

Square Beauty & Wellness Trends — August 2023

Beauty & Wellness Trends

by Square Appointments



2023

Executive Summary

The beauty industry encompasses so much more than hair, nails, and makeup. It embodies self-care, self-love, and self-confidence.

The beauty industry encompasses so much more than hair, nails, and makeup. It embodies self-care, self-love, and self-confidence. Wellness, personal care, and [beauty businesses](#) have experienced significant growth in recent years.

From ingenious adoption of cutting-edge technologies to inventive revenue streams, beauty and wellness professionals have navigated uncharted territory and turned adversity during the pandemic into opportunity for future growth. By understanding the shifts that occurred before the pandemic, primarily from 2019 to 2020, and during it, from 2020 to 2022, we've gained invaluable insights into the resilience and adaptability of the beauty and wellness industry. This boom has led to surprising learnings that have shaped the present and will continue to shape the future. Learnings include:

- Types of services driving the industry's expansion
- Cities where growth for wellness centers and med spas have been the strongest
- Transformation of sole proprietorships into upscale beauty businesses with multiple employees
- Evolution of client booking behaviors
- Incorporation of retail products into beauty business offerings

The result has been an increased focus on wellness treatments and services. While inflation can sometimes feel like it is causing the cost of goods to skyrocket, actual services and personal care seem to be areas in which people continue to invest. That's why it's beneficial for professionals across the industry to prioritize the addition or expansion of wellness offerings within their businesses.

In this report, we delve into the insights derived from [Square Appointments](#) data to analyze the top six beauty trends for 2023.



1 BEAUTY TREND

The solo stylist glow up

Solo entrepreneurs are as profitable as businesses with multiple employees

The pandemic taught us that people are resilient, creative, and entrepreneurial. When looking at data from the beginning of 2019 through the end of 2022, we saw how solo entrepreneurs broke free from traditional employment models, embraced alternative revenue streams, and started to generate as much revenue as businesses with multiple staff members. Many found success on their own, while others grew from sole proprietorships to businesses with multiple employees.

Since the pandemic, Square Appointments noticed a rise in sole proprietors in the beauty and wellness space that earn over \$250K in annual revenue, the equivalent of many businesses with multiple employees. These sole proprietors have found ways to turn their craft into diverse income streams and viral brands.

The most successful entrepreneurs were [barbers](#), [nail stylists](#), [spa owners](#), skin aestheticians, and practitioners at med spas, given that growth within these professions grew five percent since 2019. Many stylists, practitioners, technicians, and specialists found ways to take their futures into their own hands and go independent or run their own businesses. As consumers continue to invest in themselves and their own self-care, there are increasing opportunities for sole proprietors to find their niches, and expertise and to be successful within a specialty in the beauty and wellness industry.

9%

OF BUSINESSES STARTED
IN 2020 HAD MULTIPLE
STAFF BY 2022

579

AVERAGE NUMBER OF
DAYS TO ADD FIRST STAFF
MEMBER

5.5x

INCREASE IN ANNUAL
REVENUE

“Square has helped my business with the remote access and the loan program. I have grown exponentially from a one-person small business to a seven-person small business!”

— Hope Marotto, Owner of Hope Beauty + Wellness



For many, success means running the business end to end independently. For others, success comes from hiring and growing a team. Nine percent of businesses that started as sole proprietorships in 2020 actually grew into businesses with multiple employees by the end of 2022. Square Appointments businesses that started out as sole proprietors took just over a year, or an average of 579 days to add their first staff member to the payroll. The transition from sole proprietorships to establishments with multiple staff was accompanied by an approximate 5.5-time increase in revenue generation for beauty and wellness business owners who made the transition.

If you want to add retail to your sole proprietorship but aren't sure how large of an inventory you'll need, consider this: We saw high-income sole proprietors offer a median of 33 types of products, which is 3 times more than your average sole proprietor.

"It's inspiring to see more and more beauty professionals build something of their own and to see how Square Appointments empowers their entrepreneurial journeys." — Willem Ave, general manager, Square Appointments

HOW YOU CAN RESPOND

With the rise of sole proprietors who experienced exponential growth in the past four years, whether on their own or by adding staff, it's time for you to dream big. Find the ambition to expand your social media presence, to raise your brand awareness, and to build your online following by engaging with your customers. With Square Appointments you can [integrate your booking site with Instagram](#) and [Facebook](#) to grow your clientele alongside your following. Similarly, Square Online supports your [social commerce](#) efforts by enabling you to expand your reach and sales through your online website.

To fuel your small-business growth further, take advantage of [Square Banking*](#), which offers expedited access to your earnings and provides [loan options**](#). This can be an incredible tool for businesses that may need funding early on but can't yet get access to capital. Additionally, Square Payroll can streamline your operations with payment options, reports, and [payroll](#) services, so you can dedicate more time to growing your business and doing more of what you love.

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2 BEAUTY TREND

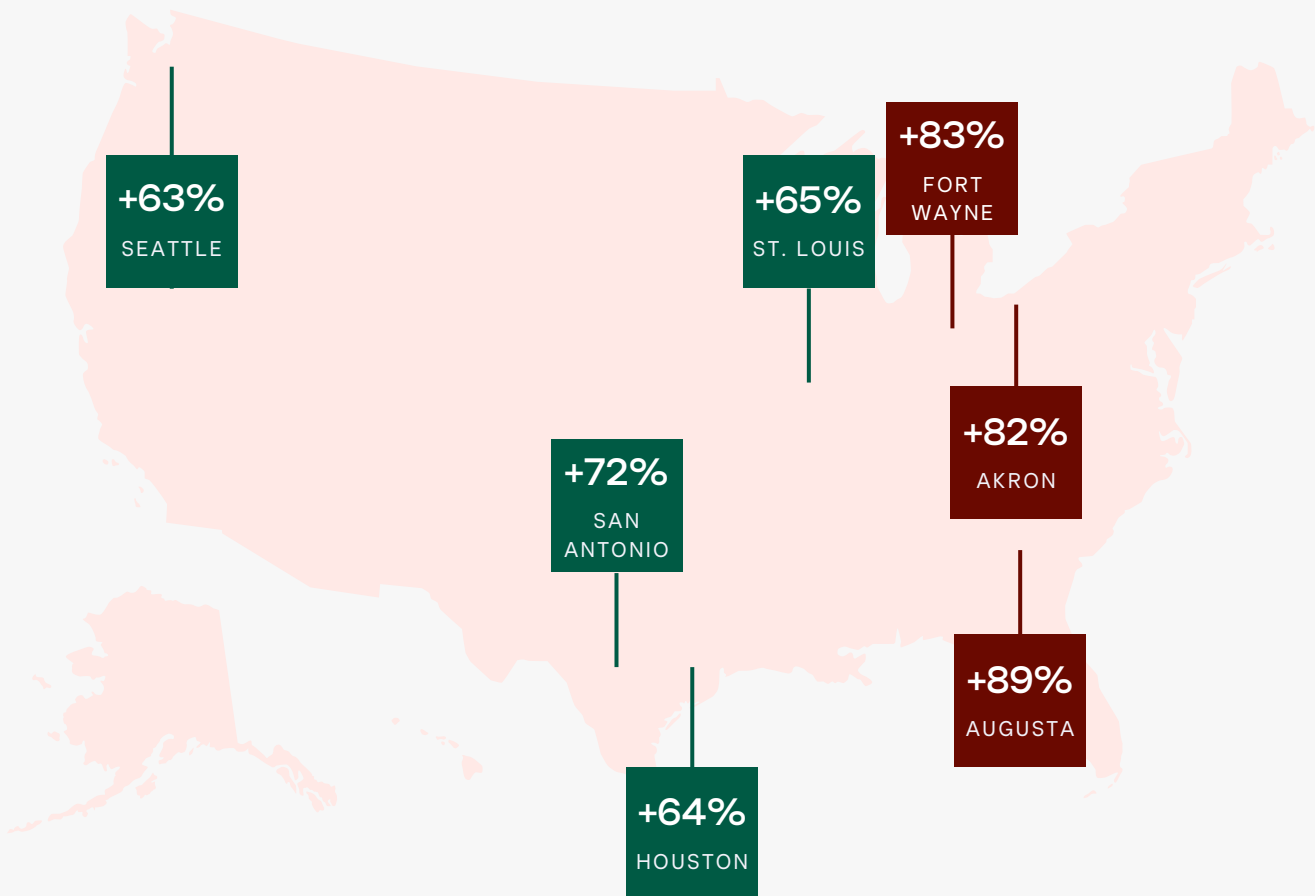
Wellness is the new beauty

Wellness is the new beauty.

The rise in wellness centers in large and small cities across the U.S. is something to behold. Wellness is no longer limited to holistic therapies for the mind and body; it includes anything that caters to self-care, both inside and out. This can range from spas to med spas and everything in between.

Square Appointments saw remarkable growth in wellness businesses after the pandemic. As the pandemic heightened the importance of mental health and stress management — for body and mind — there was increased demand for these services, and consumers began to recognize the importance of a holistic approach to their health. The profitability of these wellness businesses, which combine service-based offerings with the sale of wellness products, has attracted new business owners and investors to enter the market.

We see this reflected in the data, as both large and small cities saw an approximate 54% increase in wellness centers using Square from 2020 to 2022, compared to before the pandemic. For reference, large cities are defined as having a population of 1.5M or more, and small cities have a population of less than 1.5M.



Based on Square Appointments data from 2019 to 2022.
Green indicates large cities with growth in wellness centers.
Red indicates small cities with growth in wellness centers.

Float therapy and sound baths were the most popular services.

Float therapy, a unique form of relaxation where individuals float in a sensory deprivation tank, experienced a remarkable surge, with a staggering 13-time increase in client bookings in just one year, from 2019 to 2020. This growth signifies a growing interest in alternative therapies that promote relaxation, stress reduction, and mental well-being.

Sound baths, which involve immersing individuals in soothing sounds and vibrations for therapeutic purposes, witnessed a significant 80% spike in bookings from 2021 to 2022. This surge reflects the growing recognition of the power of sound and music in promoting relaxation, mindfulness, and overall wellness.

When it came to the most costly wellness services on average, radiofrequency was the most expensive service between 2019 and 2022 at \$522. Radiofrequency is a nonsurgical cosmetic procedure known for its skin rejuvenation and tightening effects. It utilizes electromagnetic waves to heat the deeper layers of the skin while stimulating collagen production. Treatments can be used to target different parts of the body, such as the face, the neck, the abdomen, and the thighs. The associated cost is often attributed to the advanced technology that is involved, the expertise required to perform this type of procedure, and the near-immediate results it delivers.

Lastly, crystal healing massage services were the only service type to double their booking rates in 2021, only to return to their pre-pandemic levels by 2022.

13x

INCREASE IN FLOAT
THERAPY BOOKINGS
FROM 2019 TO 2020

80%

INCREASE IN SOUND BATH
BOOKINGS
FROM 2021 TO 2022

\$522

AVERAGE COST FOR
RADIOFREQUENCY
TREATMENTS FROM 2019
TO 2022

2x

INCREASE IN CRYSTAL
HEALING MESSAGES FROM
2020 TO 2021

“In this digital age, a lot of people just don’t want to call. We have people that just love setting their appointments online. Compared to other financial services, I’ve always felt that Square was ahead of the curve. Square has made it easy to use digital services to book clients, take payments, and stay on top of sales. In turn, Square also keeps our cash flow healthy with next-[business]-day transfers.”

— Michael Forrest, founder, StGeorgeMassage



HOW YOU CAN RESPOND

Beauty business owners like you can seize this opportunity by understanding the market in which you live and offering services that align with the burgeoning interest in wellness centers. If you’re not completely sure where to start, here are some ideas. Combine your booking site with an online store to maximize your business potential. You can capture more business by offering immediate booking opportunities and at-home solutions all in one place. [Square Appointments](#) provides a range of options to streamline your bookings for your business. This includes a free, online booking site, a professional eCommerce website with [Square Online](#), and a Book Now button or widget that integrates seamlessly with your existing site.

For your most popular services, we recommend engaging your current and prospective clients to boost rebookings. You can leverage [Square Marketing](#) to send out varying discounts on services and see which ones result in the highest bookings. You can also send coupons to reengage clients who booked with you only one time and get them to come back. Another option is to send marketing campaigns with [Square Gift Cards](#) so your clients can gift their favorite services too.



3

BEAUTY TREND

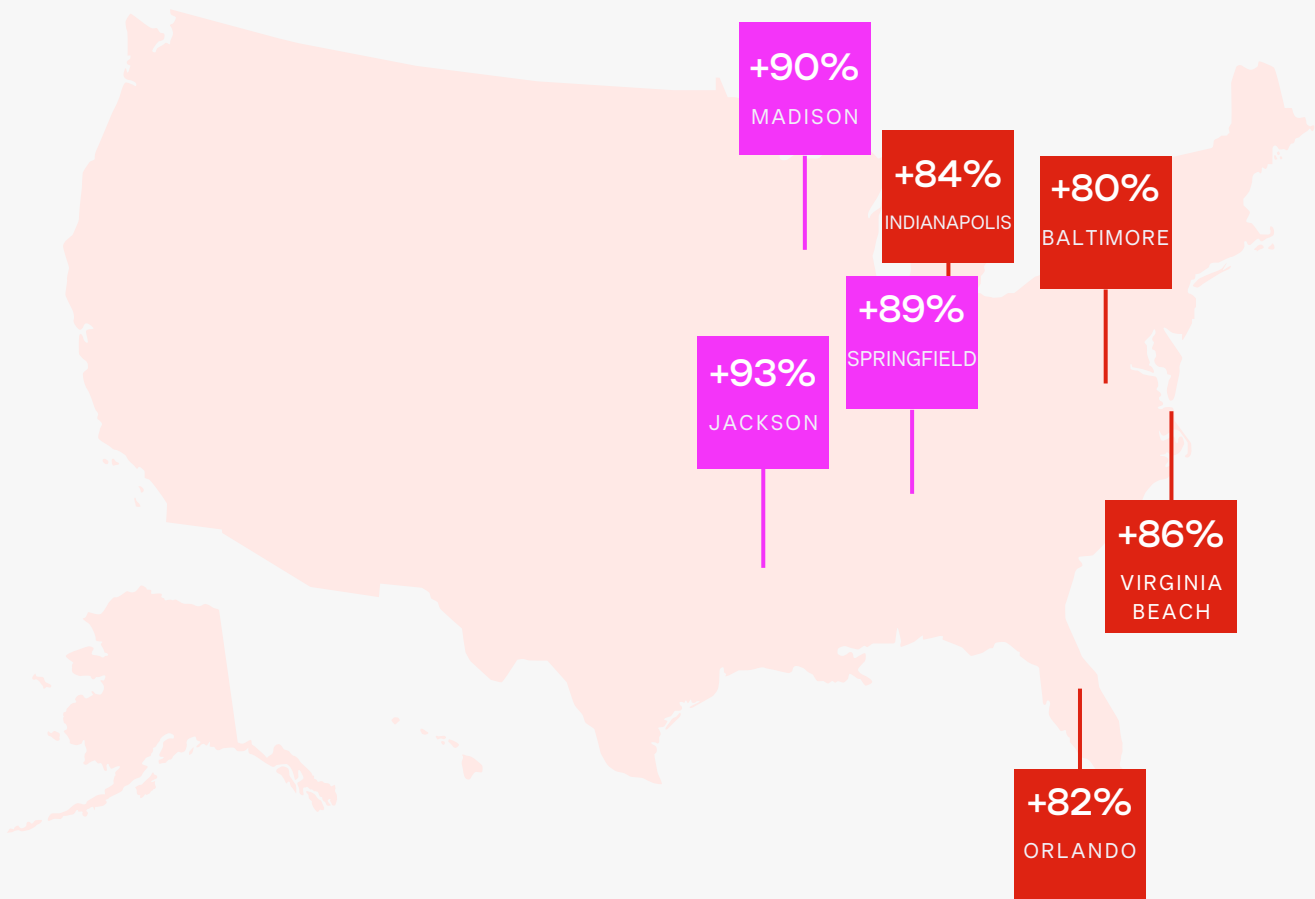
The age of med spas

Med spas flourish all over the U.S.

Med spas, which are specialized facilities that combine beauty and medical services by offering a comprehensive range of noninvasive cosmetic treatments and procedures, have experienced an increase in demand from customers seeking to enhance their self-care routines and explore new beauty rejuvenation treatments. As advancements in technology and the popularity of these services have made aesthetic treatments more affordable and accessible, many medical practitioners or nurses find freedom in operating their own med spas and aesthetic businesses. Examples of services include microneedling, chemical peels, sculpting and contouring, and laser hair removal.

The field of medical aesthetics has experienced significant growth in recent years, with more healthcare professionals providing these specialized services. We can see from the data an increase in the desire for a more personalized and holistic approach to beauty and wellness. In fact, both large and small cities across the U.S. saw a 70% average increase in med spa businesses using Square from 2020 to 2022, compared to before the pandemic.

For reference, large cities are defined as having a population of 1.5M or more, and small cities have a population of less than 1.5M. The largest cities with the greatest increase in med spa businesses are:



Based on Square Appointments data from 2019 to 2022.
Red indicates large cities with growth in med spas.
Pink indicates small cities with growth in med spas.

Botox and injectables are the most popular treatment types.

Botox and injectables focus on the nonsurgical medical treatment of using specialized substances, like botulinum toxin type A (to relax facial muscles so lines are less visible) and dermal fillers (to smoothen wrinkles), to enhance or maintain aesthetics. They remain the most sought-after services in cities across the U.S. These treatments continue to enjoy widespread popularity and high demand among customers who seek cosmetic enhancements and anti-aging solutions.

In 2022 the New York metropolitan area had the most botox and injectable service client bookings, followed by the Boston metropolitan area, then the Phoenix metropolitan area. The average cost of a single botox or injectable service was around \$445. Clients booking botox or injection treatments increased nearly 9x from 2019 to 2022. By the end of 2022, clients averaged two botox or injectable appointments per year per person.

IV therapy, which provides clients with vitamins, medication, and hydration fluids intravenously, was one of the fastest-growing services booked by clients. IV therapy offers a convenient method to introduce these fluids to the bloodstream, allowing for faster absorption and efficacy. Its growth may also be attributed to its potential benefits, such as immune support, energy enhancement, and hangover relief. In fact, from 2020 to 2021, IV therapy grew 37% in bookings year over year and another 24% from 2021 to 2022. Given the high demand and the high margins, it's no wonder this service is rapidly growing in popularity.

As the demand for these accessible beauty and wellness services continues to rise, med spas play a vital role in providing their customers with the transformative and rejuvenating experiences they've been searching for.

9x

INCREASE OF BOTOX OR
INJECTION TREATMENTS
BOOKED FROM
2019 TO 2022

37%

APPOINTMENTS FOR IV
THERAPY GREW
YEAR OVER YEAR
FROM 2020 TO 2021

\$445

AVERAGE COST OF A
BOTOX OR INJECTABLE
SERVICE IN 2022

2

AVERAGE BOTOX OR
INJECTABLE
APPOINTMENTS PER YEAR
PER PERSON IN 2022

“Square Appointments makes scheduling a breeze! Easy for clients and easier for our medical spa providers. Learning how to navigate Square was so simple after making the switch from different software. Square has everything we need to succeed in growing our small business. From booking and selling online to staying in touch with our clients via marketing, Square really does have it all and at an affordable price.”

— Dominika Pavone, owner, Supreme Wellness



HOW YOU CAN RESPOND

This trend indicates a shift toward a more comprehensive approach to beauty and wellness, where customers hope to find a blend of medical expertise and aesthetic treatments. Harness the increased demand and interest in med spa services by being attentive to what your customers are asking about.

Since some med spa services can only be performed by a licensed medical practitioner, it's important to follow your state's regulations and requirements for conducting specific services. You can protect your business by ensuring each client has signed the appropriate waivers and contracts before any service is performed. [Square Contracts](#) allows you to build contracts for free, and you can send them automatically with each booking through [Square Appointments](#).

Another way you can protect your time and income is by requiring prepayments for your bookings. You can use [Square Invoices](#) to require deposits before an appointment, or you can require prepayments at the time of booking with [Square Appointments](#).

"The convergence of beauty and medical services in one facility represents untold opportunities for professionals in the healthcare industry. By listening to what new services clients are interested in, businesses can make great strides in building a facility that addresses both the aesthetic and self-care needs of their communities."

— William Ave, GM of Square Appointments



BEAUTY TREND 4

Booking behavior: Before and after the
pandemic

Intentional bookings are part of proactive wellness.

Understanding the booking behavior and patterns of clients in the beauty and wellness industry is crucial for businesses, as customer expectations continue to change. Since the pandemic, clients prepare further in advance for their service appointments and are more thoughtful about when they are available.

Client booking behavior has changed over the course of the pandemic. Before the pandemic, from 2018 through 2019, clients booked their salon, barber, med spa, and spa appointments seven days in advance on average, and 20% of clients booked within 24 hours of their appointments. By 2022, clients booked nine days in advance on average, with only 17% booking within 24 hours of their appointments. This suggests that clients have become more intentional in their scheduling and are planning their wellness activities proactively. These declining figures for last-minute bookings demonstrate a clear departure from spontaneous scheduling habits. It's clear that clients appreciate flexibility when booking appointments. Different services require various levels of preparation, so knowing how far in advance clients book can help you prepare appropriately.

One thing that hasn't changed throughout the pandemic is when clients book. In 2022 about 46% of clients booked their appointments outside of the regular 9–5 working hours, which underscores the importance of having a booking site or a flexible way for clients to book when it's convenient for them.

9

AVERAGE NUMBER OF
DAYS CLIENTS BOOK IN
ADVANCE IN 2022

17%

OF CLIENTS BOOK WITHIN
24 H OF THEIR
APPOINTMENT IN 2022

46%

OF CLIENTS BOOK OUTSIDE THE
9-TO-5 WORKING WINDOW,
WHICH STAYED THE SAME
BEFORE AND AFTER 2020

Square Appointments provides an easy-to-navigate system where my clients feel confident to book online or move their appointments. I gained 30% more business from last year to this! As a new small-business owner, I'm so thankful for user-friendly booking."

— Kara Grindstaff, owner, Moxxi Grey Salon

HOW YOU CAN RESPOND

It's critical for you as a beauty business owner to make it easy for clients to book appointments at their convenience. Square Appointments offers a [free online booking website](#) that ensures a seamless and frictionless booking experience for your clients. By using this feature businesses can be accessible 24/7, allowing clients to book appointments whenever they desire. Square Appointments offers messaging and reminder features to help beauty business owners manage client appointments and ensure timely attendance.

You can also communicate your cancellation and no-show policy when it's most relevant to your customers. This helps discourage last-minute cancellations and no-shows and ensures that your employees' time is respected. The added convenience meets the evolving needs of clients and positions businesses as customer-centric and responsive to their scheduling preferences and needs.



5 BEAUTY TREND

Diverse income streams

Businesses embrace diverse and recurring income streams.

Square Appointments data from before and after the pandemic paints a clear picture that service based businesses had to adopt new income streams and omnichannel selling methods to keep up with the changing economic climate.

Of the beauty and wellness businesses that only sold in-store in their first year on Square Appointments, 11% have since started to sell online as well. In addition, by the end of 2022, 33% of sellers who initially focused on providing only services in their first year, expanded their offerings by adding retail products to their catalog. This strategic move allows them to capitalize on the audience they have cultivated through their services, offering complementary products that enhance their experience and generate additional revenue.

By 2022 health and beauty spas that used Square Appointments had the greatest successes selling both online and in person. In fact, beauty businesses that sell both products and services online and in-store had 43% higher annual sales than those that only sold in person, which proves the financial benefit of omnichannel selling and of embracing services and retail offerings.

The inverse is also true. The number of retailers that use Square Appointments to sell services, such as customizations or experiences, as part of a diversified income stream, has increased 4 percentage points, from 6 to 10, between 2020 and 2022. This convergence of retail and services reflects the growing preference among businesses to create holistic experiences that cater to various customer needs and preferences.

11%

OF BUSINESSES THAT ONLY SOLD PRODUCTS IN-STORE IN THEIR FIRST YEAR WITH SQUARE APPOINTMENTS NOW ALSO SELL ONLINE

33%

OF BUSINESSES THAT ONLY SOLD SERVICES IN THEIR FIRST YEAR ON SQUARE APPOINTMENTS, STARTED TO SELL PRODUCTS BY THE END OF 2022

43%

HIGHER ANNUAL SALES FOR BUSINESSES THAT SOLD PRODUCTS AND SERVICES IN STORE AND ONLINE COMPARED TO THOSE THAT ONLY SOLD IN PERSON

4

THE PERCENTAGE POINT INCREASE FROM 2020 TO 2022 OF RETAIL BUSINESSES USING SQUARE APPOINTMENTS TO SELL SERVICES

WHAT'S TRENDING AND WHAT'S NOT



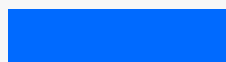
DIY kits for at-home care

When the world shut down in 2020, many beauty businesses stayed afloat by selling virtual services or products online. One of the most popular online offerings was DIY kits, which businesses put together for clients to do their own at-home self-care. From 2020 to 2021, the number of businesses that offered DIY kits that could be ordered online grew from 0.6% to 2.5%. These offerings were created so customers could maintain their beauty routines beyond the confines of the salon or spa. But at-home doesn't beat the in-person experience, as clients went back in-store for their self-care. As a result, businesses offering DIY kits dropped back down to 0.9% by 2022.



Business-branded products

During the pandemic businesses started offering their own branded products to increase profit margins and help make up for the decline in their service sales. These were beauty and wellness products for skin, care, and health that were created and sold by the business owner themselves. In 2020 business-branded and homemade items accounted for 30% of total product sales. By 2022 only 11% of products sold by beauty businesses were their own branded products, indicating that consumers and businesses reverted back to the products and services they were used to.



Keeping clients coming back

Beauty businesses can leverage software to manage new and existing clientele in different ways. For example, in 2022 businesses that used Square Appointments had more returning clientele rebooking appointments, whereas beauty businesses using Square Marketing had more unique, one-time clients to be reengaged.

During the pandemic many beauty and wellness businesses saw a shift in their regular clientele. As jobs went fully remote or inflation caused cost of living to increase, many people moved to new physical locations and left their favorite stylists behind. As a result, beauty businesses looked to loyalty programs and marketing campaigns to keep clients coming back. This was seen in the data. Beauty businesses using Square Loyalty increased 38% from 2020 to 2021 and another 30% from 2021 to 2022. Loyalty programs serve as powerful tools to foster customer loyalty, to encourage repeat visits, and to drive overall customer satisfaction.

“Square has provided a platform that not only organizes my entire business inventory, but also gives my clients a secure space for communicating and allows them to purchase my retail products with ease. I have been an active client for years. Square continues to provide top-tier customer support and new, innovative ways for my business to advance.”

— Savana Rae, owner, Ivy & Grace Brow Boutique



HOW YOU CAN RESPOND

Square offers various features to support the inventory management needs of beauty businesses. [Square Appointments](#) provides point-of-sale solutions for in-store and online, as well as inventory management functionalities such as low-stock alerts. Businesses that are looking for more advanced features can explore [Square for Retail](#), which provides a comprehensive point-of-sale solution, and [Square Online](#), our eCommerce platform that enables businesses to create and manage their own online store. These platforms offer comprehensive inventory management tools, allowing businesses to optimize their product-selling capabilities and create a seamless shopping experience for their customers, no matter where they shop.

Beauty businesses should consider expanding their offerings to include services and retail products. Businesses can tap into multiple revenue streams and cater to a wider range of customer needs. For example, with [Square Loyalty](#) businesses can incentivize repeat purchases while rewarding customers. To communicate these opportunities to your audience, [Square Marketing](#) enables targeted campaigns and personalized communication to help nurture lasting customer relationships. Loyalty programs and marketing campaigns will be instrumental to promote and tie together the retail and service components of the business, to drive customer engagement, and to foster long-term relationships.



6 BEAUTYTREND

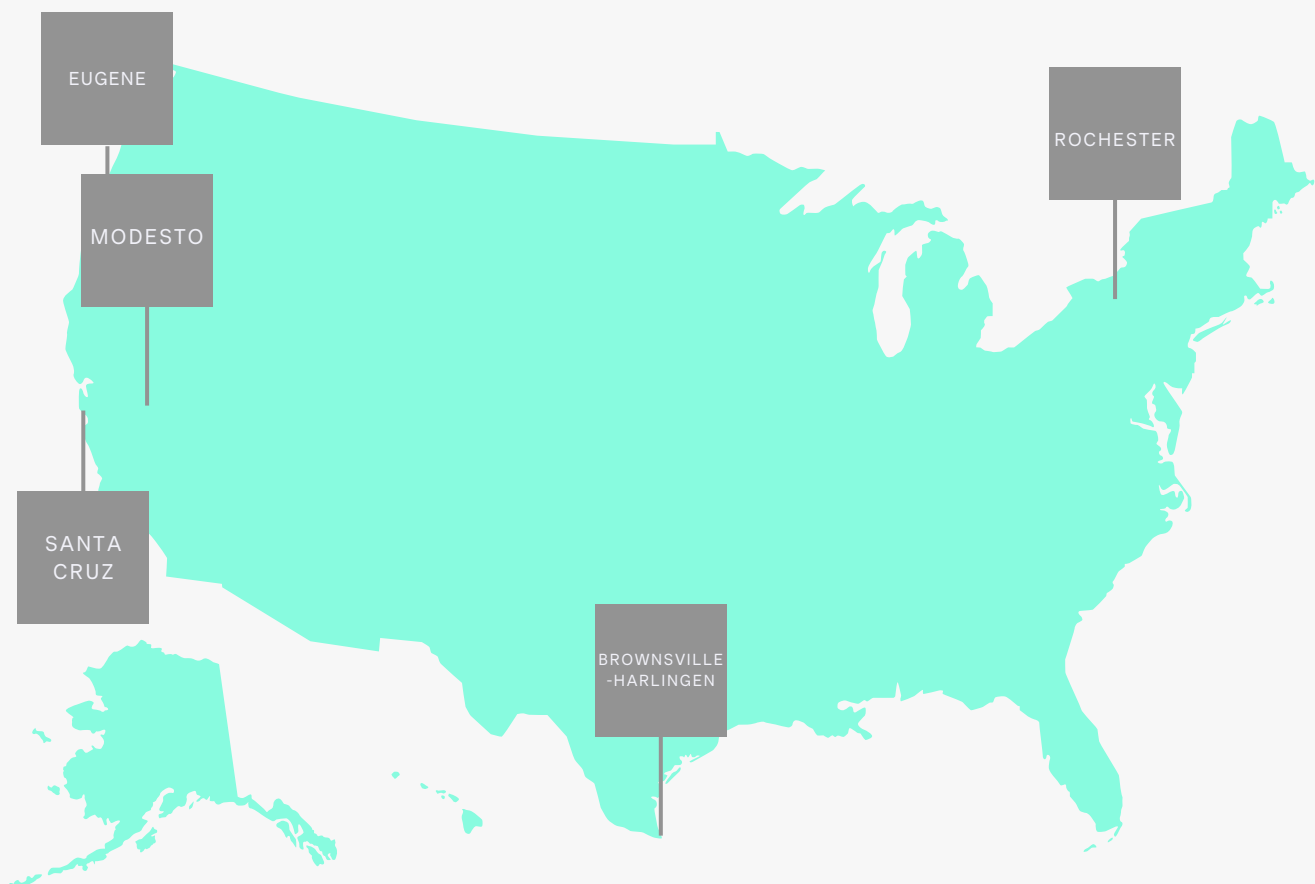
Gender-neutral services

Gender Neutral Services

Over the last few years we've seen that the beauty and wellness industry is experiencing a shift toward embracing gender neutrality. This trend aims to create a more inclusive environment for everyone, where individuals of all gender identities feel comfortable. Data has shown a nine percent increase in gender-neutral haircut service names over the last three years. This adjustment goes beyond service names and spans across salon practices and offerings. Salons and barbershops are adopting more gender-neutral pricing models to ensure equality across their services. By implementing these practices, beauty businesses can take a proactive step toward fostering a more inclusive and welcoming environment for their clients.

Many cities are leading the way as their beauty businesses go gender neutral. In 2022, the cities with the most gender-neutral services bookings on Square Appointments are shown below.

By embracing this trend, beauty businesses can create a more welcoming environment for their customers, attract a wider range of clients, and contribute to a more equitable and inclusive standard for the industry.



Based on Square Appointments data from 2019 to 2022.
Blue city markers are the cities with the most gender neutral services on Square Appointments.

“Square has made the day-to-day operations more seamless. It helps me as a creative behind the chair and as a business owner.”

— Rebecca Cleary, CEO and co-founder, Bex Salon



HOW YOU CAN RESPOND

Square offers a range of tools and features to support beauty businesses as they create an inclusive environment. With [Square Appointments](#) beauty businesses can customize their service names to be gender neutral, focusing more on the service rather than who it could be for, such as short or long haircuts versus men’s or women’s haircuts. You can price your services accordingly and ensure that your prices align with the effort in the service for fair and equitable pricing. Then you can group and customize your services on your booking site by category so it's easier for clients to find and book based on their needs, not their gender.

As part of the booking registration process, clients are able to leave appointment notes about their allergies, preferences, preferred pronouns, or any other pertinent information that helps personalize their services. These notes are saved to the appointment booking so your staff can review them anytime. You can also add notes to client profiles in [Customer Directory](#) so that personal information is never forgotten. You can use Customer Directory to add details about your clients, and you can group and set filters based on those characteristics.

Conclusion

The beauty and wellness industry has undergone a significant transformation over the past several years, particularly during the pandemic recovery phase. As we see the industry continue to evolve, driven by changing consumer preferences, emerging trends, and technological advancements, Square Appointments data has shown us valuable insights into the resiliency and adaptability of beauty professionals. We've seen a rise of sole proprietors transitioning into upscale businesses with multiple employees. A surge in wellness centers in large and small cities proves a shift in clients' mindsets around prioritizing overall well-being. Med spas have thrived in their growth to meet the demand of services that blend medical expertise and aesthetic treatments.

With clients seeking a more holistic approach to self-care, beauty business owners are finding ways to seize an opportunity for growth and for the expansion of their services and offerings. Whether that's the simple choice to add more retail products to their offerings or to adjust their services to be more inclusive, staying ahead of these industry trends has been essential for businesses' success in the beauty and wellness sector. By embracing technology, personalization, diverse revenue streams, and sustainability, beauty and wellness businesses can adapt to changing customer demands, enhance their competitiveness, and foster long-term success. The Square range of features and solutions provide valuable tools to empower businesses as they navigate these trends and drive growth in the changing beauty and wellness landscape.



Methodology

All data presented are unaudited and subject to adjustment.

The 2023 Beauty and Wellness Trends report analyzed transactions, services, and booking behaviors across beauty businesses using Square Appointments primarily from January 2019 to December 2022. All monetary metrics are displayed in USD.