ColorCuts Taylor Oyama Kayla Caliboso Mrs. Janise Kim Faye Gibo Dr. John Brummel Mililani High School 95-1200 Meheula Parkway Mililani, HI 96789 April 15, 2010

Table of Contents

I.	Executive Summary	1
II.	Market Research/Analysis	2
	A. Marketing Environment	2
	i. Demographics	2
	ii. Economic Environment	3
	iii. Natural Environment	4
	iv. Technological Environment	5
	v. Political Environment	6
	B. Consumer Market Analysis	6
	C. Customer Profile	8
	D. SWOT Analysis	10
III.	Marketing Problem	12
IV.	Marketing Objectives	12
V.	Marketing Strategies Proposal	13
	A. Product	13
	B. Price	14
	C. Place (Distribution)	15
	D. Promotion	19
VI.	Budget	20
VII.	Evaluation Plan	21
VIII	References	23

IX. Appendix

A.	Primary Research Proposal	.25
B.	Current Customer Survey	.26
C.	Younger Crowd Survey	.28
D.	Locks of Love Event Flyer	.30
E.	15% Off of First Haircut Promotional Deal	.31
F.	Survey Results	.32

Executive Summary

ColorCuts is a unique color and cut hair salon located on Ala Moana Boulevard in Honolulu, Hawaii. It offers a variety of services ranging from color treatments and cuts, to manicures and makeup. ColorCuts is dedicated to customer service and always wants a customer's salon experience to be relaxing and pleasant.

Primary and secondary research was done to learn about the target market. Based on a customer survey (Appendix B), 56% of ColorCuts clientele are between the ages of 40-60 years and their promotion tactics so far have been focused on maintaining their target customers. However, every year a business loses 10% of it's clients; therefore, the recommended objectives for ColorCuts is to increase web traffic to its website and to bring in a goal of twenty new customers who are within a younger age range of 20-40 years of age by the end of 2010.

To achieve these objectives, there are two main recommendations: a Locks of Love event sponsored and organized by ColorCuts and implementing changes to the ColorCuts website. The Locks of Love event will allow prospective customers to experience the salon's services first hand while performing a charitable act. With regards to website changes, research found that in 2007 62% of all households in the U.S regularly use the Internet. Adding new features to the ColorCuts website such as testimonial pages, blogs, pictures, and online scheduling will help to it to become more interactive with the current and new target market and help to influence customers to try ColorCuts.

By implementing these suggestions, ColorCuts will be able to expand their target market and overall customer base.

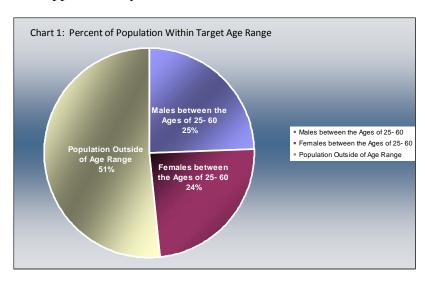
Market Research / Analysis

Marketing Environment

Demographics

ColorCuts is a hair and nail salon, it focuses mainly on men and women between the ages 25-60, who earn middle to high income. According to information from the 2000 U.S Census, there are approximately 221,956 men and 214,718 women in the

Honolulu County
who are between
these ages. Men
and women between
these ages account
for 49% of the total
population in the

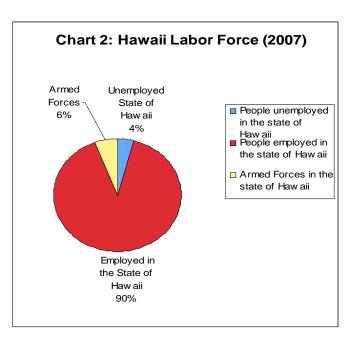


Honolulu County, as shown in Chart 1 below. This gives ColorCuts a large number of potential customers. However, according to the customer survey, ColorCuts' customers must also earn middle to high income (50,000 - 100,000+) (Appendix B: Current Customer Survey & Appendix F: Survey Results) to allow for its upscale prices (\$40-\$65); the average price for a women's haircut is \$21.00 (Kuczynski, 2004). According to the 2005-2007 American Community Survey, this narrows down their potential customers to approximately 96,550 men and 59,476 women. Therefore, their total percentage of potential customers out of all Honolulu County residents is now 17.2% with both men and women combined.

Economic Environment

In the state of Hawaii, the number of employed civilians has been increasing every year from 1990 to 2007. In 1990 there were 537,650 employed civilians; in 2007 it

increased to 631,850. The chart on the right shows the labor force of Hawaii in 2007 broken up into three sections: people unemployed in the state of Hawaii, people employed in the state of Hawaii, and Armed forces in the state of Hawaii. According to the 2007 Census reports, 90% of people are



employed, 4% are unemployed, and 6% are in the Armed forces. As of June 2009 the unemployment rate in Hawaii has increased to 7.4%, equivalent to 47,700 people (Census, 2007).

In the United States, 60% of the population is employed, and 4.2% are unemployed. The national unemployment rate has risen to 9.8% (Census, 2007). With so many people losing their jobs, there will be less discretionary income for luxury.

In Hawaii, many people have been furloughed and laid off in the past year.

Governor Lingle began delivering written layoff notices to around 1,100 State employees on November 13, 2009. Since September 1, 2009, around 900 state employees have been furloughed three days a month (Hawaii, 2009). This could cause customers to be more

careful and frugal with their money, and they might be looking for better deals than spending a lot on certain things.

Natural Environment

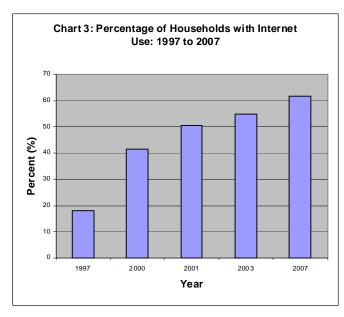
The natural resources in the world are at fixed amounts. As the years go on, our resources become less and less as we waste more and more. Water, soil, fuel sources, clean air, and other raw materials are being consumed at an alarming rate. The current generation has realized the harm they are doing to the environment and are trying to reduce their refuse and recycle.

It is very important for businesses, as well as individuals, to dispose of their waste responsibly. As a small business in any industry, ColorCuts is likely to make less than 220 lbs of hazardous waste a month (Environmental, 2001). This makes the business a Conditionally Exempt Small Quantity Generator; meaning it needs to comply with three waste requirements. First, all waste that has been generated needs to be identified. Second, no more than 2,200 lbs of hazardous waste is allowed at the site at any time. Lastly, waste must be delivered to an off-site treatment or disposal facility (Environmental, 2001).

More and more businesses are becoming eco-friendly. By becoming an eco-friendly business it helps reduce the need for more landfill space, protect the ozone and ecosystems, reduce the demand on finite resources, and improve water and air quality. Another benefit of "going green" is that it will improve the salon's value in the community. People will want to go to a place that is good for the environment.

Technological Environment

Technology in the 21st century has been improving rapidly, especially with regards to the Internet. According to the U.S Census Bureau Reports, household Internet use tripled from 18% of households in 1997 to 62% of households in 2007 (US, 2000). Below Chart 3: the Percentage of Households with Internet Use illustrates the percentage of households with Internet use from 1997 to 2007; it also shows the potential impact Internet could have on a company. For example, advertising on the Internet would reach a much larger population, as opposed to a flyer in one location. Another growing technology trend is a Digital Video Recorder, or DVR. DVR allows the user to fast



forward and avoid commercials.

According to the Leichtman

Research Group, in 2007, 20% of

US homes already had a DVR.

That percent is expected to increase
to 50% of US homes in 2011. This
poses a threat for companies who
choose to advertise through
televised commercials.

The technology in hair re-growth has a direct effect on our company, ColorCuts.

According to a press release on PRLog, 40% of men will at some point in their life experience hair loss or thinning. However, hair loss is no longer an issue focused only on men; women experience hair loss as well. In fact, based on an article supported by the American Society of Plastic Surgeons, one in five women will experience some degree of

hair loss (American, 2010). Many new products such as Zenagan Stop Hair Loss shampoo or Nisim NewHair Biofactor address this issue with hair care products that encourage enhanced new growth of thicker, healthier hair.

Political Environment

On May 6, 2009, Sarah Jane Ward sued Rumi Simone Salon for humiliation, depression, and the cost of hair extensions. She claimed that after a stylist bleached her hair, her hair began falling out in clumps (Mooney, 2009). Ward did not win this case, but it goes to show that in the business of hair, what the customer wants is the number one concern. Customers have the right to sue their stylist if the result is far from what they specified. For example, if a customer specifically asked for two inches cut off and the stylist cuts off ten inches without consent, the customer can sue for breach of contract. Furthermore, customers are also known to sue for liability when the hair products or tools used caused injury. Such as if the scissors were to cut the customer or if a permanent were to burn them. According to a personal injury form blog, if one is looking to sue for liability, one should write down specific dates, actions, or events that occurred.

Consumer Market Analysis

There are several factors that can influence the buying behavior and characteristics of a salon client. One psychological factor is loyalty. If a client is loyal to their stylist, they will be more likely to see them and keep their business with them, instead of trying different places. Confidence is another psychological factor for a customer. Those who are very confident will keep up their appearance by getting their haircut regularly. On the other hand, customers can also be insecure and try something

different to increase their self-esteem. This is a big factor for women; hair means a lot to women and trying somewhere new means putting your hair in the hands of someone you do not quite trust yet. When a client walks in, they want to feel welcomed and wanted as opposed to being overlooked. If they have a sense of belonging there, they will be more likely to come back.

Buyer characteristics can also be social. A customer's income level can influence whether or not they will come to ColorCuts. Most clients at ColorCuts would need middle to higher income to feel comfortable to spend a little more for the services that they provide (See Appendix B and Demographics section). Family can also affect buying behavior. For example, 47% of all customers surveyed said they have other household members that go to ColorCuts as well.

In addition to psychological and social factors, culture can also affect buying behavior. Cultural factors can be related to one's ethnicity. For example, some ethnicities may have different traditions dealing with hair, while others have to wait until they are a certain age before they can cut their hair. In certain ethnicities, it is natural to have their hair at certain lengths. In today's American culture, the public follows many different trends in style. When something new is in style, people change their hairstyles and other aspects of their appearance to meet the new trends.

Personal preference is another large factor in buying behavior. Those looking for a high-end experience would not search for a shop that deals with quick cuts; they would go to a salon to get the full experience. Gender can also affect customers' decisions. If the place they are going to tends to focus more toward women, men will not be as likely to go there.

Customer Profile

A survey of current ColorCuts customers was conducted to determine if ColorCuts' customers access the ColorCuts website and if it would benefit the company and customers to implement modifications to the website. This survey will also help to understand the demographics of the current customers of ColorCuts.

Based on the current customer survey conducted in a 7- week period (see Appendix B), customer-buying behavior is influenced by a wide range of variables; variables such as, price, loyalty, friend testimonials, location, and appearance.

Price affects the buying behavior of a customer because ColorCuts has prices that are considered higher end, and according to the survey, approximately 70% of customers surveyed earn a household income over \$80,000 compared to the average household income of \$80,037. This makes them more likely to spend money on the luxury of an upscale haircut.

However, loyalty can occasionally overcome price. For example, one customer has followed the co-owner of ColorCuts from job to job and has continued with his services when the prices rose, though their income is between \$70,000 – 80,000.

Similarly, 19% of customers started coming to ColorCuts after being referred by a friend, relative, or a friend's testimonial (Appendix B). One form of a testimonial is the haircut itself. Hearing positive feedback about a company will influence customers to buy their services because though they do not yet trust the company, they do trust their friend to give them quality information.

ColorCuts is located along Ala Moana Boulevard in Honolulu, in an older building with poor visibility and aesthetics from the street level. Their location can affect

a buyer's behavior because the closer a salon is to work or home, the more convenient it is, and the more likely a customer will go there. According to the survey, 86% of current customers work in Honolulu; and 63% live in Honolulu. Likewise, the appearance of a building can affect a buyer's behavior because potential customers will decide on the price they want to pay 30 feet from the actual store. Which means, a first time customer might look at the building and based on its appearance, decide that she/he does not want to pay a very high price. Considering that ColorCuts has upscale pricing, a first time customer is unlikely to get a good first impression of ColorCuts if the price she/he preferred to pay was much lower than the prices they charge. The building that ColorCuts is located in will be judged as opposed to the quality of service.

A customer's decision making process begins with the need or wants for something. To apply it to ColorCuts, a client would start the process by feeling as if she/he needs a haircut. The next step is to search for information. They will look for information that will help influence them in their decision. This information could be from a picture of a hairstyle she/he likes, talking to family and friends, and even previous experiences that they have had. From here a customer decides whether or not they would rather go to ColorCuts or to another place. The customer evaluates the possible choices and other opportunities. She/he can look at the prices and other clients that are currently there to see what types of styles they do. Then the customer will choose where and what they want and proceed with their purchase or in ColorCuts case, the haircut and other services. The last step in the decision making process is after purchase evaluation. Now they decide if they would like to continue coming to ColorCuts or try somewhere else based on their experience.

ColorCuts SWOT

Streng	ths	Weaknesses
0	Great teamwork within employees	 Location is difficult to find
0	Excellent customer service	 They do not advertise much
0	Paul Mitchell Focus Salon	o Prices are high-end
0	Loyal customers	o Paul Mitchell Focus Salon
		o Few work hours
Oppor	tunities	Threats
0	Class A building is for sale close by	 Hair salons are very common
0	InStyler	o Many other salons have lower
		prices

Opportunities

ColorCuts has been looking into moving locations for a few years now, and recently a property has opened up in a Class A building (a building that is the highest quality available in the given market), that is near their current location and within their budget. They are also looking into purchasing an InStyler, which is a new hairstyling tool on the market. The InStyler is a new hair styling tool that straightens, polishes, and styles hair by using a rotating cylinder with brush bristles.

Threats

Hair salons are very common; within a mile of ColorCuts there are 20 other salons. For someone who does not live, or work in Honolulu, one could easily find a salon that is more convenient for him/her. Another threat and weakness to this company is their prices are over twice the average amount for a hair cut in the US (Kuczynski, 2004). This makes more economical salons such as Supercuts or Fantastic Sam's a bigger threat.

Strengths

What sets ColorCuts apart is quality of service and overall experience. They do their best to help you avoid long waits in their salon by calling you ahead of time if they are behind schedule, and if a wait cannot be avoided, they offer various refreshments and magazines while you wait. They also choose employees that are able to work together as a team and are not focused on what the individual needs to do. For example, if one person is out sick, the stylists will spread their appointments out evenly so the customer has the choice of getting his/her hair done by someone else rather than being force to reschedule. This has gained them many loyal customers over the years. ColorCuts is also a Paul Mitchell Focus Salon, which means they choose to sell and use only Paul Mitchell products. This is a strength because it allows ColorCuts to be included in meetings and promotional products sponsored by Paul Mitchell.

Weaknesses

However, being a Paul Mitchell Focus Salon can be a weakness as well as a strength. By consenting to be a Paul Mitchell Focus Salon, ColorCuts is not permitted to use or sell any other brands of products, therefore missing out on a wider variety of products. Another weakness is their current location. It is difficult to find and has virtually no visibility from the street level. They also do not do any major advertising other than having their business in the phonebook. Furthermore, their high prices are also a weakness, as mentioned above in threats. ColorCuts current work days are only Wednesday, Thursday, Friday, and Saturday; this limits schedule availability for their customers.

Marketing Problem

ColorCuts marketing problem is the audience to whom they are promoting. Their promotion tactics, so far, have been focused on maintaining their current customers, as opposed to being focused on gaining new customers which would ensure future growth and viability.

Marketing Objective

- To gain twenty new customers within the ages of 20 40 by the end of the year.
- To increase the number of hits the ColorCuts website gets each month by
 15%.
- To implement modifications to the ColorCuts website to make it more informative and personalized by June 2010.

Marketing Strategies Proposal

Product

ColorCuts is valued for their skill in color treating and cutting their customer's hair. The owners, Faye and Verne Gibo, have a combined work experience of over 40 years and they put great emphasis on keeping up with the current trends of cuts and colors so they can do exactly what the customer wants. They require this of not only themselves, but their stylists as well. Color treatments are a strength of ColorCuts, they are able to make highlights look natural and dyes have dimension by using many shades of one color. As mentioned in the strength section of the SWOT, Colorcuts does their

	Table 1: ColorCuts Width and Depth						
Hair Service	Color Service and Texture	Waxing	Nails and Makeup	Hair Styling Tools	Paul Mitchell Hair Care Products		
 Women Hair Cut with Faye Women Hair Cut with Verne Men Haircut with Verne Haircut with Stylist Shampoo + Blow dry Special Set/ Bridal Updo 	 Color Retouch Color Retouch and Blow dry Highlights Partial Highlights Virgin Color Dimensional Color Permanent Wave Japanese Perm 	 Eyebrow Shaping Upper lip Wax Cheek Wax Chin Wax 	 Makeup Applicati on Makeup Lesson Manicure Spa Pedicure 	 Paul Mitchell Pro Tools Express Ion Styling Flat Iron 1.25" Paul Mitchell Express Ion Dryer Paul Mitchell Pro Tools Express Ion Round Brush Paul Mitchell Pro Tools The Diffuser 	 Shampoo Conditioner Serums Styling Gel Hair Sprays 		

best to cater to their customers. They are continuously thinking and implementing ways to improve their shop to make it more appealing and comfortable to their customers. As a Paul Mitchell Focus Salon, ColorCuts only sells and uses Paul Mitchell hair products, no other brands. ColorCuts is in the maturity stage of their product life cycle. They meet their sales goals regularly and have a sufficient amount of returning customers.

Price

ColorCuts current pricing strategy is based on demand and competition. Based on a current customer survey, demand is inelastic (Appendix B), their clients have a higher income, and demand would not change if their prices changed. However, a salon experience is a luxury service; prices can only go so high before the demand becomes elastic. Table 2 below shows the current prices that ColorCuts charges.

Table 2: Pricing Chart						
Service	Price	Service	Price			
Hair		Texture				
Women Haircut with Faye	65+	Permanent Wave	90+			
Women Haircut with Verne	65+	Japanese Perm	By Consult			
Men Haircut with Verne	40+	Waxing				
Women Haircut with Stylist	50+	Eyebrow Shaping	25+			
Men Haircut with Stylist	30+	Upper Lip, Cheek, Chin	20+			
Shampoo and Blowdry	40+	Makeup				
Special Set/ Bridal Updo	65+	Application [45 min]	50+			
Color		Lesson [75 min]	75+			
Color Retouch	50+	Nails				
Color Retouch & Blowdry	65+	Manicure	20+			
Highlights (Full Head)	150+	Spa Pedicure	55+			
Partial Highlights (Top/Sideds,	110+					
Includes Toning)						
Virgin Color	100+					
Dimensional Color	150+					

Recommendation with regards to Price

Recommendation: Bundle price deal

Based on the results of the 7-week customer survey, only three customers purchased a manicure or pedicure service. In order to boost sales of these services, it is recommended that a bundle pricing deal be implemented. One suggestion is ColorCuts offer a manicure price of \$15 (compared to \$20) and a pedicure price of \$35 (compared to \$55) if a customer also purchases a hair service.

Place (Distribution)

ColorCuts is located along Ala Moana Boulevard in Honolulu, in an older building with poor visibility and aesthetics from the street level. The only visible exterior sign is very small and unlikely to be seen by passers-by. Despite the unadorned exterior, the interior of the shop is kept updated and in excellent working order. All stylists are directly employed by ColorCuts, meaning that any service a customer receives will come straight from the source; there are no intermediaries involved.

Recommendation with regards to exterior

Recommendation: Large exterior sign

The recommendation to the exterior of the salon is to display a larger sign with a large font that is better seen from street level. ColorCuts current sign is very small, around 1'x 2'. A larger sign, 3'x 5', will make ColorCuts more noticeable to those passing by. There is a large space available for a sign to be set up to create better visibility (see picture below).

ColorCuts currently has a website, however, it is very basic with few features and is inconsistent and hard to find. The website only lists simple information such as the ColorCuts team, its location, prices, and other general information about the salon.







Recommendations with regards to website

First recommendation: Advertising on Google

One recommendation is to advertise the ColorCuts website on Google. Many businesses are using the Internet as a key location to increase sales and interest in their products and services. Advertising on Google is very simple but effective. When a person begins a search on Google containing one of the 'tagged' words that the user chose, it will bring up the ColorCuts ad. For example, if a person searched for a Honolulu hair salon, ColorCuts would show up on the right side of the page. The ad only needs to be paid for each time it gets clicked.

This will help to meet objective number two because it will help bring people to the ColorCuts website and increase the amount of hits it will receive.

Second recommendation: Virtual appointment calendar

Based on the results from the Current Customer Survey (Appendix B) it would be very useful to ColorCuts' clients to include a virtual appointment log and calendar on their website. This makes it easier for the clients themselves to see availability of their preferred stylist. Other information that should be published on the website includes their business hours and days that they are open, along with contact information such as their email address, and their gratuity policy.

This recommendation will help to meet objective number three by implementing changes and new features to the website. It would also appeal to those in the recommended target market age range.

Third recommendation: Testimonials page

Recommendation number three is to provide either a page dedicated to the testimonials of their customers that includes a photo gallery of their haircuts, or a blog, which would allow potential customers to interact with and see how previous customers feel about ColorCuts and gain ideas on possible haircuts. The Current Customer Survey (Appendix B) shows that majority of the current customers use the Internet more than once a week, making this recommendation beneficial for customers.

This will help to meet objectives two and three by adding new features to the website, which can help increase the amount of views it receives.

Promotion

ColorCuts relies mainly on word of mouth promotion. The clients of ColorCuts talk to their friends and family about their experience and this helps others decide if they want to come to ColorCuts. This has been very successful for them so far indicated by the fact that ColorCuts meets all of its regular sales goals. They are also currently promoting themselves through the Paradise Yellow Pages. This promotes to any Hawaii resident that is in search of a hair salon.

Recommendations

First recommendation: Charity Event for "Locks of Love"

It is recommended to organize a one-day event at Colorcuts, where they will sponsor the Locks of Love foundation. Locks of Love is a public non-profit organization that provides hairpieces to financially disadvantaged children in the United States and Canada who are under the age of 21 suffering and from long-term medical hair loss from any diagnosis. ColorCuts will donate their services to those who wish to donate their hair. If a person donates his/her hair they have the option to receive a free hair cut and style. If a person does not have ten inches of hair to donate, he/she will still be welcome and pay the normal rate for a haircut with 100% of the proceeds going towards the Locks of Love foundation. To promote this one-day event, flyers will be put up near the area it will be located (see Appendix D for sample), so those passing by can come and see too. All current customers will be notified by email, and information will be posted on the ColorCuts website and local forums. Also, local news stations will be notified beforehand and asked to cover the event.

This recommendation meets objective one and two of this marketing plan because it will familiarize potential customers with ColorCuts by allowing them to experience their services first hand. Furthermore, the public exposure ColorCuts receive from this event will help to increase hits to the website and boost the image of helping the community.

Second Recommendation: Provide discount for first time customers.

A pricing promotional deal recommended for ColorCuts is to offer first time customers a 15% discount on the first service they receive (see Appendix E for sample). These coupons will be distributed to current customers, at events held by ColorCuts (such as the Locks of Love event), and will also be posted on the ColorCuts website.

This would meet objective number one because it would draw in more first time customers who would be more likely to come again after receiving ColorCuts' excellent service.

Budget

Table 3: Recommendation Budget					
Expense	Quantity	Cost	Total	Source	
Discount Coupons	100	\$.25	\$24.99	http://www.vistaprint.com	
Locks of Love Flyers	100	\$.84	\$83.95	http://www.nextdayflyers.com	
External Sign	One	305.00	\$305.00	http://www.signspecialist.com	
Advertising on Google (6 months)	One Ad	\$0.60 /day (cost per click)	\$150.00	http://adwords.google.com	
Website Maintenance	One year	\$100/ month	\$1200.00	Faye Gibo	
Total Budget			\$1763.94		

The majority of expense is due to the website maintenance who is a person hired by ColorCuts to update and maintain the website. The second most expensive

recommendation in the budget is the external sign which can be purchased and designed online.

The Locks of Love event is the main promotional recommendation, which serves the purpose of familiarizing potential customers with the ColorCuts name. The expense for the event is minimal because it will be held at ColorCuts. The exception is the flyers which will cost around \$80 to have color printed online.

Evaluation Plan

Table 4: Overview of Recommendations				
Recommendation	Purpose	Result		
Website Modifications	To give customers better	Appeals to target age range		
	communication and			
	efficiency through			
	technology			
Google Ad	To direct customers to	Increased website hits and		
	website	fuels interest in ColorCuts.		
"Locks of Love" Event	To familiarize potential	Customers will return for		
	customers with ColorCuts	great service		
	store and service			
First time coupons	To bring in more first time	First time customers will		
	customers	become returning customers		
External Aesthetics	To make shop location	Increased awareness of		
	more noticeable	shop location		
Price Bundle	Encourage customers to	Increased sales of minor		
	purchase less popular	services		
	services			

A few of the recommended changes to the website were testimonial pages, pictures, an online calendar view and scheduler, and policies. After improvements to the website have been made, its success can be measured by the amount of use the new features of the website receive, such as if customers begin using the online scheduler or responding to testimonial pages. The success of the ad on Google will be measured by the amount of clicks the ad gets per day and if web traffic to the ColorCuts website

increases. The objective of these two recommendations is to see a 15% increase of views each month compared to the amount of views the website received prior to the Google ad and added website features.

The "Locks of Love" event can be considered successful if a significant amount of money (approx \$500) is raised for the charity and by the number of new customer surveys that are filled out. Regarding the discount coupons, the amount of customers who come and use the coupons will be recorded. The goal is to have 15 new customers come and use the flyers by the end of the year. The success of the larger external sign can be measured by the number of walk-ins ColorCuts receives. These three recommendations meet the first objective by helping to bring in new customers.

The price bundling will be successful if manicure and pedicure services are purchased more often. This can be checked from the appointment record at ColorCuts that shows each service performed. Sales increases can be determined from receipt records.

Overall, if the company implements these recommendations, they will see an increase of clients in the target age range and of returning clients. These changes will strengthen the company by bringing in new customers that will be able to follow ColorCuts and make things easier and more efficient for the current customers.

References

- What's the problem?. (2007). Retrieved from http://www.gogreeninitiative.org/content/WhyGoGreen/
- Public event is the future of fashion green?. (2009, July 20).

 Retrieved from http://nysalon.org/salonoverviews/archives/public-events/public-event-is-the-future-of-fashion-green/
- *Green salon series.* (2009, May 9). Retrieved from http://www.breathela.org/events/green-salon-series-2010
- Get going green off of your to do list. (n.d.). Retrieved from http://www.naefss.org/
- Boradora, N. (2009, August 9). Hair stylist told to pay customer p120,000. Retrieved from Get going green off of your to do list. (n.d.). Retrieved from http://www.naefss.org/
- Hair salon injuries are common in burbank. (2009, April 6). Retrieved from http://blog.burbankpersonalinjuryfirm.com/2009/04/hair-salon-injuries-are-common-in-burbank.html
- Suing the stylist, how to do it. (2005, April 18). Retrieved from http://talk.hairboutique.com/forum_posts.asp?TID=29924
- Mooney, M. (2009, May 6). Lake oswego blonde sues salon for \$50,000. Retrieved from http://www.oregonlive.com/clackamascounty/index.ssf/2009/05/lake_oswego_blonde_sues_salon.html
- Internet & communications: internet publishing and broadcasting and internet usage. (2009, December 17). Retrieved from http://www.census.gov/compendia/statab/cats/information_communications/internet_publishing_and_broadcasting_and_internet_usage.html
- Edwards, T. (2009, June 3). Internet use triples in decade, census bureau reports.

 Retrieved from http://www.census.gov/PressRelease/www/releases/archives/communication_industries/013849.html
- West, L.A. (2009, June 13). A New beginning to the antiquated salon industry. Retrieved from http://www.prlog.org/10257451-new-beginning-to-the-antiquated-salon-industry.html
- Hair replacement. (n.d.). Retrieved from http://www.plasticsurgery.org/Patients_and_Consumers/Procedures/Cosmetic_Procedures/Hair_Replacement.html

- Earnings in the past 12 months. (n.d.). Retrieved from http://factfinder.census.gov/servlet/STTable?_bm=y&-context=st&-qr_name=ACS_2007_3YR_G00_\$2001&-ds_name=ACS_2007_3YR_G00_&-tree_id=3307&-redoLog=true&-_caller=geoselect&-geo_id=05000US15003&-format=&-_lang=en
- Age and sex. (n.d.). Retrieved from http://factfinder.census.gov/servlet/STTable?_bm=y&-context=st&-qr_name=ACS_2007_3YR_G00_S0101&-ds_name=ACS_2007_3YR_G00_&-tree_id=3307&-redoLog=true&-_caller=geoselect&-geo_id=05000US15003&-format=&-_lang=en
- Economic news release. (2010, April 2). Retrieved from http://www.bls.gov/news.release/empsit.nr0.htm
- Hahn, P. (2009, August 11). Hawaii's unemployment rate may be higher. Retrieved from http://www.grassrootinstitute.org/blog/hawaiis-unemployment-rate-may-be-higher
- Strengthening hawaii's economic future. (2009). Retrieved from http://hawaii.gov/gov/fivepointplan
- State Delivers layoff notices to 1,100 union employees, 900 to be furloughed. (2009, August 4). Retrieved from http://www.hawaii247.org/2009/08/04/state-delivers-layoff-notices-to-1100-union-employees/
- Selected economic characteristics: 2005-2007. (n.d.). Retrieved from http://factfinder.census.gov/servlet/ADPTable?_bm=y&-geo_id=01000US&-qr_name=ACS_2007_3YR_G00_DP3YR3&ds_name=ACS_2007_3YR_G00_&-lang=en&-redoLog=false&-_sse=on
- Selected economic characteristics: 2005-2007. (n.d.). Retrieved from http://factfinder.census.gov/servlet/ADPTable?_bm=y&-geo_id=05000US15003&-qr_name=ACS_2007_3YR_G00_DP3YR3&-ds_name=ACS_2007_3YR_G00_&-_lang=en&-redoLog=false&-_sse=on

Hair salon industry overview. (n.d.). Retrieved from http://industries.hoovers.com/consumer-services/hair-salons

2007 naics definitions. (n.d.). Retrieved from http://www.census.gov/naics/2007/def/ND812112.HTM#N81211

ColorCuts 25

Appendix A: Primary Research Proposal

Company: ColorCuts

Team Member Names: Kayla Caliboso

Taylor Oyama

ColorCuts mainly acquires customers through word of mouth and they do not

receive many walk-ins. They usually meet their sales goal daily with seven employees,

including the two owners. The location of their shop is in Honolulu and their shop is not

visible from the street. They have a website designer and a CFO. However, their website

is hard to find and is not very through or detailed. They have been in business for

seventeen years and have changed their company name once.

Purpose of Primary Research

The purpose of our primary research is to determine if ColorCuts' customers

access the ColorCuts website and what changes could be made in order to appeal to a

younger crowd. Concerning the website, we want to find out if it would benefit the

company and customers to implement modifications to the website.

Selected Research method and why

Our selected research method is to conduct two surveys, one survey of the

ColorCuts customers when they come into the shop and another of random persons of a

younger generation, approximately, ages 12 - 20. We chose this method because with a

survey, we can gather specific information that we want and control the answers we

receive. In addition, it will be helpful to have a hard copy of the information we gather.

Appendix B: Current Customer Survey

We are two high school students researching this business; we will only use this information for our educational purposes, and we will not share your information with anyone.

SEX1 a / b 1. Sex: Male / Female	2			
AGE2 2. Are you between to	the ages of?			
□ Under 10 years a			41 – 50 years	e
\Box 10 – 20 years b			51 - 60 years	f
\Box 21 – 30 years c			61 - 70 years	g
\Box 31 – 40 years d			Over 71 years	h
WORKZIP3 3. Zip code of city of	workplace:			
LIVEZIP4 4. Zip code of city yo	ou live in:			
HOMEMEM5 5. Do any other house	sehold members rec	ceive services	here? YES	a b NO
HSERV6 6. What kind of hair	· service does Color	Cuts provide	you with? (cir	cle all that apply)
HSERV6a Pe	erm H	ISERV6b Cu	t HSER	CV6c Color Treatment
HSERV6d Manicure/	Pedicure H	I <mark>SERV6e</mark> Ma	ke-up	HSERV6f Waxing
NFVISIT7 7. How often do you	come to ColorCuts	? Every		
a 2 – 4 weeks	b 4 – 8 w	eeks	c 3 months	d 4 months
e 5 months	f 6 month	s	g Other:	
WEBUSE8 8. How often do you	use the Internet?			
a once a month	b once a week	c more	than once a wee	ek d not at all
WEBPUR9	e]•		

9. What is the usual purpose of your online activity? (circle all that apply)

WEBPUR9a browsing Internet	WEBPUR9b re	search WEBPUR9c email/
instant messaging WEBPUR9d	shopping	WEBPUR9e social sites i.e. Facebook
WEBPUR9f other:		
HEAR10		
10. How did you hear about Color	Cuts?	
a website b word of mouth	c phonebook	d other:
CCWEB11 11. Have you ever visited the Color	Cuts website?	a b YES NO
CCWEB11a 11a. If no, were you aware the	nat ColorCuts has a	a b website? YES NO
APPTS12		
12. How do you currently schedule	your appointmen	ts?
a E-mail b Phone	c In Person	
APTWEB13 13. Would you like the ability to so	hedule your next :	appointment online? a b YES NO
INCOME14 14. What is your combined househousehousehousehousehousehousehouse	old income?	
□ <30,000 a		□ 70,000-80,000 f
□ 30,000-40,000 b		□ 80,000-90,000 g
□ 40,000-50,000 c		□ 90,000-100,000 h
□ 50,000-60,000 d		□ > 100,000 i
□ 60,000-70,000 e		
ETH15 15. Ethnicity (circle any that apply)	
a Caucasian b Asian c Afr	rican American	d Native Hawaiian
e Pacific Islander	f Other:	

Appendix C: Younger Crowd Survey

Thank you for participating in our quick survey. We are two high school students researching this business. This information will only be used for educational purposes, and we will not sell your information to anyone.

AGE1

Are you between the ages of:

Under 10 years	A
10 - 20 years	В
21 - 30 years	C
31 - 40 years	D
41 - 50 years	E

CURLOC2

Where do you currently get your hair cut?

A= At Home
B= Reasonably Priced Salon
C= Salon

D= Pays for a Family Friend

CPRICE3

How much do you currently pay to get your hair cut?

None	A	\$51 - 60	G
Under \$10	В	\$61 - 70	H
\$11 - 20	C	\$71 - 80	I
\$21 - 30	D	\$81 - 90	J
\$31 - 40	\mathbf{E}	\$91 - 100	K
\$41 - 50	\mathbf{F}	\$100 +	L

CPRICE4

Are you happy with the current price you pay? YES NO
If no, what would your ideal price range be?

Do you receive any type of other service in the same location that you receive your haircut? (circle all that apply)

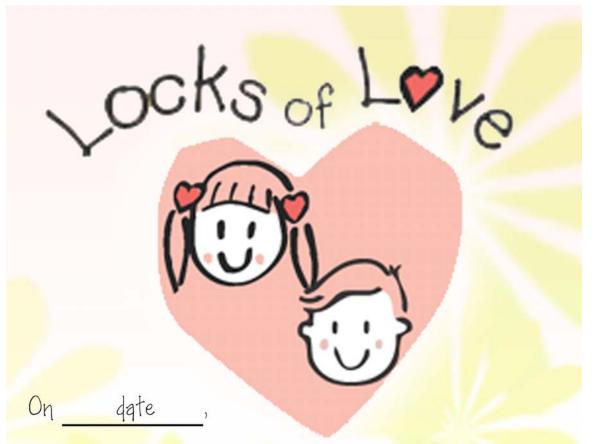
	Service	Price p	paid			
E			A	\mathbf{B}	C	D
	WPERM5	Wave perm	< \$50	\$50-80	\$80-110	\$110+
	STPERM6	Straight Perm	< \$70	\$70- 100	\$100-130	\$130+
	COLOR7	Color	< \$60	\$60-90	\$90-120	\$120+
	MAKEUP8	Make Up	< \$20	\$20- 50	\$50-80	\$80 +
	STYLE9	Styling	< \$30	\$30-60	\$60-90	\$90 +

MANI10	Manicure	< \$20	\$20- 50	\$50-80	\$80 +
PEDI11	Pedicure	< \$30	\$30-60	\$60-90	\$90+
WAX12	Waxing	< \$20	\$20- 50	\$50 +	

XYEAR13
How many times a year do you get your hair cut or styled? (circle one)

	<i>J</i>	5 5 6 5 5 6		(,	
Once	Twice	Three	Four	Five	More?
\mathbf{A}	В	\mathbf{C}	\mathbf{D}	${f E}$	${f F}$

Appendix D: Locks of Love Event Flyer



Join ColorCuts in returning a sense of self-confidence and normalcy to children suffering from hair loss by donating at least 10 inches of your hair.

Located at: 660 Ala Moana Blvd Ste 211 Honolulu, HI 96813 808-524-1300 Anyone donating hair will recieve a hair cut at no cost.

Even if you not donating hair, ColorCuts will donate 15 percent of all proceeds to Locks of Love.

Appendix E: 15% Off First Haircut Promotional Deal



& A Friendly Envrionment

(808) 524-1300

Appendix F: Survey Results

Case Processing Summary

		Cases						
	Va	lid	Missing		Total			
	N	Percent	N	Percent	N	Percent		
SEX1 * Perm	52	100.0%	0	.0%	52	100.0%		
SEX1 * Cut	52	100.0%	0	.0%	52	100.0%		
SEX1 * Color Treatment	52	100.0%	0	.0%	52	100.0%		
SEX1 * Manicure/ Pedicure	52	100.0%	0	.0%	52	100.0%		
SEX1 * Make-up	52	100.0%	0	.0%	52	100.0%		
SEX1 * Waxing	52	100.0%	0	.0%	52	100.0%		

SEX1 * Perm Crosstabulation

Count

		Pe		
		Yes	No	Total
SEX1	Male	1	9	10
	Female	5	35	40
			2	2
Total		6	46	52

SEX1 * Cut Crosstabulation

Count

		Cut	
		Yes	Total
SEX1	Male	10	10
	Female	40	40
		2	2
Total		52	52

SEX1 * Color Treatment Crosstabulation

Count

		Color Tr		
		Yes	No	Total
SEX1	Male	1	9	10
	Female	30	10	40
		2		2
Total		33	19	52

SEX1 * Manicure/ Pedicure Crosstabulation

Count

		Manicure/		
		Yes	No	Total
SEX1	Male		10	10
	Female	3	37	40
			2	2
Total		3	49	52

SEX1 * Make-up Crosstabulation

Count

		Mak		
		Yes	No	Total
SEX1	Male		10	10
	Female	1	39	40
			2	2
Total		1	51	52

SEX1 * Waxing Crosstabulation

Count

		Yes	No	С	Total
SEX1	Male	3	7		10
	Female	2	37	1	40
			2		2
Total		5	46	1	52

Case Processing Summary

		Cases						
	Va	lid	Miss	Missing		tal		
	N	Percent	N	Percent	N	Percent		
AGE2 * WEBUSE8	52	100.0%	0	.0%	52	100.0%		
AGE2 * Browsing Internet	52	100.0%	0	.0%	52	100.0%		
AGE2 * Research	52	100.0%	0	.0%	52	100.0%		
AGE2 * Email/ Instant Messaging	52	100.0%	0	.0%	52	100.0%		
AGE2 * Shopping	52	100.0%	0	.0%	52	100.0%		
AGE2 * Social sites i.e Facebook	52	100.0%	0	.0%	52	100.0%		
AGE2 * Other	52	100.0%	0	.0%	52	100.0%		

AGE2 * WEBUSE8 Crosstabulation

Count

			WEBUS	E8		
				More than		
		Once a month	Once a week	once a week	Not at all	Total
AGE2	10 - 20 years			1		1
	21- 30 years	1		4		5
	31 - 40 years		1	7		8
	41 - 50 years	1	2	8	1	12
	51 - 60 years		3	13	1	17
	61 - 70 years			6		6
	Over 70 years			1	2	3
Total		2	6	40	4	52

AGE2 * Browsing Internet Crosstabulation

Count

		Br	owsing Intern	et	
		Yes	No		Total
AGE2	10 - 20 years	1			1
	21- 30 years	4	1		5
	31 - 40 years	5	3		8
	41 - 50 years	9	3		12
	51 - 60 years	10	6	1	17
	61 - 70 years	2	4		6
	Over 70 years		1	2	3
Total		31	18	3	52

AGE2 * Research Crosstabulation

Count

			Research		
			а	b	Total
AGE2	10 - 20 years		1		1
	21- 30 years		4	1	5
	31 - 40 years		5	3	8
	41 - 50 years		11	1	12
	51 - 60 years	1	13	3	17
	61 - 70 years		2	4	6
	Over 70 years	2		1	3
Total		3	36	13	52

AGE2 * Email/ Instant Messaging Crosstabulation

Count

		Email/	Instant Mess	aging	
			а	b	Total
AGE2	10 - 20 years		1		1
	21- 30 years		3	2	5
	31 - 40 years		7	1	8
	41 - 50 years		10	2	12
	51 - 60 years	1	14	2	17
	61 - 70 years		5	1	6
	Over 70 years	2	1		3
Total		3	41	8	52

AGE2 * Shopping Crosstabulation

Count

			Shopping		
			а	b	Total
AGE2	10 - 20 years		1		1
	21- 30 years		2	3	5
	31 - 40 years		4	4	8
	41 - 50 years		5	7	12
	51 - 60 years	1	9	7	17
	61 - 70 years		2	4	6
	Over 70 years	2		1	3
Total		3	23	26	52

AGE2 * Social sites i.e Facebook Crosstabulation

Count

		Social	sites i.e Fac	ebook	
			а	b	Total
AGE2	10 - 20 years		1		1
	21- 30 years		3	2	5
	31 - 40 years		3	5	8
	41 - 50 years		4	8	12
	51 - 60 years	1	3	13	17
	61 - 70 years			6	6
	Over 70 years	2		1	3
Total		3	14	35	52

AGE2 * Other Crosstabulation

Count

			Otl	ner		
			а	b	d	Total
AGE2	10 - 20 years			1		1
	21- 30 years			5		5
	31 - 40 years		2	6		8
	41 - 50 years		2	9	1	12
	51 - 60 years	1		16		17
	61 - 70 years			6		6
	Over 70 years	2		1		3
Total		3	4	44	1	52

Case Processing Summary

	Cases						
	Valid		Miss	Missing		tal	
	N	Percent	N	Percent	N	Percent	
SEX1 * AGE2	52	100.0%	0	.0%	52	100.0%	

SEX1 * AGE2 Crosstabulation

Count

					AGE2			
		10 - 20 years	21- 30 years	31 - 40 years	41 - 50 years	51 - 60 years	61 - 70 years	Over 7
SEX1	Male			1	2	5	1	
	Female	1	5	7	9	11	5	
					1	1		
Total		1	5	8	12	17	6	

Case Processing Summary

	Valid		Miss	sing	Total	
	N	Percent	N	Percent	N	Percent
SEX1 * NFVISIT7	52	100.0%	0	.0%	52	100.0%
AGE2 * NFVISIT7	52	100.0%	0	.0%	52	100.0%

SEX1 * NFVISIT7 Crosstabulation

Count

					NFVISIT7				
		2 - 4 weeks	4 - 8 weeks	3 months	4 months	5 months	6 months	Other	Total
SEX1	Male	4	5	1					1
	Female	7	18	5	2	2	1	5	4
			2						
Total		11	25	6	2	2	1	5	5

AGE2 * NFVISIT7 Crosstabulation

Count

		Ì			NFVISIT7				
		2 - 4 weeks	4 - 8 weeks	3 months	4 months	5 months	6 months	Other	
AGE2	10 - 20 years							1	
	21- 30 years	1		2		2			
	31 - 40 years	1	2	2	1		1	1	
	41 - 50 years	2	8	2					
	51 - 60 years	5	11					1	
	61 - 70 years	2	3					1	
	Over 70 years		1		1			1	
Total		11	25	6	2	2	1	5	

Case Processing Summary

	Cases							
	Valid		Miss	Missing		Total		
	N	Percent	N	Percent	N	Percent		
AGE2 * CCWEB11	52	100.0%	0	.0%	52	100.0%		
AGE2 * CCWEB11A	52	100.0%	0	.0%	52	100.0%		
AGE2 * APPTS12	52	100.0%	0	.0%	52	100.0%		
AGE2 * APTWEB13	52	100.0%	0	.0%	52	100.0%		

AGE2 * CCWEB11 Crosstabulation

Count

		CCWEB11			
		Yes	No		Total
AGE2	10 - 20 years		1		1
	21- 30 years	2	3		5
	31 - 40 years	1	6	1	8
	41 - 50 years	1	11		12
	51 - 60 years		17		17
	61 - 70 years		5	1	6
	Over 70 years		2	1	3
Total		4	45	3	52