

# CHAPTER I

## INTRODUCTION

### 1.1 BACKGROUND OF STUDY

Beauty clinic is a place that provide professional service regarding with skin treatment and skin beauty, encompass skin rejuvenation, brightening facial skin, and repairing various imperfections on skin. CEO of Erha Clinic Indonesia, Alfons Sindupranata explained that development of beauty treatment industry achieves 15%, which is classified as high result compare with Malaysia and Singapore that are still below 10% (Fajriana, 2018). Nowadays, beauty clinic industry become a major medium for all people that care about aesthetics treatment might support appearance of skin and face. According to dr. Aryani Sudharmono, Sp.KK (K), FINS-DV, FAADV, mentioned that the impressive thing from people start with neat appearance, clean and fresh face. It will be very positive to support people with their daily activities when socialize with many people. Because of that, the awareness of people become increase regarding of health and beauty of skin (Haris, 2019). Businesses of beauty clinic keep increasing positively together with Indonesia society's income and lifestyle in everyday activities. According to the data from *Badan Pusat Statistik* or Central Bureau of Statistics, the income of Indonesia beauty industry is US\$7.095 or Rp 99.33 trillion (US\$1 = Rp 14,000) in 2020, it increases 2,84% from last year (Lukihardianti, 2021).

According to Saiful as the Public Policy Observers and Business, there are 3 factors that may impact Indonesia's economy. The first impact is weakening of purchasing power. Market is categorized as successful if a market

that can increase purchasing power. A successful market can give 60% toward Indonesia's economic. The second impact is uncertainty about the end of the pandemic. The last impact is the weakening of economic in term of commodity price (Fikri, 2021).

Until now, people still suffering from pandemic situation. Several businesses sectors also get affected, including beauty and personal care sector. Beauty sector is one of the sectors that get affected critically because of pandemic situation, economic crisis, and social distancing regulation to cut off COVID-19 virus. According to dr. I Gusti Nyoman Darmasaputra, a dermatologist that run a business of beauty clinic mentioned that since pandemic, every customer unwilling to come to get beauty service. Nowadays, every people prefer to purchase beauty care products that are sold online rather than come to beauty clinic. The sales of beauty care products increase compared to treatment in clinics (Liputan6.com, 2020).

In fact, even though the pandemic still emerged in Indonesia, the business of beauty clinic still interesting. Owner of Beauty Skin from MF Surabaya, dr. Farrah Raktion mentioned that necessity of beauty treatment become the reason to establish beauty clinic in the pandemic of COVID-19 situation. With nowadays difficult economic conditions, it can be a consideration for people to present a beauty clinic with an affordable cost, it can be a benefit for Indonesian women to get beauty service without worrying about the cost (Amenan, 2021). B2B Domestic Head from Indocare B2B, Gunawan Tegar Bakti explained that beauty business produces beauty products only from famous brand, but nowadays in 2021, there are

more than 100 beauty business that capable to produce local beauty products. It means that, beauty industry is one of the wide business opportunities that people interested (Hidayat, 2021).

Nowadays in the millennial era, it appears to demand all people to pay attention at their physical appearance. It is indisputable that the growth of beauty clinics that provide treatment services boost people confidence and make metrosexual society a mandatory necessity. According to dr. Gadis Frinawati, MPH, mentioned that in modern era nowadays requires people to look perfect wherever they are. It is important that before deciding to get beauty services, make sure doing a consultation with a doctor. The other important thing is to make sure choose a trusted beauty clinic and under supervision from doctor (Aditya, 2018). Currently, the growth of aesthetic industry in Indonesia is growing rapidly. Number of customers who come to the beauty clinics is increasing to perfect their appearance. Innovation and technology always keep developing become modern and evolve, increase the probability of new techniques by experts to fulfil society necessity of perfect appearance (DeryFG, 2019).

Studied by Lestari (2020) mentioned it is very essential to apply beauty products regularly, especially for those who are more active outside or office. As a result, protection against free particles such as pollution and direct sunlight is provided. Furthermore, it is vital to utilize the proper items in conjunction with a healthy lifestyle that includes exercise or sport, avoid pollutants, avoid smoking, avoid enormous strain, and preserving healthy skin. As a result of these issues, a plethora of products with a wide range of applications have emerged to satisfy

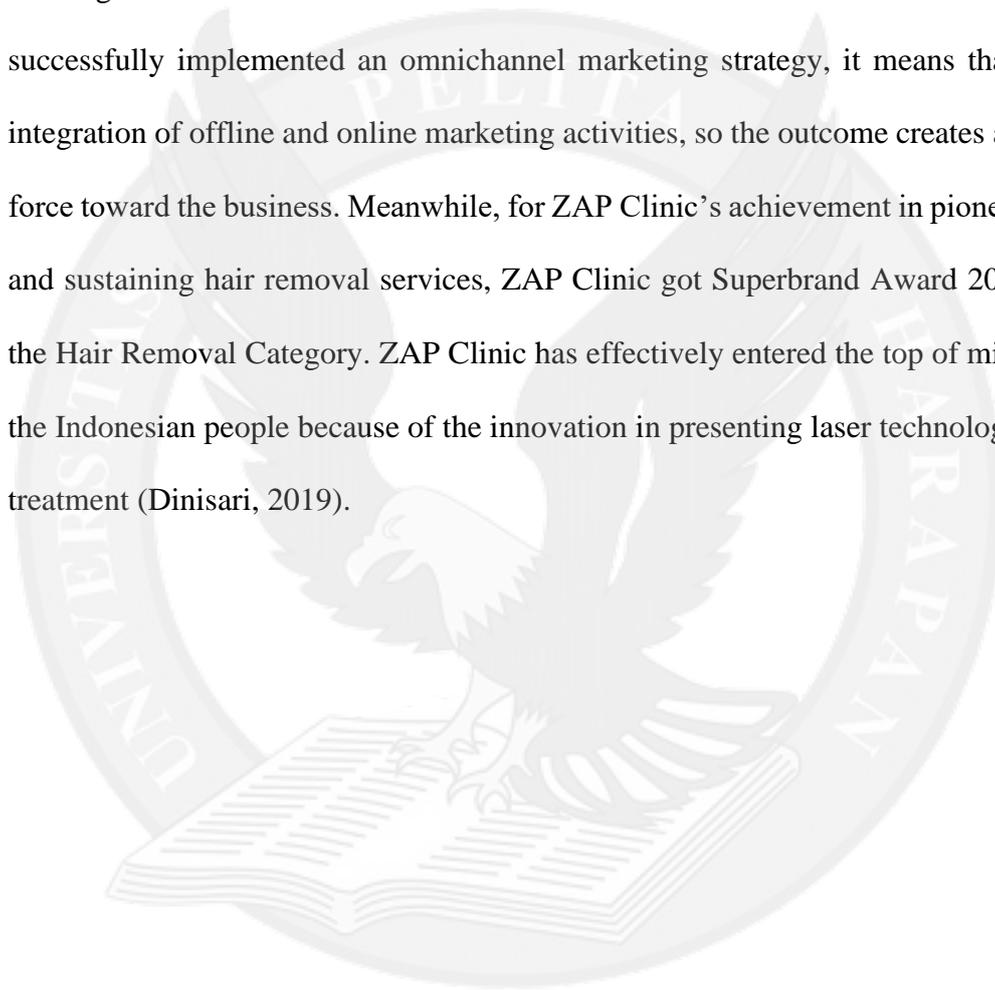
people's beauty-care demands. Nowadays, beauty products not only offer a single type of products, but also a selection of items to complement the treatment, ensuring that customers obtain their desire. Another important information that Oktaviani et al. (2019) explained that in order to issue a product, a modification must adapt the preferences and demands of customers, because it is critical for company to understand the features that fulfil consumer needs.

ZAP Clinic, one of the best beauty clinics in Indonesia. The vision of ZAP is to improve the quality of life in the community through health and beauty and the mission of ZAP is providing the best possible treatment experience. ZAP Group already operates for more than 11 years and present as a trusted destination for beauty service and health in Indonesia with the total of more than 50 branches spread across Indonesia. ZAP always keep trying to increase their innovation and always provide solution for Indonesian men and women. ZAP Group has 5 brands that incorporated in it, there are ZAP Clinic, ZAP Premiere, MEN/O/LOGY by ZAP, ZAP Health and JUVA. With over 4,000,000 treatment procedures conducted, ZAP Group's journey began with their first brand, which is ZAP Clinic. ZAP becoming the leading authority in the Indonesia beauty sector, as well as the most trusted and sought after. ZAP Clinic has earned a lot of attention, accolades, and public confidence as a pioneer of the best hair removal treatment and the leading laser-based treatment with the best safety (ZAP Clinic, 2022).

ZAP Clinic has strong commitment in term of delivering the best service tfrom the beginning until nowadays. ZAP Clinic's dedication is evidently well-maintained, as evidenced by the following: ZAP Clinic being awarded as 'Fastest

Growing Company' at the Business Excellence Forums & Award event which was held on 6 February 2017 in Gold Coast, Australia (ZAP Clinic, 2022).

Furthermore, ZAP Clinic also being awarded Marketeers Omni Brand Awards 2019 and Superbrands 2019 in the category of Hair Removal Clinic. ZAP Clinic get the award of Marketeers Omni Brand Awards because of the company successfully implemented an omnichannel marketing strategy, it means that the integration of offline and online marketing activities, so the outcome creates a new force toward the business. Meanwhile, for ZAP Clinic's achievement in pioneering and sustaining hair removal services, ZAP Clinic got Superbrand Award 2019 in the Hair Removal Category. ZAP Clinic has effectively entered the top of mind of the Indonesian people because of the innovation in presenting laser technology for treatment (Dinisari, 2019).



**Table 1.1 ZAP Clinic's Products**

<b>Products</b>	<b>Pricelists</b>	
Body Rejuvenation	<ul style="list-style-type: none"> <li>- Underarm Rejuvenation</li> <li>- Underarm Toning</li> </ul>	<ul style="list-style-type: none"> <li>- Rp 199,000</li> <li>- Rp 299,000</li> </ul>
	<ul style="list-style-type: none"> <li>- Underarm Rejuvenation Combo</li> <li>- Chest Acne Rejuvenation</li> <li>- Bikini Line Rejuvenation Combo</li> <li>- Buttock Rejuvenation</li> <li>- Hands Rejuvenation Combo</li> <li>- Feet Rejuvenation Combo</li> </ul>	<ul style="list-style-type: none"> <li>- Rp 499,000</li> </ul>
	<ul style="list-style-type: none"> <li>- Back Acne Rejuvenation</li> </ul>	<ul style="list-style-type: none"> <li>- Rp 749,000</li> </ul>
	<ul style="list-style-type: none"> <li>- Full Arm Rejuvenation (Include Hand)</li> <li>- Lower Legs Rejuvenation (Include Feet)</li> <li>- Upper Legs Rejuvenation (Include Bikini Line)</li> </ul>	<ul style="list-style-type: none"> <li>- Rp 999,000</li> </ul>
Body Brightening	<ul style="list-style-type: none"> <li>- Super Brightening Underarm</li> </ul>	<ul style="list-style-type: none"> <li>- Rp 499,000</li> </ul>
Combo Technology	<ul style="list-style-type: none"> <li>- Hair Removal Combo</li> <li>- Body Rejuvenation Combo</li> </ul>	<ul style="list-style-type: none"> <li>- Rp 299,000</li> <li>- Rp 499,000</li> </ul>
Glowing Solution	<ul style="list-style-type: none"> <li>- Infuse Glowing</li> <li>- Infuse Glowing Premium</li> </ul>	<ul style="list-style-type: none"> <li>- Rp 499,000</li> <li>- Rp 999,000</li> </ul>
Platelet Rich Plasma	<ul style="list-style-type: none"> <li>- Pregnancy Stretch Mark Prevention PRP (2cc)</li> <li>- Add On, PRP Serum (2cc)</li> <li>- Face PRP Micro Injection (2cc)</li> <li>- Hair Regrowth PRP Micro Injection (3cc)</li> <li>- Stretch Mark PRP Micro Injection</li> </ul>	<ul style="list-style-type: none"> <li>- Rp 499,000</li> <li>- Rp 499,000</li> <li>- Rp 999,000</li> <li>- Rp 999,000</li> <li>- Rp 999,000</li> </ul>

Source: zapclinic.com

Table 1.1 only to give a brief information regarding all the ZAP Clinic's products and give more detail information about ZAP Clinic.

*Table 1.2 Benefits that Indonesian women looking for in beauty products (2021 vs 2020)*

<b>Benefits</b>	<b>2021</b>	<b>2020</b>
Brightening	70,3%	69,6%
UV Rays Protection	57,4%	38,5%
Skin Cleaning	54,6%	39,6%
Anti-Acne	53,8%	50,4%
Moisturizing	53,6%	39,3%
Decreasing Acne Scars	52,0%	44,3%
Decreasing Facial Pores	51,3%	53,5%
Flatten Skin Tone	48,7%	39,2%
Anti-Aging	46,4%	48,1%
Remove Blackheads	44,8%	48,0%

Source: zapclinic.com

Table 1.2 giving the information about benefits that Indonesia women looking for in a beauty. The information above was conducted by ZAP Clinic. As stated in the table 1.2, even though beauty industry got impact critically because of pandemic, some benefits those Indonesian women looking for increase compared with last year. It is concluded that the necessity of personal care will keep increasing in the future. Because of this growth phenomenon, ZAP Clinic need to improve their marketing concept to increase its performance, it also can increase a competitive environment. Business of aesthetic/beauty must be able to optimize precisely to enhance their product/service on the market, as well as build successful marketing strategies and consistently maintains the strategies.

Studied by Lestari (2020), explained that using marketing mix is capable to market a product/service to produce a value, which is consist of product, price, place, promotion, people, process, and physical evidence.

Ramya & Ali (2016) explained that the selection, acquisition, and consumption of products and services by consumers iss defined as customer buying decision. Knowing customers' buying decision is critical not just for your sales/marketing, but also to coordinate sales approach properly (Johnston, 2016).



**Figure 1.1** Customer Review

Source: Google Review (2021)

Furthermore, another important aspect is marketing mix that Oktaviani et al. (2019) explained that marketing mix is a marketing tool that comprises of numerous components of a marketing strategy that should be examined for the effectiveness of the marketing strategy and positioning to proceed as planned. As an addition, the collection of marketing mix elements in such a visual aspect can be extensive or concise, depend on the categorization of marketing processes and rules that marketing management deal with while developing marketing programs (Borden, 1964).

Marketing Mix consist of product, price, place, promotion, people, process, and physical evidence. Kotler and Amstrong (2016) explained that the concept of product refers to the combination of goods and services that a firm provides to its potential customers. Product means that an object or a service that customers are willing to pay. As an addition, because of the many rivals in the same industry, marketers must be able to persuade customers to pick their products (Amanah et al., 2018). ZAP Clinic's products could be indicated to Table 1.1 with the pricelist as a detail information for product component.

Kotler (2000) mentioned that price is an important factor in determining a product's grade positioning. As an addition, Kotler and Amstrong (2016) explained that the amount of money that customers must spend to receive a product is called as price. Table 1.1 also could be indicated as an additional information in term of price that customers must to pay according to the products. ZAP Clinic use price penetration strategy to give low price compared with ZAP Clinic's competitor. The objective is to introduce market and seize customers from competitor, which is CAC (Customer Acquisition Cost) need to be applied (Chandra, 2019).

Kotler and Amstrong (2016) explained that the operations of the corporation that offer available products to target market are referred as place. According to Brata et al. (2017), place is related to bring appropriate product to proper marketplace, where the place of the firm is included in the marketing mix, most parties believe that profitability comes from a good place. A good place will affect the cost and profit for that specific location aspect, and it is also a means to compete in term of business to attract clients. Place must be chosen since the success of business is highly reliant on the choice of proper place. ZAP Clinic's outlets spreadly open in Indonesia especially in shopping centers both large and small, also in cities area that are growing rapidly (Chandra, 2019).

Kotler and Amstrong (2016) mentioned that promotion is an action that promote the product's benefits and urge potential buyers to purchase it. As an addition, recognizing the centrality of marketing in capturing the emotions of customers who undoubtedly want to make a profit, it is expected that successful promotion will be able to improve sales for the firm (Yusuf & Sunarsi, 2020). ZAP

Clinic not only use penetration pricing strategy, but also use membership (Chandra, 2019). ZAP Clinic also successfully implements omnichannel marketing, which is ZAP Clinic could develop customers connection and experience with multichannel marketing, both of online and offline system (Syana, 2019).

Kareh (2018) defined that to deliver exceptional and continuous customer service, business should employ and educate the proper people. Employees must be educated about customer habits and attitudes in order to understand customers with buyer personas. ZAP Group's team has 8 core value that need to implement, which are make other people happy, show that you care, establish a fun atmosphere and be creative, establish a spirit of cooperation and a family atmosphere through honest and open communication, do the best, do the right thing, be responsible, and always think long-term (ZAP Clinic, n.d.). At ZAP Sun Plaza Medan, there are 9 employees, they are 3 doctors, 4 nurses, 2 GRO (Guest Relation Officer), and 1 manager.

According to Lupiyoadi (2020), all the methods, structures, and activity flows that are utilized to deliver services are referred to as process. This part of the process is important for service delivery. ZAP Clinic's treatment development process is determined fully by dermatologist. For the service process, ZAP Clinic make a program of training, which is ZAP Office Funbreak, and the quality of CRM (Customer Relationship Management) through Omnichannel Strategy, both online and offline (Chandra, 2019).

Kotler & Keller (2016) mentioned that physical evidence and representation can be used by service providers to illustrate their quality of service. As an addition,

consumers are offered physical evidence in a tangible way. Because of the service lacks a tangible feature, customers prefer to depend on material indications (Marcelina & B, 2016). ZAP Clinic's physical evidence could be as outlets, some documentation of photos, videos, or customer's review.



**Figure 1.2 ZAP Clinic Sun Plaza Medan Outlet**

Source: Google Review (2021)

Based on the background of the study, the writer decided to make research with the title of **“The Influence of Marketing Mix Toward Customers Buying Decision at ZAP Clinic Sun Plaza Medan (PT. Zulu Alpha Papa)”**

## **1.2 PROBLEM LIMITATION**

Based on the research that has been conducted by the writer, there are some limitations as follow:

1. The data that will be utilized to examine the research model will be collected in the form of questionnaires based on the research object.
2. The data will be gathered by sending a survey to each of the consumers who have ever visited the ZAP Clinic Sun Plaza Medan.
3. The samples that will be examined are limited by specific criteria; only female, 18 to 60 years old, and living in Medan.

## **1.3 PROBLEM FORMULATION**

Based on the information of background of study, there will be some problem formulation that need to be researched. To see whether the marketing mix has significant influence toward customer buying decision in ZAP Clinic Sun Plaza Medan, here are the problem formulated:

1. Does product have significant influence towards customers buying decision at ZAP Clinic Sun Plaza Medan?
2. Does price have significant influence towards customers buying decision at ZAP Clinic Sun Plaza Medan?
3. Does place have significant influence towards customers buying decision at ZAP Clinic Sun Plaza Medan?
4. Does promotion have significant influence towards customers buying decision at ZAP Clinic Sun Plaza Medan?

5. Does people have significant influence towards customers buying decision at ZAP Clinic Sun Plaza Medan?
6. Does process have significant influence towards customers buying decision at ZAP Clinic Sun Plaza Medan?
7. Does physical evidence have significant influence towards customers buying decision at ZAP Clinic Sun Plaza Medan?
8. Do product, price, place, promotion, people, process, and physical evidence simultaneously have significant influence towards customer buying decision at ZAP Clinic Sun Plaza Medan?

#### **1.4 OBJECTIVE OF RESEARCH**

Based on the problem formulation above, the purpose of this research is to examine and evaluate the influence of:

1. Product factor towards customers buying decision at ZAP Clinic Sun Plaza Medan
2. Price factor towards customers buying decision at ZAP Clinic Sun Plaza Medan
3. Place factor towards customers buying decision at ZAP Clinic Sun Plaza Medan
4. Promotion factor towards customers buying decision at ZAP Clinic Sun Plaza Medan
5. People factor towards customers buying decision at ZAP Clinic Sun Plaza Medan

6. Process factor towards customers buying decision at ZAP Clinic Sun Plaza Medan
7. Physical evidence factor towards customers buying decision at ZAP Clinic Sun Plaza Medan
8. Product, price, place, promotion, people, process, and physical evidence factor towards customer buying decision at ZAP Clinic Sun Plaza Medan

## **1.5 BENEFIT OF RESEARCH**

The writer wishes that this research could deliver benefits in term of theoretical and practical, as follows:

### **1.5.1 THEORETICAL BENEFIT**

Regarding the theoretical benefit, this research is expected to deliver suitable information in term of marketing mix towards customers buying decision. Furthermore, the writer wishes that this report could be used as reference for study, especially in Management with concentration of contemporary marketing.

### **1.5.2 PRACTICAL BENEFIT**

There are some practical benefits, as follows:

1. For readers and other researchers, the writer wishes that the result of this research will be a benefit and provide insightful in term of marketing mix aspects toward customers buying decision.
2. For the company, the writer wishes that this research will give a benefit for company itself regarding marketing mix aspects toward customers buying decision. Hence, the company's management

team will be able provide a preferable of marketing strategy in sustaining the company growth in the future.

