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Public Relations Research Case Study

A Capstone Project Submitted in Partial Fulfillment of the
Requirements of the Renée Crown University Honors Program at
Syracuse University

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and Renée Crown University Honors
May 2014

Honors Capstone Project in Public Relations

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Abstract

This research study combines public relations and marketing to examine how women think about buying hair products. Using Beaver Professional, a hair care company, as the client, this study incorporates different methods of research to understand what factors affect which products women buy and where they go to buy them. This study also examines how salons think about selling hair products to their customers and where they go to shop or find the products for their salons.

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Table of Contents

Abstract.....	2
Executive Summary	5
Acknowledgements	6
Purposes of Research	7
Client Background	9
Identification and Description of Target Subjects.....	10
Secondary Research.....	11
Website Analysis.....	12
What are the Targeted Subjects Saying About Hair Care?	14
Reviews and Opinions	15
Competitor Analysis	16
Retail vs. Services	18
Case Study	19
SWOT Analysis	20
Situation Analysis.....	21
Primary Research	22
Online Survey.....	23
Focus Group.....	24
Evaluation	26
Works Cited.....	28
Appendices.....	31

Executive Summary

Beaver Professional, a hair care company and the client for this research study, is interested in increasing their sales and relationships with salons. The goal of this research study was to understand how a specific audience (college women ages 18-22) think about hair care and where they go to shop for their hair products.

The targeted subjects were first studied to understand their behaviors and lifestyles. The women in this demographic are always looking for something new, something that is big or a trend. Decisions for this group are mostly based on what the target audience hears or sees in the media and what they hear from friends. The women in this group have many different media habits. They normally receive any news, information, public trends and updates via social network or social media sites.

Next, secondary research, which involves the summary and synthesis of existing research to understand the primary research, was conducted. Online articles and social media sites of Beaver and its competitors were researched in order to understand what trends were popular, what the target audience was mostly concerned with or talking about and how the competitors, L'Oréal and Proctor & Gamble are dealing with the similar threats, weaknesses and opportunities. Researching online websites and case studies for marketing insight about salons and their business was also incorporated in the initial research portion of the study.

The following step was to conduct the primary research, which consisted of an online survey and two focus groups. The survey questions were a shortened version of what was asked in the focus groups, but the main ideas revolved around where the target audience sought out to buy hair products – salons, online or drugstores and if pricing was an important factor. Then, the participants were asked how often they visited salons at home versus when they were at school.

The results showed that the target audience normally goes to a drugstore to buy hair products, and only go to the salon mainly for their services. The results also showed that pricing was important, but if insight was provided from a friend that the product was of quality and worth the price, the target audience would consider spending more money for that particular product.

When evaluating the results, it became clear that the target audience is not interested in buying hair products from salons. However, that should not discourage Beaver from selling to salons directly. Retail is an important part of salons, and Beaver is recommended to sell to them directly or go through a local supply store. Selling their products through salon retail just means that Beaver is to target a different audience.

For the target audience for this study, staying up to date with the current hair and beauty trends and using social media to verbalize and showcase how Beaver is connected to these trends will be a great way to get the attention of the target group. In order to keep their attention, Beaver must be able to generate great reviews and feedback from customers to further encourage potential and current customers to support the brand.

Acknowledgements

I would like to sincerely thank Jessica Reed for her guidance and support during the past year. I am very grateful to have had such a dedicated and supportive advisor. From the very beginning to its completion, Ms. Reed was always willing to meet with me.

I also want to thank Dennis Kinsey for being the reader for my capstone. I am grateful for his expertise and guidance as I put my final project together.

Purpose of Research Study

What is a Public Relations Research Thesis?

In order to devise an effective public relations campaign, it is important to understand the targeted publics, the client's need and the available resources. All PR projects involve research to some extent - whether that may be market research, industry research, news tracking etc.

Understanding a client will help the consultant create a public relations campaign plan that will suit and benefit the client and their needs. Researching and knowing how the client advertises and what domains they use will help any public relations practitioner figure out what mediums and platforms will be most effective for the campaign plan.

Understanding and researching the market is also incredibly important. This includes more than just demographics, but understanding the lifestyle, behavior and preferences of the targeted audience will be of great value to any research plan.

Therefore, conducting many different forms of research is very important in the field of public relations. Without research, future campaigns for the client would be ineffective and ultimately waste time and resources.

Before Beaver Professional can begin to implement a campaign for increasing online sales and awareness, they must first understand how their needs match that of their target audiences. This way, they can create an effective campaign that will be sure to generate desirable results.

The goal of this research study was to understand what women of the Syracuse University campus (students) want from a hair product/brand and where they go to obtain such products. Understanding how salons buy from distributors and what their process is for obtaining hair products for their salons was also part of the research.

This study has been focused on a very specific targeted audience - college women ages 18-22, as well as the owners of two local salons in the Central New York area. When Beaver Professional first came to me last year, they were interested in understanding how people seek out and shop for certain hair products.

The overall study narrows in on different aspects of this issue, such as prices, and what price range was most common among these women. Hair types and the types of hair products the women would go for was also an important aspect. The research was limited to only a few aspects on hair care and buying in order to understand each element on a deeper level.

The next part of the research was to understand how the owners of hair salons conduct their business with distributors. The goal here was to learn the reasons for why salons pick a certain

product and what influences that decision. And with that, the idea of whether a salon chooses to sell products they use or sell multiple brands of the same treatment.

The research was conducted two different ways. A focus group was conducted to have an open discussion about how these women shop for hair products and what they look for. Then, a survey was conducted to understand basic needs and preferences of women.

Client Background: Beaver Professional

Beaver Professional is a widely known brand in many countries all over the world. First established in China, the brand can also be found in Europe. However, Beaver has recently been expanding more in the United States. It was not until February of 2013 that Ernesto Duran claimed the rights to be the only seller and distributor of the brand. The brand has been expanding greatly in the Northeast, having its biggest impact and business in New York City.

Beaver Professional's objective is to produce a viable and high quality product. Making every effort to achieve high quality, Beaver also devotes itself to environmental protection and establishing the company as a major advocate of social issues and responsibility.¹

Since its establishment, Beaver has dedicated itself towards organic treatment research. Extensive research & development has allowed Beaver to ensure they meet high quality standards resulting in the use of nature's best and effective ingredients. Using organic ingredients is their priority. Their commitment to the use of purifying, invigorating, fortifying ingredients allows Beaver to confidently supply green products and ensure it contributes to a health and wellness lifestyle.

Beaver offers a variety of products that suit any hair type. Their products are split up by different categories: Hair Care, Styling, Argan Oil, and Professional Care. Each category has one or two series that are considered subcategories. Each product series is catered to a hair type or hair problem. The series includes on average 4-5 products that are numbered in order of the way one should apply them. Each series also comes in different colors, so that they are easily distinguished from one another.²

Beaver has multiple communication channels in which they disseminate a lot of their information. The company has social media accounts on Facebook, Twitter and Instagram. Beaver also has a blog on their website and printed brochures that provide information on their products.

¹ *Beaver Professional* <http://www.beaverprofessional.com/>

² Ibid.

Identification and Description of Research Subjects

The first part of this study included research on behavior and characteristics of the research subjects: female students ages 18-22. There are about 8,200 females on the Syracuse University campus. They range in terms of race and social economic class. These variables would be of great concern to this study, as it might affect what products people shop for. People of different races will have different hair types and different hair needs and solutions. First, having a range of subjects with different hair needs would be necessary in this study to understand what people of all hair types look for. It is important to remember that Beaver Professional carries products for different hair solutions, so understanding what each group looks for and needs for their hair is important for Beaver's sales and communication tactics.

The women in this demographic are big shoppers, especially online. According to an article on The Next Web, women account for 58 percent of all total online spending, and 78 percent of women in the U.S. use the Internet for product information before making a purchase.³

The women in this group have many different media habits. They “favor social media sites including blogs, message boards and product fan pages to research products and get firsthand product reviews and recommendations.”⁴ They normally receive any news, information, public trends and updates via social network or social media sites, such as Instagram, Twitter, and Facebook. Television, although an important media source, it is still not as prominent as the Internet. For these research subjects, social media holds a huge credibility.

These subjects are going to most likely trust the advice of a friend, and they are mostly connected to these friends via social networks. An article detailing specific marketing statistics of women states that “63% believe word-of-mouth received is credible.”⁵ For this research study, understanding how these women receive their information will be an important factor when it comes to reaching out to them with questions about their habits.

An article discussing consumer trends focused on individualism, stating that because consumers want to portray their individuality (including maintaining their own hair type and catering grooming challenges based on their hair type and desired style) the concept of products tailored “just for me” has become very important and a new trend for many people of this age group.⁶

³ Walter, E. (2012, January 24) The top 30 Stats You Need to Know When Marketing to Women. *The Next Web*. <http://thenextweb.com/socialmedia/2012/01/24/the-top-30-stats-you-need-to-know-when-marketing-to-women/>

⁴ Durham, J. (2012) Stats on Women. *Brand Wise*. <http://jamiedunham.com/stats-on-women/>

⁵ Ibid.

⁶ Murphy, K. (2013, February 11). Translating Trends for Hair Care Product Development. GCI: *Your Brand is Our Business*. <http://www.gcimagazine.com/marketstrends/segments/hair/Translating-Trends-for-Hair-Care-Product-Development-190739661.html>

Secondary Research

Secondary research involves the summary and synthesis of existing research, such as case studies and different forms of communication, to begin analysis and build a primary research plan.

Secondary research is important to conduct in order to understand what communication habits and materials the client already possesses and how they may take advantage of those and/or how they may perfect them. Conducting secondary research helps plan and direct how best to compile primary research. If the secondary research provides information that may be of interest to the client, the primary research will help expand that information. Sometimes, the secondary research will give information that the client was interested in figuring out. Therefore, such aspects will not need to be further investigated in the primary research of the study.

Website Analysis

According to their website, Beaver puts a great emphasis on Argan oil – a new hair trend that has recently received a great deal of media attention. This oil is meant to be an all-natural hair serum to generate silkier, shinier hair. Many beauty salons are beginning to sell products with Argan oil, and many products are beginning to either incorporate Argan oil into its products, or make separate Argan oil serums.

The content on Beaver’s website also alludes to the idea that this is a company that strives to not only deliver quality, but is also affordable.

The home page appears sleek, interactive and has an interesting appeal to it that would draw the audience in. However, there is no reference to any social media connection opportunities on the home page. Their website is very easy to navigate as it is split up into different sections, Hair Care, Styling and Professional Care.⁷ Then each section includes the specific hair product series that relate to each category. For example, the Hair Care section includes:

- Nurturing products
- Scalp treatment products
- Repair Rescue

Page Analysis:

Beaver has a Hair Solutions page, which basically serves as a FAQ section. However, the page itself does not seem as though it is quite finished.

Their About Us page is very short but still somewhat informative. It includes a brief summary of who the company is and what they do. The page mentions being “Green and Friendly” which is an approach many companies have recently begun to use. The second part of the page talks about being healthy and harmonious. The page includes idea related to the mission and commitment of the company.

Social Media Analysis:

Beaver’s presence on social media sites is very limited. They have a Facebook page, a Twitter and Instagram account, however they are not heavily engaged with their followers. They have a couple of links to press releases on their website, but the links do not work.

Blog:

Blogs give companies the opportunity to keep their publics informed and updated. Beaver’s blog includes tips and solutions for customers. They also include press releases for certain products,

⁷ *Beaver Professional* beaverprofessional.com

which I believe is important for the media – as they can quickly grab them off the website to use in any other medium. Beaver’s blog is somewhat similar to the Hair Solutions page. I believe they may benefit more from the blog itself and just updating that. Their blog does contain relevant information, but it is not frequently updated.

E-Commerce:

Customers may order online on the website itself. They may look at the different products and place an order online to be delivered to their home.

What is the Target Audience Saying about Hair Care?

Research includes understanding how the audience will react to certain messages and researching the appropriate topics for that audience. Relevant social media platforms, including hair blogs, Twitter and Facebook were searched to understand what the target audience was talking about in terms of hair care. Compiling a list of recurring messages helped in catering the focus group questions to find out why these topics are important. Also, knowing the messages will be useful to Beaver for them to understand what topics and subjects are important to the target audience. For a client to use similar messages to what their audience is using will not only attract their customers' attention, but it will also help to unify them under one same identity or set of values and ideas.

Online customer reviews were viewed in order to understand what current customers are talking about in terms of the product and how their words may influence potential customers. A great deal of the research that is done online, which does not include direct questions to the targeted audience, is done in order to understand what to ask the market audience. Online research will help you answer a question, but further research such as focus groups, will help you understand why or how a customer thinks or acts that way.

Important phrases that were repeated and relevant were⁸:

- Taking care of your hair
- Less of a process
- Hair care doesn't have to be tedious
- Treating your hair at the wrong end
- Start at the opposite end - the scalp
- Don't know how to treat your hair,
- Hair education is important
- Take care of your split ends
- Take care of your scalp
- Treat your specific hair type
- The only way to properly treat your hair
- Products for unlimited and creative styling expression
- Organic Argan Oil that is proven to revive hair

⁸ Kate. (2013, December 4). FAQ: Where do I buy the Products you Talk About? *The Small Things*. (Blog). <http://www.thesmallethingsblog.com/p/faq.html>

Reviews and Opinions

Another part of the secondary research of this study was to research what current customers were saying online about Beaver products specifically in reviews and in blog comments. Reviews that exist mainly come from other countries/foreign customers since Beaver is not yet as well established in the U.S. However, the reviews that do exist are positive and put Beaver in a good light. These reviews were taken at the beginning of February from Beaver's Facebook page. These comments were left on posts that Beaver had posted about certain products.⁹

- "I'm from Malaysia, I wish to but a few Beaver professional 5+Matt&hard wax, any clue to buy this product at Malaysia ? Or who should I contact for any Beaver store outlet selling in Malaysia?"
- "...Where can I buy your products in Egypt???"

From the existing reviews abroad, it is clear that many people ask for the brand to be sold in other places around the world. It is interesting to use this information to research where people wish it were sold and even use that information to promote to people here in the U.S. to show the demand for it.

Social media engagement with followers is very important for any company. As the company looks to expand their brand, they must be willing to have a greater presence, and that means talking with customers. As the U.S. page expands and increases followers, it is important to note that the client has been more active on Facebook (as well as Twitter). Recent posts and pictures have been put up on the company's page, as Beaver reveals recent projects and events they have been working on.

Being able to understand the social media presence and including this aspect into the research study has enabled me to understand what the company is already doing and how that may affect how their current customers view the company.

⁹ Facebook: Beaver Professional

Competitor Analysis

Understanding what competitors in the same industry are doing is important to any company, so they know what they have to do in order to stay relevant and to succeed in the industry. L'Oréal, a well-known brand in the beauty industry, has many different components their line, including hair, skin and make-up products. Forbes Magazine named L'Oréal no. 28 World's Most Valuable Brands with sales that total \$28 billion.¹⁰ However, when it comes to their hair products, it is no doubt that L'Oréal is a competitor to Beaver. They carry very similar products that treat similar hair care issues. For a company that was not founded in the U.S., but abroad – just like Beaver was – it is important to consider them as not only a competitor, but also a company that Beaver can compare themselves to and learn from.

As part of the competitor analysis, other hair care and beauty Facebook sites were analyzed. Conducting public relations research not only includes understanding the client, but also its competitors in the similar field and sphere of business. Knowing what competitors are doing differently or similarly and if and where they are succeeding can become very important, necessary information that may be applied to any future campaign plan.

L'Oréal's Facebook page has over 2 million likes and numerous daily posts that engage with and respond to customer questions and comments.¹¹ L'Oréal is a great example of "What to Do" on social media as a company in the beauty industry.

An article on SBDCNet summarized that the profitability of individual companies in the beauty industry depends on "technical expertise and marketing skills," meaning this industry is a very competitive landscape.¹² Smaller companies have more advantages and less competition because big companies are on a larger playing field and therefore don't have the favorable location that small companies do. There is no doubt that competition exists in the industry, especially with so many brands. Being a new and upcoming brand in the U.S. can be an advantage and disadvantage for Beaver. Understanding what the competitors have done to become successful can benefit Beaver by giving it some direction. Also, looking at a competitor's current situation and how that specific company is dealing with advancements and changes in the industry can help Beaver advance themselves.

Euromonitor International, an online database that provides company reviews and analyses completed a Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis for L'Oréal which proved to be very useful secondary research for this research study. Looking at its strengths, L'Oréal is able to think outside the box. Its expansion through different skin care devices such as Clarisonic demonstrates its ability to able risks and explore outside regular product categories to drive growth.¹³

According to this article, L'Oréal also has a well-segmented portfolio - meaning they are operating across different pricing tiers. From their drugstore products to their luxury, more

¹⁰ L'Oréal Group. *Forbes*. (May 2013). <http://www.forbes.com/companies/loreal-group/>

¹¹ L'Oréal. *Facebook*. (2013 June). <https://www.facebook.com/lorealparis>

¹² Beauty Salon 2012. *SBDCNet* <http://www.sbdcnet.org/small-business-research-reports/beauty-salon-2012>

¹³ L'Oréal Company Profile - SWOT Analysis. *Euromonitor* International. (2012 December). <http://www.euromonitor.com/medialibrary/PDF/LOreal-Company-Profile-SWOT-Analysis.pdf>

expensive products, L'Oréal is able to increase sales growth at "economically challenging times."¹⁴

Understanding L'Oréal's strengths is incorporated into this research plan as it helps to guide Beaver and provide an example to the client to show where the competitor is excelling. This sort of example is also of assistance to understand what aspect to focus on and study to better understand Beaver as a whole.

Not only is it important to look at L'Oréal's strengths, but also at its threats. Since Beaver is a part of the U.S. beauty industry now, ultimately any threats for L'Oréal are also a threat to Beaver. Understanding these threats will become a main focus for devising any future campaign plan for the client.

The main threat for L'Oréal is economic adversity. Competition is becoming more intense. There are multiple companies that are targeting the same drugstores - such as Target. In this case, as Beaver emerges into the beauty industry, it is important for them to understand that they have an opportunity to become that game-changing competitor for other major beauty companies, but that they are also not alone on the list of upcoming competitors.

A competitor to L'Oréal, Proctor & Gamble (P&G), is another interesting company to analyze because they too are a well-known influential brand in the beauty industry. Although P&G has more sectors within their own company – bath and shower, baby care, skin care – than L'Oréal, their impact on the hair care industry is important to note and consider when discussing competitors to Beaver.

When discussing competitors, the (SWOT) Analysis found on Euromonitor International shows that in fact smaller beauty businesses are becoming a threat to P&G.¹⁵ The SWOT Analysis also states that P&G has become comfortable in their mature markets. However, because the current emerging markets will “outperform mature markets,” P&G will be put in a very vulnerable position.¹⁶ Looking at this as P&G's weakness, it is important for Beaver to turn that into their own opportunity to rise itself against these big corporations.

¹⁴ Ibid.

¹⁵ Proctor and Gamble Company Profile – SWOT Analysis. *Euromonitor International*. (2012 October) <http://www.euromonitor.com/medialibrary/PDF/ProcterAndGamble-Company-Profile-SWOT-Analysis.pdf>

¹⁶ Ibid.

Retail vs. Services

Another part of the secondary research conducted was dedicated to understanding how much retail business is a part of a salon's profits. This question will help Beaver decide if they should approach salons for this specific aspect.

An article found on *Forbes'* website articulated the need for retail in salons. The article explained the fundamentals of owning a beauty salon, and how that includes more than just services. The article provided three metrics for measuring the success of the salon, and retail profits was one of them. They summarized that salon revenues come from two sources: services and retail (product) sales. "Salons should aim to generate about 20% of their revenue from product sales and 80% from services."¹⁷

A second online marketing website, titled SpaBoom, explained the same idea and necessity for retail profit for salons. "Retail sales must be the center of your attention because retail sales and retention go hand and hand."¹⁸ The article provides the following statistics¹⁹:

- If a client purchases two retail products, there's a 60% chance of her return.
- If a client purchases one retail product, there's a 30% chance of her return.
- If a client purchases no retail products, there's a 10% chance of her return.
- Salons net approximately a 10% profit from services, but retail sales can yield up to a 40% net profit.

From a spur of the moment interview that was conducted this year with a local Syracuse salon, Garbos, the owner mentioned that he believed retail was an important aspect to a salon, but that his profits from retail only accumulated to 5%. The answers from the interview also explained that the best way to sell to salons was to go through local stores that only sell to salon owners or to go to salons directly and establish a personal relationship with the salon owner by selling to them. (Questions to interview can be found in Appendix E.)

From this secondary research gathered, it seems as though many salons are not aware of the importance of retail sales, and as proved by the interview conducted, some are not interested in building that part of their business. However, as the articles mention, retail/product sales are nonetheless a critical factor to the growth and expansion of any salon.

¹⁷ Crane, M. (2007, April 20). How to Run a Beauty Salon: Metrics. *Forbes*.

http://www.forbes.com/2007/04/20/paul-mitchell-salon-ent-fin-cx_mc_0420fundsalonmetrics.html

¹⁸ Loisselle-Donahue, A. (2007, February 4). Profit or Loss? How Profitable is your Salon? If you Don't Track the Numbers, You'll Never Know. *SpaBoom*. (Blog). Retrieved on March 23, 2014.

<http://www.spaboomblog.com/2007/profit-or-loss-how-profitable-is-your-salon-if-you-dont-track-the-numbers-youll-never-know>

¹⁹ Ibid.

Case Study: A.T. Kearny

The last part of the secondary research was the review of a case study that was conducted by A.T. Kearny, a management consulting firm that focuses their research on different trends and issues that face businesses.. The study looked at hair care and use online shopping. This case study proved to be very important as it touched upon two very important aspects of the Beaver research study, E-commerce and the beauty industry.

This study, titled "Beauty and E-Commerce Beast," conducted in March 2012, deals with a public of adult women. The ideas and results are still relevant to understanding how a woman's overall opinion towards online shopping for hair products.

When thinking about online shopping in general, "Beauty e-commerce generated about \$3 billion in sales in the United States in the past year, or roughly 4.5 percent of the \$66 billion category." It is surprising that the percentage is so low. Considering the economy and understanding what becomes most important for people in this sort of state of economic adversity, it does make sense that the percentage of people shopping in the beauty e-commerce realm is not higher. (Refer to charts in Appendix F.)

From what was described in the psychographics and identification of this target audience, it is no surprise that "... when they know what they want, they readily shop online, motivated primarily by price and more (and better) product choices".²⁰ The targeted subjects for this group prove to be price motivated, meaning pricing is an important factor when buying hair products. This is an important piece of research as it helps to identify a major characteristic of our targeted subjects. Pricing is very important, and since public relations research leads to developing future campaigns, this information proves to be helpful in our understanding of beauty consumers.

²⁰ Beauty and the E-Commerce Beast. *A.T. Kearny*. (2012 September). http://www.atkearney.com/paper/-/asset_publisher/dVxv4Hz2h8bS/content/beauty-and-the-e-commerce-beast/10192

SWOT Analysis

Strengths

- Positive relationships with current customers
- Credible and trusted name
- Established brand - internationally
- Great products

Weaknesses

- Just started in the U.S.
- Has not yet expanded to many areas outside the Northeast region
- Not a great deal of social media content

Opportunities

- New markets are available - salons and distributors
- Grow brand awareness
- Market in more locations
- Have the opportunity to gain greater social media attention/presence

Threats

- Salons already selling other products
- Customers already comfortable with other products
- Local competitors
- Short staff to execute campaign

Situation Analysis

Opportunity Statement

Beaver Professional has the great capacity to expand in the U.S. With an already well-established international brand, they already have the research information to understand how the brand works abroad.

Opportunity synthesis

The opportunity comes from the state of the Syracuse community. Beaver provides really amazing products that only need to be better promoted. A great deal of the products that Beaver has, many women already use, it is only a matter of having them try Beaver and have them switch brands.

Primary Research

Primary research includes original methods and questions to help the client learn the most about their target audience. The secondary research helped shape all the sections of the primary research such as what topics to focus on, what methods to use and how to analyze and interpret the results. The primary research gives the opportunity to learn firsthand what the target subjects want and how they think about hair care products. This research study used two different research methods.

The first method was an online survey, which was a short but very specific about the buying patterns of the target public. Since the target subjects are very tech and social media savvy, the use of an online survey to advertise over different social media networks such as Twitter and Facebook seemed like the best option for reaching the subjects.

The second research method was a focus group. Two separate focus groups were conducted on campus that had 10 female student attendees to answer similar questions that were asked on the survey. These focus groups were meant to generate dialogue and deeper discussion about the questions pertaining to the topic. This provides understanding on how the target subjects do something or think a certain way, and also why and what specifically leads them to think and shop the way they do.

Online Survey

Goal:

The goal of this survey was to get a quick and brief overview and understanding about how the targeted subjects think about hair products and where they get them.

About the Study:

The survey was produced and distributed through an online website, SurveyMonkey. SurveyMonkey is an online site that makes it easy for anyone to create and share their surveys. The surveys can be in any format and as long or short as the creator would want. The survey consisted of seven multiple choice questions that helped to explain what the target audience looks for in specific products and where and how much they typically spend on hair care items.

For two months, the survey was available for anyone with the link to complete online. During those two months the survey was sent out to various groups and women on campus via email and social media sites. (See Appendix C to review the survey questions)

Results:

Out of 100 people that filled it out:

- 64 percent of girls said they never go to their local hair salon at home.
- 33 percent of girls said they go to their local salon at home about every 3-5 months.
- 87.5 percent said they get most of their hair products at a drug/retail store.
- 42 percent of girls said they only spend \$6-10 on any one individual hair product.
- 49 percent said they purchase hair products once every 2-3 months.
- 89.2 percent of college girls usually buy shampoo and conditioner separately, meaning that only 10 percent buy the shampoo and conditioner together.

This survey illustrates that pricing is very important. For this targeted group. Because pricing is an important decision making factor, that also influences where this group goes to shop for their products. Hair salons tend to sell higher quality products that are more expensive, therefore this group is more likely to go to drugstores to shop for their hair products, instead of salons. Pricing also affects how often this group is likely to buy their hair products. They are not shopping for products frequently. Finally, pricing affects how many times this group goes to the salon to get their hair done. The survey respondents rarely go to their local salon. If they go to any salon, it is the one they are most familiar with - one back home.

Focus Group

Goal:

Two focus groups were conducted last year as a part of the primary research in order to understand the target subjects and their intentions and reasons on a deeper level. Focus groups provide more insight into consumer decisions compared to surveys.

About the Study:

The focus groups conducted went off the questions that were posed in the survey. However, instead of generating a short response, the focus groups allowed for more detailed and in-depth answers that in turn provided an opportunity for more analysis. (For the list of focus group questions, see Appendix D.)

The two focus groups were conducted in April 2013 in a focus group room provided by Syracuse University. The first focus group included 10 volunteers – all whom were female college students that attend Syracuse University. Two weeks were allotted in between to transcribe the focus group and analyze the information. The second focus group was conducted near the end of April 2013 and had a total of 10 volunteers as well.

Results:

Both focus groups provided a great deal of insight. Even though some of the information and answers from the two groups coincided with each other, a great deal of responses were given at each to provide for great analysis.

Many of the women in the group agreed that they shop for hair products in drugstores, rather than in salons. Their reasoning for this was that it is more convenient and definitely cheaper. They explained that their belief was that hair salons tend to offer products that are of better quality, but is more expensive. The fact that salons also do not have as big of a selection as drugstores when it comes to different brands was also a point that was mentioned.

Along with that idea, the subjects were asked if they were walking down an aisle in a drugstore, what feature of the actual product attracted them the most. Seven of the subjects agreed that color and shape of the bottle attracted them the most. The other three subjects did not believe that aesthetics made a difference when choosing what product to buy. Out of the seven subjects that said aesthetics did matter, they specified that bottles that were colorful, had a unique shape, or looked modern attracted them the most. When shown a picture of Beaver's hair products and different series, the subjects unanimously agreed that Beaver's products had a modern and sleek appeal to it. All of the subjects agreed that if walking down an aisle, they would choose Beaver products, if they were going off of the appearance and did not know anything about the product.

When asked how they determine what new product to buy, the subjects said that new trends definitely appealed to them. They stated that they usually received information about a new trend

in publications (magazines, newspapers) or from a friend. Then, when shopping for new products they looked out for products that were associated with that new trend. Most of the subjects stated that trying something new was definitely something they were comfortable with and used to, while only a few said they normally stuck to their normal routine and were loyal to their certain brand/products.

The next part of the focus group was a tour of the Beaver Professional website and its layout. In addition to asking them what they thought about the products, the subjects were also asked to talk about the images that were posted on the website and what feelings they had while looking at the website. They noticed the website is very interactive and they said that gives a modern feel to the brand and its products. They also noted that since the products are categorized by series, it is easy to find which products cater to the specific hair needs of any individual.

The subjects were shown one other well-known hair care brand, John Frieda, which is known to have that modern look and appeal as well. The subjects discussed how both brands showcase their products differently. They all agreed that John Frieda's website has more information about the brand and updates on what it is doing, so it engages customers on another level that is not just hair care. The last point made was that overall, Beaver looks much more professional and "cool" than the John Frieda brand.

Next, the subjects gave their opinion on hair salons and what attracts them most to any specific one. They mentioned that they do not always go to the salon near their campus because they rather stick to one that they are most familiar with - which they all agreed is the one they go to back home. Six of the subjects said that they also never go to the one near their campus because they know it to be more expensive than the one they go to back home. The other four subjects mentioned having gone there once or twice, but only when it was "truly necessary."

They also stated that the fact that although they go home to get their hair done at a salon, it is still never that frequent - "once during the summer and once during winter break" was what one subject was quoted saying. Nine of the subjects agreed that they only get their hair done at the salon no more than once in any given four months because it becomes too expensive. They said they would rather learn techniques and about what products to use from their hairdresser, because they do "value their expertise and advice."

The subjects also mentioned that while at a salon, if they happened to like a certain product that was used, they would not necessarily buy it right away. Three of the subjects said they are more likely to buy it right then and there, but the other seven said they would go online and buy it from a website like Amazon, where they might be able to find the same product for a cheaper price.

Finally, the last aspect the subjects discussed was pricing of different hair products. Seven of the girls mentioned that they were financially independent from their parents, so pricing for hair products was very important. Their "main goal is to find the most inexpensive, highest quality products." Pricing for them is very important and plays a big role when choosing what products to buy. However, four of those nine subjects said that if there was a new or a certain product that happens to be out of their budget, but it proves to be effective or a good product, they are likely to spend the extra money. However, that "insight must come from a friend who has used the product" or where they are able to try the product for themselves before buying it. These subjects

said they do not necessarily trust any other sort of advertisement.

The other three subjects said they are still more financially dependent on their parents, so pricing was not such a big factor. However, they did agree that word of mouth from friends is more valuable to them than print or online advertising.

Evaluation

Once the information of any research study is gathered, the next step includes evaluating and assessing the information. The goal of the research is to understand the client and the market, evaluate what they both are saying and how they both feel about a certain idea/concept (in this case online shopping for hair care) and how their beliefs, wants and needs can be matched to create a mutually beneficial campaign.

This research study was conducted to understand how the targeted audience (college females) think about hair care products and services, and how that in turn affects salon owners and their business. Understanding where the subjects go to buy hair products and if pricing is a major factor was all taken into consideration when developing the primary research aspect of this study.

From the information gathered through the survey and focus groups, the results received from both methods produced consistent results. Both the survey and focus groups proved that the subjects do not go to the hair salon often - if they do it is back home - and that they do not buy hair products in the salon.

As the survey showed, not many women go to their local salons while at school and a very high percentage of them buy their products from a drug/retail store. This insight proves to be consistent with the answers provided the salon owner, as he explained most of his business was services rather than retail.

The subjects stated that buying products from a drugstore was more convenient and cheaper, considering pricing is very important to them. When choosing a product, the subjects may tend to stick to what they are used to, but they are also likely to try something that is new or an occurring trend in the beauty industry. However, they mainly trust word of mouth, over any other sort of advertisements. For Beaver, this means that if they want to sell individually to this audience, their best option would be to start selling in drugstores, or run demonstration tests locally to give the subjects an opportunity to try the product first. Posting more reviews and comments from their current customers on their social media sites will also help them increase their credibility.

By doing that, Beaver would be a lot more successful with their online sales, because the subjects would already have tried the products, trust the brand and would be willing to buy it online - even though Beaver's products might be a little more expensive than the subjects are used to buying.

The research shows that the targeted subjects are not really going out to buy hair products from the salons directly. Therefore, selling to salons for retail purposes might not be in Beaver's best interest.

However, Beaver could benefit from selling to salons so that their products might be used for salon services. Rather than going to a distributor, Beaver might profit and benefit more from selling directly to salon owners and building a relationship with them, or even selling to local stores that only salon owners have access to. Salon owners care about their business and growth as well, so they are most likely not going to want to spend more money going through a distributor, if they can go to the local store and save money, or better yet, have a representative from the beauty brand present him/herself to the salon and sell directly to it.

In terms of websites and social media, since the subjects studied mentioned the fact that they receive most of their information online, it is important for Beaver to utilize those channels in order to reach this audience. Beaver can create a bigger online presence by understanding and keeping up with the latest trends and verbalizing through social media platforms how they are involved or related to some of those new trends. Staying relevant and up-to-date is important when it comes to attracting this audience. Considering this brand is new to the region, it is important for the targeted group to understand why Beaver is of relevance to them. If Beaver can show their relation to new and upcoming trends and explain how they can provide solutions to current and reoccurring hair care issues and problems, they will soon grow their credibility and overall brand.

Keeping their website updated will be an important step for Beaver to take. From the information gathered in the focus groups, the target audience is attracted to the site, its feel and the look. Now to keep them engaged and on the website, it is important for them to have information on there that will appeal to this group. Consumers will become more engaged if content is continually updated in order to keep them coming back to the site and social network accounts.

They can start by keeping their blog updated. This audience will find the blog interesting if Beaver mentions what they are doing to stay on top and relevant with all the occurring trends. It is important for Beaver when producing content for their website, to keep their messages similar to what they say on their social media channels. The formality and voice does not have to be exact, but the messages should remain consistent across all platforms.

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Appendix

A: Statement of Principles

As the researcher, I am committed to serving the client in the most respectable way while still adhering to my own values and beliefs. While Beaver Professional is a new and upcoming brand, I believe they can increase their sales throughout the United States and gain more awareness if they understand what their different targeted audiences need and how they think about shopping for hair products. Therefore, I created this research plan to help Beaver Professional learn more about how a specific group views hair products, and how they go about finding them.

B: Consultant Background

Francheska Munoz is a senior at Syracuse University in the S.I. Newhouse School of Public Communications. She is studying public relations with a minor in French. She lives in northern New Jersey but attended Westminster School, a private boarding school in Simsbury, C.T. She is in the Renée Crown Honors program here at Syracuse University. She has served on the board of *WTH* (What the Health) magazine as a public relations member. Finally, she is a part of two dance groups on campus, DanceWorks and Raices Dance Troupe.

C: Survey Questions

1. When at school, how often do you go to the local hair salon?
2. How often do you go to the salon when you are home?
3. When at school, where do you buy your hair products?
4. What is your price range for any individual hair product?
5. How often do you purchase hair products?
6. Which do you prefer?
7. What type of hair do you have?

D: Focus Group Questions

1. Where do you shop for hair products? Why?
 - Walking down an aisle, what attracts you most to a certain product?
 - How do you determine what new product to buy?
 - Trends/something new and upcoming? (Only)
 - Word of mouth (only?)
 - Mixture of both?
2. What do you think of Beaver's website layout?
 - Products?
 - Compare to what you see in stores.
3. What attracts you most to a specific hair salon?
 - How many times do you get your hair done in a salon? Why?
 - Do you often go to any salon near campus?
4. Pricing:
 - How important is pricing when it comes to hair products?
 - What factors play into pricing for you?
 - Are you more likely to buy something for its price?

E: In-Depth Interview Questions

1. How often do you purchase new brands?
2. How do you purchase your products? Distributor___ Direct_____Internet _____
3. What is the percentage of your business is? Service _____ Retail (products)_____
4. Do you project your business to ___ grow ___ decrease ___ maintain in 2014?
5. Has the economy affected your business?

F: Charts and Graphs

Figure 1: A.T. Kearny



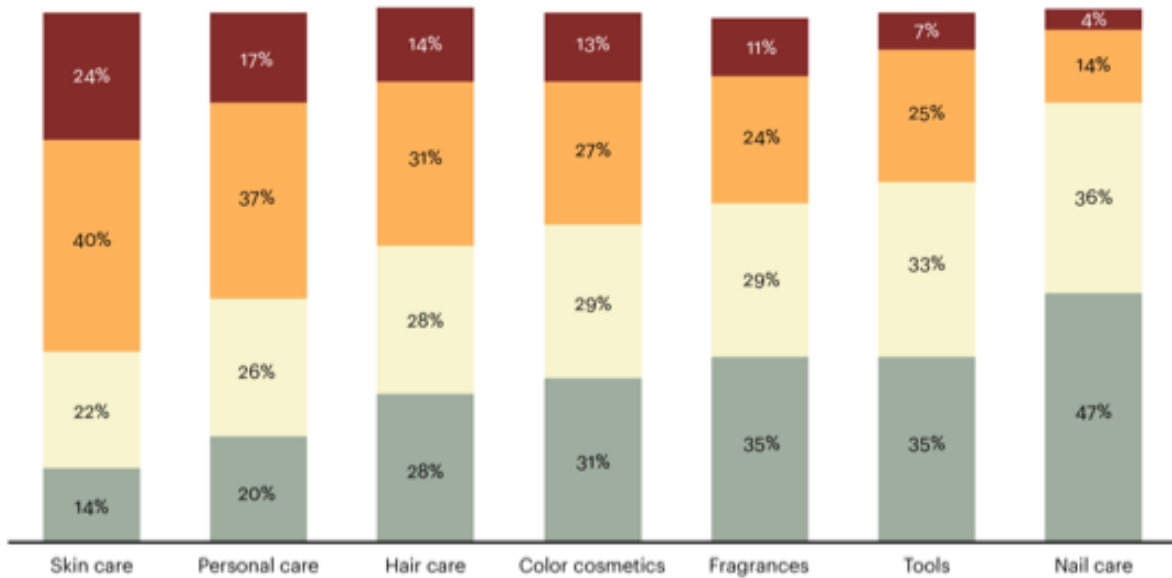
21

²¹ Beauty and the E-Commerce Beast. *A.T. Kearny*. (2012 September). http://www.atkearney.com/paper/-/asset_publisher/dVxv4Hz2h8bS/content/beauty-and-the-e-commerce-beast/10192

Figure 2: A.T. Kearny

Frequency of online purchases for different products

% of online beauty and personal care shoppers



In the words of shoppers

"Skin items are cheaper online, and there's a better selection than in local stores."	"For personal care products, I like the convenience of online shopping."	"I use a specific shampoo that my stylist recommends, and I buy it online because it is cheaper than at the salon."	"The brands I use are not available in local stores."	"Colognes are much cheaper online. All perfumes are overpriced anyway!"	"Tools are more of an investment, so it is worth my time to research and compare prices."	"I purchase nail polish for my mother, who cannot get the product where she lives."
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■ Frequently
 ■ Sometimes
 ■ Rarely
 ■ Never

22

²² Beauty and the E-Commerce Beast. *A.T. Kearny*. (2012 September). http://www.atkearney.com/paper/-/asset_publisher/dVxv4Hz2h8bS/content/beauty-and-the-e-commerce-beast/10192