REVIEW
of the scientific article
by Karyna Poltavets "Business Models of Vertical Integration in the Beauty Industry in the United States: Analysis of Economic Efficiency"

The article is devoted to a topic that has hitherto remained outside the attention of researchers — vertical integration in the beauty industry of the United States. Meanwhile, the U.S. beauty market is the largest in the world: according to estimates, its volume in 2025 reaches $104.74 billion ($304.84 per capita), and the share of online sales accounts for 56%. Under these conditions, the issues of effective business organization acquire particular importance, and the author quite justifiably selects vertical integration as the subject of research.

The American beauty industry differs significantly from similar markets in other countries. First, it is the largest market by revenue in the world. Second, a developed regulatory framework — in particular, the Modernization of Cosmetics Regulation Act of 2022 — creates serious barriers for foreign companies. Third, the technological level of American players allows them to form competitive advantages unavailable to most foreign competitors. All of this is taken into account by the author when analyzing the conditions under which integration processes develop.

Special attention in the work is given to the structure of the professional beauty services market. The U.S. professional beauty services market in 2024 was estimated at $47.3 million. Its main players are Regis Corporation, TONI&GUY, Sally Beauty Holdings, and Ulta Beauty. This market is characterized by a franchise business model, which is why the case of Regis Corporation, which pursued the path of vertical integration, is atypical and deserves separate study.

Regis Corporation is an American beauty salon operator headquartered in Minneapolis. As of June 2025, it managed 3,647 franchised and 294 company-owned salons. The brand portfolio covers various price segments: Supercuts is primarily oriented toward men with affordable pricing, SmartStyle operates within Walmart retail locations and targets family clients, First Choice Haircutters offers creative services at an optimal price-to-quality ratio, Roosters specializes in classic barbering, and BoRics is a full-service barbershop chain with budget positioning.

The central focus of the article is the analysis of Regis Corporation's activities — an American beauty salon operator headquartered in Minneapolis, which as of June 2025 manages 3,647 franchised and 294 company-owned salons under the brands Supercuts, SmartStyle, First Choice Haircutters, Roosters, and BoRics. The corporation purposefully covers various price segments: from budget haircuts at Walmart (SmartStyle) to premium-level classic barbershop services (Roosters).

In December 2024, Regis Corporation acquired 100% of Alline Salon Group from franchisee Super C Group, LLC — 314 salons in Pennsylvania, Ohio, Michigan, West Virginia, Maryland, New Jersey, and Delaware (under the brands Supercuts, Cost Cutters, and Holiday Hair). The transaction value amounted to approximately $19 million in cash, $3 million in stock, and additional transaction costs.

The work examines not only the benefits of the acquisition but also the accompanying difficulties — concentration of financial risks, the complexity of coordinating salons across seven different states, and the need for investments in brand support. This makes the research substantive and unbiased.

In the conclusions, the author justifiably states that vertical consolidation in the format implemented by Regis Corporation ensures short-term operational efficiency, while the long-term consequences require further monitoring. This is an honest and scientifically correct formulation that opens perspectives for the continuation of research in this direction.

The article is written in clear scientific language, has a well-defined structure, and relies on reliable financial reporting. It fills a real gap in beauty industry research and is of practical interest to market operators considering integration strategies.

The article is recommended for publication.

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