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Building a Sustainable Business Model in the Personal Beauty Services Industry

Mariia Khidirbekova

Owner and Lead Nail Tech at Marees Ventures LLC Saint Louis, Missouri

Abstract: The article describes the specific features of an integrated sustainable-development model for solo-operator nail salons in which environmental and social responsibility cease to be an “optional extra” and instead constitute the nucleus of competitive strategy. Drawing on a comprehensive review of sectoral statistics and accumulated practitioner experience, the study demonstrates that the dominant conveyor-style paradigm—designed to maximise customer throughput and rely on inexpensive materials—entails elevated risks of physical injury, allergic reactions and ecological contamination and therefore fails to secure long-term profitability. In response, a three-component framework is proposed. First, chemical and physical service safety is ensured through the elimination of toxic ingredients and the introduction of a proprietary atraumatic cuticle-treatment technique. Second, environmental responsibility is realised via resource conservation, circular waste management and the deliberate selection of suppliers holding recognised eco-certifications. Third, economic viability is achieved by means of premium pricing, relationship-oriented client retention and zero marketing expenditure enabled by word-of-mouth referrals. The resulting findings confirm the hypothesis that sustainability drives not only ethical benefits but also financial advantages for enterprises, and that the systemic approach outlined here can be scaled to other niches within personalised beauty services on a global scale.

Keywords: sustainable development, business model, beauty industry, nail services, environmental responsibility, safe materials, non-toxic services, consumer behaviour, innovative techniques, corporate social responsibility

Introduction

The personal care and beauty services industry ranks among the most rapidly evolving sectors of the global economy. Recent analytical reports indicate that the value of the worldwide beauty-salon services market is rising steadily and is projected to surpass several hundred billion US dollars by 2027, driven by growth in disposable income, heightened attention to aesthetic self-expression, and the pervasive influence of social media [1]. Behind these impressive financial figures, however, lie serious systemic risks to the environment and human health. The prevailing business model in the industry seeks to maximize customer traffic while minimizing costs, a goal often pursued through the use of inexpensive yet potentially harmful ingredients and technologies. Consequently, large volumes of waste are generated—from excessive plastic packaging and single-use instruments to chemically laden materials—accompanied by the overconsumption of water and electricity.

The relevance of the present study is determined by the growing conflict between the industry's economic priorities and the imperatives of sustainable development. Contemporary consumers make increasingly informed choices about services and products, displaying strong interest in “green,” “clean,” and non-toxic cosmetic solutions [2]. This trend sets a new direction for market evolution, creating favorable conditions for companies prepared to fundamentally reconsider their business processes in pursuit of environmental and social responsibility. Nevertheless, the scholarly literature offers few comprehensive business models that move beyond isolated green practices; frameworks capable of embedding sustainability principles across all operational and strategic dimensions of salon activity—from supplier and material selection to marketing strategies and customer relations—remain scarce. Existing studies either confine themselves to analyzing cosmetic formulations or address sustainability within the broader context of retail, thereby overlooking the specific characteristics of the service sector [10].

The aim of the present study is to examine the distinctive challenges encountered in developing a business model for personal cosmetic enterprises, exemplified by nail services, in which innovative, health-protective technologies are seamlessly integrated with environmental responsibility.

The study's scientific novelty stems from employing a systemic approach to construct a business model where sustainability is not an ancillary feature but a foundational element shaping the company's long-term competitiveness and value proposition.

The author's hypothesis asserts that a model focused on delivering high-quality, atraumatic services with meticulously selected safe materials—while prioritizing the client's long-term well-being—can secure not only ecological and social sustainability but also superior economic results relative to the conventional high-throughput paradigm, owing to elevated visitor loyalty and enhanced brand strength.

Materials and Methods

In recent years, research devoted to the development of sustainable business models in the field of personalized beauty services has focused on several key directions. First, the assessment of the cosmetics and wellness products market demonstrates its rapid growth: according to Fortune Business Insights, the global market for beauty and wellness products reached impressive figures in 2024, with further steady expansion forecast through 2028 [1]; a similar trajectory is shown by the natural cosmetics market, as reported by Grand View Research [10].

Second, considerable attention is paid to consumer perceptions of “green” products and the motivations behind their selection. Cherian A. T. [2] analyzes the influence of altruistic behavior on purchase attitudes and intentions among Indian consumers in the green cosmetics segment, revealing that a brand's environmental orientation enhances loyalty and willingness to pay a premium for clean products. Gamage S. G., Mahagamage M. G. Y. L. [3] investigate perceived health and environmental risks associated with personal care products, emphasizing that awareness of potential adverse effects drives interest in organic formulations and eco-friendly packaging. Uikey A. A., Baber R. [7] identify key factors shaping green loyalty: brand transparency, perceived environmental value, trust, and personal connection with the brand emerge as primary determinants of sustained demand.

The third direction relates to the integration of sustainable development practices and corporate social responsibility. Morea D., Fortunati S., Martiniello L. [4] propose a concept combining circular economy principles and CSR strategies within multinational cosmetics corporations, enabling the reduction of

environmental footprint while simultaneously enhancing public approval of the brand. Research by Afolabi H. et al. [8] demonstrates how small and medium-sized enterprises implement sustainable practices by leveraging local resources and innovative business approaches, thus contributing to the formation of a green economy. Similarly, Alam S. M. S., Islam K. M. Z. [9] emphasize that environmentally focused CSR activities strengthen corporate reputation and support sustainable market positioning.

The fourth equally important direction concerns the health of beauty industry workers. Pham V. X. et al. [5] examine occupational skin disorders among nail service technicians, identifying high rates of dermatitis and highlighting the need for protective protocols and training programs. Quaade A. S., Simonsen A. B. [6] illustrate the “bitter” side of nail art through cases of allergic contact dermatitis in adolescents, underscoring the risks associated with acrylic components when proper regulation and quality control of materials are lacking.

Despite the breadth of approaches, the literature reveals significant contradictions. Market reports provide an overview of global trends but seldom account for regional nuances and the specificities of small-scale entrepreneurial formats; studies of consumer behavior are mainly concentrated on major markets and rarely address Eastern Europe and CIS countries. In the CSR domain, a gap exists between theoretical models for multinational corporations and practical tools suitable for small businesses. Finally, the topic of occupational health has been investigated primarily in the context of nail services, whereas other segments (hair salons, aesthetic clinics) remain largely unexplored by researchers.

Thus, although the authors demonstrate a diversity of approaches—from macroeconomic reports to micro-level analyses of health and CSR—a number of important aspects (regional characteristics of sustainable business model implementation, practical methods for adapting CSR to small enterprises, the impact of digitalization on the sustainability of beauty services) require deeper investigation and systematic analysis.

Results and discussion

An analysis of the contemporary market for personal cosmetic services shows the dominance of an “assembly-line” or “high-throughput” business model,

founded on the pursuit of maximum client flow, strict standardization of procedures, reduced service time, and the use of the cheapest—sometimes unsafe—consumables. Profitability is achieved through economies of scale; however, this approach proves incapable of ensuring long-term stability. Up to 70 % of clients who seek services from practitioners working in high-throughput salons suffer physical or chemical damage to the nail plate and surrounding tissues because technological regulations are violated and low-quality products are used, revealing a deep-seated problem of quality and safety within the industry.

In contrast to the assembly-line system, the concept of sustainable business shifts emphasis from volume to the thoroughness of service delivery and from short-term profit to the cultivation of long-term, trust-based relationships with clients and accountability to society and the environment. This model is built on three key principles: the safety and health of all participants, ecological responsibility, and economic viability.

Principle 1 – safeguarding the health and safety of both the client and the practitioner. This principle is fundamental; it requires the complete elimination from practice of materials that contain potentially toxic constituents such as formaldehyde, toluene, dibutyl phthalate (DBP), camphor, formaldehyde resins, and similar substances. As demonstrated by study [6], the incidence of allergic reactions to the components of gel polishes continues to rise. Consequently, meticulous brand and product selection, grounded in an in-depth analysis of their chemical composition, not only enhances competitiveness but also constitutes a professional imperative. Supplementary education in materials chemistry makes it possible to exclude more than half of the widely marketed brands from the product portfolio, thereby creating a safe palette of validated coatings.

In addition to chemical safety, the physical safety of procedures—namely, atraumatic processing—is of particular importance. An authorial technique employing gentle cuticle micro-polishing is used instead of aggressive excision. The conventional method, which involves turning out the cuticle and abrading it with a bur, compromises its protective function, provoking inflammation and accelerated tissue growth. The proposed approach (see Figure 1) preserves the integrity of the skin barrier, which not only ensures a more aesthetic long-term result but also prevents onychoschizia (nail splitting), paronychia (inflammation

of the peri-ungual fold), and other common complications.

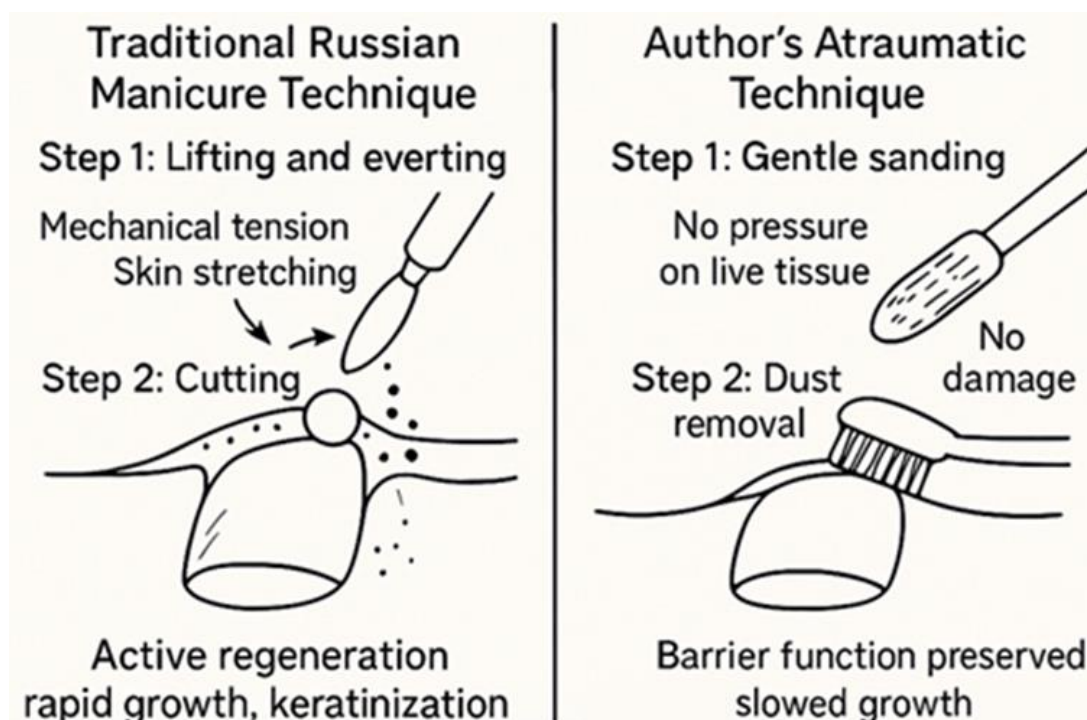


Fig. 1. Comparative diagram of cuticle processing techniques (compiled by the author based on the analysis of [6, 7, 9]).

Principle 2 – Environmental responsibility. This principle encompasses the entire service life cycle, from supplier selection to the disposal of residual materials, thereby directing the industry toward a reduced environmental burden. The main implementation pathways include:

- Resource-use optimisation. The introduction of a proprietary soak-free coating-removal technique eliminates the need for prolonged hand immersion in water, which not only suppresses microbial proliferation by avoiding a moist environment but also significantly reduces water consumption.
- Rational waste management. Preference is given to materials supplied in recyclable or fully

biodegradable packaging, together with the introduction of source-separated waste collection. Replacing single-use plastic tools with reusable, sterilizable counterparts decreases the volume of municipal solid waste.

- Prevention of chemical contamination. The use of water-free and acid-free technologies prevents aggressive chemical compounds from entering sewer effluents and groundwater.

The principles of the circular economy adapted for salon processes are illustrated in the diagram (see Figure 2).

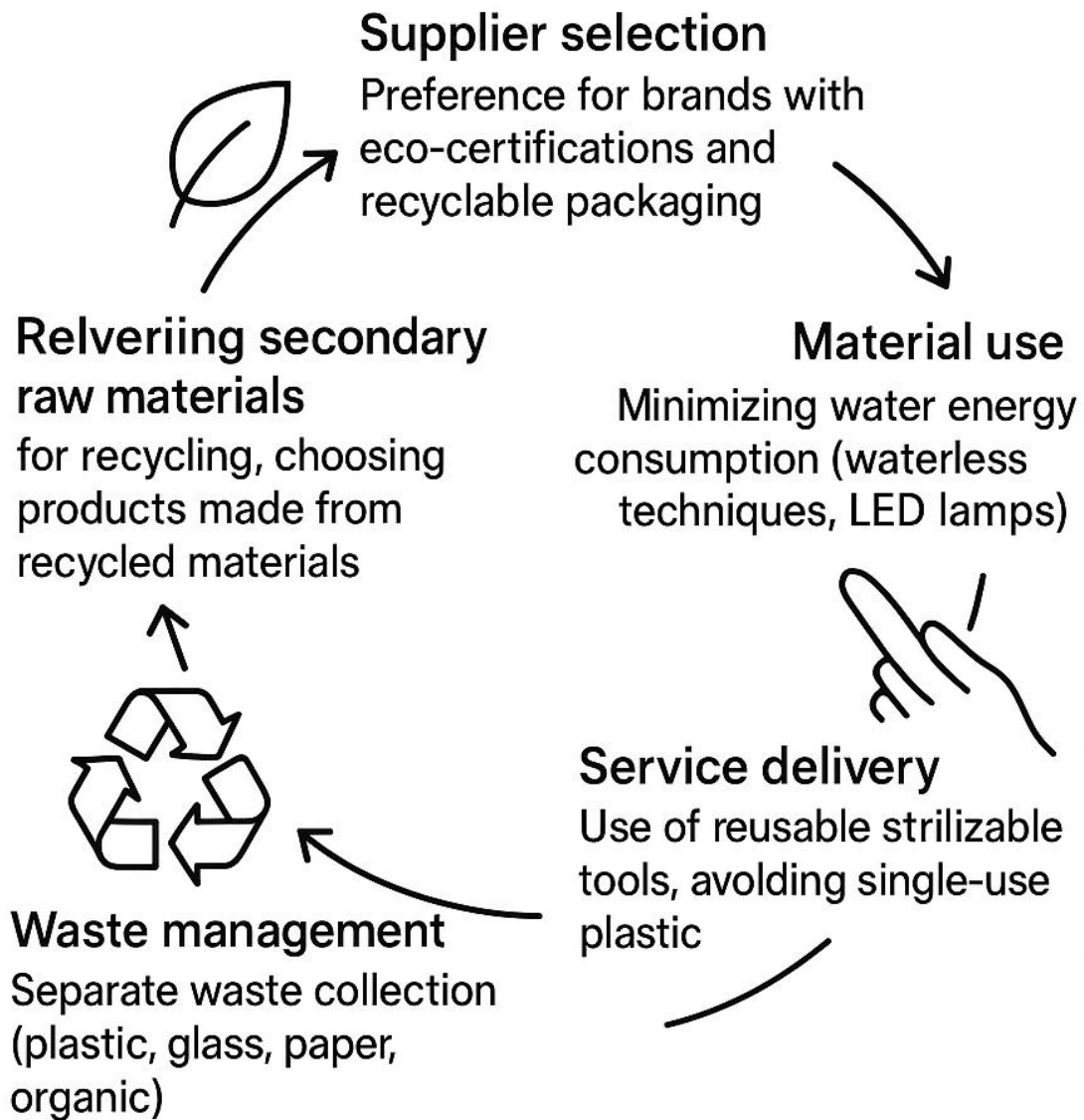


Fig. 2. Principles of circular economy in a beauty salon (compiled by the author based on the analysis of [3, 4]).

Principle 3 – Economic Viability. Within the framework of sustainable development, the notion of a “sustainable model” in no way precludes profitability. The economic foundation of such a system rests not on price dumping but on creating exceptional customer value. A fully booked schedule several months in advance and a wait-list of more than 300 individuals, achieved without targeted advertising campaigns, clearly demonstrate continuous demand for a high-quality and safe service. Moreover, the client base was established in only six weeks exclusively through word-of-mouth referrals, confirming that consumers are willing not merely to pay for the service but also to actively seek a professional who guarantees a therapeutic and long-lasting effect rather than a one-time cosmetic correction [5, 6].

Within the described model, the economic logic shifts from a one-off transaction to a relational interaction: the practitioner functions less as a mere performer of a technical procedure and more as a trusted consultant on nail health. This justifies the adoption of a premium pricing strategy that offsets higher expenditures on certified materials and the extended service time required for each client. Profitability is secured through the near-perfect retention of regular clients and the absence of marketing expenses [7, 8]. A comparative analysis of the market positioning of the traditional and sustainable models is presented in Table 1.

Table 1. Comparative analysis of business models in the nail-service industry (compiled by the author based on analysis [5, 7, 8]).

Criterion	Traditional (throughput) model	Sustainable model
Target audience	Mass-market, price-sensitive	Mid-range and premium segments valuing quality, safety, health
Key value proposition	Speed, accessibility, trendy design	Health, safety, long-term results, individualized approach
Pricing	Low to medium, cost-based	High, value-based
Materials	Economical, often of questionable composition	Carefully selected, hypoallergenic, non-toxic ("7-free", "10-free")
Technologies	Standardized, fast, often damaging	Innovative, non-traumatic, resource-efficient
Customer relations	Transactional, short-term	Relational, long-term, trust-based
Marketing	Aggressive: discounts, promotions, social media	Word-of-mouth, reputation marketing, expert content
Competitive advantage	Price, speed	Unique expertise, safety, quality
Economic outcome	Dependence on volume, price wars	High margins, stable income, waiting list

The success of a long-term development strategy is determined to a significant extent by the maturity of the target market. Empirical analysis of consumer preferences shows a rapid rise in interest in the Clean Beauty concept. This universal trend indicates that a business model focused on environmental safety and biocompatibility not only satisfies existing demand but also proactively shapes new demand vectors, laying the foundations for the market of the future. An essential component of this model is education: a specialist operating within this paradigm systematically informs clients about the differences among the materials employed and the technological approaches applied, thereby raising consumer culture in the field of cosmetic services and fostering informed demand [3, 9].

The findings demonstrate that building a sustainable business concept in the industry of personalized cosmetic procedures is both ethically justified and economically efficient. Rethinking the operational format—from mass-oriented conveyor schemes to a client-centered, health-preserving paradigm—enables clear differentiation from competitors, cultivation of a stable, loyal audience, and assurance of long-term commercial viability. The author's method of atraumatic cuticle treatment combined with meticulous selection of high-quality materials provides practical confirmation of

the viability of this concept and illustrates its considerable potential.

Conclusion

The undertaken study provided a comprehensive investigation and theoretical justification of a sustainable business model for organizations offering personalized cosmetic services. Based on an analysis of current scholarly literature and a detailed examination of a practical case, three key principles of this model were identified: the prioritization of clients' health and safety, environmental responsibility, and the assurance of long-term economic stability.

The research confirmed the initial assumption that a business model centered on high service quality, procedural safety, and the long-term well-being of the client outperforms the conventional "assembly-line" approach in economic terms. This superiority is achieved not through aggressive pricing but through the development of a unique value proposition that enhances client loyalty and builds reputational capital. Empirical validation of this concept emerged from the application of the author's atraumatic cuticle-care technique, which enabled the formation of a permanent client base and the creation of a waiting list solely through referrals.

It was determined that the fundamental elements of the sustainable model include substituting toxic ingredients with safe, hypoallergenic alternatives, introducing atraumatic and resource-efficient technologies, optimizing material consumption, and managing waste effectively. Collectively, these measures minimize adverse effects on human health and the environment while meeting the increasing consumer demand for ecologically sound and conscientious services, thereby serving as a powerful driver of sustainable development within the industry.

Promising avenues for future research involve the quantitative assessment of the economic impact of implementing sustainable practices on a large-scale enterprise level and the development of standardized protocols for the green certification of beauty salons.

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