

1. Introduction

G.A.A-Dessange (Cyprus) Ltd is the Master Franchisee in Cyprus of the multinational cosmetics brand Dessange Paris. Dessange offers, since 1954, high quality beauty services and products (hairdressing services and products, salon products for face and body, specialized massage, exercise, nutrition, hydrotherapy SPA, traditional hammam). Apart from the main branch and head office in Nicosia, Dessange (Cyprus) Ltd plans to set up a second store (total area 200 sq.m.).

The market for beauty services and cosmetics in Cyprus is still in good levels of sales and profitability, despite the worsening economic situation on the island. The Cypriot population (especially women who are the overwhelming majority of customers of the company) still spend enough money on their care. Growth prospects in the market seem favorable.

The general profile of the company's customers can be described as: men and women who are looking for services and products of high quality and are able to bear the relatively high cost. Therefore, the company wants to attract consumers with high living standards.

The expansion plans of the company are being delayed by delayed the decision on the exact location of the new store, the marketing plan for promoting it and project funding problems that have been created due to the impact of the economic crisis in the financial system of Cyprus.

2. Overview/analysis

The case study before us is the case of GAA-Dessange (Cyprus) Ltd, master franchisee in Cyprus of the company Dessange Paris. The founder and general manager, master franchisor, Mrs. Andrie Georgiou, in order to meet the growing demands of her clientele, has decided to open a branch in a Nicosia location that can serve as many customers as possible.

The competition faced by Dessange Cyprus is quite intense. In the Nicosia district there are over 50 spa salons and 500 hairdressing studios. The good news is that most competing stores are individual enterprises owned by Cypriot businessmen and do not represent international branded chains of the size of Dessange.

The investment will cost € 150.000 and is designed to be implemented over a period of 6 months. Mrs. Georgiou has decided to fund her own business venture (€ 75.000 bank debt and equity € 75.000).

The intense economic crisis has created a problem with the bank loan, with the bank hesitating to support the implementation of the investment. This embroilment has a similar impact on the schedule of the project which has been delayed.

3. Status report

The foundation of the second branch of Dessange in Cyprus is in the planning stage. Mrs. Georgiou, General Manager of Dessange Cyprus, is intensely concerned with its location, marketing plan, project funding and the delay in the implementation of the project.

Regarding the location there are 2 views on the matter. Some company executives suggest the Engomi region, which evolves rapidly as the new business center of Nicosia, but is not as commercially developed yet. In this region, home to many businesses, Dessange hopes to attract more consumers with the consumer profile that the company desires (men / women looking for high quality services without taking into account the expenses).

The second view suggests a more central location. Stasikratous Street is one of the busiest streets of the capital of Cyprus. It is a safer option with guaranteed commercial success but with extremely high prices of renting space, the highest on the island..

Regarding the marketing plan, the company is seeking ways and methods of exploiting the recognition of the Dessange brand name. The management of the company is aware of the need to make the most of the competitive advantage that the multinational Dessange brand name gives it against its local competitors. On the issue of funding, the situation remains unchanged. Dessange Cyprus continues to be in negotiations with banks but also starts to think alternative methods of funding as the project has been already delayed.

4. Case problems

From the analysis of the case of Dessange Cyprus the following problems / questions are arisen for discussion:

- i. What is the best location for the second store of the company; Explain the reasons;
- ii. With what marketing methods the company can exploit the multinational brand Dessange over its competitors;
- iii. Suggest alternative methods of financing the investment.
- iv. Suggest ways to accelerate the implementation of the investment in order to make up for lost time due to delays.

1. Synopsis

We are studying the case of the expansion of the company G.A.A-Dessange (Cyprus) Ltd, with the creation of a 2nd store in Nicosia. The case is based on a real situation and allows the students to realise the procedure of making strategic decisions based on Market Analysis, Entrepreneurship, Marketing and Opportunity Recognition.

2. Educational objectives

With the completion of the analysis of the specific case study, the student will be able to:

- to comprehend the procedure of strategic decision making based on Market Analysis
- understanding of Entrepreneurship, Marketing and Opportunity Recognition
- to realize the way in which Market Market Analysis
- to realise the way in which Market Analysis and Marketing planning capitalize the competitive advantages of Branding (exploitation of multinational brand Dessange)
- devise alternative methods of financing its business
- know the corrective measures taken to problems and complications associated with the implementation schedule of the Project Management process

3. Discussion outline/questions

The case study of Dessange includes several parameters of entrepreneurship: Market Analysis, Marketing, Strategic Decision Making, Financial Management, Project Management. Because of its complexity it has to be analyzed per parameter. The geographic location of a retail business is a key to its commercial success? Can the power of a brand provide a unique dynamic (boost) to an emerging / non-commercial location? The economic crisis in the banking system which other methods of funding has marked out? Restructuring of the implementation plan should be in order or some operations will be sped up to cover the delay in the commencement of the Project?

4. Tips for resolving the case problem

The case is complicated but very rich in learning goals. The trainer should be aware of all aspects and components of the case study, in order to be able to provide the necessary information to the learners. About the new store's location is good to do research on the geographical areas covered by the 1st store in connection with the areas the company wants to cover with the new store. Economic issues that have arisen should perhaps be treated with new methods of creating financial resources (e.g. elevator pitch in several venture capital funds outside the banking system, etc.). Should be paid special attention to the fact that the financial management and project management are interdependent. Also a study of the market behavior of Cypriot consumers could be beneficial.