

INTEGRATED MARKETING COMMUNICATION STRATEGY FOR COSMETIC RETAIL COMPANY: A STUDY OF NEW CENTRAL PALU

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Abstract

New Central Palu is non-food modern retail store located in Palu, Central Celebes. It sells wide range of products with cosmetic as the main product. Currently, New Central Palu experiences stagnant sales and lack of awareness. Therefore, this study aims to identify the problems and propose integrated marketing communication strategy to solve the problems. Both quantitative and qualitative methods are used in this research. Thus, data collection is done using in-depth interview to internal management of New Central Palu and questionnaire distribution to the target market. In-depth interview is explored from head of purchasing, head of marketing and sales, and general manager of New Central Palu. Besides, online questionnaire using google form has been distributed to 193 respondents through New Central Palu's official instagram. Secondary data from other resources, such as books, journal, and others is also collected to support the data analysis. Internal analysis is done using STP analysis, marketing mix, and VRIO analysis while external analysis is implemented using PESTEL analysis, porter's five forces, and customer analysis. Then, SWOT analysis is done before integrated marketing communication strategy is proposed. Six marketing communication mix channel is used, including advertising, personal selling, sales promotion, public relation, direct marketing and digital marketing to optimize the result. It can be concluded that New Central Palu has a enormous business potential as modern retail cosmetic store in Palu. However, there are some marketing strategy and recommendation that should be implemented.

Keywords: Integrated marketing communication strategy, marketing strategy, cosmetic retail company, beauty industry

Introduction

The Ministry of Industry (Kemenperin) targets cosmetic industry to grow more than 9 percent in 2022, after achieving a record of 7 percent growth in 2019. The growth is based on the expansion of various types of cosmetics and personal care, both in domestic and international market. According to Director General of Chemical, Pharmaceutical and Textile Industries of the Ministry of Industry, Muhammad Khayam, there are huge opportunities in ASEAN market, due to the same climate, socio-culture, and purchasing power. According to Social Bella's Chief Executive Officer (CEO), John Marco Rasjid, in Euromonitor, the cosmetics and personal care industry is estimated to grow to US\$ 6.03 billion in 2019, and targeted to grow to US\$ 8.46 billion by 2022 (Kementerian Perindustrian RI 2020b).

Due to Covid-19 pandemic, many people adapt by shifting their shopping behaviour from offline to online. This is proven by increasing of online transaction of cosmetic products up to 80%. Moreover, according to Director General of Small, Medium and Multifarious Industries (IKMA) of the Ministry of Industry, Gati Wibawaningsih, social distancing allows people to have more time at home, so they have time to take care of their skin, body, and hair. Therefore, demand of home skincare is increasing in exchange for salon and spa supplies (Kementerian Perindustrian RI 2020a).

Shopee and Tokopedia are two pioneers in e-commerce industry in Indonesia. According to a survey conducted by Kompas, Shopee takes the largest portion with a percentage of 80.90% for the beauty category compared to Tokopedia (Rukmana 2022a). In early 2021, the beauty category dominates sales in e-commerce by 46.8% with a turnover exceeding 40 billion (Haasiani 2022). Moreover, in Shopee, sales in the beauty category increased by 5.1% and 11.3%, respectively, in April - June 2022 compared with previous month. Facial care dominates the beauty category with a market share of 42.9% with facial serum as the highest market share in the subcategory (Rukmana 2022b).

Proven by research conducted in Manado, local brands are still highly favored in the cosmetic and beauty industry in Indonesia. It is due to its affordability, quality, and improvements over the years (Korengkeng and Tielung 2018). Moreover, Deloitte conducted research on average expenditure on Cosmetics and Beauty Products per purchase in 2019. According to the survey (Figure I.1), more than 70% of the market bought low- to middle-class cosmetics. 18% of the market bought low-end products with prices below Rp 50.000, 30% bought lower-middle class products with prices between Rp 50.000 - Rp 100.000, 38% of the market bought middle class products ranges between Rp 100.000 - Rp 200.000, 12% of the market bought upper-middle class products between Rp 200.000 - Rp 500.000, and only 3% of the market bought high-end products with prices more than Rp 500.000 (Deloitte 2020).

CV. Central Maju Sejahtera, also known as New Central Palu, is a family business in cosmetic retail industry. The company based in Palu, Central Celebes. There are various products sold at New Central with the main product cosmetic products, such as skincare, personal care, and makeup products. Our target market is the people with low to medium socioeconomic level and mostly women aged 15-30 years old.

There are several beauty stores in Palu, but most of them only sell cosmetic products, and do not sell other items, such as stationery, home care, and other products. There are five other popular cosmetic stores, such as Palu Makeup, Mutiara Beauty Store, Elza Beauty Skin, Ullzang Beauty Shop, and Days of Beauty (DOBE) Palu. Most of the stores have implemented social media marketing strategy and are available in marketplace. Palu Makeup and Ullzang Beauty Shop have started social media marketing strategies through Instagram since 2018, while others started in 2020 and 2021 during the pandemic situation, including New Central Palu. This initiative has

proven successful with a sales increase in New Central Palu up to 25% from the previous year with the main income from offline sales.

In 2022, we face new normal condition of Covid-19 pandemic. Sales are expected to increase due to the lifting of several social distancing and Covid-19 restriction rules. However, this condition is also peppered with inflationary condition in July 2022 (Bank Indonesia 2022). However, the inflation surge is not felt as hard in Asia as it is in the US, EU or UK with inflation rate higher than 9% (KANTAR World Panel 2022). Indonesia is currently experiencing the highest inflation rate in the last seven years, approximately 6% year of year (Bank Indonesia 2022), and observers predict that this condition will get worse in 2023 (BBC News Indonesia 2022).

According to the Beauty Trends in Asia 2022 report, Indonesia is currently experiencing resilient beauty trend, along with South Korea and India. With total value growth of between 5% in Indonesia, these market is still benefited from the post-pandemic gains despite experiencing inflation. The impact of inflation will depend on local shoppers' experience of rising prices, while a post-pandemic bounce will be influenced by how constrained consumers are at peak times of concern (KANTAR World Panel 2022).

Furthermore, a high inflation rate will have a negative impact on the socio-economic conditions of the community. One of the effects of a high inflation rate is the decline in living standards of people and in the end it makes everyone, especially the poor, poorer (Bank Indonesia 2022). Moreover, some customers feel uncomfortable shopping at New Central Palu because the place is limited, uncomfortable due to insufficient number of air conditioner, and long queues at the cashier. Others also claimed not to know the ongoing promo until the promo ended and inadequate services provided by staff, especially beauty advisors. Therefore, New Central Palu has experienced low growth in 2022, approximately 5% year of year.

In order to overcome the various problems mentioned before, New Central Palu has planned to enlarge the store, carry out store rebranding, and conduct grand re-opening event in February 2023. These initiatives are expected to grow brand awareness and sales of New Central Palu. However, to be successful, integrated marketing communication strategy needs to be implemented.

Methods

All the primary and secondary data that has been collected will be analyzed using internal and external analysis methods. In order to sustain in the business world, a company needs to analyze the internal environment of its business. In other words, it means that the company needs to identify the strength to build on and weaknesses to be overcome during strategy formulation. In this study, internal analysis will be done using STP Analysis, Marketing Mix, and VRIO Analysis.

In order to identify and analyze the market, Segmenting, Targeting, and Positioning (STP) Analysis will be used. This analysis will the company to focus on the

customers who have a greater interest in the company values. The purpose of this analysis is to sort the customers into groups that have the same needs and wants so that the company can develop products and marketing strategies that are suitable for the particular target market which in the end might increase the sales.

Marketing mix refers to a collection of controllable marketing variables that impact the company's ability to successfully market its products or services to the consumers. The variables comprise Product, Price, Place, and Promotion or known as the 4Ps. However, in service marketing, the variables has been adapted into 7Ps to address different nature of services, including product, price, place, promotion, people, physical environment, and process (Todorova 2015).

VRIO Analysis will be conducted to evaluate the resources of a company such as financial resources, human resources, material resources, and non-material resources (information and knowledge) to identify the competitive advantage of the company. There are four elements of VRIO framework (Rothaermel 2021), such as Valuable, Rare, Costly to imitate, and Organized to capture value.

Before entering the business industry or doing business adjustment, every company must understand the context of the external condition of the industry it competes. Therefore, the external analysis will help the company to leverage what opportunities that can be used to improve its business performance while at the same time help the company to mitigate the threats that might harm the business. In this research, external analysis will be done using several methods, such as PESTEL Analysis, Porter's Five Forces, and Customer Analysis.

PESTEL analysis is an external environment framework that analyzes a significant range of external factors, such as Political, Economic, Sociocultural, Technological, Ecological, and Legal that could affect the business of a company. This model provides a relatively straightforward way to scan, monitor, and evaluate the important external factors and trends that might affect the company (Rothaermel 2021). Porter's Five Forces of competitive position analysis is a simple framework for mapping and assessing the competitive strength and position of a business organization. This is useful both in understanding the strength of an organization's current competitive position and the strength of a position that an organization may look to move into. There are five competitive forces, consist of threat of new entries, bargaining power of buyers, bargaining power of suppliers, threat of substitutes, and rivalry among competitors (Porter 2008).

Customer analysis is defined as the process of analyzing customers and their habits. Through understanding the consumer, a company can begin to offer products and services to fulfill their needs. The purpose of undertaking customer analysis is to examine the customer profile, their behaviour in using and purchasing products or services, and their preferences about beauty store. By understanding what motivates them to make a purchase, brands can build their business and provide solutions to those needs (Cuellar-Healey and Gomez 2013).

After internal and external analysis, Strength, Weakness, Opportunity, and Threat (SWOT) analysis will be done before strategy formulation. SWOT analysis is useful to collect all the information from the environment analysis and segment them into internal problems (strength and weakness) as well as external problems (opportunities and threats) (Ferrell and Hartline 2015). This analysis will help the author to generate suitable integrated marketing communication strategy formulation for New Central Palu.

Result and Discussion

In this research, the data that has been collected from in-depth interview and questionnaire would be analyzed using internal and external analysis. Internal analysis discusses about internal management and strategy of the company, while external analysis examines factors outside the company that may affect the business. Detail internal and external analysis will be used in formulating integrated marketing communication strategy.

In this study, internal environmental analysis consists of Segmenting, Targeting, and Positioning (STP) Analysis, Marketing Mix (4Ps) Analysis, and VRIO Analysis. These analyses would help in determining the suitable integrated marketing communications strategy for New Central Palu.

STP Analysis

Segmenting, Targeting, and Positioning (STP) were determined mostly from in-depth interview with internal management of New Central Palu. Apart from that, some data was also adjusted to the results of questionnaires from the target market of New Central Palu.

A. Segmenting

The demands, resources, locations, buying attitudes, and purchasing behaviors of customers vary in any business industry. By segmenting their markets, businesses can more effectively and efficiently target smaller segments with goods and services that match their specific needs. There are four major variables in consumer markets segmentation: geographic, demographic, psychographic, and behavioral (Armstrong and Kotler 2021). New Central Palu's market is mostly from Central Celebes, especially Palu city. Most of them are women aged 17-40 years old with low to middle income status with student or employee as their occupation. They are creative, extraverted, friendly, and care about health and appearance. Moreover, they tend to use skincare products in daily basis and some of them are beauty enthusiast.

B. Targeting

Smart targeting aids companies in being more efficient and effective by concentrating on the segments that they can satisfy best and most profitably. Targeting has advantages for consumers as well—companies serve specific groups of consumers with offers carefully crafted to meet their needs (Armstrong and Kotler 2021). New Central Palu's target market is women aged 17-40 years old who live in Central Celebes island. They are university student, entrepreneur, housewife, and employee with low to middle income level. Moreover, they are beauty and social media enthusiast who are extraverted, active, friendly, and creative. They seek for original and BPOM-certified products with affordable price.

C. Positioning

Positioning of a company must serve the needs and tastes of clearly defined target markets (Armstrong and Kotler 2021). The positioning of New Central Palu is "Most Complete and Trustworthy Cosmetic Store with Affordable Price." It means that New Central Palu wants to be known as a cosmetic store that offers complete range of original products with affordable price.

Marketing Mix

The marketing mix is the combination of tactical marketing techniques used by the company to elicit the desired response from the target market. Everything the firm can do to engage customers and provide value to them is included in the marketing mix (Armstrong and Kotler 2021). Table 1 provides detail about marketing mix analysis of New Central Palu.

Table 1 Marketing Mix Analysis of New Central Palu

Marketing Mix	
Product	Main Product: Cosmetics Skincare, makeup, personal care, baby care, accessories, tools, and salon supplies Additional Products Health appliances, party supplies, home care, and stationery
Price	Regular (ranging from IDR 5.000 up to IDR 300.000) Wholesale (mostly 10% discount from regular price) Reseller (10-17% discount from regular price)
Place	<ul style="list-style-type: none"> • Offline Store • Online through Whatsapp, Instagram, and Shopee
Promotion	Digital Marketing: Social Media, Marketplace Advertising: Point of Purchase (POP) display at store Personal Selling: Beauty advisor, in-store staff Public Relation: Hampers for certain events for reseller, giveaway, free gift for Shopee order

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Sales Promotion: Discount, Bundling promotion, Buy 1 Get 1

Direct Marketing: Direct sales in offline store and marketplace

VRIO Analysis

In order to analyze using VRIO framework, a firm's resources, capabilities, and competency must be assessed. There are several resources of New Central Palu that are essential for the business, such as wide and complete product range, service quality, pricing strategy, online channel, instagrammable and comfortable offline store, experienced human resources, supply chain management, economies of scale, digital platform, and knowledge about cosmetic industry.

According to Table 2, New Central Palu has sustainable competitive advantage from most of its resources and capabilities. However, there are some resources and capabilities that still at competitive parity and temporary competitive advantage. Therefore, New Central Palu requires to do more efforts to improve some of its resources and capabilities to become sustainable competitive advantage.

Table 2 VRIO Analysis of New Central Palu

Resources / Capability	Valuable	Rare	Costly to Imitate	Organized to Capture Value	Impact
Wide and Complete Product Range	YES	YES	YES	YES	Sustainable Competitive Advantage
Service Quality	YES	NO			Competitive Parity
Pricing Strategy	YES	YES	NO		Temporary Competitive Advantage
Online Channel	YES	NO			Competitive Parity
Instagrammable and Comfortable Offline Store	YES	YES	YES	YES	Sustainable Competitive Advantage
Experienced Human Resources	YES	NO			Competitive Parity
Supply Chain Management	YES	YES	YES	YES	Sustainable Competitive Advantage
Economies of Scale	YES	YES	YES	YES	Sustainable Competitive Advantage

Digital Platform	YES	YES	YES	YES	Sustainable Competitive Advantage
Knowledge about Cosmetic Industry	YES	YES	YES	YES	Sustainable Competitive Advantage

PESTEL Analysis

PESTEL is a framework that categorizes and analyzes an important set of external forces (Political, Economic, Social, Technological, Environmental, and Legal) that might impinge upon a firm (Rothaermel 2021).

A. Political Factor

According to Law Number 7 of 2021 concerning Harmonization of Tax Regulations, The Indonesian Government raised the value added tax to 11% from the previous 10% starting April 1, 2022. This policy could increase state revenues, so that it is expected to be one of the paths to the welfare and prosperity of the Indonesian people (Mubarok 2022). However, along with it, the price of goods also increased. Therefore, it might affect the company because it could reduce the ability of customer to purchase the products.

In addition, Palu City Government has stipulated the Palu City Minimum Wage (UMK) for 2023, amounting to Rp 3,073,895, about 7% increase from previous year. This is due to rapid economic growth in Palu, especially after the 2018 disaster and the Covid-19 pandemic (Bustan 2022). Thus, the company's operational costs will increase rapidly with an estimated number of employees of nearly 80 people by 2023.

B. Economic Factor

The Central Statistics Agency (BPS) for Central Celebes Province recorded that economic growth of Central Celebes in quarter III-2022 compared to quarter III-2021 experienced a growth of 19.13 percent. The high economic growth is supported by the existence of large-scale industrial sectors such as the mining and quarrying sector in Morowali, North Morowali and Banggai Regencies. However, despite the high economic growth, this has not fully impacted on improving people's welfare (Wiranata 2022). This condition may positively affect company sales and revenues.

C. Social Factor

Currently, beauty is a social standard in Indonesia. Females in Indonesia along with their male counterparts, who they outnumbered, place more emphasis on self-care and overall attractiveness than ever before. Women in modern and urban cities, like Jakarta, are being taught to feel that beauty is a need since employers value appearance and attractiveness highly (Hadiwidjaja 2022).

Moreover, due to the abundance of items that claim to offer and deliver same or even better prices, customers lack of brand loyalty. Customers may find it difficult to

make judgments due to the overabundance of skincare products on the market, thus they frequently try new brands or products (Hadiwidjaja 2022). Therefore, this serves as a challenge for cosmetic store to keep updated with cosmetic trends. As soon as a product and/or brand goes viral, the store has to get the product ready immediately.

D. Technological Factor

Association of Indonesian Cosmetic Companies has held Indonesia Cosmetics Ingredients (ICI) in 2022 to introduce and promote raw materials, packaging, products, laboratory equipment, and the latest cosmetic machinery. Moreover, the latest trends and technologies needed in the process of making cosmetics for the industry in Indonesia and ASEAN countries are also explained (Aprilyani 2022). It is proven that technology needed in production process of cosmetics product is always evolving.

In addition, technological developments also facilitate the company's operations. The company uses information system technology in daily basis to run the company, from inputting the products to selling it. Moreover, fingerprint attendance machine is used to record the attendance and punctuality of employees. The company also uses marketplace application to expand the business channel for selling products. Social media, such as Instagram and Whatsapp, also has proven to be useful for marketing purposes.

E. Environmental Factor

The rapid growth of the cosmetics industry has had a negative impact on the environment because it has increased the amount of packaging waste for beauty or skincare products and the formation of excessive consumption or over-consumptive habits. The accumulation of beauty product waste also occurs at home. This is due to excessive consumption habits such as easily buying and changing beauty products just because they follow trends or discounts. As a result, it causes accumulation of goods at home and has the potential for environmental problems (Maret 2022).

An independent survey conducted by Lyfe With Less—a minimalist lifestyle community in Indonesia—in 2022 found that 53 percent of respondents admitted that they always throw empty bottles or empties into the trash without sorting them out so they mix with household waste. As a result, the waste is just thrown into landfills without going through the proper disposal process, which ends up waiting for the waste to decompose for decades (Maret 2022). Therefore, cosmetic stores should collaborate with beauty brands to encourage consumers to clean and return the waste empty bottles or other empty beauty products for recycling.

F. Legal Factor

Cosmetic products are considered as controlled goods by Indonesian customs, which presents a significant obstacle for beauty store companies and brands that want to sell their cosmetic products in Indonesia. The Indonesia National Agency of Drug and

Food Control (BPOM) must receive an application from them or their registration in order to be sold or distributed in Indonesia. The registration procedure and the information required to finish the paperwork from both the manufacturer and the supplier of the raw materials are time-consuming (Hadiwidjaja 2022).

Last but not least, as the majority of people in Indonesia are Muslims, buyers must confirm whether or not their preferred product is "Halal." It follows that the product must adhere to Islamic law, be free of pork or other non-halal animals, and otherwise be compliant with Islamic law. Consequently, any cosmetic items sold in Indonesia must secure halal certification from Majelis Ulama Indonesia (MUI) (Hadiwidjaja 2022).

Therefore, the challenge for beauty store companies is to make sure that the products sold are BPOM certified. Moreover, there are still many cosmetic products sold without halal certification from MUI. Thus, the company needs to ensure to beauty brands whether the product is halal or not whenever asked by customers.

Porter's Five Forces

A. Threat of New Entrants

The threat of new entrants in New Central Palu is **Medium**. The cost to open cosmetic store is not high. Moreover, distributors and beauty brands are very welcome with new cosmetic stores. However, there are some economies of scale because cosmetic store often gets more discount or promotional support if the amount of order increases. Other than that, experience of beauty industry is highly needed as viral products and/or brand keep changing.

B. Bargaining Power of Buyers

The bargaining power of buyers of New Central Palu is **High**. Due to the ease of other cosmetic store to make ready the beauty products, customers could easily switch to another cosmetic store who sells same products. Moreover, the target customer is highly price sensitive, so sometimes slightly different price would be noticed by them and they would choose the cheapest cosmetic store.

C. Bargaining Power of Suppliers

The bargaining power of suppliers of New Central Palu is **Medium**. There are large number of suppliers in beauty industry, including local distributor and official beauty brand's reseller system. Almost all beauty brands' product are similar, so it is easy to substitute and/or change to other beauty brands. However, if the brand and/or product's viral in social media, the bargaining power of suppliers increases as the demand of the products increases. On the other hand, new beauty brands that are not well-known are sometimes less desirable because there are very few enthusiasts. Therefore, its bargaining power is low.

D. Threats of Substitute Products or Services

The threat of substitutes products or services of New Central Palu is **Low**. The substitutes of cosmetic products would be beauty clinic, salon, and spa. However, the cost for treatment would be very high. The other substitutes are natural ingredients, such as honey, olive oil, and others, but the quality would not be the same as formulated cosmetic products. Therefore, the threat of substituted products or services is low.

E. Rivalry Among Existing Competitors

The rivalry among existing competitors is **Medium**. There are large number of competitors, but only few large competitors. Moreover, New Central Palu has well-maintained supply chain management, so it is easier to collaborate with beauty brands. In addition, economies of scale also play an important role because companies will get better prices if they buy more products. However, customer loyalty is medium due to high price sensitivity. Last, the cost of leaving market is quite high because there is a stock of goods to be sold until it runs out.

Customer Analysis

According to questionnaire result, New Central Palu's target market are women aged between 17-25 years old with majority occupation as student. In addition, almost all of the respondent live in Palu city with monthly income less than Rp 1.500.000. They prefer to purchase cosmetic products once every month with average expense of Rp 150.000 to Rp 500.000 through both online and offline channel. Beauty influencer and/or beauty enthusiast is the most common cosmetic information source. In addition, skincare is the most high demand product above all cosmetic products as most respondents use skincare and body care in daily basis. On the other hand, most respondents use make up during events only. Moreover, most of New Central Palu's target market is price sensitive and care about product availability.

SWOT Analysis

SWOT analysis is made based on internal and external analysis that was stated before. Table 3 provides details on the SWOT Analysis of New Central Palu.

Table 3 SWOT Analysis

Strength	Weakness
<ul style="list-style-type: none">• New Central Palu has wide range of products• Availability level and buffer stock in New Central Palu is quite high• New Central Palu has a creative design team for social media• Management and control system in New Central Palu is good• New Central Palu has maintain great supply chain system• Offline store of New Central Palu will soon become instagrammable and convenient	<ul style="list-style-type: none">• Product knowledge of New Central Palu's in-store staff is still lacking• New Central Palu still cannot maintain service quality of beauty advisor from beauty brands• New Central Palu never promote in offline advertising, such as billboard• There are still high turnover of in-store staff, so the service quality is not well-maintained

Opportunity	Threat
<ul style="list-style-type: none"> • According to Central Statistics Agency (BPS) for Central Celebes Province, economic growth of Central Celebes in quarter III-2022 compared to quarter III-2021 experienced a growth of 19.13 percent. • Currently, beauty has become social standard in Indonesia, so people especially female, pay attention more on self-care and overall attractiveness than ever before • Cosmetic industry has experienced growth even in pandemic condition when other industries are weakening • According to Central Bureau of Statistics in Indonesia, the number of cosmetic companies increased by 20.6%, from 816 companies to 913 companies in 2021 to July 2022. 	<ul style="list-style-type: none"> • E-commerce has become a place for price wars between cosmetic stores, so that with a decrease in retail prices, the company's profits will also decrease • There are a lot of cosmetic brands who are still non-BPOM registered. So, sometimes New Central cannot provide viral products and/or beauty brand because of it. • Many cosmetic stores have just opened in Palu because the cosmetic industry is a potential market, so the market rivalry is quite intense • Official marketplace and/or website of beauty brands usually make huge promotions which has led customers to purchase there because of their price sensitiveness

Integrated Marketing Communication Strategy

In order to propose suitable Intergrated Marketing Communication Strategy, New Central Palu should do few steps, such as identifying target audiences, setting communications objective, designing communications, selecting communication channels, and deciding on media mix.

A. Identifying Target Audiences

According to the target market, the target audience of New Central Palu is female aged 17-25 years old. Their occupation is high school student, university student, and employee. In addition, the income level of the target audience is low to medium.

B. Setting Communications

Based on the analysis, communication objectives of New Central Palu is to build brand awareness and customer purchase intention. New Central Palu needs to focus on skincare as the main product focus because it is an in demand product. Moreover, it is also intended to build bond with customer to increase customer retention and loyalty.

C. Design The Communication

Customer behaviour research has proven that cosmetic product that is in high demand is skincare. Moreover, target audiences prefer to be updated with new products, especially the viral products. It is also important to share promotional information as most of the target audience is price-sensitive. Questionnaire result also shows that the target audience think that product recommendation and review is essential content to be shared in New Central Palu's instagram. As a conclusion, New Central Palu should provide several contents, such as new products, on-going promotions, and product recommendation and review with skincare as the main product focus.

To convey the promotional and product sharing message, an informative approach will be chosen because the target market is young women who prefer a direct

and to the point approach. In addition, informative technique will provide a more thorough and detail product review and recommendation. On the other hand, transformative communication approach may be implemented as supplementary to increase customer retention and loyalty as it may help connecting customers to New Central Palu's identity and value.

In New Central Palu, the author has become face of New Central Palu as some of Instagram story content is shared by the author. Therefore, daily content on Instagram, especially those that are featured, should be shared by authors to increase trust and bond with the audience. In addition, some events may require collaboration with local influencers and beauty enthusiasts, such as Lucky Tembang, Maria Grace and Sizka Angela to increase brand awareness.

According to questionnaire result, Maria Grace, Lucky Tembang, and Sizka Angela are chosen as the suitable local influencer to share New Central Palu's promotional information as they are attractive to the target audience. Moreover, Maria Grace is make up artist and beauty enthusiast, so she understands cosmetic products and may convince her followers to purchase it in New Central Palu. Moreover, Lucky Tembang is the most well-known Instagram influencer in Palu as he shares comedy content in daily basis. Sizka Angela is beautician who has learned about semipermanent make up in Korea and owns a beauty clinic in Palu. Therefore, her Instagram followers suit with New Central Palu's target market.

D. Selecting Communication Channels

New Central Palu need to maximize the use of both personal and nonpersonal communication channels. Influencer endorsement, direct marketing through reseller whatsapp broadcast message, and personal online selling through Instagram and Whatsapp should be used as online personal communication. In addition, direct selling by beauty advisor, sales promotion girl, and in-store staff and word of mouth will be used in offline channel. On the other hand, nonpersonal communication will use instagram ads, organic social media content, and e-commerce program in online channel whereas nonpersonal offline channel communication should involve billboard, radio broadcast ads, beauty events, public relations by sending hampers at certain events, and sales promotion, such as discount and bundling package.

E. Deciding on Media Mix

In developing marketing communication strategy, company must consider several factors, such as product market type, buyer's readiness stage, and product lifecycle stage. New Central Palu's type of product market is consumer markets because the target market purchase products for their own needs. Moreover, New Central Palu is currently at evaluation of alternatives and purchase decision stage in tems of consumer readiness stage. In product lifecycle stage, New Central Palu is in growth stage. There

are six major communication channels, such as advertising, sales promotion, public relation, personal selling, direct marketing, and digital marketing.

Advertising

One of the best way to raise brand awareness is using advertisement. Advertising makes it possible to reach a large audience, so it could also be used for market expansion. Moreover, there are online and offline channels for advertisement. Online advertising such as social media ads or marketplace ads is more economical than offline advertisement media. In addition, the features also make it possible to target specific audiences based on the company needs. Regarding the content, it could also be customized and creatively made to attract customers. Offline advertising includes TV and radio ads, magazine or newspaper ads, flyer, point of purchase (POP) display, and billboard. Currently, New Central Palu has placed point of purchase (POP) display. It is recommended to try using radio ads and billboard to reach larger audiences, so it is expected to give bigger impact.

Sales Promotion

New Central Palu has implemented several sales promotion, such as product discount, bundling, and Buy 1 Get 1 promotion. Moreover, giveaway and free gift lottery with minimum purchase has also been done several times. In marketplace, New Central Palu has done monthly campaign during pay day sale at 25th monthly and twin date sale. It is suggested that New Central Palu focuses more on other marketplace campaigns, such as flash sale, live sale, and others. New Central Palu may collaborate with cosmetic brand to do live sale to boost the sales. This efforts may increase customer engagement, sales, and revenue in marketplace.

Public Relation

Public relation may be beneficial if the campaign is well-planned and integrated with other marketing communication mix strategy. New Central Palu may use "Beauty starts here" campaign for Grand Re-opening events to let the audience know that sanctuary of beauty has just opened in Palu. In order to quickly increase brand awareness, PR package for local influencers should be prepared as well. Is must be attractive and memorable so that influencer and their followers could be attracted and would remember it for a long time.

Personal Selling

Personal selling is highly needed in New Central Palu as 90% of the sales comes from offline store. Therefore, beauty advisor, sales promotion girl, and in-store staff play important role in attracting people to buy products in New Central Palu. Therefore, they should know the details about the products that they are responsible for. The ingredients, how to use the products, and product recommendation based on the skin

condition and expected result of the customers are the information that the sales team should know in order to attract customer and trigger their purchase intention.

Direct Marketing

Key advantage of direct marketing is its ability to elicit a particular response or action from a targeted audience. Direct marketing advertises a good or service directly to the customer rather than concentrating on educating these prospects. New Central Palu should start doing direct marketing approach via email marketing or text message in order to inform customers about on-going promotions.

Digital Marketing

At the moment, people can not be separated from the use of mobile phones, especially social media. Therefore, digital marketing is essential in any kind of business, especially cosmetic industry. Moreover, quantitative research has proven that Instagram ads is the most attractive advertising for the respondents. Besides raising brand awareness, digital marketing may help New Central Palu to engage with the target audiences, trigger purchase intention, and get feedbacks about the service quality.

There are several digital marketing strategy that can be implemented in New Central Palu, such as:

1. Social Media Organic Content

New products, product recommendation, product review, on-going promotion, makeup hacks and tutorial, and education are important contents to be shared in New Central Palu's instagram. In order to catch audience's attention, the contents need to be attractive and memorable. If not, customers would skip the content without even seeing or reading the materials. Moreover, company's value and brand message should also be delivered to the target market via social media.

2. Social Media Advertisement

Social media advertisement is the most economical advertisement. It is cheaper than other media, right on target, and easily conducted. It can also be evaluated after the advertisement is finished. In addition, creative content using video should be made to give powerful and attractive message in the ads.

3. Influencer Endorsement and Collaboration

Influencer may give huge impact on the brand awareness. As New Central Palu targets Central Celebes market, local influencer based in Palu should be chosen, rather than national influencer. Furthermore, the New Central Palu team must conduct research on influencers to select influencers that are suitable for the audience according to New Central's target market.

Conclusion

New Central Palu is a non-food modern retail store located in Palu, Central Celebes. It sells variety of products with main products are cosmetics, so the company is committed to provide BPOM certified original products and continuously update with the latest trend in cosmetic industry, especially viral products. New Central Palu is well-known of its trustworthiness, promotions, and affordable prices since it applies three price categories as its pricing strategy.

Currently, New Central Palu experiences stagnant sales and revenue even if the goods' price goes up. This happens due to high inflation rate, limited and uncomfortable offline store, and long queues at the cashier during peak season. Moreover, some customers also complain about inadequate promo information at store and lack of service quality from in-store staff and beauty advisor.

Internal analysis of the company shows that New Central Palu has sustainable competitive advantage from most of its resources and capabilities. Therefore, the company has potential growth in cosmetic industry, especially in Palu. However, New Central Palu's marketing strategy has not been adequately planned due to a slightly inaccurate target market and an inadequate marketing team.

On external environmental analysis, it is analyzed that cosmetic industry is currently a promising business industry as beauty has become a social standard in Indonesia. In addition, New Central Palu has quite large market share in Palu due to its supply chain management system, so the company could win the competition in the business. However, there are many competitors and new entrants in the industry, so the rivalry among competitors is quite intense. This is also exacerbated by the high price sensitivity of the target customer. Therefore, New Central Palu has to maintain its positioning and plan suitable integrated marketing communication strategy.

New Central Palu's real target market is female aged 17-25 years old who live in Central Celebes Island, especially in Palu. They are high school student, university student, and employee with low to middle income level. Their personality is extraverted, active, friendly, and creative. In addition, the target market enjoys beauty and surfing in social media. In choosing cosmetic store to purchase their needs, they seek for original products with affordable price, BPOM-certified, and availability of viral products. Moreover, comfortable and instagrammable store will be a plus.

Integrated marketing communication strategy that will be applied in New Central Palu is to build brand awareness and increase customer purchase intention. Both personal and nonpersonal communication channel with offline and online approach will be used in the strategy. Moreover, six marketing communication mix strategies including advertising, sales promotion, public relation, personal selling, direct marketing, and digital marketing will be applied in the strategy to optimize the result.

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