

itandi group, ltd.
Study on Consumer Attitude,
Behavior and Opinion on
Salons and In-Salon Media

Overview

itandi group's examination of consumer attitudes and behavior with regard to the salon industry and in-salon media was conducted with a focus on what currently exists in the realm of in-salon media and what salon customers might like to see in their salons.

The hair and nail salon environment is like no other available to advertisers in the out-of-home space (OOH). The salon industry dwarfs the cinema industry, comprising approximately 360,000 locations in the U.S. and over \$150 billion in worldwide sales, with nearly 50% of that in the U.S. Every month over 100 million Americans visit salons. Unlike other OOH environments, salon customers are literally captive in their seats; they cannot get up to buy popcorn, go to the restroom, or interact with a computer or cell phone.

The salon demographic is perfect for marketers who want to connect with the difficult to reach younger, affluent and better educated consumers, as the majority of salon customers fall into the 18-49 age group, are college educated and earn over fifty thousand dollars per year.

How the Survey Was Conducted

The survey was fielded over the internet by numerous postings on websites such as Craigslist, distribution through email forwarding and, minimally, through the collection of survey forms at fitness centers. The survey responses were anonymous and performed completely at random. Over 500 responses were collected. Most of the major DMAs were included, with the majority of respondents coming from New York metro area, Los Angeles, Seattle, Boston, Portland (Oregon), Chicago, Detroit and Minneapolis.



The Salon Industry Today

The largest publicly held salon chain, operating over 8,000 salons in the U.S., reports that they have never had a year-over-year same store sales decrease. This recession-proof industry continues to expand in annual revenues, number of locations, number of employees and menu of services. The frequency of visits and length of time men and women spend in salons continues to increase as patrons take advantage of the growing number of services offered and purchased at these establishments. Consumers may visit salons (hair and nail) as often as three to five times per month and stay as long as two hours or more.

Salons offer marketers a truly unique opportunity to intercept consumers in the course of their daily lives in a highly positive and receptive environment. In this captive setting, advertisers have the full attention of their audience.

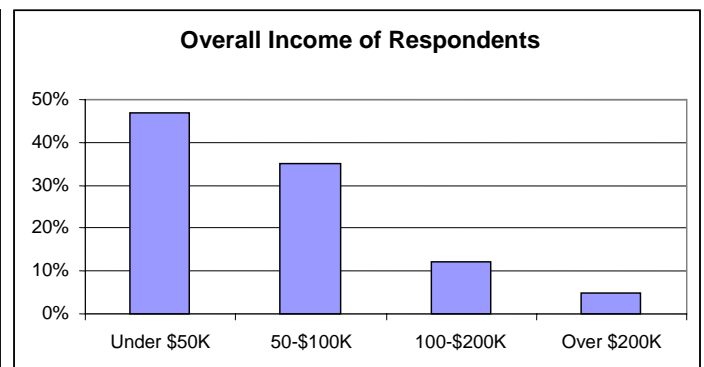
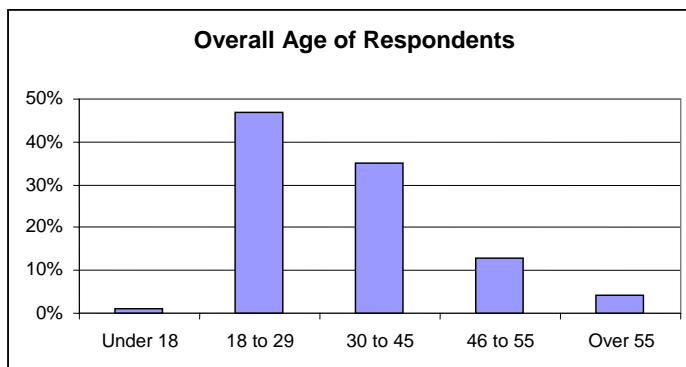
Salon advertising can play an important role in the media mix by enhancing and extending the reach of marketers to consumers who spend less time with traditional media and are more difficult to impact due to multitasking (the use of several media at once, e.g., surfing the net with the TV on, driving past a billboard while on the phone or using an ipod).

In this setting consumers can't turn the page, they can't turn it off and they can't turn away.

The salon is often a "pre-event" destination that consumers visit prior to important business meetings, conferences, functions, weddings, dates, vacations and parties. It is also an ideal venue for product sampling.

Demographics of Survey Respondents

Male Respondents	19%
Female Respondents	81%



Significant Highlights

The vast majority of hair and nail salons do not offer entertainment in the form of TV, monitors or screens. This survey found, however, that the majority of salon patrons welcome the opportunity to be informed and entertained while comfortably relaxing in the operator's chair.

There was a clear trend among respondents toward programming that can implicitly contain advertising messages, such as travel, fitness and dining features. While many hair and nail salons realize the need to provide a welcome distraction to their patrons other than last month's magazines, they currently offer limited choices. Generally, respondents reported that those salons that do have monitors play movie DVDs, or are tuned to a local or cable news network or soaps. There are problems with these choices. For example, there is the licensing issue on DVDs; then there is the time issue (customers coming in at the middle of a show and leaving before the end), and, of course, there is the appeal issue: no one station will appeal to the majority of customers.

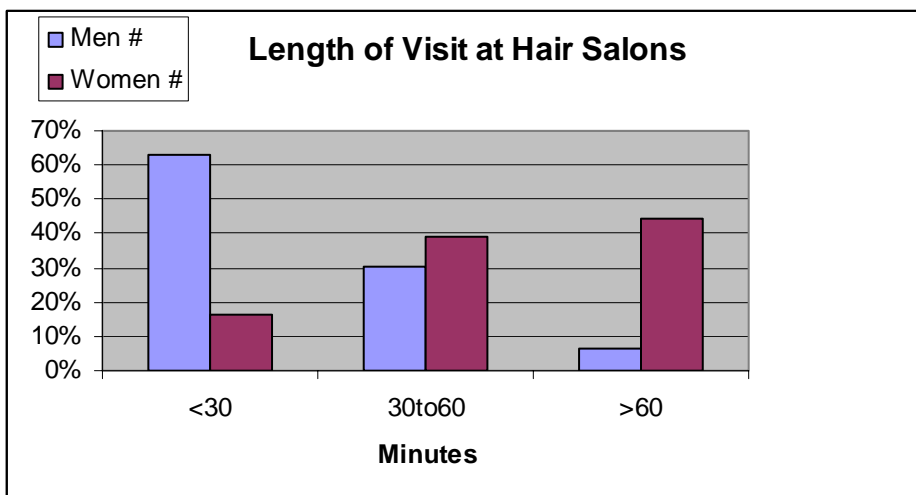
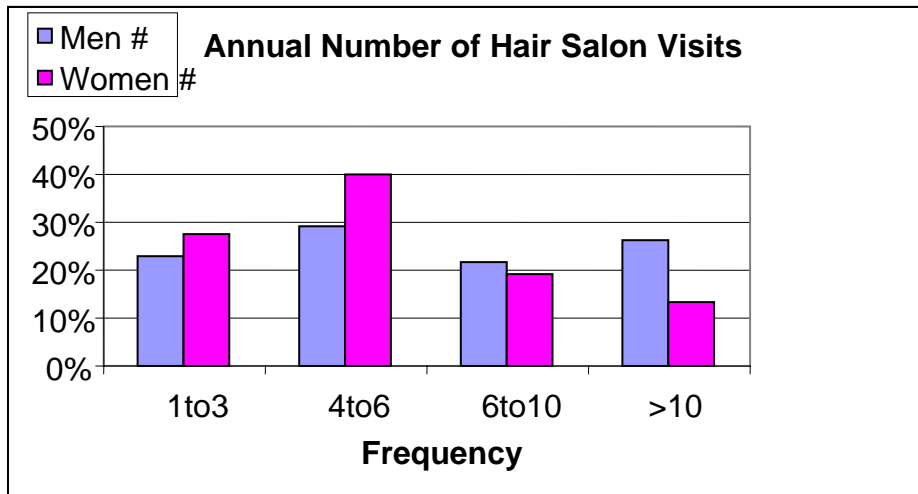
We believe that only programming tailored for these venues will be successful in entertaining the majority of customers, satisfying the needs of salon owners, and benefiting marketers by providing a captive and receptive audience.

The survey complemented salon industry data, confirming frequency, age and income numbers.

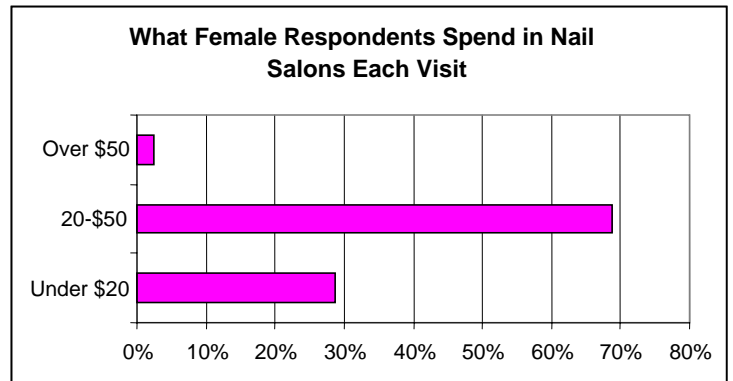
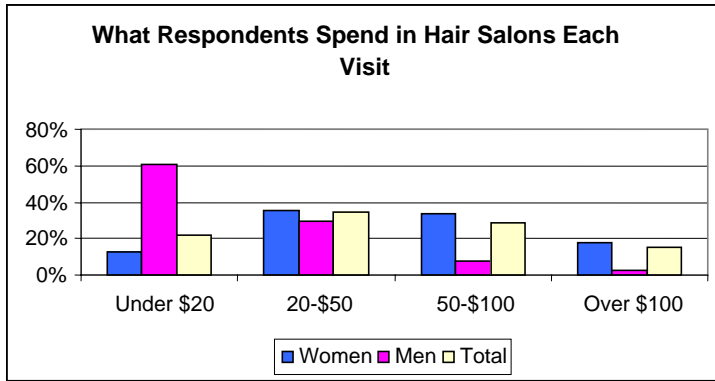


Key Findings

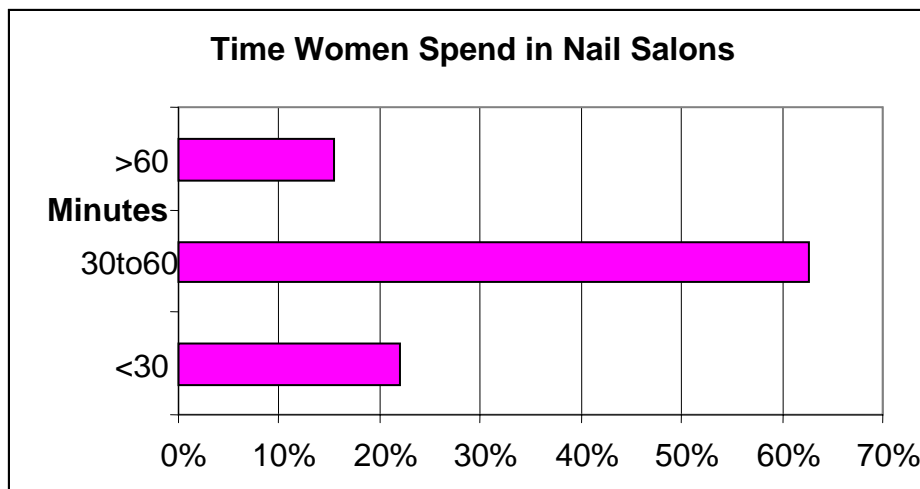
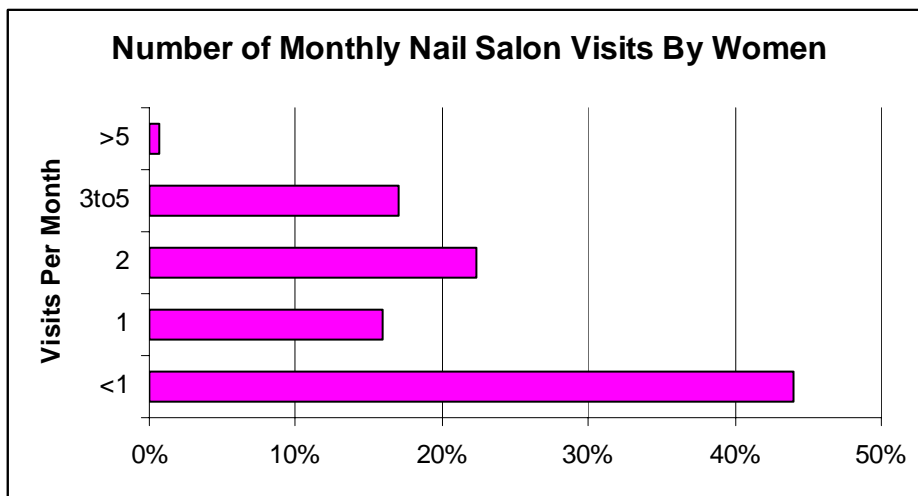
1. Forty-eight percent of men frequent hair salons 6-10 times annually and fully 26% visit more than 10 times each year. Salons are an obvious choice to reach the young urban male 18-29 and men 18-45 in general. In the case of both men and women the highest earning groups had the highest frequency rates.



When considering the frequency of visits and the amount spent during each visit at hair and nail salons, it becomes apparent that consumers, women in particular, will spend significant amounts on their appearance. While an obvious point, it underscores the fact that this venue is the perfect setting for marketers in the beauty, fashion and lifestyle industries.



2. Nail Salons: We found that only a small percentage of men visit nail salons while 69% of the total female respondents frequented nail salons as well as hair salons. Forty percent of women who frequent nail salons visit at least twice a month, some as often as five or more times per month.



Seventy-eight percent of female respondents who frequent nail salons remain there for at least 30 minutes and many remain for over an hour each visit.

When combining the frequency of visits for women in hair AND nail salons, and considering the length of time spent in each, it is possible for in-salon media such as itandi to have as much as 6-18 hours of uninterrupted annual face-time with these women. For men this could average five or more hours each year.

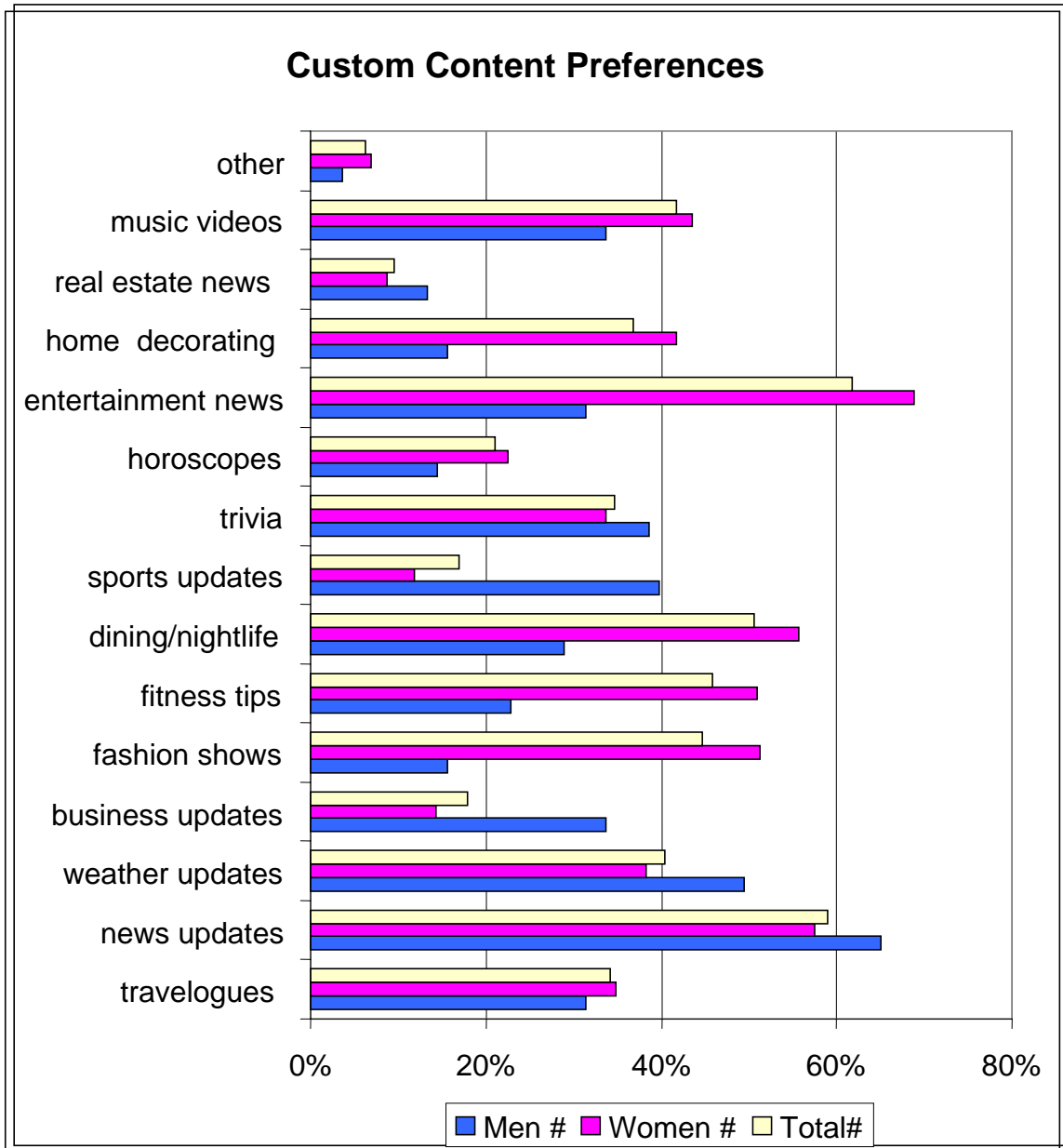
3. In-Salon Media

Of all those surveyed, 12% noticed a monitor of some sort in their HAIR SALON and those that visited NAIL SALONS 41% noticed a monitor of some sort. Of those who noticed monitors in their hair salons, 70% could recall the content. That number rises to 80% in nail salons. Consumers in these venues are impacted by the media available to them. Ninety percent of all respondents indicated a preference for custom programming and over 50% indicated that they would prefer a salon with monitors displaying custom content.

There are some striking differences between men and women in their choice of content. Sports updates are favored by 40% of men and just 12% of women. Features on fashion are preferred by 51% of women and just 16% of men. There are many similarities as well. Content focusing on news, weather, trivia, travel, nightlife and dining is strongly favored by both men and women. The most popular choice among women was entertainment/celebrity news, selected by 69% of female respondents. News was the most common choice among men with 65% selecting that category.

Consumers who patronize hair and nail salons are younger and more affluent, and prefer a custom-tailored media experience during their salon visit. They observe and recall what is being displayed and marketers can reach this group repeatedly throughout the course of the year in these venues.





Product Sampling

Eighty-eight percent of all female respondents and 73% of all male respondents indicated that they would like to receive free product samples. Salons are the ideal venue for the distribution of products to consumers. When linked to a message displayed on an in-salon network monitor such as itandi, product sampling creates a strong branding experience and an immediate connection to consumers.





5. Summary

Marketers who wish to connect with hard to reach and desirable younger, more affluent consumers in a truly captive and receptive environment should consider in-salon media as part of their media mix. The majority of these consumers would prefer having in-salon media as part of their salon experience.

Salons should incorporate in-salon media as part of the salon experience for their patrons. Generally, customers would prefer a custom network to view during their visit to salons.

Salon employees who are consumers themselves will be repeatedly impacted each and every day by any in-salon media. This group can be very influential with their customers and should be considered for specific targeting by marketers.

For more information about this survey and/or itandi networks please contact:

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