

PROPOSED IMPROVEMENT BRAND REJUVENATION STRATEGY TO INCREASE CUSTOMER INTENTION PURCHASE: A CASE STUDY ON PIXY COSMETICS INDONESIA

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Abstract

PIXY Cosmetic Indonesia is a cosmetic brand produced and marketed by PT. Mandom Indonesia since 1969. In 2019, PIXY Cosmetics Indonesia carried out a Brand Rejuvenation to their products, with the objective of expanding the market to young adults and being considered as a premium brand. Even so, after being a runner-up on the position of the top 5 Top Brand Index Cosmetics from 2016-2018, PIXY Cosmetics Indonesia was kicked out in 2019 and did not get a position especially in lip cream products. Meanwhile, the skincare and beauty category also experienced a decline in income in 2020, which is written in the annual report of PT. Mandom Indonesia.

From the results of the pre-interview conducted in this study, all the 16 respondents said that the Brand Rejuvenation carried out by PIXY Cosmetics Indonesia had succeeded in creating a good and fresher impression of their products, however, 15 out of 16 participants said they would not buy PIXY Cosmetics Indonesia when they need cosmetic product because there's a huge gap between the brand and the customers in terms of marketing mix. This study aims to analyze the impact of brand rejuvenation to Customer purchase intentions at PIXY Cosmetics Indonesia and understand the best business strategy to make PIXY Cosmetics attract market interest.

A strategic management process is used in this study to craft the best business strategy to increase Customer Intention Purchase. The process starts from external and internal environment scanning and culminates in SWOT analysis. Segmenting, targeting, and positioning (STP). The method used to choose which target market to tap into then a further analysis using the TOWS matrix to choose suitable strategies given the opportunities or threats presented from the external factor; strengths and weaknesses owned by the company. The proposed marketing strategy then formulated from the combination of the result of STP analysis and the TOWS analysis results in what is the best target segment to tap into and what is the suitable business strategy for the target segment. The ensuing implementation program then formulated using the proposed business strategy.

Keywords: Brand Rejuvenation, Customer Intention Purchase, STP, SWOT

1. Background and Purpose

The brand is the main thing of the success of a company, especially in this era of the global competitive market. It is believed as a foundation of the overall strategic planning, vision, mission, and innovation (Akbar, Zeb, & Ahmad, 2017). When a company treating a brand with agility and flexibility, it will be a powerful weapons to compete in today's hypercompetitive market. Brand also influenced customer's perception about product. Today, prices are no longer measured by something definite such as content or USP, but emotional experience on how a product can be more relatable to the needs or personality of their consumers can make a company winning more market share more than their competitor (Mehdi, Ghassemi, & Vosta, 2014). This phenomenon about the power of brand also recognized by PIXY Cosmetics Indonesia, one of the pioneer cosmetics and beauty company that is almost 38 years old settled their business in Indonesia.

PIXY, however, is one of the cosmetics brands that almost disappeared from Indonesia. After being the highest achiever on Top Brand Index in 5 product categories from 2016-2017, PIXY lost their reputation in 2018. The details of data is described below:

Year	Category	Index
2016	Loose Powder	6.8%
	Lipstick	9.3%
	Eyebrow Pencil	4.2%
	Compact Powder	14.9%
2017	Loose Powder	6.7%
	Lipstick	9.6%
	Eyebrow Pencil	8.3%
	Compact Powder	15.7%
2018	Loose Powder	4.5%
	Lipstick	-
	Eyebrow Pencil	5.5%
	Compact Powder	14.1%

This decline happened even after PIXY did the Brand Rejuvenation strategy, even though PIXY Sales ever increase in 2019 with +18,6% growth, the revenue contribution decline from 2020 to 2021 that skincare and cosmetics category only contributed 34,5%, lower than Hair Care that contributed 42,5%. The detail explained on the table below:

Year	Sales Growth
2018-2019 (2018)	+7.1%
2019-2020 (2019)	+18.6%
2020-2021 (2020)	-34%
2021-2022 (2021)	-8.9%

From the brand performance that shows in PT. Mandom Annual Report 2021, Skincare and Cosmetics Category have not contributed and bounced back after COVID-19, the Brand Rejuvenation strategy is considered has not succeeded in getting the expected result. This study will discuss further whether the Brand Rejuvenation carried out by PIXY is in accordance with what is needed by market segmentation or not, and also, this study will figure out the possible strategy that can be implemented by PIXY Cosmetics Indonesia to increase customer intention purchase.

2. Literature Review

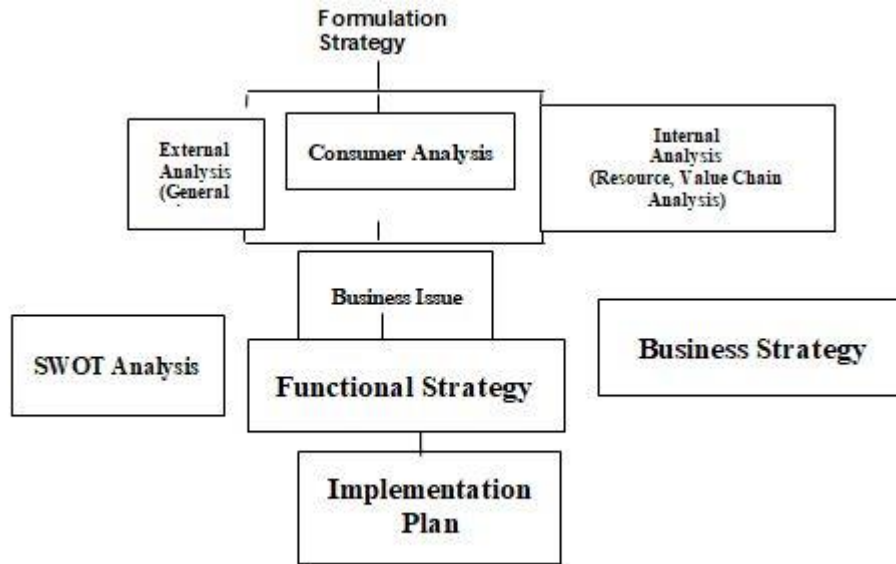
2.1 Conceptual Framework

This research uses the framework of the management strategy process from Wandebori (2019), by analyzing the condition of the company as a whole first. The analysis starts from the vision, mission, and objectives, to understand what are the true values held by the company, and what the company is aiming for.

Then external analysis, in this study, external analysis used is, PESTLE, Porter 5 Forces and SWOT to determine the company's capabilities in competing with competitors.

Internal analysis is carried out by exploring the resources owned by the company, as well as the supply chain processes carried out by the company.

Then, this study will analyze the business strategy, and functional strategy, all of which will be explored within the boundaries of brand rejuvenation activities carried out by PT. Mandom Indonesia, Tbk. to PIXY Cosmetics Indonesia. After that, this research will also analyze the performance of the activities carried out through collecting insights from consumers and then connected the result to the Brand Rejuvenation Activation.



2.2 Brand Rejuvenation

David (1996) said in his research, the main step in the Brand Rejuvenation strategy is to analyze the elements of acceptability, relevance, quality and image. Companies should investigate how customers feel about their products through in-depth interviews with a large sample. This should also be done by exploring the perception of a company's product with its competitors in order to find out its strengths and weaknesses. Attributes that must be investigated regarding Brand Rejuvenation consist of physical characteristics and emotional characteristics. Physical characteristics consist of formulation, packaging, pricing, and accessibility. Meanwhile, the emotional characteristics consist of brand personality. Through this step, a brand can know where its current position is and can adjust its position to market needs through the right strategic steps.

3. Methodology

This study uses Experimental Research, which is used to discuss the relationship between the cause and effect of a situation. It is a causal design where one observes the impact caused by the independent variable on the dependent variable. In this study, the independent variable that will be discussed is Brand Rejuvenation, while the Dependent Variable discussed is, Customer Intention Purchase.

Data collection that is used in this study is qualitative. Furthermore, the author will explain. will try to reveal what perspective consumers actually have on the PIXY Cosmetic Indonesia brand rejuvenation activities carried out in 2018. The data will be taken through an interview. This research will do interviews with 10 audiences who are the main segmentation of PIXY Cosmetic Indonesia products with adult characteristics. young or 20-30 years old, middle to upper middle income. Then, the data will be described descriptively in the study. In other words, the data used in this study is primary data, namely data taken from the experience of the informants directly, never published, authentic, and objective.

Qualitative data is said to be able to open valuable insights in a program or phenomenon that can improve user and customer experience. There are many analytical methods for qualitative data that can help to describe feedback and customer insights to make it more reasonable and in accordance with the needs of the research objectives. This research will use narrative analysis, because this method is usually used to interpret a story or direct experience such as testimonials, case studies, interviews, and other visual data that can describe the results of data collection to answer research questions. Narrative Analysis provides a way in which research answers can reflect the complexity of the story, life, and challenges of research participants.

3.1 Data Validity and Reliability

Validity in qualitative research on certainty whether the research results are accurate from the point of view of researchers, participants, or readers in general, the term validity in qualitative research can also be called with Creswell's trust, authenticity, and credibility (in Susanto, 2013).

In this study, the validity test used is Triangulation.

Triangulation (Moleong, 2014) is a data validity checking technique by checking or comparing the data obtained with other sources or criteria outside the data, to increase the validity of the data. In this study, the triangulation that was carried out was:

- 1) Triangulation of sources, namely by comparing what was said by the subject with said informants with the intention that the data obtained could be trusted because it was not only obtained from one source, namely the research subject, but data was also obtained from several other sources such as neighbors or friends of the subject,
- 2) Triangulation method, namely by comparing the observed data with the interview data and comparing the observed data with the contents of related documents. In this case the researcher tried to re-check the data obtained through interviews.

The other method is using reference materials. This reference material is a supporting tool to prove the data found by researchers. For example, interview data needs to be supported by interview script. In this study, researchers used a tape recorder to record the results of interviews with informants. Whereas in the external validity test in qualitative research, researchers in making reports must provide detailed, clear, systematic, and reliable descriptions. Thus the reader becomes clear on the results of the research. So that it can decide whether or not to apply the results of the research elsewhere.

4. Data Analysis

4.1 Segmenting

The first segmentation consists of women aged 20-25 years, with jobs as employees. They have a monthly income range of IDR 5,000,000 - IDR 10,000,000 and income above IDR 10,000,000. This segmentation has various types of buyers, namely Regular Type, Beauty Nerds, and Beauty Enthusiast. In buying decisions, they are influenced by recommendations from influencers or products that are viral on the market. They are concerned about the formula, price, and who is the representative of the brand. Segmentation 1 uses the TikTok, YouTube, Twitter platforms to look for recommendations, and visits stores offline to test product quality.

The second segment is still at the same age, namely entrepreneurs with an income of more than IDR 10,000,000 per month. This category has only one type, namely regular shoppers, and tend to pay attention to the quality of the product to match what they pay for. The purchase decision is based on testimonials in each store, and usually finds out the existence of a cosmetic brand or product through tiktok.

The third segmentation is women under the age of 20 and working as students. Their income ranges from IDR 500,000 to IDR 1,000,000 and under IDR 500,000. They are divided into

regular shoppers and beauty nerds or collectors. Because their income is not as big as that of employers or employees, price is their biggest concern when purchasing cosmetics, even so, there are some who prioritize formula. All of these segments claim to make purchasing decisions through the influence of influencers on social media TikTok and Twitter.

The fourth segment is also a woman under 20 years old but not a student, with an income of IDR 0 per month. This segmentation is a Regular shopper. The purchase decision was made through the recommendations of friends and family with price in mind. This segmentation usually explores cosmetics brands on TikTok, and is the only one who chooses "yes" to place PIXY Cosmetics in the Top of Mind

4.2 Targeting

Several factors must be considered to determine the most appropriate segmentation to target PIXY Cosmetics Indonesia in accordance with the company's Core Competence and resources.

Segmentation 1&2 is quite realistic to be targeted by PIXY Cosmetics Indonesia because they have more or less the same characteristics. Each of them is 20-25 years old with an income of around IDR 5,000,000 to above IDR 10,000,000, with the regular shopper category in between, Beauty nerds in segment one, and beauty enthusiasts in segment one. Based on interviews conducted by each type of buyer, Regular Shoppers in the first and second segments said they saw a product from Formula and Brand Ambassador. PIXY Cosmetics Indonesia can actually realize these two characters, considering that all product formulas are carried out internally, so there is a high possibility for differentiation through product innovation, because these two segments really want quality. For them, price is number two, this segmentation doesn't mind price if the product attribute provided is able to provide more value that manages to impress them. From interviews conducted with Regular Buyers segmentation 1&2, they prioritize formulas that are comfortable and according to what they need, from benefits to the shade range. The first segment has Beauty Enthusiast and Beauty Nerds or collectors types of buyers, which, if PIXY is able to attract buyers of these two types of buyers from segmentation 1&2, then it will make it easier for PIXY to carry out its marketing activities, because, Beauty Enthusiasts are a group that likes to spread reviews and testimonials regarding the products they use to the public, so that PIXY will be helped to promote their products through word of mouth. While Beauty Nerds or collectors have high consumption power, they will not hesitate to buy a product if the product is deemed to have more value.

To attract segmentation 1&2, a combination of product attributes that is impressive and looks luxurious is needed, because according to beauty nerds in segmentation 1&2, PIXY Cosmetics seems to be a middle to low product. So that a luxurious persona is needed and a benefit formula that is superior to competitors. While one of the reasons they buy products is the Brand Ambassador who feels they represent them. Based on interviews with segmentation 1&2, current Brand Ambassadors tend to be off the beaten path and not related to them. So that more consumer-centric R&D is needed to attract interest in segmentation 1&2.

Segments 3 & 4 basically have a simpler type of buyer that is based on price. Even so, there is not much that can be explored because based on interviews conducted with respondents in segments 3 and 4, they did not consider the formula and Brand Rejuvenation carried out by PIXY, which actually made them not want to make a purchase. So even though it is possible from a resource aspect where PIXY can of course produce its own products at very low prices because it has its own factory and laboratory, PIXY will still play on price and cannot improve its reputation.

4.3 Positioning

Considering the suitable positioning for Brand Rejuvenation carried out by PIXY Indonesia, the author will map competitors based on the product position map. The competitor position map is defined into two groups: Affordable - High-end, Online Channel - Offline Channel.

Affordable means that the brand provides cosmetic products at affordable prices, namely under Rp. 100,000 for each product and targets middle to lower-income consumers. While High-end means that the brand sells products at prices above IDR 100,000 and targets the middle-high economy.

The Online Channel axis means that the brand only carries out marketing and distribution activities through online channels, for example promoting on every social media, and selling its products on the marketplace. While the offline axis channel means that the brand sells and promotes its products through offline channels, such as selling in offline stores, having official stores, doing television advertisements, placing billboards, do offline events, and so on.

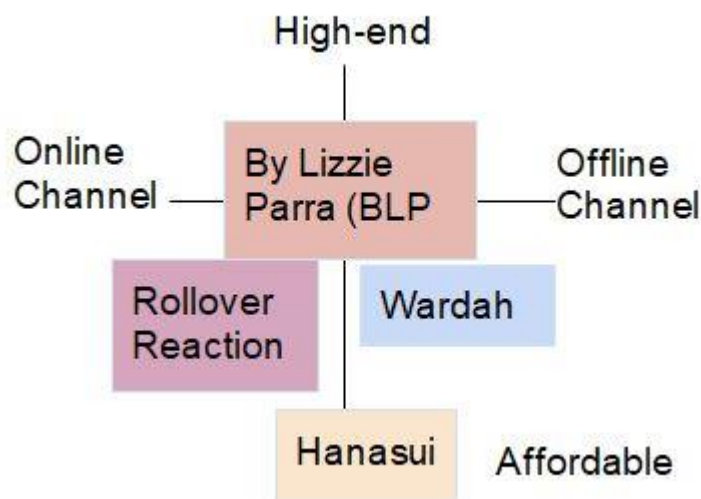


Figure 4.1 Competitor Positioning

Considering competitor positioning and segmentation targets based on Online Channels and offline channels based on marketing activities and brand image, it can be seen that most of the potential competitors distribute their products and marketing activities through the Online Channel. By Lizzie Parra touches the Omni Channel a little because it has official stores in several cities and places its products in several offline stores but only limited to a number of specific retail stores, Hanasui has the same position as By Lizzie Parra (BLP) as for offline sales activities that are carried out only selling and distributing products in modern and traditional markets. Even so, most of what is done by BLP, Hanasui, and Rollover Reaction is entirely on online channels. Namely approaching consumers with branding and social media activation, carrying out promotions such as viral marketing, and distributing products through marketplaces. Wardah has a slightly broader position due to the company's scale being able to meet segmentation needs, however, promotional activities tend to be towards affordable make up with products under Rp. 100,000, while promotional activities focus on distribution and offline marketing. Such as approaching the community, and holding other offline events.

To create more value that matches the positioning based on the map, PIXY Indonesia needs to present a premium and modern persona, as shown by By Lizzie Parra (BLP). with product innovations that are more adapted to current needs, especially in terms of formula. Because high-end products will feature quality that seems superior to other products. MIX Marketing activities carried out must also be in accordance with what is currently available on social

media, such as celebrities or figures that are often read about, or phenomena found on social media.

Meanwhile, if you look at the positioning map, most of the products do their biggest distribution and marketing activities through online channels. This could be an opportunity for PIXY Cosmetics Indonesia to fill the void in the Offline Channel section but with product types that are slightly closer to high-end than Wardah by utilizing its distribution infrastructure which is spread throughout Indonesia.

To be able to communicate their products well to customers so they will understand what is the added value for PIXY Cosmetics Indonesia's products compared to other competitors. This can be translated through the Points-of-Parity (PoP) and exploit the Points-of-Difference (PoD) of the product as below:

1. Points of Parity (PoPs)

- Massive Offline and online marketing activity
- Pricing strategy on both affordable and high-end

2. Points of Difference (PoDs)

- Product Innovation based on customer needs and current trend
- Giving out of the box marketing strategy

Through the PoPs and the PoD that can be adapted by PIXY Cosmetics Indonesia, it can be concluded that PIXY can carry out massive marketing that is balanced between offline and online marketing simultaneously by utilizing existing resources. Even so, an out of the box movement is needed that is still relatable to customers in the midst of intense competition in the cosmetics industry. Even so, offline distribution and product innovation will be PIXY Cosmetics Indonesia's advantages given the readiness of the company's infrastructure

4.4 Brand Rejuvenation Strategy

Based on the analysis, it is possible to find a strategy to implement for Brand Rejuvenation carried out by PIXI Cosmetics Indonesia. As mentioned in chapter II, Brand Rejuvenation is divided into two attributes, namely physical characteristics and emotional characteristics. Overall, PIXY Cosmetics Indonesia can place itself according to WO-3, which is a brand with good product innovation with technology and innovation from Japan, but at competitive prices. However, for more details, the following is a further description.

1. Physical Characteristics

Physical attributes in Brand Rejuvenation include Formulation, Packaging, Pricing, and Accessibility. In terms of formula, PIXY Cosmetics Indonesia can take advantage of their knowledge exchange and international relations to obtain data on current cosmetic product innovations. Under conditions where PIXY has its own laboratory and factory, innovation can be kept confidential compared to brands that use third parties.

For Packaging, PIXY Cosmetics Indonesia can also use the same strategy, by taking advantage of established international relations, so innovation and suppliers are not limited to local trends, PIXY has the opportunity to become a pioneer for unique packaging designs and attractive by using its relation.

In terms of pricing, PIXY Cosmetics Indonesia can utilizing all production and distribution infrastructure owned by PIXY Cosmetics Indonesia to produce cosmetics at the lowest possible cost but still have good quality. In addition to relationships with suppliers with cheap raw materials, PIXY Cosmetics Indonesia can also order products in large quantities thereby reducing COGS costs per product and being able to charge lower prices than competitors. This pricing strategy will certainly attract segmentation targets on the WT-3 strategy who want product innovation that fits the price. In the description of the segmentation above, the segmentation contained in this strategy is segmentation 1 & 2.

Accessibility is one of the advantages of PIXY Cosmetics Indonesia, because they had been producing cosmetics since 1969 in Indonesia, PIXY already has a distribution infrastructure, both through retail, as well as individual resellers, or area distributors. Coevarge is the advantage of PIXY. Awareness of Brand Rejuvenation should be possible to disseminate.

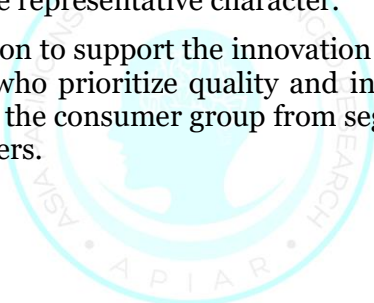
2. Emotional Characteristics

Based on interviews with informants, Brand Rejuvenation conducted by PIXY Cosmetics Indonesia was recognized as having met their criteria physically and had made a good impression. Even so, respondents felt that there was a very wide gap between brands and consumers. Respondents felt that PIXY Cosmetics Indonesia was not close to its target segmentation, was not related to the present, and had no clear positioning. For this reason, the author has chosen strategies that can be implemented to improve PIXY Indonesia's brand image.

First one explained that the weakness of the PIXY Indonesia Brand lies in the marketing strategy, this is because PIXY Indonesia uses a third party, so the impression shown is not in favor of the consumers' point of view. Even so, PIXY already has adequate facilities to support both online and offline marketing strategies. Thus, the implementation of attractive promotional strategies and ideas will make PIXY's awareness spread evenly and be closer to consumers.

The second is the selection of brand ambassadors. Based on interviews conducted with respondents, brand ambassadors are one of the factors that attract attention. Because it reflects the representation of a brand in society. Unfortunately, the PIXY Cosmetics Brand Ambassador is currently considered not relevant to segmentation. So there is a need for trend research to choose a more representative character.

The last is the right segmentation to support the innovation of the brand rejuvenation that is featured. Because consumers who prioritize quality and innovation will not consider price too much. The segmentation is the consumer group from segmentation 1 & 2 which has been described by previous researchers.



5. Conclusion

The focus of this study is to formulate strategies that can improve the performance of the Brand Rejuvenation that has been carried out by PIXY Cosmetics Indonesia. Mandom Indonesia from 2018 to 2021. After conducting interviews with several respondents who have been makeup activists for the past 5 years and are a segmentation that knows the PIXY Brand

The author found that in fact, Brand Rejuvenation activation carried out by the brand has produced results, but only limited to physical characteristics. Meanwhile, in Brand Rejuvenation, there is an emotional aspect. The author finds that PIXY Cosmetics Indonesia has missed quite a big opportunity considering one of its advantages is PIXY's credibility as one of the pioneers of cosmetic products in Indonesia since 1969 which has become a product of public trust. However, this reputation was eroded by newcomers, especially those who appeared in 2016, simultaneously with the activation of Brand Rejuvenation by PIXY.

So for the future, the authors suggest increasing the strategy on marketing MIX and spreading awareness through online and offline channels, with methods and strategies which are more related to customers. This strategy really needs a lot of consumer research such as interviews and FGD to define the right proposition value for PIXY Cosmetics Indonesia. The combination of the Physical and Emotional strategy to increase the performance of PIXY's brand rejuvenation can be implemented and is expected to gain an outstanding performance for the revenue of PIXY Cosmetics Indonesia.

Looking at PIXY's cosmetics Indonesia is recommended to increase product development innovation, by the data from internal and external resources. The strength and threat can be the combination of physical resources, and self-manufactured product and Innovation of marketing and product strategy. PIXY will achieve the low-cost and differentiation strategy.

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