

L'Essenza

Refined Bliss: L'Essenza

L'Essenza, which is located at Capitol Piazza, is a Singapore-based beauty salon specialising in face and body treatments. Established two decades ago in August 1998, the salon has garnered a loyal customer base that has only compliments for the salon. A client of 11 years, for example, in a published testimonial on the company website, says she is “extremely satisfied” with founder-director Ms Donna Ong’s “expertise and competence”, describing it as “outstanding”. Other happy customers highlight her “great knowledge of beauty skin care” and the “personalised treatments” they are getting from Ms Ong and her team of well-trained therapists, which continue to make a real difference to them.

L'Essenza has been experiencing steady progression over the years, but as is the case with many businesses, increasing competition has dampened its business growth and affected the bottom line. Coupled with the relatively low brand awareness, the SME finds it challenging to distinguish itself in the crowded beauty salon segment.

The UOB-SMU Asian Enterprise Institute (AEI), through its flagship SME Consulting Programme (SCP), worked with the SME to devise strategies to address its current challenges and pave the way for its continued growth. A team of three student-consultants, supervised by an industry veteran as Project Advisor and supported by the Institute, undertook the project.

More than what the eye can see

The beauty salon segment in Singapore comprises chain establishments and smaller boutique businesses such as L'Essenza. The former, given their size and comparatively more resources for marketing, has commanded a higher brand awareness among the public. How then can an SME compete? That was the problem the client and SCP team faced.

In the student-consultants’ preliminary research, it was the strong endorsement from the salon’s customers – giving the proverbial “two thumbs up” for everything from the quality of treatment and salon ambience to the knowledge and skills of the therapists – that clued the team to the SME’s unique selling propositions, which they could tap on for their proposals.

Using scientific methodologies including an online survey, face-to-face interviews and focus group discussions (FGDs), the student-consultants ascertained L'Essenza’s standing vis-à-vis other beauty salons, and the profile and preferences of beauty salon-goers. Complementing the primary research was secondary research, where the team reviewed the information from the websites of other beauty salons and their treatment menus, and the online posts of bloggers and customers. They also conducted on-site observations and spoke to the counter staff of selected salons.

The responses from interviewees revealed some similarities and consistencies, which in turn helped to corroborate the findings and added to their reliability. The data was arranged according to a “typical consumer decision-making process to categorise them more exhaustively and minimise overlap”, explains a student-consultant.

The team looked at the consumer decision-making journey, where a customer recognised a need that she wanted met – for example, she has a pigmentation concern or weight problem – and how she went about fulfilling that need. The process typically moves from brand awareness (of companies that provide the service required) through information search, evaluation of alternatives, purchase decision and post-purchase responses.

Relax and rejuvenate

The student-consultants proposed a marketing mix strategy, with a focus on promotional strategies to increase L'Essenza's loyal and active customer base, and communicate its customer experience to those just finding out about the salon. The recommendations had two key objectives, the first of which was to retain current customers – this meant reaching out to them at the post-purchase decision stage, and also to leverage them to bring in new customers; the second objective was to target new beauty salon-goers who had not heard of nor visited L'Essenza, in the information search and evaluation of alternatives stages.

Guided by the respondents' feedback, the team crafted several marketing recommendations and tested them out in FGDs comprising the beauty salon's customers and non-customers. The FGDs served to gather comments, from the user standpoint, about the attractiveness of each promotion, the most effective distribution channels and their operational feasibility. The team collated and analysed the discussion proceedings, and modified the proposed initiatives as required. This ensured that the final recommendations to the client would be well-researched, robust and practical.

Two of the initial recommendations were scrapped, with four remaining. The student-consultants then prepared a 12-month implementation timeline for the client to roll out the proposals.

Radiance from within

Sharing her experience about the SCP, L'Essenza's Ms Ong calls it "an interesting experience" as it was "something new". She had "given autonomy" to the student-consultants to garner a better understanding of her clients and propose feasible marketing strategies. Although the results were "somewhat expected" based on her years of interaction with the customers, she found the primary research "helpful" and "relevant" as it centred on "actual customers".

One of the benefits of the SCP is that it introduces methodological and scientific approaches to address business issues. In Ms Ong's words, "it is important to use concrete methods to validate business acumen to make strategy even better" – and this is what the SCP did for her. She is looking to incorporate some elements of the recommendations into a bigger marketing strategy in the near future.

The student-consultants found the hands-on experience invaluable. Not only did they hone their client-management skills, they had the opportunity to work with an industry professional as their mentor. Project Advisor Ms Anna Ho was "someone who could challenge us to think beyond our traditional scope and come up with targeted solutions that would benefit our client", says a student-consultant. While the team was able to apply some marketing frameworks and ideas that they had learnt, they were cognisant that their recommendations had to be "feasible" and "effective", and that they should communicate their "thought processes and methods to the client coherently". After all, "effective and clear client communication was key towards the success of the entire project". To this end, Ms Ho was constantly spurring them to "think deeper and probe further".

Ms Ho calls her team "smart and teachable", and a "good team to work with". As this was a real-life project, the student-consultants were required to apply their knowledge while keeping in mind the practicality of the proposals due to the limited resources an SME has. To keep them focused and efficient, she had reminded them to start with the "end" in mind, such as, how they could approach the SME with their "problem statement" and how they could craft the interview questions.

The project had truly "forced" the student-consultants to use their knowledge and skills, and the team would be glad to know that the SME was "very pleased" with the work they did, says Ms Ho.



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