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## LOCAL PERFUME BUSINESS DEVELOPMENT STRATEGY (Case Study on Marvest Fragrance)

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**Abstract:** This study aims to analyze the internal and external conditions and formulate appropriate business strategies for Marvest Fragrance in facing the challenges of the local perfume market in Makassar City. The analysis is conducted through an internal factor analysis using the marketing mix and STP (Segmenting, Targeting, Positioning), and external factors through PEST analysis (Political, Economic, Social, Technological) and Porter's Five Forces model. The results of the study indicate that Marvest Fragrance's internal strengths include highquality products, competitive prices, a professional team, good financial management, production and distribution efficiency, and marketing through social media. On the other hand, its weaknesses include limitations in human resources, capital, product variety, shipping processes, and a narrow market segment. External opportunities include economic and population growth in Makassar, the perfume trend among young people, and government support for SMEs. The external threats faced are inflation, new competitors, shipping costs and delays, as well as high buyer bargaining power and product substitutes. The recommended strategy is to leverage strengths and opportunities (SO) by optimizing social media, expanding the market through efficient financial management, and improving distribution supported by human resources and technology.

**Keywords:** Business Development Strategy, Marvest Fragrance, SWOT Analysis

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### A. Introduction

The perfume business is one of the business sectors that has significant growth and development potential in Indonesia. This potential development

arises as a result of increasing public awareness of the importance of maintaining appearance, which encourages people to look for perfume products according to their tastes and needs (Febrinastri and Fadilah, 2023).

This has led to perfume becoming an important part of the beauty and personal care business as a personal expression and to increase one's confidence (Mutia and Ulina, 2024).

Data reported by Statista (2024) shows that revenue from the perfume market in Indonesia is estimated to reach US\$56.16 million with an estimated average revenue per user of US\$2.69 per 2024. In addition, the data also projects that by 2029, the perfume market volume in Indonesia will reach US\$71.56 million with a projected



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number of users of 30 million people. Thus, it can be said that the perfume business and products in Indonesia are one of the most promising business opportunities, especially in the ecommerce market sector.

These growth opportunities encourage the development of various local perfume products in Indonesia. The development of these local perfume products is beginning to show its ability to compete with various imported perfume products. Data reported by the Food and Drug Supervisory Agency (BPOM) (2021) shows that there are as many as 4,842 brands of local perfume products circulating in accordance with BPOM permits. More specifically, the data can be presented as follows:

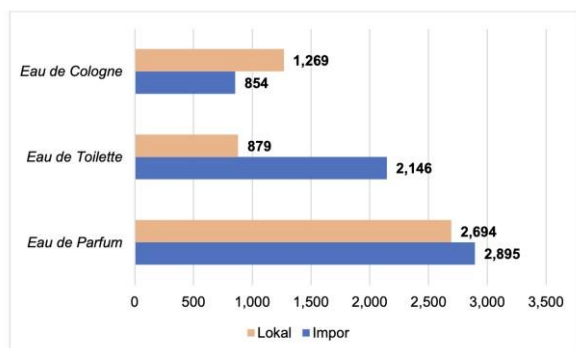


Figure 1. Number of Perfume Products Registered with BPOM in 2021

Source: BPOM (2021)

The data above shows a comparison between the number of local and imported perfume product brands circulating in the market according to BPOM permits. The category or type of Eau de Parfum and Eau de Toilette is still dominated by imported perfume products. Meanwhile, for the Eau de Cologne category, local perfume products outperform imported perfumes in terms of quantity. This shows that local perfume businesses or brands have the opportunity to compete with imported

perfume products.

One of the local perfume brands in Makassar City is Marvest Fragrance. Marvest Fragrance is a new entrant in the local perfume market in Makassar City. As a new entrant, Marvest Fragrance needs the right business development strategy by taking advantage of the various growth opportunities and challenges faced in the local perfume market in Makassar City. A development strategy for a business can be done by evaluating the internal and external factors of its business environment to understand the elements that affect the strategic decisions of the business (Alamanda et al., 2019).

Internal appraisal involves analyzing the strengths and weaknesses in the company that can be controlled, including the organizational culture and structure, operational efficiency, and resources owned. Meanwhile, external assessment is an analysis of opportunities and threats that may arise from outside the company, such as competition, consumer behavior, social changes, and new government rules and regulations (Ben-Abdallah et al., 2022). The internal and external assessments will then be analyzed using SWOT analysis.

In this study, the business development strategy for Marvest Fragrance was carried out using SWOT analysis to plan strategies and determine a competitive position in a business or

organization. This analysis has two main dimensions, namely the internal dimension which includes strengths and weaknesses, and the external dimension which includes opportunities and threats (Ramadani et al., 2023). In the context of this study, a SWOT analysis was used to evaluate the strengths, weaknesses, opportunities, and threats faced by Marvest Fragrance in the development of its business strategy. The use of SWOT analysis was chosen because it is able to comprehensively assess the position of the business in the market, ensure long-term business continuity, and be a key component in the strategic planning of a business (Benzaghta et al., 2021).

### B. Research Methods

Research on "Local Perfume Business Development Strategy" at Marvest Fragrance uses a case study research method with a qualitative and quantitative approach. This study aims to understand the business strategy used by Marvest Fragrance in developing local perfume products. Qualitative data is collected through in-depth interviews with owners and management to explore marketing, distribution, and product innovation approaches. In addition, quantitative surveys can be conducted on customers to gauge market satisfaction and response to local perfume products. Qualitative data analysis will be carried out through coding to find patterns of strategies used, while quantitative data is analyzed using statistical methods such as regression or frequency analysis. The validity of the data was tested through triangulation using various data sources, while the reliability of the survey was tested by an internal consistency test. The results of this study will provide relevant recommendations regarding business development strategies, including in terms of product innovation, improving marketing strategies, and developing distribution networks to increase Marvest Fragrance's competitiveness in the local perfume market.

### C. Overview of Research Objects

Marvest Fragrance is a local perfume brand originating from the city of Makassar which is rich in cultural heritage and natural beauty. The name 'Marvest' of the brand is taken from the combination of the word 'marvelous' which means extraordinary or amazing, as well as the word 'harvest' which refers to the harvest or the result of the effort. Therefore, the philosophy behind the name 'Marvest' is about creating a scent experience that brings magic and beauty to evoke a feeling of awe for the user as well as reflecting the philosophy that life is a journey that combines moments of magic with the fruits of hard work and harvest of what we have grown.

Marvest Fragrance was born from the spirit and desire to lift the uniqueness and natural fragrance of Makassar to the world. Marvest Fragrance was established in February 2024 which was initiated by a young entrepreneur from Makassar. Marvest comes with a combination of classic concept design with a light minimalist touch and creates an elegant impression that is not excessive. With simple accessory accents, Marvest expresses beauty in purity and simplicity. This perfume provides a clean and refreshing experience, creating a harmony between simplicity and classic elegance. Marvest offers products with a cool scent and a timeless design.



Figure 1. Logo Marvest

The Marvest logo has a classic design with a minimalist touch and depicts elements of nature and purity. This logo features plant stalks or leaves, which symbolize connection with nature and fragrance. The shape of the leaves or plant stalks gives a natural and refreshing feel, reflecting the essence of the natural perfumes presented by the Marvest brand. The letter 'M' in

the typography is taken from the initials 'Marvest'. The typography may have an elegant and creative design, adding a unique identity to the logo. The use of initials also strengthens brand identification. There are water droplets or other liquid droplets in this logo. Water droplets reflect purity, freshness, and clarity. This describes the high quality of Marvest perfumes and gives a fresh and refreshing impression.

#### D. Business Development Strategy

Business development refers to the process of creating long-term value for a company through the identification and utilization of market opportunities and relationships with customers. The business development process includes summarizing the necessary information, matching to produce alternative strategies by considering internal and external factors, and deciding on the strategy to be implemented (Wulandjani & Hatta, 2019).

In the context of this project proposal, the business development strategy is designed through Internal Factors Evaluation (IFE) and External Factors Evaluation (EFE) which are analyzed using a SWOT matrix. According to Rangkuti (2017), SWOT analysis is a systematic identification of various factors by business owners to formulate a corporate strategy by maximizing strengths and opportunities, while simultaneously minimizing weaknesses and threats.

The results of the analysis using the SWOT quadrant matrix show that the right alternative business development strategy for Marvest Fragrance is a combination of SO (Strengths - Opportunities) strategy that uses internal strengths to seize external opportunities. Further, this combination of strategies can be elaborated as follows:

#### *Optimizing social media and products to expand the market*

The first alternative strategy that Marvest Fragrance can implement to enter the perfume market in Makassar City is to optimize its

strengths in the use of social media and product quality to expand its market. One of the main strengths of Marvest Fragrance is the quality of the extrait de perfume product which is made from a high concentration of pure perfume oil so that it is more durable, which is between 8 to 12 hours after use. This is one of the differentiating factors from competitors as well as providing added value for consumers who are looking for high-quality perfume products.

According to Kotler et al. (2024), a product refers to goods or services offered to consumers which are a key element for a business. To ensure that products are more competitive, businesses need to offer products with certain specifications that meet the needs and desires of consumers (Komari et al., 2020). Therefore, a business needs to pay attention to the characteristics, benefits, quality, and various other attributes of the products it offers (Tabelessy et al., 2023). Marvest Fragrance offers two variants of extrait de perfume products which are high-quality perfumes. This is because extrait de perfume has a pure oil content (essence) that ranges from 35 to 45 percent so that the aroma can last longer than other types of perfumes. The product variants that Marvest Fragrance offers consist of FRACTION and NOCTURNE variants. The

FRACTION variant is a product that is packaged in a size of 50 ml and has a scent of top notes from Orange Blossom, Jasmine, and Mandarin, middle notes from Tuberose, Ylang-ylang, and Cedar, as well as base notes from Vanilla, Sandalwood, and White Musk.

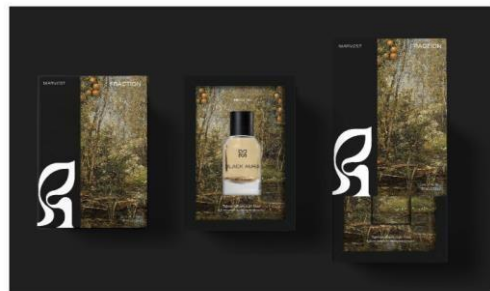


Figure 2. Varian FRACTION

Sumber: Packaging Guidelines Marvest (2024)

Meanwhile, the NOCTURNE variant is also packaged in a 50 ml package with top notes from Pear, Orange Blossom, and Cinnamon, middle notes from Coffee, Bitter Almond, and Jasmine, as well as base notes from Vanilla, Cashmere Wood, and Cedar.

#### *Expand your business with efficient financial management*

Another alternative strategy that is right for Marvest Fragrance to implement in entering the perfume market in Makassar City is to expand its business by utilizing its systematic financial management. One of the internal strengths possessed by Marvest Fragrance is the advantage in terms of competitive product prices.

A competitive pricing strategy is an effective approach to attracting and retaining consumers. Kotler et al. (2024) explained that price is the amount of money that consumers pay to obtain goods or services. Therefore, competitive pricing is an important factor that can influence consumer purchasing behavior. This is because the price of products that are more affordable than competitors' products can encourage consumers' tendency to prefer these products (Sirajuddin et al., 2023).

Marvest Fragrance sets the price for the FRACTION and NOCTURNE variants at IDR 219,000 for a 50 ml package. This pricing strategy is aimed at attracting market segments that are price-sensitive, but still want high-quality products. Through this pricing, Marvest Fragrance hopes to attract the attention of consumers who are looking for products with good value without sacrificing quality.

#### *Improving distribution through HR and technology support*

Another alternative strategy that is right for Marvest Fragrance to implement in entering the perfume market in Makassar City is to increase distribution through support in terms of human resources and technology. Marvest Fragrance has internal strength in terms of a professional and competent human resource team. This team

consists of people with expertise in marketing, graphic design, photography, and videography. The capabilities possessed by this team can make a great contribution in creating attractive and creative marketing strategies to develop Marvest Fragrance's business. This advantage in terms of human resources can make Marvest Fragrance able to design effective digital marketing content, strengthen its presence on various e-commerce platforms, and attract consumer interest through attractive and creative visual content.

In addition, in terms of operations, efficiency in the production and distribution process is also one of the main internal strengths owned by Marvest Fragrance. The production system carried out on a Business to Business (B2B) basis with perfume factories can ensure that the quality of Marvest Fragrance products remains consistent. Meanwhile, the use of e-commerce platforms and online delivery services allows Marvest Fragrance products to be reached by consumers in various regions, even outside Makassar City. This process is further facilitated by the use of various digital technologies to support sales and ensure that customers can receive Marvest Fragrance products quickly and safely.

The advancement of information and communication technology infrastructure opens up great opportunities for Marvest Fragrance to improve the efficiency of its product distribution. Marvest Fragrance can leverage popular ecommerce platforms such as Shopee and TikTok Shop as well as provide direct ordering via Instagram (@marvest.id) to reach a wide range of consumers. This allows Marvest Fragrance to expand its market reach and sell its products to various regions.

#### **E. Conclusion**

Marvest Fragrance's internal factors show the strength of high product quality, competitive prices, professional HR team, and efficiency in financial management, production, and distribution, but still have weaknesses in the limited number of human resources, capital,

product variants, and long delivery process. External opportunities include economic and population growth in Makassar, government support for MSMEs, and positive trends among internet users and young people. Meanwhile, the threats faced include inflation fluctuations, the threat of new entrants, shipping costs, and fierce competition. Marvest Fragrance can take advantage of the SO (Strengths - Opportunities) strategy by optimizing product quality and social media to expand the market, increase brand awareness, and use reliable e-commerce and delivery services for business expansion and increased competitiveness in the Makassar perfume market.

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