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Developing Promotional Mix Strategies of Nala Beauty

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Abstract: Nala Beauty, a prominent brand in the beauty and skincare industry, aims to address low inbound sales through a targeted promotional mix strategy, developed using a mixed-method research approach. This approach identified key areas for improvement, leading to nine strategic recommendations: leveraging Instagram ads, partnering with Key Opinion Leaders (KOLs) and influencers, aligning content with trends, offering sales promotions, using direct messaging tools, implementing quick reply templates, introducing a membership card, utilizing skilled interns for content creation, and planning content through Facebook Creator Studio. These strategies require a dedicated budget and enhanced team skills in business acumen, project management, and communication. The research not only offers actionable insights for Nala Beauty but also contributes to the broader marketing practices in the beauty industry.

Keywords: *nala beauty, promotional mix, sales, customer engagement, inbound sales, advertisement, sales promotions, public relations*

I. INTRODUCTION

The beauty industry in Indonesia has experienced rapid expansion in the last ten years, emerging as a prominent and prioritized industry by the Ministry of Industry of The Republic of Indonesia (Ministry of Industry of The Republic of Indonesia, 2015). The beauty market in Indonesia exhibited a notable growth rate of 7% in 2022. As the largest nation in Southeast Asia with a population exceeding 270 million, Indonesia stands as the fourth most populous country globally. The escalating demand for beauty-related products and services is evident among Indonesian consumers (Ministry of Trade of The Republic of Indonesia, 2019).

According to Statista.com, between 2023 and 2028, the revenue in Indonesia's beauty and personal care market segment was projected to steadily rise, reaching a total of 542.6 million U.S. dollars, reflecting a 29.4 percent increase with eight consecutive years of growth, the indicator is anticipated to reach a new peak of 2.4 billion U.S. dollars in 2028 (Statista Research Development, 2023)

One of the services in the beauty industry is interactive workshops. They are engaging sessions that cover various beauty topics like skincare, makeup, and haircare, aiming to provide participants with hands-on experience, practical skills, and a good understanding of beauty practices. Recently, there has been a rise in the popularity of beauty workshops in Bandung which has already hosted 30% more events in 2018 than in 2017, and beauty workshops were part of these events (Ministry of Tourism and Creative Economy of The Republic of Indonesia, 2019).

One Indonesian company that works in the beauty industry is Nala Beauty, the research's company. Nala Beauty provides educational and interactive workshops of crafting skincare and semi permanent makeup from scratch. Nala Beauty initially established itself as a beauty salon, offering a range of services directly to consumers, including lash lifts, lash extensions, and nail art. However, after a year of operation, the business encountered several challenges. The number of customers was stagnant, revenue targets were not met, the location of the beauty bar was inconvenient for customers, and there was a limitation in human resources to provide services. Faced with these obstacles, the Co-Founders of Nala Beauty made a strategic decision to pivot the business into a beauty creative workshop. This shift is driven by the belief that expanding the market will open doors to larger opportunities. By transitioning from a traditional beauty bar model to a more innovative and engaging

workshop format, Nala Beauty aims to overcome previous limitations, tap into new customer segments, and ultimately position itself for sustained growth and success in the beauty industry.

In the fiercely competitive industry, effective promotions help a brand stand out amidst competition (Hawkins, Best, & Coney, 1998). Therefore, entering more markets and having high sales, personal selling, advertising, and promotions are very important influences on the survival of the company (Yusuf & Konarsi, 2020). Promotion serves as a means to convey the excellence of a product or service and convince customers to make a purchase (Kotler & Armstrong, 2013). Thus, Nala must have a marketing strategy to increase sales of the company, then in order to do that, implementing a thoughtfully devised promotional program is essential. This enables the company to align with its mission and vision, effectively utilizing marketing strategies, shaping consumer behavior and influencing their decision to purchase (Hulten & Vanyushyn, 2014). Moreover, promotions such as bundles or special pricing allow the company to demonstrate the value of the services offered, then customers tend to make purchases when they perceive a good deal (Hawkins, Best, & Cooney, 1998).

The promotion mix is a combination of strategies that marketers utilize to interact with their consumers. When these strategies are synergized, the promotion mix serves as an influential tool for building relationships with customers and communicating all other aspects of the marketing mix, thus providing a well-rounded marketing plan is needed for companies. (Kotler & Keller, 2016). The promotion mix offers marketers a diverse range of methods to engage with their customers, ensuring the message is visible, audible, and clear. After the target audience has been pinpointed and outlined, a superior product has been crafted, a pricing tactic and suitable price have been determined, and a method of distribution has been selected, the marketer is set to initiate communication with the customer. According to P. Kotler (2016), promotional strategies mix consists of advertising, personal selling, sales promotion, and publicity/public relations.

Drawing from Nala's database, the company has executed a variety of promotional strategies. These strategies encompass advertising through Instagram ads, personal selling, and promotions via bundling packages and flash sales. For each Instagram ad, the

company has invested approximately 250K - 300K IDR to amplify the official poster. This investment aims to increase public awareness of our workshop and encourage potential customers to make a purchase. In addition to promoting our official poster, we occasionally incorporate ads into our daily content to maintain a consistent and engaging presence on the platform. Personal selling has also been a significant part of Nala Beauty's marketing approach. This strategy leverages the co-founder's networks and relationships to attract customers. In fact, for the first two workshops hosted by Nala Beauty, 80% of the customers were from the co-founders' personal connections. This demonstrates the effectiveness of personal selling in reaching our target audience. Lastly, Nala Beauty has implemented sales promotions to further boost workshop sales. We offer bundling packages for two people at a discounted rate, providing an attractive deal for customers. Additionally, we conduct flash sales, typically on the last day of registration. This strategy creates a sense of urgency and encourages last-minute sign-ups, effectively driving up our workshop sales. Understanding and addressing these struggles will be crucial for the company's future success. As a result, developing a comprehensive plan for a good promotional strategy for the brand to address these challenges is needed.

II. METHODOLOGY

The research employs an action research methodology, as described by Maurice Taylor (2005), which emphasizes practice-based research supported by empirical evidence. This approach focuses on improving organizational quality and performance through disciplined inquiry and practical actions. Action research involves a thorough analysis of the initial situation and implementing steps to enhance the social context, such as community groups, organizations, and schools. It aims not only to understand existing problems but to discover ways to improve skills, techniques, and strategies.

This customer insights analysis uses a mixed-methods approach, combining qualitative and quantitative research to inform Nala Beauty's promotional strategies. This approach, chosen for its emphasis on practice-based research and its ability to generate actionable insights, is well-suited for improving Nala Beauty's organizational performance.

The research employed a mixed-methods approach, combining qualitative and quantitative research to ensure a comprehensive understanding of customer insights. The qualitative phase involved semi-structured interviews with Nala Beauty's target market—women aged 19 to 40 living in urban areas like Jabodetabek and Bandung—using purposive sampling to Nala Beauty's target market, which involves selecting participants based on their relevant knowledge and experience. This technique, as described by the American Journal of Theoretical and Applied Statistics (2016), prioritizes information-rich cases. Following the qualitative phase, a quantitative survey was conducted to validate and generalize the insights gathered. The survey, distributed via social media and Instagram direct messages from March to July 2024, featured open-ended questions and non-Likert scale formats, capturing diverse perspectives from 271 respondents. The survey was conducted in Bahasa Indonesia to accommodate the local audience.

For data analysis, the results obtained from these methodologies will undergo analysis through descriptive statistics to process and interpret the data. Descriptive statistics encompass various descriptive measures, such as central tendency indicators like mean, median, and mode (Hussain, 2017). The purpose of employing these techniques is to enrich the reader's understanding, comprehension, and application regarding the research.

III. ANALYSIS AND RESULTS

After conducting root causes analysis, it suggests that Nala Beauty lacks a comprehensive promotional strategy and may not be leveraging platforms like Instagram effectively to reach and engage with its target audience. In today's digital age, effective online marketing strategies are essential for businesses to connect with their audience and drive sales. Therefore, addressing this gap through market analysis in promotional strategy and enhancing the company's online presence could be critical for Nala Beauty's success.

The market analysis was conducted through questionnaires that were participated by 273 respondents of Nala Beauty's potential customers based in Jabodetabek and Bandung. The demographic profile of Nala Beauty's potential customers reveals that

100% of respondents are female, aligning perfectly with the target market focused on beauty workshops. The age distribution shows that the majority are young adults, with 46.9% aged 25–30 years and 34.1% aged 19–24 years, while the remaining 17.2% are aged 31–36 and a minimal 1.8% are aged 37–40. Regarding domicile, there is a nearly even split between Bandung (54.9%) and Jabodetabek (45.1%), indicating a strong presence in both regions. In terms of occupation, most respondents are employees (54.6%), followed by entrepreneurs (19.0%), students (15.4%), and freelancers (11.0%). The majority of respondents have a moderate to high disposable income, with 39.2% earning 3,000,001 – 5,000,000 IDR monthly and 35.5% earning more than 5,000,000 IDR.

When it comes to workshop preferences, formulation and make-up classes are the most popular, each attracting around one-third of respondents, with nail art and hair-styling also garnering significant interest. Nearly half (48.0%) of the respondents attend workshops 1–2 times a month, with a significant portion (39.9%) attending 3–5 times a month. Influencer endorsements (26.4%), relatives' recommendations (24.5%), and the organizer's Instagram account (23.4%) are the primary sources of information. Most respondents prefer attending workshops with friends (51.6%), followed by attending alone (44.7%). Regarding the price they are willing to spend, the majority are comfortable spending 100,000 – 150,000 IDR (54.6%) on a workshop. Promotional preferences show that flash sales are the most favored method (62.7%), followed closely by payday sales (58.7%), bundling prices (56.5%), and discounts (49.4%). Loyalty programs and double date sales are also popular, each preferred by 48.4% of respondents. There is a high likelihood of attendance with promotions, with significant portions of respondents rating their likelihood as 4 or 5 on a scale of 1 to 5.

Customer segmentation indicates that Nala Beauty's target customers are primarily young adult females with a moderate to high disposable income. The even split between Bandung and Jabodetabek suggests a need for tailored promotional strategies for both regions. Regarding workshop preferences, Nala Beauty should focus on offering formulation and make-up classes, as these are the most popular. Flexible scheduling should be considered to cater to employees and students. Leveraging influencer

partnerships and maintaining an active presence on Instagram can attract more attendees.

For promotional strategies, implementing a mix of flash sales, payday sales, bundling prices, and loyalty programs will maximize engagement. Timing promotions around paydays and using influencer endorsements can drive higher participation. Ensuring clear and aesthetically pleasing advertisements will attract more participants. In terms of pricing strategy, most potential customers prefer workshops priced between 100,000 and 200,000 IDR. Offering varied pricing options can cater to both budget-conscious and premium-seeking customers. By understanding these insights, Nala Beauty can better tailor its workshops and promotional strategies to meet the preferences and needs of its target audience, thereby increasing attendance and engagement.

IV. DISCUSSION

Due to the existing foundational challenges and insights derived from the SWOT analysis, it is imperative for Nala Beauty to improve its ineffective and low-impact promotional strategy. The primary issue stems from Nala Beauty's insufficient understanding of the most effective promotional activities for a beauty workshop organizer. Therefore, the suggested solutions will concentrate on implementing innovative marketing strategies that promise greater impact, while also taking into account the company's current constraints and resources. The company plans to implement promotional mix (advertisement, public relations, and sales promotion) strategies including nine key programs: Nala Beauty's promotional mix includes 5 advertising programs including optimizing Instagram Ads, partnering with micro influencers, trend-aligned content, showcasing workshops and testimonials, and using Facebook Creator Studio. For sales promotions includes 3 programs such as Nala Deals (discounts, flash sales, bundling, and payday sales), a membership card, and a referral program. Public relations will focus on KOL partnerships, external links in stories, and fast reply to inquiries.

To effectively execute these strategies, Nala Beauty requires a budget allocation and a commitment to enhancing team skills in business acumen, team

management, project management, and communication. Additionally, the company plans to hire unpaid interns skilled in graphic design and video editing to strengthen the marketing team and ensure the successful implementation of these initiatives. This comprehensive approach is designed to address the challenge of low inbound sales and improve overall business performance. The implementation plan includes the strategy itself, the budget, and the timeline. Its purpose is to ensure the effective execution of the solutions. This implementation plan is prepared for the next quarter (Q4) timeline in Nala Beauty (October, November, and December).

V. CONCLUSION

Based on the comprehensive research and analysis, several critical areas have been identified for improvement and strategic action for Nala Beauty. Developing effective promotional mix strategies is crucial for Nala Beauty to enhance sales and drive customer engagement, particularly as the company has been suffering from low inbound sales. The company plans to implement nine strategies: leveraging Instagram ads to capture potential customers' attention, partnering with KOL/influencers to broaden reach, posting content aligning with trends and brand values, offering sales promotions to create urgency, providing external link taps for direct messaging, generating fast replies with template answers, introducing a membership card for customer loyalty, hiring unpaid interns skilled in graphic design and video editing, and creating Instagram content plans using Facebook Creator Studio. To successfully implement these strategies and boost sales, Nala Beauty needs a budget of IDR 2,805,000. Additionally, enhancing the team's skills in business acumen, team management, project management, and communication, along with high dedication and commitment, is essential to ensure each action plan is executed as scheduled, achieving the desired results. By addressing these areas, Nala Beauty aims to increase inbound sales and improve overall business performance.

Implementing promotional mix strategies will significantly impact Nala Beauty's business by enhancing brand visibility, customer engagement, and ultimately, sales performance. Leveraging Instagram ads and partnerships with influencers will expand the

brand's reach and attract new customers. Posting content that aligns with current trends and brand values, including showcasing past workshops and customer testimonials, will build authenticity and trust. Sales promotions will create urgency and drive immediate purchases, while providing external links for direct messaging and generating fast replies will enhance customer service and streamline the buying process. Introducing a membership card will foster customer loyalty, and hiring skilled interns will ensure high-quality content production. Using Facebook Creator Studio to plan Instagram content will optimize posting efficiency. Collecting additional funds from founders will ensure financial support for these initiatives. Collectively, these strategies will not only address the current issue of low inbound sales but also position Nala Beauty for sustained growth and improved market presence.

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