



MARKETING PLAN of BEAUTY SPOT

Group Assignment

2008

EXECUTIVE SUMMARY

Dream & Desire will be operating from a single outlet located in Lahore. It is in the infancy stage and expects to move quickly towards further growth and profitability. Our management has conducted both primary and secondary research into the saloon industry. The Dream & Desire will face competition from almost all existing beauty salon; the most threatening rivals are Depelix, AlleNora, and Madeeha's. The findings of the researches indicate that the company can generate positive returns as this is a growing industry where there is an increasing demand by the society. Management estimates that the female population of the market will generate RF. 17,50,069 of sales per year and that Dream & Desire will capture 10% of the market by the end of 2008.

In addition, highly motivated and talented professionals will be employed in beauty spot in order to gain customer integrity and build a self-confidence relationship to attract more customers. The reliability of our services will also encourage customer loyalty, maintaining the business earnings. The salon is further supported by key suppliers, beauty treatment professionals, to ensure that customers receive the highest quality service.

Dream & Desire's mission statement is "*we are committed to providing the best services as well as value for your time and money*". Strong marketing strategies have been built to attain the salon's goals and objectives efficiently and effectively. We have undertaken differentiated marketing strategy to target markets with the intention to go after several segments with offers tailored to each. Hence Dream & Desire's marketing strategy is to represent its services as the best and most logical solution for the respective

segments that satisfy their needs. Variety of marketing approaches will be used to promote and market the salon including free demonstrations, advertisements through Social Media, magazines and through personalized websites.

Table of Contents

1.0 Company Profile	5
1.1 Purpose and mission	5
1.2 Objectives	5
2.0 SITUATIONAL ANALYSIS.....	6
2.1 Industry analysis.....	6
2.1.1Trends and drivers of Beauty Spot	7
2.2 Competitive analysis	7
2.2.1 Competitive landscape	7
2.2.2 Key players.....	9
2.3 SWOT ANALYSIS OF BEAUTY SPOT.....	10
3.0 Marketing Strategy.....	11
3.1 Market segmentation strategy	11
3.2 Targeting strategy	11
3.2.1 Target Market.....	12
3.3 Potential Strategies available.....	14
3.3.1Core strategy	14
3.4 Positioning Strategy	15
4.0 MARKETING PROGRAMS.....	16
4.1 Marketing mix	16
4.1.1 Product	16
4.1.2 Price	21
4.1.3 Place.....	23
4.1.4 Promotion.....	24
5.0 Financial	25
5.1. Sales forecast	25

6.0 References/Bibliography	29
7.0 Annex.....	31
nnex: 1~ Beauty Spot's services and price list.....	31
Annex: 2. Methodology.....	34
Annex: 3. Equipment details	35
Annex: 4. Beauty Spot layout.....	39

1.0 Company Profile

1.1 Purpose and mission

Dream & Desire is a full service beauty salon dedicated to enhance the physical appearance of the clients and to maintain a friendly, fair and creative environment by providing excellent services and quality products. In order to provide quality services, branded equipments and products will be used. All the brands and equipments are internationally recognized and popular among the customers. Furthermore the products are well known for delivering consistent and desired results.

Our mission is to continuously providing the best services as well provide value for the time and money of the clients.

Mission

“We are committed to providing the best services as well as value for your time and money”.

Vision

“To become the market leader in the beauty industry”.

1.2 Objectives

Short to medium term objectives

1. To gain 10% of the market share by the end of 2015.
2. Improve customer loyalty; generate 25% of repeat business in the year.
3. Increase the brand awareness in market by 30%, by the end of 2015
4. Gain at least 100 customers per month in the first year
5. To introduce beauty services for men by the end of 2018.

Long-term Objectives

1. Secure value-laden relationship with all the major distributors in the market.
2. Attain 45% of customers by the 5th year in the business
3. To become the leading beauty salon in Lahore by the end of 2018.
4. To set up another branch of beauty spot in Faisalabad by the end of 2018.

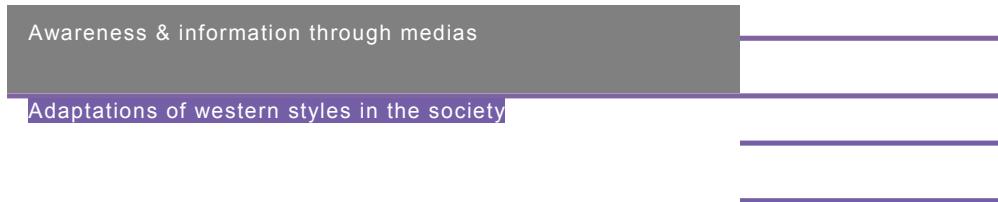
2.0 SITUATIONAL ANALYSIS

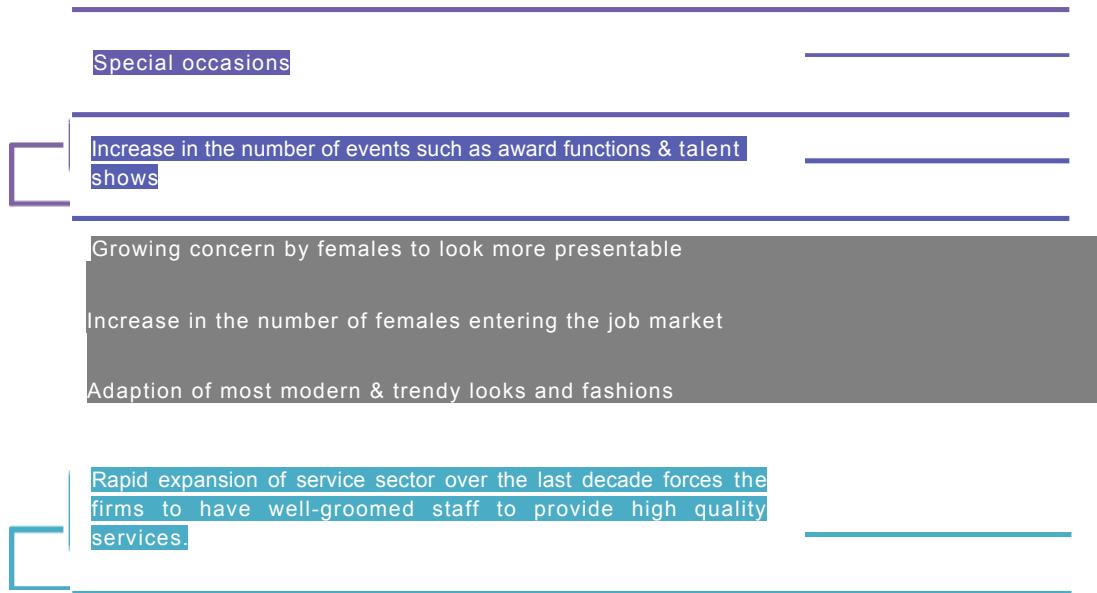
2.1 Industry analysis

Our research shows that a no demand in early 1980's has altered the market to an average of 200 visits daily to salons by females. This is illustrated by figure: 1, which shows that the rate growth for this industry, particularly for the last 3 years is very high. Moreover, our research illustrate that current female population is more than male (51%). It's been estimated that more than 12,000 customers visits beauty salon per year with a revenue inflow of rupes 15530,000.

As 61 percent of females living in Lahore' fall between 18 to 50 years, it can be predicted that there will be a great demand for beauty services. Consequently this is the age group paying most number of visits to salons. This is further detailed into age groups 15 to 25 years which is 47 percent, 25 to 35 years with 44 percent and a handful in 45 to 55 years which is 9 percent. Females in the age group 45 to 55 years yearn to slow down the ageing process. It is predicted that below 45 years age group being the bulk of female population, will grow in the years to come hence they will be focusing more on beauty treatments to slow down the ageing process.

2.1.1 Trends and drivers of Dream & Desire





2.2 Competitive analysis

2.2.1 Competitive landscape

There is a high level of competition in the current market in terms of high quality products, qualified beauticians and price. There are many threats that will influence Dream & Desire and its competitiveness and responses. Main factors that will directly influence the salon are shown in the table below.

Five forces of competition model

Threats of new entrants
Bargaining power of suppliers

There are threats of entry by other new salons that will increase the competition for Dream & Desire.

Many are getting attracted towards this market as it is in the growing stage and there is great possibility of success in this industry.

Though there are large numbers of suppliers in the market, it involves high cost as almost everything needs to be imported.

It was challenging to choose suppliers as their products and tools are

critical for the success of the business.

Bargaining power of customers

They are the foremost important aspect affecting the success or failure of Dream & Desire.

The buyers are price sensitive and they can switch to any other beauty service provider without incurring much cost.

We need to properly analyze and identify way in which we can maintain the clients profitably

Threats of substitute products There are substitute products which individuals can use at home by themselves, without wasting their time in beauty salons.

We need to consider how effective these alternatives are in delivering the satisfaction the customers want.

Rivalry among competing beauty salons

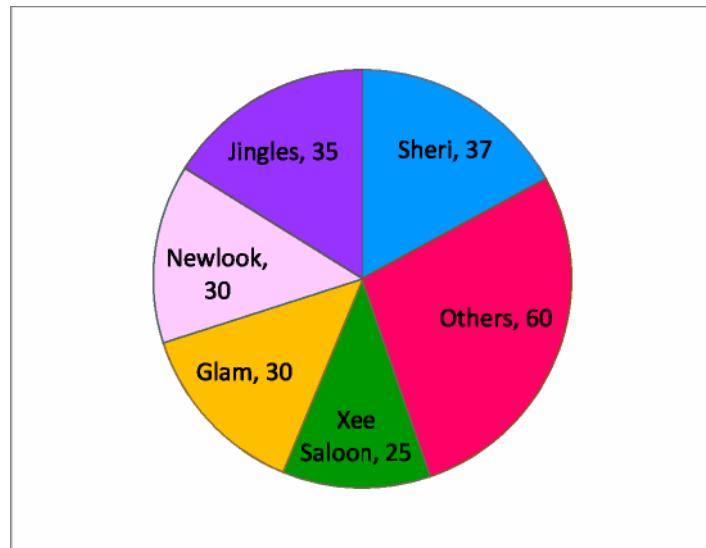
It influence on new entrants like Dream & Desire, how we are going to compete and survive in the market.

Five forces	Description
2.2.2 Key players	

The main dominator in the market is Depilex both in terms of price, quality and service range. When it comes to quality AlleNora and Madeeha the second place with Glam following. As for price, AlleNora is the second followed by Madeeha and in terms of service range, AlleNora comes in second with Madeeha's and Pretty Women and Style and Profile next.

Refer to figure: 2 for market shares.

Figure: 2. Market share of competitors



2.3 SWOT ANALYSIS OF DREAM & DESIRE

After we had a clear forecast of the market we analyzed and identified the Salon's key internal strengths and weaknesses, threats and opportunities present in the current market.

STRENGTHS	WEAKNESSES

<p>Marketing Abilities.</p> <p>Have extensive space to cater for customers</p> <p>Flexible seating arrangement</p> <p>Qualified and skilled beautician in the field with experience.</p> <p>Wide range of equipments and tools</p> <p>Superior products</p> <p>Trustable service</p>	<p>Poor brand awareness.</p> <p>Little financial resources</p> <p>Lack of communication at the current stage</p> <p>Poor adaptability to market conditions.</p>
<p>OPPORTUNITIES</p> <p>Growing demand</p> <p>New product users</p> <p>Emerging markets</p> <p>Changing customer tastes</p>	<p>THREATS</p> <p>There are many existing salons</p> <p>High competition from the dominant leaders</p>

3.0 Marketing Strategy

3.1 Market segmentation strategy

The potential market for Dream & Desire is in Lahore', the customers are segmented based on their lifestyles which includes; attitudes, perceptions, values, beliefs, preference for social events, media usage, etc. Then, evaluations have been made to find out the attractiveness of the segments and how each segments fit to the salon's objectives, resources and capabilities.

Factors that were considered in the selection of the targeted segments include;

Growth rate of the segment

The resources versus the financial investment required to serve the selected segment.

The impact of serving the segment on the image of the salon.

The ability to offer value to the customers in the selected segments.

After evaluating each segment separately it was decided that Dream will be targeting those segments which is most promising.

Communication & Marketing Objectives

The scope of this project is to create an IMC plan that will position Dream & Desire in Motion as the leading full-service salon in the Lahore. The following objectives will help narrow the scope.

Communication objectives. To help position Dream & Desire as the leading salon, the communication goals will be to:

- Communicate to all target audiences that Dream & Desire offers inexpensive services
- Increase awareness of the salon's presence in Fashion Industry.
- Inform clients on healthy hair care practices through online tactics.
- Develop community connections to build a positive reputation

3.2 Targeting strategy

The targeting strategy adopted by Dream & Desire is differentiated marketing strategy to target markets with the intention go after several segments with offers tailored to each. By selecting this strategy it will be easy for us to give attention to the segments separately. Each segment will be offered with a different marketing mixes, and no specific difference will be there in the products/services offered.

3.2.1 Target Market

The target markets of the salon include the students, professionals and home users. The customer profiles for the target markets are as follows:

Students

In this segment female students mainly between 18 to 24 years will be enrolled in graduation and post-graduation. Hopefully they will be getting a pocket money or some will be income earners in part time jobs with An average income of minimum Rupees 5000/-. Therefore, they will tend to get few services like haircuts, hair-style eyebrows etc. We believe that they will be regular customers to use this service and they will try to get this service during weekends or when they are free after finishing their classes. Their purchasing power is mostly influenced by friends. Salon selection criteria are based on quality, price, friendliness of staffs etc..

Professionals

The professional's segment and consists of educated females who are in the age group 22 to 45 years. Their salary ranges between 40000 to 80000. Due to this they seek services which are expensive such as hair and facial treatments. Also doing eyebrows and Manicure and Pedicure are popular among this group. Visits to the salon are mostly occasional or on a regular basis, mostly in the evenings. Day of visit depends on their schedule. Purchase decision is made mostly on their own. A lot of emphasis is given to quality, service range, friendliness and staffs' know-how. Price is rarely considered as a decision criteria in this group. They are sociable people and spend when it comes to quality.

Home Users

The homemaker segment which consists of married females who are between 25 to 50 years. Generally, they seek services such as haircuts, eyebrows, facials, waxing, pedicures and manicures. Home Users are somewhat regular users of this service while some are irregular users. Most of the visits are made during the weekends and evenings. Purchase decision is either made on their own or mostly influenced by friends. Salon selection criteria include quality, friendliness, staffs' know-how and service range. They are sociable and spend

when it comes to quality.

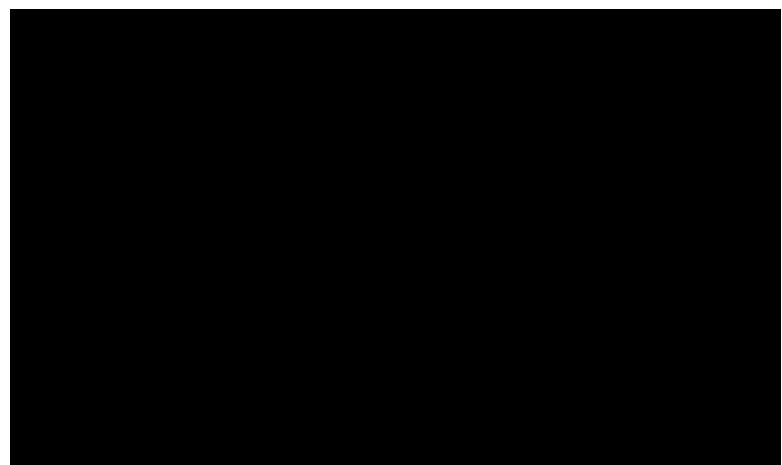
Dream and Desire priority will be to target the professionals as they are the most potential segment. This is due to their willingness to spend any amount in order to obtain the desired service. Next will be the Home Users, being regular users, generate continuous inflow of revenue.

Attitudes of these markets are influenced by various factors which are dynamic hence making it difficult to forecast their behaviors. The changes that we forecasted are:

Forcasted Changes			
Competitors have to measure and analyze these changing behavior; they need to update themselves with the latest fashion in market to be competitive and survive in the market.	The customers will be less price sensitive, rather seek for quality and satisfactory services.	Customers will be buying more of their facial skin care products online	Women will be using the internet services to get information on new and existing beauty products; to find out and compare prices; to know where to buy; to get samples and coupons; to be aware of special promotions
Increasing adaptation of western cultures, clients will be on the look out for the latest trends, new styles that are in practiced.			

3.3 Potential Strategies available

The diagram below was used to evaluate the potential strategies available for Beauty Spot.



The major marketing strategies that are available for Dream & Desire are

1. Cost leadership strategy
2. Differentiation strategy
3. Costs focus strategy.
4. Differentiation focused strategy

3.3.1Core strategy

The core strategy that Dream and Desire will be adopting is the “differentiation strategy” to attain the marketing goals of the salon. Dream & Desire seeks to develop competitive advantage by offering innovative features and attracting customers by positioning its offers in a unique and distinct way. Dream & Desire differentiates its service delivery by having more reliable well experienced and skillful beautician, by providing a superior physical environment where the service is provided. Furthermore this strategy will allow us to focus on value that generates a comparatively higher price and a better margin. Dream & Desire can use experimental offerings to create higher level of customer value that can

uniquely position and differentiate the salon. Lastly by using this strategy it will create better opportunities to offer choices for customers and improve customer convenience.

The elements which Dream & Desire will use to a unique combination of offering and achieve differentiation in the market:

Product/Services	Personnel	Experience
Features	Competence	Education
Performance	Courtesy	Esthetic
Durability	Reliability	Escapism
Reliability	Credibility	Entertainment
Style	Communication	
Design	Responsiveness	
Delivery speed	Courtesy	
Customer consultant		

3.4 Positioning Strategy

Dream & Desire has used the Unique Selling Proposition (USP) to identify and then communicate a concise statement of its most compelling offer and benefit in a way that the potential client can automatically answer the question of “what's in it for me?”. Dream & Desire's services will be positioned as high quality and medium priced services compared to its competitors.

Dream & Desire will be using “more for the same” value proposition offering comparably high quality

services at lower price than the competitors. Its positioning statement is “To

busy professionals, students and homemakers who desire good looks and styles, Dream & Desire offers a range of quality beauty products and services to enhance your beauty at a more pleasant environment than the competitive salons”.

D&D (Dreams and Desires) Customize Beauty Salon is a unique salon of its kind. It tends to provide all barberry and cosmetology services under one roof in a unique way. What makes D&D so unique is its distinguish software. The software allows the client to see, realize and evaluate him/herself in a real time. It takes picture of the customer and instantly allows them to perform different functions, such as; try different hairstyles, change hair color, apply different types of facial hairstyle and for girls/women it allows them to apply wide range of makeup as well. The purpose behind such a unique idea is to fully satisfy the hidden needs and wants of the people which usually they are unaware of. Once they have the opportunity to realize and evaluate themselves there is more chance that the customer will leave as a happy customer.

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4.0 MARKETING PROGRAMS

After working out the tactical details of the positioning strategy to deliver the positioning, Beauty Spot has design the marketing mix- product, price, place and promotion.

4.1 Marketing mix

4.1.1 Product

Beauty Spot will offer a wide range of services entailing high quality care for hair, nail and skin care using superior products, exclusively for female clients. Providing beauty treatments being the core service, we seek to deliver consistent and desired results.

Two dimensions of service quality:

1. Quality level: The products used are of high performance quality, with excellence features, and as the service quality is harder to define and judge we rather focus on the consistency of the service.
2. Consistency: We strive for high levels of conformance quality-ensure freedom from defects and consistency in delivering the targeted levels of performance.

Customer retention is the best measure of quality for a service business. Seeing that the service quality will vary depending on the interaction of the employees and the customers,

our concerns about service quality is well communicated to the employees and incentives they need to recognize, care about and tend to customers' needs will be given to the front-line service employees.

x Product/service features:

As we offer specialty service, there is strong preferences and special purchase effort by customers. We have assessed each service feature's value versus its cost to the company and those that customers value high in relation to costs are being provided after elimination of the low valued treatments.

x Branding:

To enhance positive image towards our salon's and get instant recognition and faster acceptance Beauty Spot will be using brand extension strategy to launch our business to the market. Top brands such as "Revlon, Wella, Paul Mitchell, Koleston, Schwarzkopf, L'oreal and Sothys will be utilized. All these brands are internationally recognized and popular among customers.

The newly furbished beauty salon offers customers all the beauty services and relaxation that they could possibly wish for.

Services provided:

On offer is an extensive range of services, quite literally from head-to-toe and includes:

Hair	Cuts, styling, formal hair styles, coloring, hair highlights, perms, relaxers, deep conditioning treatments, hair extensions.
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Hands and Feet	Manicures, pedicures, polishing, artificial nails (acrylic, gel, and more), paraffin wax treatments, massage.
Cosmetics	Formal or bridal make-up, make-up lessons, airbrushes make-up, false eyelash application.
Body	Tanning, spray tanning, massage, waxing, hair removal, body wraps, body scrubs, and aromatherapy.
Face	Facials, peels, masks, microderm abrasion, paraffin wraps, tinting of eyelashes, application of specialized make-up techniques, permanent and temporary removal of unwanted facial and body hair

Summary of Product Life-Cycle Characteristics, Objectives and Strategies

Characteristics	Introduction	Growth	Maturity	Decline
Sales	Sales are expected to be low	Rapidly rising sales(target is to come to this stage within the 5 th year in business)	Sales will be peak	
Costs	High cost per customers	Average cost per customer	Low cost per Customer	Low cost per customer
Profits	Negative	Rising profits	High profits	Declining profits
Customers	Innovators	Early adopters	Middle Majority	Laggards
Competitors	Growing number of competitors	High competition is expected	Stable/ high level of competition	Stable competition
Marketing Objectives	Create awareness about our existence and the service we offer	Maximize market share attain 60% of the market	Maximizing profits at the same time defending the market share	Reduce expenditures by cutting the promotion budget and drop the smaller

				segments
Strategies:				
Product	The treatments and services listed in table(2.4) will be provided	Additional services such as bridal make-up at home & after services such as additional treatment if the client is dissatisfied	Expand the services offered and use of further more well known quality brand products	Phase out the low demanded services
Price	Cost-plus strategy will be used	Price will be set to penetrate the market	Set prices to match or beat the competitors	Cut price
Distribution	There is a single outlet	Build intensive distribution (setting up a branch in Hulhumale in 2015)	Broadening to other outlets in male' and built more intensive distribution	Go selective & phase out unprofitable outlets
Advertising	Target is to build awareness among the early adopters and dealers	Enhance awareness and interest in the mass market(through out Maldives)	Stress brand differences and benefits	Advertise to the level needed to retain hard core loyals
	Heavy sales	Reduce sales	Increase	Reduce to

Sales promotion	promotion such as free demonstration is taken to entice trial	promotion take advantage of consumer demand	to sales heavy using varieties of methods	minimal level as it will accrue costs

4.1.2 Price

The internal and external factors affecting pricing decisions of Beauty Spot:

<ul style="list-style-type: none"> The marketing objectives and targeting strategies adopted by BeautySpot Costs:the total cost of the company is less compared to that of the competitors enabling us to offer just the right combination of quality and good service at a fair price. Another consideration is to coordinate the price decisions with product design, distribution and promotion. pricing objectives and policies are set by the owners as there is no separate marketing or sale department, inputs of the sale manager, finance manager and accountants are given. 	
<ul style="list-style-type: none"> Market and demand: Relationship between the price and demand for it . There is a monopolistic competition Consumer perceptions of the price and value: assigning a value satisfaction such as the clients preference, style, relaxation. The relation between the price charged and the resulting demand (there is an inelastic demand) Rival salon such as Sheri's costs and prices: BeautySpot will be attaching value-added services to differentiate our offers from the competitors. 	

Marketing communications strategy. The marketing communications strategy requires an outline of the marketing communications objectives, as well as an explanation of the rationale for these objectives. The rationale can be developed using key insights from the SWOT analysis. A marketing communications strategy specifically outlines the measurable goals of a campaign. It clearly states what needs to be done in figures measured by time or percentages. In this study, the marketing communications strategy will help the staff at Dream & Desire establish profitable goals for their business.

Creative strategy. The creative strategy defines the strategic choices needed to develop the campaign messages (Associates, 2005). It explains what you'll say about your product or service, and how you want consumers to think about it. It directs the development of all creative tactics. The creative strategy also introduces the unique selling proposition (USP), which explains why a product or service is better than its competition. The unique selling proposition will be used to develop a theme for the campaign that will tie all of the creative tactics together.

Media strategy. The media strategy tells us how media will be used so that the creative tactics and messages reach the right consumers. Details about the target audience's media consumption will give marketers an idea of which media is best for their campaign. It's best to use a mix of traditional and non-traditional media tactics to reach a wide range of consumers. Traditional media includes things like television, radio, magazines, newspapers, billboards, etc. Non-traditional media can include websites, emails, social media, etc. Traditional media is good for building long-term values and relationships and building awareness, while non-traditional media is good for seeking customer action and is usually less expensive (Fill, 2009). Both are very valuable for a campaign.

Building relationships. IMC plans use relationship marketing to identify, establish, maintain, and enhance relationships with consumers (Gronstedt & Siracuse, 1998, p. 165). "Profitable business relationships rely on the capability of the [business] to develop trust in itself and its performance among [clients]," (Gronstedt & Siracuse, 1998, p. 165). Important elements to relationship building include seeking direct contact with consumers, building a database, and developing a customer service system. IMC campaigns should strive for face-to-face connections, or direct contact through technology to get as close as possible to consumers.

Salon Environment

Dream & Desire has a high retention rate, and tries to maintain this through hair consultations before clients visit the salon. When patrons visit the salon, workers try to make them feel at home and like they're among family. This begins with a positive attitude from the staff and radiates to the clients. Everybody is encouraged to participate in conversation throughout the salon. The level of professionalism from the staff, coupled with an inviting atmosphere, is what he feels is needed to keep clients coming in. He admits the salon staff isn't perfect, but they

try their best to keep their clients satisfied. Management of Dream & Desire says staff wants to provide the best service possible, and he wants clients to feel good about themselves when they leave the salon.

Marketing objectives. Dream & Desire hopes to gain an increase in awareness, which will ultimately result in improved sales. The marketing objectives set for this establishment will be to:

- Increase weekly clients by 25% by Q4 of 2015
- Increase annual revenue by 10% the end of 2015
- Establish an online presence that engages at least 25% of all salon clients

29

Creative Strategy

Unique selling proposition. The unique selling proposition for this campaign is “Beauty on a Budget.” The staff at Dream & Desire know that consumer budgets are still tight in this economy. Women want to look good, but aren’t willing to spend excessive amounts of money when do-it-yourself options are more feasible. Dream & Desire wants to give clients the salon experience, but at lower price than most expect.

Media strategy. The goal of the IMC plan is to increase awareness for Dream & Desire in and to communicate the idea that the salon is affordable for any budget. This idea will be expanded across all advertisements, online, and community outreach tactics. To reach the creative goals, the following sales promotion tactics will be used: service bookmarks, a website, billboards, e-blasts, public transportation advertisements, community outreach, television and radio commercials, direct mail promotions/events, and print ads.

Tone. The tone of the ads and creative tactics will be fun, vibrant, and informative. There will be several links to Dream & Desire website and social media pages on advertisements to attract consumers to the salon. Advertisements will also be in bold, feminine colors to attract our target demographics. The ads will also be flirty and fun, and will use young to middle-age looking women and dialogue to relate to the target audiences.

Tactics

Billboards/ framed posters. Billboard advertising will be used from December 2014 to August 2015. There will be a billboard on the four major Roads, Jail Road, Liberty, Model Link Road and Model Town Circuit Road (I-57, I-80, I-294, and I-94) traveling to the offices and markets and business commercial areas. There will be a different billboard for each area. Each billboard will show a different woman with a different style. The billboard will read, “Prices this low. This will draw more interest to the salon, and it will drive people to the website. The billboard will be a standard 14’ by 48’ sign. To reach approximately 80% of the target area, a standard bulletin billboard will cost 50,000 for a month. A different billboard will be displayed on a different expressway over the course of five months. This will cost approximately 250000.

Direct mail promotions/events. There will be seasonal promotions for the salon. The salon will welcome each season with a cupcakes and discounted manicures for guests. The cupcakes will be served on a first-come, first-serve basis. There will be 100 cupcakes at each event. These cupcakes will be design according to logo and company’s color.

Public transportation. There will be ads on the platform of the Daweoo Bus Stands and stops of urban transport system. Most of our target customers which are student and working women use these station daily and this will bring good customers awareness and orientation to Dream and Desire. On their way to work they can learn about the affordable prices at Dream & Desire.

Website. A website will be created so that those interested in the salon can view its

services online. The website's homepage will have an image slider with pictures of the clients and staff. The 'About' section will give the history of the salon and their mission. There will be a page listing services and promotions. To engage online visitors, the site will also have a virtual hair makeover where they can upload a picture and try on different hairstyles that they can print out and bring to their appointment. Website visitors will also be encouraged to sign up for the eblast, which will update them on beauty tips and techniques.

E-blast. A bi-weekly e-blast will be sent out to all clients who sign up on the website. The e-blasts will discuss hair and beauty tips, and it will also provide YouTube hair tutorials for clients in between visits. It will teach women how to take care of their hair, skin, and nails, so they can get the most out of their salon look. The e-blast will also ask for a birth date when signing up, so when clients have a birthday they'll receive a birthday announcement and 50% off any service within a week of their birthday.

Senior deal days. This is one of two community outreach initiatives. Dream and Desire staff members will visit homes, to offer discounted haircuts, manicures, and free face waxing and massages. The staff will visit homes on the first Monday of every month from 8am -1pm. It will be a good way for Dream & Desire to reach their tertiary audience, while providing free services for seniors in the area.

Prom discounts for students. The second community outreach initiative is to reward students with good grades by offering discounted services for prom. Students who have As and Bs on their report card will be able to receive 30% off hair services for prom. Prom can be very expensive, so offering this discount for students will attract lots of students around prom time.

very valuable for a campaign. At the initial or introduction stage Beauty Spot will be using cost-plus strategy after considering internal and external factors affecting pricing decisions, competitors prices and the service costs.

To illustrate the markup pricing Beauty Spot had the following costs and expected sales:

Variables cost Rf8674

Fixed costs Rf 77890

Expected unit sales Rf8908

Pricing strategies that Beauty Spot have considered

General pricing approach: as we are using "more for the same value" positioning strategy and targeting to the professionals we will be adopting value-added strategy. Rather than cutting the prices to match the rivals Beauty Spot will attach value-added services to differentiate our offers.

Major pricing strategy:

Product mix pricing strategy: product bundle pricing

Price adjustment strategy: segmented pricing will be used as we use several brands of products, the service price will vary according to the brand used. Apart from this time pricing will also be used as the demand varies during the vacation period and other months.

How Beauty Spot will respond to Price changes by competitors and to situations where by it must initiate price changes:

Initiating price cuts:

- x Increase the demand for Beauty Spot decreases to boost the sales x
- Fall in the market share due to high competition
- x Applied in declining stage

Initiating price increases:

- x To keep up with rising costs; by dropping discounts.
- x Target will be to maintain fairness surrounding any price increase.

Responding to price changes by the competitors:

- x Increase the competitors cut prices; Beauty Spot will either reduce the price or raise the perceived quality of the service provided as it's important to maintain the quality.

4.1.3 Place

The salon will be located at H. Fenfinige, ground floor, Abadhah ufaa higun street position in a thriving, lively and friendly area. In Maldives usually women hesitate to get beauty services in a public place, therefore Beauty Spot is located in a rather isolated place where everyone will feel free to go for beauty enhancement.

The salon is in a highly visible position and has excellent and attractive window displays that welcome clients in to browse, enjoying the benefits of recent, expensive refurbishment. The salon is approximately 3000 square feet with a reception area, useful storage and administration office. The premises are secure with lockable front grilles. Rent is paid monthly at RF15,000 with a new lease available after a year on a renewable basis.

4.1.4 Promotion

The marketing communication mix:

Based on Beauty Spot's unique selling preposition and the marketing strategies ad theme are selected.

Media

Advertising	<p>Television programs:</p> <p>Interview on Mariyaadhu program in which information about the services offered and the opening date will be made public the manager.</p> <p>Enhance awareness broadly by placing advertisement during drama series “<i>Hinithun velaashey kalaa</i>”. This will be put into action in the growth stage.</p> <p>Newspapers :</p> <p>Place advertisement on the cover page of the <i>Haveeru Daily</i>, probably in the first month.</p> <p>Magazines:</p> <p>Media Net</p> <p>Bill boards:</p> <p>Placing billboards in Majeedhee magu</p>
Public relations	<p>Hold a music show at the <i>Alimas Carnival</i>: Can make demonstration of the beauty treatments given during the show</p> <p>Distribute leaflets to the audience</p>

Sales promotion	Allow 30% discount to the clients Cash refund
	Use BOGOF (buy one and get one free)
Personal selling	At the beginning of every year a fair will be held; give personal presentations /demonstrations by the beauticians

5.0 Financial

5.1. Sales forecast

	<i>Manicure</i>	2100	<i>Hair treatment</i>	6000	<i>Facial</i>	7500	
<i>Type of Units:</i>		<i>students</i>		<i>professionals</i>		<i>Home</i>	
<i>No of visits per day</i>		1		10		2	
<i>No of visits per month</i>		30		300		60	
	<i>Hair cut</i>	20	<i>Hair cut</i>	260	<i>Eye brows</i>	55	
	<i>Manicure</i>	14	<i>Hair treatm</i>	60	<i>Facial</i>	50	
	<i>Eyebrow</i>	12	<i>Facial</i>	65	<i>Haircut</i>	60	
			<i>Waxing</i>	55	<i>Hair care</i>	15	
			<i>Eyebrows</i>	70	<i>waxing</i>	25	
			<i>Face bleach</i>	40			
Revenue/day							
	<i>Hair cut</i>	500	<i>Hair cut</i>	6500	<i>Eye brows</i>	1375	

Month 6	3700	38894	17549	60143
Month 7	3885	40839	18426	63150
Month 8	4079	42881	19348	66308
Month 9	4282	45025	20315	69622
Month 10	4496	47276	21331	73103
Month 11	4720	49640	22397	76757
Month 12	4956	52122	23517	80595
Sales Totals	46141	485068	218860	7,50,069

Assumptions:

- Number of visits per day is 15 (this is based on the initial number of clients for a similar salon)
- Allocating visits by specific target segments are based on market research
- Allocating of services obtained by specific target segments are based on most frequently sought services.
- Revenue for each service is calculated by multiplying the price of service with number of clients
- There will be a 5% increase in revenue per segment per month
- Seasonal fluctuations are minimum (including Ramazan) due aggressive marketing activities therefore increase in revenue is constant
- Increase in revenue per year is 5%

Sales	7,50,069
Gross Profit	5,38,690

Operating expenses	2,63,500
Net operating profit	2,75,190

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7.0 Annex

Annex: 1. Beauty Spot's services and price list

Services	Rufiyaa
<i>H air C uts</i>	
Trimming	25
Fringes Layer	75
One length straight across	45
One length around	40
V Shape cut	80
Varieties of layering	100
Bob cut V shape	75
Hair wash & dry	50
Hair shampooing and Conditioning	20
Higher Elevation	125
Split-end removal	80
Hair ironing, blow drying	100
Re-bonding	700
Normal Perming	800
Braid Perming	200
Straightening	600
<i>H air Care</i>	
Deep conditioning treatment	100

Dandruff treatment	100
Protein Pack	150
Henna treatment	100
Henna tint	150
Hair colouring	200
Root gray colouring	150
Fashion colouring	250
Hair bleaching only (Streaks)	250
Hair lights	350
Hair bleach & colour	400

Skin C are

Varieties of facials

Herbal facials & other packs	200
Normal facial	150
Cucumber & Honey	150
Orange & Honey	150
Milk & Honey	150
Machinery facials	250
Shahnaz Gold facial	250
Shahnaz Pearl facial	250
Galvanic treatment	100
Pimple treatment	100
Face bleach	50

Full hand bleach	100
Upper back bleach	60
Under Eye treatment	150
Wart removing	100
Make-up (Natural)	100
Make-up (Evening)	150

Nails

Nail Art with Manicure	
(Sticker, designing, piercing decorating)	200
Acrylic Nails	
French Manicure	300
Manicure	100
	150
Pedicure	200

	75
	150
<i>Waxing</i>	
Full arms	75
Full legs	30
Half legs	50
Stomach	
Under arms	75
Bikini line	

- Bridal collection 1: (Rf 1400/-)

Bride herbal facial, full hand bleach, upper back bleach, under arm waxing, eyebrow, manicure, pedicure, bridal make-up & hair coloring or highlighting.

- Bridal collection 2: (Rf 1700/-)

Bride herbal facial, full hand bleach, upper back bleach, under arm waxing, eyebrow, manicure, pedicure, bridal & groom make-up & hair coloring or highlighting.

Annex: 2. Methodology

A questionnaire was used as a tool to collect data about the customers who seek service from beauty salons in Male’.

Sample size selected for this research was 60 female subjects. This included:

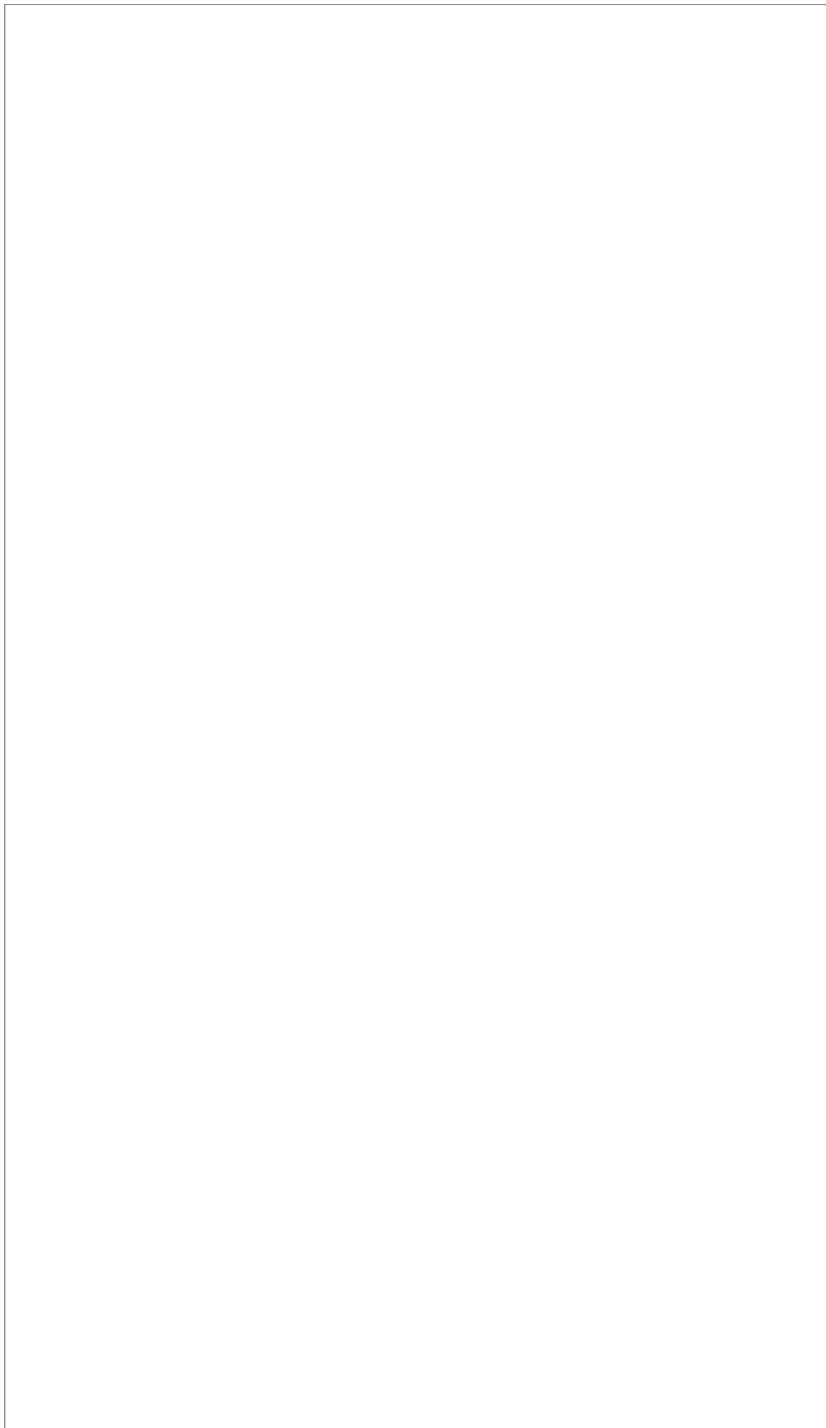
20 Students

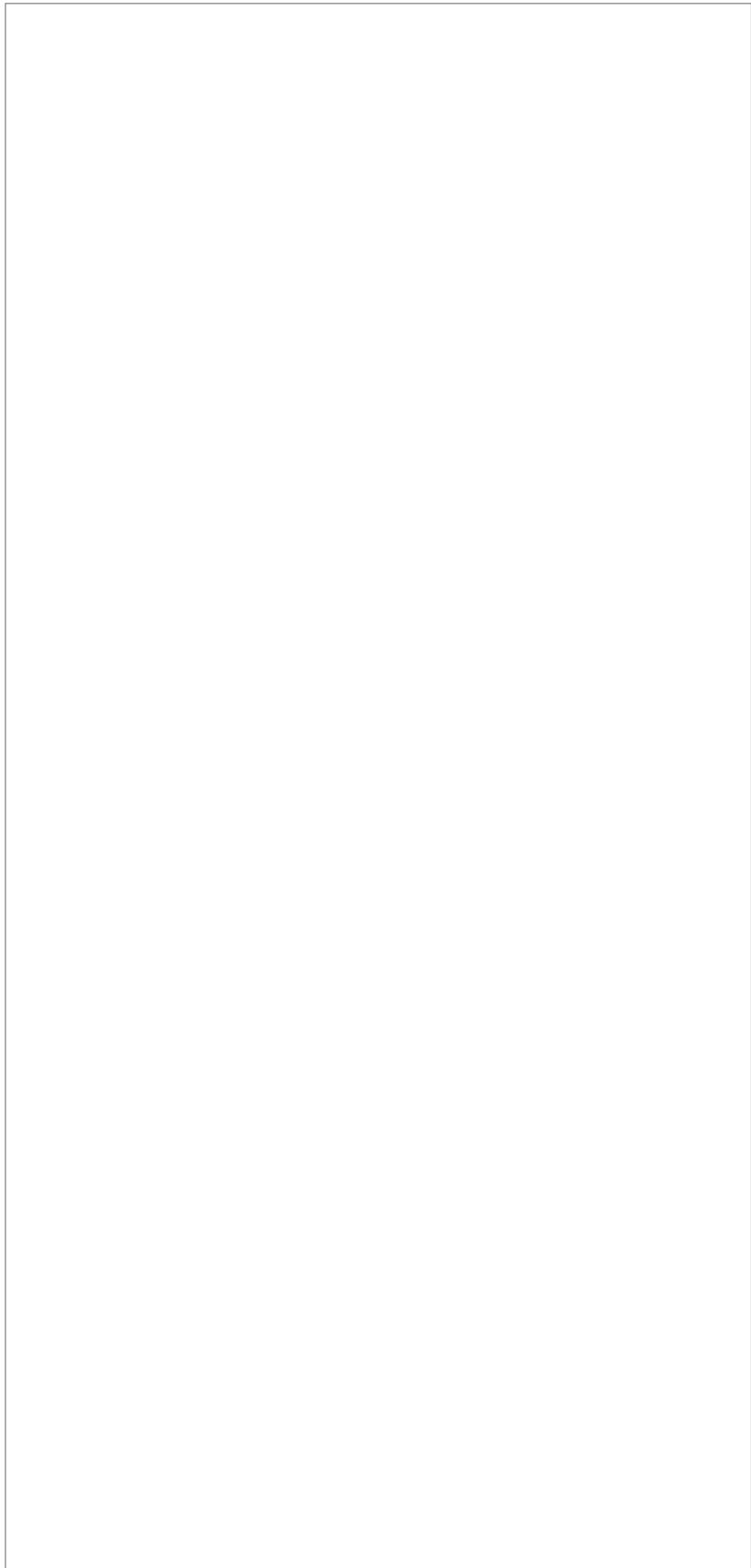
20 Professional

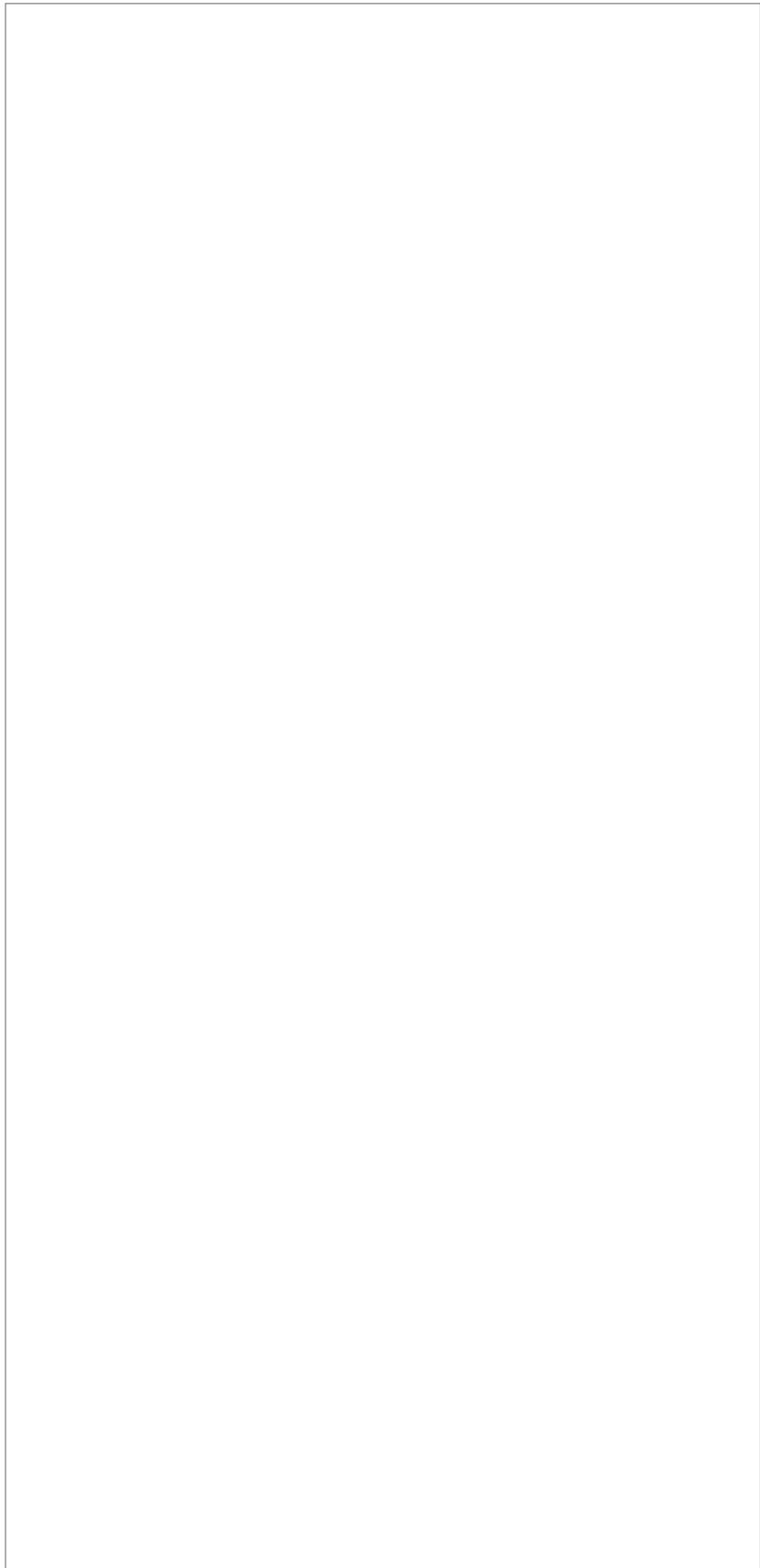
20 Home Users

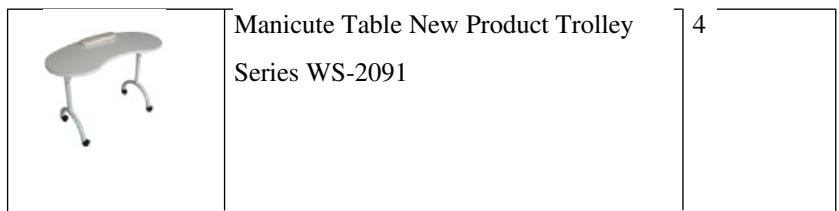
Convenience and snowball sampling was used as the sampling techniques. While distributing the questionnaire respondents were chosen on the basis, whether they visited beauty salons.

Annex: 3. Equipment details









Annex: 4. Beauty Spot layout

