

PRAVANA™

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A Glimpse Into the Future of Pro Beauty



One advantage of being in this profession for a long time is you get to witness tremendous change. Just imagine, in 1994 there were more than 100 viable, professional-only independent distributors in the United States. The distributor store business was just starting to take form and no one had yet considered e-commerce. Smartphones, texting, Twitter, Tumblr, Instagram, Pinterest and Facebook had not yet been invented. Mark Zuckerberg was 10 years old. Today, due to consolidation, there are only two large, dominant distributors and only a handful of smaller but viable full-service distributors. However, there are thousands of distributor stores serving salon professionals and performing the lion's share of distributor sales transactions. Recently, we've seen the emergence of professional beauty B2B and B2C e-commerce (Loxa, Ulta, JCP, etc). All of us are scrambling to find effective ways to use social media to build our businesses. Clearly, things have changed and

for the most part, I believe, for the better. The question is, what's next and how do we best prepare for it? Distributors' store growth, in terms of new door openings, has slowed dramatically. Quite simply, all the financially viable markets are well represented by their existing stores. However, there is significant opportunity for growth by expanding the customer base. Obviously, if these stores were to open their doors to the general public, distributor revenues would increase exponentially overnight, and as long as salons shared in the profit, everybody would be happy. Right? While this idea has been floated before, now with the launch of Loxa, it seems inevitable. Selling professional beauty products online has been attempted for the past 15 years, but no one has been hugely successful in building this online retail business. Will Loxa crack the code? Who knows. But one thing's for sure: Someone will. What will be interesting to see is whether or not distributors and manufacturers will encourage salons to jump into the B2C professional beauty products business alongside them or will they continue their almost uniform policy of not allowing salons to retail online? At the salon level, we continue to witness the rampant growth of salon suites. They provide stylists with pure and isolated independence but also pose the same salon servicing dilemmas that we as manufacturers and distributors found with the emergence of independent stylists and booth rentals. This is a trend that is not going away and will continue to flourish. One thing is certain: The company that comes up with a way to service these independent accounts effectively and practically will have reached the professional beauty holy grail. While the future is uncertain, there are a lot of indicators that tell us where it's headed and how to seize the new opportunities that will exist. Are you ready?

Steve Goddard is president and founder of PRAVANA. He began his 30-plus-year career as a way to support himself while attending college, but then went on to work for some of the largest companies in the beauty industry.