

***OPTIMIZING CUSTOMER DECISION-MAKING FOR DAIRY FMCG IN
INDONESIAN MINIMARKETS (CASE PT. ZUZHU INDONESIA)***

**MENGOPTIMALKAN PENGAMBILAN KEPUTUSAN PELANGGAN UNTUK
PRODUK SUSU FMCG DI MINIMARKET INDONESIA (KASUS PT. ZUZHU
INDONESIA)**

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ABSTRACT

This research examines the optimization of customer decision-making processes for dairy FMCG in Indonesian minimarkets, using PT. Zuzhu Indonesia as a case study. With the rising competition in Indonesia's dairy market, the study focuses on how promotions, channels, product displays, and cashier recommendations affect purchasing behaviors. The primary research objective is to understand how those factors influence customer purchase decisions. Additionally, the study aims to identify the stages of the purchasing journey and propose strategies to enhance sales performance in the competitive market. Using qualitative descriptive methods, data was collected through semi-structured interviews and observations. Analysis shows promotions attract price-sensitive and non-loyal customers, particularly for bulk purchases. Customers favor online shopping for planned purchases and offline shopping for immediate needs, with impulse buys influenced by strategic product placement and cashier recommendations. Non-loyal customers are more likely to switch brands based on in-store promotions and product visibility, while loyal customers prefer online shopping due to convenience and trust in the brand. Zuzhu Indonesia can enhance minimarket performance by securing prominent in-store placements, expanding product listings, and using targeted promotions like bulk purchasing deals online. Non-price promotions, such as loyalty programs and strong brand messaging, can help to differentiate in a crowded market.

Keywords: Customer Decision Making, Dairy FMCG, Consumer Behaviour, Marketing Strategy

ABSTRAK

Penelitian ini meneliti optimalisasi proses pengambilan keputusan pelanggan untuk FMCG produk susu di minimarket Indonesia, dengan menggunakan PT. Zuzhu Indonesia sebagai studi kasus. Dengan meningkatnya persaingan di pasar produk susu di Indonesia, penelitian ini berfokus pada bagaimana promosi, saluran, tampilan produk, dan rekomendasi kasir mempengaruhi perilaku pembelian. Tujuan utama dari penelitian ini adalah untuk memahami bagaimana faktor-faktor tersebut mempengaruhi keputusan pembelian konsumen. Selain itu, penelitian ini juga bertujuan untuk mengidentifikasi tahapan perjalanan pembelian dan mengusulkan strategi untuk meningkatkan kinerja penjualan di pasar yang kompetitif. Dengan menggunakan metode deskriptif kualitatif, data dikumpulkan melalui wawancara dan observasi semi-terstruktur. Analisis menunjukkan bahwa promosi menarik pelanggan yang sensitif terhadap harga dan tidak loyal, terutama untuk pembelian dalam jumlah besar. Pelanggan lebih menyukai belanja online untuk pembelian terencana dan belanja offline untuk kebutuhan mendesak, dengan pembelian impulsif yang dipengaruhi oleh penempatan produk yang strategis dan rekomendasi kasir. Pelanggan yang tidak loyal lebih cenderung berganti merek berdasarkan promosi di dalam toko dan visibilitas produk, sementara pelanggan yang loyal lebih memilih belanja online karena kenyamanan dan kepercayaan terhadap merek. Zuzhu Indonesia dapat meningkatkan kinerja minimarket dengan mengamankan penempatan di dalam toko yang menonjol, memperluas daftar produk, dan menggunakan promosi yang ditargetkan seperti penawaran pembelian massal secara online. Promosi non-harga, seperti program loyalitas dan pesan merek yang kuat, dapat membantu membedakan di pasar yang ramai.

Kata kunci: Pengambilan Keputusan Konsumen, FMCG Produk Susu, Perilaku Konsumen, Strategi Pemasaran

INTRODUCTION

The dairy industry, particularly the liquid milk market, has experienced substantial growth in recent years.

Globally, this expansion is driven by increasing health awareness, population growth, and rising demand for nutrient-rich food products. In Indonesia, dairy

products, like Ultra High Temperature (UHT) milk, have become popular due to the widespread availability of refrigeration, which has allowed consumers to store milk for extended periods (Vanzetti, Oktaviani, & Setyoko, 2016). This has led to the proliferation of dairy products in the Indonesian market, inviting fierce competition among key players. The tight competition is there in almost all dairy categories like Sweet Condensed Milk (SCM), Family Milk Powder (FMP), Infant, Follow On, Toddler (IFT), and ready-to-drink (RTD). One of the notable players in this market is Zuzhu Indonesia. The company has observed stagnant and even declining sales growth within the minimarket channel, despite the overall positive performance of certain key accounts, like Minimarket A, which showed consistent sales growth between 2021 and 2023. The minimarket sector plays a critical role in the distribution of fast-moving consumer goods (FMCG) in Indonesia, given the rapid growth of modern retail in the country. Minimarkets, defined as modern retail stores with a size ranging between 100 and 400 square meters (Presidential Rule No. 112, 2007), have become a convenient shopping destination for Indonesian consumers, providing easy access to essential goods, including dairy products. The rapid urbanization and changing consumer lifestyles have further fueled the growth of this sector, with major chains such as Indomaret and Alfamart dominating the market.

However, despite the overall positive growth of the minimarket sector, Zuzhu Indonesia's performance has been inconsistent. While some accounts, such as Minimarket A, exhibit steady growth, others have faced sales declines, creating an opportunity for competitors to capture market share. This underperformance underscores the need for Zuzhu

Indonesia to better understand the factors influencing consumer purchasing decisions within the minimarket channel.

Research Questions

This study seeks to address the following key research questions:

1. How do promotion, channel availability, product display, and cashier recommendations influence consumers' decisions to purchase Zuzhu Indonesia products in minimarkets?
2. What is the customer purchasing decision journey for Zuzhu Indonesia products in minimarkets?
3. What strategies can Zuzhu Indonesia implement to improve its performance in minimarket channels?

Objectives

The objectives of this research are to:

1. Analyze the impact of promotion, channel availability, product display, and cashier recommendations on consumer purchasing decisions.
2. Identify key touchpoints in the customer journey for Zuzhu Indonesia products in minimarkets.
3. Develop strategic recommendations to enhance Zuzhu Indonesia's sales performance in the minimarket channel.

Literature Review

Customer Decision Making

The customer decision-making process is a complex, multi-stage activity that involves gathering information, comparing alternatives, and making a purchase. According to Stankevich (2017), customers undergo a meticulous process of information research and brand comparison before making a final decision. This process is influenced by both internal and external stimuli, as described by Blyte (2013), who differentiates between a customer—the one making the purchasing

decision—and a consumer, who ultimately benefits from the product.

Customer Journey

The concept of the customer journey describes the stages that a customer passes through in their interaction with a product or service. As defined by Lemon and Verhoef (Towers & Towers, 2022), the customer journey encompasses all touchpoints between the customer and the firm, shaping their overall experience. This journey begins when the customer recognizes a need, evaluates alternatives, and eventually makes a purchase. According to Court (Towers & Towers, 2022), this process is iterative, meaning that the customer revisits earlier stages based on new information or shifting preferences.

Touch Points

Touchpoints are the interactions or encounters customers have with a brand, which play a critical role in shaping their purchasing decisions. Rudkowski (2020) emphasizes that these moments of interaction, whether through advertising, product placement, or cashier recommendations, significantly influence consumer behavior.

Promotion

Promotion is one of the most influential elements of the marketing mix. It aims to increase consumer awareness, motivate purchasing behavior, and foster brand loyalty. Merlo (2023) argues that promotions are essential for transferring knowledge and influencing consumer choices, especially when consumers are presented with attractive competitor promotions. Various studies (Nurudin, 2020; Putra et al., 2023) highlight that promotional strategies significantly trigger impulse buying behavior,

particularly when products are visually merchandised in-store.

Channels

Channels refer to the methods through which products are marketed and sold to consumers. The development of digital technology has created multi-channel retail environments, allowing customers to shop both online and offline. Traditional retail channels, such as physical stores, still play a vital role in consumer decision-making (Bonfrer et al., 2022). However, the rise of online channels has dramatically shifted consumer preferences, offering the convenience of browsing and purchasing without physical interaction (Espinoza et al., 2021).

Online Channels

The rapid adoption of e-commerce and social commerce platforms has reshaped the retail landscape. Digital platforms provide transparent pricing, vast product selections, and convenience, making them increasingly popular among consumers (Nodirovna, 2024). Platforms like Shopee, Tokopedia, and TikTokShop have become central to online retail, offering consumers personalized recommendations and seamless shopping experiences (Behera, 2020).

Display

Retail displays, both offline and online, are designed to attract consumer attention and influence purchasing behavior. In physical stores, shelf displays and chiller units showcase products to entice impulse purchases (Wijaya, 2020). Visual merchandising in retail environments has been shown to significantly impact consumer behavior (Bialkova et al., 2020; Chan, 2018). Online displays, such as banner ads and product listings, serve a similar function,

directing users toward specific products or promotions (Schmidt & Maier, 2022).

Cashier Recommendation

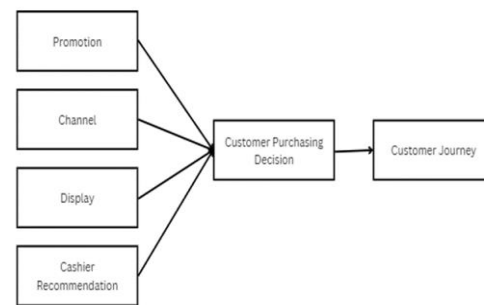
Cashier recommendations, also known as suggestive selling, involve cashiers actively promoting products to customers at checkout. Studies have demonstrated that such verbal prompts can have a positive impact on sales, especially in brick-and-mortar retail settings (Rohn et al., 2003; van Kleef et al., 2015). These last-minute recommendations can reinforce consumer purchasing decisions, encouraging impulse buys at the point of sale (Pai & Bhatt, 2023).

Customer Decision-Making Process

Kotler and Keller's (2016) five-stage model of the consumer decision-making process provides a comprehensive framework for understanding how consumers make purchasing decisions. The stages include Need Recognition, Information Search, Evaluation of Alternatives, Purchase Decision, and Post-Purchase Behavior. While this model is useful for understanding general consumer behavior, Stankevich (2017) and Qazzafi (2019) highlight that routine purchases may not involve all stages. For frequently bought, low-cost items, the decision-making process is often automatic, with minimal consideration of alternatives.

Impulse buying, in particular, does not follow the traditional decision-making path. As Charoennan (2016) notes, customers often make spontaneous purchases driven by external stimuli such as promotions or product displays, bypassing the evaluation stage.

Conceptual Framework



This study investigates how key factors—Promotion, Channel, Display, and Cashier Recommendation—affect the customer decision-making process in minimarket channels. By examining these elements, the research aims to understand their impact on consumer behavior at each stage of the buying process.

RESEARCH METHOD

Research Design

This study adopts a qualitative descriptive research design to explore customer purchasing behavior and the factors influencing decisions in the minimarket channel for dairy products. The qualitative approach allows for an in-depth understanding of customer experiences, with the aim of capturing the essence of common phenomena (Creswell, 2013). The research begins by identifying the problem and collecting primary and secondary data through interviews and observations. A systematic approach is applied to analyze the data, addressing the research questions related to promotion, channel, display, and cashier recommendations.

Data Collection Methods

The data collection method use interviews and store observations

Primary Data Collection

Interview

The primary data was gathered through **semi-structured interviews**, which provided flexibility for the interviewer to explore specific topics in

greater depth as the interview progressed. This method allowed for an open dialogue with participants, enabling the researcher to uncover detailed insights into their shopping behaviors and decision-making processes (DeJonckheere & Vaughn, 2019). The interviews were conducted one-on-one, recorded using an audio device to ensure accuracy, and transcribed for further analysis.

- **Participants:** The initial phase involved interviews with 15 individuals who regularly purchase dairy products from minimarkets. This provided preliminary insights into the factors influencing their purchasing decisions. To further investigate the specific dynamics of Zuzhu Indonesia products, follow-up interviews were conducted with 5 respondents who had purchased Zuzhu Indonesia products in minimarkets.
- **Interview Focus:** The questions were structured around four key factors: promotion, channel, product display, and cashier recommendation, aiming to understand their role in shaping purchasing behavior (Creswell, 2013).

Observation

In addition to interviews, a **store observation** was conducted from January to July 2024. This allowed the researcher to closely monitor the competitive landscape in minimarkets, focusing on competitor activities, promotional strategies, and pricing dynamics. The observations helped capture real-time market trends and consumer reactions to in-store promotions and displays.

Data Analysis Methods

The research employs several analytical tools to process the collected data, ensuring a comprehensive

examination of consumer behavior and market trends.

Interview Data Analysis

The interview data was analyzed using qualitative interpretation techniques, including coding and thematic analysis. The responses were categorized based on the four identified factors (promotion, channel, display, and cashier recommendation), allowing the researcher to draw meaningful patterns and insights.

Customer Journey Mapping

For the second research question, the data was mapped to the stages of the **customer journey**. This mapping helped to visualize the steps taken by customers from the moment they consider purchasing Zuzhu Indonesia products to the post-purchase stage. The customer journey map helped identify key touchpoints and influences at each stage, providing a clear view of the decision-making process in minimarkets.

SWOT Analysis

A **SWOT analysis** was employed to evaluate Zuzhu Indonesia's internal strengths and weaknesses, as well as external opportunities and threats (Jackson, 2003). This strategic tool helped the researcher identify actionable strategies based on the research findings. A **TOWS matrix** was also used to match internal strengths and weaknesses with external factors, generating recommendations for business strategies.

RESULTS

This chapter presents the findings from the research, focusing on the factors influencing consumer purchasing decisions related to Zuzhu Indonesia products in minimarket channels. The analysis is organized around four key factors identified during the preliminary

study: promotion, channel, product display, and cashier recommendations. Additionally, the study maps the customer journey for both loyal and non-loyal consumers, providing insights into how these factors interact across different consumer segments.

Factors Influencing Purchasing Decisions

Promotions

The data from the interviews revealed that promotions play a significant role in influencing purchasing behavior, although the extent of their impact varies depending on the customer and the purchase context.

- **Customer A** highlighted the importance of promotions such as "purchase-with-purchase" offers, indicating that promotions have a significant impact on her decision to buy Zuzhu products.
- **Customer B** noted that promotions were more influential when making bulk purchases, especially when purchasing higher-priced items such as Family Milk Powder.
- **Customer C** and **Customer D** expressed that promotions were the primary motivators for purchasing Zuzhu products. Both customers admitted they typically preferred other brands, but attractive promotions swayed their purchasing decisions.

Overall, the data suggests that promotions are highly effective for converting non-consumers or price-sensitive consumers, particularly for bulk purchases or more expensive products.

Channels

The research found a clear split between preferences for online and offline shopping channels, which were

influenced by convenience, immediacy, and the specific shopping context.

- **Customer A** and **Customer B** preferred online shopping due to its convenience, efficiency, and speed. Both customers mentioned that they were able to avoid unnecessary impulse purchases when shopping online. **Customer B** also emphasized the importance of features like free shipping on platforms like Alfagift.
- On the other hand, **Customer C**, **Customer D**, and **Customer E** preferred offline shopping, particularly for impulse purchases or when they needed products immediately. **Customer D** pointed out that purchasing cold beverages like milk was easier and more practical in physical stores. This highlights a situational context for channel preferences: planned purchases tend to favor online channels, while immediate or impulse-driven purchases are more suited to offline channels.

Product Display

The arrangement and visibility of products were found to have a strong influence on purchasing decisions, particularly for impulse buys.

- **Customer A** and **Customer C** agreed that a well-organized display could encourage unplanned purchases. They emphasized the importance of clarity and visibility in product arrangement.
- **Customer D** highlighted the effectiveness of promotional displays like wobblers, which increase product visibility and help customers notice deals. **Customer E** also expressed a preference for purchasing milk from the chiller section, reinforcing the idea that product placement in high-traffic or immediate consumption

areas can significantly influence consumer behavior.

The results indicate that strategic placement of products and promotional signage plays a crucial role in capturing consumer attention and driving purchases, particularly for unplanned or impulse buys.

Cashier Recommendations

The influence of cashier recommendations varied among the respondents, with the effect being more pronounced for those who are price-sensitive or deal-seekers.

- **Customer A** and **Customer B** both acknowledged that cashier recommendations, especially those that highlighted promotions or discounts, had a significant influence on their purchasing decisions.
- Conversely, **Customer D** noted that cashier recommendations had little effect on him, as his purchases were usually for immediate consumption, and he preferred not to carry additional items.

The findings suggest that cashier recommendations are most effective when they align with a customer's immediate needs or preferences, particularly when offering significant discounts.

Customer Journey

The customer journey refers to the process a consumer goes through when making a purchase, from the initial recognition of a need to the post-purchase evaluation. The study conducted interviews with five customers to map their purchasing journeys for Zuzhu Indonesia products in minimarkets, following the five-stage model described by Kotler and Keller (2016): **Need Recognition, Information Search, Evaluation of Alternatives, Purchase Decision**, and

Post-Purchase Behavior. This section analyzes the journey of both loyal and non-loyal consumers to understand how these customer segments interact with Zuzhu products.

Loyal Consumers

Loyal consumers are those who consistently purchase Zuzhu products and have a strong emotional or functional connection to the brand. Their purchasing process is more predictable and often involves repeat purchases, typically through online platforms such as Alfragift, reflecting a preference for convenience.

- **Need Recognition:** Loyal customers often have an established routine for purchasing Zuzhu products. For example, **Customer A** and **Customer B** identified a need for milk as part of their regular household shopping. Their need recognition is typically driven by the requirement to restock essential items, rather than external stimuli.
- **Information Search:** Loyal customers engage in limited information search since they are already familiar with the brand and trust its quality. Instead, their focus is often on confirming product availability or checking for promotions to make bulk purchases more economical. **Customer B** mentioned that she looks for free shipping deals or special offers when shopping online.
- **Evaluation of Alternatives:** Brand loyalty leads to minimal evaluation of alternatives. Loyal customers like **Customer A** are more likely to stick with Zuzhu products unless there are significant price differences. They might briefly consider alternative brands but tend to return to Zuzhu due to their trust in its quality and consistency.

- **Purchase Decision:** The purchase decision is typically straightforward for loyal consumers, especially if the product is easily available. Convenience, ease of purchase, and promotional offers further encourage repeat purchases. **Customer B**, for instance, emphasized the importance of ease and free shipping in her decision-making process when buying from Alfagift.
- **Post-Purchase Behavior:** After making a purchase, loyal consumers evaluate their satisfaction with factors like product quality, delivery speed (if online), and value for money. Positive post-purchase experiences strengthen their loyalty to the brand and increase the likelihood of future purchases. Both **Customer A** and **Customer B** reported consistently satisfactory experiences, reinforcing their preference for Zuzhu.

Non-Loyal Consumers

Non-loyal consumers, on the other hand, are more likely to make spontaneous purchasing decisions based on immediate needs or situational factors. They are open to switching brands and are often influenced by promotions, product displays, or external stimuli.

- **Need Recognition:** Unlike loyal consumers, non-loyal consumers tend to recognize their need for a product more spontaneously. **Customer C** and **Customer D** mentioned that their need for milk products often arises when they are already in a minimarket, driven by situational factors like thirst or a promotional offer on display.
- **Information Search:** Non-loyal consumers engage in minimal information search. Their decision-making process is quick and often based on what is immediately visible in the store. **Customer C** stated that he typically buys products when he

sees them on sale, without conducting extensive research or seeking detailed information.

- **Evaluation of Alternatives:** Non-loyal consumers are more likely to evaluate different brands based on factors like price, packaging, or promotional offers. **Customer D**, for example, mentioned that he often compares prices between Zuzhu and competing brands before making a decision, prioritizing whichever offers the best deal.
- **Purchase Decision:** The decision to purchase is heavily influenced by external factors such as promotional displays or cashier recommendations. For **Customer C**, promotions are often the sole reason for purchasing Zuzhu products, as he does not have a strong brand preference and is willing to switch brands if a better deal is available.
- **Post-Purchase Behavior:** Non-loyal consumers are less likely to form long-term attachments to the brand. **Customer D** noted that while he might enjoy a Zuzhu product, it does not necessarily lead to brand loyalty. Instead, he remains open to switching brands in future purchases based on factors like promotions, convenience, or immediate needs.

DISCUSSION

This section discusses the key findings from the research and how they align with or contrast against existing theories and studies on consumer behavior, particularly in the context of the dairy market and minimarket channels. The discussion will focus on the four primary factors influencing consumer purchasing decisions—promotion, channel, product display, and cashier recommendations—and will explore the implications for Zuzhu Indonesia's business strategy.

Promotions as a Key Driver of Consumer Behavior

The results of the study indicate that promotions are a major factor influencing purchasing decisions for Zuzhu Indonesia products, consistent with existing literature on consumer behavior. As noted by Merlo, (2023) promotions are particularly effective in motivating consumers to make purchases, especially for price-sensitive individuals. This research supports these conclusions, showing that both **non-loyal** and **loyal** customers respond strongly to promotions.

For **non-loyal consumers**, such as **Customer C** and **Customer D**, promotions are often the primary motivator for purchasing Zuzhu products. These customers, who do not have a strong brand preference, are more likely to be swayed by discounts and deals, aligning with previous studies that show how promotional tactics can attract new customers or convert competitors' customers (Nurudin, 2020; Putra et al., 2023).

Loyal consumers, like **Customer A**, tend to use promotions to maximize value in bulk purchases. This behavior suggests that while loyal customers do not require promotions to trigger purchases, promotions can increase the size of their purchase or encourage repeat buying. This highlights the dual function of promotions: they attract new customers while also deepening engagement with existing ones. This finding reinforces the notion that promotions are essential in competitive markets, where pricing and perceived value drive consumer decisions (Waani & Tumbuan, 2015).

The Role of Shopping Channels in Consumer Preferences

The study also highlights a clear dichotomy in consumer preferences for **online** versus **offline** channels, driven by convenience and immediacy. These findings align with Espinoza et al. (2021) and Nodirovna (2024), who note that the rise of digital shopping channels has made it easier for consumers to make purchases at any time, leading to a significant shift in retail behavior.

Loyal customers, such as **Customer A** and **Customer B**, demonstrated a preference for online shopping due to its convenience and efficiency. The ability to avoid impulse purchases, coupled with features like free shipping and fast delivery, makes online shopping particularly appealing to this segment. For loyal customers, who are more likely to make planned purchases, digital platforms like Alfagift offer a streamlined experience that reinforces their brand loyalty.

Conversely, **non-loyal consumers** such as **Customer D** and **Customer E** favored **offline shopping**, particularly for immediate consumption. These customers tend to make spontaneous purchases driven by situational factors like thirst or temperature, as suggested by **Customer D's** preference for cold beverages from the chiller section. Offline channels provide the tactile experience and immediacy that digital platforms cannot replicate.

Product Display and Its Impact on Unplanned Purchases

Product display emerged as a significant factor in influencing **impulse buying**, particularly among non-loyal consumers. This aligns with existing research that suggests well-designed displays can increase product visibility and drive unplanned purchases (Bialkova et al., 2020; Chan, 2018). Both **Customer A** and **Customer C** indicated that visually appealing and well-

organized product displays, particularly near checkout counters, can significantly encourage impulse purchases.

This finding supports the theory that **strategic product placement**, such as **checkout displays** and **promotional wobblers**, plays a crucial role in attracting consumer attention and influencing last-minute purchases (Cordova et al., 2020). **Customer D** mentioned that promotional signage, especially when combined with a price comparison, made him more likely to consider Zuzhu over his usual brand.

Additionally, the **chiller section** for cold beverages was particularly impactful for customers seeking immediate consumption. Both **Customer E** and **Customer D** emphasized the importance of having cold beverages readily available, further confirming the role of product placement in driving quick decisions.

Cashier Recommendations: Effective for Price-Sensitive Consumers

Cashier recommendations were found to be influential, but their effectiveness varied based on customer segments. **Loyal customers** like **Customer A** appreciated being informed about promotions, especially when they were not aware of the deals beforehand. Similarly, **Customer C** noted that **purchase-with-purchase** offers presented by the cashier could sway his decision, even if he had not initially planned to buy the product.

However, **Customer D** found cashier recommendations less impactful, particularly when making impulse purchases. This aligns with previous research, which suggests that cashier recommendations are more effective when customers are open to additional purchases or promotions (Ebster et al., 2006).

Customer Journey Insights

The analysis of **loyal** versus **non-loyal** customer journeys revealed critical insights into how different consumer segments interact with Zuzhu products. Loyal customers follow a more predictable, **routine-based journey**, where trust in the brand minimizes the need for information search and alternative evaluation. These customers are primarily driven by convenience and are more likely to make repeat purchases if the shopping experience is smooth and promotions align with their preferences.

Non-loyal customers, on the other hand, follow a more **impulse-driven journey**, where external stimuli such as product visibility, promotions, and situational factors drive their decision-making. These consumers are less attached to the brand and are more likely to switch based on immediate needs or better deals.

SWOT and TOWS Strategies

The analysis of Zuzhu Indonesia's internal and external environment through the **SWOT** framework reveals several strategic opportunities for the company. By leveraging its strengths, addressing weaknesses, and responding to external opportunities and threats, Zuzhu can refine its approach to the minimarket channel and the broader Indonesian dairy market. The **TOWS matrix** offers actionable strategies that align these internal and external factors to develop robust business recommendations.

Strengths, Weaknesses, Opportunities, and Threats (SWOT) Analysis

The **SWOT analysis** identified key elements that affect Zuzhu Indonesia's performance:

- **Strengths:** Zuzhu's brand reputation, supported by global expertise and a wide product range, is a core asset. The company's extensive distribution

network across Indonesia enables widespread product availability.

- **Weaknesses:** Despite these strengths, the company faces challenges, including limited shelf space in minimarkets and a reliance on promotions to drive sales, particularly for newer product lines such as Family Milk Powder (FMP) and Ready-to-Drink (RTD) milk.
- **Opportunities:** The rise of online shopping and growing health-conscious consumer behavior provide avenues for growth. The expanding Indonesian dairy market offers further potential for Zuzhu to increase market share by aligning with consumer trends.
- **Threats:** Zuzhu operates in a highly competitive market, with aggressive pricing strategies from competitors and a high degree of price sensitivity among consumers. Regulatory constraints also limit promotional opportunities for certain product categories, such as infant formula.

TOWS Matrix

SO (Strength-Opportunity) Strategy

SO1 Zuzhu's strong brand recognition gives it the power to negotiate with minimarket accounts and expand its presence in online channels. By exploring online channels, Zuzhu can capture the attention of the growing base of online shoppers. The strategy to develop an online presence includes optimizing official store features on each minimarket app. Leveraging online channels is not only to strengthen online presence but also can effectively to reach Zuzhu, loyal consumers. As mentioned in the above discussion, loyal customers prefer online shopping due to its convenience and efficiency offer. By having the official store features optimization loyal customers can easily find Zuzhu products they used to buy and

other Zuzhu products on the page, increasing the opportunity for other Zuzhu products to be seen and purchased by the loyal customer.

SO2 Zuzhu's diverse product portfolio can be better utilized by listing products that are not available in physical stores on online channels. This approach allows the company to overcome the limitation of physical shelf space while expanding product visibility online. Furthermore, listing other products on online channels can drive additional sales without requiring increased physical store inventory. This also helps to test demand for new development products before it listed in the physical store. The online performance can be a strong bargaining power for the product to enter physical stores.

SO3 Leveraging Zuzhu established relationships with minimarket accounts to get a prominent display for the FMP category. Ensuring the FMP category has a prominent display will capture the attention of nonloyal consumers who are likely to be swayed by its visibility, encouraging impulse purchases and conversion. It aligns with the customer purchasing decision discussion above where product visibility plays a crucial role in impulse purchases and customer decisions, especially in offline stores.

ST (Strength- Threat) Strategy

ST1 Zuzhu's strong brand recognition is a critical asset for differentiating its products in a highly competitive market. This differentiation can be communicated effectively via ads and other marketing communications by Masterbrand. For non price-sensitive customer this distinction is important as they pay more attention to nutritional benefits and product reliability compared to cheaper alternatives.

ST2 Zuzhu Indonesia strong supply chain management can be used to mitigate risks associated with production and supply chain disruption from international conflict. By negotiating with minimarket partners to hold increased stock inventory during periods of product volatility, the company can ensure that shelves remain stocked even during the disruption. Stock availability and ensuring steady inventory are crucial especially when competing brands are also heavily promoting. By having a secure stock level, continued visibility, and availability which is key for influencing impulse buying, and nonloyal who value immediate availability, as explained in customer purchasing decision discussion, can be ensured.

WO (Weakness-Opportunity) Strategy

WO1 Promotions can convert nonloyal consumers and price-sensitive buyers, especially when bulk purchases are involved, as seen in the purchasing decision discussion, customers tend to consider promotions for larger buys. Offering carton discounts online will also appeal to loyal customers who value the best deal of bulk purchasing, aligning with their typical planned shopping behavior for routine products. Online shopping also erases customer pain points in carrying heavy shopping items as it will delivered right in front the customer door.

WO2 Negotiating with minimarket accounts to join the Purchase with Purchase promotion budget for fast-moving Zuzhu products could create a mutually beneficial relationship. As price competition intensifies, this strategy offers Zuzhu an opportunity to maintain competitiveness, while minimarket accounts benefit from the increased traffic. Promoting fast-moving

products is not only about volume sales for but also about creating a halo effect that benefits the minimarket since customers must reach a minimum purchase to redeem the promotion. When customers are drawn to the store by competitive promotions on Zuzhu's fast-moving SKUs, customers are more likely to purchase more than the minimum number needed. This increases overall basket size, generating higher profits for accounts.

WO3 Data sharing collaboration to tailor promotion for slow-moving products offers an opportunity for Zuzhu to refine its promotional strategy. By better understanding consumer preferences, Zuzhu can adjust its promotions and marketing strategies to improve the sales performance of underperforming products.

WT (Weakness Threats) Strategy

WT1 Instead of engaging in endless price wars, Zuzhu Indonesia can implement non-price promotions to maintain its competitive edge. Negotiating with minimarkets to apply cashback offers, and loyalty points can incentivize customers to purchase without reducing product price. These non-price promotions help to protect Zuzhu Indonesia as the trusted and high-quality brand positioned while offering tangible benefits to consumers.

WT2 Cashier interacts with customers at the final point of purchase, giving them a unique opportunity to influence buying decisions. Slow-moving products usually do not get the same level of attention from consumers compared to fast-moving products. Combining in-store promotions and cashier recommendations can raise awareness and the likelihood of trial and purchase. As the minimarket incentivizes cashiers by achieving targeted promotion redemption numbers,

it will increase cashiers' motivation to engage with customers and promote slow-moving products actively.

Several recommendations have been applied by the researcher, as a result, YTD performance for the online channel in an account is increasing to +46% contributing to +6.4% of the total business of the account. In addition, 2 SKUs (1 FMP & 1 RTD) that were previously only listed in the online channel will be listed in the offline store as the online channel's sales have shown a solid performance. The astonishing online selling portfolio has paved the way for those SKUs to be listed at the offline store as those SKUs were previously rejected to be listed in the offline store.

CONCLUSION

Promotions effectively attract price-sensitive and non-loyal customers, especially for bulk purchases. Channel preference is based on convenience. Online shopping is favored for planned purchases, while offline shopping is preferred for immediate consumption. Strategic product displays near checkout areas and in chillers drive impulse buys. Cashier recommendations influence deal seekers, particularly when discounts are highlighted, but have less impact on quick, impulse buyers.

Customers are influenced by promotions and product visibility, especially non-loyal, price sensitive shoppers who are drawn to discounts and impulse buys. Promotion triggers impulse buys and can sway customers to choose Zuzhu products over competing brands. Loyal customers shop online due to their trust in the brand and for convenience. Non-loyal customers prefer offline shopping to physically assess the product and are more likely to switch brands based on in-store promotions, product visibility, and

display placement which influence their purchase decision.

Zuzhu Indonesia can boost minimarket performance by securing a prominent in-store placement, expanding product listings, and implementing targeted promotions including bulk purchasing deals online. Collaborating with accounts to optimize promotions via data sharing and using cashier recommendations for slow-moving products to boost sales. Non-price promotions like loyalty points and strong brand communication can differentiate Zuzhu in a competitive market.

MANAGERIAL IMPLICATION

Several key strategies have been implemented in a minimarket account, and proven to drive significant sales growth. Zuzhu Indonesia should expand the successful strategies SO1, SO2, SO3, WO1, WO2, to other minimarket accounts, as these initiatives have applied and demonstrated clear, measurable success in boosting sales, and brand visibility. Expanding these proven strategies will allow Zuzhu Indonesia to replicate success, capitalize on broader market opportunities, and ensure growth across minimarkets.

LIMITATION AND FUTURE RESEARCH

This study will focus on the scope of Zuzhu Indonesia products only and is limited to specific key accounts in the minimarket channel. Furthermore, the secondary data also will be limited to keep confidentiality hence only explanation toward the indication. As online shopping becomes increasingly important, future studies could focus on the role of digital marketing tools (e.g., personalized recommendations, and targeted ads) in shaping dairy product purchases for future research.

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