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MASTER THESIS

Topic: Management of Business Promotion for Small Company

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SUMMARY

The Master Thesis comprises 58 pages, 5 chapters, 11 tables, references include 49 sources.

The aim of the Thesis is to develop the Business promotion management plan of the case company. We investigated how to ensure the profitable operation of the company for many years.

According to the aim the research task is:

- Gain knowledge of customer behaviour and their values better than other companies.
- Promote their services and products, as well as differ from competitors.
- Is to reach the target customer segments, provide them with unique services and products and form long-term relationships with loyal customers.
- To ensure the profitable operation of the company for many years.
- Attracting more customers and social media attention.

This thesis contains the marketing plan for our case company, hair salon “Make Me” The company is concerned because their current customers are either aging or moving to other cities, leaving them in a need of instructions of successful business promotion to possible new client markets. We as the authors of this thesis collected prerequisite information of the case company from customers via questionnaires and interviewed the owner. This information is then used in the case company introduction, situation analysis and customer segmentation.

Based on the questionnaire and interview results, that have been further discussed in the analysis section, the average customer characteristics were revealed. Almost a half of the customers are over fifty years old and the vast majority were women with men raking in at 21%. The most average client is an above middle-age woman who lives in the same city that the salon is located in. They use the services every month or every other month and usually purchase products after the appointment. They became a client by a recommendation from a friend and typically follow the hair salon on at least one of their social media

platforms. Workmanship, familiar staff and customer service skills are the most valued factors for the average customer.

The situation analysis contains analysis of both micro and macro environments along with SWOT and PESTEL. These go into detail about the current situation. A thorough investigation about the current competitors has been conducted. The reasoning behind the chosen situation analysis, research methods and business promotion tools are all explained along with general information about these methods. The business promotion plan itself is focusing on social media promotion along with a general view of customer segmentation and positioning. The aim was to maintain current customer relationships and gain a new and younger client base, the latter helping the company with longevity. Our thesis explains ways to achieve this by giving the preferred solution and step-by-step instructions on how to implement them.

The company is currently doing reasonably well in their competitive field based on all of our research. Our thesis will help the owner of salon to direct the hair salons marking towards the best possible outcome. The answer to the research question is to implement and maintain up-to-date business promotion methods along with high quality service.

The strength of our thesis is the depth which we got into in the company analysis.

We were able to get a clear picture of the company's current situation and to build a strong implementation plan on top of the analysis. What could have been looked into more are the competitors in the same market. Our original subject was to create a business plan to the commissioner, which evolved into a business promotion plan during conversations with our thesis instructor. This change was actually extreme good, as the commissioning business is doing rather good business-wise and their biggest flaws and lacks are on the business promotion side, and specifically on social media aspect of it all.

The timeframe for the whole thesis project was 2 months. The amount of time that we had to research and put together the thesis was extremely tight and could have possibly led into the thesis not being thorough enough on things and

plans being only half made, but this did not happen in our case. We put vast amount of time and effort into providing our commissioner a competent analysis on the business and implementation plans to increase customer flow and revenue.

The reliability of the questionnaire results is not absolute. This is why we gathered a large number of filled out questionnaire when taking the size of the business into consideration, to get answerers which would sum up to being quite truthful. For example, in the question regarding the valued hair industry factors we received a large amount of similar answers, which shows that the big picture that the answered show is rather reliable. The results were in line with what the owner of the salon told us about the business and its customers during our interview. One customer expressed that he was not happy with the wait times, but this was mentioned only once, and we can assume from the lack of the similar answers that this matter does not pose any valid threat to the hair salon. The open questions of the questionnaire were not answered by 18 customers out of the 100. This leaves us with the questions of, if they were too time consuming, hard to answer or if they were not interested in giving us their opinion or if they simply did not have an opinion regarding the questions? The open questions could have possibly been changed to different questions or changed the question type completely to questions with ready answers easier to answer. The lack of these answers can have an effect on the validity of these subjects. Nevertheless, we received enough answers to get an idea on customer's thoughts and values. The data we received, and the implementation plan answer to the research question and they should be beneficial to the company's growth, which proves that the thesis is valid.

The whole process taught us abundance of information on how to decide which ways, processes and methods to use to get the needed information. We also learned about source criticism and finding out reliable sources and the process of finding the best possible sources. During the early process of finding sources we realized that there is not much data regarding the small business anywhere online nor printed, so we executed the interview with the business owner to get reliable and factual information.

In the future, the case company should calculate if the follower counts on their social media profiles have increased after implementing the suggested methods and if that number correlates with new customers in the target market. The goal is to gain more customers and increase social media follower amount by 30% in a span of a year. These goals are reachable for a small business in a small city. We are planning on contacting the commissioner next year to ask if the goal was reached and if our implementation plan helped in bringing more revenue and longevity for the company.

Keywords: Business promotion, Environment and situation analysis strategy, strategic goals, social media promotion

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CHAPTER 1. INTRODUCTION

Business Promotion Management is a key part of any business. This is extremely important for the success of a small business. With the help of business promotion and marketing, companies can promote their services and products, as well as differ from competitors. The basis of well-conducted marketing is knowledge of customer behavior and their values better than other companies.

The purpose of business promotion and marketing is to reach the target customer segments, provide them with unique services and products and form long-term relationships with loyal customers. (Bergström, Leppänen 2013, 10.)

The purpose of our thesis is to develop the Business promotion management plan of the case company. We investigated how to ensure the profitable operation of the company for many years. The company has existed for ten years and 6 years, and its customer base is getting older. Attracting more customers and social media attention is the main goal of the thesis. All this will need to be done, given the limited funds of small businesses.

Defining research questions is crucial on figuring out how to improve the company's business promotion. The research problem in this thesis is that the customer base of the salon is centered towards older customers and the company lacks in promotion and marketing. Based on the conversations I have had with the owner. we have settled upon a main research question to solve in the thesis process. The question is how to maintain a successful hair salon company in the ever-changing hair industry? The topic is researched and analyzed further on in the thesis. First, we will analyze how the hair salon is doing currently regarding the topic. After a throughout investigation we will construct our implementation plan to resolve the problem.

The structure of the thesis will begin with background information regarding the case company. The used research methods, research question and methodology will be revealed and discussed in the next part. From research methods section, the thesis will move into analyzing the business throughout with micro environmental

analysis, macro environmental analysis and SWOT analysis. This section is based on secondary data and primary data collected by the authors. The thesis will move on into explaining our strategy and its goals using the STP model and differentiation. Our promotion and marketing tactics are discussed in the next section. Implementation plan will be formed from all this previously investigated and analyzed work. The implementation plan is divided to two different marketing strategies. After the implementation, the thesis will move onto conclusions and discussion on the whole subject and the process.

1.1 Case company

The commissioner of our thesis is Ugochukwu George Igbokwe, the sole owner of hair salon “Make Me Beauty Place”. The business is located in Surulere, in the city of Lagos. Ugochukwu founded the company 16 years. The hair salon started small, as a part of the owner’s own house located in Surulere, Lagos and as it got more customers and success, he moved the company to a bigger building which he eventually bought over time. The businesses financial year is from August to July. 2017-2018 revenue was 24million Naira + VAT and 2018-2019 it was 28million Naira + VAT.

The business provides a various range of hair salon and barber services such as cuts, dyes and hair dos. The hair salon uses and sells few high-quality brands products. The product range keeps changing as new innovations and brands with higher quality products rise in the industry. Average purchase in July was 30,000 Naira and in August 33,000 Naira. The salons revenue in July was divided to 81,3% coming from services and 18,17% from products. The biggest revenue source of “Make Me beauty place” is hair dyeing’s. The owner works from Tuesday to Friday from morning to early evening. Customers can also make agreements with the owner to get appointments on the days that it would usually be closed on.

In early September, the owner hired two chair renters. Both of these renters have worked as hairdressers for years and have brought some of their previous loyal clients with them to the hair salon. Chair renters can arrange their own hours and working days as they see fit. They both pay a fixed amount of money each month to the owner for the first six months for rent, electricity and food, for example. After that, the amount will increase, including VAT, and they will receive a commission that can be deducted from the fixed payment. The salon consists of two rooms, four chairs, a waiting area and two washing stations. Sometimes the owner accepts students for training.

1.2 **Research methods**

For the best possible result, we used a mixed method as our research method, which combines both quantitative and qualitative methods. Quantitative research was conducted using a questionnaire. A questionnaire was developed for salon clients to collect data on their behavior and their values in the hairdressing salon industry. A qualitative method was an interview with the owner of the hair salon to gather background information about the business and the exact numbers and facts.

The data collected using our methods are primary data. This chapter describes general information about the research methodology, the quantitative and qualitative research method, and how our research was conducted. Prepared and completed forms can be found in the appendix to the thesis.

1.2.1 Research methodology and data collection

Data collection for any type of research work is the most important part. The information collected should also be collected from valid and reliable sources. (Bhat 2019, quoted 20.10.2019.) The data collected for the dissertation are both empirical and theoretical. Empirical data used in the thesis were collected from the questionnaire and interviews. Empirical data collected for our thesis are collected

through descriptive research, which means that the data collected describe the characteristics of the subject (Heikkilä 2014, 13-14). The results of them goes thus, - the primary data, data collected by us.

Many results give more valid and reliable information, where only a few results give the opinion of only a few (Bhat 2019, quoted 20.10.2019). The target number of responses to the questionnaire we targeted was one hundred, which was achieved.

Secondary data is data already collected and presented by others. It is quickly and easily accessible compared to the original/primary data. (Crossman 2019, cited 20.10.2019.) Theoretical data for the thesis are collected from Internet articles and pages, as well as from books mentioned in the field of business promotion and marketing. We have selected books from business professionals to obtain reliable and professional secondary data for our work. Information gathered from all sources will be explained and analyzed in the dissertation from many points of view.

1.2.2 Quantitative method

Quantitative research is used to gather general information about a given problem, and the amount of information exceeds the quality (Kananen 2008, 10). This provides a broader study of the issue rather than an in-depth study. This research method is chosen when researchers need a generalization of the problem. The Findings are conclusive and, as a rule, descriptive. The Oxford Dictionary defines quantitative research as follows: "methods of studying phenomena that include the collection and analysis of numerical data." Different ways of collecting data in quantitative research are polls, surveys and questionnaires, simulations and manipulation of pre-existing statistical information or data.

Our quantitative method was a questionnaire. In the end, we used this method because it gave us significant information about consumer behavior and values in consumer markets. In total, we collected 100 completed customer questionnaires. It closed questions, open questions and hybrid questions. The questionnaires were

delivered to the hair saloon, and the staff kindly agreed to ask if the clients were ready to fill them, after the appointment. One hundred forms were collected between November 3 and November 15. The results will be used in the company's analysis section and in the preparation of our implementation plan.

1.2.3 Qualitative method

Qualitative method is used for detailed collection and understanding of the target topic. It determines the quality compared to the quantity, which means that the obtained data can be analyzed in more detail. The chosen research topic should be carefully chosen to obtain the specific desired results, and the purpose of the study should also be chosen wisely. Qualitative method is often used in development plans and problem solving. (Heikkilä 2014, 14-15).

Obtaining more information about the required specific subject is a certain strength of this method compared to the quantitative method, which does not go so deep into the subject. Typical methods of qualitative research are face-to-face interviews, participatory observation, group interviews, and empathizing method. Qualitative data collection is less structured compared to the quantitative method because data collection is not as complex. (Heikkilä 2014, 14-15).

We decided to apply a qualitative method along with a quantitative questionnaire. There is little information about hair salon online or printed information, so we organized an interview with the owner to collect valuable data and background information for the thesis. The interview was conducted by telephone on November 5 with the participation of all of us. We structured the interview questions in advance. It took 45 minutes to go through all of them with the owner. The answers were recorded during the discussion, and they will be used later in the analysis section and other parts of the thesis.

CHAPTER 2. SITUATION ANALYSIS

It is necessary to analyze the current situation and the company's environment to find the best possible solutions for the company's business promotion development and its success (Bergström & Leppänen 2013, 48). Analysis of the current situation will provide the necessary data on how to develop strategies and management of business promotion of the company, for example. The data used in this section were collected from secondary sources, the results of customer surveys and a survey of the hairdresser's owner.

2.1 Micro environment analysis

Micro environmental factors are factors that can be changed and influenced by the company to some extent, but not controlled completely. These environmental factors are part of day-to-day operations and interactions. (Bergström & Leppänen 2013, 48.)

The market lays the foundation of the microenvironment. Companies need a market to make sales and be able to offer goods and services. The market factor is formed from consumers who buy goods and services and customers who can be persuaded to buy these things. The size of the chosen market should be large enough to provide the necessary purchasing power. Factors that should be analyzed in the market are the size of the market, the number of potential customers, customer types, realistic market needs, customer segments and coverage of the required markets. (Bergström & Leppänen 2013, 48, 64-65.)

The market type of Make- Me hairdressing salon is the consumer market, business from the consumer market. The company provides various types of services and products for use by individual consumers. Among current clients, half of them turned out to be clients on recommendation, and 20% spontaneously tried their services, were satisfied with them and remained regular customers.

The rest found the company either through relationships or through social media. (Customer Questionnaire,2019). The main market of the company is the city of Lagos. The population of the city at the end of 2018 was 14 million. The age distribution of the hairdresser is divided into half of clients older than 50 years, and the rest younger. 38% of clients have been working for the company for at least ten years. Slightly more than a quarter were customers between the ages of nine and two. The remaining 36% are customers for less than a year. The tenants of the chairs attracted a few younger customers. Both of these distributions can be seen from Figures 1 and 2 below. Eight out of ten clients are also women. The demographic distribution of customers is divided into 59% from Lagos, 35% from neighboring municipalities and the remaining 6% further away, such as Ogun State.

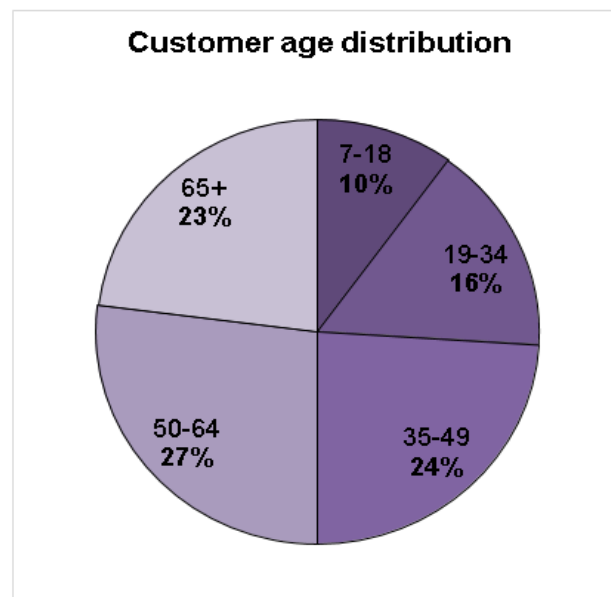


FIGURE 1 shows how customers age distributed based on the answers in the questionnaire.

Figure 1. Customer age distribution

Demand sets another aspect of the market factor. It represents the number of goods and services on the market that customers want to buy. Demand is related to other micro sectors. Companies can try to influence demand with their products,

prices and marketing. (Bergström & Leppänen 2013, 65-66.) Consumption shows how customer demand is carried out, how the currency moves and how demand develops. The disposable income of customers regulates the level of private consumption. (Bergström & Leppänen 2013, 70).

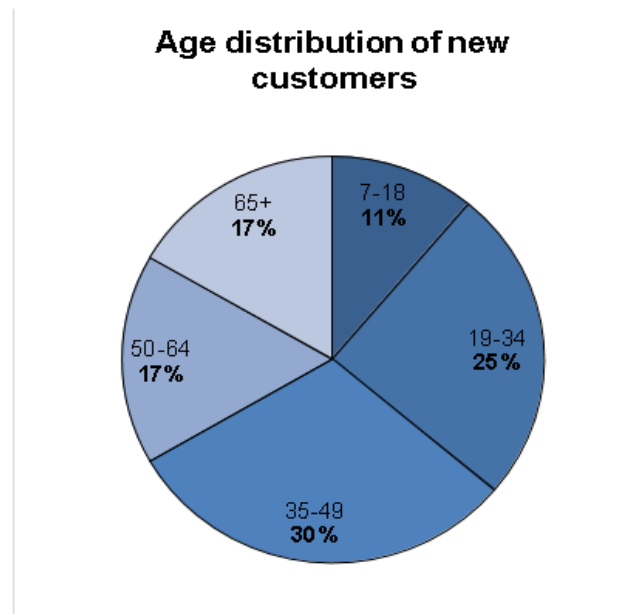


FIGURE 2 shows how age of customers who have been with the salon for less than a year distributed.

Figure 2. Age distribution of new customers

The market is in demand for this type of service, as the city of Lagos has a wide variety of hairdressing salons to choose from for a city of this size. Demand applies to both services and goods, and, for example, in August last year in Make - Me Beauty Salon, 85% of their total sales were services and 15% goods. In the same month, slightly more than 35% of service buyers also bought goods. (Ylimartimo S, 2019.) Make -me customers are also in demand for products, as 76% of customers regularly buy products not during each visit, but when they finish their previous hair care products. The rest buy hair care products somewhere else.

(Customer Questionnaire, 2019) In the field of hairdressing, clients have the greatest demand for professional skills, customer service skills and knowledge of the staff they visit. They also require a pleasant atmosphere, free perfect operation

of the reservation system and good price quality ratio. (Customer Questionnaire, 2019) The demand and importance of these factors can be seen in Figure 3 below. The owner of the salon works hard to be on board, taking into account the demand and consumption of consumers, to know what to offer, and if, for example, some goods do not sell well enough, they need to be removed from the shelves and replaced with other brands and products (Ylimartimo S, 2019).

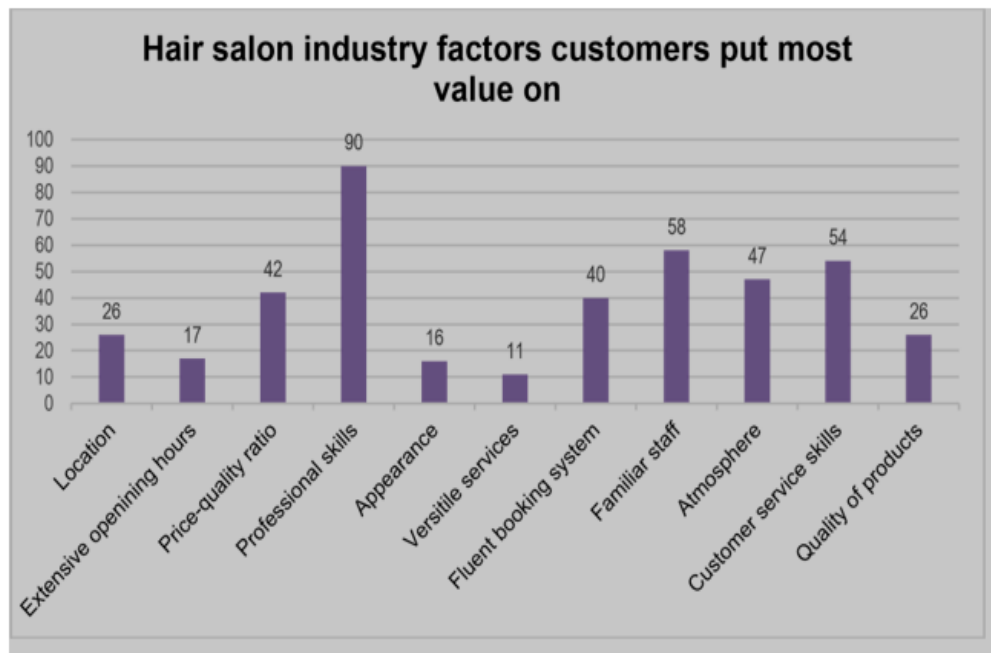


FIGURE 3 shows which hair salon related factors the questionnaire answers thought to be the most important ones.

Figure 3. Hair salon industry factors

Competition is one of the most important factors in a company's environment. Companies need to learn to cope with their competition through differentiation, focusing or cost leadership to find their competitive advantage. (Bergström & Leppänen 2013, 81.88.) Competitive analysis of competitors in the market is a tool that can obtain information from the organization to understand and study what brings added value to their competitors (Farooq 2017, cited 24.09.2019). Types of competition, in other words, market structures are determined by studying the number of competitors, their size and location. Offerings, goods and the variety of competitors should be analyzed. Ways to differentiate competitors are worth a look, because imitating them can improve a company in a competitive industry.

Success in competition is due to meeting the needs of customers and how the company's resources are used. Competition can be economic when competing with prices, actionable when competing with higher products, or about the image buyers have of the company. (Bergström & Leppänen 2013, 84.87.)

Competition in the hairdressing market is fierce. There are currently 21 hairdressers and barbers in the center of Lagos, where the salon is located. Several competitors are located on the same street as the hair salon Make-Me. Competing business are about the same size as Make Me, with employees. Many hairdressing salon chains, such as Hair planet, have tried to make their business successful in the Lagos market, but have failed, as have many private hairdressing companies. What Make-Me Beauty Salon and most of the competitors who have existed for years have in common is their strong professional knowledge and skills and presence on social networks.

Of the 21 competitors, just over two-thirds have a presence on social media. Their follower bases range from about 5000 to 6000 on Facebook and from 10,000 to 12,000 on Instagram, two have 5000 followers. One competitor has 1,300 Facebook subscribers, but the business has not posted anything since the beginning of 2019. Make-Me salon currently has 9000 followers on Facebook and 18,300 followers on Instagram. The owner of the Make- Me salon distinguishes the company from competitors, being aware of modern trends and techniques.

He educated himself up and the chair tenants. The interior of the salon is kept modern, the shop window is regularly updated, and the floodlights remain on after closing hours, so the business always stands out as a city. The business owner is also differentiate's himself from others by offering first-class services and skills, as well as giving customers who buy goods the opportunity to return goods they did not like and get 100% return on money. (Ylimartimo S, 2019).

Networks and partners are part of the microenvironment. Partners can be suppliers, subcontractors, owners and investors. Suppliers are companies from business to business that provide the necessary products and resources. (Bergström & Leppänen 2013, 93.) Partners should be selected carefully and carefully

analyzed, as unreliable partners can cause serious delays and negatively affect business (Farooq 2017, cited on 24.09.2019). For some companies, this can save money and resources –that is, outsourcing parts of their operations to partner contractors (Bergström & Leppänen 2013, 93).

In networking, companies form a network that benefits all participants. The networking can be a one-time interaction with another company, or it can be a deeper and longer-lasting partnership. (Bergström & Leppänen 2013, 94)

The company has a network of Lagos women's entrepreneur organization called "Lagos vibes". Currently, the owner of the hair salon is already operating on the 5th, and last year a member of the board of the registered association. The business collaborated with a lifestyle fair organized in Lagos in May this year. He did hairstyles for models and received advertising for the company. The fair benefited children and youth mental health organizations in the area. The hair salon took part in several events and fairs. The supplier of the company is Lagos Hair professional, where products used and sold are bought. Tools and machines used in the hair salon are purchased from the supplier "Make Hair Company".

Social media and media play an important role in the company's micro environment. Social media is the latest aspect of traditional media, which has become a crucial factor in the success of business promotion, marketing, advertising and attracting new customers. Relationships with the media and in the media must be professional. Bad press can potentially hurt business. On the contrary, a good press will increase the company's visibility and attract new customers and strengthen the company's public image. (Farooq 2017, quoted 24.09.2019.) In 2018, 61 percent of Nigerian citizens use social networks, which is more than 50 million people (Tilastokeskus 2018, 24.09.2019). Popular social media channels are, for example, Instagram, Facebook and Twitter (Farooq 2017, cited on 09/24/2019).

Business is present in social networks. It has a Facebook page and an Instagram account. 56% of customers follow the salon in one or more of their social media channels. The young customer base represents a significant portion of

their Instagram followers, and the age of Facebook subscribers is more versatile, from young people to older customers. (Customer Questionnaire, 2019) The salon also has a home page with a system called Timma, which works as a tool for time management and planning. Customers can book, change or cancel their appointments within a specified period of time.

The press wrote articles about the owner "Make Me". The newspaper "Punch" and the popular Magazine "Ovation" wrote about his journey as an entrepreneur and how he conducts business. The business has recently started marketing on social networks, as one of the chair tenants has an education in the field of social media. (Ylimartimo S, 2019.) Only 15% of their current customers were customers on social networks (Customer Questionnaire, 2019), but this is from a time when the salon owner was not so active in social media marketing.

2.2 Macro environment analysis and PESTEL

Macro environmental factors create a global environment for the company. Factors in this environment cannot be changed or controlled by the company. (Bergström & Leppänen 2013, 48.) The tool for conducting environmental analysis on a macro scale is PESTEL. The PESTEL analysis is divided into six factors that individual operatives cannot influence with their strategic decisions. These factors are political, economic, social, technological, environmental and legal. (Puusa, Reijonen, Juuti & Laukkanen 2012, 41.)

Political factors, such as laws and regulations, affect the business environment in several aspects (Puusa, Reijonen, Juuti & Laukkanen 2012, 41). Political factors come from governments and their influence. Government factors include political environment stability, possible corruption, and trade restrictions. This macro-environmental factor encompasses all the government's influence on business. (Business to you 2016, quoted 28.09.2019.)

The country is quite stable politically, and changes in government should not affect the hair salon in question. In 2012, the percentage of value added tax for

barbers and hairdressing salons was increased from 9 to 23 percent, as attempts by the African Union to reduce VAT and increase demand and job opportunities were unsuccessful. This change has led to the fact that salons will have to raise prices to keep their business profitable. (Tuomas Massinen 2012, 29.09.2019.) Make -Me hair salon was forced to recalculate prices and set them to remain profitable. The changes had some negative comments from customers. (Ylimartimo S, 2019).

The current economic situation and its development affect every business. It is necessary to follow business cycles for any company that is trying not only to survive the economic downturn, but also to succeed and grow steadily. (Puusa, Reijonen, Juuti & Laukkanen 2012, 42.) Economic components are the level of employment and unemployment, consumer incomes and their changes, the direction of the economy, increase or decrease, and interest and exchange rates are cited on 28.09.2019). Businesses need to prepare for the opportunity to change their ways and make sure that the business remains profitable, for example, on the expense of exploiting their work force. (Puusa, Reijonen, Juuti & Laukkanen 2012, 42.) Economic change can have a long-term direct and visible impact on businesses or a more indirect impact. It all depends on how close these changes are to business, for example, how, for example, a negative change in customer income will affect certain areas of services more severely than the health sector, as consumers tend to cut down on unnecessary services rather than health issues. (Business to you 2016, quoted 28.09.2019.)

Purchasing power has been growing in recent years, as can be seen from the figure below. Wages will increase compared to this year, but this will not have much of an impact on purchasing power, as inflation and rising tax rates will absorb the increase. The level of purchasing power this year and next is adequate compared to the economic depression of the 21st century. The growth of purchasing power can be seen in the fading future. (Veronmaksajien Keskusliitto 2019, 16.10.2019.) These figures show that business should remain similar in terms of economic factors.

Figure 4 shows wage and purchasing power changes 2010-2020. The purple represents wage level and the blue purchasing power.

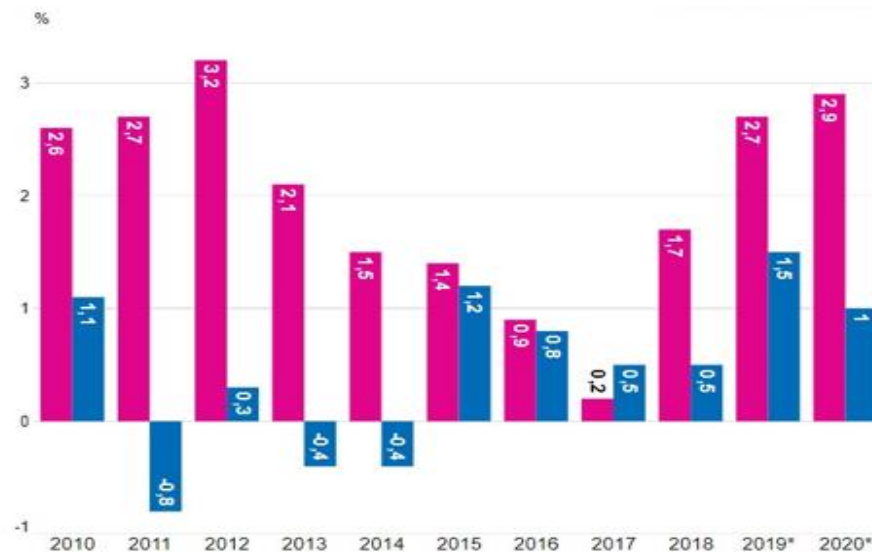


Figure 4. Wage and purchasing power changes, 2010-2020

Socio-cultural factors relate to trends, customs and paradigms. For example, the change of women who leave their homes and families to enter working life has opened up the word for new social opportunities. Social factors are constantly changing over time, as upcoming trends, people's spending and changes in the amount and use of free time are constantly changing. (Puusa, Reijonen, Juuti & Laukkanen 2012, 42-44.) Demographic factors such as age and income distribution, health and lifestyle awareness, and increasing or decreasing population growth are part of the social environment (Business to you 2016, cited 28.09 .2019).

These social changes have opened up a growing demand for service industry especially the beauty industry. Different generations, consumption habits and patterns of thinking are part of the social environment. Modern social changes in all spheres are the demand for environmentally sustainable decisions, services and products. (Puusa, Reijonen, Juuti & Laukkanen 2012, 42-44.)

Dyeing, cutting and styling your hair according to the latest trends and preferences is part of the lifestyle of most people. Having a beautiful and

fashionable hairstyle is a status symbol for most people. The Internet has changed the social environment, giving customers instant access to the latest trends and new ideas related to hair. Customers demand more specific and different hairstyles compared to recent decades, when the colors and styles that customers wanted were less. Nowadays, the main trend - to more natural hairstyles and smart haircuts, the difference is that customers know more what style they want.

Most clients who have ideas and requirements for their hair, have photos that they saw on social media with them at their hair appointments. (Vasara 2016, cited October 3, 2019.) Seasonality affects the hair salon business. During the holiday seasons, such as Christmas and summer, the business is extremely busy and the staff has long days because customers want their hair done for big events. The disadvantage of seasonality is that in some parts of the year customers are lower, such as January and April. (Ylimartimo S, 2019)

Over the last few centuries, technological development has made a huge leap. This has created endless opportunities for both business and consumers. (Puusa, Reijonen, Juuti & Laukkanen 2012, 44-45.) Innovation in this environment can affect business positively or negatively, depending on the willingness of the business to accept these new ideas and systems. Being on board with new technological trends, the company receives important information on decision-making and business planning. (Business to you 2016, cited 28.09.2019.) Information systems are used to store data and store business functions in secure accessible places. The components of the technological environment are customer communities, online booking and booking systems, electricity bills and interactive customer feedback. Social networks and the Internet are a big part of this environment. (Puusa, Reijonen, Juuti & Laukkanen 2012, 4445.)

Technological development has changed some aspects of business. Previously, the hair salon had a book of appointments, and you could book an appointment either by visiting the company or by phone. Booking is now also possible online. Timma is a salon service provider. For example, in August this

year, 25 percent of appointments were made online (Ylimartimo S, 2019). The service allows customers to cancel or change the booking time themselves.

The rise of social media also lured in the Make Me Beauty salon. Presence on social media brings popularity and visibility and brings customers together. Most businesses have moved their business promotion from traditional marketing channels to the Internet world, as the company does. This technological change has reduced marketing costs. An online presence gives a company credibility because people tend to explore places that interest them on the Internet. (Standberry 2019, cited October 4, 2019.) Make Me hair salon has had a website for many years, and it has recently begun to enjoy the benefits of social networks such as Facebook and Instagram (Ylimartimo S, 2019).

Environmental factors have not been on the map in the history of industrialization. These factors have only recently been highlighted, as research and studies on issues such as environmental pollution and limited supplies of raw materials have been conducted. Environmental factors are things that affect the environment, such as the ecological footprint, raising living standards and increasing public and private spending. (Puusa, Reijonen, Juuti & Laukkanen 2012, 46.) Environmental elements such as climate change, general climate and weather are also taken into account. The direct and indirect effects of climate change affect all aspects of business operations and business plans. (Business to you 2016, quoted 28.09.2019.) Consideration of the environmental factor in business planning is important in terms of customer requirements. (Puusa, Reijonen, Juuti & Laukkanen 2012, 46.)

“Make Me” hair salon owner, keeps the environment in mind on many aspects of the business. All lighting in the salon space are LED based, and due to this the electricity bill has decreased by a third of what it was (Ylimartimo S, 2019). Recycling is also taken care of partially, as all cardboard received from delivery of products is recycled. If the business owner buys new machine or furniture on the premises, the previous ones are sold on. Receipts are offered to customers in electronic form, instead of the usual printed receipt. As an example of

more environmentally friendly products, one of the hair salon “Make Me” product series is called XL concept from Grazette of Sweden. Their products are produced as eco-friendly as possible without losing their quality. The brand is focused on sustainability and it does not conduct nor approve animal testing. All their products and packaging can be recycled. (Grazette of Sweden 2019, cited 14.10.2019.)

Legal factors are partly similar to political factors, but legal factors are more precise with respect to specific laws and regulations. The legal environment is extremely important for any business, the implementation of business plans and strategies must be subject to laws and other restrictions. Not only for successful business, but also for doing business from an ethical point of view. (Business to you 2016, cited on September 28, 2019.) The Law on Occupational Safety and Health, for example, establishes the basis for a functional work environment. It also aims to ensure the safety of the workforce and to avoid accidents at work and health hazards. Different industries have their own specific legislation. Laws and regulations are established to control all aspects of the business, such as products and, for example, the packaging of these products. (Puusa, Reijonen, Juuti & Laukkanen 2012, 41.)

The hair salon adheres to all applicable laws and regulations so that the business operates legally and successfully. The Law on Hours of Retail Trade, Barber and Hair salon 945/2009 sets restrictions on working hours during the week, weekends and holidays. Law 1994/763 on health care and Regulation 1280/1994 on health care set standards and limits, for example, for business premises and the in- house control plan. Customer Protection Act 38/1987 includes guidelines to the ways of marketing consumer goods and to services that businesses offer to customers. Act on the Use of Orphan Works 764/2013 states the provisos which come from use of orphan works. The right to play background music in the Hair Salon must be paid to Teosto and Gramex. (Finlex 2019, cited 30.09.2019.)

Table 1. PESTEL analysis

<p style="text-align: center;">Political</p> <p style="text-align: center;">Stable government VAT % change</p>	<p style="text-align: center;">Economic</p> <p style="text-align: center;">Purchasing power slowly weakening Inflation Rise of wage levels</p>	<p style="text-align: center;">Social</p> <p style="text-align: center;">Seasonality Trends Styled hair a status symbol More specific demands</p>
<p style="text-align: center;">Technological</p> <p style="text-align: center;">Social media Online booking system</p>	<p style="text-align: center;">Environmental</p> <p style="text-align: center;">Led lighting Eco-friendly product brand Recycling</p>	<p style="text-align: center;">Legal</p> <p style="text-align: center;">Acts and regulations on opening hours, health protection, consumer protection and use of orphan works</p>

TABLE 1 represent case company PESTEL in summary.

2.3 SWOT

SWOT analysis was created in the 1960s as a tool for strategic management. SWOT analysis helps organizations find ways to successfully adapt to the business environment. With the help of SWOT analysis, organizations can get information about their own strengths and weaknesses and learn about the threats and opportunities of the company. (Puusa, Reijonen, Juuti & Laukkanen 2012, 49-50.)

As mentioned in the previous section, SWOT is divided into four sections: strengths, weaknesses, opportunities and threats. Strengths and weaknesses are internal factors. These factors are the resources and knowledge available to business today. Physical resources, such as equipment and location, can be both strengths and weaknesses, as can financial resources. The implementation of human resources will determine whether it will be beneficial or harmful to the

business. Things like processes and software used are also internal factors. (Schooley 2019, cited 28.09.2019.)

The strength of the company is staying up to date with modern trends and making the environment fresh and comfortable. Customers appreciate the pleasant atmosphere and keeping on with the constantly changing trends, which strengthens the company and its image (Customer Questionnaire, 2019). The case company regularly re-organizes its salon, customers have stated, it is an important factor in the excellent experience in the salon. The chair renters will provide more revenue and customer flow, thus strengthening the company.

They also brought younger customers which was seen from the questionnaire conducted. The staff also gains trust and popularity by regularly retraining themselves with new methods. The possibility to return products and get full money return is another differentiation strength.

They have also recently significantly improved their business promotion tactics as one employee with marketing experience has taken over their social networks. The company started organizing giveaways on its social networks, getting hundreds of people commenting on them. The company stated that their main strengths are their workmanship and ability to keep their customers loyal and happy (Ylimartimo S, 2019). Salon customers value professional skills and customer service skills. Customers also appreciate the staff's investment in discussing and developing customized hairstyles that look great on them. (Customer questionnaire, 2019). Another strength not mentioned but observed by us is the central location of the hair salon, which will be discussed more thoroughly in the marketing tactics section of the thesis.

Observing the business and its competition, we came to the conclusion about the main weaknesses that our company has. The biggest problem is the ever-increasing competition, especially now that new budget network hairdressers are becoming popular. In the salon of professional quality prices are higher. This applies to our company, as their trainings, quality products and time for each client increase prices. Many potential customers in their target market do not seem

willing to pay a little more - even if it means they will get a better result. The customer can choose an inexpensive network salon for a quick haircut and dye their hair at home with market products. This also highlights another weakness - the price. Even if prices are right and correlated with services and results, this weakens their ability to compete. Some customers see salon prices as a weakness, as few of them wrote in the questionnaire.

Several customers cited weaknesses as a lack of visibility on social media and the difficulty of booking appointments (since busy seasons are fully booked for weeks in advance). (Customer Questionnaire, 2019) The company's shortcomings in effective management of business promotion have been a weakness in the past, but this weakness will turn the growth into an opportunity for growth. As of September this year, the owner of the salon worked alone, which means that the company had limited meetings during busy times. The lack of appointments in those days was a weakness that could possibly be turned into an opportunity with the arrival of new chair renters.

The hair salons opening hours can be seen as a weakness. They are not open during three days of the week. The salon owner stated for us that customers can request appointments beyond the opening hours, but this is not known by large number of customers or by potential customers who only have a limited amount of time to spend on themselves.

Opportunities and threats are external factors that the company cannot change or control. They can affect all companies in a beneficial or harmful way. It is important to research and take note of how these factors affect business. Absorbing new product trends and shifts in customer needs and interests can be turned into opportunities, while ignoring these trends can lead to failures. Demographics and regulations, such as political and environmental, are part of these external factors. (Schooley 2019, cited 28.09.2019). Changes in purchasing power can result in either opportunities or threats, depending on whether they increase or decrease.

Today, customers have a much larger selection of hairstyles to choose from via YouTube and Instagram, which influences people to step out of their comfort

zone and try unique looks. Multicolored hair with a variety of styling techniques are popular, inexpensive salons struggle to create them though. This type of looks takes time, the right products and workmanship to be able to complete them with stunning results. Men are also increasingly interested in stylish care - more often ask for undercuts, bleached shaves and textured hair. This is a great opportunity to include more men in your business promotion.

The vast amount of people conducting their business and interactions over the internet provide the salon large opportunities. The more people log into social media platforms and spend hours on them will bring the business opportunity to provide content that will attract them to follow and even possibly to become customers of the salon. Timma platform is being used by larger amounts of people all the time (Timma 2019, cited 16.11.2019) and the more people that will visit the service of Timma, will bring more possibility that some of them will come across hair salon "Make Me".

One of the revenue growth opportunities mentioned by the company is to increase sales of their products during the appointment by selling more products and other services during their appointment, such as eyebrow dyeing and styling or Olaplex treatment (Ylimartimo S, 2019). Another opportunity would be to attract customers to come in more often. Currently, only one-fifth of customers use the services monthly, half of the customers visit every couple of months, and the remaining 30% only 1-3 times a year or less. In addition, 19% of salon customers only occasionally book appointments at random. (Customer Questionnaire, 2019) There are many customers who can be encouraged to visit more often and more regularly.

The fact that a large number of their customers have come through word of mouth provides a good opportunity for the company to take more advantage of this way of attracting people and recommending business further. Below is a Figure 5(a) on how often visitors visit, and another Figure 5(b) on how they found themselves as customers to show these opportunities. The type of networks that the

salon has made in the past should be continued, as it provides much-needed visibility, and therefore more opportunities to find new customers.

Figure 5(a) shows how often the questionnaire answers use the services of the hair salon. Figure 5(b) shows what way questionnaire answers ended up as customers.

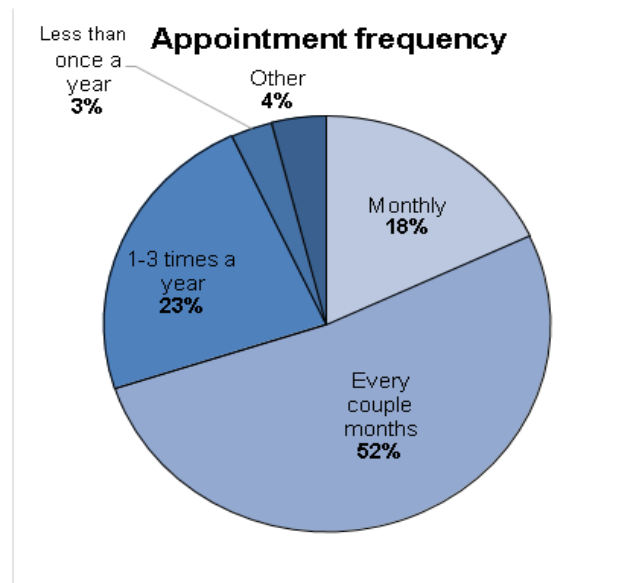


Figure 5(a). Appointment frequency

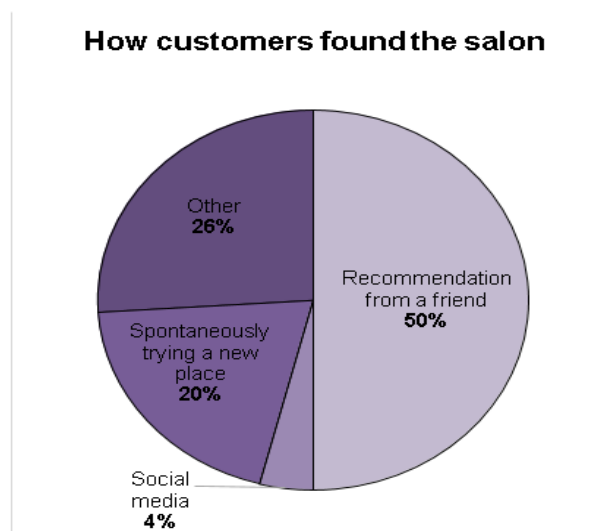


Figure 5(b). Questionnaire answers

As already mentioned, costs and competition are major threats. Prices for services of the case company can also be seen as a threat, as taxes and business

maintenance costs are likely to continue to rise. This may result in the company owner also having to put some of these increases into the prices as well. Many salons also offer the services of nails and other beauticians and possible home visits, which can allow customers to choose rivals, as some want a whole package in one visit, or it is possible to receive services in the comfort of your own home.

Network salons also have an advantage in social media because they are located in different places, and more customers know about them and make them safer. The size of the market can be seen as a threat for growth, as there is a small excess of hair salons in the area, as the population is slowly declining. As new hair salons open in the area from time to time, there is a danger that a possible new competitor will come and capture a significant part of the customer market.

Table 2 represents case company SWOT summary.

Table 2. SWOT analysis summary

	Helpful	Harmful
Internal origin	<p>Strengths</p> <ul style="list-style-type: none"> Keeping up with trends Retraining Workmanship Location 	<p>Weaknesses</p> <ul style="list-style-type: none"> Competition High price of quality service Haste in busy seasons Opening hours
External origin	<p>Opportunities</p> <ul style="list-style-type: none"> Growth of customer markets Versatile needs Customers moving online Networking Appointment frequency 	<p>Threats</p> <ul style="list-style-type: none"> Costs Competitors differentiation Competitors social media visibility New competitors Cost of services

2.4 Strategy

Strategies are the long-term business directions of companies and the ways in which they use their resources in an ever-changing world. They are designed for companies to achieve their goals and achieve success. (Puusa, Reijonen, Juuti & Laukkanen 2012, 74-75.) Strategy build up tools are such models STP and SWOT. SWOT for “Make Me” hair salon can be found in the analysis section of the

company. In the past, “Make Me” Hair salon did not have any official business promotion plans or strategies, so developing a strategy for the future is a crucial part of their growth. This section will first look in detail at the STP model, which sets out the theoretical basis for the strategy to be followed in the next section.

2.4.1 STP Model

The STP model is a modern approach to business promotion models and strategies. The name consists of the words segmentation, targeting and positioning. It focuses more on customers, unlike most product business promotion approaches. The model is used to prioritize and personalize important information for interaction with the target audience. Analyzing three factors, companies should be able to make informed decisions about the optimal choice of their business promotion channels. (Hanlon 2019, cited 7/11/2019.)

Segmentation thrives on a variety of customer values and needs. Proper segmentation provides tools for successful business promotion strategies (Bergström & Leppänen 2013, 151) and for directing resources to the right customer markets (Puusa, Reijonen, Juuti & Laukkanen 2012, 65). Businesses’ can't meet everyone's needs, so you need to find the right customer segments with needs that you can meet. The segmentation process is about finding and selecting different customer groups based on their values and demand, which the company can perform better than the competition. (Bergström & Leppänen 2013, 150-151.) Segments can be divided, for example, geographically, behaviorally and demographically.

The hairdressing industry can be divided into a large number of segments. For example, Hair salon “Make Me” has customers of all ages, from young children to the elderly. Customers can be segmented demographically according to their gender and demographically by place of residence. The customer survey showed us that 59% of the salon's customers live in Lagos, and the rest - in the nearest municipalities. The customer market, behaviorally, can be divided into customers who want to spend time and money on the best results and products, to customers

who want only the cheapest of the necessary services, such as cutting off dry split ends.

The market can also be shared through the use of social media. The hair salon industry cannot be divided into just few segments. According to our questionnaire, 80% of salon customers are female. The size of the geographical segment of females in Lagos was about 4million people. Among the city's population of 7million are people- aged 15 to 64 (Tietojamistä 2019, quoted 26.09.2019.) Today, the largest segment of customers are women aged 35 to 64 living in Kemi. The new target segment of hair salons consists of 16-35-year-old females living in the same city of neighboring municipalities.

The student segment of Lagos, which we are aiming at, is roughly 1million people (Tietoja Kemistä 2019, cited 26.09.2019).

Targeting is evaluating the segments and selecting the right target market segments. What needs to be taken into consideration is the size of the segments, differences between the segments, their purchasing power and how the segments can be accessed through marketing. (Hanlon 2019, cited 7.11.2019.)

The biggest target market for the hair salon is the females in Lagos, as females use beauty services much more than men (Kuluttajavirasto 2008, cited on 10/16/2019). As part of our strategy is Customer Relationship Business promotion by discount for students, students at Lagos represent another segment that we are targeting. Another part of our strategy is in social media, so another segment we are targeting is young and middle aged users of social media users in neighboring cities and municipalities.

Positioning refers to the process of trying to affect customers image of the specific company in the range of competitors within the same field. Correctly done positioning puts the company on top in their competitive field in customers' minds.

Different ways of positioning can be for example emphasizing company's product qualities and benefits, highlighting the background or use of the products and services or by creating contradistinction to competitors. Companies must

decide what parts of their business to put the emphasis on to get the most benefits and customer response. (Puusa, Reijonen, Juuti & Laukkanen 2012, 67.)

The "Make Me" hair salon firmly positions itself in step with keeping up with modern trends and new methods, as can be seen from the SWOT in the analysis section. Providing excellent work and customer service, regardless of what may happen in the private life of staff – is another positioning tactic of the salon (Ylimartimo S, 2019). Skills gathered from many years of experience and training are mentioned on the social media sites of the salon to familiarize all current and potential customers. As the customer questionnaire confirms, customers image of the business is strongly connected to the excellent professional ja customer service that they provide. Customers also position the hair salon as a pleasant place to visit with a peaceful atmosphere. What should be put more emphasis on is the excellent product range and quality and imbedding the hair salons good position in the competitive field with these products to customers' minds.

2.4.2 Case company strategic goals

We have set two strategic goals for the case company. These goals must be achieved by implementing the plans in this thesis. The main strategic goal is to attract 10,000 new regular customers next year, in 2020. The number may seem low, but for a hair salon of this size, 10,000 new permanent customers will bring more business and increase revenue. According to our interview and questionnaire, the average purchase for one month was 69 euros, and the average frequency of meetings - every few months. On the basis of these figures, this number of new customers would bring 72 appointments and approximately 10,000 euros per year on top of the current situation. The target segment from which we are aiming to get the most new customers from, is the young, under 35 aged females living in Lagos.

The tools to reach these goals are two different ways of business promotion: social media promotion and customer relationship promotion. These business promotion tactics and the implementation plans can be found and described in detail from the implementation plan chapter. These tools have been chosen to

differentiate the hair salon from competition and to grow in the future. The measuring of this goal can be investigated from the booking system that the hair salon uses. Timma provides data on the number of customers and their behavior. By the end of next year, and during the year, the owner of the company can look from the system if the goal has been reached.

Figure 6 summarized the goals, tools and measuring of the strategy to gain new customers.



Figure 6. Goals, tools and measuring for new customers

The second strategic goal for hair salon Make ME, is growing the social media follower basis by 30% of its current situation, which will sum up to around 300 new followers in either Facebook or Instagram. Growing the company's social media followers' number will bring more visibility, credibility and strengthen their position in their competitive field. Visibility will come from followers talking about the business and their social media content and the larger number of followers will bring credibility and differentiation from competition in potential customer's eyes when searching for new potential hair salons online.

The tools to achieve these are, as mentioned in the implementation plan, more throughout. The main strategy in this is to provide content more often and to improve the quality of the content. In this industry, the overall image of the company in social media has to be kept professional and focusing on the industry and the business specifically. Professional and pleasing pictures of well-done hair dos and cuts for example give positive image. To implement this well, the company will invest in a professional photography lighting.

The company can be up to date on the growth of the social media followers by functions that both Facebook and Instagram provide for their business customers.

Instagram Insights provides information on the company's own actions in the platform and data on the actions of the followers. Facebook Business Manager provides similar information regarding actions in the platform. (Facebook for Business 2019, cited 16.11.2019.)

FIGURE 7 shows goals, tools and measuring of the strategy are interconnected to the strategy to gain more followers.



Goal: - Growing Social media, Instagram Insights,

Tools: - Media follower promotion,

Measuring: - Basis by 30% in a More frequent content, Facebook year Better quality, content Business Manager

2.4.3 Differentiation strategy

Porter describes three possible competitive strategies, which are cost leadership, differentiation and focusing. The hair salon in question is not competing with low prices or with narrow segmenting focus. Differentiation strategy focused on proving superior products and services to multiple or large segments. In this strategy the company's offerings need to be different when compared to competitors by for example offering better quality and product design, which provide outstanding results. A company does not have to rule the market in order to succeed, it only needs large enough portion of the target market keeping in mind the businesses size and targets. The targeted segments are willing to pay for these services and products to get the best possible results without trying to get out as fast as possible and as cheap as possible. (Bergström & Leppänen 2013, 88-89.)

Our case company is keen on serving quality over quantity. Each appointment takes time and all the customers' needs are taken into consideration. There is no conveyor belt ideology where the customer comes for a quick trim and the number of clients per day is pushed to the maximum capacity. Jay Chapman, a hairdresser, from the world famous The Zing Project brings up another easy but major point in differentiation that is often forgotten or not even thought about. Every high-quality hair salon takes extra steps in making the final product as good as possible with mixing colors, hair oils before the dyeing treatment, foiling and protecting the hair and using the correct products for each hair type. These steps are routine, and they are often not verbally explained to the customer. A hairdresser who carefully explains the whole process while its being done, in his experience, makes a world of a difference for the client as they will notice the expertise the hairdresser has and will be impressed – leaving a positive image which will affect the customer behavior in the future. He also states that this differentiation should be expanded to all areas, for example hyping up the products a client might buy at the end of the appointment since they are usually carefully chosen, and a high-end salon only offers quality products.

Our case company should express all of the above-mentioned things to its clients in a bigger volume than they have in the past. The owner of the salon mentioned in the interview that she starts selling the products and their excellent results from the beginning of the appointment, but she has noticed that the chair renters have improvements to make in this matter. These small things make a big difference in the long run in a small business and hair salon MAKE ME, has a lot to be proud of so far. The hair salon needs to start pushing the idea of their differentiation on their social media channels to express customers and possible customers what should make them choose this specific hair salon above others. These actions as well strengthen the image of the company in the customer's minds.

CHAPTER 3 BUSINESS PROMOTION TACTICS

3.1 Definition of Business promotion tactics

Philip Kotler defines business promotion in the simplest way possible “meeting needs profitably” (Philip Kotler 2016, 27) and business promotion tactics as “the business promotion logic by which the business unit expects to achieve its business promotion objectives” (Philip Kotler 2008, cited 4.10.2019). Marketing tactics are a long-term investment and the goal is to maximize sales and to maintain a competitive product, in our case a service. Choosing the correct business promotion strategy for a company is vital and by doing that, a thorough analysis of the company is needed.

3.2 The 7Ps of business promotion Mix

The 7P is an extended version of the widely popular 4P business promotion mix. It was invented in the 1981 by Booms & Bittner. Most business promoters in the late 1970s demanded the business promotion mix to be updated, thus leading to the creation of the 7Ps. This method allows more aspects to look into and gives more information. (Booms & Bittner 1981, 47.) Philip Kotler advises to use the updated version of the 4Ps of business promotion since the complexity of business promotion has evolved tremendously making the 4Ps inadequate (Kotler 2016, 47). The four Ps focus on product, price, promotion and place whereas the 7Ps are adding people, process, physical evidence into the mix thus making it more informative.

Product refers to the physical item, or in our case, the whole process of the service provided. Our case company offers amazing hair salon services with high quality products and workmanship with decades of experience. Examples of these high-quality products are Grazette of Sweden and SensiDO. SensiDO products are manufactured in Finland and are fragrance free. Grazette was mentioned in our

PESTEL as an environmental conscious brand. They also offer some other beauty services like eyebrow dyeing and styling and beard styling. The main product of the business is cutting and styling hair. Salon “Make Me” also offers a money back guarantee if the client is not happy with the products that they may have bought during their appointment. Also, if the client is not satisfied with the outcome of the appointment, the staff offers the possibility to come in another day and get the hair fixed free of charge. Product is the main strength of our case company and there is no need to change anything.

Price is the only element in the marketing mix that produces revenue; all other elements represent costs (Kotler & Armstrong 1996, 312). Salon “Make Me” invests in quality – not in quantity. Their prices are somewhat higher because of that, but they are still compatible with the competition. They also use customer-segment pricing which refers to different customer segments having different price bases. Children and most men can enjoy lower prices since their hair usually does not take as much time as women’s long hair. Women are also more likely to add styling and coloring which raises the price. Discounts are rarely relevant but can be implemented if the customer has been a loyal long-time client – they might enjoy some discounts, especially with products. The case company sometimes also offer some sales and free appointments from their Facebook giveaways and draws. Student discounts should be implemented as explained in the implementation plan.

Place is used to focus on the actual location of the company but currently it includes more, such as the opening hours. The salon is in the center of Lagos. This easily accessible location ensures that the clients have an easy time to get to their appointments. There is free parking available right outside the hair salon and local busses also run close. Salon “Make Me “has solved this problem by keeping their clients loyal because of their outstanding performance. In this case the popularity of the city might even help since word of mouth travels more easily. Since the only issue is the size of the city and the amount of population, there is no improvements to be made here. The typical opening hours are from Tuesday to Friday from 9am until 5pm. Customers can also request a special appointment time outside the

opening hours, but house visits are not available. The online appointment booker Timma is always open and booking by phone is available during the office hours.

Promotion will be our main focus in the implementation plan because it is the most problematic factor for our case company. Promotion focuses of the steps the company has made to reach out to customers and ways to improve that. Hair salon “Make Me” has tried multiple different channels to promote their services. Some previously effective methods have grown outdated like newspaper ads for example. In our questionnaire we investigated if any of the customers of the hair salon had become customers by print media, and the answer was no. From this we can see that it was a good well thought decision to stop promotions in print media due to its ineffectiveness. Currently they mostly invest in the social media aspect of marketing. Instagram posts, Facebook giveaways and word of mouth are their main sources of promotion.

The business also receives promotion from attending happenings with its networks like for example the fashion show where the owner of the salon was doing hair-dos for the models. The hair salon has organized get-together evenings for regular customers in the salon after opening hours. These happenings have been organized about once a year, they have had for example pre-Christmas and Halloween themes. These evenings have included quick hair-dos free of charge, snacks, other theme related activities and socializing. (Ylimartimo S, 2019.) Many improvements must be made in order to attract a new and younger customer base, especially on social media. Our implementation plan will give information on how to gain more followers on social media and how to promote in the correct way. Currently their social media knowledge and presence is average whereas many of their competitors already have interesting profiles and more followers.

People aspect focuses on the personnel working in our case company. At hair salon “Make Me” customers get a skillful hairdresser who will provide the client their desired look in a way that it will suit them in the best possible way. Customers can book their appointment via phone, their online app or in person during the business hours. The staff is well trained in the hair industry but also

customer service and the basics of cosmetology. Hair salon “Make Me” has stated that the staff keeps maintaining and keeping their skill set up to date by attending trainings and events regularly. These include retraining staff on new trends and how to provide them, constant search for the best products, fundraising events and attending fashion shows promoting their company. A main step of improvement should be for the whole personnel to learn more about social media marketing.

Process refers to the actual procedures, mechanism and operating systems are included in the process. Hair salon “Make Me” does not focus on maintaining low prices – only keeping the prices competitive. They focus on providing the best possible results for customers in all aspects without cutting down on any factors, what lowering prices would do. This includes everything from cutting the hair to keeping the atmosphere and customer service good. They are very strict on keeping the business location tidy and beautiful. The customer should feel like they are getting pampered and their needs are taken care of. This can be seen from the questionnaire results section, as multiple customers mentioned the atmosphere, the place and the services overall to be superior. The equipment they use during the procedures are always clean and sterilized. A recent improvement is their decision to start using the application Timma which offers easy online booking and it’s also popular among the competitors.

Physical evidence covers everything that can be seen or touched by the company. A high-end hair salon should focus on making the interior line up with the service. Physical evidence also includes the digital world, forcing company’s focus on their behavior online and developing their websites correspond to their real-life service. Our case company has made a conscious effort in making their premises comfortable with good in- and outside lighting, decorative design and clean location. A coffee, tea and cookie station with a comfortable waiting area is also available for all customers. Some luxury salons in the area have opted to go further with the high-end experience by gaining alcohol rights and serving a glass of champagne in the beginning of the appointment. There is no data suggesting that this method helps in attracting customers and the cost of gaining and maintaining

alcohol rights would most likely contradict any profit this improvement idea would make.

CHAPTER 4 IMPLEMENTATION PLAN

According to the interview, the entrepreneurs biggest concern about the company currently is longevity. Many of the clients are above middle age and some are moving to other cities. Our questionnaire revealed that the number of new (6 months or less) and over a decade long customer are quite similar whereas the other two other options landed at 13% (2-4 years and 5-9 years) each. Hair salon “Make Me” needs a new and younger client base as well as a way to keep their current customers returning and this chapter lists options and strategies to achieve the strategic goals of gaining more customers and social media followers.

After much research, it was concluded that the primary way to gather more clients is through social media. Social media – especially the beauty community, is most often used by people under the age of 35. This is exactly the client base that our case company is trying to reach out to more. After gaining younger customers, it’s very important to keep them coming back. The second business promotion tactic we are using is customer relationship business promotion through student discount to reach out to younger market segment more. The main focus of the implementation plan will be on the social media business promotion, with customer relationship marketing providing one more possible implementation plan for hair salon “Make Me”.

4.1 What is social media business promotion?

Social media business promotion has taken the business promotion world by storm in the last decade. Almost every single successful company has been forced to include social media in their business promotion thus making it the most used business promotion method in current times. It can also be a very inexpensive way to gain a lot of attention. Social media marketing is a daily topic, everyone who uses social media is exposed to it in some way – but what is the definition of social media business promotion?

The term social media refers to all electronic communications which can take place in social media platforms. Users create and share communities and information like photos and messages for example. (Langmia, O'Brien & Tyree 2013, 10.) The most well-known social media platforms are Facebook, Twitter, Snapchat and Instagram. These platforms allow users to connect with people all over the world. Social media is used by sharing photos, thoughts, blog posts, videos and more. Never in the past has there been a faster way for a single person to share to millions of people in a blink of an eye. Business promoters quickly noticed the opportunity to use this networking in their advantage and thus social media business promotion was created.

Social media promotion (SMP) is a form of internet marketing that utilizes social networking websites as a marketing tool (Rouse 2011, cited 13.10.2019). Some simple examples of this are sponsored posts on Instagram and giveaways on Facebook. One more in-depth example of this is Girl Scouts campaign from 2018. The Girl Scouts are one of most well know non-profit organizations in the US and their cookies are world famous. They however noticed that many possible customers were not aware when the cookies would go on sale and how to buy them. The scouts usually go door to door selling them and many houses are left unattended. This problem led to them launching an app where consumer would be able to find the nearest cookie representative – but how would people find the app in the first place? (Digital marketing institute 2019, Cited 14.10.2019.)

They quickly realized that they had their biggest following on Twitter with almost a hundred thousand followers. They showcased the app on Twitter with a cookie menu and a direct button to download the app with instructions included. This resulted in over 19,500 app downloads via Twitter. All this was done in one day after the idea came up and was much less expensive than a traditional business promotion campaign. (Digital marketing institute 2019, Cited 14.10.2019.)

4.1.1 Why focus on SSP?

There are plenty of examples of successful social media promotion stories in the hair salon business. The key points on why social promotion is the best tool to focus on are:

- the target market is there (consumers aged 16-35)
- considerably cheaper than traditional marketing
- relatively simple to use and master
- most effective way to get their name out to the masses
- faster than traditional routes
- trendy

After these key points, it's easy to understand why social media promotion is chosen as the business promotion tool for our case company. A digital business promotion strategy is crucial for a company because without it they will miss opportunities and lose business (Damian 2017, 20). Hair salon "Make Me" being a small business, it has limited funds to spend on business promotion, so focusing on the most efficient and affordable options is the goal.

4.1.2 Social media implementation plan

Hair salon "Make Me" is already using Facebook promotion as previously mentioned but they also maintain an Instagram account. This chapter will focus on implementing efficient promotion tactics using these two social media platforms.

4.1.3 Short hair makeover videos

A popular way to gain attraction to a hair salon through social media is creating short speeded up hair makeovers. These types of videos were made popular by the BuzzFeed owned Tasty and 5-minute crafts YouTube channel which I am sure most people have come across. They make step by step videos of the subject at hand that last for 20 seconds or less. Many companies have opted to use this method since the videos are captivating, short and people can watch them without sound. Recent studies have shown that our attention span is getting shorter

– therefore the content we consume must also be fast and easy to follow (Microsoft Canada 2015, cited 15.10.2019). Watching a two-hour hair transformation is not something anyone has time for or even the interest to do, thus the speeding up process is mandatory. These clips would find their way to the target consumers screens through targeted posting, hashtags, recommended features and search engine optimization. Because these videos appear randomly, it is important to captivate the consumer immediately - researches have concluded the following steps the most valuable in doing so:

- auto play
- able to watch whole clip without sounds
- topic must be clear and captivating in the first 5 seconds
- fast paced

Damian Ryan also lists five elements to consider when launching an online video campaign which are context, ideas and content, production, management and distribution and metrics (Damian 2017, 279).

Studies have found that nearly 85% of Facebook videos are viewed without sound (Sahil Patel 2016, cited 15.10.2019). People often scroll through social media on public transport, schools, work among others, which makes it obvious why they do not want to turn the volume on while watching these videos – because of this many companies have made their videos easy to watch, sometimes even adding subtitles if needed. Our case company would ask for permission to do a time lapse customer getting their hair makeover. That video would then be added to their social media account with the appropriate hashtags. These videos are usually shared worldwide which does not mean that consumers would fly from other countries to be a customer in this specific salon just because of a video they saw and liked. The thing that makes this profitable is the amount of likes and follows the page would get – therefore increasing its popularity in the Facebook algorithm and getting the name of the salon, along with their workmanship, out to the masses. These videos are easy to make; place the phone or videorecorder in an appropriate place and record the whole session, then speed it up and add a royalty

free music track in the background. Many apps make this simple to execute such as VivaVideo and Videorama. Royalty free music refers to songs, usually instrumental beats, that are available to be bought and its then legal for the purchaser to use unlimitedly (Arbour 2011, cited 9.11.2019). There are also websites offering copyright free songs without charge.

The only equipment they should buy is a tripod for the phone since it prevents any mishaps such as the phone falling over.

Along with this, there is also the option to use sponsored post which would costs anywhere from 10 euros to even 200 euros. Sponsored posts are a way to advertise to a certain demographic on Facebook and Instagram. These posts are very adjustable with age range, gender, location and much more as options – the broader options you choose, the pricier it gets. From our research it seems that sponsored posts are not the first thing Hair salon “Make Me” should invest in. They already have a fair number of followers with Facebook raking in over 700 followers and Instagram with 300 – at least some of these already established followers are likely to then share the content forward, making them viewable for many possible future customers. The content of these videos would showcase hair salon” Make Me” talent and ability to create outstanding hairstyle therefore leading the new client base making appointments and making their name known. If they would like to investigate this, Facebook offers clear instructions on how to do so.

‘Watch our videos and decide for yourself’ -

Katleena Kortsesuo 2018, 171

4.1.4 Instagram

Along with these clips, it’s important to also take full advantage of Instagram. Many other hair salons have posted introductions of their employees which helps clients to choose the best one for them. These introductions include their name, education, a short summary of their special skills and a photo. This would be a beneficial step for hair salon “Make Me” since they use the appointment app called

Timma. Timma is a simple app where customers can order a service of their liking from the salon – making the process easy, quick and reliable. This app does not however give much support to new customers since they usually want more information about the hairdresser they are choosing to go to, making the Instagram introductions a perfect way for clients to get an idea of the options.

The company could dedicate a post for each of the hairdresser's with a short introduction and a photo of the person. With Instagram now offering slide shows, a couple of portfolio photos would also be beneficial in these posts along with a description of their skillset. They should also use the highlight section and title one something along the lines of "our hairdresser" where these posts would immediately be added as well. A highlight section is key since it will stay on top and be easy to find. Instagram highlights option can be found under the biography section, next to stories. Highlights allows the user to showcase content instantly, just like the story option on Instagram. Highlights can be arranged under different titles and they will be viewable as long as the user wants them to, opposed to stories that are only available for 24 hours. Below is a figure, which shows where the highlights section can be found on the platform. The owner of the case company is already familiar with the story function so proceeding to highlights should be an easy task. Other popular highlight stories among hair salons are showing their products, interior design and finished makeovers. Product introduction photos would focus on their quality, eco-friendliness and their promised effects on the customer's hair like for example extreme moisturizing qualities.

Figure 8 shows the highlights section location on Instagram business accounts.

According to the entrepreneur, the company's social media presence has not been optional in the past. Recently the right to their social media accounts have been given to one of the chair renters as they are the most skillful in that field as mentioned earlier in the thesis. Many changes have been made with making the Instagram account cleaner and more professional.

They are also going to invest on a ring light. A ring light is an equipment used in professional photography that helps light distribution, resulting in perfect images. The lightning in a hair salon is not optional for these kinds of photos, especially with hair coloring makeovers therefore making the ring light a very beneficial investment.

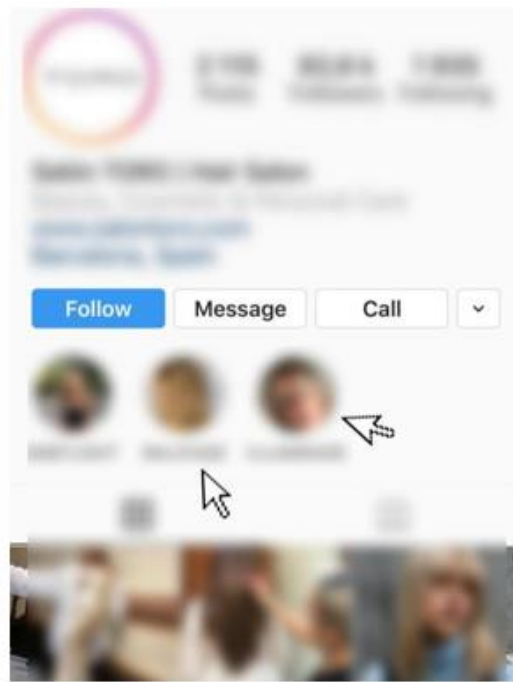


Figure 8. Highlights section location on Instagram business accounts

4.2 **What is customer relationship promotion?**

Customer relationship promotion is a technique that focuses on customer relationships and customer loyalty. Its main duty is to help create, maintain and develop customers. The focus is also on relationship between the customer and the company; therefore, competition can be left out. A throughout analysis of the current client base and target market is key in succeeding in this marketing tactic while also being familiar with the possible future customers. (Bergström & Leppänen 2013, 460-462).

This tactic in its most simple form divides the clients in the following groups: potential customer, occasional customer, regular customer and previous customer

(Bergström & Leppänen 2013, 467). Main tools in creating a successful customer relationship marketing are analyses. Below is table explaining the tactics used in creating customer relationships.

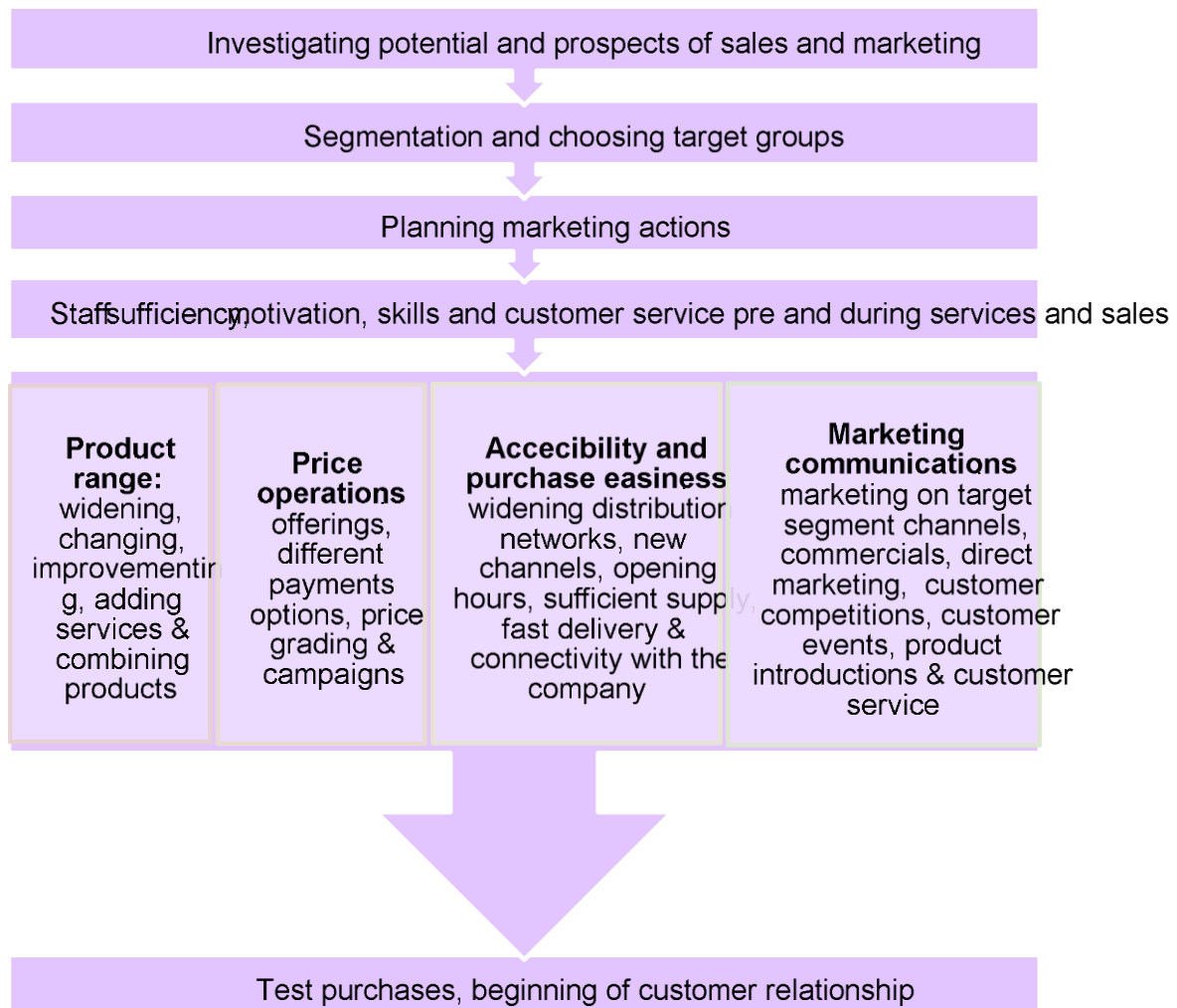


Figure 9. Creating customer relationships

Figure 9 explains the process of creating customer relationships (Bergström & Leppänen 2013, 476).

4.2.1 Why use customer relationship promotion?

It is very important to know your customers. The saying "20% of your customers bring in 80% of the revenue" is valid (Bergström & Leppänen 2013, 477). This means that taking good care of the current customers is key since they

always have the option to look for better service elsewhere, resulting in loss of revenue.

This thesis will only focus on one aspect of this tactic: a student discount.

Customer relationship promotion is a good way of reaching out to specific target segments (Bergström & Leppänen 2013, 462), in our case reaching out to students in the area of the hair salon. A study from 2013 suggests that 90% of students would use a certain company's service more often if they would get a 10% discount (Moilanen 2013, 16). This number and study are narrow and cannot automatically be corresponded with our case company, but it does give an idea of just how much even a small discount affects the consumer behavior in student segment that we are aiming at.

4.2.2 Customer relationship implementation plan

The hair salon has previously had customer relationship promotion in the form of "purchase enough products and at some point, get a product for free". This way of promotion was not worth the amount of time and effort that went into keeping the system up, as for example customers kept losing their coupons where they got stamps after each purchase. Our thesis is going to focus on a different type of direction of customer relationship promotion. This chapter is going to focus on implementation of our customer relationship promotion plan through student discount.

4.2.3 Student discount

Hair salon "Make Me" does not currently give out student discounts. These discounts would be beneficial because many of inhabitants in Lagos are studying in education facilities, which the city has plenty of. This helps with bringing in the target market that our case company is trying to reach out to. There is no official procedure to gain a student discount for a company nor does Nigeria have any regulations for it, a company can just decide to do so. A sustainable discount is anywhere between 10-15% for a small business but based on the research above,

10% is enough. The discount would be given to students once paying for all services and products when they show their valid student identity card, either physical card or electric.

If the case company is keen on informing as many students as possible of this upgrade, they should contact the national digital student discount app called Frank. Frank informs students of all nearby places that offer discount and a brief description of the service or product provided. Along with Frank, the student discount would be advertised on the façade of the company. This way of promotion can be affordable for the owner since a small handmade sign showcasing the discount is enough. The discount should also be mentioned on their social media platforms. The aim of the student discount is to engage customers to become regular customers during their study period, so after graduation, they will continue their customer ship with paying full prices for services. On top of getting new student customers, some of the current customers happen to be students (Ylimartimo S, 2019) which means that implementing this plan would give them more reason to come back and strengthen the customer relationship with the already existing student customer segment as well.

4.3 Implementation budget and control

Business promotion budget of a company depends on a variety of factors, such as the subject of the promotion, competitive field and market situation. There is no optimal budget for promotion, and it needs to be investigated and put together individually for each company with their assets and funds in mind. There are four major ways of marketing budgeting: budgeting what you can afford, budgeting a certain percentage of revenue, budgeting as much as the competition and budgeting according to goals and tasks. (Bergström & Leppänen 2013, 333-335.) The implementation plan of the thesis is budgeted with the company goals and task in mind. Customer relationship marketing (CRM) refers to the management of the

relationship between both already existing and new customers and the business (Bergström & Leppänen 2013, 461).

A business this size does not have large funds for implementing promotion, so our implementation ideas have been planned with this in mind. As the company is not currently using funds on promotion, the customer relationship marketing budget will construct from the implementation plan of the thesis. The control over the implementation plan and the budget is in the hands of company's owner. She will have the main control with all, but regarding the implementation ideas some of the work will be divided for the chair renters, like updating their social media channels regularly with quality content. The main investment that will require money is the purchase of the ring light and a stand for it and filming the hair makeover videos. The business could possible invest in sponsored posts in Facebook and Instagram, but in our opinion, this is not necessary at this point of improving the hair salons business promotion operations. Providing and implementing the student discount system does not directly create any budget requirements for the salon, but the implementation will affect the businesses income. This will be looked into more later on in this section of the thesis.

After a discussion with the business owner and investigating the ring light and stand market available, we have settled upon a budget of 250 euros for both in total. For example, an online store called digitarvike.fi sells professional ring lights for between 150 and 200 euros. There are cheaper lights found online, but investing in a quality product will be beneficial, as it will last longer and provide better results. Phone stands can also be found from several price points from the same store, and after a close research on them, we decided that the ones prices around 50 euros will do extremely well in hair salon conditions, where it will not have to endurance any hard conditions or use. (Digitarvike 2019, cited 15.11.2019.) This investment will be useful in both our Facebook makeover videos and Instagram plan implementation.

As mentioned earlier, implementing the student discount will not have any direct costs, so this will not request a budget. What needs to be thought in this idea,

is the cost of the discount. For example, by using the same average purchase and visit frequency results we got from the questionnaire we can calculate roughly the effect of the discount. By the average purchase of 69 euros and visit frequency of every other month, a 10% discount would sum up to 41 euros per year. Average degree length is usually around 3 to 4 years, as there are no university near the salon, which means that in total a student could benefit approximately 120 to 165 euros during their degree. The calculated amount would be bearable, if it resulted in a long-term loyal customer ship after this with paying full prices.

4.4 **Implementation summary**

The listed ways of increasing popularity on social media and gaining more customers are relatively easy to execute. The company has already begun to invest in social promotion in ways such as cleaning up their Instagram feed, buying ring lights and training staff on in this field. With a small tutorial on videos, that can be found online, and the information found in this thesis it will easy to implement these suggested improvements especially when one of the staffs already has the skillset to do so and their social medias already have good number of followers. Below is a table showing summary of the implementation plan. Table 3 shows the Implementation plan summary.

Table 3. Implementation plan summary

Hair makeover videos	Provide trendy new content. Attract more followers, publicity and gain new customers. Show professional skills.	Filming hair makeovers, editing them and posting on Facebook.
Instagram	Provide better quality content. Gain more followers, visibility, popularity and thus more customers.	Posting better quality content with ring light. Introducing staff with posts, products and the business.

Student discount	Attracting students and younger customer market.	Providing 10% discount for students showing their valid student ID card.
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CHAPTER 5. CONCLUSIONS AND DISCUSSION

This thesis contains the marketing plan for our case company, hair salon “Make Me” The company is concerned because their current customers are either aging or moving to other cities, leaving them in a need of instructions of successful business promotion to possible new client markets. We as the authors of this thesis collected prerequisite information of the case company from customers via questionnaires and interviewed the owner. This information is then used in the case company introduction, situation analysis and customer segmentation.

Based on the questionnaire and interview results, that have been further discussed in the analysis section, the average customer characteristics were revealed. Almost a half of the customers are over fifty years old and the vast majority were women with men raking in at 21%. The most average client is an above middle-age woman who lives in the same city that the salon is located in. They use the services every month or every other month and usually purchase products after the appointment. They became a client by a recommendation from a friend and typically follow the hair salon on at least one of their social media platforms. Workmanship, familiar staff and customer service skills are the most valued factors for the average customer.

The situation analysis contains analysis of both micro and macro environments along with SWOT and PESTEL. These go into detail about the current situation. A thorough investigation about the current competitors has been conducted. The reasoning behind the chosen situation analysis, research methods and business promotion tools are all explained along with general information about these methods. The business promotion plan itself is focusing on social media promotion along with a general view of customer segmentation and positioning. The aim was to maintain current customer relationships and gain a new and younger client base, the latter helping the company with longevity. Our thesis explains ways to achieve this by giving the preferred solution and step-by-step instructions on how to implement them.

The company is currently doing reasonably well in their competitive field based on all of our research. Our thesis will help the owner of salon to direct the hair salons marking towards the best possible outcome. The answer to the research question is to implement and maintain up-to-date business promotion methods along with high quality service.

In the future, the case company should calculate if the follower counts on their social media profiles have increased after implementing the suggested methods and if that number correlates with new customers in the target market. The goal is to gain more customers and increase social media follower amount by 30% in a span of a year. These goals are reachable for a small business in a small city. We are planning on contacting the commissioner next year to ask if the goal was reached and if our implementation plan helped in bringing more revenue and longevity for the company.

Discussion

The strength of our thesis is the depth which we got into in the company analysis.

We were able to get a clear picture of the company's current situation and to build a strong implementation plan on top of the analysis. What could have been looked into more are the competitors in the same market. Our original subject was to create a business plan to the commissioner, which evolved into a business promotion plan during conversations with our thesis instructor. This change was actually extreme good, as the commissioning business is doing rather good business-wise and their biggest flaws and lacks are on the business promotion side, and specifically on social media aspect of it all.

The timeframe for the whole thesis project was 2 months. The amount of time that we had to research and put together the thesis was extremely tight and could have possibly led into the thesis not being thorough enough on things and plans being only half made, but this did not happen in our case. We put vast amount of

time and effort into providing our commissioner a competent analysis on the business and implementation plans to increase customer flow and revenue.

The reliability of the questionnaire results is not absolute. This is why we gathered a large number of filled out questionnaire when taking the size of the business into consideration, to get answerers which would sum up to being quite truthful. For example, in the question regarding the valued hair industry factors we received a large amount of similar answers, which shows that the big picture that the answered show is rather reliable. The results were in line with what the owner of the salon told us about the business and its customers during our interview. One customer expressed that he was not happy with the wait times, but this was mentioned only once, and we can assume from the lack of the similar answers that this matter does not pose any valid threat to the hair salon. The open questions of the questionnaire were not answered by 18 customers out of the 100. This leaves us with the questions of, if they were too time consuming, hard to answer or if they were not interested in giving us their opinion or if they simply did not have an opinion regarding the questions? The open questions could have possibly been changed to different questions or changed the question type completely to questions with ready answers easier to answer. The lack of these answers can have an effect on the validity of these subjects. Nevertheless, we received enough answers to get an idea on customer's thoughts and values. The data we received, and the implementation plan answer to the research question and they should be beneficial to the company's growth, which proves that the thesis is valid.

The whole process taught us abundance of information on how to decide which ways, processes and methods to use to get the needed information. We also learned about source criticism and finding out reliable sources and the process of finding the best possible sources. During the early process of finding sources we realized that there is not much data regarding the small business anywhere online nor printed, so we executed the interview with the business owner to get reliable and factual information.

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APPENDIX

APPENDIX 1: CUSTOMER QUESTIONNAIRE IN ENGLISH

Hello, I am a business Administration student from Sumy State University. I am working on my thesis, which will be a Management of business promotion for Hair Salon” Make Me”. The data collected in this questionnaire will be used in our thesis. We will develop business promotion of the salon based on the answers. Answering the questionnaire is done completely anonymously. The results will be stored the length of the thesis process. Thank you for your answer.

I give the permission to use my answers during the thesis process Yes No

Age: _____

Gender: Female Male Other

Place of residency: _____

How long have you been a customer of the salon? Please choose one.

- 6 months or less
- One year or less
- 2-4 years 5-9 years
- 10 years or more

Do you use the services? Please choose one.

- Actively/Regularly
- Randomly

How often do you use the services? Please choose one.

- Monthly
- Every couple month 1-3 times a year
- Less frequently than once a year.

Other, what? _____

How have you ended up as a customer of the salon? Please choose one.

- Recommendation from a friend
- Social media
- Print media (for example commercials)
- Spontaneously trying out a new place
- Other, what? _____

Do you follow the salon in social media?

- Yes:
 - Facebook
 - Instagram
 - Salons home page
- No

Do you purchase the salons products during your visit? Please choose one.

- Yes
- No

If you answered "no", why? Please choose one or more.

- The products are too pricy
- You purchase your products elsewhere like for example from a grocery store
- You don't feel like you need them
- Other, what? _____

Which of the following factors do you consider important in hair salons? Please choose one or more. Please also underline 1 or 2 that are the most important.

- Location
- Extensive opening hours
- Price-quality ratio
- Professional skills

- Appearance of the business
- Versatile services
- Fluent appointment booking system
- Familiar Staff
- Atmosphere of the business
- Customer service skills
- Quality of products

Do you think that “Make Me” has improvements to make in any of the abovementioned factors? If yes, in which one/ones?

Is there anything that would make you use their services more often?

Do you think there are any factors that the salon has exceeded in?

APPENDIX 2: INTERVIEW QUESTIONS IN ENGLISH

- What do you expect from the thesis and what do you want us to investigate?
- Could you please tell us background history about the business and about the business overall?
- Could you please tell us about the financial side of the business?
- What do the customers expect from the hair salon?
- What do you think makes the business stand out in the competition?
- What networks and partnership does the business have?
- Could you please tell us about the current marketing situation of the business?
- What have you done to improve the business and what do you think could still be improved?