

Marketing plan for cranium filament reductions. hair salon

[Business](#), [Marketing](#)



Executive Summary Cranium Filament Reductions is a hair salon located in Shaker TTS. , Ohio that allows the entire family to have their hair needs satisfied in one convenient location. Cranium serves men, women, and children and accepts appointments as well as walk-ins. Cranium also sells retail hair care products. Cranium is able to serve the entire family in one quick, convenient visit. While there are many " quick salons" like Cranium, Cranium will excel due to its attention to detail regarding customer service. Through unheralded customer attention, Cranium will slowly but surely gain market share as it services the entire family, creating long-term relationships. Lastly Cranium's location will allow it to attract a lot of walk in traffic. After month four, sales will grow steadily for Cranium. Profitability will be reached by month nine and \$443, 000 in revenue will be earned during year three with \$61, 000 in profits. Situation Analysis Cranium Filament Reductions is in its first year of business as a start-up company. Cranium recognizes the fact that a comprehensive, strategic marketing plan is required to ensure profitability and success.

Cranium offers a wide range of hair cutting services. The market need is for a one-stop, convenient, hair salon that is skilled and reasonably priced, serving the entire family. Market Summary Cranium Filament Reductions possess good information about the market and knows a great deal about the common attributes of its most prized customers. Cranium will leverage this information to understand who is served, their specific needs, and how Cranium can better serve them. Market Needs Cranium Filament Reductions

is providing families with a one-stop option for providing a wide range of hair cutting/styling options.

Cranium seeks to provide the following benefits that are important to its customers: Convenience: Cranium can serve the entire family with no appointment necessary. Additionally, Cranium's storefront is in a centrally located area. * Customer Service: Serving the customer with superior attention is what the employees are trained to provide. * Competitive Pricing: Cranium offers pricing that is a bit more than a traditional barber but far less than a dedicated women's hair salon. Market Trends The market trend for the hair cutting industry is one of consolidation.

Consolidation can be seen with the high-end hair salons as well as the full-service, full-family companies such as Best Cuts. Over the last five years there have been an expansion of upscale chain salons in major metropolitan areas. The expansion takes the form of opening new stores, as well as purchasing independently-owned salons and transferring them over to the chain. Additionally, this trend has occurred with the Marketing Plan for Cranium Filament Reductions. Hair Salon By shielding industries that are consolidating; cost saving measures.

Cranium is not participating in this trend of aligning itself with a chain. Cranium believes that it has better insight to its local market and would rather apply this specialized insight to its racket instead of adopting the procedures of a national chain. Market Growth For the last seven years the hair cutting industry has grown steadily at 5% a year. The industry is

generally unaffected by economic upturns or downturns. While in upturns, women are more likely to purchase extra services such as hair coloring or perms, although generally the consumption pattern is unchanged.

This is somewhat intuitive as most people need and get a haircut based on an elapsed amount of time, independent of the economic environment that they are in. SOOT Analysts The following SOOT analysis captures the key strengths and weaknesses within the many, and describes the opportunities and threats facing Cranium Filament Reductions. Strengths * Excellent retail space in a well-traveled mall. * Well-trained employees with good hair cutting skills with a wide style repertoire, and customer-focused business practices. * A wide range of services offered. Competitive prices.

Weaknesses * As a new entrant to the market, Cranium lacks brand equity that many of its competitors have earned over years of service. * The struggle to appear continually on the edge in terms of fashion and style. * Large costs associated with a start-up company. Opportunities A steady growing market that is traditionally unaffected by the economic environment. * The ability to decrease marginal fixed costs as the customer base grows. * Increasing sales opportunities as more people from an individual family frequents Cranium.

Threats * Competition from already established chains. * A change in traffic patterns as they relate to the mall where Cranium is located. Competition and Buying Patterns Cranium Filament Reductions' competitors include: 1 . Traditional Barbers: They rarely serve appointments, it is generally a walk-in service. While barbers are usually willing to provide whatever cut you are

interested n, they are generally providing straight-forward haircuts, typically on the conservative side. The advantages are an inexpensive service that is easy to use.

Their disadvantages are an often conservative styling capacity, sometimes a long wait.

2. Franchised " Quick Salons": An example of this would be Supersets or Best Cuts. In essence, this is a franchised version of Cranium Filament Reductions. The advantage of this style is the store is the same from location to location and some people like this predictability.

3. Independent Salons: These shops typically focus of men and women are quite different. Typically men are more price or convenience sensitive. Men typically care less about the task of getting their haircut.

For them whatever is easiest works best. Women are more concerned with hair styling and tend to bond more with their stylists. This bond creates loyalty to their stylist. Once a stylist has earned their trust they are more willing to blindly put their hair in the stylists hands. Service Offering Cranium Filament Reductions provides hair styling for the entire family. This includes haircuts for men and women, permanents and hair coloring for women, as well as aircrefts for children. Shampoos will be offered for all adult services. Service is offered on a walk in basis or by appointment.

Cranium Filament Reductions will emphasize a customer-centric service where the customer's needs are always the priority. Cranium Filament Reductions will also sell hair care products that are forecasted to account for 15% of sales. These professional quality supplies will include shampoos,

conditioners, reconstructs, brushes, combs, and other styling aids. Keys to Success Keys to success include: *Professionalism. * Convenience. * Customer attention. Critical Issues Cranium Filament Reductions is still in the speculative stages as a start-up company.

Its critical issues are to continue to take a modest fiscal approach; expand at a reasonable rate, not for the sake of expansion in itself, but because it makes prudent fiscal sense to. Marketing Strategy Cranium Filament Reductions will have a somewhat limited marketing budget. The main reason for this will be because some of the money that would otherwise be spent on marketing efforts will be used for rent. By choosing a well-traveled, popular mall to locate Cranium in, it will receive a lot of walk through traffic. The cost of having this location takes the form of higher than normal rent.

Part of the high cost of rent is just an expense if you want to locate a shop in a popular commercial property. Some of the money also goes to mall association dues. The money for the mall dues goes to marketing activities that are designed to increase visibility and traffic for the mall as a whole. The money from the marketing budget will be spent on the following marketing initiatives: * Advertisements: Advertisements will be placed in two different local newspapers, the Plain Dealer and the Sun Press. The Plain Dealer serves the entire Cleveland metropolitan area.

Not all of the readers will be willing to travel across Cleveland to go to Cranium, however, a large percentage of people in Cleveland subscribe to the Plain Dealer, therefore it is a good investment to increase visibility. The

Sun Press is a more regional paper serving Shaker TTS. , Cleveland TTS. , University TTS. , and Wirelessly TTS. While the reader base of the Sun Press is much smaller than the Plain Dealer, it is more geographically targeted. *

In-store and Store Front Displays: These displays will be visible to the large walk-

Cranium Filament Reductions' mission is to provide reasonably priced, convenient hair styling. We exist to attract and maintain customers. When we adhere to this maxim, everything else will fall into place. Our services will exceed the expectations of our customers. Marketing Objectives * Increase repeat customers by 7% per quarter. * Decrease customer acquisition costs by 8% per year. * Maintain positive, steady growth each month. Financial Objectives * Increase the amount of retail products sold by 10% per year. Margin by 3% per year. * Profitability by year one.

Target Marketing Grow the profit Cranium Filament Reductions will target three different market segments: * Men: Men will typically make up 70%-75% of the clientele. The reason for this is that men have shorter hair requiring a faster, simpler Job. * Women Who Cannot Afford an Upscale Salon: Women tend to favor a female specific upscale salon if they can afford it. There is not often a difference in quality of an upscale salon relative to a family hair salon other than a upscale salon will tend to pamper you more, only accepts appointments, and the facility is generally a bit plusher.

Someone who is fiscally expansive as opposed to someone who likes opulence will favor a family style salon. * Young Mothers With Children: Most

young children are notoriously difficult when it comes to getting haircuts. A family style salon is a more laid back place that allows the children to play while they are waiting and then will work with the parents in calming the kids nerves when they are ready for their shearing. Cranium Filament Reductions will target each of the three groups separately. The males will be targeted by offering a quick, convenient, service. Because men have shorter hair, they tend to require haircuts more often.

Cranium Filament Reductions will cater to males with evening hours, no appointments necessary, and quick turn around times. Generally females prefer the allure of upscale salons, however, not everyone can afford this luxury. For this reason Cranium Filament Reductions will provide the same quality hair styling, just without the expensive price. Cranium will target these customers by emphasizing the sophisticated, ultra-hip styling that Cranium can offer. Cranium Filament Reductions will also target mothers with children by offering kids toys to play with while they wait and child-friendly hair stylists.

Additionally, children receive a special rate reflecting the fact that children's hair grows so fast that it can be expensive to keep up with regular cuts as well as the recognition that it generally takes a lot less time to cut a child's hair so it should be inherently less expensive. Positioning Cranium Filament Reductions will position itself as a convenient, full service, family hair salon. Cranium will offer one-stop service offerings. Cranium will leverage its competitive edge to achieve its desired positioning: * Cranium Filament

Reductions' competitive edge is based on superior customer service.

Cranium Filament

Reductions recognizes that the hair cutting/styling market is crowded so it is difficult to stand out. Cranium Filament Reductions will be able to by providing superior Cranium operates in because margins are lower and the goal of a quick salon is to crank through a large number of people each day.

* Cranium will invest time and money into training to ensure that clients receive the best experience possible making it is easier to turn them into a long-term customer. By providing superior customer service, Cranium will be able to effectively compete against and outlast larger chains and independent stores.

Strategy Pyramids The single objective is to position Cranium as the premier, full service, family salon in the Shaker Heights area. The marketing strategy will seek to first create customer awareness regarding the services offered, then develop the customer base, and finally work toward building customer loyalty and referrals. The message that Cranium will seek to communicate is that the entire family can be served quickly, professionally, with superior customer service at reasonable rates. The message will be communicated through various methods. The first is in-store and storefront displays.

This will be a convenient method to attract people that walk past Cranium's store front. The other method of communication is advertisements in two local newspapers. These newspapers are widely read and will reach a large base of people. Marketing Mix Cranium's marketing mix is comprised of the

following approaches to pricing, distribution, advertising and promotion, and customer service. * Pricing: Cranium's pricing scheme will be based on a competitive pricing model with other similar service providers. * Distribution: All of Cranium's services and products will be dispensed from its centrally located store.

Advertising and Promotion: Locating the store in a high traffic mall will significantly increase visibility. A targeted advertising campaign will also communicate Cranium's desired messages. Customer Service: All of Cranium's employees have been trained in exceptional customer service. All employees have discretion to remedy any problems encountered on their own without having to first receive permission from a supervisor. Marketing Research During the initial phases of the marketing plan construction, several focus groups were held to gain insight into the buying patterns of prospective customers.

The Ochs groups drew a wide range of people from women to men to mothers. The participants were asked what type of service they typically use and why. They were also asked how their current service could be improved and what it would take to get them to switch to a new salon. They were given a bit of information regarding Cranium's offerings and they evaluated this. The focus groups provided invaluable information and feedback. While some of the information gathered was already known to Cranium, other information were things that made perfect sense but had not been thought of. Financial, Budgets, and Forecasts

This section will offer a financial overview of Cranium as it relates to the marketing activities. Cranium will address break-even analysis, sales forecasts, expense forecasts, and how they link to the marketing strategy.

Break-even Analysis The break-even analysis indicates that \$32,340 will be required in monthly revenue to Sales Forecast The first month will be used to set up the store and hire and train the employees. The store will be officially open the second month. Sales for month two through will four will be somewhat slow, as Cranium will be building up a customer base.