



# SHEAR KNOWLEDGE

MAXIMIZING YOUR INCOME

## Hair Salon Brands

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Prior to the 1970s the hair industry was comprised almost entirely of independently owned barber shops and beauty salons. But that all started to change about 50 years ago when JCPenney Salons began opening across the country. They were the first nationally recognized hair salon brand.

In the 1980's Fantastic Sams became the #1 hair salon brand in terms of total store count. In the 1990's, it was Supercuts. And for the last 25 years, Great Clips has been the #1 salon brand. It is currently the world's largest hair salon brand with more than 4,500 locations across the US and Canada.

The top three US hair salon brands today are Great Clips, Sport Clips, and Supercuts. But don't assume they control the industry. The above three brands combined only have about 10% market share. That means the vast majority of hair salons are still independently owned and operated, and that includes booth rental.

But times are changing. In much the same way that Home Depot, Lowes, True Value, and Ace Hardware now dominate the home improvement market, there's a lot of consolidation going on in the hair salon industry. Worth mentioning, most of the big-name salons are franchises.

What is franchising? It's a business model in which a company, known as the franchisor, grants the rights to other individuals/entities, known as franchisees, to operate a business using its established brand, systems, and processes. McDonalds, Subway, Wendys, Great Clips, Supercuts, and Sports Clips are all franchises. Each store is independently owned and operated by someone in your community. And a percentage of every sale (roughly 10%) get paid to the franchisor as a royalty.