



Roundtable: Professional ANTI-LICE Hair Care

Why this is your next huge moneymaking niche. Plus, a look at the three suppliers that'll help you build it.

by Marc Birenbaum

Lice and the professional beauty industry? Yes, at first, it does sound a bit out of the ordinary. Feel free to chuckle to yourself if you'd like. For some time at *Beauty Store Business*, however, we've seen professional anti-lice haircare products and services as growth areas—and we strongly believe that both will continue to get larger.

That's the reason for this special presentation—to publicize the topic and educate our readers about the lice market and its associated pro beauty products. And who better to talk to about them than the industry's three current suppliers: Fairy Tales Hair Care, Lousey Nitpickers and Circle of Friends? Here's our roundtable discussion with Risa Barash, executive director and co-owner of Fairy Tales Hair Care; M. Evan Parker, director of sales and marketing, and co-founder of Lousey Nitpickers; and Eleanor Keare, president of Circle of Friends. Specifics about each of these three manufacturers and their products are provided in the Suppliers Guide on pages 54 and 56. Monetizing lice does sound a bit funny, doesn't it? Until, that is, your main competitor does it first!

BSB: Let's start with comments about the size of the lice market.

KEARE: The Centers for Disease Control and Prevention estimates that six to 12 million head-lice infestations occur each year in the United States among children ages 3 to 11 years old.

BARASH: However, these are only the documented ones. We estimate the numbers to be higher. To understand the scope of the market, you must first understand that it's twofold. There is treatment and there is prevention. Head-lice treatment is a \$250-million industry, and the lice-prevention market is infinite as parents look for a way to prevent infestations—not just during an outbreak at a school, camp, day care center, etc. *Consumer Reports* estimated that nearly 80% of school districts have reported at least one lice outbreak per year.

PARKER: Statistically, one out of 10 elementary school-age children is treated for head lice each year.

Is the lice problem getting worse and, thus, the market larger? What about mass-market/OTC products and prescriptions for it?

BARASH: The market is growing because lice have become resistant to OTC treatments. In a Welsh study led by Daniel R. Thomas of the National Public Health Service and reported in the June 2006 issue of *The Archives of Disease in Childhood*, more than 80% of the lice had genes conferring resistance to pyrethroid, the active ingredient in some of these treatments. Another pesticide used to kill lice—lindane—has been banned by the U.S. Environmental Protection Agency. New products are marketed to kill lice. However, they don't remove nits or eggs, which take two weeks to hatch. So a parent needs to literally wait two weeks for another round of lice to hatch and then use the product to kill them. With many schools still using a "no-nits" policy, this can keep children out of school for an extended period of time. Treatment is also available only through prescription—and many people can't afford the cost of the doctor office visit, the time off from work and the product.

PARKER: Lousey Nitpickers has two divisions—product and service. International travel plays a significant part in our service business. Head lice are even more prevalent in other parts of the world, and families returning from overseas trips often find they've acquired additional travelers.

Let's say that my child has lice or that I'm concerned about my child getting lice. Why should I zero in on this professional beauty product subcategory, your company and its line?

BARASH: Mass-market chains are behind the trend and stick with old products that are ineffective. They actually help send parents to salons looking for alternative methods. Alternative and safe products are available. Fairy Tales Hair Care has worked with chemists to create a product using naturally occurring enzymes. Enzymes are nontoxic, free of pesticides and safe for children and adults of all ages. The enzymes in Lice Good-Bye take care of the lice and the egg problems all at once. Its formula dissolves the exoskeletal system of the live bugs and the eggs—or nits—and is 100% effective when used as directed. It can be used repeatedly as lice cannot develop a resistance to it. It cannot damage the hair or the scalp and, most importantly, it takes care of both issues—lice and nits. Fairy Tales products will bring new customers into salons as parents look to professionals for solutions. Our salon locator page on our website receives 4,000 hits per day from parents looking to buy our products. We have had customers drive 50 miles to a salon because of our reputation.

PARKER: As with most mass-market versus professional products, there is a difference. One should not only consider the effectiveness of the product in treating and preventing head lice, but also the condition of the hair and the scalp—especially on small children, who are much more sensitive to the harsh, abrasive nature of many mass-market products. Lousey Nitpickers is the No. 1-rated nontoxic head-lice removal service in California. We currently offer in-home service in the San Francisco Bay Area and from Santa Barbara to San Diego. OTC products have been in use for decades, and their formulations are relatively unchanged. As a result, they're no longer as effective as they once were in killing head lice. This is also true for all but the strongest of prescription remedies. As many families find these products ineffective—and many don't like the idea of putting insecticide on their children's heads in the first place—there's a growing demand for safe, effective, nontoxic products to both treat head lice and prevent infestations. Lousey Nitpickers Botanical Defense System aids in the physical removal of head



Lousey Nitpickers co-owner Frank Campos inspects a child's hair for lice.

lice and their eggs, while natural, botanical oils protect against head-lice infestation. Our products are free of parabens and sulfates. Lousey Nitpickers Botanical Defense System is completely haircolor-safe and gentle enough for all ages and hair types. Our products are available through professional salons and beauty supplies coast to coast, including Snip-its, the nation's fastest-growing franchise chain of children's salons.

wrong, but I don't see them in this subcategory. Care to comment on why you think that is?

BARASH: Pro beauty suppliers are catching on. We work with more than two dozen distributors and more than 8,000 salons in the United States alone. Let's face it: There hasn't been much success in the children's hair-care market, and beauty suppliers don't think of it as a moneymaker. We have salon owners who say that Fairy

"Head-lice treatment is a \$250-million industry; the prevention market is infinite as parents look for a way to prevent infestations."

KEARE: Professional lice-prevention products have two advantages over mass-market treatment products: formulation and education. First, professional products do not contain chemical pediculicides, which may pose a health risk. And they have the added benefits of ingredients that are good for the hair and the scalp. Second, professional products are only sold where there are stylists and estheticians available to provide consultation. Consumer education is especially important on this sensitive topic. Circle of Friends' Lice Defense products were developed to help prevent lice from spreading from child to child. Through effective prevention, a family will not have to face the expense and stress of treatment.

Other large pro beauty suppliers market wet lines to kids. Maybe I'm

Tales is their best-selling line. I also think the "ick" factor comes into play. Some are a little put off by the whole lice topic. However, as we become more of a staple in homes, parents are asking for our products to be carried in their favorite salons. Each day for 10 straight years we've "opened up" at least one new salon. Distributors see our products in the salons they service and give us a call. Once they understand the scope of the market and the numbers we actually produce, that "ick" factor is replaced by the "wow" factor. Lice prevention is not just a wet line. It's a different sell entirely. It's something parents need, not want—and that makes a huge difference. Our motto is that Fairy Tales is not a luxury item—it's a necessity. It needs to be sold differently, marketed differently and

the education level has to be higher than a regular line of hair care for kids. This is what we get across each time we talk about Rosemary Repel Hair Care and what makes our line so special—it's something kids need to use every day to prevent lice, not just during an outbreak.

PARKER: I agree that this isn't a very visible category at present, but it is growing. With the saturation of the professional industry in the adult and teen categories, manufacturers and distributors are looking for alternative and niche categories to fuel future growth. One need look no further than TIGI; it's a major manufacturer that offers products for not only children but also pets. I believe that it is more a matter of educating salons than whether or not they have a large child-age clientele. Most of their clients probably have children and grandchildren who could benefit from these products.

hang out on a chair, car seat, couch etc., waiting for the next head. Sporting equipment, theater seats, airplane seats—anywhere you place your head can be a problem.

PARKER: Personal hygiene and cleanliness in the home or school have nothing to do with getting head lice. Anyone who comes in close contact with someone who has head lice is at risk. Preschool and elementary school-age children and their families are infested most often because smaller children tend to have more physical interaction than older children and adults. However, once head lice are brought into a home, they will likely spread to other family members unless the infestation is caught early. Siblings are typically the next to be infected, followed by mothers, who tend to have the most-frequent physical contact with their children. It is not uncommon for Lousey Nitpickers to service multiple households on

in terms of climate. However, our busiest times of the year in terms of product sales and service are following any major vacation—that is, back-to-school time, the return from winter break, etc.—in which children have had prolonged periods of play and physical interaction. Anecdotally, I do understand that colder climates see an increase during the winter months when children are kept closer together indoors, and coats, hats and scarves are more likely to be shared and hung in close proximity.

KEARE: There are triggers for lice outbreaks throughout the year. During back-to-school time, parents and educators have learned to look out for lice, but year-round monitoring is important. Baseball leagues and summer camps are also potential outbreak zones.

and a guarantee on results. While it is difficult for a service provider to quote the total cost of its service up front, a potential client shouldn't be afraid to ask exactly how the company charges and the average cost of the service.

What general advice or tips would you give consumers on how to deal with lice?

PARKER: First of all, do not panic. Statistically, most families with small children will encounter head lice at least once. This is no reflection on the family or the child, although it may be helpful to review how the child likely contracted head lice so that similar interactions can be avoided in the future. Once infested, it's important to follow through with treatment. Most infestations are not eradicated

“During back-to-school time, parents have learned to look out for lice, but year-round monitoring is important.”

Let's talk about hair salons and this niche market.

BARASH: Nitpicking salons and freelancers have been popping up a lot over the past few years. We sell to many of them since our products set the standard in the industry. Many charge about \$100 per hour to manually remove nits, making the service unaffordable to most. However, it is a burgeoning market. And as the leader in the industry, we plan to expand into this area to help make it a more affordable alternative in the near future—that's all I can say about that at this time.

PARKER: There is a growing service segment throughout the United States. Some companies offer salon-based services and others, such as Lousey Nitpickers, offer nontoxic removal of head lice and their eggs in the comfort and privacy of the family's own home. The key to success in selecting a service provider is technique, product effectiveness and follow-through. Just as with any head-lice treatment—salon-based or in-home—removal rarely eliminates the infestation in just one service. Repeated services are typically required, and there's quite a cost difference from one location to the other. One should choose a reliable provider with a good reputation

in one treatment. Depending on the degree of infestation, it may take two to three treatments over a period of up to two weeks to guarantee results. Miss just one louse or nit, and the cycle starts all over again. Getting rid of head lice is an ordeal, but with a systematic approach to treatment and environmental cleansing—laundry, bedding, stuffed animals, etc.—it is a process that can be completed with minimal disruption and expense.

KEARE: Avoid head-to-head contact between your child and other children. Discourage the sharing of combs, brushes, hats, pillows, etc.

Check family members every few weeks, concentrating behind the ears and at the nape—the most common areas nits are laid.

Children with long hair should be encouraged to wear it in a braid or a ponytail, etc. The less often loose hair comes in contact with an infested head, the lower the chance a louse is able to crawl to the new head.

Foster open communication about lice within your community and neighborhood groups—schools, churches, sports teams, day care centers and camps.

Marc Birenbaum is executive editor of *Beauty Store Business*.



Lousey Nitpickers' Campos checks a child for lice as her parents watch.

KEARE: By and large, the professional wet lines focus on the adult market. They may have a few SKUs for the children's market, but it is not their priority. They would not be expected to focus on the lice segment within the children's market.

Is this solely a kids' problem? And is it contagious?

BARASH: School-age children get head lice the most. They have head-to-head contact with others more than adults. However, it certainly happens a lot to adults—kids snuggling with their parents, sharing pillows, hats, brushes, combs and so on. Lice are highly contagious. A louse can live off the human head for about 24 hours to 36 hours, and one little bug can

the same street, or service a family and then head over to grandma's and grandpa's because of a recent visit by the grandchildren.

Is there a seasonality factor? Do you sell more product at certain times of the year?

BARASH: When we first started more than 10 years ago, we thought lice were seasonal. However, we don't see that so much anymore. We see outbreaks all year. Back-to-school time is certainly busy. Kids come back from summer camp and vacations to confined areas. However, we also see a huge upswing in January after holiday travel.

PARKER: Being a California-based company, we don't see much seasonality

Suppliers Guide

Fairy Tales Hair Care

www.fairytaleshaircare.com

888.244.1990

Company overview/History in the Lice Market

From Risa Barash, executive director and co-owner:

"As the creator and leader in the lice-prevention category, Fairy Tales Hair Care literally created a market where there wasn't one. In 1999, our family-owned salon noticed an increase in head lice and saw nothing for prevention. After much research on the effectiveness of herbs and oils, we discovered that rosemary and citronella have been used for centuries to keep bugs at bay. There was even documentation going back to the Crusades. Dr. Kosta Mumcuoglu, chief parasitologist at the Hebrew University-Hadassah Medical School and a longtime head-lice researcher, concluded 'that citronella's use could significantly lower the incidence of reinfestations.' His research also stated that rosemary oil and geraniol were nearly as effective as citronella, and so Rosemary Repel Hair Care was born. We then infused these organic herbs with high-quality ingredients such as vitamins B, D and E, jojoba, aloe and rose hips. So not only do we help repel lice, we make hair soft, shiny and manageable. Our line includes the Rosemary Repel Shampoo, Rosemary Repel Creme Conditioner, Rosemary Repel Leave-in Spray, Rosemary Repel Gel and Rosemary Repel Spray & Shield.

"As others began to take notice of our success and attempted to jump on the proverbial bandwagon, we came out with a study proving the effectiveness of our products. We have the only independent study conducted on the efficacy of lice-prevention hair care. Katie Shepherd, founder of the prestigious nonprofit organization Lice Solutions Resource Network [liceresolutions.org], stated, 'We believe this is the first independent research on a product with natural ingredients that actually deters head lice and that the product claims of repelling lice from human hair indeed have efficacy, based on our extensive testing.'

"As our company has grown, so has our reputation and we've developed a cult-like following among parents. Our products are sold across the United States, in Canada, in Puerto Rico, in Mexico and now in the United Kingdom with expansion in Europe,

the Middle East and Scandinavia slated for later this year.

"We've grown more than 400% in five years. Last year was a banner year for us. Sales were up 38% in a down economy, and we 'opened' thousands of new doors. This year is going to be even stronger. Our new-and-improved formula is available. We will launch new products in the war against head lice with an extensive media campaign. And we have some new and exciting things that will continue to build our brand and, most importantly, help salons generate sales—even in a recession. We look forward to maintaining our status as the leader in this burgeoning arena."

Featured Products

Rosemary Repel Hair Care, including Shampoo, Conditioner, Spray, Gel, Spray and Shield

Loaded with organic rosemary, citronella, tea tree and geranium as well as jojoba, aloe and vitamins A, D and E, Fairy Tales Hair Care deep cleans, conditions and prevents head lice. It has a concentrated formula and is free of SLS and parabens.

Suggested retail price:

\$9.95 to \$10.95, per bottle; 32 ounces, \$21.95 to \$29.95



Lice Good-Bye Nit Removal Kit

Naturally occurring enzymes help dissolve nit "glue" and break down the exoskeletal system of a live bug to make lice removal quick and easy. With three to four treatments per 4-ounce bottle, parents now have a cost-effective and safe alternative to harsh chemicals and pesticides. It's not resistant to the new breed of "super lice." Lice Good-Bye is safe for children and adults, and comes with a plastic comb to help remove small nits.

SRP: \$19.95

Terminator Comb

This was proven to be the No. 1 most-effective nit-removal comb in an independent comparative study. It features metal, micro-grooved teeth in a tight spiral form with rounded edges to remove the tiniest of nits and live bugs while protecting the scalp. The stainless-steel implement can even be boiled.

SRP: \$13.95

Lousey Nitpickers

www.louseynitpickers.com

877.4.LOUSEY

Company overview/History in the Lice Market

From M. Evan Parker, director of sales and marketing, and co-founder:

"Lousey Nitpickers Botanical Defense System aids in the physical removal of head lice and their eggs, while natural, botanical oils protect against head-lice infestation. It is paraben free, sulfate free and is gentle enough for all ages and hair types. Lousey Nitpickers Botanical Defense System was developed for professional use and has been tested in literally thousands of real-life infestations.

"Combining more than 30 years of experience in head-lice removal and product development, the founders of Lousey Nitpickers set out to create a company unique in its commitment to safety, honesty, service and results. This has resulted in national recognition of Lousey Nitpickers in publications such as *The Wall Street Journal*, *Los Angeles Times*, *The Orange County Register*, *The Cincinnati Post* and *The Denver Post*.

"It is no accident that Lousey Nitpickers is the highest-rated nontoxic head lice-removal service in California, and is featured as the industry expert on parenting site www.mommywood.com.

"Lousey Nitpickers cares about our communities and our children. A portion of all revenue generated by Lousey Nitpickers supports a variety of children's charities, education and health care programs.

"Lousey Nitpickers' safe, effective, nontoxic services and Botanical Defense System offer guaranteed results without the risk.

"Lousey Nitpickers Botanical Defense System may be used daily for head-lice prevention as well as in the physical removal of head lice and their eggs. In addition to three highly effective, natural, botanical insect-repelling ingredients (neem, tea tree and andiroba), Lousey Nitpickers Botanical Defense System also contains bee propolis, which soothes the itch and irritation associated with head-lice infestations and helps speed healing."

Featured Products

Botanical Defense Shampoo

Infused with neem, tea tree and andiroba oils, Botanical Defense Shampoo offers daily protection against head lice, while bee propolis soothes irritation and helps

speed healing. It is free of parabens and sulfates and is gentle enough for all ages and hair types.

SRP: \$12 (12 ounces)



Botanical Defense Conditioner

Infused with neem, tea tree and andiroba oils, Botanical Defense Conditioner offers daily protection against head-lice infestation, while bee propolis soothes irritation and helps speed healing. This light, daily conditioner provides weightless hydration while locking in nutrients and proteins vital to healthy hair and a healthy scalp.

SRP: \$14 (12 ounces)

Botanical Defense Spray

Infused with neem, tea tree and andiroba oils, Botanical Defense Spray offers daily protection against head-lice infestation, while bee propolis soothes irritation and helps speed healing.

SRP: \$15 (4 ounces)

Circle of Friends

www.cofbath.com

800.267.4781

Company overview/History in the Lice Market

From Eleanor Keare, president of Circle of Friends:

"Before we were known as the lice-prevention experts, Circle of Friends was making professional haircare products for children that combined the best of science and nature. Since 1995, we've been carefully crafting each product, using only the finest ingredients—exotic botanical extracts, gentle cleansers, vitamins, minerals and yummy fragrances.

"I'm especially proud of our unique, educational packaging. Each bottle features the story of a child from around the world. Learning about 'friends' from different cultures makes bath time fun for kids and less stressful for parents.

"We strive to run Circle of Friends as a socially-responsible business. Each year we donate thousands of products to nonprofit organizations that improve the health, education and

welfare of children. Our products are tested by stylists and parents—never on animals. To reduce our impact on the planet, we encourage our employees to work from home and our customers to recycle our packaging.

"Circle of Friends launched our first lice-prevention products—Shampoo and Leave-In Conditioner—in 2007. The products were an instant success. Each of our distributors' reorders were larger than their launch orders. The next year Lice Defense Hair Spray and Styling Gel were introduced. The line is a strong performer across the country."

Featured Products

Lice Defense Shampoo

Lice Defense Shampoo deters lice naturally, leaving little noggins clean and insect free. Gentle enough to use daily, the shampoo is designed for use to protect little ones when an outbreak of lice has been discovered. The tea tree, andiroba and lavender oils are the key ingredients that help to keep lice away safely and naturally. Children will actually enjoy bath time thanks to its kid-pleasing lavender scent.



Lice Defense Leave-in Conditioner

Designed to be sprayed on wet or dry hair each morning, the fine mist coats the hair, refreshes the essential oils and provides an extra lice deterrent. The tea tree, andiroba and lavender oils are the key ingredients that help to keep lice away safely and naturally. Vitamin B5 and glycerin hydrate the hair, leaving it soft, manageable and free of tangles. Lice Defense Leave-in Conditioner can also be used all over the body as a natural insect repellent. The formula softens and nourishes the skin.

Lice Defense Styling Duo

Lice Defense Hair Spray and Styling Gel help shield the hair shaft, making it difficult for lice to attach their nits (eggs) to the hair. Both products have the added benefits of tea tree, andiroba and lavender oils to help keep lice away. Apply all over the head, concentrating behind the ears and at the nape—the most common places nits are found. These products help ponytails and braids be even more effective means of preventing lice from spreading. ■