

## Case Study 2:

# Overwhelming Success in Attracting Customers to the Grand Opening of a New Beauty Salon through Geographically Targeted Mailing

## Background

Traditionally, most beauty salons in Hong Kong have relied on the loyalty of regular customers and the somewhat limited power of word-of-mouth awareness. By and large, those that have been able to afford the high costs of advertising have been based in prime locations such as Central, Admiralty and Tsim Sha Tsui.

This case study looks at how a new beauty salon established itself in Taikoo Shing — an area surrounded by both residential and business properties — and successfully marketed its services to potential customers in the eastern districts of Hong Kong.

## Planning the Campaign

- **Setting the objectives:** Instead of relying purely on word-of-mouth, the beauty salon was to adopt a more proactive approach in acquiring new customers. As Central and TST were already saturated with competition, the prime objective was to raise local awareness of the salon's grand opening, and to attract as many newcomers from around the area as possible.
- **Defining the target:** Primarily women, aged 18-35, living or working in the neighbouring areas of Taikoo Shing.
- **Using lists:** From the proprietor's previous experience in the business, the salon already had a substantial list of customers and addresses through which it could promote its services and encourage referrals of new customers. Furthermore, to test the strength of local awareness, mailers would be sent to communities in Taikoo Shing and Quarry Bay through the Hongkong Post Circular Service.
- **Building the database:** Whenever possible, new customers would be asked to provide their contact details in order to further expand the salon's database for future promotions.

## Creating the Campaign

To announce its grand opening, the salon created an attractive invitation Direct Mail piece targeted at all the names in the salon's initial database, as well as customers within the communities of Taikoo Shing and Quarry Bay (as defined by Hongkong Post's Circular Service).

1. **Message:** The Direct Mail piece's chic and contemporary design not only

conveyed a desirable image for its target market, but also included various promotional messages aimed at:

- Attracting customers to come for a first-time trial.
  - Encouraging customers to refer their friends.
2. **Proposition:** "Enjoy a 50% discount on your first visit. For each friend you refer, you will also enjoy a 30% discount on your next visit."
  3. **Pricing:** As this was an **invitation** Direct Mail piece, the salon chose not to mention the price of all its various services, but instead focused on its **image** and the **exceptional discounts it offered to "VIP" customers**.
  4. **Response mechanism:** The invitation included a 50% discount voucher, which needed to be filled in to be valid on the customer's first visit. It also included entry space for contact details of referrals, which would be used for extending the database.

## Conclusions and Key Findings

The overwhelming success of the salon's grand opening can be attributed to several factors:

- **Design:** For any fashion-related product or service, **design** is the key element to its communication and dictates whether the business will be successful or not. In this case, the mailer's inspirational photography and graphic design created a strong appeal for customers to come for a trial.
- **Local interest:** The high level of interest raised in the communities of Taikoo Shing and Quarry Bay suggests that the salon would be justified in using Hongkong Post's Circular Service for future mailings to neighbouring business and residential areas. These include the districts of Lam Tin and North Point and may extend even further.
- **Attractive proposition:** Although price is rarely the most essential factor governing the success of a beauty salon, the offer of a **50% reduction** for the first-time trial proved to be attractive to potential customers. Also, strong responses to the referral programme indicate that customers are likely to introduce more friends to the salon if they are offered enticing rewards to a service they have already tried and enjoyed.