINESSES WITH THE
HIGHEST PERCENTAGE
OF UPSELL EARNINGS

Nail salons: 24% of revenue

Salons: 20% of revenue

Membership-based spas:
15% of revenue



2024 TREND: GIFT CARD SALES MOVE ONLINE

Most businesses are not using gift cards to their full sales potential. Here's why they should.

Data shows that 25% of all beauty and wellness gift cards are redeemed by a new customer. That's up from 21% a year ago, a sign that more people are using gift cards to introduce family and friends to their favorite salon or spa.

For businesses, the opportunity to welcome new lifetime clients – at essentially no acquisition cost – is a key reason to prioritize gift card sales.

But there's an even bigger gift card trend today: **Online sales of gift cards was the fastest-growing revenue channel in 2023, up 16%.** Although gift cards only account for about 8% of total industry revenue, the shift to online sales highlights that customers are responding to digital options and offerings.

2023 online gift card sales



Membership-based spas

up 33% ↑



Medspas

up 19% ↑



Non-membership spas

up 17% ↑



Salons

up 6% ↑

Zenoti extra

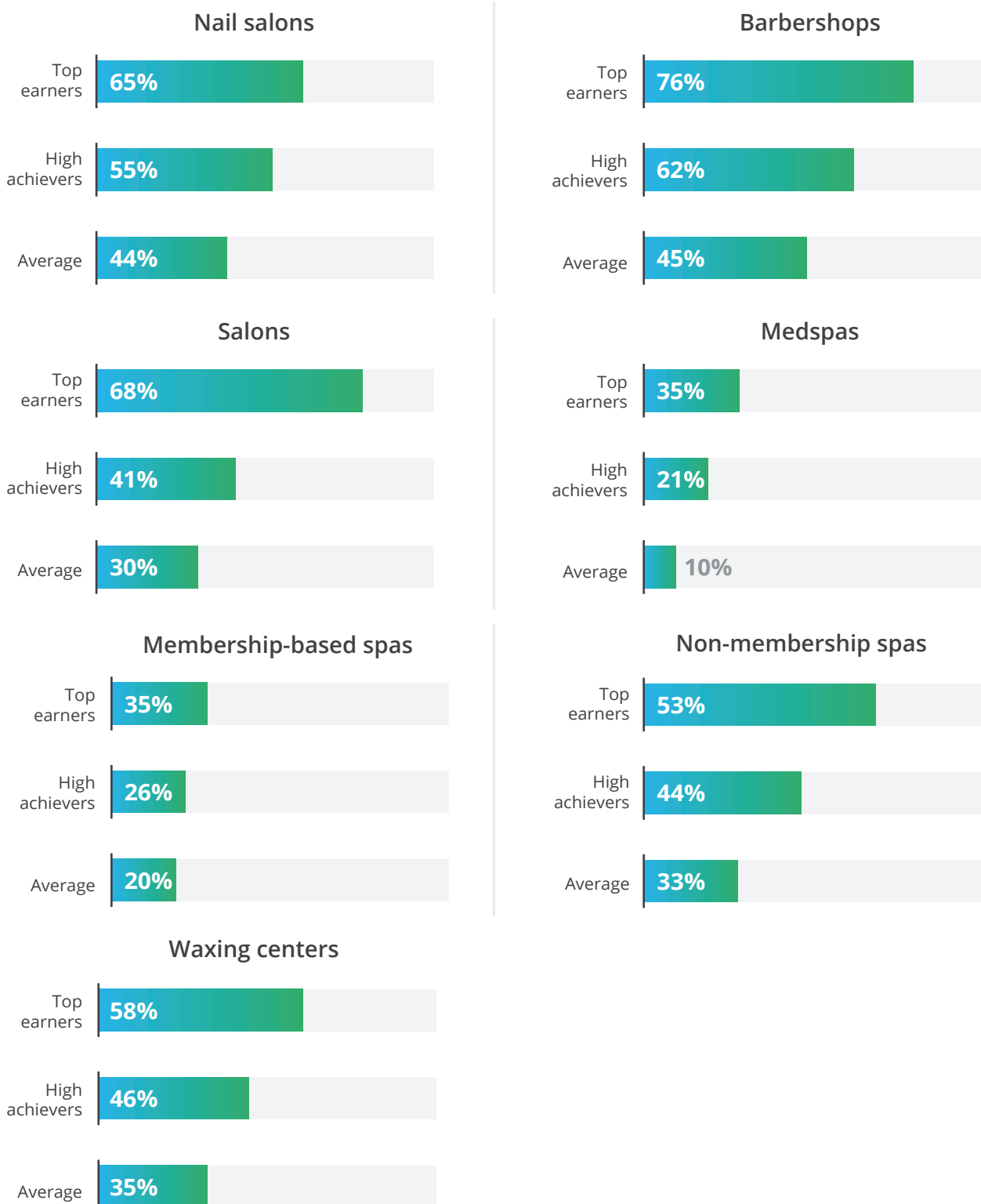
What happens when a customer starts to order a gift card online, but doesn't complete the purchase? Zenoti software sends the customer an email or text reminder to finish the transaction. [See how to add online gift cards to your beauty and wellness business.](#)

Online booking rate

Percentage of appointments booked by the guest online, via mobile app, or at an in-person kiosk

In a 2023 consumer survey, 80% of beauty and wellness customers said they want to book their appointments online. But online booking is more than just a slam-dunk customer preference.

Businesses with the highest rates of online booking are also the highest-earning businesses. As an example, 3 out of 4 appointments at the top-earning barbershops are booked online by the client.



2024 TREND: RESERVE WITH GOOGLE A FORCE TO ATTRACT NEW GUESTS

In the competition to gain new customers, beauty and wellness businesses have a powerful tool at their disposal, sitting within the world's most popular website.

With Reserve with Google, customers can book an appointment directly from Google search results – including the Google local finder, a Google business profile, and even Google Maps.

Data shows that 18% of booked appointments via Google are from new customers. Salons have benefitted most, with a new client coming in every 1 out of 4 Google bookings.

New clients resulted in **19% of all revenue from Google-booked visits.**

Percentage of Google bookings scheduled by new customers



Salons
25%



Nail salons
24%



Barbershops
22%



Medspas
21%



Non-membership
spas
20%



Membership-
based spas
19%



Waxing centers
14%

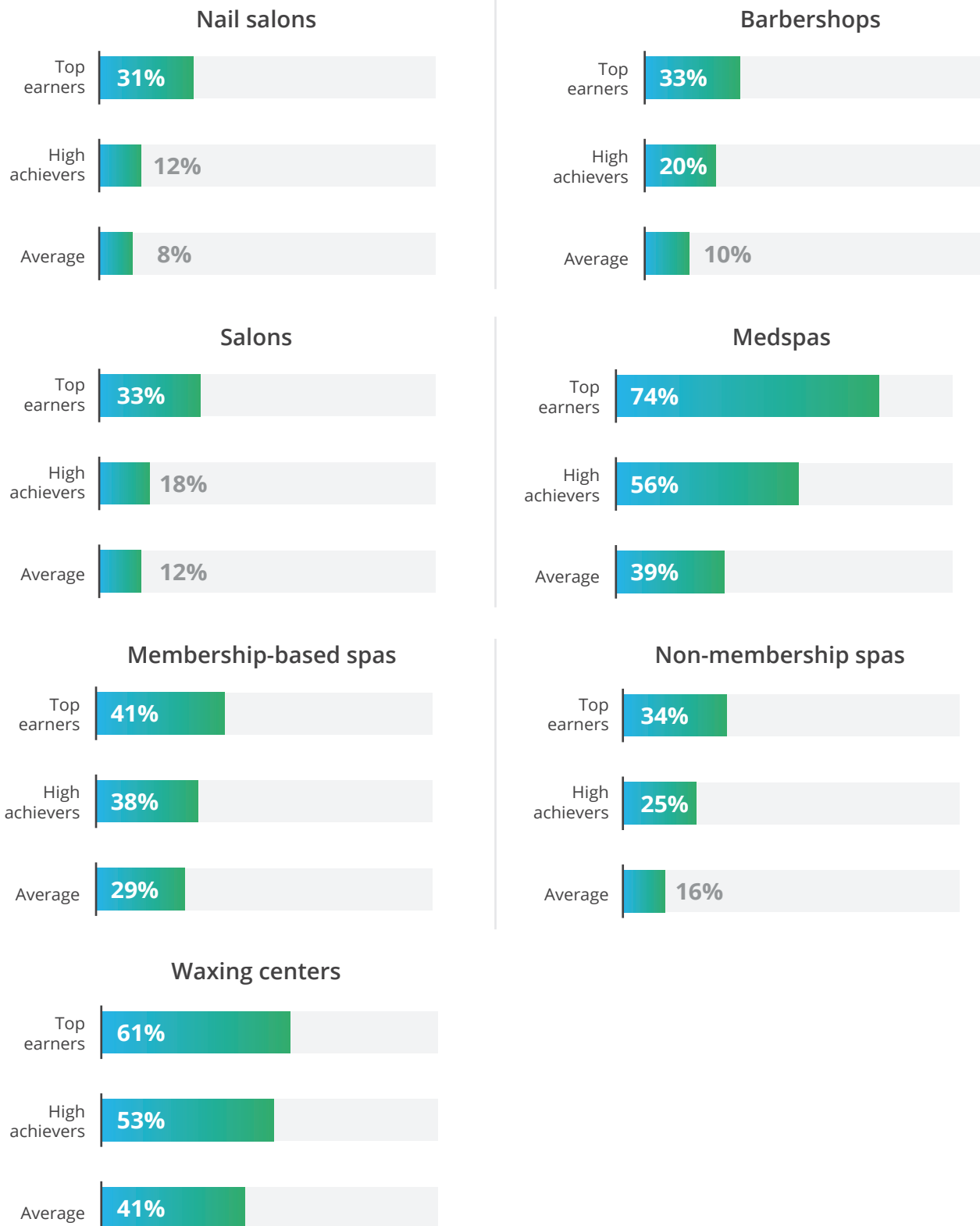
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Want more potential customers via Google search results? On your website, highlight the service, combination of services, or customer approach that you're known for, or that no other business in your area offers. Create a separate page, blog posts, FAQs... whatever may place more attention on that exclusive offering. When people search for that service, you'll be more likely to surface in search results. [See other ways to master Google for your business.](#)

Rebooking rate

Percentage of appointments booked within 24 hours of the latest visit

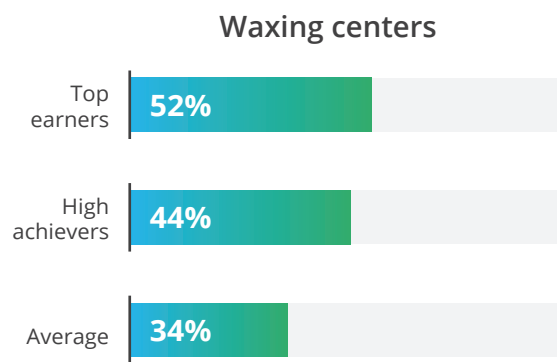
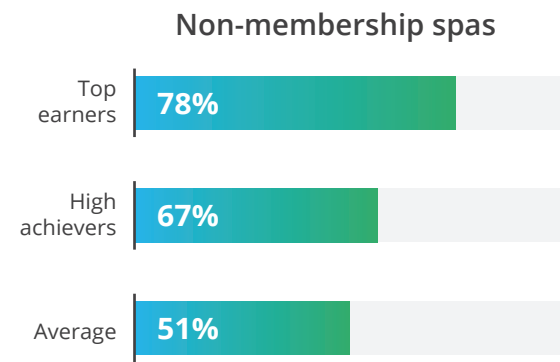
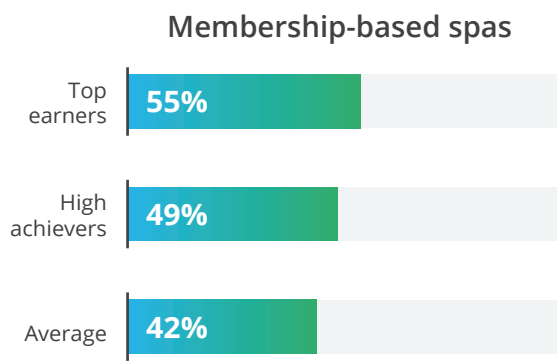
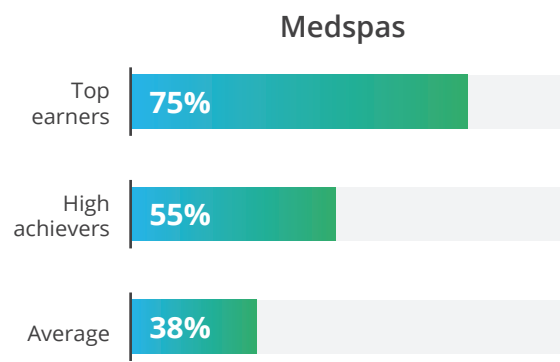
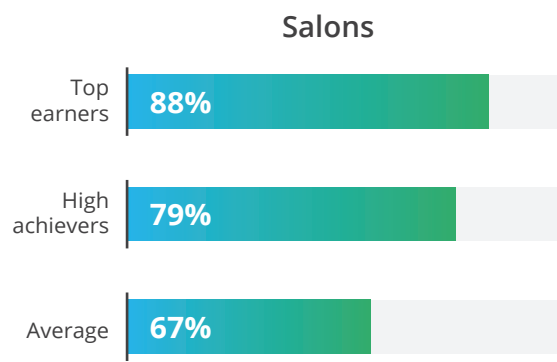
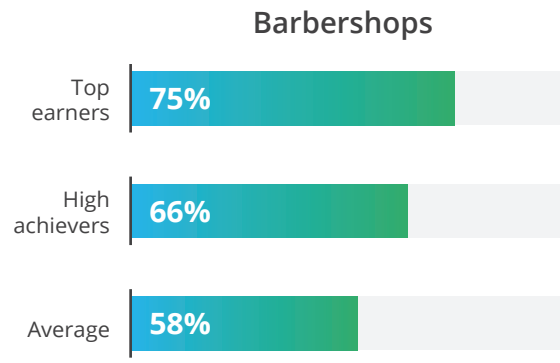
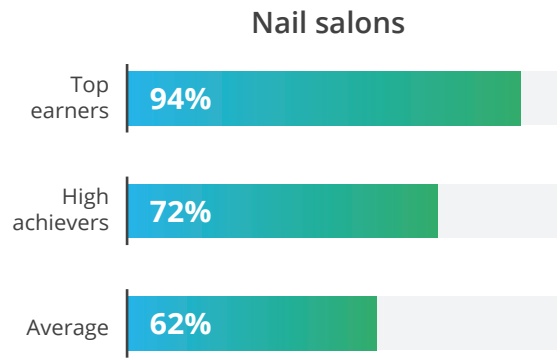
The best way to fill upcoming weeks in your appointment book is to encourage rebooking as soon as possible. That's when a satisfied, pampered customer has their service fresh in their mind and is looking forward to returning. A knowledge of your rebooking rates helps when forecasting upcoming schedules; high rebooking rates help keep utilization rates high.



Utilization rate

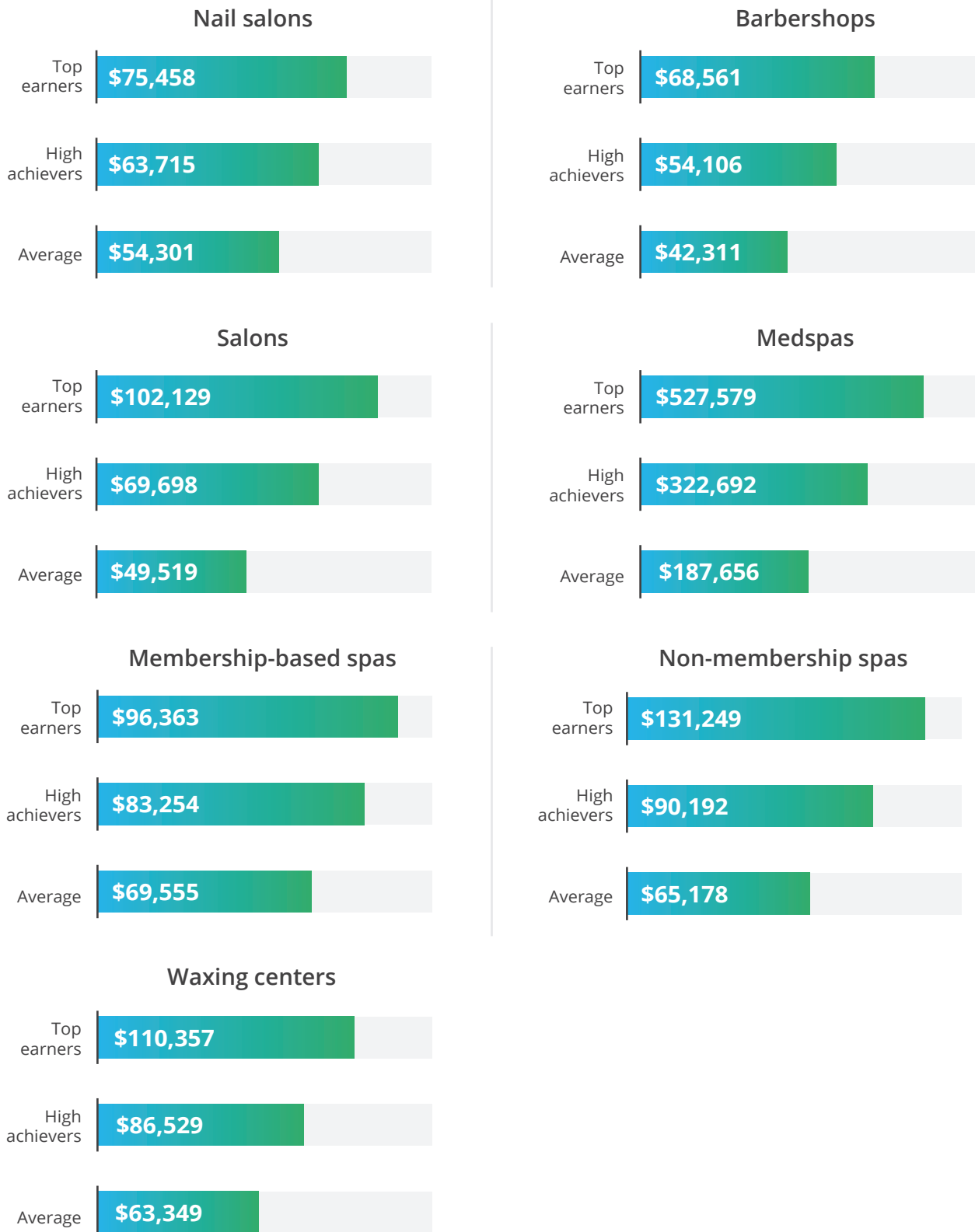
Percentage of available time in which services are delivered

High utilization is the second major key to revenue growth (the first is maximizing capacity, the third is boosting revenue per visit). A high utilization rate is the sure sign of a thriving appointment book: your providers are busy, more clients are receiving service, and there are fewer unfilled slots in your schedule.



2023 revenue per provider

High-earning service providers drive positive outcomes throughout the business: they likely maintain a loyal client base and can command higher service prices; their productivity contributes to the overall well-being of the business and the brand; and as happy staffers, they help inspire other providers and maintain high rates of retention.



2024 TREND: SPAS SEE SIGNIFICANT GROWTH IN PACKAGES



5%

Package sales growth,
industry-wide



-1%

Retail product sales
growth, industry-wide

One of the more effective marketing strategies is packaging – creating and recommending a package of goods, building an opportunity to increase revenue with every booking or purchase.

A package can be a service-plus-product pairing that fits together perfectly. Or a tried-and-true service pairing like a cut and color or mani-pedi. It can be a preset series of regular visits, priced at a package rate. Other times, it's a combination of services that hint at a luxury escape, playing into the psychology of “treating yourself.”

However conventional or innovative the offering, package sales can boost customer experience – and the bottom line.

Spa businesses appear to be taking this to heart, specifically membership-based spas. **Although packages currently make up just a small piece of spa revenue, package sales increased 85% at spas in 2023.** That accounts for more than \$20K in sales at each top-performing spa location – and shows a potential for far more.

2023 package sales growth



Membership-
based spas

85% ↑



Barbershops

35% ↑



Salons

10% ↑



Non-membership
spas

9% ↑



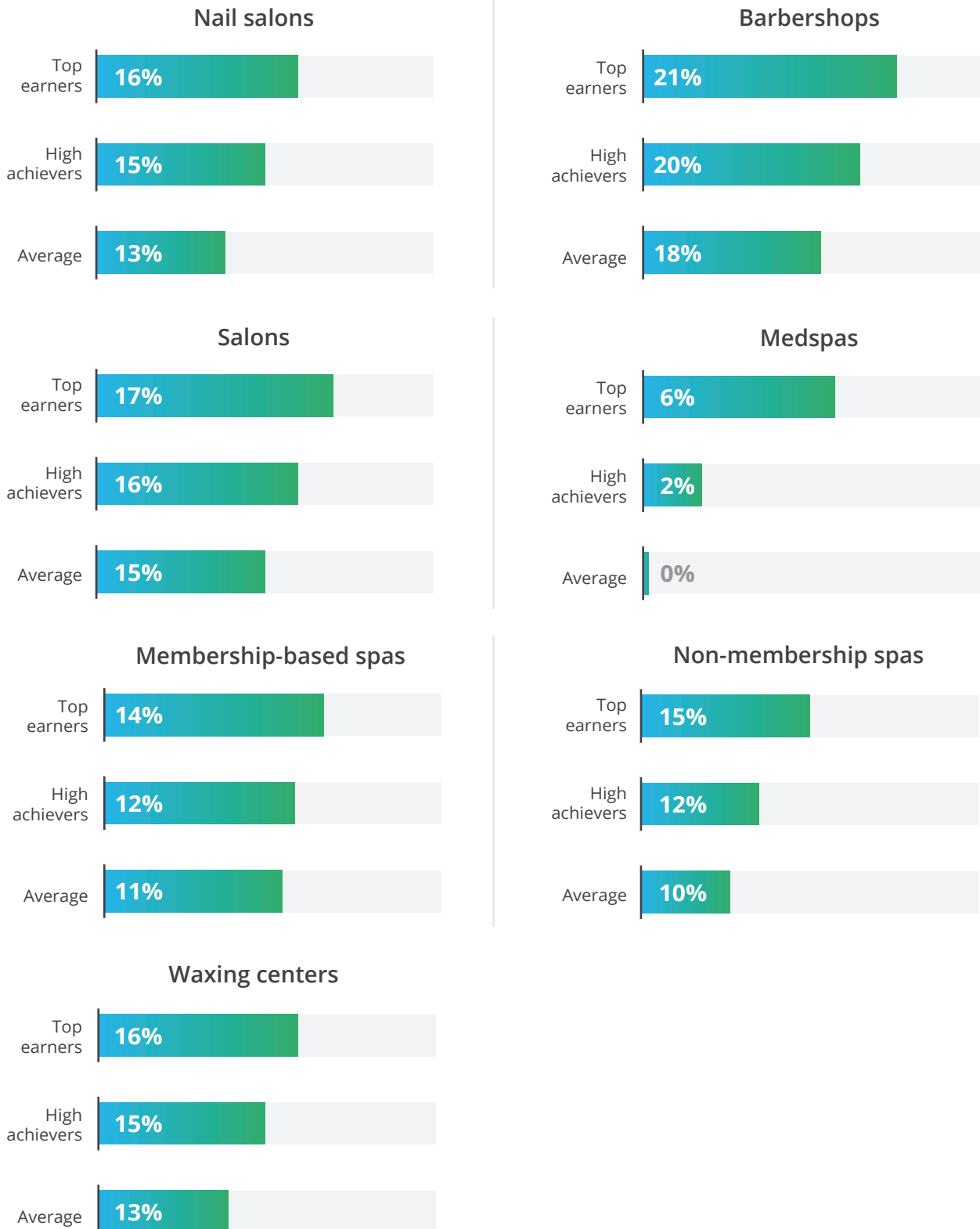
Medspas

2% ↑

2023 tip rates

Percentage of transaction amount designated for tips

As with any tipping industry, a high tip percentage confirms a high level of customer satisfaction and can reflect excellent service. Although the differences in tip rates are not significant across the three benchmark levels, the highest-revenue businesses still garner the highest tip rates in every category.



WRAP-UP

It's impossible to predict future economic conditions or spending habits. But industry-level data gives beauty and wellness leaders important insights they can use to help grow their businesses – whether an economy is strong or softening.

Despite the deceleration seen in 2023, areas of growth abound for salons, spas, and medspas. The highest-earning businesses capitalize on strategies that a) give customers digital control and convenience, and b) drive revenue in ways that benefit both clients and service providers.

From the growth of membership revenue to two notable sources of customer acquisition (gift cards and Google booking), this year's benchmark report reveals opportunities for brands to lean into trends and attract business in unique ways.

Some key recommendations:

- If you don't currently offer **membership options**, consider what might work for your brand and customer base. Look for programs that are digital, automated, and simple for staff and customers to understand.
- Feature **gift cards** year-round, not just during holiday seasons. Take advantage of the online sales trend by selling and promoting gift cards via your online booking and shopping.
- Employ **digital tools** to manage client interactions – and encourage their use. Consumers consistently show a preference for self-service digital access, especially via a mobile app, and the data shows a correlation to higher revenue.
- Look at **Reserve with Google** as a growth avenue. Ensure a "Book online" button is added to information for each of your locations, wherever your salon and spa is featured in Google results.

Finally, continue to look at industry benchmarks to see where you stand, assess your strengths, and address any gaps in your business operations.

See how your metrics compare to in-depth benchmark data, and get customized insights for your business. [Request a review with a Zenoti consultant.](#)



ABOUT ZENOTI

With the industry's most complete end-to-end software growth platform, [Zenoti](#) helps [30,000 beauty, wellness, and fitness businesses](#) across 50+ countries find their greatness. The choice of top salons, spas, medical spas, and fitness centers, Zenoti helps ambitious brands grow their business, elevate the [guest experience](#), engage their talented staff, and work more efficiently than ever.

Business [owners](#), [managers](#), and [staff](#) use Zenoti to seamlessly run every aspect of their business, both online and in-person. Zenoti provides a single solution that includes online appointment booking, POS, CRM, employee management and engagement, inventory management, built-in marketing programs, and more. Zenoti is also the force behind the industry's premier live event, [Innergize](#), which hosted more than 600 business leaders and innovators in 2023. For more information, see [zenoti.com](#).

