UNIVERSIDAD ESAN

LA PARISIENNE – HAIR BAR

Thesis submitted in partial fulfillment of the requirements for the degree of Master in INTERNATIONAL MBA
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Adrien BUREL
Pauline CASSAM CHENAI
Léa DELPEUT
Lenny MICHALON
Alan PRODHOMME

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Executive summary

Master in: Master of Business Administration

Title of the thesis: LA PARISIENNE – HAIR BAR

Author(s):

- Adrien BUREL

- Pauline CASSAM CHENAI

- Léa DELPEUT

- Lenny MICHALON

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SUMMARY:

The question raised through the business plan is on the viability of opening such a conceptual hair salon in Lima, Peru. This business plan evaluates the potential for financial success of the expanding the concept of "Hair Bar" to the Peruvian environment. Since their first creation in 2008 "Hair bars" have gained tremendous success in North America and in Europe. In terms of offer, these conceptual hair salons respond to a new need of women, who have busier and busier lives, for a "get ready" hair service. The business to be implemented to bring the "hair bar concept" to Peru is called La Parisienne. It is a specialized hair salon that exclusively delivers two types of hair styling services: buns and brushings. The idea behind La Parisienne is to deliver a premium service in order to gain customer loyalty, while charging at a high price that permits the financial viability of the salon. The objectives are thus to first assess the readiness of the Peruvian population to receive the concept and adopt it. Doing so corresponds to answering the following questions: "Are Peruvian consumers attracted to such a concept? Will they adopt it?" The objective is then to determine at what price these consumers would most likely consume this new service most regularly. The objective is then to determine an optimal price between costs and forecasted demand.

To fulfill these objectives the plan includes a market research of the Peruvian Hair market, which depicts the environment the business is confronted to. A survey focused on targeted customers is then used to gather quantitative data. Analysis of this data assesses the readiness of the targeted population to adopt the new concept of a hair bar. It also tests the brand identity of the hair bar and gives significant price indicators. This project is strengthened by a strong marketing plan built on the French identity, which embodies fashion expertise, femininity and luxury. Profitability is evaluated on a ten-year period with three different scenarios: an optimistic, a pessimistic and a neutral scenario.

The market research revealed that the Peruvian Hair Market is a positive environment to establish the Hair bar concept. The analysis of the surveys was used to shape a solid marketing plan to adapt to the local target. The price for the service was set at 80 soles based on the price that targeted consumers were willing to pay for the service as well as costs. All three financial scenarios predict positive outcome for La Parisienne making it a viable business project.