# PROPOSED MARKETING STRATEGY FOR APOTEK MULYANI TO INCREASE SALES IN THE COMPETITIVE MARKET

## STRATEGI PEMASARAN YANG DIUSULKAN UNTUK APOTEK MULYANI UNTUK MENINGKATKAN PENJUALAN DI PASAR YANG KOMPETITIF

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***ABSTRACT***

*With the increasing competition in the pharmaceutical retail industry, Apotek Mulyani as a Indonesia local pharmacy in Depok, faces the related issue of stagnation and declining sales due to the dynamic pharmacy retail industry. To overcome these problems, the pharmacy requires an effective marketing strategy. This study aims to determine an appropriate strategy by conducting internal (STP, marketing mix (7Ps), VRIO, and value chain) and external (PESTEL, Porter's Five Forces, customer, and competitor) analyses. A mixed-method approach was used in this study, involving questionnaires distributed to 74 respondents to gain customer preferences and interviews to obtain the internal perspectives. The SERVQUAL model and cluster analyses were used to identify gaps and pharmacy customer segments. The results of the study indicate that although Apotek Mulyani has several advantages, some improvements are still needed in the quality of service provided. For this reason, a marketing strategy through STP and marketing mix (7Ps) is proposed for Apotek Mulyani. The marketing strategy and implementation plan are focused on improving several aspects, including increasing promotional activities, expanding digital access, and improving the service experience for customers. Ultimately, these initiatives can increase sales growth and strengthen Apotek Mulyani's position in an increasingly competitive market.*
*Keywords: Marketing Strategy, Local Pharmacy, Service Quality*


***ABSTRAK***

Dengan meningkatnya persaingan di industri farmasi ritel, Apotek Mulyani sebagai apotek lokal di Depok, Indonesia, menghadapi masalah stagnasi dan penurunan penjualan akibat dinamika industri farmasi ritel. Untuk mengatasi masalah ini, apotek memerlukan strategi pemasaran yang efektif. Penelitian ini bertujuan untuk menentukan strategi yang tepat dengan melakukan analisis internal (STP, bauran pemasaran (7P), VRIO, dan rantai nilai) dan analisis eksternal (PESTEL, Lima Kekuatan Porter, pelanggan, dan pesaing). Pendekatan campuran (mixed-method) digunakan dalam studi ini, melibatkan kuesioner yang dibagikan kepada 74 responden untuk mengetahui preferensi pelanggan dan wawancara untuk memperoleh perspektif internal. Model SERVQUAL dan analisis kluster digunakan untuk mengidentifikasi celah dan segmen pelanggan apotek. Hasil studi menunjukkan bahwa meskipun Apotek Mulyani memiliki beberapa keunggulan, masih diperlukan perbaikan dalam kualitas layanan yang diberikan. Oleh karena itu, strategi pemasaran melalui STP dan bauran pemasaran (7Ps) diusulkan untuk Apotek Mulyani. Strategi pemasaran dan rencana implementasi difokuskan pada peningkatan beberapa aspek, termasuk meningkatkan aktivitas promosi, memperluas akses digital, dan meningkatkan pengalaman layanan bagi pelanggan. Inisiatif ini dapat meningkatkan pertumbuhan penjualan dan memperkuat posisi Apotek Mulyani di pasar yang semakin kompetitif.
Kata Kunci: Strategi Pemasaran, Apotek Lokal, Kualitas Layanan

## INTRODUCTION

The Indonesian pharmaceutical retail industry has shown a steady growth, driven by increasing health awareness, digitalization, and increasing population. With the growth of pharmacy market in Indonesia is projected to reach a revenue USD 15.12 billion by 2025 and the total number of pharmacies is rising over the years, the market remain promising yet highly competitive (Statista, 2024a).

Despite this rising trend, one of the local pharmacies such as Apotek Mulyani, located in Depok, face a challenge due to the intense competition and changing customer behavior toward online pharmacies. This phenomenon

has led to stagnation and even a clear decline sales reflected in its revenue. Because of these issues, it is essential to explore the approapriate marketing strategies that can help Apotek Mulyani maintain competitiveness and drive revenue growth.

According Wang et al. (2018), a well-designed marketing approach can create a considerable competitive advantage by leveraging of marketing mix aspects, namely product, price, place, promotion, people, physical evidence, and process. In terms of Indonesia's diverse consumer landscape, understanding and addressing customer preferences is another crucial part. By aligning marketing strategies with customer's expectations, pharmacies can gain greater customer loyalty and boost revenue growth.

Therefore, this research has the following questions: 1. What are the internal and external factors affecting Apotek Mulyani? 2. What is the most suitable marketing strategy to increase its sales? 3. How to implement a suitable marketing strategy to increase its sales? From these questions, the author highlights the objectives of this study including: to analyze the internal and external business environment, to determine the most suitable marketing strategy through STP and marketing mix (7Ps) framework, and to formulate an implementation plan to increase sales aimed at improving Apotek Mulyani's market performance.

## LITERATURE REVIEW

Marketing is the whole process of customer-centered system involving product development, pricing, distribution, and promotion to meet market needs (Kotler et al., 2024; Bennett, 1995). Besides, marketing strategy that consist of analysis, strategy, development, and implementation can drive market process and customer value from business environment (Cravens et al., 2006). In the pharmacy context, effective marketing strategy becomes important due to the increasing competition and shifting consumer behavior. According to (Menteri Kesehatan Republik Indonesia, 2017), pharmacies include pharmaceutical service facilities that consist of the whole process of management of drugs where the knowledge of drugs and patient care are needed to provide.

Formulating a suitable marketing strategy requires both internal and external analysis. The internal analysis includes some tools such as STP (segmenting, targeting, and positioning), marketing mix (7Ps), VRIO, and value chain analysis. Externally, company can apply PESTEL analysis (political, economic, sociocultural, technological, environmental, and legal) and Porter's Five Forces to understand and evaluate market dynamics and competitive pressure (Porter, 2008). Furthermore, competitor and customer analysis can provide insights for positioning and differentiation strategies of a company, leading to customer satisfaction, loyalty, and retention in a competitive market (Chen et al., 2017). With the comprehensive communication channel of marketing strategy, it can positively impact the financial condition through reducing costs, ultimately generating revenue and profit (Wick et al., 2024).

Additionally, SWOT analysis integrates internal environment (strengths and weakness) and external environment (threat and opportunities) to guide strategic decision and increase business performance (Prreault et al., 2011). SERVQUAL or service quality model assess the performance of employees whose give interactions with service provider. The model also evaluates between expected and

perceived service quality, suggesting areas for improvement in customer satisfaction (Parasuraman et al., 1985).

## RESEARCH METHODS

This study uses a mixed-method approach by combining qualitative and quantitative techniques to suggest the marketing strategies for Apotek Mulyani. The study starts with identifying business issues and objectives, followed by literature review, data collection and analysis to support the marketing strategy formulation. The research framework can be seen in Figure ..
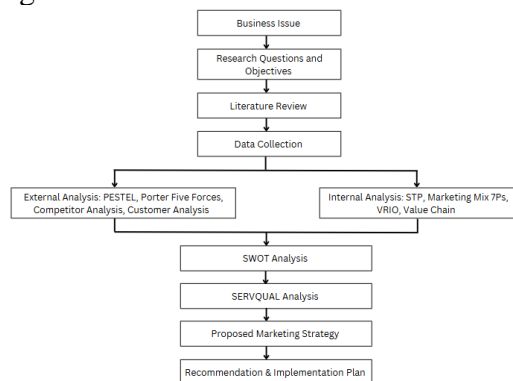


**Figure 1. Research Design Framework**

The data collection method consists of primary and secondary data. The primary data is gathered by semi-structured interviews with stakeholders and a questionnaire for customers. A questionnaire model distributed using a 5-point likert scale and the SERVQUAL model with marketing mix (7Ps) aspect was used to measure gaps between customer expectations and perceptions (Parasuraman et al., 1985; Ririen et al., 2022). Meanwhile, secondary data is collected through some references including journals, literature, books, and other online sources (Creswell, J. W. & Creswell, 2023).

Qualitative analysis was used to evaluate the internal and external business environment, such as STP, marketing mix, through interviews and observations. Meanwhile, quantitative data from the questionnaire were analyzed using Excel and IBM SPSS Statistics to explore behavioral customer profiles, behavior, and gap patterns. The participant criteria of the respondents was the customers of Apotek Mulyani who have purchased products in the pharmacy. In this study, the total number of respondents used was 74 customers.

Furthermore, in this study, the data were tested for validity and reliability methods to check the accuracy and credibility of the data collected. The validity was tested using the Pearson correlation coefficient, and reliability was measured with Cronbach's Alpha, with ($\alpha$) value or coefficient $\geqslant$ 0,7 considered acceptable (Setyaedhi, 2024).

## RESULTS AND DISCUSSIONS

### A. Internal Analysis

The internal analysis will cover four frameworks to identify Apotek Mulyani's strengths and weaknesses. From this, a business can understand its competitive advantage based on existing resources, suggesting marketing efforts that complement the company's capabilities.

### Segmenting, Targeting, Positioning (STP) Analysis

The STP model is used to identify the market segmentation opportunity, choose potential segment, and determine the suitable positioning strategy to the target consumers. This approach will help Apotek Mulyani to plan a marketing strategy that is suitable to local market characteristics.

• Segmenting

The segmentation is based on demographic, geographic, psychographic, and behavioral dimensions. Pharmacy customers consist of various age groups with a wide range of income level. The

geographic area includes local customers around Kalimulya street (Depok), and some are Bogor and surrounding areas. In terms of psychographic aspect, consumers tend to buy medicine for immediate needs or for their stock, while in the behavioral, the frequency of purchases is not fixed and depends on sudden health needs.

- Targeting

The target market determination is focused on customers who live or work around the pharmacy location. The pharmacy's strategic location in a high traffic area enables it to attract more customers for the quick needs, including medicine for minor illnessess, practically.

- Positioning

The brand positioning of Apotek Mulyani is considered as a provider of easily accessible health services, leading to provide complete products (OTC or Over-The-Counter and prescription) at affordable prices, and offering fast service. The location close to activity centers such as markets and supermarkets strengthens the practical pharmacy for daily needs.

### Marketing Mix (7Ps) Analysis

Marketing mix framework is carried out to evaluate strategic elements that influence brand positioning and achieve marketing objectives of Apotek Mulyani. This tool highlights for 7Ps elements that analyzed product, price, place, promotion, people, process, and physical evidence.

- Product

Apotek Mulyani offers a variety of health products such as prescription and non-prescription (OTC or Over-The-Counter) medicines, vitamis, medical devices, and basic health needs. The product stock follows seasonal trends and high demand such as vitamin C during the fasting month.

- Price

Product prices are competitive and adjusted to the HET price aor Highest Retail Price. Negotiations with suppliers for bulk purchase is carried out to maintain margins and competitive price.

- Place

Apotek Mulyani is strategically located in Kalimulya Street, Depok, giving it access advantages. However, the distribution channel is still limited since online channels or telemedicine have not been available to provide integrated health services for customers.

- Promotion

The promotion is more passive and traditional, such as banners and writing on glass. Even though, the pharmacy has a social media account, its use has not yet optimally utilized. Marketing relies more on recommendations from customers.

- People

Services are provided by staff without formal training, relying on a learning by doing approach. Customer interaction from staffs is friendly and solution-oriented, but is not yet supported by a structured customer service training system.

- Process

The process in the pharmacy is relatively fast and simple. Most orders are made manually with a direct customer interaction in Apotek, and some customers confirm through WhatsApp, but the digital stock management system has not been used optimally.

- Physical Evidence

The pharmacy features an open layout with good ventilation, air conditioning, and easy visual access from a distance. The clean and

functional interior design supports customer comfort.



**Figure 2. Apotek Mulyani**

*VRIO Analysis*

VRIO analysis has been used to evaluate a company's internal resources and capabilities to identify sustainable competitive advantages (Sudjatnika & Riwayati, 2023). Based on observations and interviews, Apotek Mulyani has six main resources, such as strategic location, staff service, product completeness, competitive prices, product quality, and supplier relationships.

Based on the analysis, there are three resources that can be categorized to meet all VRIO (Valuable, Rare, Inimitable, Organized) criteria or classified as sustained competitive advantages of Apotek Mulya. The resources are strategic location, staff service capabilities, and product completeness. With an easy accessible locations close to activity centers, solution-oriented and friendly staff, and availability of complete products may increase customer traffic, loyalty, and ultimately repeat purchases.

In contrast, product quality and competitive prices ony meet the valuable criteria, and are categorized as competitive parity because they can be easily imitated by competitors. Supplier relationships that meets valuable and relatively rare, can still can be replicated since it is not in rare item so that they only provide temporary advantages.

**Table 1. VRIO Summary**

| Resources | V | R | I | O | Classification |
|---|---|---|---|---|---|
| Product Quality | Yes | No | | | Competitive Parity |
| Competitive Prices | Yes | No | | | Competitive Parity |
| Good Relationship with Supplier | Yes | Yes | No | | Temporary Competitive Advantage |
| Strategic Location | Yes | Yes | Yes | Yes | Sustained Competitive Advantage |
| Good Staff Service Capabilities | Yes | Yes | Yes | Yes | Sustained Competitive Advantage |
| Product Completeness | Yes | Yes | Yes | Yes | Sustained Competitive Advantage |

*Value Chain Analysis*

This framework is used to identify primary and supporting activities that contribute to customer value creation in Apotek Mulyani's operations (Kotler et al., 2012). The findings show that Apotek Mulyani has a relatively efficient process, but it still has room for improvement to long-term competitiveness, particularly in technology adoption and human resource management.

In primary activities, Apotek Mulyani has some distributors (inbound logistics), runs daily operations in the physical locations with a clear product display (operations), and relies on direct sales to customers without a digital platform (outbound logistics). Additionally, the marketing strategy is still conventional through banners and word of mouth (marketing and sales). For the service aspect, Apotek Mulyani provides fast service and alternative drug recommendations, increasing customer retention.

In supporting activities, the analysis shows that the digital system for stock management has not been optimally utilized (technological development). Procurement of goods is carried out by considering the season and purchase history (procurement). In terms of human resource management, staff training

is not yet structured and is still based on a direct process with customers. The physical infrastructure is simple and adequate to support operational activities (firm infrastructure).

**B. External Analysis**

This analysis will explore some factors in the Indonesian pharmacy market, utilizing several frameworks, namely PESTEL, Porter's Five Forces, competitor analysis, and customer analysis. Understanding the external environment helps Apotek Mulyani understand the challenges and opportunities in the competitive market.

*PESTEL Analysis*

PESTEL analysis is used to assess external factors that influence Apotek Mulyani's business strategy in the Indonesian pharmaceutical industry (Jain et al., 2007). There are six dimensions that are evaluated, including political, economic, social, technological, environmental, and legal.

- Political

The regulation of the Indonesian Ministry of Health No. 17 of 2024 provides legal certainty for pharmacy business actors, leading to opportunities for individuals and legal entities to conduct pharmaceutical businesses (Menteri Kesehatan Republik Indonesia, 2024).

- Economic

Indonesia's economic growth of 5.02% (Q4 of 2024) increases people's purchasing power (Badan Pusat Statistik, 2025a). Meanwhile, inflation and a rise in drug prices of 1.93% can reduce demand for health products. This phenomenon can threaten pharmacies' ability to sell products to customers since it could reduce buyers' demand (Badan Pusat Statistik, 2025b).

- Social

As many as 88.46% of consumers still choose physical pharmacies as the main channel for purchasing drugs while the online preferences reach 11.54% (Standard Insights, 2023). The OTC market in Indonesia is projected to grow continously until 2029, suggesting the rising opportunities of income (Statista, 2024b).

- Technological

The growing of digital channels including telemedicine create new opportunities as the rising of digital health market users from 2019 to 2029 (Statista Market Insights, 2024), while Apotek Mulyani has not utilized technology optimally such as product stock management and online sales.

- Environment

Sustainability issues require pharmacies to implement appropriate pharmaceutical waste management. Apotek Mulyani has applied limited waste management by collecting tertiary drug packaging to be used or resold. However, the pharmacy still uses plastic packaging to bring products purchased by customers.

- Legal

The National Agency of Drug and Food Control has regulated the whole process of distribution, storage, and disposal drugs, giving a competitive advantage for legal pharmacies such as Apotek Mulyani, although the complexity of the regulations can be an operational obstacle for the business.

*Porter's Five Forces Analysis*

This framework assesses the competitive dynamics in the industry, and this analysis highlights

the evaluation of the attractiveness level for its industry.

The Porter's Five Forces analysis reveals that the pharmacy industry, including Apotek Mulyani, operates in a highly competitive environment. The threat of new entrants is moderate due to regulatory compliance and capital requirements. In contrast, the high threat of substitutes indicated the availability of numerous alternatives, including telemedicine and retail drug stores.

The bargaining power of suppliers is low because of many distributors and low switching costs. Meanwhile, the bargaining power of buyers is high as consumers have many options and can easily compare prices online. Competitive rivalry is intense due to large pharmacy chains and digital health platforms. The dynamic environment shows that pharmacies must adopt differentiation strategies and digital integration while maintaining their market position and profitability.
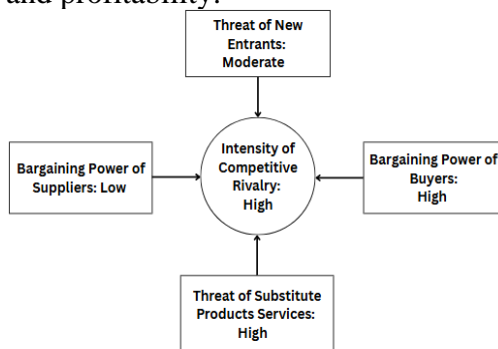


**Figure 3. Porter's Five Forces Analysis Framework**

*Competitor Analysis*

The competitor analysis identifies Apotek Cyber and Apotek Kalimulya as the main local rivals for Apotek Mulyani as the area has a nearby location. Both competitors offer various health products, including prescription and OTC (Over-The-Counter) drugs. Apotek Cyber differentiates itself through its integration with digital health platforms and strategic locations near commercial places. Apotek Kalimulya maintains a competitive edge through lower pricing and extended operating hours but still lacks an online presence.

While both pharmacies utilize offline promotional tools and provide multiple payment options, Apotek Cyber emphasizes pharmaceutical counseling services, whereas Apotek Kalimulya focuses on simplicity and in-store customer convenience. These insights suggest that Apotek Mulyani should balance digital innovation with competitive pricing and personalized service to strengthen its market position.

**Table 2. Comparison of Competitor Analysis**

| Marketing Mix (7Ps) | | |
|---|---|---|
| Variable | Apotek Cyber | Apotek Kalimulya |
| Product | Wide range of products (OTC, prescription drugs) | Wide range of products (OTC, prescription drugs) |
| Price | Competitive with other competitors, a discount price is applied to some products for large purchases | Competitive with other competitors, relatively cheaper, but no discounts |
| Place | Offline store (located on the roadside), online store (honestdocs) | Offline store, located on the roadside |
| Promotion | Physical banner and nameplate in front of the store, wellness advice flyer | Physical nameplate in front of the store, pharmacy name sign |
| People | Staff acts as a cashier and a pharmacist who provides medication counseling | Staff as a cashier and an admin |
| Process | Payment methods can be cash or cashless. Operational hour is every day (08.00 AM-08.00 PM) | Payment methods can be cash or cashless. Operational hour is every day (07.30 AM-10.00 PM) |
| Physical Evidence | Display product only on the shelf, and cleanliness is well maintained | Layout's store is simple, displaying the products on their shelf |

*Customer Analysis*

The customer analysis of Apotek Mulyani, based on 74 respondent

surveys, reveals a diverse and localized consumer base dominated by residents of Depok, with almost equal gender distribution (51% female, 49% male), predominantly residing in Depok (93%). The majority of customers are over 40 years old, followed by younger age groups, particularly students and housewives, reflecting the pharmacy's strategic location in residential and retail areas. Educational background is dominated by respondents with elementary to senior high school education (65%), followed by bachelor (19%) and diploma degree (12%).

The purchasing behavior indicates that convenience is the main driver, with 58% choosing the pharmacy due to its location and 24% based on recommendations. Over-the-Counter (OTC) products are the most frequently purchased, which can support self-medication culture in Indonesia. The dominance of customers buy for personal use (65%), spend Rp1-5 million monthly (78%), and shop occasionally with less than twice per month (53%), and prefer to come to the pharmacy for in-store purchases (88%). These findings suggest that physical accessibility, affordability, and OTC product availability are key to sustaining customer loyalty in local pharmacies.

## C. SWOT Analysis

The SWOT analysis conducted for Apotek Mulyani integrates the internal and external environment to identify strategic decisions that can enhance competitive advantage. SWOT consists of Strengths, Weakness, Opportunity, and Threat.

### Strengths

The pharmacy benefits from a strategic location where Apotek Mulyani is located on a main road near retail and service centers, which increases foot traffic and convenience for local customers. The pharmacy maintains a complete and well-stocked product assortment, including OTC and prescription drugs, vitamins, and medical devices, and adjusts its inventory based on seasonal demand. In addition, its friendly and solution-oriented service from staff contributes to customer satisfaction and fosters word-of-mouth promotion. The competitive pricing of pharmacy's products through compliance with the government's Highest Retail Price (HET) and supplier discounts ensures affordability while maintaining its profit margin.

### Weaknesses

Apotek Mulyani relies on passive promotional strategies, with minimal use of digital platforms such as Instagram. It also lacks telemedicine and delivery services, limiting the pharmacy's access to the online market. Furthermore, the absence of customer loyalty programs like membership places the pharmacy at a disadvantage compared to larger chains such as Kimia Farma. Besides, Apotek still lacks partnerships with other health providers, such as a local doctor or clinic.

### Opportunities

In this digital era, the growth of telemedicine and digital platforms present opportunities for service expansion through collaborations with apps like Halodoc or WhatsApp-based consultations. Additionally, Indonesia has a high self-medication culture, making OTC sales a sustained demand and revenue stream. The dominance of local customers from Depok offers potential for community engagement and targeted outreach programs, such as home delivery. Moreover, supportive regulations from the Ministry of Health and the Indonesian FDA legitimize

licensed pharmacies and build public trust in compliant establishments.

### Threats

Apotek Mulyani faces intense local competition from both neighbouring pharmacies and national chains, such as minimarkets selling OTC drugs and offering extended operational hours. In addition, e-health platforms present a disruption by offering attractive digital services, price incentives, and faster delivery, attracting customers away from conventional retail stores. Supplier price fluctuations caused by inflation and limited supply chains may further pressure pricing strategies and margins. On the other hand, heavy weather conditions impact the customer's physical access to the pharmacy. The unavailability of delivery alternatives may reduce daily customer traffic.

### D. Validity and Reliability Analysis

To ensure the accuracy of the research instrument used in analyzing the marketing mix (7Ps) at Apotek Mulyani, both validity and reliability tests were conducted using IBM SPSS Statistics 29. A total of 74 respondents participated in the survey, which comprised 22 items covering key dimensions of the 7Ps: product, price, place, promotion, people, process, and physical evidence.

### Validity Testing

The analysis employed Pearson's correlation coefficient to assess the validity of each item. Using a degree of fredomm (df) of 72 (n-2) and a significance level of 5% ($p < 0.05$), the critical r-value (r-table) was determined to be 0.2287. An item was considered valid if the computed r-value (r-count) exceeded the r-table value. The results confirmed that all 22 questionnaire items met this criterion, with each showing a positive and statistically significant correlation coefficient above 0.2287. This indicates that all items effectively measure their intended constructs and can be considered valid as part of the survey instrument

### Reliability Testing

The test measures the internal consistency of the instrument using Cronbach's alpha. A Cronbach's alpha value of 0.7 or above is typically regarded as the acceptable threshold for reliability research (Setyaedhi, 2024). The analysis shows a Cronbach 0.755, indicating the instrument demonstrates a satisfactory level of reliability. This shows that the questionnaire items are consistently measuring the same concept across the items.

### E. SERVQUAL Analysis

The SERVQUAL gap analysis was conducted to evaluate the service quality of Apotek Mulyani by comparing customer expectations (E) and perceptions (P) using seven dimensions of marketing mix. This service quality model developed by (Parasuraman et al., 1985), assesses gaps between what customers expect and what they actually experience, therefore identifying areas for service improvement. The analysis used a structured questionnaire with 22 items rated on a 5-point likert scale and was distributed to 74 respondents.

The resulting gap scores were computed for each dimension: product, price, place, promotion, people, process, and physical evidence. The gap score was obtained using the formula Gap = Perception – Expectation, where a negative value indicates a shortfall in service quality.

The analysis reveals that five of the seven dimension had negative mean gap values, suggesting that customer perceptions fell short of expectation in

those areas. The largest service quality gap was found in the place dimension (mean gap = -0.0360), indicating that factors such as e-commerce, digital platforms, parking area did not meet customer expectations. This was followed by the price dimension (-0.0315), suggesting that customers perceive pricing strategies as not sufficiently competiitve or value-oriented. The promotion dimension also showed a negative gap (-0.0169), meaning lack of effective marketing communications.

In conclusion, the average gap across all dimensions was -0.0103, with a standard deviation of 0.16504, meaning a small but consistent distinction between expected and perceived service quality. These results imply that although Apotek Mulyani performs relatively well in terms of product offerings and physical environment, improvements are necessary particularly in place, price, and promotion, to enhance customer satisfaction and close the perceived service quality gaps.

### Table 3. SERVQUAL Gap Result

| Descriptive Statistics | | | | | |
|---|---|---|---|---|---|
| | N | Minimum | Maximum | Mean (Gap) | Std. Deviation |
| Gap_Product | 74 | -1.00 | 0.50 | 0.0135 | 0.33076 |
| Gap_Price | 74 | -1.00 | 0.67 | -0.0315 | 0.29283 |
| Gap_Place | 74 | -0.67 | 0.67 | -0.0360 | 0.27347 |
| Gap_Promotion | 74 | -0.75 | 0.75 | -0.0169 | 0.21234 |
| Gap_People | 74 | -1.00 | 1.00 | -0.0090 | 0.25268 |
| Gap_Process | 74 | -1.00 | 1.00 | -0.0090 | 0.23391 |
| Gap_PhysicalE | 74 | -0.75 | 1.00 | 0.0169 | 0.23162 |
| All_Gap | 74 | -0.46 | 0.70 | -0.0103 | 0.16504 |

## F. Cluster Analysis

To better understand customer preferences and tailor marketing strategies, a cluster analysis was conducted on 74 respondents using K-means clustering in SPSS. This method groups pharmacy customers into two distinct clusters based on similarities in their demographics and expectations towards service quality, particularly in marketing mix dimensions. These clusters reflect the key characteristics and preferences of each segment.

### Table 4. Cluster Segmentation (Customer Profile and Behavior)

| Variable | Cluster | |
|---|---|---|
| | 1 | 2 |
| Gender | Female | Male |
| Domicile | Depok | Depok |
| Age | 18-24 years old | 25-32 years old |
| Occupation | Housewife | Student |
| Education | Elementary/Middle/High School | Diploma (D1-D4) |
| How do you choose a pharmacy to visit | Location is Near to Home | Friend/Relative Recommendation |
| How much do you spend per month | Rp1,000,000-Rp5,000,000 | Rp1,000,000-Rp5,000,000 |
| Who do you buy products from at the pharmacy for? | Personal | Personal |
| How often do you buy products from the pharmacy in a month? | 2 - 4 times per month | 2 - 4 times per month |
| What types of products are most often purchased from the pharmacy? | Prescription Drug | Prescription Drug |
| How do you usually buy medicine or other health needs? | Come to The Pharmacy Directly | Come to The Pharmacy Directly |

### Table 5 K-means Cluster Output (Customer Expectation)

| Item | | Cluster | |
|---|---|---|---|
| | | 1 | 2 |
| Product | Pharmacies provide complete, quality and safe health products and needs. | 4.66 | 4.30 |
| | The label packaging of the medicine is very informative and reliable. | 4.85 | 4.11 |
| Price | Pharmacies provide products at affordable, competitive prices and in accordance with their quality. | 4.64 | 4.30 |
| | Pharmacies provide pricing information that is clear and easy to understand. | 4.60 | 4.44 |
| | Pharmacies provide discounts and promotions for the products provide. | 3.38 | 3.70 |
| Place | The location of the pharmacy is strategic and easy to reach by public transportation. | 4.83 | 4.52 |
| | The pharmacy has a fairly large parking area | 4.32 | 3.93 |
| | Pharmacies can be contacted via e-commerce (shoppe, tokopedia, etc.) or digital platforms such as WhatsApp. | 3.62 | 3.41 |
| Promotion | Pharmacies do the promotion through brochures or social media, such as Facebook, Instagram, TikTok. | 3.85 | 3.22 |
| | Pharmacies promote through recommendations from relatives/siblings. | 4.62 | 4.11 |
| | The pharmacy has a banner that is easily visible from a distance. | 4.77 | 3.89 |
| | Pharmacies effectively promote or advertise the products they offer. | 3.87 | 3.56 |
| People | Pharmacy staff have good insight or knowledge regarding products. | 4.74 | 4.26 |

## Cluster 1 (Quality and Convenience-Oriented Shoppers)

This cluster comprises of 47 respondents, made up mostly of younger women (ages 18-24), with a high school level of education and a primary occupation as housewives. They tend to choose a pharmacy mainly because of its proximity and ease of access. What stands out about this group is strong preference for quality like complete and reliable health products, professional service from pharmacy staff, or comfortable store atmosphere. The expectations are consistently high across almost all dimensions. For instance, they scored the importance of friendly and knowledgable staff, efficient service processes, clear signage, and neat store layout all above 4.7 from 5-point scale. Besides, the customers are less concern about discounts and online services, indicating that convenience and in-person experience matter more to them than price promotions or digital accessibility.

### Cluster 2 (Practical and Price-Conscious Shoppers)

Cluster 2 consists of 27 respondents, mostly male students aged 25-32 with a diploma-level education. While this group also values quality, their expectations are more moderate. They are practical buyers who appreciate clear pricing, good service, and the basics being done right. Compared to Cluster 1, they are slightly more responsive to promotions and discounts. However, these still are not major priorities. They feel less emphasis on parking, digital platforms, or store ambience. Customers' focus is on straightforward and efficient service. They trust personal recommendations more than advertising, while they expect politeness and problem orientation from staff, not highly demanding service excellence.

### Table 6. Comparison Analysis of Two Clusters

| Cluster | Description |
|---|---|
| 1 | **Quality and Convenience-Oriented Shoppers** Consumers are likely to be health-conscious individuals who prioritize high-quality and services. They value the convenience of the pharmacy's location and services. The consumers are less influenced by digital platforms and promotions but are willing to pay a little extra for a pleasant in-store experience |
| 2 | **Practical and Price-Conscious Shoppers** Consumers are likely to prioritize practicality over luxury. Focusing on the essential qualities of pharmacies for accessibility, clarity in pricing, and good staff service. They are less influenced by promotions and prefer straightforward to have the essential elements. |

### G. Solution Plan and Proposed Implementation Plan

In this analysis, to tackle the business challenges, the strategic marketing framework, namely the STP tool as strategic decision and marketing mix (7Ps) as tactical execution, is defined, enabling the company to strengthen its competitive advantage.

***Proposed Segmentation, Targeting, and Positioning***

The STP strategy is utilized to help Apotek Mulyani define its market focus more clearly and align its services with the actual needs of its customers. This target audience is divided through cluster analysis into distinct customer groups based on demographics, behaviors, and expectations across marketing mix dimensions.

- Proposed Segmentation

Using K-means cluster analysis, the study identified two customer segments with distinct profiles and behavioral traits. The first group (Cluster 1) is labelled as Quality and Convenience-Oriented Shoppers. This segment mainly consists of young women (ages 18-24), typically housewives with basic to high school education. They value easy access, quality products, and a comfortable in-store environment. Most customers live in Depok, visit pharmacies 2-4 times per month, and

tend to buy prescription drugs for personal use.

The second group (Cluster 2) is Practical and Price-Conscious Shoppers. Composed primarily of young men (ages 25-32), this segment includes students with diploma-level education. Their decisions are often based on recommendations with 2-4 pharmacy visits per month, like Cluster 1, to purchase mainly prescription drugs. However, they are more focused on price clarity and essential service and less concerned with promotional advertising.

- Proposed Targeting

This step mainly involves choosing the primary target audience so that the pharmacy can focus its marketing efforts. Apotek Mulyani chooses Cluster 2 (the Practical and Price-Conscious segment) based on the company's current operational resources availability, such as affordability and its core services. While Cluster 1 represents a valuable segment, the resource requirements to meet their higher expectations, for instance, premium service experience, are higher. Nonetheless, Apotek Mulyani aims to improve its capabilities to service both segments in the future.

The target profile for Cluster 2 is generally young male students residing in Depok, who spend around Rp1,000,000-Rp5,000,000 monthly on health products. These customer segment prioritizes straightforward service, reliable products, and clear pricing.

- Proposed Positioning

The pharmacy's positioning is to explain how Apotek Muyani wants to be perceived by its chosen market. It involves defining a unique selling proposition (USP) and

communicating to its customers consistently. The proposed positioning is "A local pharmacy that prioritizes product quality and safety, offering affordable prescription drugs and friendly service, located conveniently near your home."

By bringing this message, the pharmacy can strenghten values that are important to the target audience, including affordability, trust, and accessibility, which are ways the pharmacy can differentiate itself from competitors.

### *Proposed Marketing Mix*

To strengthen its competitiveness and better meet customer expectations, Apotek Mulyani proposes a comprehensive marketing mix strategy based on the 7Ps framework that consists of product, price, place, promotion, people, process, and physical evidence.

Product

The pharmacy aims to serve a wide range of health needs, including prescription and OTC (Over-The-Counter) medicines, vitamins, baby products, and medical devices. The strategy is explained below:

a. Maintaining essential drugs stock consistently, especially for frequently used medications
b. Ensuring product quality and safety by purchasing only from certified suppliers and storing the product appropriately

Price

The SERVQUAL analysis shows a slight negative perception gap in pricing (-0.0315), suggesting that customers find prices slightly do not meet their expectations. The strategy is explained below:

a. Pricing strategy at or below the HET (Highest Retail Price)

b. Offering special discounts during certain seasons, such as Ramadhan promos for multivitamins or herbal supplements

c. A tiered pricing strategy to cater to both lower and premium customers' level

Place

Despite its strategic location near busy public places, the place dimension had the highest negative gap (-0.0360), showing the need for improved accessibility. The strategy is explained below:

a. Enhancing the in-store experience with a clear and organized product layout.

b. Expanding service to telemedicine or e-commerce, such as Halodoc, GrabHealth, Shopee, or Tokopedia.

c. Leveraging a digital app like WhatsApp for customer orders and offering local delivery through partnerships with courier services.

Promotion

The promotion aspect is mainly focused on traditional approaches like banners, but the negative gap (-0.0169) signals a need for broader engagement. The following are the suggestions to be proposed:

a. Optimizing social media by posting health tips or product information through Instagram.

b. Collaborating with local clinics or doctors for referral programs.

c. Launching loyalty and referral programs that reward frequent buyers or new customers who get referrals.

d. Increasing visibility through outdoor signage around the pharmacy or street.

People

The pharmacy staff plays a critical role in customer satisfaction. However, there is still need an improvement since the perception gap identified shows a minimal gap (-0.0090). The strategy is proposed:

a. Regular training for staff on health product knowledge and customer service.

b. Workshops focused on effective communication and complaint handling.

Process

Customers expect a fast and excellent service experience. The current process is relatively efficient, but showing a small gap (-0.0090). The suggestion for Apotek Mulyani:

a. Standardizing workflows particularly during peak hourse to avoid delays

b. Streamling ordering and confirmation via WhatApp

c. Implementing better stock-tracking systes to prevent product shortages.

Physical Evidence

Apotek Mulyani has benefit from its clean and simple layout, but the visual looks and customer convenience are still important. Following are the strategies that can be proposed:

a. Categorizing product displays for easier search of the product, such as OTC, vitamins, or prescriptions.

b. Improving signage visibility, like attractive outdoor banners

c. Providing larger parking space to support customer convenience

**H. Proposed Implementation Plan of Marketing Strategy**

The implementation plan for Apotek Mulyani's marketing strategy is described to highlight key service quality gaps identified in the

previous analysis. Using the timeline with duration of 12-month, the strategy prioritizes improvements across the place, price, promotion, people, and process dimensions, while the suggestion still encouraging product and physical evidence to support broader market.

Months 1-3: Product Optimization and Store Layout

The first phase focuses on improving in-store experience and product availability. This phase includes reorganizing product displays by category for easier search, ensuring enough stock of essential prescription medicines, and maintaining quality control through proper storage conditions. The objective is to build customer trust and convenience right at the shelf.

Months 4-6: Pricing Strategy and Service Process

To highlight the pricing gap, the pharmacy should benchmark with local market prices and negotiate bulk purchases to get discounts with suppliers to keep prices competitive. The pharmacy will also offer product tiering that consists of affordable generics and branded options to cater to different customer segments. The service process will be standardized, particularly during peak hours, and utilizing WhatsApp to make an order to streamline transactions.

Months 7-9: Visibility and Digital Expansion

This period will focus on the expanding reach and improving brand visibility. Apotek Mulyani plans to partner with e-commerce and telemedicine platforms like Shopee or Halodoc, while enhancing its WhatsApp service into business account. Social media should be activated with health tips and product information updates, and more prominent banners and signs will be installed near the pharmacy and at strategic nearby locations.

Months 10-12: Customer Experience and Staff Development

The objective of the final phase is dedicated to improving the people aspect for both the pharmacy's staff and customers. Staff will receive training in customer service and product knowledge. The parking area will be expanded to increase accessibility. A customer loyalty program and seasonal promotions will be launched to strengthen customer retention and reward frequent purchases.

**Table 7. Proposed Implementation Plan**

| Variable | Activities | Month 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Product | Focus on Stock of Essential Drugs | ■ | | | | | | | | | | | |
| | Ensure Proper Storage of Drugs | | ■ | | | | | | | | | | |
| Price | Set Competitive Price | | | | ■ | | | | | | | | |
| | Offer Special Promo in Certain Occasion | | | | | ■ | | | | | | | |
| | Provide Multiple Price Points | | | | | | ■ | | | | | | |
| Place | Maximize Store Layout | | | ■ | | | | | | | | | |
| | Expand to Online Sales and Telemedicine (Halodoc, GrabHealth, Shopee) | | | | | | | ■ | ■ | | | | |
| | Utilize WhatsApp into Business Form for Orders and Delivery | | | | | | | | ■ | ■ | | | |
| Promotion | Optimize Social Media Presence | | | | | | | ■ | | | | | |
| | Increase Offline Promotions | | | | | | | | | ■ | | | |
| | Partner with Local Doctors and Clinics | | | | | | | | | ■ | ■ | | |
| | Launch Customer Loyalty Programs | | | | | | | | | | | | ■ |
| People | Staff Training Programs | | | | | | | | | | ■ | ■ | |
| | Customer Service Workshop | | | | | | | | | | | ■ | |
| Process | Standardize the service flow | | | | | ■ | | | | | | | |
| | Simplify the order and confirmation | | | | | ■ | ■ | | | | | | |
| | Optimize Stock Management | | | | | | ■ | ■ | | | | | |
| Physical Evidence | Improve Product Display | ■ | | | | | | | | | | | |
| | Upgrade Signage and Banners | | | | | | | ■ | ■ | | | | |
| | Enhance Parking Space | | | | | | | | | | | ■ | ■ |

*) Item:
Blue: Product & Layout
Green: Price & Process
Orange: Expansion & Visibility
Grey: People & Experience

## CONCLUSION AND RECOMMENDATION

### A. Conclusion

This study concludes that Apotek Mulyani, as a local pharmacy, is experiencing sales stagnation due to increased competition. This can be caused by the limited use of marketing and technology by digital pharmacies. While the pharmacy has several strengths, including strategic location, competitive pricing, and a complete product offering, it also faces challenges in areas like digital presence, active promotion, and customer experience. Using STP and marketing mix (7Ps) as a marketing

strategy and tactical execution, these initiatives propose strategies that focus on digital integration, customer engagement, and service quality to strengthen competitiveness and improve performance.

**B. Recommendation**

To address its challenges and strengthen the market position, following are the recommendations for Apotek Mulyani should conduct:

- Improve the store layout and offer delivery services to enhance customer access.
- Expand its digital presence via social media platforms and e-commerce.
- Maintain competitive pricing with targeted promotions.
- Increase both online and offline marketing to boost visibility.
- Conduct regular staff training to improve customer service.
- Enhance the in-store experience with better facilities and flexible payment alternatives.

Future research is encouraged to evaluate the long-term impact of digital strategies on local pharmacy performance and explore the approapriate models to small businesses like local pharmacy in a technology-driven market.

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