Spring 5-1-2006

disTRESSed A Marketing Plan for a New Product Launch In the Salon Hair Product Market

Magdalene M. Misztal

TABLE OF CONTENTS

I. Preface

I chose to write an honors thesis because I wanted to explore an area of marketing that wasn't offered by any classes. I chose the hair care product industry because I hope to work in cosmetics in the future, and the idea of catering to two classes of customers, hair care professionals and final consumers interested me. I thought it would pose additional challenges and challenge my creative and analytical skills.

When first deciding to do a thesis, I was concerned if I would be able to handle the added coursework while indulging myself in something that would be beneficial to me in the future. The idea of writing a straight academic paper was horribly unappealing. However, after talking to my advisor and the honors program, I realized that I could take advantage of the flexibility of the program and explore the option of a "professional" project.

I hope to pursue a career in brand management in a consumer products company. Launching products to encourage innovation is a common trend in the industry. Putting together a marketing plan to support new product concepts is a task I might be assigned in the future. I decided that this type of project would satisfy my creative, analytical, and strategic interests.

I'm satisfied with the end result of my project. I pursued original research and learned how to run focus groups, manage and analyze surveys, and then use collected original data to formulate strategies. I feel that I was able to obtain working experience outside the classroom and explore my personal interests.

II. Advice to Future Honors Students

My advice, first and foremost, is to find a topic that is personally appealing and will hold your interest. At times, you will hate whatever your thesis topic is. If you choose a topic you are really interested in to begin with, it will make it easier.

Next, plan out a schedule and try to stick to it. The deadline sneaks up on you. One day, you will have three months to finish it, and suddenly it's a week. I am a procrastinator by nature, and the final weeks leading up to the thesis deadline were a lot more difficult than they needed to be.

Select a thesis advisor who understands your work habits. It is important to be on good terms with your thesis advisor, and identify from the beginning what you expect to get out of the thesis. It will help your advisor guide you, and also help you get the most out of your thesis.

Finally, only commit to the thesis if you are sure you are willing to work hard for it. There is no way to take the easy way out (trust me, I tried!). You will only be able to finish this if you are seriously dedicated.

III. Acknowledgements

Writing a thesis was a decision I made to further my professional growth and personal interests. These goals could not have been met without the support and assistance of my family, friends, and academic advisors.

Professor Lee, I cannot thank you enough for your help and tolerance. You have been more than supportive in every step of the process. I appreciate how you encouraged me to identify a topic of interest and stray from the traditional academic thesis to explore my own interests. Somehow, you managed to adapt to my work style and guide me as I needed help, allowing me to come to my own conclusions. Despite having little interest in the industry I chose, you always managed to help guide me through each step of the process. I am proud to submit my thesis because of your guidance, support, and tolerance.

Dave, Liz, Morgan. Without the three of you being so supportive, I may not have completed my thesis. Despite your own obligations and pending senioritis, each of you took the time to read, analyze, and critique my finished product. In addition, each of you handled my stressing and calmed me down by reminding me that soon I wouldn't have to worry about completing my project. Thank you all for listening to my ideas, reading my sections, and providing me honest feedback and unending support.

Professor Alessandri, thank you for taking the time to help me whenever I needed it. I'm prone to last minute favors, and I appreciate you always coming through and helping out whenever, no matter how much extra stress it added to you.

Mr. Koloszvary and Mr. Hempson, thank you for taking the time to let me interview you. Your advice and intimate knowledge of the industry pointed me in the right direction for all of my research.

Tara, Eva, Rosslyn, Becca, Liz, Morgan, Alex- Thank you ladies for participating in my market research study! I didn't give you much notice, but all of you showed up and spent 45 minutes on camera talking about my thesis topic. I know the free lunch wasn't the only incentive to come, and I definitely appreciate it.

Mom, Dad, Sarah, David and Mary. Thank you for putting up with the phone calls, distributing my surveys, and making me laugh at my worst stress out moments. Those little actions helped me more then any of you can imagine.

My thesis was certainly a collaborative effort. Without the help and participation from numerous individuals, it would not have been nearly as accomplished. Thank you everyone!

IV. Original Research Explanation

The primary source of my thesis was original. Secondary research was located to bolster the claims made. However, the following sources were used and are referred to in the body of my marketing plan:

- **In-person Interviews**- I was able to obtain interviews with two industry professionals. The interviews provided the basis of many of my claims. Speaking to these individuals allowed insight into a small, entrenched industry and gave me real-life experiences and suggestions to apply to my marketing plan. The following gentleman were contacted and spoken to regarding my thesis. Transcripts from our communication can be found in the designated appendices:

- **Dave Hempson**- Mr. Hempson was contacted on March 24, 2006. Mr. Hempson is an executive at the Marietta Bottling Corp. Marietta Bottling specializes in contract bottling, primarily sampling for major cosmetic producers. Mr. Hempson provided me with distribution information as well as potential threats facing the industry. See Appendix A for a transcript of the interview.
- **Arpad Koloszvary-**Mr. Koloszvary was contacted on March 31, 2006. Mr. Koloszvary met with me to discuss his experiences within the industry. He has worked in different sectors including R&D, sales, and marketing. His varied background provided insight into the corporate marketing perspective. See Appendix B for a transcript of the interview.
- **Aurelia Giardina-** Ms. Giardina was contacted on February 24, 2006. I informally interviewed her. Ms. Giardina is a stylist for Industry Salon in Syracuse, NY.

- **Focus Group-** I held a focus group on Friday, February 10, 2006. The focus group had seven participants: Becca Baden, Morgan Brodey, Tara Jacobson, Rosslyn Ortega, Eva Trawczynski, Alex Wilson, and Elizabeth Young. The purpose was to generate discussion and guide my research. A transcript of the focus group is provided in Appendix C. To view the focus group, the video can be accessed at http://media1.whitman.syr.edu/archivew/maggieThesissm.wmv.
- **Survey-** Following the focus group, I created and administered a survey to over 180 respondents. I used an online tool called SurveyMonkey to distribute, collect and analyze information. Appendix D includes a copy of my personal survey. Appendix E includes the survey data summary. Appendix F includes my analysis of the data. The survey responses provided the basis for my assumptions.

V. Assumptions

To complete the thesis requirements it was necessary to simulate a project that could be assigned in a professional environment. To do so, the following assumptions must be made:

1 **The product launch is concentrated in the United States.** The product launch is solely focused on the US market. Different markets react to launch tactics in different ways. Therefore, it was decided to focus solely on the US market.

2 **The product line is backed by a national company.** Gaining market share is extremely difficult in the salon hair products industry. Strong competition a makes it difficult to convince a stylist to carry a new company's products. The emphasis of the thesis is on launching a product in an established market. Therefore, it was necessary to assume that the product line is backed by an established company with national recognition.

3 **Established relationships exist with salons.** Sales in the salon product industry, from manufacturers to salons and from stylists to consumers, are based on trust. Therefore, it is assumed that, since the product launch is backed by a national company, the relationships already made will be utilized.

4 **Established sales force.** Like the relationships, it is assumed that a sales force is already in place.

5 **Operating budget established by management.** It is assumed that all recommendations and suggested tactics are feasible and within a budget that would be designated by senior management.

VI. Executive Summary

The salon products industry is saturated, highly innovative and extremely competitive. Salon products, or consumer hair products sold only in salons, are differentiated by the high unit cost and the limited distribution networks. These characteristics lead consumers to perceive a higher product quality. Because the industry is saturated, firms are forced to be innovative to develop new concepts. Competition is fierce because the salon product industry is experiencing low growth, forcing firms to steal market share from other brands. Companies like L'Oreal USA and Procter & Gamble are the most successful because of constant product developments.

The product line ***dis*TRESS*ed*** was created to meet the needs of an identified niche. Women, ages 18-24 are considered the target demographic for the new line. ***dis*TRESS*ed*** seeks to control and repair damage caused by daily "wear and tear." An additional advantage to this line is that it provides a simple, clear solution to an identified problem. Through various research measures, it was determined that consumers are overwhelmed by the plethora of products available. Consumers also claimed to be unsure of what products worked for specific hair type. Therefore, ***dis*TRESS*ed*** will provide simple names that identify the product functionality, easing point-of-purchase decisions.

The objectives and strategies listed in Section IV C reinforce the brand values. While slow growth is initially expected, sales should increase as awareness and brand credibility improve. The ***dis*TRESS*ed*** product line focuses on a niche that is currently not highly satisfied with the existing products belonging to general hair care product lines. Thus, despite the general competitiveness of the industry, it has potential for success. However, for a successful product launch, will have to utilize client/stylist relationships, and provide a product that minimizes consumer confusion through strong marketing and packaging design.

VII. Strategic Analysis

A. Mission Statement

dis*TRESS*ed *will provide a simple solution for everyday weathering on hair. This is a product for consumers who have damaged, non-chemically treated hair in need of serious restoration and repair. This salon product line is a solution to all women with distressed, dry, dull hair.*

B. Goals

As mentioned in the mission statement, this product is targeted toward women with distressed hair. Launching ***dis*TRESS*ed*** will provide value to the target demographic by meeting the following three goals:

1. **Provide superior damage control and repair for non-chemically distressed hair.** ***dis*TRESS*ed*** is targeted at women with hair damaged by normal "wear and tear." The product line will provide a solution for sun

damaged hair, heat damaged hair, dull, flat or frizzy hair, and hair prone to breakage as a result of natural influence, damage from heat styling, and overuse of products.

 2. **Focus on making the purchase decision simple for the consumer.** Consumers are overwhelmed by the plethora of hair products available in the market. Through effective packaging design and channel distribution,

 choosing ***dis*TRESS*ed*** will be a hassle-free decision.

 3. **Build a brand with an image focused on care and concern for all consumers through ongoing communication and education.** The salon retail market has two consumers, the end-user and the stylist. Emphasis will be placed on educating the salon stylists and clients in the superior qualities and uses of the products**,** meeting the needs of both consumers.

 The ***dis*TRESS*ed*** product line will attend to the questions and needs by providing superior educational information regarding the products and uses to the salon owners, stylists and patrons.

2 **Provide the company a profitable growth opportunity.** It is increasingly difficult to identify opportunities in the saturated salon product marketplace. By identifying a new market with specific needs, the opportunity for growth increases.

VIII. Situational Analysis

A. Hair Products Industry Overview

1. Industry Trends

As a result of efforts to diversify a saturated market, salon products developed as a growing consumer sect within the hair care industry. Salon hair products fall under the Toilet Preparation Manufacturing Industry (NAICS code 325620) (census.gov).

The United States hair care industry is currently in the mature stage of the product life cycle. The market is heavily saturated with three clear market leaders: Procter & Gamble (P&G), L'Oreal SA, and Unilever. As of 2003, these companies had combined sales of over $4.1 billion, equating to 49.7 percent of the $8.3 billion dollar market (Datamonitor Market Research Report, 2004, p. 32). However, despite the large market shares of the top three companies, the remaining 50+ percent of the market is comprised of many smaller firms. See Figure 1.

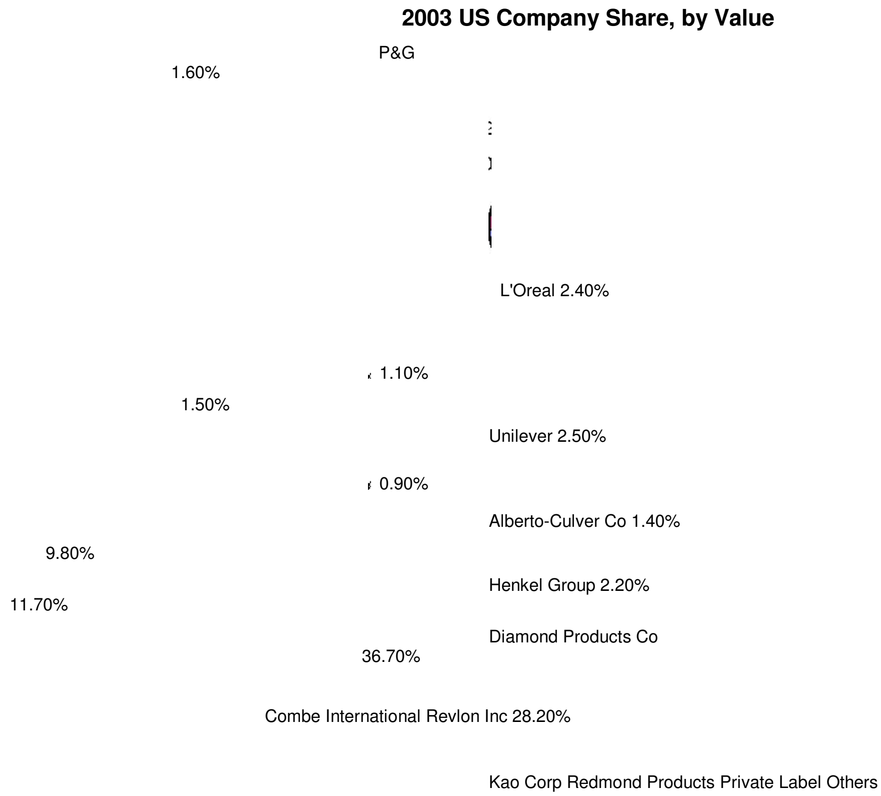


Figure 1

The US Hair Care Industry is made up of five different segments: conditioners, colorants, shampoos, styling products, and salon products. The markets are reached through several different distribution channels, the primary channels being: Supermarkets/hypermarkets (45.1 percent), Pharmacies/drugstores (16.8 percent), Over-the-Counter (sales to salons to sell to final customers) (12.9 percent), In-the-Basin (sales to salons for use in salons) (10.0 percent), and other smaller channels. (Datamonitor Market Research Report, 2004, p. 33)

Of the five channels mentioned, the salon products sector shows the most growth potential, with US hair care expenditure forecasts indicating a 4.8 percent increase by

2008 (Datamonitor Market Research Report, 2004, p. 22). However, because of the low growth rate, this segment is still considered a “soft market” (www.mindbranch.com). Low growth rates are forcing salon product manufacturers to rapidly become a global business.

The US market is characterized by mergers and acquisitions (M&A), with smaller firms being bought out by larger companies (www.mindbranch.com). Major acquisitions include P&G’s purchase of Clairol (2001) from Bristol Myers Squib, as well as Wella (2003), a German based hair care manufacturer that owns popular US brands Sebastian and Graham Webb (www.hairboutique.com). L’Oreal SA’s purchases of the brands Redken (1993) and Matrix (2000), the leading US salon hair care line (Jones, 2005, p. 5) have secured the French company a spot in the US salon industry. P&G and L’Oreal SA cumulatively made up $721.9 million in sales in 2003, or 38.2 percent of the overall $1.9 billion salon hair industry (Datamonitor Market Research Report, 2004, p. 121). See Figure 2.

2003 US Salon Products Company Share, by value

6.10%

P&G
9.90%
4.90%

L'Oreal 50.80%

Henkel Group
Kao Corp Others

28.30%

55.70%

Figure 2

The M&A trend was spurred by the low growth forecasts. Marketers understand that it is easier to acquire brands with an established customer base. Starting from scratch and developing new brands is both time consuming and costly (“More Acquisitions Likely,” 2004).

2. Porter’s Five Forces

The following section includes a brief discussion on the five major industry forces, as defined by Michael Porter (http://www.brs-inc.com/porter.asp). Each force will also be discussed in greater detail throughout the marketing plan. A visual depiction of the five forces can be found in Appendix G. The five forces are:

 1. **Threat of New Entrants:** The threat of new entrants in the industry is low. Because of the nature of the industry, it is difficult for a new firm to obtain substantial shelf space. The market is highly saturated with low
 growth potential, a deterrent for new firms. Additionally, the current US market is characterized by consolidation, resulting in fewer competitive firms, each with greater industry strength.

2 **Bargaining Power of Buyers:** The salon hair care industry has two customers: the salon owners/stylists and the final end-users. The buying power is very high because of brand loyalty. Stylists and salons form relationships with salon product manufacturers and sales representatives, often granting exclusivity to the manufacturer’s products. Consumers follow the advice of stylists and are loyal to products. Consumers are also reluctant to change, and therefore engage in repeat purchase consuming.

3 **Bargaining Power of Suppliers:** Due to industry consolidation, greater leverage is given to manufacturing companies. The industry is dominated by two large companies, P&G and L’Oreal SA, and numerous smaller companies. Larger firms tend to have high buying power. The bargaining power of suppliers does not greatly influence the industry.

 4. **Threat of Substitutes:** The threat of substitutes for salon products is high. The primary distribution channel (through salons), salon products can be difficult to obtain. Supermarkets (Wegman’s, Shoprite, etc.) and major discounters (Wal-mart, Target, etc.) are the two distribution channels that generate the most value. These stores carry consumer line products, salon products’ greatest competition. Salon products are distributed almost exclusively through “In-the-Basin” (used in salons) channels and “Over-the-Counter” (purchased by salon customers)
 channels (through salons). Additionally, salon products have a higher pricing point than the consumer counterparts, often seen as a deterrent to potential consumers.

4 **Industry Competitors:** There is a high level of industry competitiveness. The US market, as mentioned, is saturated with low growth potential. To gain market share, competitors must steal it away from competitors, as opposed to generating new growth. According to Cosmeticdesign.com, "The key to success is marketing." The companies that hold the top positions have benefited from the effectiveness of traveling sales representatives who persuade stylists to carry products by offering discounts and creating strong brand loyalty ("Salon Hair Care Products Set for Big Growth," 2004).

B. Consumer Preferences

The salon hair product industry is characterized by extreme brand loyalty in consumers hesitant to try new products. According to a survey administered to 178 individuals, 74 percent of respondents said they consistently purchase the same brands. A partial list of reasons and the response rates are listed in Table 1:

Table 1

Survey Responses	**# of Respondents**	**Percentage of Total Respondents**
Satisfied with current product Easy to purchase same product again Lack of information regarding better products Too costly to switch products Other (please specify)	101 44 14 7 4	93.5% 40.7% 13.0% 6.5% 3.7%
Total Respondents	**108**	

The survey also demonstrated that consumers who consistently purchase the same product are more likely to repeat purchase. When asked what they would do if their product was stocked out, the results demonstrated that consumers are willing to "go out of their way" to purchase the same product. The question's responses are summarized in Table 2:

Table 2

Survey Responses	**# of Respondents**	**Percentage of Total Respondents**
Purchase similar product by different brand Go to different location to purchase product Come back at a later date Ask for a recommendation by stylist Other (please specify)	66 57 17 6 3	44.3% 38.3% 11.4% 4.0% 2.0%

Total Respondents	**149**	

After isolating the consumers who said they consistently purchase the same products, 47 percent responded that they would go to a different location to purchase the same product, versus 12 percent of consumers who responded with the same response and don't claim to repeat purchase. Consumers who consistently repeat purchase products are also twice as likely to come back at a later date to purchase the same product, if stocked out.

In a focus group held in February, 2006, participant Becca Baden, Syracuse University student, stated that she "goes out of her way to purchase the same product because it is too expensive to change." She further explained that the risk of not liking to product and wasting money deters her purchase decision. (Baden, Focus Group, February 10, 2006). The cost of salon products and the limited distribution channels are the major distinguishing factors for salon products. Both factors, by differentiating from mass-consumer brands, establish and reinforce a product's exclusivity

Another characteristic of salon product consumers is that they are influenced by their personal hair stylist. In the focus group, six of eight participants claimed to be very influenced by stylist recommendations. Eva Trawczynski, Syracuse University student, stated that she purchases "whatever her salon carries or recommends" (Trawczynski, Focus Group, February 10, 2005). Elizabeth Young, also a Syracuse University student, stated that she "only uses Aveda products" because she goes to a salon that exclusively carries Aveda products, and only purchases her products at this location. She also stated that she trusts her stylist and therefore will purchase the products recommended because of her relationship (Young, Focus Group, February 10, 2005).

Arpad Koloszvary, previously employed in R&D and marketing for a hair product manufacturer, cited stylists as a direct connection to the end consumer. Stylists build strong, trusting relationships with clients and transfer trust to their products. This trust encourages consumers to purchase based on stylist recommendations (Koloszvary, personal communication, March 31, 2005).

When surveyed, 62 percent of consumers agreed or strongly agreed to the statement “I am likely to try a product if my stylist recommends it,” versus 10 percent that disagreed or strongly disagreed. The staggering differences in the responses demonstrate the influence stylists have on clientele. Other factors that encourage consumers to switch to a new product are attractive pricing, reputable brand, attractive packaging, easily accessible purchase locations, and inexpensive/free samples. Table 3 shows the breakdown of survey respondents. Interestingly, gender differences were identified in this question.

Table 3

Gender	Attractive Pricing	Reputable Brand	Attractive Packaging	Recommended by Stylist	Easily accessible purchase locations	Inexpensive/Free Sample Sizes	C
Female	20.1%	23.9%	7.8%	22.9%	16.7%	6.1%	[illegible]
Male	13.1%	16.4%	8.2%	8.2%	13.9%	38.5%	[illegible]
Grand Total	**18.1%**	**21.7%**	**8.0%**	**18.6%**	**15.9%**	**15.7%**	[illegible]

Consumers who purchase salon products are also willing to make a larger financial investment because they feel the return on the investment (quality of product) is significantly higher than from consumer line products. The responses to a salon product value question are shown in Table 4:

Table 4

Survey Responses	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Salon hair products make my hair look better.	7.8%	8.6%	29.7%	33.6%	20.3%
I am willing to purchase Salon hair care products even though more expensive because of the end result.	7.6%	19.1%	21.4%	35.1%	16.8%

The responses indicate that consumers feel that salon products improve the appearance and are worth paying for. The first question had 53.9 percent of respondents agree or strongly agree, while the second response had 51.9 percent of respondents agree or strongly agree. Although a significant number of respondents stated neutral, over half the respondents in total still agreed or strongly agreed with the statements.

Overall, consumers indicated that “clean and healthy” hair is the most desirable factor, followed by manageability. When asked to rate the following qualities on level of importance, the collected responses, by gender, are shown in Table 5:

Table 5

	Allows me to style and manage my hair	Hypo-allergenic- won't cause breakouts or dryness (eczema, etc)	Makes my hair clean and healthy	Makes my hair shiny and full	Other
Female	38.9%	1.8%	45.1%	12.4%	1.8%
Male	28.1%	3.1%	62.5%	3.1%	3.1%
Total	36.6%	2.1%	49.0%	10.3%	2.1%

Forty-eight percent of consumers who claim to be influenced by stylists also cite the ability to style and manage hair as the most important factor.

A challenge marketer’s face in this industry is consumer’s hesitance to switch to new products. Seventy-four percent of respondents claim to repeat purchase products. Once market share is established, it is important for manufacturers to maintain their shelf space. Morgan Brodey, Syracuse University student, said that she “loses faith in the products when [her] salon changes lines” (Brodey, Focus Group, February 10, 2006). When a salon changes products frequently, even if the salon benefits from better discounts, consumers tend to discredit the products and diminish the stylist salesmanship abilities.

Consumers find it difficult to choose new products because of the overwhelming amount available in the market and confusing information on packaging. In the focus group, Brodey claimed to have a difficult time selecting products because she was unsure of the value different products could provide. Baden also stated she didn't want to switch products because if she didn't like them, it was a costly investment (Focus Group, February 10, 2006). When surveyed, the respondents cited the reasons listed in Table 6:

Table 6

Survey Responses	**Number of Respondents**	**Percentage of Total Respondents**
Information on packaging not clear Too many products to choose from Too many brand names Unsure if it is worth the cost of the product Hypo-Allergenic products not readily available Other (please specify)	6 49 10 67 3 4	4.3% 35.3% 7.2% 48.2% 2.2% 2.9%
Total	**139**	

Consumers within this industry are classified as brand loyal with high repeat purchase tendencies. It is difficult to make a consumer switch products through traditional advertising and promotional means. Contributing reasons are cost, emotional attachment, and overall satisfaction and loyalty to products. However, consumers are extremely influenced by personal hair stylists. Stylists and clients build personal relationships; these relationships encourage the client to consider and follow advice from a professional.

C. Distribution Channel

The salon products industry is unique because the primary distribution channels are over-the-counter and in-the basin. Over-the-counter sales, the more profitable channel, are defined as personal care products sold at salons for take-home use. In-the-basin products are personal care products used at salons (Datamonitor Market Research Report, 2004, p. 20). Figure 3 shows the percentage of product distribution by value for 2003.

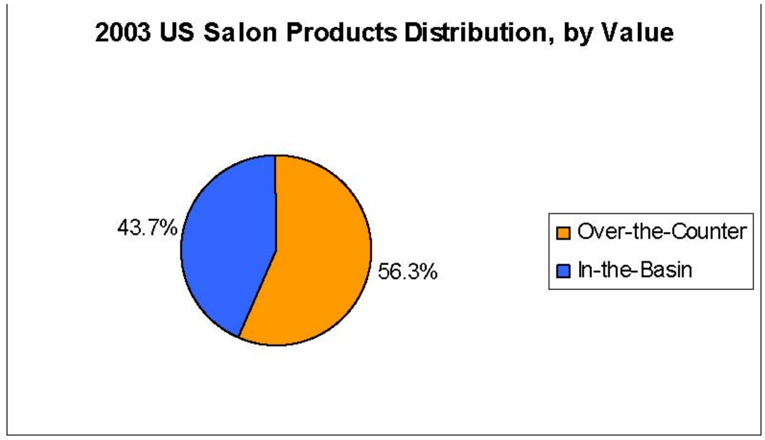


Figure 3

Salon product sales, from a manufacturer's perspective, are largely business-to-business (B2B). According to Dave Hempson of Marietta Bottling Co., the salon sales network is a defined chain that begins with the sales representatives. Salons place orders with sales representatives who then report the sales orders to the product manufacturer. Once the product is manufactured, ownership changes and products are shipped to a master distributor. The master distributor further divides products and distributes to regional and local distributors, again changing ownership. Finally, the regional and local distributors distribute the ordered products to the salons. See Figure 4. (Hempson, personal conversation, March 24, 2006)

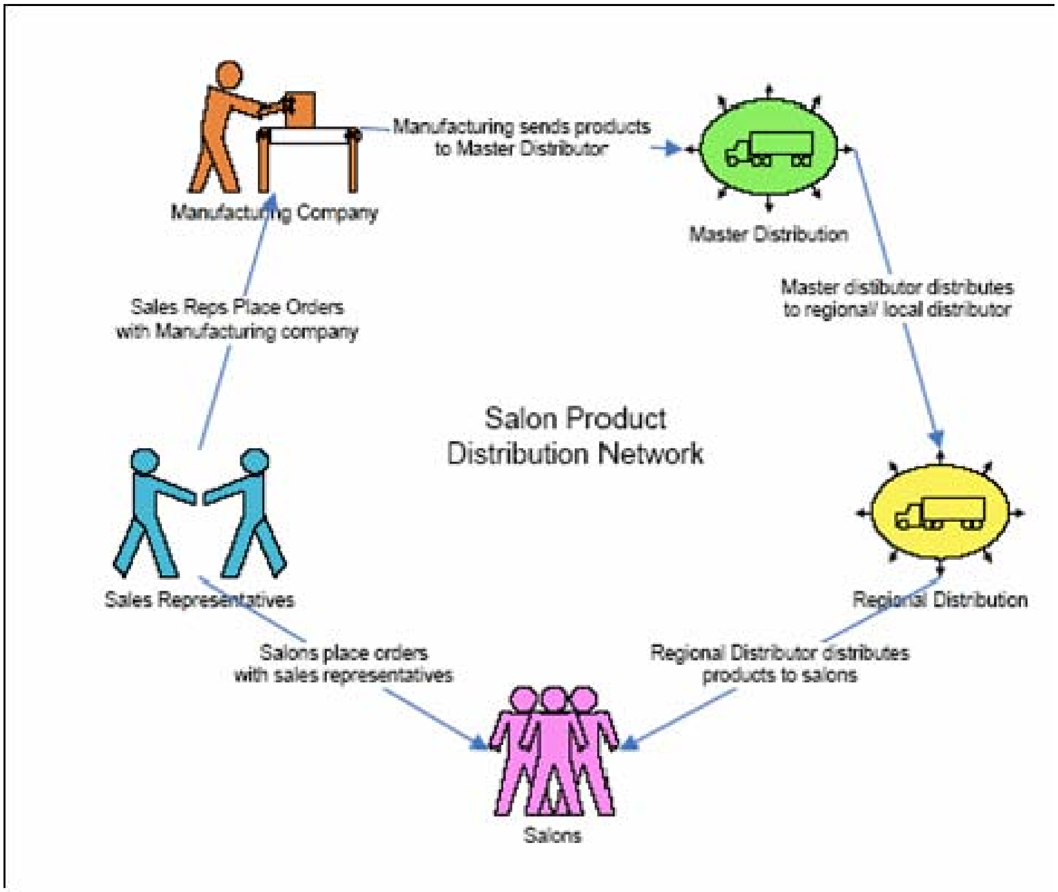


Figure 4 Salon Product Distribution Network

Ownership changes several times throughout the distribution process. Along the chain, price increases nearly 400 percent from the initial selling price. A manufacturer will suggest the manufacturers suggested retail price (MSRP), and then sell to salons at approximately half the MSRP. Before the product reaches the salon, the price will have increased from the original sales price approximately three times. To use the example Hempson provided, if the recommended MSRP of a product is $16, the manufacturer will sell the product to the salons for approximately $8. The regional distributors will first purchase the product for $4 from the master distributor, who will have purchased the product for $2 from the manufacturer. The manufacturer then must be able to turn a profit on a product at this pricing point. Marketing, R&D and other overhead costs must be less than the original transaction. To keep consistent, these expenses are held at approximately half the selling cost (or $1 in this example). (Hempson, personal conversation, March 24, 2006)

The limited distribution network requires an active sales force. Sales representatives must build strong, trusting relationships with partner salons. To break into markets and gain shelf space, sales representatives offer substantial price discounts and sampling programs. Once shelf space is acquired, the product must sell to maintain shelf space. Product volume is tracked and analyzed. As products sell and the volume demanded and consumer brand loyalty grow, credibility increases and salons will place orders without the added incentive of discounts.

Another smaller distribution channel for salon products is through specialty stores. Specialty stores like Ulta and Trade Secret make up approximately 4 percent of the total hair care industry distribution channels. However, these stores must have salons within the facilities to be considered authorized sellers (Torres). Salon products sold in these stores to consumers still follow the traditional in-the-basin and over-the-counter sales networks.

As business changes, different distribution networks are evolving. E-commerce distributors are trying to break into the network by allowing salons to purchase products online from a central distributor, cutting out costs and lag time. This provides for greater savings and profit potential. Thus far, companies offering online ordering have had difficulty challenging the entrenched distribution networks. Manufacturers fear the risk of product diversion through loss of control (Adelson, 2000). However, as online business grows and manufacturer controls strengthen, the Internet will play a greater role in the distribution network.

Today's distribution network is characterized by two authorized channels, in-the-basin and over-the-counter. The current structure is facing challenges that question its effectiveness. As technology in business improves, it can be expected that the current structure will be forced to adapt.

D. Competition

The US salon hair care industry is highly competitive. According to the Kline Group, the industry is saturated and forecasts minimal growth (www.mindbranch.com). Information provided by Datamonitor shows growth of
1.8 percent from 2002-2003 (Datamonitor Market Research Report, 2004). However, growth is expected to pick up, averaging 4.8 percent over the next five years (Datamonitor Market Research Report, 2004). Because of the slow market growth, the industry is drastic M&A activity.

The major players are L'Oreal SA and P&G. L'Oreal SA houses two of the best-selling brands salon brands, Matrix and Redken. P&G recently acquired the number one salon brand, Clairol, and the German-based company, Wella, which manufactures the popular US brands Graham Webb and Sebastian.

The hair care industry has recently extensively engaged in product innovation. In 2003, the industry showed a 30.8 percent increase in product launches (Datamonitor Market Research Report, 2004). Within the salon products market, the companies that have demonstrated the strongest innovation are claiming the top spots. L'Oreal's Matrix and Redken are leading the market because of an influx of new products (www.mindbranch.com). Despite the soft market, sales of specialty hair care products and hair styling products have demonstrated above-average growth. The majority of new salon products have come from these two categories. In the first half of 2004, 45 percent of all new launches were from these two categories. (“Difficult Times,” 2004)

Salon product manufacturers are also facing increased competition from mass-market substitute products. According to David Vladyka, head of Kline & Company’s Consumer Products consulting practice, “While salon players are still innovative from both a technological and marketing perspective, windows of opportunity are closing more quickly. Mass players continue to harvest ideas from the salon market to sell new benefits to consumers, and they’re bringing salon trends to the mass market faster than ever before” (“Difficult Times,” 2004).

Despite the challenges, the salon products industry is still forecasting higher growth potential than other areas of the hair product industry. New product innovations will determine which brands become market leaders. However, competition from other channels will force companies to market creatively.

E. SWOT Analysis

1. Strengths

1 **Perceived Value.** Salon products are perceived as being higher in quality than their mass market counterparts. This is attributed to the limited distribution channels and higher price of products. Consumers perceive these products as “exclusive” and “higher quality.” These perceptions allow manufacturers to charge a higher price.

2 **Personal selling extremely effective.** Stylists are the direct connection to end consumers. Likewise, sales representatives provide a direct connection to stylists. Consumers agree that word-of-mouth promotion is the most effective (Focus Group, February 10, 2006). Focus group participants and survey respondents claim stylists to be extremely influential in purchase decisions. According to Koloszvary, the relationship between sales representatives and stylists are similar and a major driver of in-the-basin sales.

2. Weaknesses

1 **Traditional advertising means less effective and diminished brand equity.** Participants in the focus group agreed that advertisements have little effect on their purchases. Only 40 percent of consumers agreed that advertisements had any effect on their purchase decision, positive or negative.

2. **Extremely reliant on strong sales force.** A major determining factor in sales

of products is the quality of the sales representative and the stylist (Koloszvary, March 31, 2006). If a sales representative or stylist is not a strong influencer or unable to build relationships with clients, sales will lag.

2 **Limited product accessibility.** Because of the chosen channels, distribution is limited to salons. The highest volume channels are grocery stores and discounters (Datamonitor Market Research Report, 2004). Limiting accessibility makes it difficult for consumers to purchase products. Consumers must exert more effort to repeat purchase.

3. Opportunities

1 **Product innovations are major drivers in industry growth.** Manufacturers that launch new products are leading the market (www.mindbranch.com). The current trend is focused on specialty products ("Difficult Times," 2004). A unique value proposition could make an impact on this market.

2 **Consumers confused by product offerings.** Consumers state that the variety of products makes choosing a product difficult (Focus Group, February 10, 2005). Product packaging does not clearly indicate what hair type should be using which products. Simplifying product concepts and design could persuade consumers to switch products. For example, when L'Oreal first positioned products in the US market, offerings were both overwhelming and confusing because too much information was on the packaging. By simplifying messages, the company was able to gain market share (Jones, 2005).

3. **Develop and improve relationships with stylists.** Developing relationships is an ongoing opportunity. Stylists have a tremendous impact on the sale of salon products. Sales representatives that have formed strong, trusting relationships with partner salons are generally more successful (Koloszvary, personal communication, March 31, 2006).

3 **Negotiate exclusivity**. On a company basis, negotiating exclusivity with a salon will provide the opportunity to improve relationships, increase sales, and reduce the risk of diversion, (See Section IIIE 2: Threats) (Giardina, personal communication, February 24, 2006). Salons that exclusively and consistently carry the same products demonstrate trust in the quality, which strengthens and reinforces a consumer's brand loyalty. In the focus group, Young, as mentioned previously, exclusively purchases Aveda products because it is all her salon offers (February 10, 2006). Brodey claims she is more willing to trust a salon that carries the same products consistently, rather than a variety of products or changes frequently because she knows that the salon believes in the quality and value of the products, rather than taking advantage of pricing discounts (Focus Group, February 10, 2006). Both individuals demonstrate the need for trust in products, as well in salons, when making decisions. Salons that exclusively carry a line or a brand reinforce trust.

4 **New distribution networks.** With the advent of Internet based tools, the entrenched distribution network is being challenged. Diversion is a major risk in the industry (see "Threats"), and product is often diverted along the supply chain. Online ordering, vendor managed inventory, and other techniques can be used to reduce product diversion and simplify the re-order processes, improving customer service. Exploring the options mentioned above is an opportunity to fight product diversion. In addition, a company can reduce the risk of new product launch by

asking the salons to carry smaller inventory initially and rely on the Internet if the product "takes off" after launch.

4. Threats

1. Product "Knock-offs" and Diversion. Product diversion is the biggest threat facing the industry. Sebastian, a brand leading the fight against diversion, defines it as "the sale of professional beauty products at retail establishments like grocer stores, drug stores and swap meets. Diversion diminishes a premium product and a company's reputation" (www.sebastianfightsdiversion.com). To prevent the "grey market" sale of products, manufacturers and salons sign contracts promising that the product is only sold in their salons. However, these contracts are often violated.

Although sluggish, some industry growth can be attributed to this threat. Carrie Bonner, industry manager for Kline's Consumer Products practice, said, "Diversion has been happening for quite some time, and we're seeing its effects as sales of products through salons have slowed, while salon product sales at mass channels have increased" ("Difficult Times," 2004). Sales of salon products through mass-retail channels increased 20.4 percent between 2001 and 2003, versus a 2.4 percent increase of sales in salon channels. According to Nielson data, in 2003, diversion of professional retail products increased by 45 percent (www.sebastianfightsdiversion.com).

Overall, diverted salon products account for 15 percent of the salon segment ("Difficult Times," 2004). Bonner also says, "The increasing availability of salon-only products in mass-retail channels may boost sales for a particular product initially, but the lower price and widespread exposure can damage the brand's reputation as a quality product. It will only hurt the industry in the long run."

Despite contracts, the major challenge is the fact that diversion is technically not illegal. A federal trademark law known as the "first-sale rule" shields companies purchasing products from resale. The law states that a manufacturer's right to control distribution does not extend beyond the first sale, whether that is to a distributor or other authorized dealers, such as salons. (Torres) Diversion usually occurs from salons selling products to "collectors" who solicit salons to sell them products in bulk. Products are then diverted to mass distributors who sell to unauthorized distribution channels (http://www.grahamwebb.com).

In addition to diversion, product knock-offs are becoming a threat to the industry. Companies are making sub-standard products and trying to sell them as authentic brands to chains like dollar stores, etc. To protect against this, companies are beginning to use anti-counterfeiting technology like infrared devices on products to track and identify legal items. (Hempson, personal communication, March 24, 2006).

2. Intense competition, product substitution, and industry consolidation. As mentioned in the "Industry Overview" section, the current US salon products industry is characterized by intense competition, high substitution, and industry consolidation. The market is saturated, causing established firms to compete. While P&G and L'Oreal are the market leaders, numerous smaller companies are fighting to gain market share. The most successful companies and brands are releasing new product innovations to position themselves in a unique category (www.mindbranch.com).

Industry professionals realize that it is costly and time consuming to constantly innovate. Therefore, consolidation is prevalent. Larger companies are acquiring smaller companies because these brands come with a customer base. It is often less costly to buy an established brand than trying to convince salons to carry a new brand ("More Acquisitions Likely," 2004).

3. Economy. Finally, a recessive economy is detrimental to the sale of products.

According to Bonner, “In difficult times, [consumers] tend to increase the amount of time between visits to salons, and this results in a slower market for products” (“Difficult Times,” 2004). However, as the US economy begins to show stronger growth and improving consumer confidence, 2006 may be a good time to launch the new product line.

IX. Marketing Strategy

The focus of ***dis*TRESS*ed*** is to sell existing products to a new market. According to the marketing model “Ansoff’s Matrix” (McDonald, 2002, p. 262264), this product line is characterized as market extension. Although no other line exists in the US market that specifically focuses on non-chemically damaged hair, other companies already produce similar products in conjunction with current brands. ***dis*TRESS*ed*** is uniquely positioned to focus exclusively on damage control and repair.

dis*TRESS*ed ranks highly in market newness because it is the only identified product line solely targeting consumers with the described hair problem. Therefore, it is essentially identifying a distinct niche of consumers within the salon products market with a product desire unfulfilled by existing products. However, it ranks low on technological newness because consumers could locate a similar product in existing lines. The product line is also characterized by a high degree of differentiation, high development, and high production costs relative to the rest of the market.

The major challenges ***dis*TRESS*ed*** will face are gaining market share and shelf space in the saturated salon market and convincing consumers loyal to current products to switch to a new brand with little awareness. Gaining the trust of salon personnel will be critical to the success of this product line because personal selling is influential within the market. The salon personnel will be the key link to both shelf space and consumer market share.

A. Market Size and Target Market

Currently, there are approximately 243,000 salons in existence nationwide (Adelson, 2000), with trade valued at $2.2 billion in sales of products at the manufacturer's level ("Difficult Times," 2004). The industry is dominated by Procter & Gamble and L'Oreal, while the remaining 50+% is comprised of numerous smaller companies (refer to Section III- Competition).

When surveyed, approximately 21.9 percent of respondents stated that they were, at best, neutral regarding how strong and healthy their brands made their hair. Using the survey as a basis to estimate the market size, approximately 10.9 percent of consumers consider their hair "damaged." As a percentage of Datamonitor's 2007 forecast (2004, p. 112), the total value of the market for damaged hair products, based on manufacturer's prices, is estimated at $248.5 million. The total volume for all damaged hair salon products, based on the same calculations (Datamonitor, 2004, p. 117), is 82.3 million products. The breakdown by product volume and value is listed in Table 7.

Table 7

To segment the market, it was necessary to identify consumers that would be interested and willing to switch to a product line targeted toward the non-chemically damaged niche. According to survey results, 84.2 percent of consumers that claimed to have damaged hair were in the 18-24 age group. Coincidentally, 84.2 percent of respondents were female. Therefore, based on the results of this survey, women ages

18-24 were identified as the target market.

To estimate the volume generated by the market in the "damaged hair product" sector, it is assumed that if approximately 84.2 percent of the market is

Table 8

Products	Volume (millions)	Value ($millions)
Colorants	21.6	69.5
Conditioner	14.4	51.4
Perms	3.3	11.9
Shampoo	30.4	95.6
Styling Agents	12.6	20.0
Total	**82.3**	**248.5**

approximately female, the values depicted in Table 8 demonstrate the volume and value in millions that can be expected from this target

Products	Volume (millions)	Value ($millions)
Colorants	18.2	58.5
Conditioner	12.1	43.3
Perms	2.7	10.1
Shampoo	25.6	80.5
Styling Agents	10.6	16.8
Total	69.3	209.2

demographic:

Within this segment, the long term goal is to capture 15 percent of the damaged hair market share. Initially, product sales will be low. Initial forecasts predict capturing two percent of the market in the first year, and build within the first five years to 10 percent. Growth will slow, and eventually stabilize at 15 percent within 10 years.

B. Product Description and Positioning

After analyzing the data collected, several opportunities were identified.

According to 85.7 percent of respondents, "strong, healthy hair" is either

Table 9

Consumers with Damaged Hair Willing to Purchase Salon Products	
STRONGLY DISAGREE	6.7%
DISAGREE	6.7%
NEUTRAL	13.3%
AGREE	20.0%
STRONGLY AGREE	46.7%
N/A	6.7%

an "important" or "very important" characteristic. Additionally, of the total respondent pool, 10.9 percent stated that their hair was "damaged." Finally, when cross tabulated, the results in Table 9 show the percentage of individuals surveyed with damaged hair

who are willing to purchase salon products (66.7 percent total). It is evident that an opportunity exists and a segment of the market is not being served.

Another characteristic identified was product confusion. Consumers are overwhelmed by the number of products available and are unsure about which is targeted toward his or her type of hair (Focus Group, February 10, 2006). Therefore, the opportunity to design products targeted clearly and specifically toward carefully identified segments was identified.

Finally, research showed that the influence of stylists was important. Fifty-three percent of respondents claimed that a stylist recommendation would encourage them to try a new product. The focus group also discussed how stylists "teach" consumers how to use products, and recommend which products are best for the client. Therefore, it was deduced that an educational component was necessary for both stylists and consumers.

Based on the three opportunities described above, the goals of the product line were identified. Please refer to Section II: Goals.

The following chart depicts the five factors of compatibility for a product:

Product Advantage (Value Proposition)	Provide simple solution to non-chemically treated, damaged hair.
Complexity	Either replaces current line, or individual products can be used in addition to current lines
Complexity	Simple. Not confusing. Directly addresses specific damage problems.
Divisibility	Sample sizes offered in initial launch.
Communicability	Unlikely to appear in mass consumer markets. Found only in salons.

C. Objectives and Strategies

A product launch in a saturated market faces many challenges. To emphasize and reinforce the added values of a new product and encourage consumers to switch brands, the following objectives and strategies are identified:

1. First Year Objectives and Strategies

- **Sales**
  - Secure self space in **15%** of U.S. salons with existing company relationships.
  - Encourage sales representatives to devote **25%** of time to informing salons and selling new products from *dis*TRESS*ed* line.
  - Offer a **30%** discount for first year to first **50** salons to order the product. Remaining salons that place orders within the first year receive **20%** discount for their first 15 orders placed.
- **Promotion and Advertising**
  - Create brand awareness in **50%** of salons with existing company relationships.
  - Distribute *dis*TRESS*ed* educational information to **100%** of existing partnered salons.
  - Create national consumer brand awareness levels of **15%**.
  - Distribute samples and educational materials to magazines that are read by the target demographic.
  - Track media clippings. Obtain clippings in **30%** of magazines contacted.
  - Identify the top 10 markets based on consumer demographics and trends. Host one *dis*TRESS*ed* promotional testing event in each selected city.
  - Place full page advertisements in the top five magazines read by target demographic.
  - Develop effective point-of-purchase displays to provide extra encouragement to purchase the product at salons.

- ▫ Utilize ***dis*TRESS*ed***'s unique value proposition to leverage entrance into new salons and increase brand awareness within the broader market.
- . Distribute educational material and create brand awareness in **15%** more salons currently not partnered with firm annually.
- . Host one ***dis*TRESS*ed*** stylist conference in top 5 demographic regions. Encourage participation by offering a free case to each salon that sends participants.
- . **Production/Distribution**
- ▫ Encourage weekly reordering by customers to maintain low inventory levels.

2. Five-Year Objectives

- . **Sales**
- ▫ Increase partnered salons carrying ***dis*TRESS*ed*** product line by **20%** each year.
- . Offer price discounts to new salons up to 15% on first five orders.
- ▫ Increase sales volume by **15%** each year.
- . Devote **20%** of sales time to ***dis*TRESS*ed*** product line.
- . Maintain relationships with stylists by regularly contacting salons. Using the Pareto Rule (80% of orders come from 20% of suppliers), Categorize salons into three categories and follow suggested guidelines.
- Category A: Top 20% of salons based on volume. ♦ Visit twice monthly, contact weekly.
- Category B: Of remaining salons, top 20% based on potential sales volume. Assess potential volume by identifying target demographic business as a percentage of total business (number of clients that fit ***dis*TRESS*ed*** target demographic / total number of customers).
  - ♦ Visit monthly, contact bi-weekly.
- Category C: Remaining salons.
  - ♦ Visit monthly, contact once a month.

. **Promotions and Advertising**

- ▫ Increase brand awareness with partnering salons to **100%**.
- . Continue to provide educational materials to **100%** salons.
- ▫ Increase consumer awareness to **40%.**
- . Continue to provide samples to magazines. Track media clippings and increase exposure by **10%** each year.

. Partner with a charity that has values aligned with ***dis*TRESS*ed***. Sponsor major charity fundraiser yearly. Use exposure to build brand

equity and recognition as well as reinforce positive values.

Recommendation: "Locks for Love."

. **Production**

- Explore online ordering options to encourage faster shipments. Implement

system and encourage 15% increase in salons annually using system.

D. Implementation/ "4P's" of Marketing

1. Product

The product line name is ***dis*TRESS*ed***. The word "distressed" is synonymous with "damaged" (www.freedictionary.com, April 18, 2006). The name represents a solution to a problem consumers instantly identify with. The premise of ***dis*TRESS*ed*** is to provide a simple solution for non-chemically damaged hair. Although the term has a negative connotation, it clearly describes

the frustration a consumer feels with his or her hair. With a name like ***dis*TRESS*ed,*** a consumer will be able to make a point-of-purchase decision and still understand what the product line is targeting. The name is unique and

attention grabbing and will b e memorable in the market saturated with so many product names.

Non-chemically damaged hair includes all damage caused by normal "wear and tear." For example, common problems include hair inflicted with dryness, breakage, heat damage, and sun damage. This select product line does not include permed, colored, or chemically altered hair. However, consumers will know by looking at the names of the individual products exactly what issue is being targeted because the packaging strongly communicates the core benefit of each product.

The line will consist of a moisturizing shampoo, a strengthening conditioner, and different styling products. Please see the description on the next page:

Product Name	Product Type	Product Description
Dry-Baby Shampoo	Shampoo	Moisturizing shampoo focused on replacing moisture lost through styling products. Prevents dry, split ends and breakage. Good for long hair.
Long and Strong Conditioner	Conditioner	Strenghtening conditioner focused on rebuilding damaged strands of hair to improve manageability and apperance. Prevents breakage and the appearance of "fly aways" without weighing hair down.
Weakly Repair	Leave-In Deep Conditioner	reduce dullness and signs of breakage. Replaces strengthening properties of hair to
Sunny Days	Sun Protectent Spray	SPF spray in a bottle. Carry bottle around and spritz on hair before extensive sun time. Added bonus: gives you that tousled, beach hair look with a lightweight spray that won't way your locks down.
Turn the Heat UP	Heat Protectent Serum	Heat styling serum that prevents further drying of hair and damage caused by heated styling tools. Apply to hair before blowdrying, curling, straigtening etc.
Shine On	Post Styling Shine and Serum	Instant shine for dull tresses! Apply to hair post styling for some added sheen and smoothing capabilities. Reduces look of "flyaways."

The different products focus on different areas of damage consumers endure. To complement the product capabilities, the final product component will be the packaging design. The product names are “catchy” and allude to the use of the product. Included on the packaging will be the type of product (example, Heat Protectent Serum) in addition to standard information (ingredients, size, instructions, etc).

2. Place

Salons are the major distribution channel for consumers to purchase the ***dis*TRESS*ed*** product line. By selling the product lines in salons, salon stylists will be used as personal selling tools. Personal selling, as mentioned, is a key component of success within the industry. Salon representatives must gain support with stylists within the sales territory, and transfer trust to the products. This will encourage stylists to sell products to clients.

The distribution network will also give the manufacturer the ability to control price and exclusivity. Because of the reliance on stylists and sales representatives, customer service will be important. Ordering processes must be efficient and the company representative must be knowledgeable and helpful to consumers. Please refer to **Section IIC: Distribution Channel** for more information on the importance of this relationship.

3. Price

According to John Band, market analyst at Datamonitor, "The [salon] product spread is much the same as that found in any high street store, selling [hair products]… the major difference is the price that these products command." Salon hair products are unique because of the limited distribution and the higher price. Consumers perceive these products to be higher quality than mass market products because of the differentiation factors.

Survey research showed that consumers who purchase salon products are willing to pay a higher price for hair products than mass consumers. The 44

statement "Salon products make my hair look better" and cross tabulated with how much they are willing to spend to see if a relationship existed between consumers who believe in salon product's added values and how much they spend. The results (below) demonstrate that the aforementioned consumers generally are willing to pay a higher price for products as well.

	<$5	$5-$10	$11-$15	$16-20	$20-$25	Cost is not an issue	Grand Total
Strongly Disagree	4	4		1		1	10
Disagree	5	5				1	11
Neutral	12	12	8	2	1	3	38
Agree	8	18	9	4	1	3	43
Strongly Agree	4	8	9	1	1	3	26
N/A	4	4					8
Grand Total	37	51	26	8	3	11	136

In addition to the survey data, observations were taken at a local beauty supply store. Based on these observations and the consumer's willingness to pay more for salon products, the following prices are recommended:

Product Name	Manufacturer's Sales Price	Recommended Sales Price
Dry-Baby Shampoo (8 oz)	$6	$12
Long and Strong Conditioner (8 oz)	$6	$12
Weakly Repair (8 oz)	$8	$16
Sunny Days (8 oz)	$8	$16
Turn the Heat UP (8 oz)	$8	$16
Shine On (4 oz)	$6	$12

To initially gain shelf space, price discounts, as mentioned in the "Objectives and Strategies" section, will be offered to participating salons. Finally, as mentioned, "buying in bulk" will be discouraged as a means of fighting product diversion.

4. Promotion

The initial promotion is integral to the implementation strategy. Promotion and advertisements reinforce a brand's quality. However, because salon products are perceived as exclusive, advertisements must be carefully placed and monitored.

The initial strategy involves personal selling. According to Tara Jacobson, "word of mouth is the most effective way to sell a product in the industry" (Focus Group, February 10, 2006). Stylists, as mentioned, are effective selling tools. Likewise, sales representatives who have strong relationships with stylists are more likely to ensure a successful product (Koloszvary, personal communication, March 31, 2006). It is necessary to gain the support of stylists.

Some recommendations to accomplish this task are to provide salons and stylists with incentives. Incentives include complementary educational material for salons and their clientele, conferences for stylists to stay on the "cutting edge," and establishing a strong customer service relationship between stylists, salon owners, and sales representatives.

To gain shelf space, discounts will be offered to salon owners. Discounts will make salons more receptive to carrying a product; however, the product must be able to generate sales to maintain the acquired space (Kolosvary, personal communication, March 31, 2006). The discounts to be offered are found in **Section IIIC: Objectives and Strategies**.

Placing advertisements in magazines is recommended for long term growth and increasing awareness. Careful placement is necessary so as not to weaken the brand attributes. Higher end fashion magazines like *Vogue* and *In Style* share similar attributes and will reinforce exclusivity while increasing brand awareness.

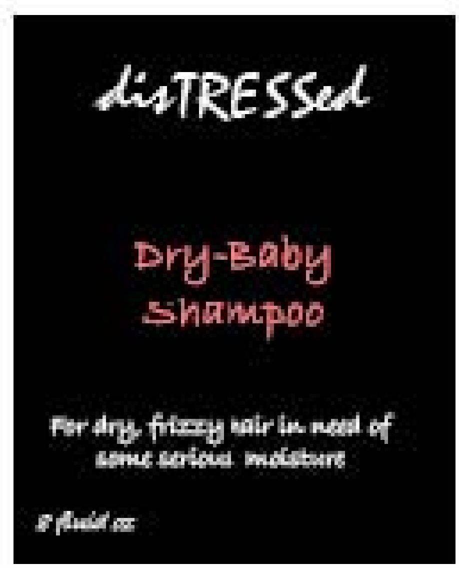
Point-of-purchase displays play a significant role in increasing sales. Posters and educational materials for salon clients should be at purchase points.

Additionally, attractive displays must be placed in areas to attract consumer attention. An example of a display is shown at the right:

Finally, the packaging design will play an important role. To reinforce the secondary value proposition (simplicity),

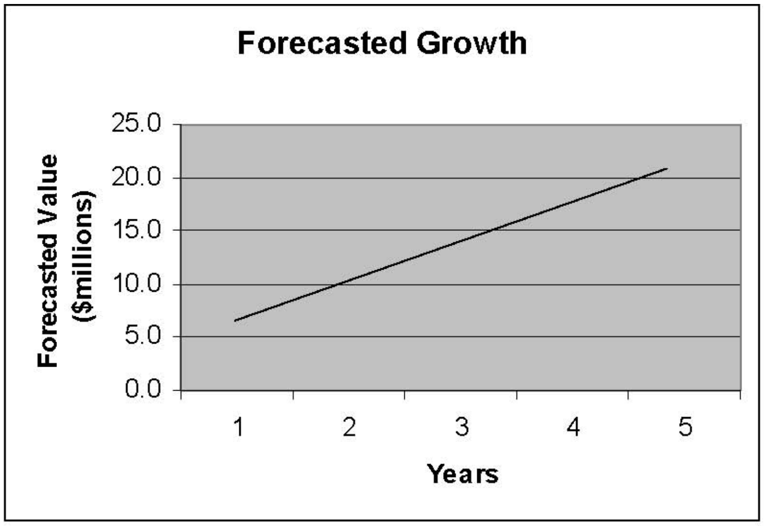
Figure 5 Point- of Purchase Display
Picture taken: April 6, 2006 at Trade Secret Salon/ Store- Carousel Mall, Syracuse , NY

the packaging design will be simple. The communication provided on the bottle is an additional way to advertise the product. In addition to utility, the packaging should be attractive and informative. The recommendation is to package the shampoo and conditioner in white translucent bottles with black and silver writing. The font should be "edgy" but clean cut. See sample label at right:



X. Projected Performance

The total value of the female damaged hair market is estimated at $209.2 million at the manufacturer's level (Datamonitor, 2004, p. 117). The long term goal is to acquire 15 percent of this market. Initially, the ***dis*TRESS*ed*** product line is forecasting three percent of this market. Within the next five years, market share should reach 10 percent. See graph below:



According to Hempson, manufacturers' margins are approximately 25 percent of the retail price (Hempson, personal communication, March 24, 2006). Therefore, the retail market value is approximately $800 million.

At the initial product launch, the sales budget will remain approximately the same. The target salons are those already with existing partnerships. Therefore, rather than hiring additional sales force members, the current sales force will have to reallocate time to emphasize the new line.

The advertising budget initially will be minimal. An increase will be seen do to the development of point-of-purchase and educational materials. The marketing department recommends an advertising budget of $2 million for the first year. In successive years, the budget should increase to account for more salons purchasing products and demanding more educational material, as well as future magazine placements.

The major impact on the bottom line will be the recovery of R&D costs and the initial low volume. Additionally, discounts offered to salons will further lower margins.

XI. Conclusion

The salon products industry is extremely competitive. Constant innovation is necessary to push companies to market leader positions. Because of market saturation, differentiation has become a huge driver for growth.

Recognizing these trends, the ***dis*TRESS*ed*** product line is prepared for growth. Initial entry into the market is difficult. Switching rates are low, and brand loyalty is high. However, no product line focuses on non-chemically damaged hair. By meeting the needs of these customers, growth will be achieved.

Launching a product is a costly venture. Discounts must be given to secure shelf space, and time must be reallocated from current sales representatives to push the new product. If successful, the returns can be extremely significant.

dis*TRESS*ed has identified a void in the current marketplace. The provisions set forth in the marketing plan outline an implementation strategy. Because no product line directly focuses on this market niche, the first mover advantage could help secure significant market share.

XII. Citations

Adelson, Andrea. (2000, September 20). What Makes Selling To Salons Like Selling to Car Makers. Last retrieved April 12, 2006 from http://partners.nytimes.com/library/tech/00/09/biztech/technology/20adelson.html.

Datamonitor. (2004). *Haircare in the USA to 2008*. (Reference Code: DMCM1397). New York, NY: Datamonitor USA.

Difficult Times Holding Back Growth in US Hair Care. (2004, October 18). Last retrieved April 12, 2006 from http://www.cosmeticsdesign.com/news-byproduct/news.asp?id=55275&idCat=135&k=difficult-times-holding

Jones, G., Kiron, D., Dessain, V., & Sjoman, A. *L'Oreal and the Globalization of American Beauty.* (2005, June 20) (Report 9-805-086) Boston, Ma: Harvard Business School Publishing.

Mindbranch. (2005, July). *Salon Hair Care USA 2003*. Retrieved April 12, 2006 from http://www.mindbranch.com/products/R379-175.html.

More Acquisitions Likely As Salon Hair Care Sales Continue to Slip. (2004, March 3). Retrieved April 12, 2006 from http://www.hairboutique.com/news/hairnews-3-2004.htm.

NAICS Definitions. US Census Bureau. (2002). Retrieved on Sept 25, 2005. <http://www.census.gov/epcd/naics02/def/ND332913.HTM>.

Salon Hair Products Set for Big Growth. (2004). Last retrieved April 12, 2006 from http://www.cosmeticsdesign.com/news/ng.asp?id=56351salon-hair-care.

The Line Between Mass and Salon Brands Continues to Gray, According to Kline Study. (2006, March 17). Retrieved April 12 from http://www.klinegroup.com/6_20060317.htm.

Torres, Veronica. (n.d) Hair Wars: Where's the Real Thing? Retrieved April 12, 2006 from http://www.jrn.columbia.edu/studentwork/cns/2002-06-10/618.asp.

XIII. Appendix

A. Appendix A

Conversation with Dave Hempson-

Marietta- handles sampling Pantene- used to be an obscure brand… gave it to a brand manager, and the woman wrote a marketing plan with a sampling campaign. Launched Pantene through Sampling- made 120 million samples
-pitched idea to reps @ pantene
- - largest sampling campaign and launched product from obscurity
- - came back a few years later, did bottling samplers

Unilever- same thing with Dove and Thermasilk -small
bottles, packets, etc

2 concepts in Hair Care Industry Manufacturing: -Once marketing decided, channel picked:
- mass market
-beauty salons
-upscale dept stores

In beauty salons-Nexxus- shipped to beauty salons, gave samples in salons
- repositioning brand from a beauty salon brand to mass market
Manufacturing change:
- Focused Factories: one product type in a factory (think Garnier Fructis in Kentucky)
- Distribution cost not a huge deal- DC's set up around country
- Because of increased transportation cost- looking at Geographical manufacturing… outsourcing percentages of into smaller distribution options

-East Cost west coast sites
- UPS 100 weight- UPS program for distribution to small stores, in 4-5 case quantities
- Transportation costs- 10-12% COGS- look into transportation costs
- look into usage costs = how much customers building
- try to make the packaging components common
Sales Force-Have a rep that works with places… P&G rep works with marketing and sales to find a way to meet the need- each store has different configurations; some stores want them shrink bundled, some in trays, pricing already applies, some want loose packaging… retail location tells manufacturing how they want the product
- new launches and now time- will ship right out customers… usually Company that makes product will hold in DC, aggregate products, palletize them, and then send out as needed
- regulations from Retailers all different… be careful b/c mistakes are costly…

Value proposition- psychographics of consumer critical… know price point, competition, other products in niche that you are competing against… how you will leverage value proposition

Manufacturer makes product- master distributor sends smaller - local distributor- sales rep- salon (doubled markup for times ex) 1-2-4-8= consumer price)

All kinds of transfer of money back and forth…

Setting retail price-

Problems:
1 Diversion- black market in the US- retail product being diverting to other retail channels it's not supposed to be in... major concern
2 Knock-offs- make a substandard product and try to sell it to ex) dollar stores, etc; manufacturers trying to be careful and putting anti counterfeiting concepts in toothpastes, shampoos, etc (infrared technology)

Come up with a strategy to divert this.

B. Appendix B

Conversation with Arpad Koloszvary

Past Experience: Designed Rave Hair Spray

Learned: what are the needs? How to fill them?
-used focus groups to narrow scope Gathered info- determined pricing point for value, worked backwards; essentially come up with a wish list and then work backwards

- Rave hairspray- flexible but not stiff; targeted towards 40+ females but needed to withstand humidity

Phase 2: Perfecting Product -Competing against major brands w/o a big name: must do a lot of "giveaways" to make it worthwhile for salons to lose shelf space.

- Volume must accurately be assessed

Major Roll-out: Sampling, giveaways, coupons

Must be able to track it: discover feedback, get a ROI, and must prove that you can cover INTENSE upfront costs

LD 50's-

Background: Everything listed: chemical ingredients in formulas.

Must make it easy for consumer to get what they want and see what they want on it

Distribution Channels- either low lines or partner with major firms, but very few big companies take outside help b/c they have in house R&D firms

Patents on products are difficult to prove. If unique, have a good relationship with attorneys

As a sales Rep:
-give a lot of the product

- lots of legwork, mostly commission w. some base

-put together specific details

- beginning of launch/ entering new markets: give a lot away and get feedback, and try to get repeat purchases-sales reps gather info, develop questions (marketing), look for price (is it meeting/ fulfilling consumer requirements?)

-Always looking for trends/ trying to capitalize on trends
-Given territory- sometimes given breakdown of "where to go"

Services- 1st Line of Defense! -stylist- direct connection to consumer -possible approach- "Tupperware Party" for stylists

****MUST ESTABLISH TRUST- provide education, develop trust (almost 'hand holding' process) ***

Owners- discounts and rebates will get on shelves, stylists sell products

Purchases/ Acquisitions- not devoting resources, automatic $ generator, getting under umbrella might be difficult, brand management may mess up product along the way (parent might not work well with acquisition)

Sales Reps-

1 New markets
- 2. Penetration = Maintain loyalty
- a. Customer service
- b. Product Flow
- c. Communicate back to Corp
- d. Gage market for competition

2 Ears/ Eyes for marketing; field trench people that first fell market/ look for trends
- 4. Look for new opportunities
- a. Line extension
- b. Similar products once brand loyalty est

Advice:

1. Bottling Company in Marrietta- try to see plant
   - i. Phil Shager
2. Speak with people at Avon

Ways to Differentiate Product

1. Be loud/ disruptive
   - a. Possible turn off
   - b. Draws attn
   - c. Must believe STRONGLY in product

2. Try to gain trust of stylists
   - a. Interpersonal skills
   - b. Develop trust and transfer to product
   - c. Systematic approach- lay plan
   - d. Set checkpoints
   - e. Constantly m monitor

C. Appendix C

Participants: Liz Young -SR, A&S major -Exclusive use of Aveda products -**Coarse, Thick Hair** Tara Jacobson -a&s major -worked cosmetics -tries varieties of things -used to use professional salon stuff, but sees no difference -uses pro for styling products (bed head) -**Thick, Curly Hair** Eva Trawczinski -Pantene spray in conditioner -Bumble&bumble -Used to use Bedhead, changed -**Fine straight long hair** Rosslyn Ortega -Pantene Shampoo -Styling L'Oreal -Conditioning- out of country -**Ethnic, dry hair** Becca Baden -redken -bedhead for styling -**Curly, long , thick hair** Alex Wilson -back to basics, now suave professionals -matrix straightening stuff- given to her -Misc stuff she doesn't use -Sephora and salon products -**Thick, straight hair** Morgan Brodey -SR management -Uses Fructis (drugstore line) -Frizz control -Doesn't know really what she uses (doesn't pay attn to stuff) -Listened to stylists advice -**Thick, coarse, straight hair**

Q1- Repeat Purchase- use same product?   What makes you buy it?   Why?

Eva- what salon recommends
Morgan- switches b/c tries friends stuff and likes it
Liz- stocks up on Aveda before she comes back to school; loyal to product, stylist; variety of products, but all within Aveda line
Becca- uses same stuff; goes out of way; tries not to change because products expensive and doesn't want to risk change, spending money and not liking the product
Alex- can't stick because makes hair greasy after a while; bought big liters b/c of sale (2 for $20) but doesn't use it
Rosslyn- uses what stylist recommends, comes from out of the country (Dominican Republic)
Morgan- VERY influenced by what stylist says; will purchase whatever s/he recommends
Tara- sampler; tries everything;
Morgan- if complimented, especially by men, sticks with products
Alex- *uses samples and products she gets from other people*; won't use herbal essence b/c of ads
Becca- Good if you could buy samples so that you don't have to spend a lot of money on them; 1 or time use, not travel size; therefore if you like it you can buy it, at a good price
Morgan- manufacturers *want* repeat customers, but also wants high margins on products,
Becca- questions whether you should buy or if manufacturers should sell bargained price samplers to gain more customers
Tara- Suave Professional- just as good as other stuff- great idea b/c it is at drugstore price but claims same values
Morgan- describes hair products by their packaging, remembers *packaging*
Tara- knows a lot about products
Morgan- sensitive skin; some products cause breakouts so she has to be careful with what and how much she uses; affects her usage habits
Becca- Make products more specific- tells exactly what they do; wants something that helps with curls and frizz; not sure how to mix products
Tara- hates crunchy hair from products; curly hair makes it more difficult
Becca- doesn't like using too much
Becca- used to use product bad for hair, but didn't care b/c it actually 'held' hair
Morgan- what hurts some hair types, what helps? How do you know what to use? How do you know what type you are, especially with all the different types on the shelves?
Becca- offerings by products- different types for different kinds does make a difference
Alex- greasy hair thing- uses baby product to get rid of grease; doesn't wan tot pay a lot for designer products; something for roots- to blend roots, spray on, to poof up roots
Rosslyn- has exema- wants something that is non- comodogenic, balances out her problem
Tara- hypoallergenic? Does it exist?
Liz- "magic" hairspray won't get crunchy; doesn't wash hair every day so as not to dry it out
Tara- something that smells good if you don't shower b/c Morgan smells
Morgan- girls with thick hair- doesn't wash as much
Eva- every day (finer hair)

Everyone else- (thicker coarser texture) if washed every day would ruin hair

Influence of Advertisements

Everyone- doesn't influence decision

Becca- more expensive doesn't mean anything; what works best is what is important for hair; advertising doesn't do anything; using and liking

Liz- stylist biggest impact; advertising doesn't work

Alex- if Sephora sends stuff out will listen

Liz- Exactly- something you can trust

Morgan- only thing she would listen to write-ups in magazines; not commercial, but recs from magazine

Tara- WOM biggest thing; hair such a big thing to women, reluctant to try something else unless recommended

Alex- suave works b/c it tells you what it is for; and who uses it

Becca- if you saw something that has similar hair to you and you can tell, more willing to consider… eliminates chance, rather than general descriptions

Rosslyn- ave females advertise (think: dove campaign)

Becca- still, they will have ave people with stylist doing hair

Tara- Dove campaign

Becca- if she had a lot of money would try stuff, change etc, but not situation for most people

Morgan- salons best bit

Liz- will follow anything stylist says

Alex- but ends up with too much stuff in showers from stylist recommendations; but rarely uses

Liz- finds stuff she likes, won't use it

Alex- can't copy stylists

Liz- still happy with stuff

Morgan- have stylist teach

Becca- need such strong stuff for hair- natural products don't works; ex) conditioner in line is still not strong enough- uses it only if she showers right away… uses really strong stuff that normal people only use infrequently

Lots of people talk to Becca and offer suggestions, she disagrees with all stuff

Brand Identities

Alex- tries to look for "not test on animals' but sacrificed convenience over friendly to animal's stance

Switching Products

Becca- comes in a bigger bottle- lasts longer than 3 weeks, doesn't want to use it if she doesn't care how she looks so as not to use up good stuff

Tara- goes through conditioner way faster; feels like they are either too thick or too thin (watery) and doesn't work

Morgan- packaging perspective: doesn't want anything too big because awkward to use in the shower

Liz- conditioner should come through bigger

Eva- not used to use it too much – makes hair greasy

Tara- dry hair, needs to use more

Liz- thick hair, needs lots of conditioners

<u>Stick to same line</u>

Rosslyn- shampoo changes, conditioner same

Becca- doesn't necessarily use same line, but if she gets a rec from someone, and then also has used something in the line and liked it, more willing to try the product

Tara- more willing to spend money on styling product than shampoo and conditioner; more likely to stick with a line for styling products and willing to pay more money

Becca- oh absolutely!

<u>How much willing to spend?</u>

Eva- spends way to o much on stuff

Becca- depends on what it does, much more willing to spend if she knows what it does

Liz- less likely to spend on a not well known product not super expensive but willing to spend on Aveda b/c she knows what it does, and keeps going back to it

<u>Breaking point, money wise?</u>

Everyone murmurs- I def spend too much

Alex- I won't spend $20… If something cheaper works just as well, I'll do it. Never spend that much on a shampoo

Becca-*if* there is something else that works just as well will do it, but if there isn't then she will spend whatever to get what she wants

Alex- shampoo and conditioner do the same

Liz- conditioner makes major difference, even though I still buy expensive sham poo

Becca- depends on hair- some people can use any type of product and hair will look same

Morgan- That's me

Eva- sister likes shampoo she uses, so bought her the Bumble&Bumble line, spent $96 on products for her sisters birthday; *said it like she knew it was a lot but will still pay for it*

Liz- Oh yeah- when I stock up its ridiculous!

Eva- industry- really really nice salon in Armory that she goes to

Morgan- when she is already spending soooooo much on a hair cut, paying the extra on products really doesn't make that much of a difference

Liz- oh yeah- it's nice at a salon because you don't think about how much you are spending, because you buy it all at one place

Tara- I don't go to a salon, I go to this lady who does everything for $100, dye, haircut, eyebrows

Alex- I'm willing to pay way more for a haircut, so then it grows in nice and I don't have to spend as much on a styling product

Rosslyn- jesse charges me $35 every time

Liz- my stylists keeps getting promoted, so we'll have to talk about that

Becca- yeah don't you hate that? You go to this person, and the next time it's like $15 more… are you kidding me?

Liz- one of my presents was enough for a haircut and products

Alex- at my internship they sent me to this place and it was $135 for the color and $95 for the cut

Morgan- I got my hair done in London at Tony and Guy, at the high end hair place, it was like a $400 hair cut. It was nice- they pampered me all day, but it is ridiculous the amount of money people spend on a stylish trendy hair cut. I walked out and felt really guilty/really happy at the same time.

Alex- with a good cut I don't really have to style my hair that much, or cut it that much… I spent more but it grew back in nicer and I had to do less to it

Liz- I tell my girl to cut it so it grows nicer because a) she's too expensive and b) she spends so much money when she gets here

Becca- one of my close friends is a stylist and it costs me $50, but it cost my sister $150 to get a cut and highlighting; that's with a $75 discount

Group discusses if that's really that expensive

Alex- I'd rather spend the $225 twice a year and then not have to spend a lot on products b/c that's money better spent to me, rather than spending the same amount to try to have a product do what a good cut does to me

Group discusses how their hair looks terrible today, and how bad it looks if you sleep on your hair and then wake up in the morning

Becca- has to wash in morning if it has to look good

Alex- has to wash at night to defrizz- satin pillowcase prevents big bends n hair; stylist recommended it to her; used to straighten hair to prevent frizziness, but got bends

Morgan- wears hair up in sleep because if hair is down she breaks out, and then has the bump in hair, and then she has to either use a straightener or just pulls back in ponytail

Rosslyn- try wrapping hair? I have the same problem so I have to wrap it

<u>Buy Products</u> Liz- Wegman's now sells my product **Becca**- I don't trust it though, because it says that it isn't professional guaranteed **Alex**- see I'd trust Wegman's because it's a higher ends grocery store

Eva- isn't there a Paul Mitchell commercial out now saying that it's not the real thing?

Morgan- what bothers me is if she goes into her salon 6 mos later and it has all new products? Is it actually good for my hair or are you just getting a good deal out of it? That's her issue with salons

Alex- more likely to buy stuff not in a salon, because they always change

Becca- will buy it at a salon; if hers doesn't carry it, will go into random salons to get it

Tara- I go to "mega beauty stores" like Ulta or Trade Secret; looks through it and sees what looks good

<u>How do you feel about them carrying pro lines in Wegman's, etc?</u>

Alex- would buy it

Becca- if I knew it was the same thing I would buy it because it's easier, you wouldn't think so much about spending the money because of the convenience

Morgan- yeah but, it might diminish product and quality, ok it was such a good product, in my high end salon, but now its in Wegman's?

Becca- unless it was a thing that like higher end grocery stores all carried it, but if there are only a few things then it does

Eva- some people just like going to a salon because they feel it is nicer

Alex- but not at Wegman's I would buy it because I feel like it is a nicer end grocery store

D. Appendix D

Demographics:

Gender:

☐ Female

☐ Male Age:

☐ <18
☐ 18-24
☐ 25-34
☐ 35-49
☐ 50+

Daily Routine

I would describe my hair as: (Check one from each line)

Texture

☐Straight

| Wavy

☐ Curly

And

☐Coarse Medium

☐ Fine

Length

☐Short

☐ Medium

☐ Long

Condition

☐Normal

☐ Oily

☐ Dry

☐ Color Treated

☐ Damaged

☐ Sensitive Skin

I regularly (check all that apply): Wash hair

☐ **Wash hair** ☐ Blow Dry

☐**Blow Dry** ☐ Curl

☐ **Curl** ☐ Straighten

☐**Straighten** ☐ None

☐

I regularly use (check all that apply):

☐ Shampoo

☐ Conditioner

☐ Deep Conditioner

☐ Hair Gel

☐ Volumizer

Hair Spray

Wax/Pomade

Other (please explain)

How much time daily do you spend on your hair, on average? <5 mins

<5 mins 5-10 mins
5-10 mins 11-20 mins
11-20 mins 20mins+

Brands

What type of hair products do you use?

Drugstore line

Professional line

Luxury line

What is the most important product you use? shampoo

shampoo conditioner

conditioner styling product (please name)

styling product (please name) none

What is your most important factor in hair products? (Check one)

Allows me to style and manage my hair

Hypo-allergenic- won't cause breakouts or dryness (eczema, etc)

Makes my hair clean and healthy

Do you consistently purchase the same products?

yes

no Please Explain

Do you consistently use the same brand(s)? Why? yes

yes no Please Explain If you answered "YES" to the above question : Why do you purchase the same brand(s)? (check all) Satisfied with current product Too costly to switch products Lack of information regarding better products Easy to purchase same product again

Other (please explain)

IF you answered "No":

What is unsatisfying about the products you can try? Does not provide desired result Too expensive Inconvenient to consistently purchase Other Please Explain

Please check all Professional brands you have tried: Redken

L'Oreal Professional Textureline ArTec Bumble&Bumble

Aveda Kenra Amplify (Matrix) Biolage Catwalk Back to Basics Paul Mitchell N I don't use professional products	TIGI exxus	Kiwi Other	KMS (Please List)	BedHead
Please check all Professional brands you use regularly				

Redken L'Oreal Professional Textureline ArTec

Bumble&Bumble Aveda Kenra

Amplify (Matrix) Biolage TIGI Kiwi KMS

BedHead Catwalk Back to Basics

Paul Mitchell Nexxus

Other (Please List) I don't use professional products

Where do you typically purchase your products? (check all) Salon

Specialty Beauty Store (Ulta, Trade Secrets, etc)

Grocery Store (Wegman's, Price Chopper, etc)
Mass Merchandiser (Target, Wal-Mart, etc)
Drug Store (Rite Aid, Eckerd, CVS, etc)

Department Store Other (please explain)

Ideally, where would you like to purchase hair products? (check top preference) Salon

Specialty Beauty Store (Ulta, Trade Secrets, etc)

Grocery Store (Wegman's, Price Chopper, etc)
Mass Merchandiser (Target, Wal-Mart, etc)
Drug Store (Rite Aid, Eckerd, CVS, etc)

Department Store Other (please explain)
What encouraged you purchase your product (check all) Salon Stylist

advertisement Review Recommendation from Peer

Price Location product was sold

Appearance Other (please explain)
How much are you willing to spend on shampoo? <$5

$5-$10 $11-$15 $16-20 $20-$25 Cost is not an issue
How much are you willing to spend on conditioner? <$5

$5-$10 $11-$15 $16-20 $20-$25 Cost is not an issue
How much are you willing to spend on a styling product? <$5 $5-$10

☐ <$5 ☐ $5-$10 ☐ $11-$15
☐ $5-$10 ☐ $11-$15 ☐ $16-20
☐ $11-$15 ☐ $16-20 ☐ $20-$25

☐ $16-20 ☐ $20-$25 ☐ Cost is not an issue

☐
☐

If you went to purchase a product, and the location was stocked out, what would you do?
Purchase similar product by different brand Ask for a recommendation by stylist/store clerk Go to a different location to purchase same product Come back at a later date

☐
☐
☐
☐
☐ Other (Please Explain)

(**Matrix**) Circle the number that best represents how you feel about the statement. 1Disagree, 2-Somewhat Disagree, 3-Neutral, 4-Agree, 5-Strongly agree -I am likely to try a product if my stylist recommends it. -Advertisements influence my purchase decisions (good or bad) -Professional hair products make my hair look better -I am willing to purchase professional hair care products, even though more expensive, because of the end result -I am reluctant to change products because I like my current products -I am reluctant to change products because it is an expensive undertaking -I am more likely to purchase a new product from an existing line that I've tried and been satisfied with

What would make you try a new product, assuming that it provides the care you are looking for? (Check all that apply) Attractive Pricing Reputable Brand Attractive Packaging Recommended by Stylist Easily accessible purchase locations Inexpensive/Free Sample Sizes

☐
☐
☐
☐
☐
☐
☐ Other (Please explain)

Please check the statement you most identify with:

☐ I am willing to pay a premium price for a hair cut and a premium price for professional styling products

☐ ☐ I am willing to pay a premium price for a hair cut and use less expensive styling products

☐ ☐ I am not willing to pay a premium price for a hair cut and but will pay a premium price for professional styling products

☐ I am not willing to pay a premium price for hair cuts or hair products

What is the biggest problem you have when selecting products? Information on packaging not clear Too many products to choose from Too many brand names Unsure if it is worth the cost of the product Hypo-Allergenic products not readily available

☐
☐
☐
☐
☐
☐ Other (please explain)

E. Appendix E

Gender		
Female	128	72.3% F
Male	49	27.3%
Total Respondents	**177**	
(skipped this question)	1	

Age		
<18	16	9.1%
18-24	101	~~57.4%~~ 57.3%
25-34	8	4.5%
35-49	39	22.5%
50+	12	6.7%
Total Respondents	**176**	
(skipped this question)	2	

Please Describe your hair: Texture		
Straight	83	48.2
Wavy	57	33.2
Curly	32	18.6
Total Respondents	**172**	
(skipped this question)	6	

Texture (Cont)	
Coarse	20
Medium	112
Fine	40
Total Respondents	**172**
(skipped this question)	6

Length	
Short	55
Medium	75
Long	42
Total Respondents	**172**
(skipped this question)	6

Condition (Check all that apply)	
Normal	113
Oily	29
Dry	38
Color Treated	50
Damaged	19
Sensitive Skin	13
Other (please specify)	5
Total Respondents	**173**
(skipped this question)	5

10.97%

I Regularly (check all that apply)	
Wash my hair	167
Blow dry my hair	97
Straighten my hair	45
Curl my hair	25
None	3
Total Respondents	**173**
(skipped this question)	5

I use the following products on a regular basis (check all that apply):	
Shampoo	171
Conditioner	148
Deep Conditioner	22
Hair Gel	36
Volumizer	17
Hair Spray	49
Wax/Pommade	24
Other (please specify)	21
Total Respondents	**173**
(skipped this question)	5

How much time daily do you spend on your hair on average?	
<5 mins	50
5-10 mins	53
11-20 mins	49
20mins+	21
Total Respondents	**173**
(skipped this question)	5

Please list all the salon hair product brands you can think of:

Total Respondents	172
(skipped this question)	6

If you were to purchase one brand of products what would you purchase? (Please list your 1st and 2nd choice):

1st Choice	150
2nd Choice	130
Total Respondents	149
(skipped this question)	29

What is the last hair product brand you purchased?

Total Respondents	149
(skipped this question)	29

Please list all the brands you have purchased in the last year:

Total Respondents	144
(skipped this question)	34

How many times a year do you purchase shampoo?

Never	2
1-2 Times/ year	24
3-4 Times / Year	46
5-7 Times / Year	38
8+	42
Total Respondents	152
(skipped this question)	27

What size bottle do you purchase?

Standard (Approx. 10 oz)	117
Liters	35
Other (please specify)	8
Total Respondents	150
(skipped this question)	28

How many times a year do you purchase conditioner?

	Response Total
Never	16
1-2 Times/ year	35
3-4 Times / Year	36
5-7 Times / Year	27
8+	38
Total Respondents	152
(skipped this question)	27

Why do you purchase the same brand(s)? (check all)

Satisfied with current product	101
Too costly to switch products	7
Lack of information regarding bett	14
Easy to purchase same product again	44
Other (please specify)	4
Total Respondents	108
(skipped this question)	70

What is unsatisfying about the products you try?

Does not provide desired result	5
Too expensive	9
	6
Other (please specify)	21
Total Respondents	40
(skipped this question)	138

What size bottle do you purchase?

Standard (8-10 oz)	112
Liter	24
Other (please specify)	8
Total Respondents	**137**
(skipped this question)	41

How many times a year do you purchase the following products?

	Never	1-2	3-4	5-7	8+	Total
Mousse	88	31	13	3	6	141
Gel	68	45	17	6	8	144
Hair wax/ Pommade	95	29	11	2	1	138
Hair Spray	60	48	19	9	9	145
Frizz Control	75	35	15	5	4	134
Curl Enhancer	88	26	6	8	6	134
Volumizer	100	22	7	4	3	136
Deep Conditioner	69	37	20	7	2	135
Total Respondents	**152**					
(skipped this question)	26					

How often do you purchase the following products:

	Once a month or more	Every 2-3 months	Every 4-6 months	Every 7-12 months	Less than once year	Never	Response Tota
Mouse	9	11	19	9	18	79	145
Gel	15	18	11	14	20	65	143
Hair Wax/Pommade	12	8	9	9	17	82	137
Hair Spray	16	15	18	18	21	55	143
Frizz Control	11	10	15	15	19	69	139
Curl Enhancer	13	8	8	11	14	86	140
Volumizer	8	5	10	10	10	98	141
Deep Conditioner	14	6	16	18	20	67	141
Total Respondents	**149**						
(skipped this question)	29						

Do you consistently use the same brand(s)?

Yes	111	74%
No	39	
Total Respondents	**150**	
(skipped this question)	28	

Where do you typically purchase your products? (check all)

Salon	54				
Specialty Beauty Store (Ulta	Trade Secrets	etc)	29		
Grocery Store (Wegman's	Price Chopper	etc)	86		
Mass Merchandiser (Target	Wal-Mart	etc)	74		
Drug Store (Rite Aid	Eckerd	CVS	etc)	58	
Department Store	6				
Other (please specify)	8				
Total Respondents	149				
(skipped this question)	29				

Ideally where would you like to purchase hair products? (check up to 2)

Salon	46	3
Specialty Beauty Store (Ulta	27	
Grocery Store (Wegman's	87	1
Mass Merchandiser (Target	51	2
Drug Store (Rite Aid	42	
Department Store	4	
Other (please specify)	4	
Total Respondents	148	
(skipped this question)	30	

If you went to purchase a product and the location was stocked-out of the item you were looking for what would you do?

Purchase similar product by differe brand	66	44%	47%
Ask for a recommendation by stylist/store clerk	6		
Go to a different location to purch same product	57	38%	
Come back at a later date	17	11.5% 11%	
Other (please specify)	3		
Total Respondents	149		
(skipped this question)	29		

What is the most important product you use?

Shampoo	72
Conditioner	36
Styling Product	29
None	8
Total Respondents	145
(skipped this question)	33

What is your most important factor in hair products? (Check one)	
Allows me to style and manage my hair	53
Hypo-allergenic- won't cause breakouts or dryness (eczema	3
Makes my hair clean and healthy	71
Makes my hair shiny and full	15
Other (please specify)	3
Total Respondents	145
(skipped this question)	33

How much are you willing to spend on a bottle shampoo (10oz)?	
<$5	42
$5-$10	52
$11-$15	26
$16-20	10
$20-$25	3
Cost is not an issue	12
Total Respondents	145
(skipped this question)	33

How much are you willing to spend on a bottle of conditioner(10 oz)?	
<$5	39
$5-$10	50
$11-$15	30
$16-20	9
$20-$25	4
Cost is not an issue	13
Total Respondents	145
(skipped this question)	33

How much are you willing to spend on a styling product?	
<$5	35
$5-$10	42
$11-$15	35
$16-20	13
$20-$25	6
Cost is not an issue	14
Total Respondents	145
(skipped this question)	33

Check the number that best represents how you feel about the statement.

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	N/A	Average
I am likely to try a product if my s	3	10	35	46	33	11	3.76
Advertisements influence my purc	17	34	44	35	3	6	2.8
Salon hair products make my hair	10	11	38	43	26	8	3.5
I am willing to purchase Salon hair	10	25	28	46	22	7	3.34
I am reluctant to change products	4	36	27	43	22	6	3.33
I am reluctant to change products	17	56	34	16	7	8	2.54
I am more likely to purchase a new	2	6	26	80	21	4	3.83
Total Respondents	139						
(skipped this question)	39						

Stylist

62% Agree
10% Disagree

trend line

Please check the statement you most identify with:

I am willing to pay a premium price	54
I am willing to pay a premium price	46
I am not willing to pay a premium	9
I am not willing to pay a premium	35
Total Respondents	144
(skipped this question)	34

25%   56%

What would make you try a new product assuming that it provides the care you are looking for? (Check all that apply)

52.6	Attractive Pricing	75
62.5%	Reputable Brand	90
	Attractive Packaging	33
53.5	Recommended by Stylist	77
45.8	Easily accessible purchase locations	66
45.1	Inexpensive/Free Sample Sizes	65
	Other (please specify)	9
	Total Respondents	144
	(skipped this question)	34

52%

53.5%

What is the biggest problem you have when selecting products?

Information on packaging not clear	6
Too many products to choose from	49
Too many brand names	10
Unsure if it is worth the cost of th	64
Hypo-Allergenic products not read	3
Other (please specify)	18
Total Respondents	142
(skipped this question)	36

Please rate the following hair qualities on the level of importance.

	Not important	ewhat unim	Neutral	mewhat Impo	Very Important	esponse Average
Manageable Hair	2	5	11	58	67	4.28
Soft Hair	6	7	27	60	39	3.86
Strong Healthy Hair	2	4	14	46	74	4.33
Shiny Hair	7	11	24	57	42	3.82
Thick/Full Hair	11	12	39	51	28	3.52
Not Drying	10	16	32	48	34	3.57
No Dandruff	7	5	17	34	77	4.21
Clean Hair	1	1	7	43	90	4.55
Smooth Hair	4	5	23	42	66	4.15
Total Respondents	144					
(skipped this question)	34					

Try New Product

How satisfied are you with your current brand based on these characteristics?

	Very Unsatisfied	Somewhat Unsatisfie	Neutral	Somewhat Satisfied	Very Satisfied	Response Average
Manageable Hair	1	4	19	53	65	4.25
Soft Hair	0	3	23	58	57	4.2
Strong Healthy Hair	0	4	27	49	61	4.18
Shiny Hair	0	7	41	47	48	3.95
Thick/Full Hair	2	7	50	41	40	3.79
Not Drying	1	10	39	47	43	3.86
No Dandruff	3	4	26	28	77	4.25
Clean Hair	0	2	10	39	91	4.54
Smooth Hair	1	4	26	52	58	4.15
~~Total Respondents~~	143					
(skipped this question)	35					
	8	45	261	414	540	/ 1868

14

24.7%

+

57.4%

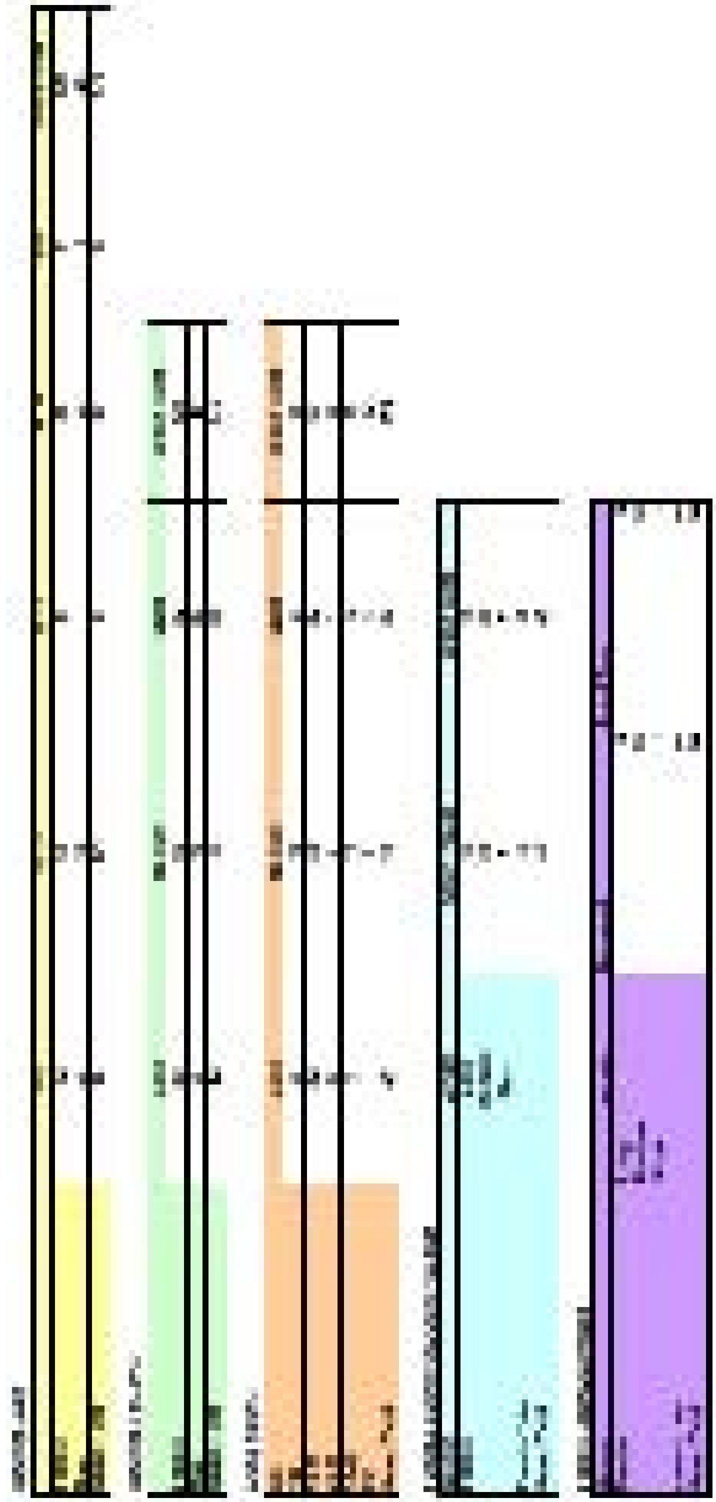
Try New Product

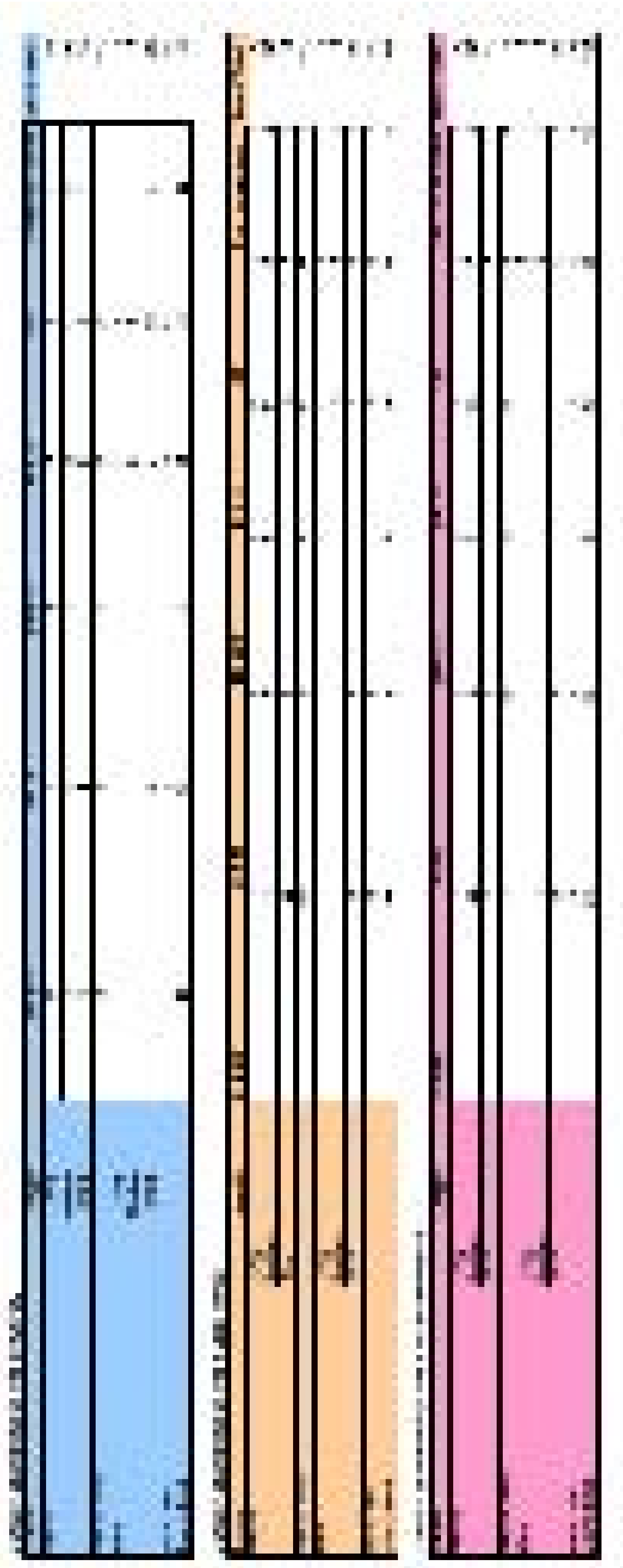
Please rate the following brands on their similar brand images and qualities:

	No similarities	newhat diss	Neutral	Somewhat simi	Very similar	Not Sure	Average
Aveda vs. Bumble&Bumble	0	4	29	7	2	95	3.17
Aveda vs. Paul Mitchell	3	14	20	16	7	78	3.17
Aveda vs. Redken	1	10	28	17	3	80	3.19
Aveda vs. BedHead	7	16	26	8	4	77	2.77
Aveda vs. Matrix	2	10	22	13	2	90	3.06
Bumble&Bumble vs. Paul Mitchell	2	10	25	8	1	92	2.91
Bumble&Bumble vs. Redken	0	6	27	6	3	94	3.14
Bumble&Bumble vs. Bedhead	1	7	24	8	4	95	3.16
Bumble&Bumble vs. Matrix	1	3	26	8	2	99	3.18
Paul Mitchell vs. Redken	2	7	22	23	9	76	3.48
Paul Mitchell vs. Bedhead	7	23	20	12	7	70	2.84
Paul Mitchell vs. Matrix	1	9	25	20	6	77	3.34
Redken vs. Bedhead	5	16	25	11	5	76	2.92
Redken vs. Matrix	0	5	23	22	5	83	3.49
Bedhead vs. Matrix	2	9	23	16	1	87	3.1
Total Respondents	140						
(skipped this question)	38						

No Distinct Brand Personalities

F. Appendix F





[illegible]

AGE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Did not answer	Grand Total
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Grand Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

AGE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Did not answer	Grand Total
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Grand Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible] SPENDING PRODUCT

AGE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Did not answer	Grand Total
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Grand Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

GENDER	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Grand Total
Female	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Male	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Grand Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

AGE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Grand Total
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Grand Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

GENDER/AVG TIME SPENT ON [illegible]

Gender	[illegible]	[illegible]	[illegible]	[illegible]	Grand Total
Female	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Male	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Grand Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AGE/AVG TIME SPENT ON [illegible]

AGE	[illegible]	[illegible]	[illegible]	[illegible]	Grand Total
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Grand Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TIME/S ON SHAMPOO

TIME	$11-$15	$16-20	$20-$25	$5-$10	<$5	Cost is not an issue	Grand Total
<5 mins	5	1		9	20	4	39
11-20 mins	8	2	2	18	10	3	43
20mins+	7	2	1	9	2		21
5-10 mins	6	5		16	10	5	42
Grand Total	26	10	3	52	42	12	145

TIME/S ON CONDITIONER

TIME	$11-$15	$16-20	$20-$25	$5-$10	<$5	Cost is not an issue	Grand Total
<5 mins	6	2		8	18	5	39
11-20 mins	9	2	3	18	9	3	43
20mins+	7	2	1	8	3		21
5-10 mins	8	3	1	18	9	5	42
Grand Total	30	9	4	50	39	13	145

TIME/S ON STYLING PRODUCTS

TIME	$11-$15	$16-20	$20-$25	$5-$10	<$5	Cost is not an issue	Grand Total
<5 mins	3	2		11	19	4	39
11-20 mins	16	4	3	11	6	3	43
20mins+	6	4	3	7	1		21
5-10 mins	10	3		13	9	7	42
Grand Total	35	13	6	42	35	14	145

CONSISTENTLY USE SAME PRODUCTS/ INFLUENCED BY STYLISTS

CONSISTENTLY USE SAME PRODUCTS	STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STRONGLY AGREE	N/A	GRAND TOTAL
No	1		10	14	7	3	35
Yes	2	10	25	32	26	8	103
Grand Total	3	10	35	46	33	11	138

$ SPENT ON SHAMPOO/ INFLUENCED BY STYLISTS

	STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STRONGLY AGREE	N/A	GRAND TOTAL
$11-$15			3	10	12		25
$16-20			1	2	5		8
$20-$25			1	1	1		3
$5-$10		4	14	24	6	3	51
<$5	3	6	13	7	4	7	40
Cost is not an issue			3	2	5	1	11
Grand Total	3	10	35	46	33	11	138

$ SPENT ON CONDITIONER/ INFLUENCED BY STYLISTS

	STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STRONGLY AGREE	N/A	GRAND TOTAL
$11-$15			5	12	12		29
$16-20				3	4		7
$20-$25			1	1	2		4
$5-$10		4	13	22	7	3	49
<$5	3	6	12	6	3	7	37
Cost is not an issue			4	2	5	1	12
Grand Total	3	10	35	46	33	11	138

$ SPENT ON STYLING PRODUCTS/ INFLUENCED BY STYLISTS

	STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STRONGLY AGREE	N/A	GRAND TOTAL
$11-$15		1	3	17	13	1	35
$16-20			3	7	2		12
$20-$25			1	1	4		6
$5-$10	1	5	13	15	6		40
<$5	2	4	12	5	1	9	33
Cost is not an issue			3	1	7	1	12
Grand Total	3	10	35	46	33	11	138

[illegible]

[illegible]	Ask for recommendation by stylist/salon staff	Come back at a later date	Go to a different location to purchase same product	Purchase similar product by different brand	Other	Grand Total
No	1	5	5	11		30
Yes	4	13	50	30	5	[illegible]
Grand Total	5	17	57	41	5	[illegible]

[illegible]

	STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STRONGLY AGREE	N/A	GRAND TOTAL
Strongly Disagree	1			2			3
Disagree		1	1	2	3		13
Neutral	1	8	12	8	1		30
Agree			9	23	3	1	40
Strongly Agree		1	1	12	13		30
N/A			2	4	1	2	11
Grand Total	2	9	25	51	20	4	130

[illegible]

	STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STRONGLY AGREE	N/A	GRAND TOTAL
Strongly Disagree	1	1	2	10	3		17
Disagree	1	2	2	10	3		18
Neutral			11	15	1	1	30
Agree		3	3	11	8		55
Strongly Agree		1		1	1		3
N/A			1	2		1	5
Grand Total	2	8	20	50	20	1	130

[illegible]

	Ask for recommendation by stylist/salon staff	Come back at a later date	Go to a different location to purchase same product	Purchase similar product by different brand	Other	Grand Total
Strongly Disagree					3	3
Disagree		1	3		3	8
Neutral		3	10		20	30
Agree	1	3	20		10	40
Strongly Agree	1	4	10	2	8	30
N/A		1	1	1	7	11
Grand Total	2	12	20	3	38	130

[illegible]

	[illegible]	[illegible]	[illegible]	[illegible]	Grand Total
Strongly Disagree		2		1	3
Disagree		5	1	4	10
Neutral	1	10	5	12	30
Agree	1	3	10	11	40
Strongly Agree	2	3	20	3	30
N/A		2	1	1	11
Grand Total	3	33	50	40	130

[illegible]

	Allows me to style and maintain my hair	[illegible]	Makes my hair clean and healthy	Makes my hair strong and full	Other (please specify)	Grand Total
Shampoo	15	2	30	3	1	51
Conditioner	10	1	15	1	1	28
Styling Product	30			2		32
Other	1		2	1	1	5
Grand Total	56	3	47	12	3	130

[illegible]

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]			2		2
		[illegible]			1		1
		[illegible]	6	2	1		9
		[illegible]	37	4	1	2	[illegible]
	[illegible] Total		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]		[illegible]			2
	[illegible] Total			2			2
	[illegible]	[illegible]	1				1
	[illegible] Total		1				1
	[illegible]	[illegible]		1			1
	[illegible] Total			1			1
[illegible] Total			[illegible]	4	[illegible]	2	[illegible]
[illegible]	[illegible]	[illegible]			1		1
	[illegible] Total				1		1
	[illegible]	[illegible]	10	2	2		14
		[illegible]		1	1		2
		[illegible]	1				1
		[illegible]	[illegible]	2	[illegible]	2	[illegible]
		[illegible]	5	2			7
		Continued series		1			1
	[illegible] Total		27	11	[illegible]	2	[illegible]
	[illegible]	[illegible]			1		1
		[illegible]		1			1
	[illegible] Total			1	1		2
	[illegible]	[illegible]	1				1
	Continuous volume Term		1				1
[illegible] Total			[illegible]	12	[illegible]	2	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	2	1	1	[illegible]
		[illegible]	1		3		[illegible]
		[illegible]	2	1			3
		[illegible]	[illegible]	1			[illegible]
		Continued series			2		2
	[illegible] Total		[illegible]	2	[illegible]	1	[illegible]
[illegible] Total			[illegible]	[illegible]	[illegible]	1	[illegible]
[illegible]	[illegible]	Continued series	1				1
	[illegible] Total		1				1
	[illegible]	[illegible]	[illegible]				[illegible]
		[illegible]	[illegible]	1			[illegible]
		[illegible]		1			1
		[illegible]	1				1
		Continued series			1		1
	[illegible] Total		[illegible]	2	1		[illegible]
	[illegible]	[illegible]		1			1
	[illegible] Total			1			1
[illegible] Total			[illegible]	[illegible]	1		[illegible]
[illegible]	[illegible]	[illegible]	[illegible]				[illegible]
		[illegible]		1			1
	[illegible] Total		[illegible]	1			[illegible]
[illegible] Total			2	1			3
[illegible]	[illegible]	[illegible]	1		1		2
		[illegible]	1				1
		Continued series	1	[illegible]	1	1	[illegible]
	Continuous volume Term		[illegible]	[illegible]	[illegible]	1	[illegible]
[illegible] Total			[illegible]	[illegible]	[illegible]	1	[illegible]
[illegible] Total			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

STYLIST INFLUENCES/MOST IMPORTANT QUALITY

	Allows me to style and manage my hair	Hypo-allergenic- won't cause breakouts or dryness (eczema, etc)	Makes my hair clean and healthy	Makes my hair shiny and full	Other (please specify)	Grand Total
Strongly Disagree			3			3
Disagree	2		6	1		10
Neutral	7	1	20	6	2	36
Agree	23	1	15	6	1	36
Strongly Agree	15	1	12	3		3[illegible]
N/A	4		7			11
Grand Total	53	3	65	15	3	1[illegible]8

REASONS WHY DOESN'T CONSISTENTLY PURCH SAME PRODUCT/ MOST IMP QUALITY

	Allows me to style and manage my hair	Hypo-allergenic- won't cause breakouts or dryness (eczema, etc)	Makes my hair clean and healthy	Makes my hair shiny and full	Other (please specify)	Grand Total
Chooses on Scent and Price			1			1
Does not provide desired result	2		4			6
Doesn't Shop			1			1
Given by Friends			1			1
Hair conditioned to products			2			2
Inconvenient to consistently purchase	1		3		1	5
Inconvenient to consistently purchase; Too Expensive	1					1
Like to Change	1		1	2		4
Little difference between products so purchase is based on price/appearance			1			1
Price			1			1
Supposed to Change			2			2
Tired of Scent			1			1
Too Expensive	3		3	2		7
Try New Brands	3		1	9		13
Consistently Purch Prod	44	3	60	5	2	1[illegible]8
Grand Total	53	[illegible]	71	15	[illegible]	1[illegible]

REASONS WHY DOESN'T CONSISTENTLY PURCH SAME PRODUCT/GENDER

	Female	Male	Grand Total
Choose on Scent and Price		1	1
Does not provide desired result	3	2	5
Doesn't Shop		1	1
Given by Friends	1		1
Hair Gets Used to product	2		2
Inconvenient to consistently purchase	3	2	5
Inconvenient to consistently purchase/ Too Expensive	1		1
Like to Change	4	[illegible]	5
Little difference between products so purchase is based on price/promotions	1		1
Price	1		1
Supposed to Change	2		2
Tired of Scent	1		1
Too Expensive	5	2	7
Try New Brands	2	1	3
Consistently Purch Prod	100	59	159
Grand Total	128	49	177

GENDER/MOST IMP FACTOR IN PRODUCTS

	Allows me to style and manage my hair	Hypo-allergenic- won't cause breakouts or dryness (eczema, etc)	Makes my hair clean and healthy	Makes my hair shiny and full	Other (please specify)	Grand Total
Female	44	2	71	12	2	1?7
Male	9	1	20	1	1	32
Grand Total	53	3	91	13	3	1?3

GENDER/MOST IMP PRODUCT

	Shampoo	Conditioner	Styling Product	None	Grand Total
Female	50	32	22	1	117
Male	22	2	6	3	32
Grand Total	72	36	29	5	149

STOCKED OUT/MOST IMP PRODUCT USED

	Shampoo	Conditioner	Styling Product	None	Grand Total
Ask for a recommendation by stylist/store clerk	4	4		1	9
Come back at a later date	6	3	5		17
Go to a different location to purchase same product	23	15	13	1	52
Other (please specify)	1	1	1		3
Purchase similar product by different brand	15	17	18	6	64
Grand Total	71	35	29	8	141

STOCKED OUT/ RELUCTANT TO CHANGE B/C LIKES CURRENT PRODUCT

	STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STRONGLY AGREE	N/A	GRAND TOTAL
Ask for a recommendation by stylist/store clerk		1	2	1	1		5
Come back at a later date	1	1	4	3	4	1	14
Go to a different location to purchase same product		7	5	34	17	3	66
Other (please specify)	1			1	1		3
Purchase similar product by different brand	2	25	16	14	1	2	60
Grand Total	4	37	26	23	22	6	137

STOCKED OUT/ RELUCTANT TO CHANGE B/C CURRENT PRODUCT EXPENSIVE

	STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STRONGLY AGREE	N/A	GRAND TOTAL
Ask for a recommendation by stylist/store clerk		1		1		1	3
Come back at a later date	3	1	7		1	1	13
Go to a different location to purchase same product	7	25	17	1		4	54
Other (please specify)	3				1		3
Purchase similar product by different brand	5	31	16	7	5	3	66
Grand Total	17	58	34	16	7	8	14[illegible]

STOCKED OUT / WILLING TO PAY FOR HAIR PRODUCTS/HAIR CUTS

	Pay premium price for products, not hair	No premium price for hair or products	Premium price for both hair and products	Pay premium for hair cut, but not the styling products	Grand Total
Ask for a recommendation by stylist/store clerk			5	1	6
Come back at a later date	1	3	7	5	16
Go to a different location to purchase same product	5	5	28	17	55
Other (please specify)			2	1	3
Purchase similar product by different brand	3	24	15	21	63
Grand Total	9	35	54	45	143

STOCKED OUT / PURCH SALON HAIR FUNCTIONS

	STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STRONGLY AGREE	N/A	GRAND TOTAL
Ask for a recommendation by stylist/store clerk				3	2		5
Come back at a later date		2	4	4	3	2	15
Go to a different location to purchase same product	2	5	7	34	12	1	64
Other (please specify)			2		1		3
Purchase similar product by different brand	8	14	15	15	4	4	60
Grand Total	10	24	28	46	22	7	147

STOCKED OUT / MORE LIKELY TO TRY PRODUCT FROM A LINE USED BEFORE

	STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STRONGLY AGREE	N/A	GRAND TOTAL
Ask for a recommendation by stylist/store clerk			2	2	1		5
Come back at a later date		1	3	6	4	1	15
Go to a different location to purchase same product		3	5	46	10	1	65
Other (please specify)			1	1	1		3
Purchase similar product by different brand	2	2	15	34	5	2	60
Grand Total	2	6	26	89	21	4	148

GENDER/WHY CONSISTENTLY PURCHASE PRODUCT

Gender	Satisfied with current product	Too costly to switch products	Lack of information regarding other products	Easy to purchase same product again	Other	Grand Total
Female	[illegible]	[illegible]	7	[illegible]	4	125
Male	25	1	7	13	0	44
Grand Total	[illegible]	7	14	[illegible]	4	[illegible]

AGE/WHY CONSISTENTLY PURCHASE PRODUCT

Age	Satisfied with current product	Too costly to switch products	Lack of information regarding other products	Easy to purchase same product again	Other	Grand Total
<18	2	0	3	2	0	[illegible]
18-24	[illegible]	7	11	29	2	[illegible]
25-34	4	0	1	4	0	[illegible]
35-49	22	0	3	5	1	[illegible]
50+	5	0	2	5	1	[illegible]
Grand Total	[illegible]	7	14	44	4	[illegible]

GENDER/WHY BUY NEW PRODUCT

Gender	Attractive Pricing	Reputable Brand	Attractive Packaging	Recommended by Stylist	Easily accessible purchase locations	Inexpensive/Free Sample Sizes	Other	Grand Total
Female	[illegible]	[illegible]	[illegible]	[illegible]	41	[illegible]	[illegible]	[illegible]
Male	16	20	10	10	17	[illegible]	[illegible]	[illegible]
Grand Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	6	[illegible]

AGE/WHY BUY NEW PRODUCT

Age	Attractive Pricing	Reputable Brand	Attractive Packaging	Recommended by Stylist	Easily accessible purchase locations	Inexpensive/Free Sample Sizes	Other	Grand Total
<18	[illegible]	[illegible]	2	1	[illegible]	[illegible]	1	[illegible]
18-24	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25-34	[illegible]	[illegible]	2	2	[illegible]	[illegible]	0	[illegible]
35-49	[illegible]	[illegible]	1	18	[illegible]	[illegible]	[illegible]	[illegible]
50+	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1	[illegible]
Grand Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SATISFIED W/ CURRENT PRODUCT/WHY BUY NEW PRODUCT

	Attractive Pricing	Reputable Brand	Attractive Packaging	Recommended by Stylist	Easily accessible purchase locations	Inexpensive/Free Sample Sizes	Other	Grand Total
Satisfied	41	[illegible]	[illegible]	[illegible]	[illegible]	41	5	[illegible]

RELUCTANT TO CHANGE PRODUCTS BECAUSE YOU LIKE PRODUCT/ MORE LIKELY TO PURCH NEW PRODUCT FROM EXISTING LINE

	STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STRONGLY AGREE	N/A	GRAND TOTAL
Strongly Disagree	1		1	1	1		4
Disagree	1	5	8	20	2		36
Neutral			10	15	2		27
Agree			4	30	8	1	43
Strongly Agree		1	2	12	7		22
N/A				2	1	3	6
Grand Total	2	6	25	80	21	4	138

REASONS FOR NOT CONSISTENTLY BUYING/ RELUCTANT TO CHANGE PRODUCTS

	STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STRONGLY AGREE	N/A	GRAND TOTAL
Choose on Scent and Price		1					1
Does not provide desired result	1	1	1		1		4
Doesn't Shop						1	1
Given by Friends		1					1
Hair Gets Used to Product			1				1
Inconvenient to consistently purchase		2	2	1			5
Inconvenient to consistently purchase Too Expensive		1					1
Like to Change		3	1				4
little difference between products so purchase is based on price/coupons/sales			1				1
Supposed to Change		1				1	2
Tired of Scent		1					1
Too Expensive		3	2			1	6
Try New Brands		3	1			1	5
Grand Total	1	17	9	1	1	4	33

PROBS W. SELECTING PRODUCTS/ GENDER

	Female	Male	Grand Total
Hypo-Allergenic products not readily available	3		3
Information on packaging not clear	6	3	9
No Problems	3		3
Not Tailored to Black Hair	1		1
price	1		1
Too many brand names	5	5	10
Too many products to choose from	35	14	49
unable to find in stores where I shop	1		1
Unsure if it is worth the cost of the product	56	9	65
Grand Total	111	31	142

PROBS W. SELECTING PRODUCTS/ AGE

	<18	18-24	25-34	35-49	50+	Grand Total
Hypo-Allergenic products not readily available		3				3
Information on packaging not clear		4		3	2	9
No Problems	1	1			1	3
Not Tailored to Black Hair				1		1
price		1				1
Too many brand names		4		4	2	10
Too many products to choose from	4	28	2	13	1	48
unable to find in stores where I shop					1	1
Unsure if it is worth the cost of the product	4	38	4	14	5	65
Grand Total	9	79	6	35	12	141

PROBS W. SELECTING PRODUCTS/ CONSISTENTLY PURCHASE SAME PRODUCTS

	NO	YES	GRAND TOTAL
Hypo-Allergenic products not readily available		3	3
Information on packaging not clear	2	7	9
No Problems	1	2	3
Not Tailored to Black Hair	1		1
price		1	1
Too many brand names	4	6	10
Too many products to choose from	14	35	49
unable to find in stores where I shop		1	1
Unsure if it is worth the cost of the product	16	49	65
Grand Total	38	104	142

PROBS W. SELECTING PRODUCTS/ STOCKED OUT

	Ask for a recommendation by stylist/store clerk	Come back at a later date	Go to a different location to purchase same product	Purchase similar product by different brand	Other (please specify)	Grand Total
Hypo-Allergenic products not readily available		1	2			3
Information on packaging not clear		2	3	2	2	9
No Problems				3		3
Not Tailored to Black Hair	1					1
price				1		1
Too many brand names		3	3	4		10
Too many products to choose from	2	3	18	25		48
unable to find in stores where I shop			1			1
Unsure if it is worth the cost of the product	3	6	28	27	1	65
Grand Total	6	15	55	62	3	141

G. Appendix G

PROBLEM SELECTING NEW PRODUCTS/ MORE LIKELY TO PURCH FROM EXISTING LINE

	STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STRONGLY AGREE	N/A	GRAND TOTAL
Hypo-Allergenic products not readily available		1	[illegible]	[illegible]			5
Information on packaging not clear		1	3	1	3	1	7
No Problems			1	2			[illegible]
Not Tailored to Black Hair			1				5
Other			[illegible]				[illegible]
Too many brand names			4	4	1	1	10
Too many products to choose from	1	1	6	20	2	2	[illegible]
Unable to find in stores where I shop					1		1
Unsure if it is worth the cost of the product			4	41	11		[illegible]
Grand Total	1	[illegible]	[illegible]	[illegible]	[illegible]	4	[illegible]

PROBLEM SELECTING NEW PRODUCTS/ MOST IMP FACTOR

	Allows me to style and manage my hair	Hypo-allergenic/does not cause breakouts or dryness (eczema, etc)	Makes my hair clean and healthy	Makes my hair shiny and full	Other (please specify)	Grand Total
Hypo-Allergenic products not readily available	1	2				4
Information on packaging not clear	4		4	[illegible]		9
No Problems			2			3
Not Tailored to Black Hair					1	1
Other			1			1
Too many brand names	2		6	1	1	10
Too many products to choose from	17		24	7	1	49
Unable to find in stores where I shop			1			1
Unsure if it is worth the cost of the product	25	1	31	8		65
Grand Total	22	2	69	15	3	[illegible]

Porters Five Forces