

A man in a blue suit and patterned shirt stands on a city street, smiling. The background shows a building and a blue trash bin.

BUSINESS REPORT

Date: **18th May 2024**

Business Reference: **36467**

About the Business:

Unique Tan Salon & Fashion Boutique – Western Cape

Great opportunity to take over this one-of-a-kind, established business that promotes wellness, beauty and confidence. Selling Price: R2,8 Million inclusive of stock Prime location in a popular shopping center with high foot traffic Consistent turnover Unique product range of hybrid tanning services, elegant clothing, swimwear, gym wear and accessories Longstanding and loyal clientele, including celebrities,

actors, and sportsmen Strong social media presence Great opportunity to expand market reach, clientele and product range Don't miss out on this chance to own a health and lifestyle business that's dedicated to helping clients look and feel their best. Whether they're seeking a sun-kissed glow or stylish activewear, your business will be their go-to destination for all things wellness and beauty. Contact our listing broker, Michael Mey on 0829568260 or michael@aldes.co.za

Unique Tan Salon & Fashion Boutique – Western Cape



Sector: **Services**

Asking Price:

R 2,500,000

Monthly Profit:

R 82,847

Asset Value:

R 300,000

Stock Value:

R 300,000

Yearly Net Profit :

R 994,159



Business Report

Fully describe the business's activities?

Established Beauty and Lifestyle Business. They engage in a multifaceted set of activities, offering a comprehensive range of services and products within the beauty and lifestyle industry.

The core activities include:

1. Hybrid Tanning Services: Utilizing three stand-up collagen tanning beds equipped with hybrid technology (tanning lamps and collagen UV lamps). Providing a unique tanning experience combining traditional tanning methods with collagen enhancement.
 2. Spray Tan Services: Offering spray tan services to cater to diverse client preferences in achieving a sun-kissed glow.
 3. Retail Operations: Operating a stylish and elegant store within the premises. Selling tanning accelerators, including self-tan creams. Retailing a curated collection of gym wear, event wear, swimwear, and accessories.
- * Supplier Relationships: Collaborating with five suppliers who provide clothing and cosmetics on a consignment basis, with monthly payments.
 - * Client Engagement and Sales: Directly supplying clients on-site at the premises where the store is located. Implementing a delivery system to reach clients across South Africa, ensuring accessibility beyond the physical location.
 - * Customer Base and Celebrity Engagements: Serving a diverse clientele from all over Cape Town, including celebrities, actors, and sportsmen who frequent the establishment for tanning services. Experiencing client demand for expansion into new locations such as Constantia and Durbanville.
 - * Media Features: Gaining exposure through media features, with clothing from the store showcased in music videos and on television shows.
 - * Social Media Presence: Maintaining a robust presence on social media platforms, particularly Instagram, with approximately 10,000 followers. Engaging with the audience through regular posts, updates, and interactions.
 - * Operational Resilience: Operating within a popular shopping center with a consistent flow of clients. Demonstrating resilience to potential power outages as the mall is equipped with generators, ensuring no impact on day-to-day operations.

They seamlessly integrate tanning services, retail operations, supplier collaborations, and client engagement strategies to create a holistic beauty and lifestyle experience. The diverse range of activities contributes to the boutique's unique positioning in the market and its success in building a loyal and high-profile clientele.

How does the business operate on a daily basis?

On a daily basis, the business operates by providing a range of services and products related to tanning and lifestyle. The core operations include managing and overseeing the operation of three stand-up collagen tanning beds, offering spray tan services, and retailing tanning accelerators, gym wear, event wear, swimwear, and accessories. Overall, the daily operations focus on delivering exceptional services, managing inventory, fostering supplier relationships, and maximizing the brand's visibility and engagement through various channels, including social media and high-profile endorsements.

What Advertising/Marketing is carried out?

The business employs a variety of advertising and marketing strategies to promote its services, products, and brand. The business utilizes a mix of social media engagement, media features, celebrity endorsements, word-of-mouth referrals, direct sales, and retail presence to carry out its advertising and marketing efforts. This comprehensive approach aims to create brand awareness, attract a diverse clientele, and maintain a positive and influential market presence.

Give a breakdown of staff/ functions/ length of service?

Manager has been with the store for 2 years
Sales Assistant has been with the for 1 year

When does the current lease end?

Lease ended last year, however they have a great relationship with their landlord, so discussions can be held to renew for further 5 years.

What are the trading hours?

Weekdays 9am to 6pm
Saturdays 10am to 2pm

What are the main assets of the business?

Sunbeds x 3
Spray tan machine and tent
Office equipment (TV, Mirrors, Computer, Cupboards, Fridge, Furniture, Counter, Phone)

Strengths?

1. Consistent Turnover: The company has demonstrated a consistent and steady turnover, indicating financial stability and reliability.
2. Prime Location: Strategically located in a popular shopping center with high foot traffic, providing exposure and easy accessibility to potential clients.
3. Longstanding Clientele: A loyal customer base, including celebrities, actors, and sportsmen, reflects the business's ability to maintain and attract high-profile clients over time.
4. Unique Product Offering: The boutique stands out as a one-of-a-kind establishment, offering a unique blend of hybrid tanning services, stylish clothing, cosmetics, and accessories.
5. Strong Social Media Presence: With approximately 10,000 followers on Instagram, the business enjoys a substantial online presence, contributing to brand visibility and engagement.
6. Media Features: Clothing from the store has been featured in music videos and TV shows, adding credibility and attracting a broader audience.
7. No load shedding - Mall has own generators.

Weaknesses?

1. Dependence on Consignment Basis: Reliance on five suppliers providing products on a consignment basis may pose potential inventory challenges or impact profit margins.
2. Limited Geographic Presence: While the business has a strong presence in Cape Town, there is unmet demand in Constantia and Durbanville, indicating potential missed opportunities for expansion.

Opportunities?

1. Expansion: Responding to client requests to open in new locations (Constantia and Durbanville) presents a clear growth opportunity.
2. Diversification of Product Line: Introducing new products or expanding the current product line could attract a broader customer base and increase revenue streams.
3. Online Sales Platform: Leveraging the strong social media presence to establish an online sales platform could tap into a wider market and enhance customer convenience.

Threats?

1. Competitive Landscape: The boutique may face competition from other tanning salons or lifestyle stores, necessitating ongoing differentiation strategies.
2. Economic Downturn: Economic uncertainties could impact consumer spending on non-essential services and products, affecting the tanning and retail sectors.
3. Supply Chain Risks: Dependency on consignment-based suppliers poses a risk of potential supply chain disruptions or challenges in maintaining product variety.

What is the reason for the sale?

They are immigrating