

MASTERARBEIT

Bernburg
Dessau
Köthen



Hochschule Anhalt

Anhalt University of Applied Sciences

Department of Economics

Master Dissertation

In Partial Fulfillment
Of the Requirements for the Degree of

Master of Business Administration (MBA)

Analyzing Indonesian Consumer Perception Towards German Hair Care Product (Case Study: Berrywell GmbH)

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Submission Date:	23.06.2016
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ABSTRACT

ANALYZING INDONESIAN CONSUMER PERCEPTION TOWARDS GERMAN HAIR PRODUCT (CASE STUDY: BERRYWELL®)

This thesis provides complete explanation of hair coloring industry current condition in the world and sees the opportunity for market in Indonesia by seeing its consumer behavior and perception about it. It will also provide information of how the process of new product trial and its response on existing market. The research shows that the process of new product trial might be take some time for the consumer to adapt, since its still new and need enhancement of product knowledge to make it more consumers friendly.

Indonesia is a vast country comprising many islands with a lot of business opportunity that can be explored, especially towards its consumer buying behavior. In this era of Globalization, foreign brands have been doing their business and established their brands there. Therefore until now there are still new companies want to invest in Indonesia for strengthen their position and expand their market to Asia market.

Focusing on expanding market, it also can be applied to German hair product company BERRYWELL®. BERRYWELL® is brand of TITANIA Fabrik GmbH, a company with its headquarter in Wülfrath, Germany. They have been actively on international body care market during the last 60 years and now have manage their business over 114 countries.

By seeing opportunity that BERRYWELL® has from its product, it's match with the behavior which still applied in Indonesia, that is it's perception that European product have its special place on consumer mind, which is high quality and first class exclusive product.

With product trial on selected samples located in two representative city in Indonesia (Jakarta & Bandung) it will discover how consumer perception towards BERRYWELL® product which can gain useful information for their future research and development especially knowing as well that there are already existing foreign

competitor brand such as Loreal, Shiseido, and etc.

Keywords: Product Trial, International Distribution, International Trade, Closeness to Purchase, Hair care, Indonesia.

DEDICATION

I dedicate this dissertation to my parents, Teguh Kartika Wahyu and Retno Savitri, who has always, supports me on every condition.

Thanks for being a supporting factors on starting and finishing my Master degree on International trade faculty at Hochschule Anhalt. Your tirelessly efforts, encouragement will always remain in my thoughts, and will forever be my source of life inspiration.

My late grandfathers, H.KPH Mardjono Poerbonegoro and H. Soewarto, who are my role model and guiding inspiration, for being what I need to be and target for the future. My grandmothers, Hariani Sukanto and Drg. Sri Wahyuni, who always be there to support me and giving me great lessons in life that no one best ever could. And last two but not least my sister, Hanina Sharafina SKP and Hafizh Rasyaad Izza Umara that always motivates me to grow better as a brother to them.

ACKNOWLEDGEMENT

This project would not have been possible without the supports of many parts of people. All gratitude goes to my supervisor, Peter Stolze, Phd for organizing this project with his never-ending support and gave me the opportunity for me to do my thesis about BERRYWELL® product trial in Indonesia. Thank you for introducing and guiding the project properly, as well for the writing of the report. Without your full dedication, encouragement, motivation and support this thesis would not exist.

I would also like to thank Prof. Frank Himpel as my second supervisor that has given me approval and opportunities to collaborate together in this thesis, by involving international distribution as well international logistics insight and education during my master study at Hochschule Anhalt. Thanks also given to Prof. Cornelia Scott as the coordinator degree, In International trade at Hochschule Anhalt by giving her tirelessly efforts in educated me with international business material that are really inspiring and adaptable in business situation. Giving me international opportunities by getting me involved in some international projects and event during my study. I also extend my appreciation to Ms Agnes Barysz and Mr. Albert Baer at BERRYWELL® for granting and believing me with full support this Indonesia BERRYWELL® trial project. Providing me with the products and product knowledge and excellent communication yo complete this project.

Of course, I would also express my gratitude to all my friends, both at Hochschule Anhalt and Indonesia, especially Ravydera Monterey and Dharwistia Kharisditia for helping me with project documentation during our research in Indonesia. And all of my classmates in Hochschule Anhalt WS Semester 2014, that helping me broaden my horizon on International condition, study support and for being good friends during my study, it definitely made my 2 years master study at Hochschule Anhalt a great unforgettable experience to remember.

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LIST OF ABBREVIATIONS

GmbH	Gesellschaft mit beschränkter Haftung
G20	Group of Twenty
GDP	Gross Domestic Product
ASEAN	Association of Southeast Asian Nations
PPP	Purchasing Power Parity
CPI	Consumer Purchasing Index
EKONID	The German- Indonesian Chamber of Industry and Commerce
MW	Mega Watt
R&D	Research & Development
UV	Ultra Violet
Tbk	Terbuka (Companies who are listed in Jakarta Stock Exchange)
PT	Perseroan Terbatas (Limited Liability Company in Indonesia)
MUI	Majelis Ulama Indonesia (Indonesian Ulema Council)
ADR	The European Agreement Concerning The International Carriage of Dangerous Goods by Road
UN1950	Shipping Dangerous Goods – Aerosols

Chapter 1

INTRODUCTION

1.1 Research Background

In this chapter the author start presenting general facts about International distribution channels to Indonesian consumer market. Stated facts about Indonesia background with its market condition, and facts about the BERRYWELL® brand by TITANIA GmbH. After that the purpose of this thesis is being provided and how the scope of limitation of the thesis for the research.

1.2 Problem Statement

- There is a lot of research that covering International brand and it success existence expanding its market to outside its home country, but however there's no research that focus on German product and more precisely hair coloring brand (BERRYWELL®).
- Many literature review discussing more about general topic, but no details about how to doing business in Indonesia and capture what consumer perception in terms of choosing hair-coloring product.
- To know and understand the character of Indonesia consumer and Indonesian trend in terms of Hair industry.

1.3 Research Purpose

- To measure the possibility of BERRYWELL® to be marketed in Indonesia in the future.
- To measure the acceptance of BERRYWELL® in the eye of Indonesian costumer both in end consumer and professional Hairdresser.

1.4 Research Questions

Q1: Whether the existing European hair-care brand are affecting the image of BERRYWELL® in the eye of Indonesian consumer?

Q2: Whether Indonesian consumers are moving from cost efficient to high quality in terms of choosing their product of favored hair coloring product?

Q3: Whether BERRYWELL® has an opportunity to expand its market to Indonesia and continue to distribute their range of product to Indonesian consumer?

Q4: Whether professional hairdresser in Indonesia is highly concern with the product they used to their consumers? (Safety and quality measure)

1.5 The Scope Limitations

Through the research, the author plans to identify the needs of beneficiaries and review the available literature on the way of problem solving.

Some approaches that will be used in this research are as follows:

- Problem identification
- Data collections and its methods
- Analysis
- Reporting

Depending on the problem identification and analysis, the author will focus around this scope and find were European brand really giving some consideration in making decision in choosing hair coloring product by Indonesian professional hairstylist. Author also limited this research by choosing limited candidate (Salon/Distributor) to gain information to support thesis for data collection and respondents.

Chapter 2

LITERATURE REVIEW

The importance of international trade to a nation's economic welfare and development has been heavily documented in the economics literature since Adam Smith's (1776) pioneering inquiry into the nature and causes of the wealth of nations. The rationale underlying this relationship suggests that economies need to export goods and services in order to generate revenue to finance imported goods and services which cannot be produced indigenously (Coutts and Godley, 1992); (McCombie and Thirlwall, 1992).

International trade based on the meaning is the exchange of capital, goods, and services across international borders or territories, it could be divided into two part; Imports: Buying goods and services from other countries, and Exports: selling domestically produced goods and services to buyers abroad. The benefits that could be gain from both parties (Importer and Exporter) are lower prices, greater choice of goods, economies of scale, increased competition resulting in efficiency, increased exports and greater efficiency results in economic growth. On the other hand there are some disadvantage or limitation of doing international trade, some of the example could be like the effect of importing harmful goods, one country may gain at the expense of another, over specialization and the worse this could lead to war.

On this chapter the author will explain more detailed about each aspect of the target market that is Indonesia, discussing about their market overview, challenges, opportunity, entry strategy as well as the profile of the German company, BERRYWELL®, its product range.

By seeing that aspect both internal and external that could affect the process of BERRYWELL® to expand in Indonesia, the author also explained there are several local and foreign existing rival companies that could be a challenge to BERRYWELL® to face as well as a learning for them.

2.1 Indonesia overview

In this segment, the author will explain about Indonesian market general information and later focus more on its market overview, challenges, opportunities, and entry strategy. Also some about how to start a business in Indonesia, as this thesis future goal is that BERRYWELL® will enter Indonesian hair product Industry/market.

Indonesia is a vast country, with its largest archipelago, represents 17,000 islands, spending over 5,000 kilometers along the equator between the Indian and Pacific oceans. Indonesia has been a hub of international trade since at least the 7th century, attracting traders and foreign powers with its few natural resources, home to more than 250 million people, speaking 583 languages and dialects, Indonesia stands as the fourth biggest population after China, India, and USA (TMF Group, 2013). It is the largest third democracy country and is home to the world's largest Muslim in the world. Once and under floor agrarian economy and also the one of the country that worst hit by the 1997 Asian financial crisis, Indonesia has recovered to become the world's 15th largest economy, having better recovery than its G20 fellow country, Indonesia has been growing about 6 % per annum in 2013; Thanks to the large part combination of domestic consumption, an emerging middle class and productivity improvements, the later of which accounted more than 60% of the country 's economic growth.

Fueled by its young population and the strong consumption habits of its expanding consumer class, its rapid rate of urbanization, and its natural resources wealth that boom is expected to continue, allowing Indonesia to set aside already developed county like Germany and the United Kingdom, to become the world's 7th largest economy by the year 2030, by then its consumer class of 45 million will have had an extra 90 million people, adding a customer base larger than any other countries except China and India. While its demographic ensure that 70 % of country's population will remain in working ages in the next eighteen years. By 2050, Indonesia is steep to be the world's 4th largest economy behind only India, China, and USA, with a GDP of US \$ 14 Trillion by purchasing power parity, its rate of growth

throughout that period will make Indonesia 8th highest growth and will be the one of planet key growth generator (TMF Group, 2013)

Picture 1: Map of Indonesia



Source: www.academia.edu, July 23, 2015

Today the Indonesian economy both 55 million skilled workers, with the 53% of the population based in big cities, contributing 74% of the country's GDP. (TMF Group, 2013) The Javanese island cities such as Jakarta, the capital city and Surabaya as second largest city in Indonesia stand as the country's economic powerhouses. But with urbanization rate increasing in about 1.7% per year, other city such as Medan, Pekanbaru, Bandung, Pontianak, Balikpapan and Makassar are becoming increasingly important players in contributing country GDP, approximately 80% of the country's GDP will come from urban area by 2030. And in property industry, such as tourist mecca Bali and Jakarta are undergoing some of the highest rates both internationally ranks 4th and 5th on a list of the world's hottest property markets, with average price rose about 15% on the previous years, placing them ahead of cities such as London, Moscow, and Beijing.

Indonesia also well known for the world largest palm oil producers and tin exporters also produces gas, plywood, textiles, and rubbers exporting to key market of Japan, Europe, USA, Singapore and China. Indonesia is on its way to becoming one of the world's most important economies.

2.1.1 Market Overview

Indonesia is one of ASEAN country with largest economy with a GDP of \$888 billion (based on PPP), ranking 10th in the world and averaging with over 5% growth over the last decade. Current President, Joko Widodo took presidential office in October 2014 and has pledged to improve its infrastructure and reduce barriers to doing business in Indonesia as one of the efforts to increase its GDP growth rate to 7% by 2017.

Even though there's various declining aspect like recent slowdown in China and declining global commodity gave impact to Indonesia's GDP (below %5 on 2014). Markets initially responded positively to expect that under Jokowi presidency era, it would be able to tackle many urgent issues to keep Indonesia economy growth. Indonesia have many market positive market attributes, here are some of the facts:

- Indonesia has a GDP per capita of \$ 3,540. It exceeds many of its ASEAN neighbors such as Vietnam and Philippines, and with current approximately 253 million people, Indonesia's economy represent nearly half of ASEAN economy growth. (World bank, 2014)
- Indonesia is a country that holds high democracy as their type of leadership with its significant regional economy. It is strategically located on one of the world's major trade routes and has extensive natural resource wealth spread wide across over an area as the size of the United States and comprised of over 17,000 islands.
- Earning around US\$5,000 to US\$15,000 in annual disposable income is expected to increase from 36% of the population to more than 58% by 2020 from its number of households.
- More than 60 million of its low- income workers are expected to join the middle class in the coming decade, signed by strong increased on consumer demand.

- For its global awareness, Indonesians are the fourth largest user of Facebook (60.3 Million, May 2014). According to (Statista, 2014), in the 4th quarter of 2014, and in 2016 the expected users to reach 80.1 Million, Indonesia was standing tall with 84% of its online population having highest Twitter user rate in Asia Pacific.

2.1.2 Market Challenges

For new business foreign company to enter Indonesia, the environment could be challenging, with Indonesia ranked 114 out of 189 countries in the “Ease of Doing Business 2015 report” by the (World Bank, 2014). Foreign company including Germany as well can encounter complex bureaucratic and regulatory requirements, which make it, time consuming to enter the Indonesian market. Here are more current situations in Indonesia, which can be considered challenges to enter, listed below:

- Indonesian infrastructure and service networks have not been developed or maintained to keep with the level of booming consumer-led economy, causing increased in transaction costs and extra inefficiencies that exporters and investors could face while doing business in Indonesia.
- With deregulation applied. It has successfully reduced some barriers, but yet non-tariff barriers remain wide spread and bureaucracy can still complicate the procedure.
- Even though Indonesian government has undertaken significant anti-corruption measure, corruptions still a concern for many businesses to operate in Indonesian market. Indonesia currently ranked 88th on Transparency International’s Corruption Perception Index (CPI) 2015 from having ranked 107th on 2014. Although the rank is going better, still companies are recommended to have a solid due diligence process to make sure the appointed agents and distributors are clean and conduct in the right measure, consulting with Indonesian German embassy with EKONID division will help as they are specialize to help Germans companies that want to do business in Indonesia.

- As Indonesia in their moment to improve their rule of law. Significant rule-of-law issues still persist. Formal dispute settlement mechanisms are not considered effective, while in German would generally perceived as an administrative or civil matters, may be considered criminal case in Indonesia. International arbitration is widely discouraged by Indonesian government.
- Strong competition from neighbor ASEAN country (Singapore, Malaysia, Vietnam and Etc) and 3rd country firms such as China, Japan, Australia and Korea is intense, German company should can adapt significantly for business model and pricing scheme in order to compete effectively.

2.1.3 Market Opportunity

As the world's fourth – largest country, Indonesia consumer related market opportunities continue to lead growth in expansion in retail, health, education, telecom and financial services. The Indonesia consumer is ranked as one of the most confident in the world with its buying power, and 50% of Indonesia's 253 million citizens are under the age of 30, shows that the market is still in good demographic.

Important opportunity not just available in Jakarta as its capital city but also remain present in another major cities like Bandung, Surabaya, Makassar, Bali and etc. The government of Indonesia has also announced its intention to increase electricity generation by 35,000 MW by 2019 and growth in power generation projects to continue for the next decade, this give the sign that Indonesia will improve their situation, which will bring greater environment to its civilian as well as doing business in Indonesia for foreign investor.

2.1.4 Market Entry Strategy

Other than due diligence that should be conducted by German companies, they also have to first visit Indonesian market to get the feeling of the cultural difference they have and also to properly choose an appropriate agent or distributor from Indonesia vibrant with experienced dealing in international business sector. Patience,

persistence and presence are three main factors for success doing business in Indonesia.

Important factors that also affecting purchasing decision in Indonesia are how to settle pricing, financing, management technical skills, and after sales service. Since the Indonesian consumers tends like to be treated good. German firms should be prepared to invest and make allocated budget to invest in training their local staff, from entry-level personnel to experienced managers in order to meet up with the consumer demands.

For Indonesian non- financing firms they often depend on trade financing with nearly 50% of their financing obtained from bank loans, bonds, and other credits.

Last but not least the track record of the appointed agents and distributors also an important factor, since many government tenders are based by the proven track record of providers or long- established relationships between the Indonesian government agency.

2.2 BERRYWELL® Company Profile

BERRYWELL® is a hair-coloring brand produced by TITANIA GmbH based in Wülfrath, Germany, the medium size family company that already existed for more than 60 years focusing on the international body care market, with currently distribute their product in 114 countries and producing 30 million items each year at their headquarter in Wülfrath.

BERRYWELL® itself is a strategic business unit that TITANIA created to focus on professional hair coloring and care product, with following intensive market studies and in close collaboration with professional hair stylists and its users, they manufactured the recipes and formulations for a full range of professional hair cosmetics through stages of research and development to meet the highest quality, user-friendly and tailored to the needs of modern salons and their designated customers. The product is 100% created exclusively in Germany to maintain its quality standards.

As their visions and missions stated on their website, BERRYWELL® embodies a holistic approach that included research & development, manufacturing, marketing and worldwide distribution of a full range of professional hair cosmetic in high premium quality made exclusively in Germany. Its full dedication in hair

cosmetics industry helped proven by adding training and education concept at a top international level.

Stated before that BERRYWELL® is part of TITANIA GmbH that is a family medium size company, it gives them full control to managing and maintaining their current and future customer, trading partners, employees loyally in a cooperative relationship environment.

2.2.1 BERRYWELL® professional range products

2.2.1.1 Farbfreude (Cream Hair Color)



Picture 2: BERRYWELL® hair coloring product

BERRYWELL® hair coloring products has been developed by BERRYWELL® R&D department that it designed is exclusively only for salon and professional used. Because BERRYWELL® focus on the professional area, this product will can't be found in shops or supermarket. The application of BERRYWELL® hair coloring product is quite simple and safe. During its coloring process, BERRYWELL® colors also supply the hair with proteins, vitamin C and other valuable nourishing substances. BERRYWELL® hair color can remove natural hair color, artificial hair color as well as create variation type of highlights, all over blonde or changing previous artificial hair color depth and tone, the colors of BERRYWELL® are wide and have a lot of color tone and depth.

The BERRYWELL® cream hair color (farbfreude) can managed to produced high quality permanent oxidation hair colors with multi pigments, collagen and other

nutrition. With all ingredients and nutrients inside the hair color, the result that can be expected is ; long lasting luminosity, expressive colors result (high tone) with a wide selection of shades, and its easy to understand instruction guide to apply it.

2.2.1.2 Hellefreude (Bleaching Powder)



Picture 3: BERRYWELL® bleaching powder

BERRYWELL® bleaching powder (hellefreude) provide a high quality bleach process, with chamomile essence, silk protein and D-panthenol additives on their ingredients to create beautiful and reliable color shades with shiny brilliant effect. This products similar like the BERRYWELL® hair coloring, also designed exclusively for salon and professional used only. When applying this bleaching powder, it is mixed with hydrogen peroxide and creates an oxidizing environment when applied to hair for lighting it up. The concentration of peroxide used is the main factor that determines the strength of the preparation, and the oxidation is the reaction that allows bleaching and permanent dye to work and take effect.

2.2.1.3 Färbehilfe (Special Processing Lotion & Oxide Conditioning Cream)



Picture 4: BERRYWELL® special processing lotion & oxide conditioning cream

The BERRYWELL® special processing lotion and the BERRYWELL® oxide conditioning cream (färbehilfe) are high quality and drip free products. Complex agents prevent premature oxidation. Therefore, the result may create gentle coloration and lightening effect in one process. This product same like the last 2 product line that being explained are exclusively made for salon and professional used, the variation of oxide cream are also varied from 1,9%, 3%, 4%, 6%, 9% and 12% for different type and need of using, depends on the brightness of the color being targeted.

In the case of permanent dye, this oxidation works to convert the dye into colored pigment that is embedded in the hair, and resulting the hair to become a new color. In the case of bleaching, oxidation acts on the pigment already present in the hair and disperse it and lighten the natural hair color. The concentration of the peroxide is what will determine the maximum lightening potential of the bleaching, and this should be adjusted to suit your current hair color and scalp sensitivity. Increasing the strength of peroxide (oxidant) will increase the lift, but will also increase the risk of damaged hair and cause a lot irritation to the scalp even though, it depends on the level of the sensitivity, using higher peroxide is more risky than using a mild one.

2.2.1.4 Leuchtgenuss (Color Protection Shampoo & Color Protection Conditioner)



Picture 5: The BERRYWELL® Color protection shampoo – Color protection conditioner

The BERRYWELL® color protection lines (leuchtgenuss) gives colored hair a high quality protection against fading. This product is designed exclusively for salon and professional, it is also as a complementary as an after treatment product for the

user after got their hair colored. The result that can project from it is the long lasting color protection accompany with brilliant color effect, shine and tensile force.

- **BERRYWELL® Color Protection Shampoo *plus***

The BERRYWELL® color protection shampoo *plus* is a professional treatment for colored, tinted and highlighted hair. Added with special protection to keep colored hair luminous. Its balanced blend of nourishing polymers creates the hair result to be shiny and silky effect. It also makes hair easier to brush and strong.

The function of shampoo is to gives the hair freshness and cleanliness feeling, by still maintain and ensure the hair naturally and keep the scalp healthy. This product contains mild surfactants that are useful to remove residues on vegetable base. Other feature of the shampoo is that can do hair coating and sealing color pigments effectively. And last but not least, this product also protects the hair against UV radiation (UV-A and UV-B), provides moisture for smoothness, shine and pigment coating inside the hair that are protecting the hair from fading.

- **BERRYWELL® leuchtgenuss Color Protection Conditioner**

Having a shampoo is better to be accompanied with conditioner to make the hair have enough nutrients and not dry. BERRYWELL® color protection conditioner (leuchtgenuss) is an instant professional treatment for colored, tinted and highlighted hair, It is a daily color protection treatment for colored hair and also made an easier hair to brush. Added with wheat proteins on its ingredients gave shiny and smooth result for the hair.

The BERRYWELL® conditioner provides hair with gentle and smooth care, optimized it for hairdressing purposes, it creates natural, healthy and shiny. Perfect for astringent and for neutralizing. The conditioner also contained sunflower extract that the purpose is to coat and sealing the hair pigments effectively. Furthermore, the uses of this conditioner it can protects color from fading and offers protection from damaging environmental pollution and create the coating for the hair as a protective layer. D- Panthenol also added on the ingredients, and the use is for moisturize the hair to feel smooth and shiny.

- **BERRYWELL® leuchtgenuss Color Protection *Mask plus***

The BERRYWELL® Color protection Mask plus is an instant professional treatment for colored, tinted, and highlighted hair with the *plus* of care, for a silky smooth hair. This product has special care substances plus effect that able to coating the hair and sealing color pigments and give extra protection. This hair mask has an extract of Beeswax, that can seals the color pigments within the hair and prevents premature fading of hair color.

2.2.1.5 Volumenstar (Styling Mousse)



Picture 6: BERRYWELL® Styling Mousse Volumenstar

The BERRYWELL® Styling mouse own brand Volumestar, is a suitable aid for hair styling, offering a reliable hold and silky shine for any hairstyle without causing any stickiness. Hair mousse is a one of hair styling product that having a purpose to give the user hair extra volume and shiny “just-washed” feeling. Mousse is lighter than most hair gels or pomade, which is more suitable for female users, and give them several advantages, for example; it won’t weigh hair down. Mousse is great for users that have fine or thin hair that need a volume boost. The hair is given additional elasticity and still retains its natural movement; the mousse can easily be combed out. Conditioning agents protects hair from drying out. This product is designed exclusively for salon and professional used, BERRYWELL® provided the product in normal and strong hold variant.

2.2.1.6 Strukturgenie (Hair Spray)



Picture 7: BERRYWELL® Hair spray strukturgenie.

BERRYWELL® Hairspray (strukturgenie) is the product for finishing step in hair styling. For a reliable hold and silky shine for any hairstyle and types. After the usage the user can feel their hair holds firm, still able to do natural movement and also give the hair high stability and volume. The spray itself can be easily combed out for reliable stability and brilliant shines, this product is available in normal and strong hold designs.

2.2.1.7 Formenheld (Gel Wax)



Picture 8: BERRYWELL® Gel wax Formenheld

The BERRYWELL® also have gel wax product named Formenheld, its function is to refine hair; this is perfect wax for users who prefer glamorous styling. With silky shine and softness, bring a sensational modeling effect, using it is also easy and not complicated, since it can be applied to wet and dry hair, this product is also designed and produced with color and UV protection.

2.3 List of Local and Foreign Company of Hair Coloring product in Indonesia

Multinationals have a strong presence in hair care through the top three players Unilever, Procter & Gamble, Mandom and L'Oréal. In addition to wide brand portfolios targeting different consumer segments and needs, they also have large budgets for promotions as well as extensive research and development capabilities to drive product innovation. While Unilever and Procter & Gamble are prominent players only in retail hair care, L'Oréal is the leading player in salon hair care and has a respectable share in retail hair care. Meanwhile, Mandom is the leading player in men's styling agents.

And as the multinationals company emerges in Indonesia market, many local companies such as Miranda and Sasha, also available even though they are more focusing on cost efficient affordable product, which is sold in retail.

2.3.1 Local Company in Indonesian Hair Care

2.3.1.1 PT. Kino Indonesia

For more than two decades, PT. Kino Indonesia Tbk. has been one of the best-acknowledged FMCG companies in Indonesia with a scope of business that consists of skin care, foods, beverages, and pharmacy. Currently PT. Kino Indonesia Tbk. has 19 brands with 16 product categories where some of them are successful in acquiring a top brand choice among consumers.

To be Indonesia's recognizable & Leading Corporation of ideas and innovation and strive to become a global company through a global culture with the mission to expanding the market through the development of products that are driven by the spirit to innovate. With the spirit to innovate as a main value of the company, PT. Kino Indonesia Tbk. commits to deliver high quality products to fulfill daily consumer needs in Indonesia.

PT. Kino Indonesia Tbk. signature hair care line, Sasha, is ready to answer this daily hair problem commonly faced by women. Sasha is especially designed to repair damaged hair using virgin coconut oil to improve hair condition without weighing it down. Sasha is the hair care product chosen by women as it is made with natural and halal ingredients. Indonesia Ulama Council (MUI) also certifies Sasha with the Halal

Certification for its safety.

2.3.1.2 L'oreal Indonesia

PT L'Oreal Indonesia, which has been competing within the hair color industry since 1985 (L'Oreal Indonesia, n.d.), has actually tried to penetrate the market by launching various brands to compete in each type of markets, which are classified by the economic classes of the consumers. Operating under its Matrix division, L'Oreal tries to focus more on the market of B class and C class. In these two classes, L'Oreal intensely competes with Makarizo and Clairol, who become its direct competitors.

L'Oreal Indonesia together working with their local factory, offering Indonesian consumers the highest possible quality in each product category, with the aim of serving each distribution channel, on each price level, and meeting beauty needs in all aspects and level. The strategy of L'Oreal is to make accessible to a larger number of Indonesian consumers by giving affordable prices, formula s adapted to the local expectation, taste, style, deeper distribution, launch of men products, local advertising are opening fantastic prospects.

L'Oréal Indonesia wants to contribute more and more to make beauty accessible to as many people as possible, to help each individual to fulfill his or her personality and be self-assured. L'Oréal Indonesia is also an active local citizen, promoting women in science, community solidarity and educational opportunity.

2.3.1.3 Shiseido Indonesia

Shiseido has restructured its brand businesses into four groups, namely, Prestige, Cosmetics, Personal Care and Professional, according to types of customer contact, with the aim of developing strong brands and implementing appropriate marketing plans. Existing individual brands are being repositioned under the new structure.

Shiseido Professional has started since December 2013 and is very popular among beauty salon owners now. They will step up to enhance the brand's prestigious image in the region through forging strong partnerships together with top beauty salons.

Shiseido has established a joint venture in Indonesia to strengthen the Professional business in Asia, in partnership with the Aura Beaute Group, current distributor for the Shiseido Professional brand in Indonesia. The new company was named PT Shiseido Professional Indonesia, and an ownership ratio of 65% and 35% was agreed upon, with Shiseido as the major holder.

2.4 Indonesian Consumer Character & Perception

Indonesian consumer has a unique characteristic compare to other countries. Indonesian markets are already familiar with imported products. Evidence shows that traditional markets and shopping malls for middle and lower class consumer group, target mostly offer imported products from China, Korea, Taiwan, and other Asian countries. Products that being imported from these countries usually sell with cheaper price than from example country like United States of America (USA) and European countries. As well as in the other hand the upper market consumer group also reaching for the high quality products made from USA and European country.

By knowing this phenomenon, focusing on medium- high segment is an Indonesia's urban consuming class (accounting for about 20 million Indonesians) is affluent consuming class that is breaking away from the typical Indonesian profile. This group of consumers characterized by their drive to try new products, to self-indulge themselves, and would likely to pay more for premium and better high quality products and services. With these attributes they are willing to purchase new categories of products that were barely noticeable in Indonesia until recently – example (microwaves, home theater systems, yoghurt, energy drinks, mouthwash, hair coloring, vitamin, and more. These kinds of consumers are also less value conscious than the rest of the urban consuming class, and at the same time, more financially equipped. Affluent consumers have started using financial products such as mortgages and mutual funds, and have a 30 percent higher penetration rate in

financial products compared with the urban average. Credit card penetration also being a factor as their willingness to spend makes them early adopters of new products, and they are much more digitally connected with their social media platform such as Facebook, twitter, pinterest and etc.

2.4.1 Hair Coloring Product Trends in Indonesia

When it comes to hair, women can go to any extent to get the perfect look. Haircuts, hairstyles etc. are the many different things that women can try for a different look. But hair color is the latest trend and many women of all ages are opting for this. Indonesian women have a slightly different skin tone and their hair type is also not the same as others. So obviously hair color options for them are varied too. Hair colors for Indonesian women come in many types that will be loved by everyone. You can opt for shades of red, brown, beige and even try dual tone color ideas.

2.4.2 Factors Influencing The Purchase of Hair Coloring Product

There are 11 newly formed factors, which have been proven to have significant influences on the purchase decision towards hair color products, which are:

1. **Tangible and intangible product benefits**, containing:

- Reads that the product is made from the materials that do not harm hair.
- Used to beautify the hair color in order to look more appealing.
- Perceived to be able to give more appealing look.
- Has positive experience with the product.
- Has good image in the user's mind.
- Has good quality.
- Worthy price-to-quality.

2. **Promotion and availability**, containing:

- Informative SPG/B.
- Persuasive SPG/B.
- Attractive advertisement at TV.

- Attractive advertisement at printed media.
- Offers promotional gift.
- Offers discounts.
- Competitive price.
- Available in several sizes.
- Available in all beauty-product stores

3. **Feasible and complete information**, containing:

- Complete information about the feature on the packaging.
- Read the steps to use the product.
- Complete information on advertisement.

4. **Popularity**, containing:

- Ever heard about the brand.
- Recommended by the user's family.
- Provides the colors that are commonly used by the people around the user.

5. **Solution to grey hair**, containing:

- Perceived to be able to cover grey hair.
- Used to cover grey hair.

6. **Shared benefit**, containing:

- Complete ranges of colors.
- Recommended by user's friends.

7. **Lifestyle**, containing:

- Matches the user's lifestyle.

8. **Brand reputation**, containing:

- Well-known brand name.
- Perceived that more famous is higher quality.

9. **Brand association**, containing:

- Brand association.

10. **Existence**, containing:

- Adequate stock.
- Commonly used by the people in user's age.

11. **Psychological stimuli**, containing:

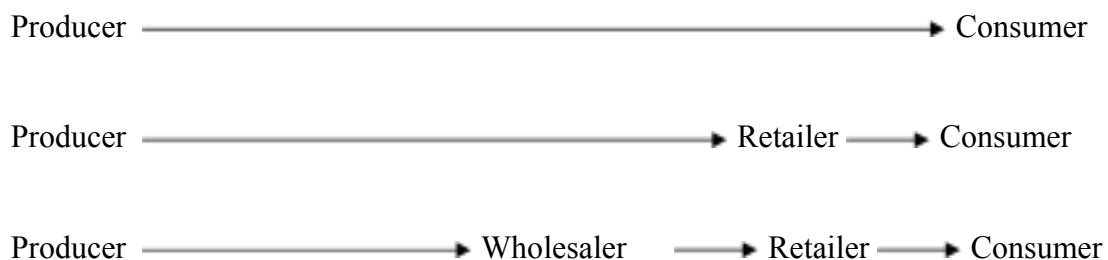
- Perceived to be able to give brand-ambassador-alike look.

2.5 International Distribution

Firms that enter foreign market, global distribution channel structure is significantly important. Distribution channel structures are sometimes difficult to change, but initial mistake in decision-making may lead to bad results. (Kim, 1998). The following sections below will explain and present theories about international distribution channels of consumer goods and distribution channel intensity

2.5.1 International Distribution Channels of Consumer Goods

All products whether they are consumer goods, industrial goods or services require a channel of distribution. Jobber (2001). According to Czinkota and Ronkainen (2004), state that channel can vary from direct, producer-to-consumer types to elaborate, multilevel channels employing many types of intermediaries, each serving a designated particular purpose. The producer to consumer structure is considered very direct channel compared to link from producer to agent to wholesaler to retailer to finally end consumer structure, which is belong to indirect channel, Mallen (1996). And according to (Coelho et al, 2003) Most international firms would prefer to run a direct channel when using the firm's own sales force, due to low sales volume, high start-up costs and local knowledge. Below is the figure (figure 1.1) that shows five alternative types of consumer channels distribution.



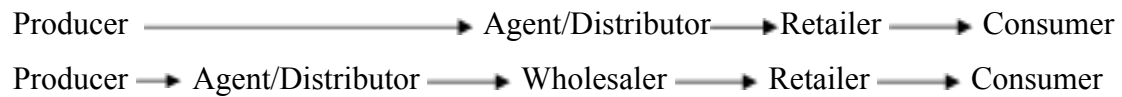


Figure 1: Five alternative ways consumer's channels

SOURCE: Adapted from Jobber, 2001, p. 469, Czinkota & Ronkainen, 2004, p.335 and Albaum et al, 1998,p. 196.

Producer – consumer. By cutting out distributor profit margin can make this option attractive to producers. Direct selling between producer and consumer has been a feature of the American cosmetics producer Avon, and Tupperware plastic containers, direct marketing is of growing importance in Europe and includes the use of for example direct mail, telephone selling and direct response of advertising. (Jobber, 2001)

Producer – retailer – consumer. The growth in retailer size has meant that it's becomes economic for producers to supply retailers directly rather than through wholesalers. Consumers the have the convenience of viewing and testing the products at the retail outlet. (Jobber, 2001). In this BERRYWELL® case study, since their product is on professional category, so the consumer can test the products at the hair salon.

Producer – wholesaler – retailer – consumer. For small retailers/ hair salon with limited order quantities, the best option is using of wholesalers makes economic sense. With these attempt wholesalers can buy in bulk from producers, and sell smaller quantities to numerous appointed hair salon. The risk of this attempt is that large hair salon in the same market may have the power to buy directly from producers and can cut the wholesaler link. In some cases, the purchasing power of large hair salon chain has meant that they can also sell products to smaller hair salon with cheaper price that small hair salon usually buy from the wholesaler. Longer channels like this also tend to happen where hair salon oligopolies do not dominate the distribution system, In Europe long channels involving wholesalers are common in France and Italy. In France, for example, small independent wholesalers dominate the distribution of vehicle spare parts. (Jobber, 2001). For Indonesian market, the trend is almost the same with France, where part of wholesalers play major important

role to sales generator and distribution to smaller level of store.

Producer – agent/distributor – retailer – consumer / Producer – agent /distributor-wholesaler- retailer – consumer. According to (Jobber, 2001) *This* type of channel is most common when companies enter international markets, due to the fact that it does not require as much investment in terms of time and money. Exporting companies may distribute the task of selling the product to an agent/distributor. An agent/distributors distribute the product to the wholesalers or retailers in the exporting company's name (this case is BERRYWELL®) and receives commission on sales. A distributor is an independent company, which purchases the products of the producer and sells it in its own brand name or uses the exporters brand name. The distributor has the entire responsibility of the distribution channel such as choice of intermediaries, storage, and marketing, and an agent usually has various responsibilities depending on the agreement with the producer. (Bradley, 1999) Some companies use multiple channels to distribute their products. Grocery products, for example, use both producers to wholesaler to retailer (small grocer/ hair salon). And producers to retailers (Jobber, 2001).

The choice of these various distribution channels is affected by how much control the producer desire of the distribution. If using a distribution channel which is indirect, the company should hands over some of the marketing responsibilities, the sales and the storage of products to its foreign intermediaries partner. Therefore, it is quite vital to put effort into the selection of the intermediaries. (Gilliland & Bello, 1997).

2.5.2 Distribution Channel Intensity

Still taking notes from Jobber (2001) is another channel strategy is its intensity of the distribution channel. According to Kotler (2000) and Fein and Anderson (1997), companies have to decide on the number of intermediaries to us at each channel level. There are three approaches available: ***Intensive distribution, Selective distribution and Exclusive distribution.*** Intensive distribution is at one end of the scale where the policy is to distribute to as many outlets as possible, and on the other side is exclusive distribution, where the policy is to distribute only one intermediary at a given level and in a given geographic area. And the broad middle ground of those two is normally referred to as selective distribution, stated Mallen (1996). All of that three-distribution strategy have its own purpose as well as advantage and

disadvantage, will be explain further below.

Intensive distribution, it is consists of the manufacturer placing their goods or service to many outlets as many as possible. This approach is generally used for daily used of goods such as milk, bread, sugar, oil, Tobacco products, and soap. Product, which the consumer requires a great deal of location convenience. On the manufacturers sides also constantly tempted to move from exclusive or selective distribution to intensive distribution due to achieving an increase in outlet coverage and sales value. Intensive distribution may help in the short term but often can hurt its long term. (Kotler, 2000). According to Mallen (1996) intensive distribution tends to maximize sales for simple reason that more outlets increase the possibilities of consumer contact (increase in network). Yet, this approach means a more expense on elaborate marketing operation at the manufacturer level.

Selective distribution, this distribution method is involving the use of more than a few but less than all of the intermediaries who are willing to distribute a particular product. Established companies use it, also new companies that are still seeking distributors. The company can focus their effort to selective outlets; it enables the manufacturer to gain adequate market coverage with more control and less cost than doing intensive distribution. (Kotler, 2000) Selective distribution is generally applied on rarely bought goods such as DVDs, computers and cameras according to Fein and Anderson (1997). In this case it also can be applied to Hair coloring product like BERRYWELL®.

Exclusive distribution, this distribution method by its name means severely limiting the number intermediaries. It is used when the company wants to maintain control over service level and the outputs offered by the resellers. (Kotler , 2000) While minimizing costs, exclusive distribution tends to maximize channel control. It's also easier for the manufacturer to have satisfactory relationships with a few intermediaries, giving them closer good relationship than with many in a given area according to Mallen (1996). It's also involves exclusive dealing arrangements, in which resellers cannot carry competing brands. By granting exclusive distributor, the producer hopes to obtain more dedicated and knowledgeable in proper selling. (Kotler, 2000). Exclusive distribution is often used on capital goods such as tractor, cars according to Fein and Anderson (1997).

2.5.3 International Distribution Channel Selection

It is very important for the producer to choose the right type of distribution channel due to the fact that is expensive and a major investment for the company. The producer must put much effort and consideration into this selection. (Holmvall, 1995) The following section will present theories regarding the process of international distribution channel selection.

2.5.4 The Selection Process

According to Root (1998) when the exporting company decides to use intermediary it must initiate a selection process in order to select preferable and high-quality intermediaries. It demands for greater attention and effort. Based on Root (1998) theory, the decision process has four stages:

1. Drawing up the intermediary profile
2. Locating intermediary prospects
3. Evaluating intermediary prospects
4. Choosing the intermediary

1. Drawing up the intermediary profile

The intermediary profiling is quite important early stage as its lists all the criteria that a company need and should look for in a foreign target market. The potential intermediaries must be compared and contrasted against all determining criteria stated by Czinkota and Ronkainen (2004) and Root (1998). The intermediaries should have the same capacities, needs and goals to avoid conflict with exporting company. Therefore, it's crucial that the intermediaries' outlook and do the research and approach comprehend to the companies according to Cavusgil et al (1995).

Various criteria have to be weighted; the list should be updated according to manufacturers need and to reflect changes in the environment and marketers own situation. Some criteria can be characterized as a determinant, in that they will form the core dimensions along in candidates that have to perform well, where some criteria, even though its important, may be used only in preliminary screening. (Czinkota & Ronkanen, 2004).

Based on Czinkota & Ronkainen (2004), This list should correspond closely to the exporter's own determinants of success, all the things that have to be done better to beat out competition. Czinkota and Ronkainen (2004) continue stating that before signing any agreement and contract with a particular intermediary, the exporting company should satisfy itself on certain key criteria. A number of these key criteria can be easily quantified, by providing a solid base for comparisons between intermediaries candidates, where as others are considered qualitative and require careful interpretation and confidence in the data sources. A criteria list is valuable only when good data are available on each and every criterion. (Ibid.)

Based on Czinkota and Ronkainen (2004) and Root (1998) statement, these are the following criteria when choosing and selecting the intermediaries:

- Goals and strategies
- Size of the firm
- Financial strength / credit ratings
- Reputation with suppliers, customers, and banks
- Trading areas covered
- Compability
- Experience in products handled / with companies
- Sales organization and quality of the sales team
- Physical facilities
- Willingness to carry inventories
- After sales service capability
- Knowledge/ use of promotion
- Record of the sales performance
- Relations with the local government
- Communication skill
- Overall experience in attitude and commitment
- Lines handled
- Cost of operations
- Knowledge of English or other relevant languages being used
- Knowledge of business methods in the exporting company's country
- Willingness to cooperate with the exporting company

According to Cavusgil et al (1995), he summarized the above list criteria into five criteria; *company strength, product factors, marketing capacities, commitment, and facilitating factors*. Company strength of the intermediary is an indication of how the needs of the intermediary meet the expectation and needs of the exporting company. Exporting companies must investigate the position of the intermediary in terms of their current and past customers, potentially future customers, suppliers, competitors, and other participant in the market. Additional statement by Jones et al (1992) stated that the exported company should also investigate what product- and marketing expertise the intermediary capable of, how the intermediary treats its customers and how the intermediary's performance towards achieving sales. According to Cavusgil et al (1995). It is also important to investigate the growth of the intermediary due to the fact that if intermediary didn't have financial mean to further future expansion that means it would be an option to find another intermediary in a long term.

Product factors, is the important criterion when selecting an intermediary according to statement by Mallen (1996). It's important to select an intermediary who deals with complementing products and not competitive, based on author professional work experience at Nestlé Indonesia, it also proven that almost all the distributors of Nestlé products are exclusive selling Nestlé' on F&B category, with this applied, the intermediary is more focus on selling Nestle, by following its mission and vision and eliminate the risk of getting confused in the process. The products should reach the same segment as the exporting company. Jobber (2001) stated that effective physical distribution is an important product factor to be considered. Physical distribution is the delivery of the product from the exporting company via an intermediary to the end consumer, and to managing shipment and handling to the store with an effective conduct. It is a decisive issue for the exporting company and increases its value of the products of its being handled the right way.

Marketing capacities is the second important criteria that the exporting company should consider in the intermediary selection process, according to statement from Cavusgil et al (1995). The exporting company must find what's the expertise and marketing ability that the intermediaries possessed in their market sector. Intermediaries often stated that they can handle the whole target or several target of a country; however it's too general, and it's often to be difficult for the intermediary to work over broad market audience due to geographical, cultural and

financial barriers. Limited access to distribution channels and lack of motivation are also factors that makes the process difficult to intermediaries handle the broad areas. If the intermediary is incapable of handling broad areas and target, the exporting company should look further to another more capable intermediaries. Mallen (1996) stated that the exporter also must consider the intermediary's marketing ability from the product itself as well as the level of the education of the sales force. The willingness of the channel intermediaries to market products is an important aspect and consideration when selecting an intermediary. The exporting company needs in most cases be involved in any decision process of the marketing strategy since they are the one who hold the general steer on which way the products being perceived by its end consumer.

Commitment is the willingness to cooperate in terms of to storage and to invest into advertisement. If the intermediaries got this criteria and on a high level, it would create a fruitful synergy to push the product to its full potential, an investment can be creating training programs for the sales force, creating an event to build up product promotion and etc. More to this, the feedback from the intermediary to the exporting company is also an indication and a sign of care. (Cavusgil et al, 1995) . The major indicator of commitment can be shown as well when the intermediary ends the sales of competitive products in order to only put their main focus on the products of the exporting company (Mallen, 1996).

Facilitating factors, According to Cavusgil et al (1996), facilitating factors is one of the five criteria that are important on selecting an intermediary. The exporting company should examine prior experiences with other exporting companies. Management and bookkeeping principles should also be checked and be in the agreement with exporting company as well as the goals to achieve by both parties. Another facilitating factor is that the intermediary should consider having English speaking or other relevant language representative on their staff team due to the fact that it makes the communication with the exporting company easier.

2. Locating Intermediary Prospects

Based on Root (1998) statement, information on prospective intermediaries in a target country may be collected from several sources such as government agencies, banks, trade publications, trade fairs, personal visits. And during this high tech era,

even social media and websites play major important role for a place to gain information. According to (Barnett et al, 1989), personal visits are the most common way in order to get in contact with potential intermediaries. It is the most important indicator of successful export. Even though personal visits are considered expensive, they are vital in order to evaluate intermediaries' real competence and seeing the market opportunities in the local market from the first point of view (no cover up). Furthermore, personal visits may result in close relationship in the future with intermediary due to the fact that the exporting company can evaluate what the needs of the intermediaries to do the job.

There is also another way to locate the intermediary prospects based on (McMillan and Paulden, 1974) is to ask existing and potential end customers in the foreign market for guidance, insight and advice. (Gruner and Schafer, 1996) as well stated that the exporting company should ask their potential end customers what intermediaries they have cooperated with and have confidence in. However, there's a situation that bare a risk by trusting the recommendations of customers due to the fact they often suggest intermediaries who distribute competitive products. In order to minimize this kind of risk, the exporting company should go to customers of similar products for an advice in order to locate prospective intermediaries. These intermediaries are tending to be more eager to distribute the products in their product distribution line rather than intermediaries that distributing competitive products.

A third way to locate and find prospective intermediaries is for exporting company to attend and visit trade fairs in the new country market (Barnett et al, 1989). While (Berg, 2000) stated that by discussing with various participants of the trade fair, a network is created which will facilitate to locate the desired prospective intermediaries. A trade fair is also an event that provides good opportunity to investigate how various intermediaries' work, their ethics, vision and mission. Therefore the exporting companies can find which intermediary that suitable to cooperate with their character and business line. It also revealed their knowledge of products they are currently selling. (Gruner and Schafer, 1996). If the exporting company is ready to expand in the new market. It might be a good time to start participating in trade fairs, in order to promote their brand, also to showcase their material to increase the brand awareness and attention of the intermediaries. To create a beneficial impact during trade fairs, the material should be carefully planned, because if its not being planned well or its too early, the result might be devastating

and the exporting company would be recognized as not a serious company.

According to (Forsberg, 1996) The exporting company can turn to organizations that deal with direct intermediaries or distributor network, example like trade organization, banks, transporting companies or marketing agencies in order to find information about appropriate intermediaries.

3. Evaluating intermediary prospects

According to (Root, 1998) references from banks and existing customers of the intermediary is a good way to evaluate the intermediary, as they have more experience and established business relationship. While according to (Haas, 1995) it is also important to find the intermediary history and track record, like how long the intermediaries have been doing their business, what are their marketing background, the distribution channel they used, and how their storage capacity. When the exporting companies already know the real potential of the intermediary, they should try to establish contacts by sending letters and email in order to introduce themselves as well as the products that exporting company want to distribute, and find any information if there's any interest by the intermediaries to cooperate.

To send the first letter or email is crucial stage, there should be all details information about the company identity like stating the competitive advantage compare to competitors product, sales potential in the intermediary's country, research result in the intermediary's country, important potential customer in the targeted country, and the exporting company reputations. These things need to be briefly explained to attract attention, if not the risk of the emails or letters being unanswered is there to be faced. Evaluations of responses of the first letter or email, checks with bank and customer or supplier reference, and any other related information provide the basis of a second screening. Next after doing an initial first email and letter approach, a follow-up letter can be sent to the remaining prospects, asking if each intermediary to outline the marketing plan they would use for the exporting company products, the support they need and want from the exporting company, expected sales volume, and any other important information to the exporting company profile. Given this information from the response to the second letter, as well as the information gathered from other sources, the exporting company is able to determine a limited number of the "future best" prospects to be

intermediary/distributors/importers. (Root, 1998). Meanwhile based on (Cavusgil et al, 1995) the exporting company should have to compare and evaluate the best possible prospect from one to another against intermediary profile stage 1 – “Drawing up the intermediary profile” to find the closest criteria to what exporting company expect in their intermediary.

4. *Choosing the Intermediary*

After evaluating the prospects of intermediary and selection has been further limited, it is time to choose the intermediary. Based on Cavusgil et al (1995) and Root (1998) it is important to meet the intermediary in person in order to make sure there are personal chemistry is there. The final choice of intermediary is well worth the time and money, since the success of the exporting company expanding their market to foreign country is depending mainly on the intermediary efforts to distribute and sold the products to target customers. More to that, if the exporting company makes a bad or wrong choice choosing intermediary, it will be time and cost disadvantage, and for remake the arrangement, The whole selection process must start from the start (Root, 1998).

2.6 Closeness To Purchase Scale

Most marketing problems can be an essence to changing what business players are deciding. This might be to change what some consumers are deciding to buy or not. It also may be the change of what some retailers are deciding about which product to stock and how to price and promote them to the market. It applied to be change of what wholesaler is deciding, or to change what management of a company or exporter is deciding about their products and how to market it. Often more, it's not easy to change what someone is deciding. Most people think they have good reason for what they're deciding and believing, so they are not welcome for a change and challenge. To make the changes sometime can be costly and therefore not worth undertaking. Sometime changes may be easy and very profitable. To help anticipate the ease of change and best tool to make that change, it is necessary to examine the nature of the change that must be change and adapt. The closeness to purchase tool (CTP) is helping to build up variable around the market environment and help to

construct the things that need to change and have. The specific stages on such a scale should be selected to fit the specific circumstances, but the idea is illustrated below with a general set of stages. The Author use this scale to sums up the need of the product targeted to be marketed in Indonesia to be more precise for the need in Indonesian Hair care product.

Criteria	Need	Aware	Aware of our brands	Information	Positive image	Intent to try	Take care of people	Happy loyal user
Example	Hair Colouring	Prestige hair colour with vitamin enriched	Social Media	Professional Hairdresser	Social status	Product launch events	Customer Service	Proud user
			Professional Workshop	Official website	Prestige level		Professional Workshop	Recomended to others

Table 1: Closeness to purchase scale BERRYWELL®

Explanation:

1. **Need**

Customer wants to change the color of the hair and need hair-coloring product for their hair. They want to feel different, be more confidence, and to beautify the hair color in order to look more appealing by coloring they hair that matches with their lifestyle.

2. **Awareness**

Customer already aware about the criteria they need in hair care product, that is high quality hair coloring product and its complimentary product that match with the type of the of the color they want. They also want that the hair color they choose not only make their hair color look different but also give them good healthy effect on their hair after finished. It's important that the product is made from the materials that do not harm hair.

3. **Aware of our brands**

Customer need to aware of the BERRYWELL® brands, that's why

BERRYWELL® need to set advertisement everywhere, especially in social media and in the hair salon. BERRYWELL® also have to give routine professional workshop training in some salon to make the professional hairdresser aware about their product and can be recommended to the customer.

4. **Information**

Customer can easily get the information of the BERRYWELL® product by look in the BERRYWELL® official website, also creating official Youtube channel video that showing BERRYWELL® product and following their preferable hairdresser recommendation and Instagram account to let the customers know the BERRYWELL® better.

5. **Positive image**

With using BERRYWELL® product, the customer will get satisfaction of the hair color they want and get more-higher social status level when they uploading their picture and video of the result of their new hair color to the social media.

6. **Intent to try**

The customer can try and test the product for the first time in the upcoming new BERRYWELL® launch events and testing trial on selected hair salon. Also BERRYWELL® is routinely give professional hairdresser workshop in famous salon. Together with that it's a good opportunity to make the customer saw and also test the product and process of the BERRYWELL® hair coloring.

7. **Take care of people**

With using this BERRYWELL® product, the consumer will get friendly customer service if they want to ask something regarding the BERRYWELL® product information. During the professional hairdresser workshop, the trainer from BERRYWELL® also will answer the frequently asked question about the BERRYWELL® product and give solution to the product used whether its on live event or the official website. Within this process there's an opportunity to promote

complimentary product to take care the hair of consumer such as, hair mask, conditioner and etc.

8. Happy loyal user

As for the consumer, they will feel happy with using BERRYWELL® product and will recommend the product to others. And as for the professional hairdresser and hair salon, they will make repeat order of BERRYWELL® to be use frequently and regularly on their Hair salon service.

2.7 International Regulation for shipping dangerous material

2.7.1 ADR

The European Agreement concerning the International Carriage of Dangerous Goods by Road (ADR) was done at Geneva on 30 September 1957 under the auspices of the United Nations Economic Commission for Europe, and it entered into force on 29 January 1968. The Agreement itself was amended by the Protocol amending article 14 (3) done at New York on 21 August 1975, which entered into force on 19 April 1985.

The Agreement itself is short and simple. The key article is the second, which say that apart from some excessively dangerous goods, other dangerous goods may be carried internationally in road vehicles subject to compliance with:

- The conditions laid down in Annex A for the goods in question, in particular as regards their packaging and labeling; and
- The conditions laid down in Annex B, in particular as regards the construction, equipment and operation of the vehicle carrying the goods in question.

The structure is consistent with that of the United Nations Recommendations on the Transport of Dangerous Goods, Model Regulations, the International Maritime Dangerous Goods Code (of the International Maritime Organization), the Technical Instructions for the Safe Transport of Dangerous Goods by Air (of the International Civil Aviation Organization) and the Regulations concerning the International Carriage of Dangerous Goods by Rail (of the Intergovernmental

Organization for International Carriage by Rail). The lay-out is as follows:

Annex A: General provisions and provisions concerning dangerous articles and substances

Part 1 General provisions

Part 2 Classification

Part 3 Dangerous goods list, special provisions and exemptions related to limited and excepted quantities

Part 4 Packing and tank provisions

Part 5 Consignment procedures

Part 6 Requirements for the construction and testing of packaging's intermediate bulk containers (IBCs), large packaging's and tanks

Part 7 Provisions concerning the conditions of carriage, loading, unloading and handling

Annex B: Provisions concerning transport equipment and transport operations

Part 8 Requirements for vehicle crews, equipment, operation and documentation

Part 9 Requirements concerning the construction and approval of vehicle

Based on latest version of Agreement concerning the International Carriage of Dangerous Goods by Road (ADR) 26 February 2015, "*Aerosol or aerosol dispenser*" means any non-refillable receptacle meeting the requirement of 6.2.6, made of metal, glass or plastics and containing a gas, compressed, liquefied or dissolved under pressure, with or without liquid, paste or powder, and fitted with a release device allowing the contents to be ejected as solid or liquid particles in suspension in a gas, as a foam, paste or powder or in a liquid state or in a gaseous state.

This criteria match with Styling Mousse and Hair Spray that BERRYWELL® trying to distribute to Indonesia.

2.7.2 UN 1950

Aerosols – UN1950. Aerosols are used in many consumers and industrial products including spray paints, automotive cleaners, air fresheners, hair spray, lubricating oils, pesticides, sunscreen and insect repellants. As aerosols are compressed gas, these products are dangerous goods and must be prepared according to the applicable regulations. The shipper must determine how to prepare the shipment based on the classification and transport model.

Aerosols can also have a sub-risk classification indicating there are multiple dangerous goods classes for one product. If a product has a sub-risk class, shippers must refer to the appropriate regulations to ensure compliance. A common issue with aerosols is that packaging suitable for bulk quantities, such as pallet loads, is often inadequate for the conveyor systems and manual handling of courier operations. This can result in contents release or damage, which can contaminate other packages or conveyor equipment. In particular, the plastic "caps" used to protect the spray valve can become dislodged during handling and cause a release of the contents. Recommended that aerosols be packed with sufficient fill material to secure the inner containers and prevent any movement while in the package.

Chapter 3

METHODOLOGY

This chapter will explain how the author has conducted the research. Explanation of processes and methods that are applied in this research will be discussed and justified in order to answer our research questions. Furthermore, the validity and reliability of the study and research are concentrated.

3.1 Research Purpose

Based on Yin (2003) explanation about approaches in scientific research, there are three types of approaches namely exploratory, explanatory, and descriptive research.

Exploratory approaches are used to find out what is happening with the current situation, to gain new insights within it and to ask questions and assess the phenomena in a new level of understanding or solve it according to Saunders and Thornhill (2000). It's a useful way of approach if we wish to clarify the understanding of a problem that we want to solve. Exploratory research can be conducted to the activities of the traveler or an explorer. The great advantage of doing it is that it is flexible and adaptable to change. If you are conducting exploratory research, you should be committed and willing to change your direction as if there will be a result of new data as well as new insights that occur to the research. (Saunders & Thornhill, 2000).

Explanatory is a type of research approach that establishes causal relationships between variables. The emphasis is on studying a situation or a problem to explain the relationship between variables. (Saunders & Thornhill, 2000). Explanatory studies attempt to identify factors that motivate market/customer behavior, and also evaluate their relationship and interaction between each other. (Chrisnal, 1997).

And last but not least is the descriptive research, its function is to aim an accurate profile of persons, events or situations. This may be an extension from exploratory research. It is important to have a clear picture of the situation or a

phenomenon on which the author wish to collect data for collection of the research data. With high order skills than those of accurate description, as it applied in management and business research has a very clear place. However, it should be thought of as a means to an end rather an end in itself. (Saunders and Thornhill, 2000).

This research study is mainly more to descriptive research due to the fact that the purpose and the research questions are to describe and go deeper into the characteristics of Indonesian customer as well its professional hairdresser towards BERRYWELL® a German product. This study research is also explanatory in the aspect of some extent because the author want to explain what factors make a successful hair coloring product in Indonesia, the way to marketed including finding choice of suitable international distribution channel. Furthermore, this study is to some extend of exploratory in terms of that we bring detailed questions in our questionnaire to our sample respondent as well as in depth questions list for out targeted primary sources, and we have also clarified our understanding of a problem. This also a new research being conducted in Indonesia, since this is the first time BERRYWELL® set themselves to initial stage of entering Indonesian hair product industry through this research. All the research and procedure will be guide based on theories we selected.

3.2 Hypothesis

H1: The existing foreign hair- coloring **brand image** is affecting the image of BERRYWELL® in the eye of Indonesian consumer

H2: Indonesian consumers are moving from **cost efficient to high quality** in terms of choosing their hair-coloring product

H3: BERRYWELL® has an opportunity to expand its market to Indonesia and continue to distribute their range of product to Indonesian customer due to its **quality provided**

H4: Professional hairdresser in Indonesia is highly concern with the product they used to their client (**Safety**)

3.3 Research Approach

There are two types of research approaches; qualitative and quantitative. The author will use these mixture of qualitative and quantitative approaches by creating the questionnaire questions from information and data received from interviews and literature studies in order to make more detailed questions that focus on the problem that the author want to solve and discover. The author will describe the reason and main information of using this approaches methods as below:

Qualitative: A qualitative approach seeks to discover what may occur for certain kinds of behavior. This type of research seeks deeper understanding of factors, sometimes unseen, which influence the choice or factors that influence costumer in choosing their hair-coloring product for example. It also observing and reflects the complexity of human activities, organization works and rules applied in satisfying many needs, that's basically subjective. The result of qualitative research approach cannot produce statistical evidence based on probability sampling, but it will provide unique insights to inspire and create a powerful data to be concluded in quantitative aspect of a research. It's inspire and guide the development of making the right questions for questionnaire as well creating marketing strategy and tactics. This approach is appropriate when you want thorough information and the purpose of qualitative approach is to receive a deeper understanding of the research problem (Yin, 2003).

Quantitative: a quantitative approach measures how much and how many, this approach is suitable for statistical methods (Holme & Solvang, 1997). Which one of the two approaches to choose it depends on the need and purpose of the study and the research questions (Chisnall, 1997). According to Brymen & Bell (2007) and Greenspum (2010) noted that deductive approach begins with a general ideas (such as theory, laws, and principles) with these based of ideas, specific hypotheses are formed which can be tested in order to support the general ideas. Then observation will be conducted to test all issues. The purpose of deductive approach is to confirm or reject given theories (hypothesis). Moreover quantitative approach is applied. This quantitative approach can be constructed as a research strategy that emphasizes quantification in the collection and analysis of data collected. Furthermore, these quantitative methods give priority to fixed measurement, hypothesis and lesser

flexible of fieldwork involvement. Quantitative method projects for reliability by utilizing tools such as standardized questionnaire. (Brymen & Bell, 2007).

The purpose of this research is to understand and find the factors that affecting Indonesian costumers as well as professional hairdresser about their buying decision in choosing their hair coloring products.

The first approaches that being conducted is the *qualitative approach*, as the author will find the nature of how the existing hair coloring brand, and national distributor doing business in Indonesia and how the hairdresser describe a good product to be use for their costumers, the purpose of this also was to gain deeper understanding of how international distribution channels are used, from the perspective of exporting companies and from the importing distributor/wholesaler in Indonesia and to the costumer market in the end. Therefore with first research approach being applied, the author will have strong standardized questions that will be use for making a informative questionnaire (Quantitative methods).

With qualitative research being mentioned earlier, the next approach is using quantitative research approach, the purpose of this research is to understand and to find out factors that affect hair salon costumer in choosing their hair salon, the treatment (in terms of hair coloring) and the service that the hair salon offered. Deductive approach was applied in this research because it supported the author to confirm and reject all issues (Hypothesis) that were form based on previous researches and theories. Furthermore, Quantitative approach is a solid way of approach to end and bring conclusion about the Indonesian costumer perspective towards BERRYWELL®, German hair coloring product. Moreover, quantitative approach was also useful to evaluate, summarize and report finding accurately based on the statistical data.

3.4 Research Strategy

Our research approach is the mix of quantitative data (questionnaire data gathering) and qualitative data (direct interview, observation, and product research). Quantitative data is being use to help strengthen the questions for qualitative data

seeking.

For qualitative method, there is five research strategies available to collect the data: experiments, surveys, archival analysis, histories, and case studies (Yin, 2003). Each strategy is either suitable or not depending on what type of study is on the research question. There are three conditions that distinguish these five strategies (ibid):

- Form of research questions
- Requires control over behavioral events
- Focuses on contemporary events

Usually question started with “why” and “how” is used when the author has little control over events and when the focus is on contemporary occurrence within some real life context. And the best choice of research strategy to use is by doing case studies. Case studies contribute many unique aspect form of information like knowledge of individual, organizational, social and political occurrences and it allows an author to retain the holistic, organic and meaningful characteristics of real-life events, examples such as, individual life cycles of the target research, organizational and managerial processes. (ibid) We choose to conduct a case study of a hair trial on consumer and hair stylist by using BERRYWELL® products for our research due to the fact that we wanted to collect the realest data and analyze the performance and result of the product that being research and also compare it to existing theories. The purpose of the study was to find information in order to answer our “how” questions. This study did not require control over any behavioral events. Further to details, the study focused on the how of a contemporary event and it allowed us as the author, to retain any characteristics of real life events such as a salon managerial process, hair dresser characteristics, costumer characteristics and other things that related to the information we investigate.

3.5 Population and sample size

Population is a common unity of the samples taken. Population is also generalization region consisting of objects or subjects that have certain characteristics

of the quantity and can be applied to study and then drawn the conclusion (Sarwono, 2012).

Regarding to the purpose of this research, the author attempt to study the relationship between factors that can affect on the Indonesian customers and German hair coloring products, BERRYWELL® in Indonesia. The study is concentrated in Indonesian market only and focusing on its main city, Jakarta and Bandung only instead of the whole Indonesia area due to time limitation and point's focusing. And to avoid cultural difference between various tribes and habitual differences of character that can affect customer decision-making, doing survey across multi-nationality is avoided in this study. Furthermore, there is more convenient, accessible and directly to the point of the question that being asked, In order to target the customers who are in the age range of the research between 17 – 54 years old and living in Indonesia, particularly living in Jakarta and Bandung as the respondents for the questionnaire survey facilitating to the geographically residence. Consequently 30 respondents mixture of Indonesian women and men were selected to take part on this research. To be precise, by distributing questionnaire after doing the trial as well as in depth interview can generate some limitation toward the variety of respondents, most of respondents are career women/men, students and housewife.

3.6 Data collection: Instrument to collect data

3.6.1 Primary data collection

Primary data is the specific data which researcher find and collect to observe by themselves such as conducting questionnaires and doing interview to the targeted responded as a source of information. This data can be seen as primary because it's importance, uniqueness and its collected and observed according specific design and purpose by researcher (Brymen & Bell, 2007). In this research, the author conducted questionnaire for gathering all concrete information to analyze and answer all the issues from research questions. Primary data is valuable and essential data in the research regarding to an exclusive result that the author get directly from the survey.

3.6.2 Secondary data collection

Secondary data collection can be obtain from reports, government report, customer invoice, internet, reference book, and literature review, it's the collection of data and can be defined as an information collected by someone other than the author himself.

Secondary data collection can be seen as a beginning of the research, as the author had studied and reviewed any relevant data that can support the research, by knowing and understand the area of the research. Afterwards, the author used secondary data as an indicator to do further research, including what questions to be stated in the questionnaire and what kind of interview and instrument suitable for the research. According to (Brymen & Bell, 2007), secondary analysis is the scrutiny of available data by previous study or research that probably have not been involved in the collection of data. That is why using secondary data can make the research more detailed and reliable since it have evidence and support of facts and details in it. This data is concerned as an important tool for gathering relevant data according to the purposes of the thesis. Moreover by using secondary data it provides benefits like cost and time saving. By stating those reasons, that's why secondary data was applied in this research.

3.7 Questionnaire

Questionnaire is the technique of gathering data by giving a set of questions or a writing statement to the targeted respondent to be answered (Sugiyono, 2012). The purpose itself is to find as complete as possible the information about a problem or a questions to respondents without worrying if the respondents gave answers that do not correspond to reality in filling out the questionnaire given (Krisyantono, 2012).

The questionnaire consisted of 2 parts; that are personal data and consumption data. Close – ended and open-ended questionnaire were applied in this research. Personal data started from question number 1 to question 2. The questions in personal data part asked about gender and age. In consumption, habit and experience using BERRYWELL® started from question number 3 to question number 18. More to

details, the questions 3 – 10 are discussing about the respondents habit and perception to go to salon and they perception for coloring their hair, as well as how they prefer to choose their hair coloring products and how hair-coloring products should be marketed and promoted. And for questions number 11 to questions number 18 is more detailed about BERRYWELL® as a hair coloring products; about the reaction, interest, how BERRYWELL® can improve, its comparison with existing competitor, likeliness to buy and satisfaction level regarding the product offered. This questionnaire was created to understand more about Indonesian customers toward BERRYWELL® hair coloring product. So the author targeted 10 male and 20 female respondents. *(See the questionnaire in appendix a).*

3.8 Data Analysis

To analyze the collected data from questionnaire, the author using SPSS version 23, to analyze all answer, by summarized it as a descriptive statistic in empirical finding, chapter 4. And also for the beginning in chapter 5: Analysis and conclusion. The descriptive statistic is employed for the basic features of data in this study research. It offers simple conclusions about the sample and the measures (Trochim, 2008). On the first part of analysis, summarizing the data deriving from mean value by *frequency* is mainly considered. Corresponding with simple graphic analysis, it helps to shapes the basic of virtually every quantitative data analysis of result. More precisely, the analysis of the data, which are being answered as a rating. Data analysis according to (Miles and Huberman , 1994) consists of three flows of activity, explained below :

- **Data reduction:** considered to be the part of the analysis and not separate from it, The reduction of is analysis that helps to sharpen, sort, focus, discard, and organize the data in away that created for final conclusions to be drawn and verified. Data can be reduced and then transformed through such means as selection, summary, paraphrasing, or being enlarge in a larger pattern. It is also being used to reduce the data in the research, by taking empirical findings and take out the variables that cannot be compared to the existing theory.
- **Data display:** considered a second major activity, which researcher should

passed through, Meaning that after taking the reduced data and displaying it in a organized and compressed way, so the conclusions can be more simplify and easily drawn. As with data reduction being done previously, the creation and use of displays is a part from analysis. In our study we used the data analysis to display the data in our research. The author did this be performing within-case study and experiment on each targeted sample and salon, and put together both cases in a cross-case analysis.

- **Conclusion drawing and verification:** it is the final analytical activity for the qualitative researcher. Here the author begins to decide what all the findings means. Noting all regularities, patterns, explanations, possible configurations, flows, results and the propositions. It will be describe more in detail in conclusion chapter, because at that time author can use the data analysis to state the findings and draw into final conclusion.

(Yin, 2003) stated that the analysis of the case study evidence is one of the least developed and most difficult aspects of doing case studies. There are no clear guidelines on how to analyze the material from a case study. However to solve this matter, every case study can be analyze with general strategy, here are the main three strategies:

1. Relying on theoretical propositions is the most common and used one. The result of this strategy is from collection of data based on research questions taken from previous studies. And can be compared by the result from the findings of the study.
2. Second strategy is by thinking about rival explanations tries to define and test rival explanation that can be related to the first strategy, in position that the original theoretical propositions might have included hypotheses. It's relevant even in the absence of such theoretical propositions and is also useful in doing case study evaluations.
3. And the third strategy is by developing a case description, but this considered less favorable and should only be used once there is just little previous research has been done. This strategy can be conduct by analyzing data in two analytic ways that are within-case analysis and

cross-case analysis. Within case analysis can be conducted by comparing case study with existing theories and cross-case analysis is appropriate if data are collected from more than one case. In the cross-case analysis data are not only compared to theory data, but also to the data from the other cases. (Eriksson & Wiedersheim-Paul, 1999) The general analytical strategy decided for this case study is one where we relied on theoretical propositions. This strategy is appropriate since the research questions are taken from theoretical data and also have aimed to compare the empirical data from research findings against the results in existing theories. Due to the fact that data of the research and case studies been collected from 7 different salon in Jakarta and Bandung, within- case analysis together with a cross-case analysis were the most suitable to use in this study. The three strategies described by (Yin, 2003) are the basis for the data analysis. Data are reduced for the research questions in a within-case analysis. In the within – case analysis empirical findings are compared to the conceptual theory. The cross- case analysis additionally reduces and displays data. The different findings that being found are compared to **each other in the cross-case** analysis. In the final chapter, the author going to present and explain a contribution to a conclusion drawing and verification is provided.

3.9 Quality Standards

Reducing the possibility of getting the wrong answer from the research questions, means that attention has to be focus to two particular quality standards on research design that are: Reliability and Validity (Chisnall, 1997).

3.9.1 Reliability

Reliability is the extent to which the same observational procedure in the same context yields by the same information (Kirk & Miller, 1987). Reliability from it words meaning refers to the stability and consistency of the results received from the research: to the probability that the same result could be obtained if the measures used

in the research were simulated. Perfect coincidence of such measures would not be likely. However, acceptance level could range over specified limits, expressed in the form of correlation coefficients. Essentially, reliability is concerned with the consistency, accuracy and predictability of specific research findings (Chisnall, 1997).

According to Yin (2003) the objective with reliability is to be sure that if a researcher would follow the exact same procedures described as an earlier investigator and would conduct the same case study all over again, as the later investigator should arrive at the same findings and conclusions. One prerequisite for allowing another investigator to repeat an earlier case study is to document the procedures that author currently work on. For example: case study protocol. Another way is also to develop a case study database. The stages in our study are well documented since we have the questionnaire and the interviews authors conducted were recorded in video. Furthermore, authors have all the contacts (phone numbers and e-mail address to the source of information, in this case are trial respondents, salon owners and hairdressers).

The reliability of this study can be increased in a number of ways. The procedures of this research are well explained in this thesis. The authors also designed the interview guide, which shows how we have conceptualized the research questions. The same interview guide was used in both interviews. Authors have organized the data collected for each of the cases and structured the thesis so that following researcher and readers of this thesis can retrieve any desired material for their further research as a source and guidance for information regarding Indonesian costumer in Hair care product. Furthermore, in order for us to perform the interviews in most professional manner, we conducted research on every salon we visited, by giving them proper introduction about BERRYWELL® before doing the product trial and interviews.

The reliability of this study can be reduced in two ways. First is if someone else would do the interviews again the respondents are likely to be more prepared because it has been done before and the respondents will know what to answer. They might remember more and possibly will add more depth into conversation in the interviews. Secondly, is that over years the procedures, techniques, trends and

processes might be changed or improved which means the result of the study with the same nature of what authors did might take another turn of results.

3.9.2 Validity

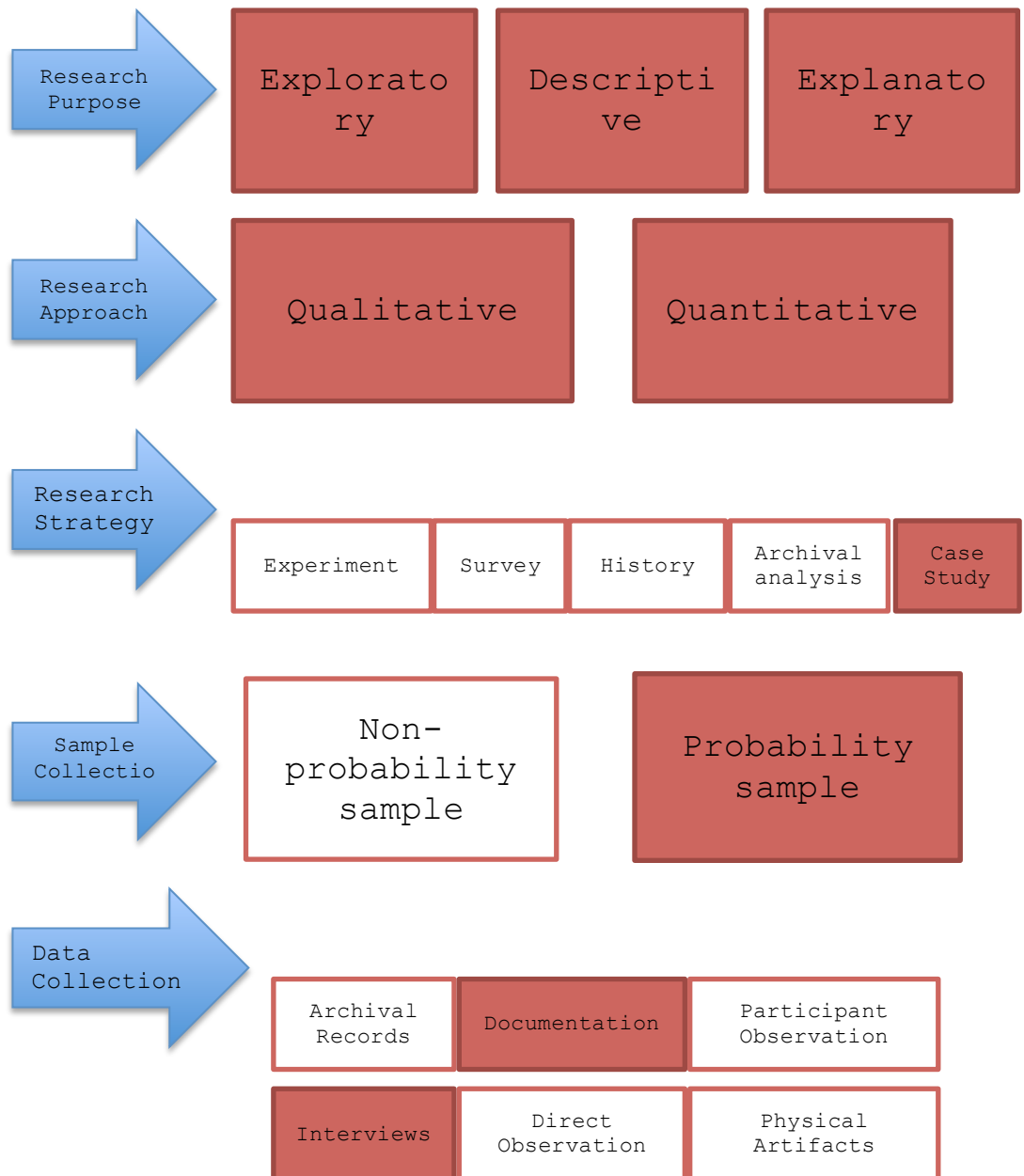
Validity is the quality of fit between an observation and the basis on which it is made (Kirk and Miller, 1987). Validity is concerned with the findings are really about and what they appear to be about (Saunders and Thornhill, 2000). It refers to how well a specific research measure what it claims to be measure. Taking one for example, a thermometer is used to measure a temperature and a speedometer is used for measuring the speed of vehicle. It's generally more difficult to resolve validity and reliability, for a research measure should be more than just valid but also reliable (Chisnall, 1997).

Validity involves the agreement between the measureable value you get when using a measureable definition and the reality. It dos not depend on the internal validity and it cannot estimate without knowing how the empirical material that already been gathered. High validity usually hard to obtain since people might be lying or answering the questions incorrectly (Eriksson and Wiedersheim-Paul , 1999). We took this into consideration by ensuring that the respondents we choose for our interviews are the in the right criteria and were the right person to talk with. However, It is difficult to know whether the person has been honest with their answer or did answer incorrectly.

All the respondents we interviewed were samples that already used to do hair coloring as their activity, so they will have variation of judgment regarding hair coloring product that we're testing on them. And also for the expert hairdresser that being expert on their work area and know the quality of the hair coloring product. We have also collected documentation in video file in order to increase the validity and make sure we have the correct information according to their statements. We conducted the interview guides to the respondents in advance in order for them to prepare and provide us with all information we need to help the author get the right information, since all the interviews being recorded by a video we also provide a note

to do a double-check and verification of the information we got from the interviews.

3.10 Summary of Methods



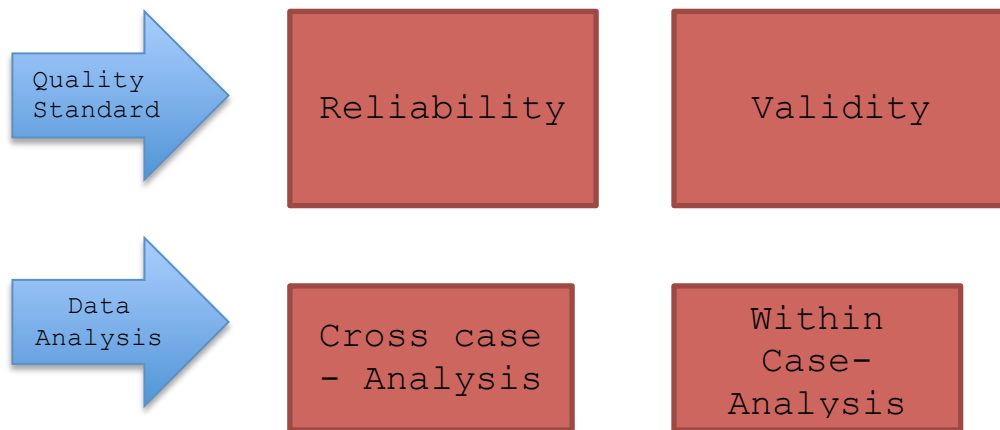


Figure 2: Summary of the Methods

Chapter 4

FINDINGS AND DISCUSSIONS

In this chapter, the author will present the information gathered through the research; such as interviews, questionnaire result retrieved from our Target salon that are Sucre Salon, GMCM Salon, Firman Salon, Blow & Glow Salon, Trendz Salon and Hair Craft Salon. Initially we will present general information regarding each salon. Thereafter we will present information concerning each research question.

4.1 Respondent Data - General Information

- Gender

Gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	9	30.0	30.0	30.0
Female	21	70.0	70.0	100.0
Total	30	100.0	100.0	

Table 2. Respondents Gender

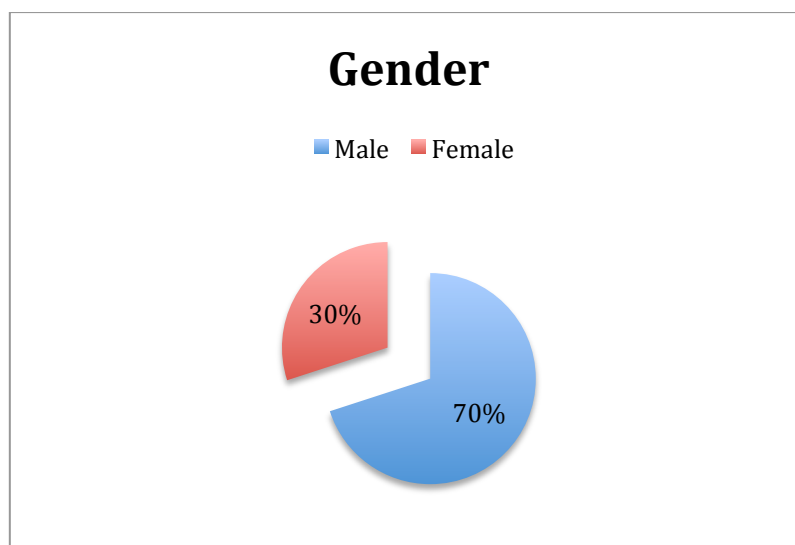


Figure 3. Respondents Gender percentage

The table above illustrates the respondent data by gender. From the total 30 respondents, the numbers of women respondent are more than men respondents, with 21 (70%) against 9 (30%) each of total percentage (100%).

- *Age*

Age

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 18-22y.o	10	33.3	33.3	33.3
23-27y.o	16	53.3	53.3	86.7
28-32y.o	2	6.7	6.7	93.3
>32y.o	2	6.7	6.7	100.0
Total	30	100.0	100.0	

Table 3. Respondents Age

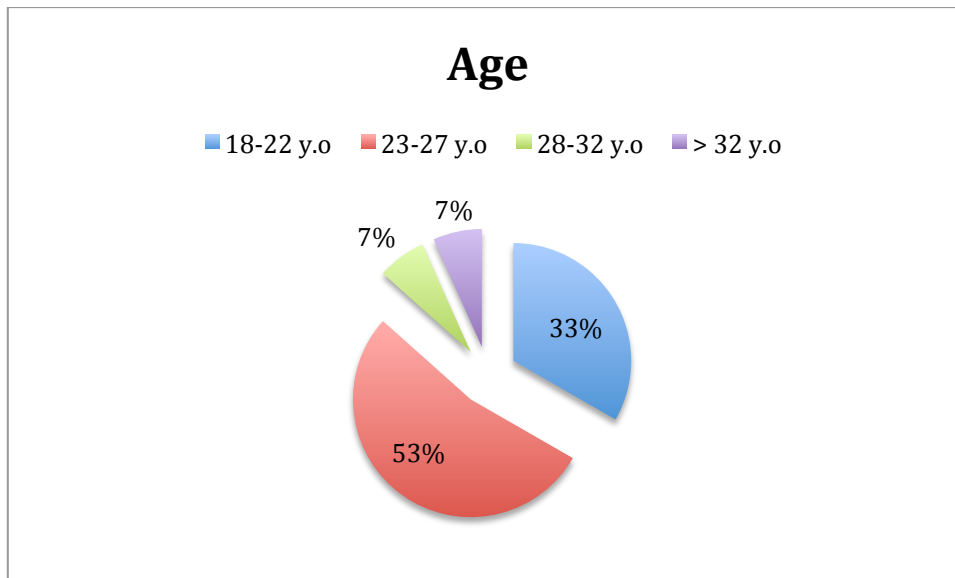


Figure 4 . Respondents Age Percentage

The table above illustrates the respondent data by age. Of the 30 respondents, the majority of respondents aged 23-27 years, as many as 16 people (53.3%) from the total respondents. Followed by 10 people of 18-22 years old (33%) and for 28-32 years old and 32 years old above share the same number of 2 people on each category (7%).

- *Hair Coloring Experience*

Coloring_Exp

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	26	86.7	86.7	86.7
	no	4	13.3	13.3	100.0
	Total	30	100.0	100.0	

Table 4. Respondents Hair coloring experience

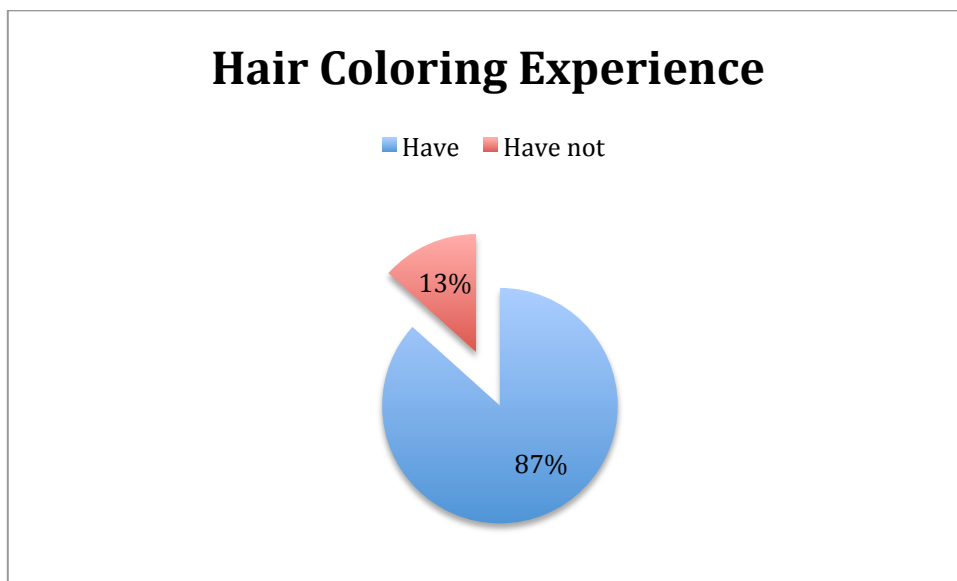


Figure 5. Respondents Hair coloring percentage

The table and pie chart above showing that from 30 samples being conducted to hair coloring trial, 4 (13%) of them have not got experience doing hair coloring before, and the rest of 26 (87%) samples have already had their own experience doing hair colorin.

- *Coloring perception*

Coloring_Perception

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	To cover grey hair	2	6.7	6.7	6.7

Be more appealing	24	80.0	80.0	86.7
Brand effect	4	13.3	13.3	100.0
Total	30	100.0	100.0	

Table.5 Respondents Coloring perception

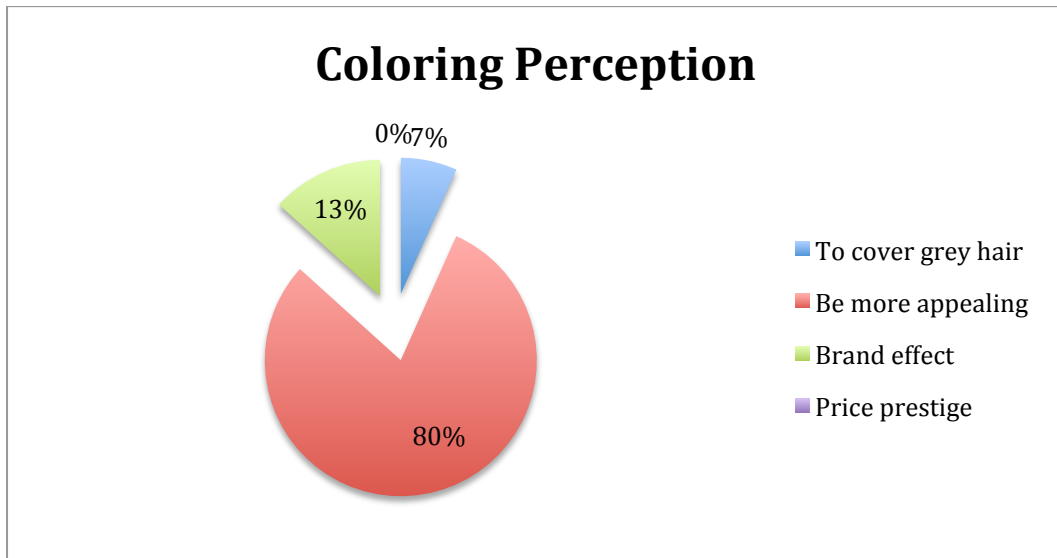


Figure 6. Respondents Coloring perceptions percentage

This table and chart above showed that among the total correspondent being trial test for BERRYWELL® hair coloring product, 80% from them doing hair coloring to make their hair more appealing, well the rest of the sample population; 13% and 7% of them doing it for trying new brand, and to cover grey hair.

- *Purchasing primary and supplementary product*

Purchase_Product

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes, Occasionally	12	40.0	40.0	40.0
Always, because I can't get it anywhere	4	13.3	13.3	53.3

Sometimes, if the hairdresser highly recommending it	7	23.3	23.3	76.7
Sometimes, if I've tried the brand before	1	3.3	3.3	80.0
Sometimes, to try new product	6	20.0	20.0	100.0
Total	30	100.0	100.0	

Table.6 Respondents Purchase product

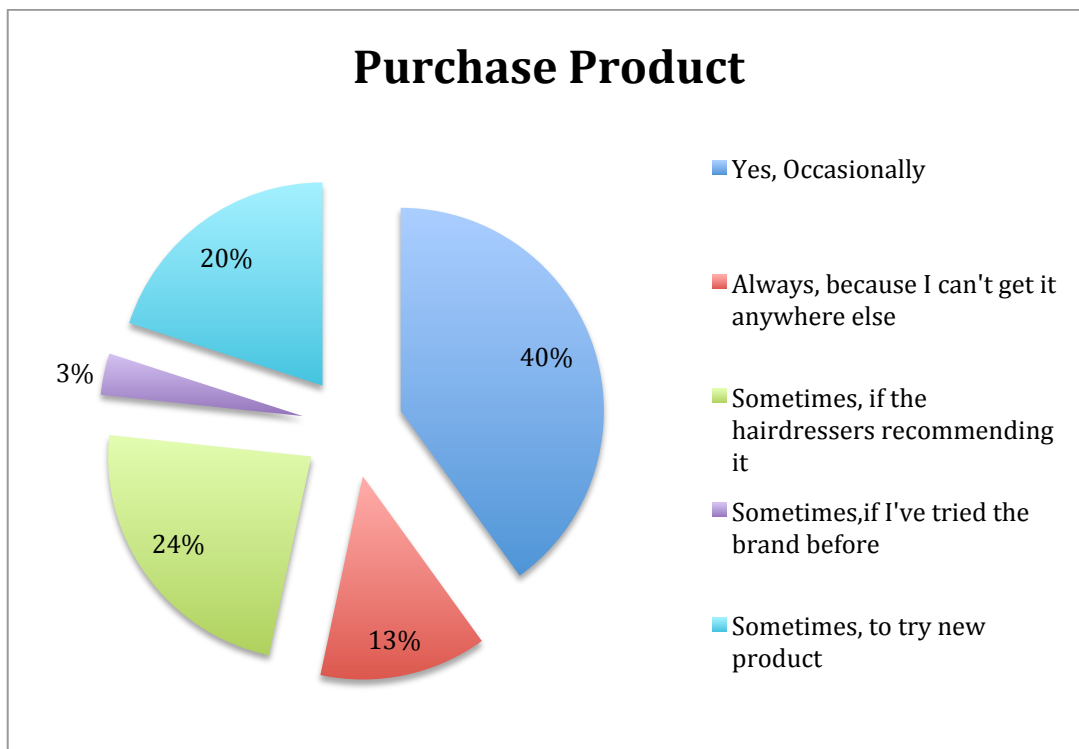


Figure 7. Respondents Purchase Primary and Supplementary Product Percentage

Based on table and chart above, it shows that among total 30 correspondent that volunteering to be BERRYWELL® hair coloring trial. 40% of them admit they used to occasionally purchase the primary product (such as hair color, bleacher, anti oxidant) and supplementary product (such as shampoo, hair conditioner, hair mask, gel wax, hair mousse and etc) at the hair salon beside using their services. 24% of

them admit they do so because the hairdresser highly recommending it to use it as their daily home treatment, 20% of them admit that they purchase it because its new product and want to compare with their current product themselves. 13% of them did it because they can't find the exact product anywhere else, and the last 3% admit did it because they've tried the brand before.

4.1.1 Hair Salon Profiles

During this research, the researcher has been visited 7 hair salon in Indonesia to conduct the hair coloring trial using BERRYWELL® to the 30 samples targeted here are the profiles of the hair salon mentioned below.

4.1.1.1 Sucrè Salon

Starting off from the success of the family building hair grooming for male consumer, got The owner of Sucrè salon inspired to build in similar business. Sucrè salon located in South Jakarta, and what they provided to their customers first only serving a wax treatment, but by seeing the process of progression they're enlarging their segment into hair salon as well in the early 2016. With their motto by having "One-Stop- Beauty Place", they offer treatment that no other wax salon place could offer, that is their affordable price yet still bringing high quality service to their customers.

The first impression that it comes to mind is Sucrè salons have *comfortable* and *homy* feeling towards the place, in order to male their customers feel relaxed, the place itself being designed as it comfort as it may be, to give beautiful essence without too much 'girly'.

For the future itself, the owner of Sucrè salon admits that they don't want to rush in building their business. They just rather to do it step by step and just to maximize all the resource that they have including the quality of their human resource as well.

4.1.1.2 Trendz Salon

Trendz hair salon have already established their roots in hair salon business since 2001, they have multiple branches spread in big cities in Indonesia, such as Jakarta, Bogor, Bekasi , Bandung , Surabaya , and Aceh. Since it's a family business so their focus target market is still not too big, most of their locations located besides Supermarket, to create simple chain in efficiency to their customers. They have their own centralized management to control their branch.

The management controls their buying requirement of the products they used, until the distribution of the product to each branch they have. And salon supervisor that are appointed from central management to do a routine check of the service of the hair stylist to the costumers itself is supervising these branches weekly.

During the research, the researcher managed to visited and did trial on 2 of their Hair salon that have good customer traffic, the branch was located in Bandung and Cikarang Jababeka.

4.1.1.3 Haircraft & Kesara Salon

Haircraft & Kesara hair salon is considerably new hair salon; it's been operating just 1 year ago on August 2015, yet since the feedback and support from its current customers it can grow their market to hair salon business.

Haircraft & Kesara itself divided in two main focuses, Haircraft is focusing on Hair treatment, and Kesara focusing more on beauty treatment. The first impression itself seeing the location of Haircraft & Kesara salon is great, because they have a large space that can covered up until 11 seats, and also a facial room, an additional plus points also given since they have their own room to maintain Muslim women that prohibited to show their hair, and its supporting Indonesian culture of respecting all religion and beliefs.

Haircraft & Kesara also provided a lot of hair care product such as, Hair wax, Hair color, Pomade and serum that can be sold separately on their specialized display. During the research we have conducted 2 days trial on 6 samples to do a hair coloring trial with BERRYWELL® hair care product.

4.1.1.4 Blow & Glow Salon

Blow & Glow Salon is a hair salon located in Jakarta, they have a 2 branch, with the new one just established three months time (2016), and the older one already reaching their second year.

Blow & Glow hair salon managed their clients by offering wide range of beauty service such as foot spa, manicure, pedicure, nail air, and hair care that includes hair coloring as well. For the foot spa service they are using Germany product name Gehwol to make it as their selling points compare to other salon.

The concept of Blow & Glow hair salon itself is to serve the client comfort areas, since the first location located in apartments, and the new one located inside of a Mall.

With these locations they got, it offers simple way to take care the clients needs in term of beauty care in simple sense without needing them to move from other locations to another. Not just a great location, but they are also equipped with highly trained professional as their hairstylist and coloring expert as well.

During the research we have conducted 1 day trial on 3 samples to do a hair coloring trial with BERRYWELL® hair care product.

4.1.1.5 GMCM Salon

GMCM salon establish almost 11 years, located at Pondok Indah Mall 2 South Jakarta, focusing in hair & make up they served middle up consumer until this day, what makes GMCM hair & make up salon different compare to other hair salon in other mall salon, because they have 2 big spaces compare to other salon.

With its priority to give comfort to their customer, they facilitate themselves with range variety of service that have a high class and high quality. With addition of uniqueness of price level on each of Hair stylist it depends on their level of experience in professional hair salon. Having these varieties, it creates several options to customers to have their beauty needs according to what price they prefer. With high loyalty that they have to the customers, they are always ready and committed to give the best services to their customers, one of their highlight products is using high quality product from Wella professionals.

During the research we have conducted 1 day trial on 3 samples to do a hair

coloring trial with BERRYWELL® hair care product.

4.1.1.6 Firman Salon

Firman Salon is already have the brand name on Jakarta local hair salon scene, known for his expertise in making layer cut of hairstyle and can make any customer request by using his expertise to make it happened, Currently Firman Salon have 2 branches and still being managed by Firman itself, as he prefer to go to observed the hairstylist work, as well as get in touch directly to manage the customers, this also help him to get and update about current trend on hairstyle that they demanded.

Not just providing hair cut service, Firman Salon also provide hair coloring, hair extension and make up as well. For hair extension regardless it is for man or woman, the result is always neat and long lasting. And about the price, Firman Salon is quite competitive with another similar type of salon with quality that also dependable.

The reputation of Firman Salon itself also got attention from young local TV actors and actresses, due to Firman hair styling expertise that always catch up with the current trend. Firman already start his business since 1991, equipped with his expert learning from Toni & Guy Singapore, Toni & Guy Japan, and Shunji Matsuo Jakarta.

He was also recognize as the first place on L'Oreal Color Trophy 2000 competition and runner up at Coloring Wella 2001, make him well known respectively by his hair cutting and styling skill.

4.2 Testing Correspondent Result

This chapter provides the facts of the results received from the filled questionnaire by 30 respondents, and to be understandable, the grouping of the questions to the hypothesis that authors want to test. The questions in the questionnaire have purpose to strengthening the next more precise question to be use in interview.

4.2.1.1 Hypothesis Testing 1 – H1

H1: The existing foreign hair- coloring **brand image** is affecting the image of BERRYWELL® in the eye of Indonesian consumer

To test this **H1** statements, the authors using three specific questions that can measure, Is the brand image of foreign hair coloring product is affecting the image of BERRYWELL® in the eye of Indonesian consumer, these questions are listed below:

1. How do you choose your product usually?
 - (1) Brand Image / Origin
 - (2) Friends/ Relatives
 - (3) Advertising/Marketing
 - (4) Pricing
 - (5) Product ingredients
 - (6) Hairdresser recommendation
 - Others (Please specify)
.....

2. In terms of promotion strategy, which one of these types that really interest you regarding hair-coloring product?
 - (1) TV-Advertising
 - (2) Printed media – Advertising
 - (3) Informative hairdresser
 - (4) Discount
 - (5) Sponsor in public event

3. How does BERRYWELL® compare to its competitors currently on the market?
 - (1) Much better
 - (2) Somewhat better
 - (3) About the same
 - (4) Somewhat worse
 - (5) Much Worse

On the first questions, author asked about how the respondents usually choose their hair-coloring product covering possibility knowing the brand because of the brand image of the brand itself, recommendation from friends/relatives, advertising, by its

price, the ingredients or by their hairdresser recommendation. And based on the questionnaire given to 30 respondents, here are the results:

- *Hair color buying decision*

Decision

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Brand Image	6	20.0	20.0	20.0
Friends	6	20.0	20.0	40.0
Advertising	2	6.7	6.7	46.7
Pricing	1	3.3	3.3	50.0
Product Ingredients	3	10.0	10.0	60.0
Hairdresser Recommendation	12	40.0	40.0	100.0
Total	30	100.0	100.0	

Table 7. Respondents Decision making in Hair coloring purchase

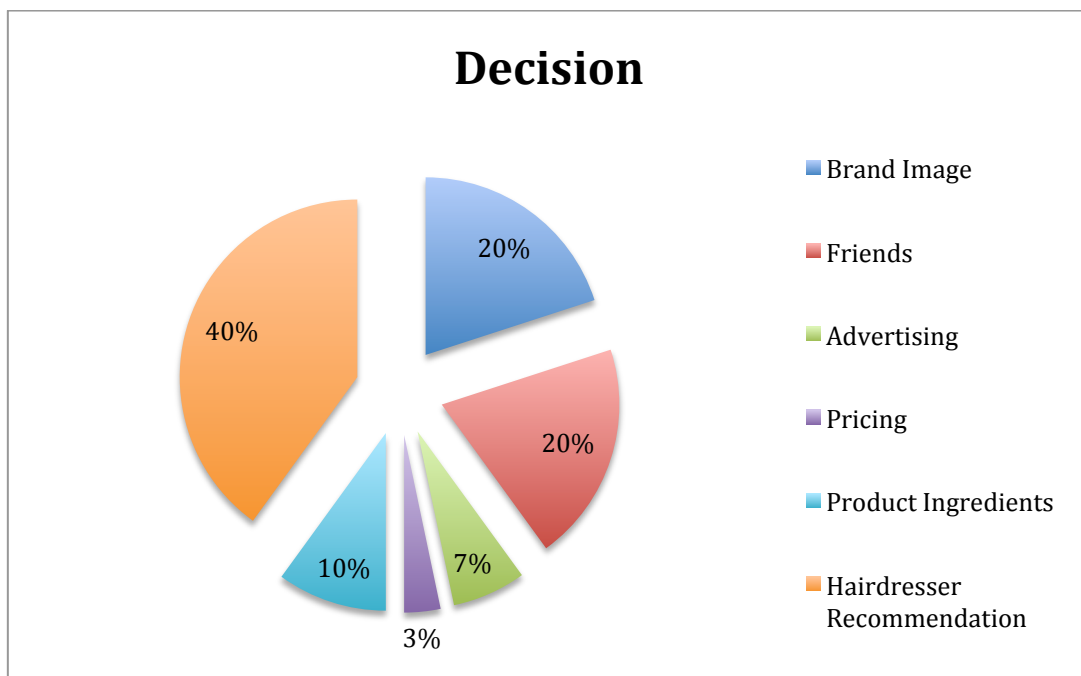


Figure 8. Respondents Decision in Hair Coloring purchase

Based on the result from questionnaire gathered, given six possible answer to choose from brand image, friends/relatives, advertising, pricing, product ingredients,

and hairdresser recommendation. Most of the correspondent (40%) agreed that they preferred to make their decision in using hair coloring product based on their hairdresser choice, they feel safe and secure when the hairdresser choosing the brand, because of their special knowledge regarding it. The second decision making in purchasing hair color is from brand image and friends, both share the same percentage of (20%) from the total correspondent. Most of them have their own community and circle of friends, that makes the recommendation so easy, influencing the friend about the trend make people will try to use it, and importance of brand image, where in the consumer perception, Europe still have the image of high quality in terms of hair care product. Move along after this, product ingredients (10%), advertising (7%), and pricing (3%). In this options correspondent who chosen it, prefer their influence from seeing the ingredients by themselves, seeing advertising and looking towards the price.

On the second questions, author asked about which kind of promotion strategy that can gain the respondents interest in terms of influencing them to purchase hair coloring product, several possible options given like TV-advertising, printed media advertising, informative hairdresser, discount or sponsorship event. And based on the questionnaire given to 30 respondents, here are the results:

- *Promotion strategy*

Promotion_Strategy

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	6	20.0	20.0	20.0
	2	5	16.7	16.7	36.7
	3	7	23.3	23.3	60.0
	4	4	13.3	13.3	73.3
	5	8	26.7	26.7	100.0
	Total	30	100.0	100.0	

Table 8. Respondents Promotion Strategy

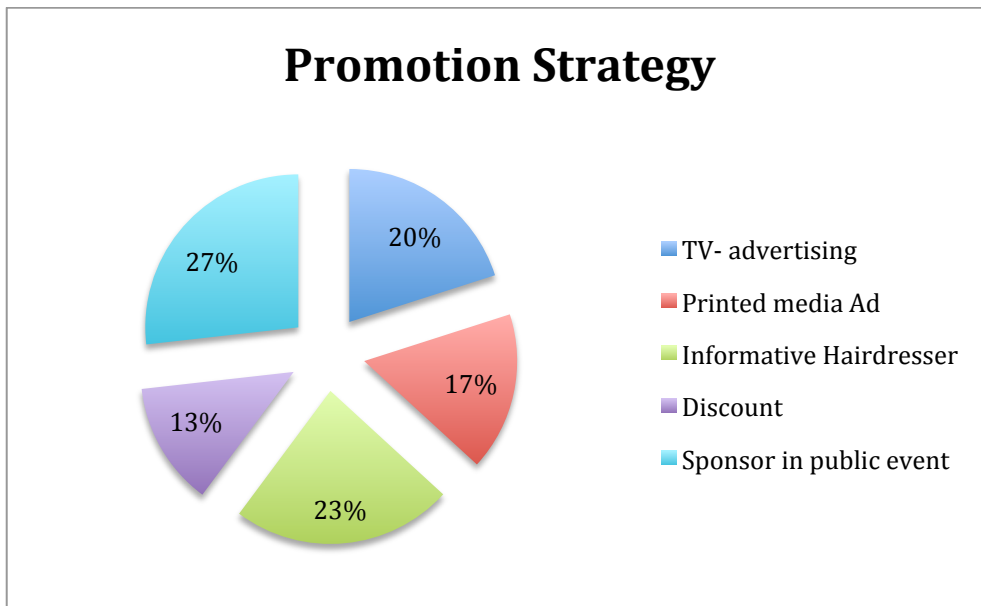


Figure 9. Promotion Strategy Percentage

Based on the result showed above, each options given shares almost similar value, 8 respondents (27%) from 30 respondents believe that the right promotion strategy to promote BERRYWELL®, is through making sponsor in public event, this can be show by example making a workshop or big trial in the mall and public places, to create brand awareness and interaction with BERRYWELL® future customers whether its end customer or hair stylist. 23% of the respondents believe that informative hairdresser still hold the final decision of what the product customer will use to color their hair, because they believe that hairdresser have special expertise on hair product knowledge and know what's best for their client. And the rest of the respondent still believe TV advertising (20%), Printed media, such as magazine, flyers and billboard advertising (17%) and discount (13%) can lure their interest in engaging with BERRYWELL®.

And for the third questions relating to the effect of foreign brand existence in affecting BERRYWELL® image, is how BERRYWELL® as a product compare to existing foreign/ local hair coloring brand in Indonesia, options like: much better, somewhat better, about the same, somewhat worse, and much worse are given to the respondents, and here are the results:

- **BERRYWELL® value compare to other brands**

Berrywell_Value

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid				
Much Better	8	26.7	26.7	26.7
Somewhat better	16	53.3	53.3	80.0
About the same	6	20.0	20.0	100.0
Total	30	100.0	100.0	

Table 9. Value compare to other brands

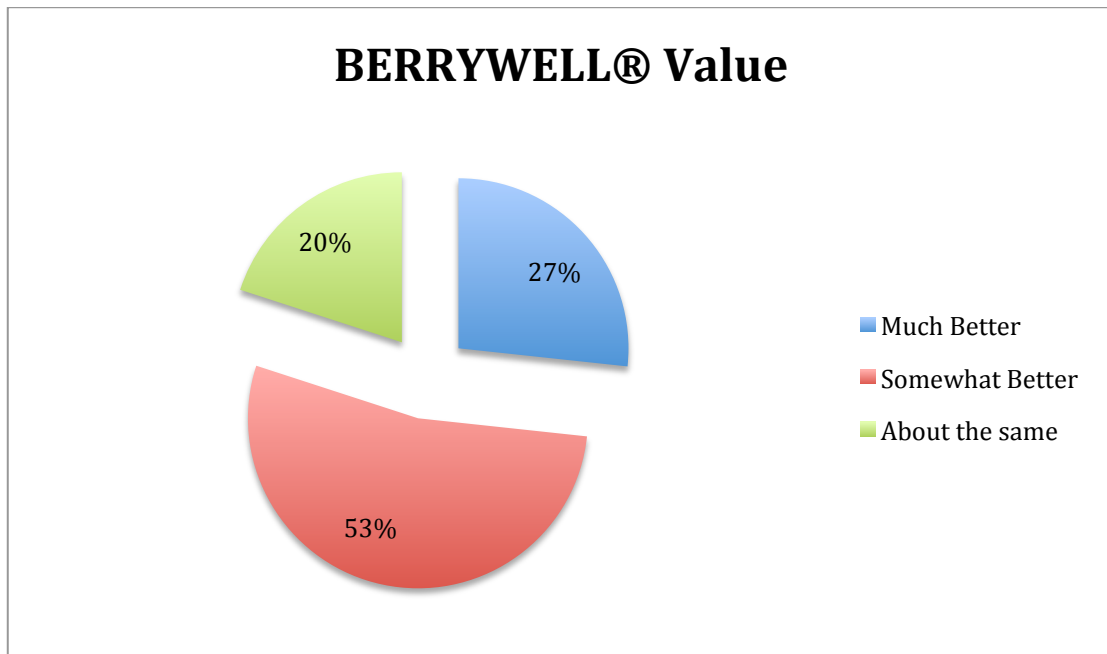


Figure 10. Value Compare to Other Brands Percentage

Based on the result showed above, about 16 respondents (53%) of the total 30 respondents that done trial with BERRYWELL® hair coloring product, agreed that BERRYWELL® is somewhat better compare to another brand that they have tried before. 27% of the respondents said its much better, and 20% of the rest said it's just about the same value compare to other brands that they have tried before, none of the respondents picked the option much worse or somewhat worse on this questions, since all the respondents based on what their judgments feels the benefit and positive result using BERRYWELL® products, because it creates their hair more smooth, silky with their own choice of colors.

4.2.1.2 Hypothesis Testing 2 – H2

H2: Indonesian consumers are moving from **cost efficient to high quality** in terms of choosing their hair-coloring product

To test this **H2** statements, the authors using two specific questions that can measure, Is the customers in Indonesia are moving towards high quality from cost efficient perspective in terms of choosing and purchasing their product of hair coloring and what aspects and features of BERRYWELL® that the respondents like the most , the questions listed as below:

1. In terms of price consideration, which is the statement below that are really suited you?
 - (1) Worthy price – to – volume
 - (2) Worthy price – to – quality

2. What do you like most about BERRYWELL®?

On the first question, author asked about how the respondents see as consideration towards purchasing hair color product, whether its more in quality or cost sense, seeing which one is more important. And based on the questionnaire given to 30 respondents, here are the results:

- *Consideration towards the price to volume vs quality*

Price_Consideration

	Frequency	Percent	Valid Percent	Cumulative Percent
Quality 2	30	100.0	100.0	100.0

Table 10. Consideration towards the price to volume vs quality

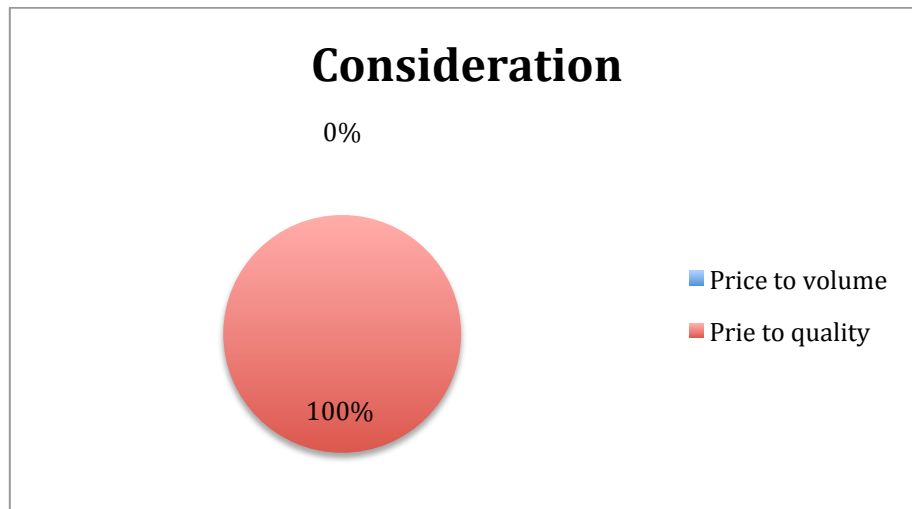


Figure 11. Price Consideration to Price vs Quality Percentage

Based on the result received from the total correspondent, 100% of them agreed that they choose price to quality compare to price to volume, with this being said, it means the total samples is believe that the quality is more important than volume, if its being sell with the same price. They are willing to spend more money on less volume as long as the hair coloring product have high quality and give them better results on their hair.

On the second question, the question is more to open ended questions, and it will described as an interview that we had during the research, scaling which attributes and features of BERRYWELL® that the respondents likes.

4.2.1.3 Hypothesis Testing 3 – H3

H3: BERRYWELL® has an opportunity to expand its market to Indonesia and continue to distribute their range of product to Indonesian customer due to its **quality provided**

To test this **H3** statements, the authors using seven specific questions that can measure and represents its result of how BERRYWELL® as a hair coloring brand have opportunity of expanding its market in Indonesia, in terms of quality, frequently routine customer habit, its complimentary product, result and benefit to Indonesian

customers, so the main focus on this hypothesis testing, is finding enough proof that BERRYWELL® can be sell in Indonesian hair coloring market. The questions listed as below:

1. How frequent you visit hair salon?
 - (1) Occasionally
 - (2) 1-2 times per month
 - (3) 3-4 times per month
 - (4) 2-3 times a week
 - (5) Almost everyday

2. If you go to Salon, what do you have done? (May choose more than one)
 - (1) Cut & Blow
 - (2) Conditioning treatment (Cream bath, etc.)
 - (3) Permanent waves
 - (4) Straightening
 - (5) Coloring hair
 - (6) Hair designing/ re-design
 - (7) Color correction

3. Overall, what is your reaction to BERRYWELL® product?
 - (1) Excellent
 - (2) Very good
 - (3) Good
 - (4) Fair
 - (5) Poor

4. How interested would you be in using the BERRYWELL® product?
 - (1) Not at all interested
 - (2) Not very interested
 - (3) Somewhat interested
 - (4) Interested
 - (5) Extremely interested

5. If BERRYWELL® were available today, how likely would you be to use it?

- (1) Very likely
- (2) Likely
- (3) Neutral
- (4) Unlikely
- (5) Very Unlikely

6. Considering all factors, please select the response below that best describes your overall satisfaction level with BERRYWELL®?

- (1) Very satisfied
- (2) Satisfied
- (3) Neutral
- (4) Dissatisfied
- (5) Very Dissatisfied

On the first question, the author asked to the respondents about how frequent they go to the hair salon to use their service as their routines, answer from occasionally; once or twice a months until almost everyday were given. This question helps the author to know the Indonesian customer habits to go visit a hair salon whether its frequently or less. And based on the questionnaire given to 30 respondents, here are the results:

- *Visit Frequency*

Frequency

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Occasionally	10	33.3	33.3	33.3
	1-2 /month	9	30.0	30.0	63.3
	3-4 /month	6	20.0	20.0	83.3
	2-3 /week	4	13.3	13.3	96.7
	Almost everyday	1	3.3	3.3	100.0
	Total	30	100.0	100.0	

Table.11 Respondents Visit Frequencies

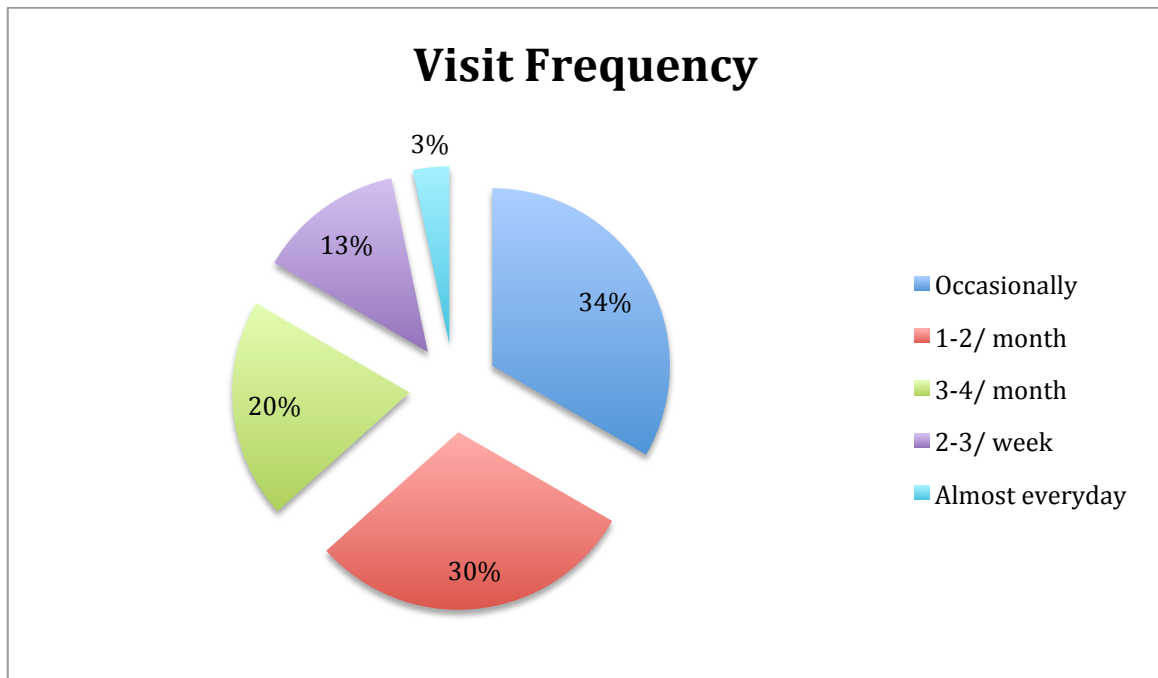


Figure 12. Respondents Visit Frequencies Percentage

Based on the results given, 10 respondents (34%), representing the most option picked by the respondents is occasionally, they just go to the hair salon depends on their needs without setting the exact schedule when, followed by 9 respondents (30%), said that they always go to hair salon for treatment like hair coloring or just cream bath and blow their hair at least 1-2 a month, and the rest of the smaller portion of the percentage goes to salon 3-4/month (20%), 2-3/ week (13%) and almost everyday (3%) with the reason that they need to often do their hair for working purpose or a the salon is quite near to their home.

For the second question, the author asked the respondents what are the type of service that hair salon provide, that being often choose by the respondents if they are going to the hair salon, options being given such as cut & blow, conditioning treatment, permanent waves, straightening, coloring hair, hair redesigns and color correction. With this question being solved, the author will know what is the most service that common Indonesian customer use once they visited a hair salon. Based on the questionnaire given here are the results below:

Service_CutBlow

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	26	86.7	100.0	100.0
Missing	System	4	13.3		
Total		30	100.0		

Table 12. Cut & blow service**Service_Conditioning**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	19	63.3	100.0	100.0
Missing	System	11	36.7		
Total		30	100.0		

Table 13. Conditioning Service**Service_Wave**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	2	6.7	100.0	100.0
Missing	System	28	93.3		
Total		30	100.0		

Table 14. Wave Service

Service_Straightening

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	2	6.7	100.0	100.0
Missing System	28	93.3		
Total	30	100.0		

Table 15. Coloring service**Service_Coloring**

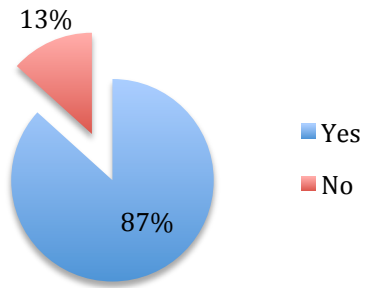
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	17	56.7	100.0	100.0
Missing System	13	43.3		
Total	30	100.0		

Table 16. Coloring service**Service_Color Correction**

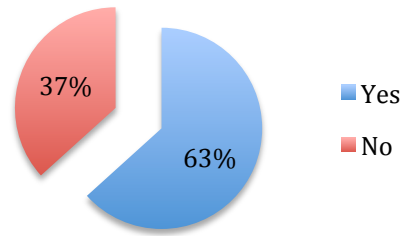
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	1	3.3	100.0	100.0
Missing System	29	96.7		
Total	30	100.0		

Table 17. Coloring correction

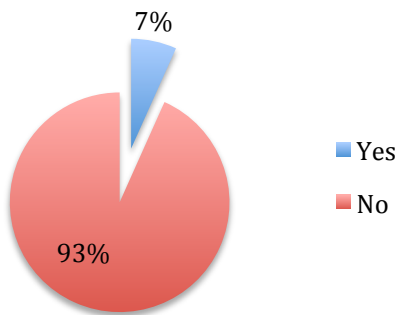
Cut & Blow



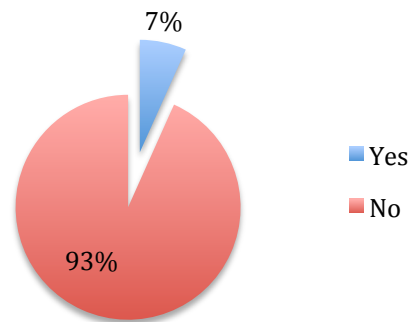
Conditioning Treatment



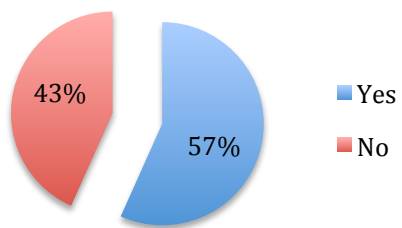
Permanent Waves



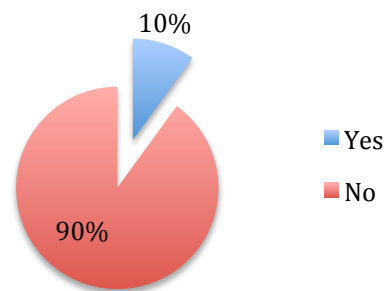
Straightening



Hair Coloring



Hair Designing



Color Correction

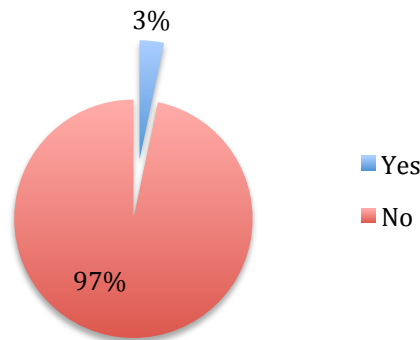


Figure 13. Types of Hair Salon Service in Percentage

Based on the result given above, it shows all the percentage of how the options being choose by the respondents. Starting with the most pick, the service that respondents commonly taking while visiting a hair salon is doing hair cut and blow, proven by the questionnaire result of 26 respondents (87%), means that primary thing to do disregard of other service that hair salon offer is to cut their hair.

Second bigger portion of percentage goes to conditioning and treatment, with amount of 19 respondents (63%) choosing it, shows that second option that the most of the respondents like to do is to having treatment for their hair, for example cream bath and hair spa, also not just hair, but manicure, pedicure, hair waxing also included. The last bigger portion from the options goes to hair coloring, showing that 17 respondents (57%) out of total 30 respondents like to do hair coloring in their desired hair salon. With this data received, it will be an entry opportunity for BERRYWELL® to expand their market to Indonesia, seeing by its Indonesian customer habit that are already familiar in doing hair coloring.

The last several smaller options of the answer that have percentage below 10% like permanent waves, straightening, redesigning and color correction would be the least priority in the eye of respondents.

For the third question, Author asked the respondents about their first reaction after testing the BERRYWELL® hair coloring product and its complimentary product

such as hair mask, shampoo, conditioner, hair spray and mousse, with multiple answer given poor as the least favor till excellent mark as the top level of satisfaction, here are the results:

- **First product reaction**

Berrywell_Product reaction

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Excellent	11	36.7	36.7	36.7
Very Good	11	36.7	36.7	73.3
Good	8	26.7	26.7	100.0
Total	30	100.0	100.0	

Table.18 Respondents First product reaction

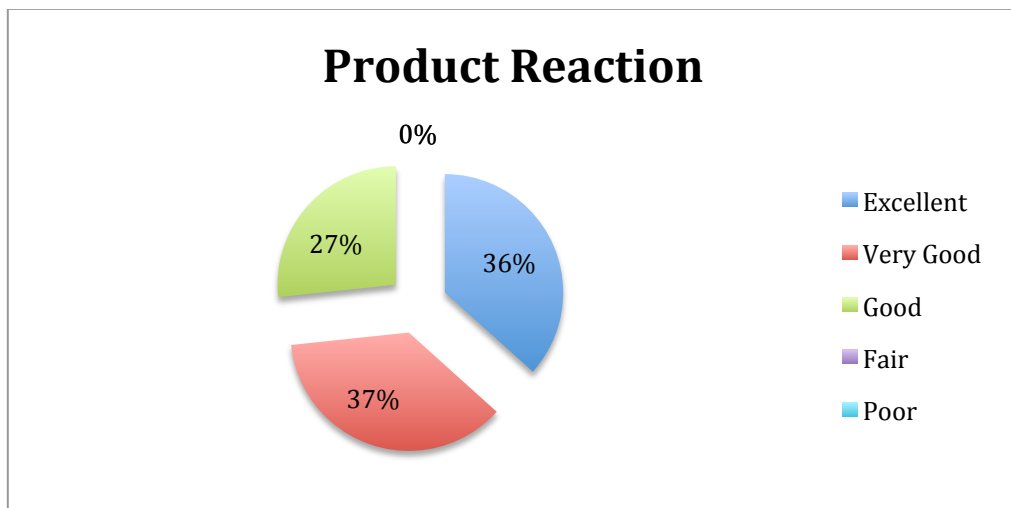


Figure 14. Respondents First Product Reaction

Based on the result from the questionnaire, the correspondents first reaction for BERRYWELL® product line are relatively great, proven that 37% of the total samples admit that BERRYWELL® product are very good for their hair and scalp as well as the shiny and silky results. 36% of the total samples said that BERRYWELL® product are excellent, means there’s no bad side effect or negative points regarding it, because they feel great with all procedures as well as the results. And the rest 27% of the respondent said that the product is good. There are no correspondents that said the BERRYWELL® products are fair and poor. Meaning BERRYWELL® have

successfully giving them a great impression about their product to Indonesian costumers.

For the fourth question, Author asked the respondents how the respondent are interested for using BERRYWELL® hair color products after seeing its first result after the hair coloring trial, options of answers from not at all interested to extremely interested, were given to them, this way the author will know how much did the product impacting the respondents that had the trial with BERRYWELL® product. Here are the results:

- BERRYWELL® costumer interest level

Interest_Level

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Somewh at int	4	13.3	13.3	13.3
	Intereste d	17	56.7	56.7	70.0
	Extreme ly int	9	30.0	30.0	100.0
	Total	30	100.0	100.0	

Table 19.Respondents Berrywell Interest level

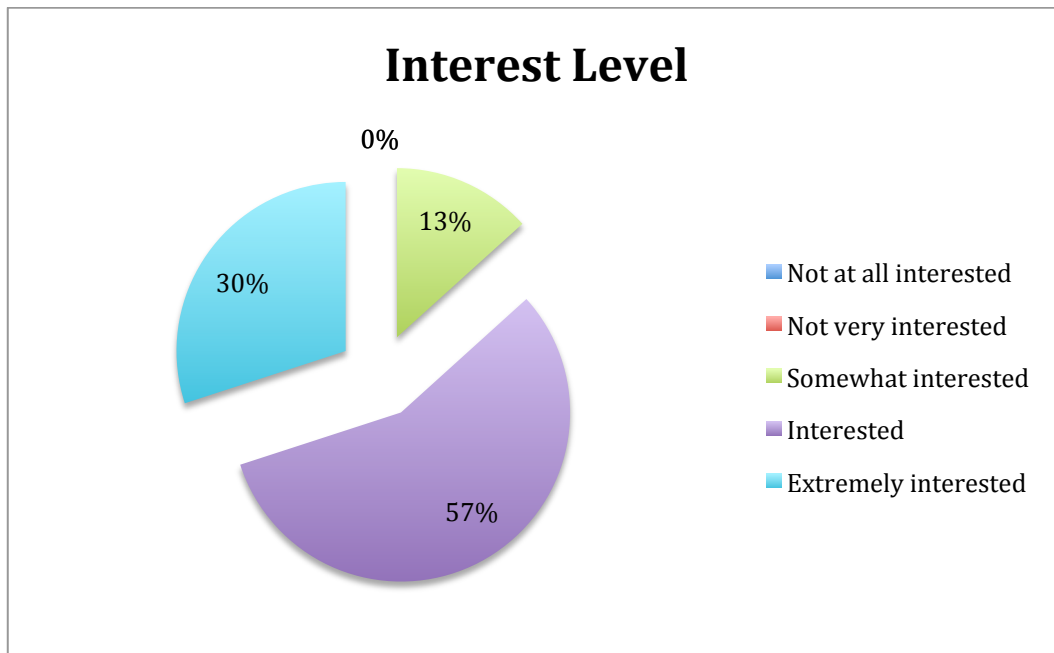


Figure 15. BERRYWELL® Interest Level

Based on the figure showed above, it shows that 57% of the total correspondent are interested in using BERRYWELL® products after they did the trial using the products. Proven they are satisfied with the product performance. 30% of the total correspondent are more than satisfy with the products, showing their extra plus points by choosing “extremely interested” as their option pick. These respondents are asking the researcher when the product is available in Indonesia, so they can use it soon. And the rest part of 13% of the correspondents said that they somewhat interested to use the product again in the future based on what their first reaction using it.

For the fifth question that being given by the Author to the respondents is about how they are willing to use the BERRYWELL® as if the products is already available in Indonesian market and hair salon, answer from very unlikely to very likely are given to them to express their emotion and decision regarding their willingness to use the product again after they experienced the first trial. And based on the questionnaire gathered, here are the results below:

Willingness_to_use

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	7	23.3	23.3	23.3
	2	22	73.3	73.3	96.7
	3	1	3.3	3.3	100.0
	Total	30	100.0	100.0	

Table 20. Respondents Willingness to use

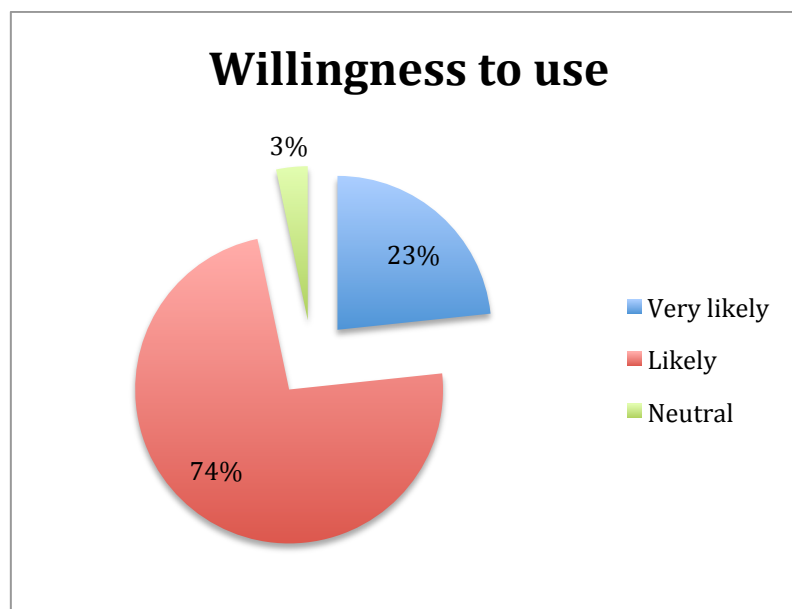


Figure 16. Respondents Willingness to Use

Based on the result above, it shows that the 22 respondents (74%) from the total 30 respondents are likely to use BERRYWELL® products if its already available in Indonesian market and hair salon, its remarkable results since this is BERRYWELL® first product trial in Indonesia, and without any re adjust and modifying the ingredients inside, its just got warm welcome from Indonesian customers and even the hair salon itself, the rest of the percentage carrying 7 respondents (23%) saying they are more than please to use BERRYWELL® products, and leaving 3% just in neutral position. The other two left option like very unlikely and unlikely has not been chosen by anyone, means almost all respondents satisfy and willing to use BERRYWELL® products again.

For the sixth question, the last question of proving the H3, was asking the respondents about their level of satisfaction against BERRYWELL® in overall view, based on its quality, scent, packaging, and the most important, the results itself. Multiple answers for the options to choose given from very dissatisfied to very satisfied. With the results in hand the author as well as the BERRYWELL® will know where the level of their products in the eye of Indonesian customer, whether its bad or good, its both useful for BERRYWELL® to do evaluation about their products and also for further research and development to create new product for new market such as Indonesia.

Berrywell_Satisfaction

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	10	33.3	33.3	33.3
	2	18	60.0	60.0	93.3
	3	2	6.7	6.7	100.0
	Total	30	100.0	100.0	

Table 21. Respondents Overall satisfaction level

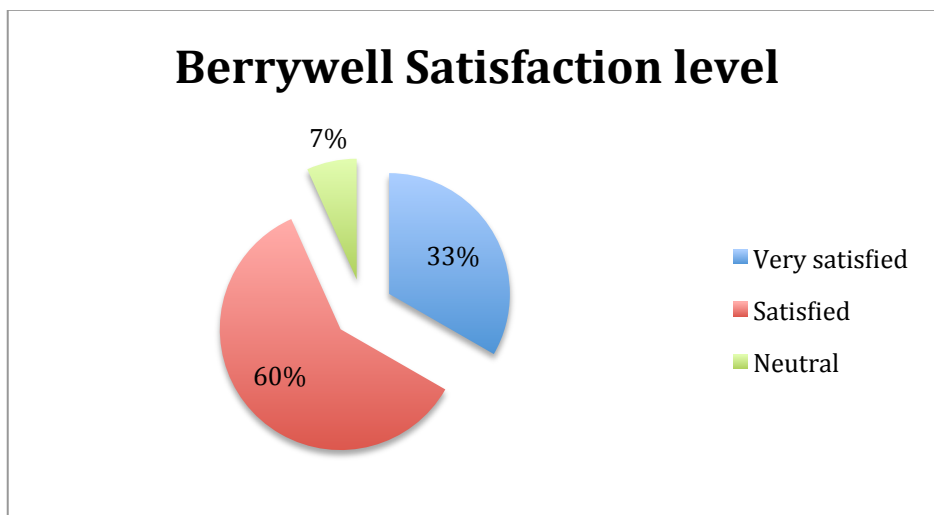


Figure 17. Respondents Overall Satisfaction Level

Based on the result above, it shows that 18 respondents (60%) of the total respondents are satisfied with BERRYWELL® overall performance in terms of

product quality, packaging, scent and the results itself, most of the respondents feels happy about the product because it gives them the color result that they wanted, the process also gave them less itch to their scalp, and the scent have a low odor of chemical, giving them a comfortable experience that they haven't experienced before while coloring their hair. The rest bigger portion of the group of 10 people (33%) gave BERRYWELL® excellent remark to BERRYWELL® based on their previous experience using other brands, they feel that the products is better on all aspects. Only the rest 2 of the respondent (7%) just having neutral response. Once again BERRYWELL® proved that their product are being accepted to the Indonesian customer since there's no bad remarks received from the respondents.

4.2.4 Hypothesis Testing 4 – H4

H4: Professional hairdresser in Indonesia is highly concern with the product they used to their client (**Safety**)

To test this **H4** statement, the authors using 2 open ended questions as a based interview opener question then continue to its way once the conversation started. These interviews are recorded using video and voice recorder. The questions are designed specially for hairdresser and hair salon owner that author met and specifically asked about how the safety measures play in the way choosing hair coloring product in the hair salon, what requirement that the products must have and how it played out in the hair salon business segment in Indonesia.

And then narrowed down about how the BERRYWELL® product performance in the eye of the hairdresser and experts, as they have their own expertise and judgment for choosing the safe products to be use in their hair salon, without forgetting also the concern of the Indonesian customer needs and wants.

During this interview, we asked professional hair dresser, first expert, named Firman, an owner and representative from Firman Hair salon, he have already been started on professional hair salon since 1991, with a previous experience working in various international hair salon institution, like Toni & Guy Singapore, Japan, and Shunji Matsuo in Jakarta. Also winning multiple hair salon competition by being first place in L'Oreal color trophy 2000 and runner up in coloring Wella Professional. And

second expert, named Anton, a hairdresser expert representative from GMCM Hair salon. They tried to explain how important is the safety requirement for hair care/coloring product to be used to their daily client, how the hair coloring procedure should be and explained the result after they see the result of BERRYWELL® hair color after being conducted to the correspondent. Here is the summary from the interviews:

Firman Hair Salon

During the times doing trial at Firman hair salon, he stated in detail about 4 different types of hair being tested by BERRYWELL® products.

In general he stated, BERRYWELL® have a great quality, because based on his professional experience using several top brands from Japan, China, and Europe. To be precise, European hair product is the best, especially Germany products; because its high quality, and most of them already prove it have been used in many professional hair salon in Indonesia.

The hairdressers in Firman hair salon admitted that they are really satisfied and feels that the BERRYWELL® product is quite helping them doing the hair coloring process. In the process, they tried several hair color sample into several correspondent with different hair condition:

1. Short hair, with virgin hair

First thing they did was bleaching, and right away after that, applying it with fashion themed color. The goal of this trial is to explore how BERRYWELL® quickness effect for lighten up the hair,(the procedure is first by input the bleaching for 20-30 minutes, then after it is done, washed the hair and apply the fashion hair color theme).

2. Medium hair, already not virgin hair, with grey hair spotted

The goal of this trial is to apply natural color tone of BERRYWELL®, because according from expert hairdressers from Firman salon, it is match and suited with Indonesian skin tone. (the procedures is first apply the mix of purple and reddish color themed, without bleaching). The results was it created fresher and more confident look, smooth, glossy and also healthy on the texture.

3 & 4. Longhair , often changing hair color, already being darkened

The goal of this trial is for experimental research, as Firman team curious if

BERRYWELL® products can breaking the color tone, since usually the condition of darkened hair is quite hard to be change into lighter tones. The results, BERRYWELL® products can handle the problems, especially after using bleaching and oxidant, that according the hairdresser is quickly affected the color to be change.

Overall from Firman hair salon trial using BERRYWELL®, the result and reaction is quite satisfying, they feel happy about the result they got from the trial and looking forward to try another variant that BERRYWELL® have on their collection.

GMCM Hair salon

During the times doing trial at GMCM hair salon, the author met Anton Gozalt, one of the color expert at GMCM hair salon, he stated in detail about 3 different types of hair being tested by BERRYWELL® products. Here are the results of the trial done at GMCM.

1. First sample: Male, dark brown almost black, virgin hair

Anton stated that is usually quite hard for Asian people to changing their hair into special blonde ash theme, it can go as far as golden brown, Even though if tried with maximize using 12% level of oxidant, it's still hard to achieve the color target. The oxidant just only can brighten the levels of hair about 4 levels from the current color condition.

The result itself, it creates the silky texture and soft. The positive side about the result is that usually after passing several step of bleaching it can damage and roughen up the hair, but using BERRYWELL® it creates softer effect, which is good. But on the other side could be a negative effect as well as the products is tend to more hard to make the hair color to achieve the brightness of targeted color.

Overall the result of this trial is on adequate level, with a smooth result, even though the color is not achieving the expectation. Actually it is depends on the skill of the color expert of their ability to mix the oxidant and the color, because not all the hairdresser or color expert has the same skill. But in the end the BERRYWELL® product is still considered good to create shiny, silky and healthy texture.

2. Second sample: Female, basic hair color: Maroon burgundy

Result: Overall the product is quite good, yet the basic color is still appearing after the coloring process, based on the hair expert experience at GMCM hair salon, usually matt ash that mixed with blonde ash can turn off the red color theme. Yet after the test, it shows that the previous color is still intensely appear. As for highlight tone, the trial used two colors, which is plain bleach and special blonde. The result is for plain bleach color it become clear blond and for special blonde color become light brown. According to Anton Gozalt expertise the result is quite good, but if to be more precise, as a color expert, he stated that the result is not quite strong enough, the color is light but from the roots to the tip of hair its not equally spread. The better result should be spread fairly for the coating, that makes the color result is less appearing. But back again its depends on the skill level of the color expert.

3. Third sample: Female, colored hair, burgundy

The result for this trial is more intense and the color shows are pretty good and suit with the skin tone, the color results from this trial is better, smoother, rich, and even. Because the basic color condition is already have burgundy-based color, and by applying the color, it creates more intense result. Based on Anton Gozalt, overall the color selection of BERRYWELL® is suitable and good for consumers that want their hair to have deeper color than lighter color.

Conclusion for BERRYWELL® by GMCM hair salon

- The selection of color on BERRYWELL® is mostly have deeper color. It match with the majority of Asian people demand that prefer deep than lighter color
- BERRYWELL® cream hair color is seemingly have less chemical than other products available in GMCM (L'oreal, Makarizo, Goldwell). Because it is enhanced with vitamin and nutrient, that creates silky and healthy result.
- BERRYWELL® bleaching powder is tend to be smooth, more yellowish and really good for the hair, when do bleach with other products, the result is tend to be hard and rough
- BERRYWELL® can enter Indonesian market, and have great opportunity

to be success, just need to give more product knowledge to the color expert to help them understand more about BERRYWELL® products and instruction.

Chapter 5

CONCLUSION AND RECOMMENDATION

This thesis aims at analyzing customer perception regarding BERRYWELL® product lines to the targeted hair beauty industry and consumer in Indonesia, and creating a realistic first hand information for the BERRYWELL® for their current and future research and development purpose to getting insight about Asian market, especially in this case is Indonesia. In order to accomplish the primary purpose of the study, the author has divided the structure into three parts, Indonesian consumer trends, Way to distribute to Indonesia with its rules and regulations, and empirical section, which is, received from the research findings. Collected data for theoretical framework are mostly from published sources; and for the empirical data, the author's own observations and regulated experience are used. With the purpose of getting more accurate information, some in depth interview with primary source was conducted, Interview with hair care expert, hair salon owners and Indonesian hair salon customer and people who are related to hair beauty industry were carried out, to support this research. In the theoretical framework section, the author introduced general theories about international trade, Indonesia market overview, and its challenge, BERRYWELL® general information and product lines, local and international current business competitors in Indonesia, Indonesian character perception, international distribution theory, the selection process, closeness to purchase scale, and international shipment of dangerous goods requirements. Secondly, the author gave an overview about the response of the Indonesian customer regarding BERRYWELL® product and gain information about its prospects in Indonesian market. Giving them questionnaires regarding the products and their experience doing a trial with BERRYWELL®, the author believes it could help the BERRYWELL® to develop in a future marketing strategy to enter Indonesian market.

And based from the research that being conducted, authors found out that the BERRYWELL® product is acceptable to both Hairdresser and the samples. Result from the questionnaire and interview, it showed that BERRYWELL® product able to achieve the need of its consumer by giving satisfying results. It is also showed that the relation between hairdresser and consumer is strong in terms of hair care industry,

that's also being proven that the hairdresser need to make sure that the hair coloring product that they use to their clients is completely safe to them, and have the results that they want to achieve by listening to the client demanded.

It is highly advised that further research need to be carried out with more hair salon sample and correspondent, to make the results on this thesis more reliable than what's already being uncover now to achieve the next step to BERRYWELL®, that is enter Indonesian market and successfully distributed to the right channel and costumers.

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Declaration

I hereby declare that I prepared the dissertation submitted independently and no other means and sources apart from specified were applied. Furthermore I have NOT made payments to third parties for any part of the submitted dissertation. The paper has not submitted in a different degree programme at the same time or in a similar form and has also not been published yet as a whole.

Bernburg, 23.06.2016

Tutuko, Muhammad