



## Business Growth Strategy of Personal Care Brand using VMOSA and Three Horizon Model (A Case of Evening)

Luqyana Rifa Mufida<sup>1</sup>, Isti Raafaldini Mirzanti<sup>2</sup>

<sup>1,2</sup>Master of Business Administration, Institut Teknologi Bandung

**ABSTRACT:** Evening, a mindful living personal care brand, seeks to overcome challenges in product innovation following the success of their Aromatherapy Eye Pillow. Despite having a loyal customer base, recent introductions like Scented Candles and Soap Bar have failed to gain significant traction. To address concerns about the product life cycle and ensure sustained growth and profitability, Evening conducted research using various analytical tools including RBV, Value Chain, PESTLE, and Porter 5 Forces. The findings were analyzed through the VMOSA framework to develop a vision and mission statement, and the Three Horizon Model was utilized to align objectives, strategy, and action plans. This integration allows Evening to balance current operations with future growth, fostering innovation, resource optimization, and alignment with long-term objectives. Analysis of Evening's current state indicates the need to explore new business opportunities as the current model becomes less effective. To attract customers seeking research-backed offerings and overcome competition in the oversaturated skincare industry, Evening must venture beyond small-batch products. The key areas for innovation identified are: 1) creating products and experiences catering to shared wellness activities and embracing slow beauty and slow living, 2) incorporating multisensory integration to enhance consumer well-being outcomes, and 3) embracing personalization and technology by leveraging AI-driven solutions. To implement this growth strategy, Evening should consider recruiting a business partner, collaborating with a marketing agency, and creating a portfolio of new business ideas.

**KEYWORDS:** Beauty & Personal Care, Business Growth Strategy, Niche Brand.

### • I. INTRODUCTION

Now, more than ever, people around the world are interested in taking care of themselves and prioritizing overall well-being in their everyday lifestyle. The World Health Organization defines wellness as a state of complete physical, mental, and social well-being, emphasizing the maintenance and improvement of one's health and quality of life. The wellness industry has been on the rise over the past few years, even before the COVID-19 pandemic. Dr. Bill Hetler, co-founder of the National Wellness Institute, developed the six dimensions of wellness models, including physical, intellectual, emotional, social, occupational, and spiritual<sup>1</sup>. Today's customers have integrated wellness-minded habits and activities into their lifestyle. The trend towards wellness is driving the emergence of various wellness-related business industries, ranging from alternative medicine, spas, and fitness to wellness tourism. As consumers' interest in wellness grows, so does their purchasing power. It is crucial for practitioners in the wellness industry to strategically optimize their businesses to stay competitive. Indonesia's beauty and personal care industry is a large and growing market that business owners, investors, and exporters should consider. It is projected to grow at a 5.4% CAGR from 2022 to 2026, making it one of the fastest-growing industries among consumer markets<sup>2</sup>. The cosmetics and skincare categories, driven by mobility recovery and the entry of younger consumers (Gen Z), are expected to be key growth drivers. Gen Z already accounts for approximately 25% of the Indonesian population, representing the largest consumer market base in Indonesia<sup>2</sup>. In terms of market segments, personal care is the largest with a value of \$3.2 billion, followed by skincare at \$2.1 billion, cosmetics at \$1.7 billion, and fragrances at \$0.4 billion<sup>3</sup>.

#### ○ 1.1. Business Issue

Over its 6 years of operation, Evening has established a strong brand identity centered around mindful living. Their products promote a healthy lifestyle and have garnered a loyal customer base. Evening has achieved significant milestones and collaborations with other local brands, expanding their reach and increasing brand awareness. In 2020, Evening ventured into B2B sales, offering bulk



orders for corporate gifting, which has had a significant impact on their revenue. While Evening has a loyal customer base and an existing product line in self-care, wellness, and beauty tools, they are struggling to innovate and find new products with high demand following the success of their Aromatherapy Eye Pillow. This indicates that the business needs to evolve and adapt to market changes and trends to maintain growth. In order to secure a sustainable future and generate larger profits, Evening must redefine its approach and explore new avenues for growth.

## ● II. LITERATURE REVIEW

### ○ II.1. Resource Based View (RBV)

Assensoh-Kodua<sup>14</sup> emphasized the importance of effectively growing and maintaining a customer base for long-term company success. The Resource Based View (RBV), popularized by Hamel and Prahalad (1996), categorizes resources into tangible and intangible types. Barney (1991) further asserts that a firm's competitive advantage is derived from its unique combination of tangible and intangible resources, such as physical assets, financial resources, human capital, intellectual property, and organizational culture. Utilizing RBV analysis is crucial for identifying assets, skills, and capabilities that can sustain Evening's competitive advantage. This approach plays a central role in strategic planning, particularly for growth strategies. Madani<sup>15</sup> expanded on the classification of resources and capabilities, drawing from theories by Barney, Hall, and Brumagim, which the author refers to in this research.

### ○ II.2. Value Chain

Porter (1985) introduced the concept of the "Value Chain," which represents a company's value-adding activities based on pricing strategy and cost structure. The source of competitive advantage lies within specific activities rather than the entire firm. However, companies today are shifting from a product-centric to a customer-centric strategy. Kumar and Rajeev<sup>16</sup> highlight that customers now lead the market by determining their needs, wants, and demands. To achieve long-term success and growth, Evening needs to increase its business value by identifying and maximizing opportunities within Porter's value chain framework. This framework consists of five primary activities: inbound logistics, operations, outbound logistics, marketing and sales, and service, supported by secondary activities such as procurement, human resources, technology development, and firm infrastructure.

### ○ II.3. PESTLE

PESTLE is a framework used to analyze the external macro-environmental factors that can affect an organization or industry. It stands for Political, Economic, Social, Technological, Legal, and Environmental factors<sup>17</sup>. By utilizing this model, organizations can gain valuable insights into market trends and factors, enabling them to update strategies, set targets, and plan performance<sup>18</sup>.

### ○ II.4. Porter 5's Forces

Michael Porter's five forces model provides insights into achieving a competitive advantage by considering crucial industry forces. These forces include the threat of new entrants, the bargaining power of buyers and suppliers, the threat of substitute products or services, and competitive rivalry<sup>19</sup>. The threat of new entrants poses a challenge due to minimal barriers to entry in today's globalized market. Strategies like brand loyalty and exclusive distribution channels can deter new competitors<sup>20</sup>. The bargaining power of buyers depends on their purchasing volume and availability of alternatives. Buyers have strong bargaining power in industries with few buyers, substantial fixed costs, and easy switching between suppliers<sup>19</sup>.

### ○ II.5. VMOSA

VMOSA is a strategic planning tool developed by SAMHSA in the 1990s, aimed at guiding organizations from vision to action for community outcomes<sup>21</sup>. Stankevič and Szybowska<sup>22</sup> implemented VMOSA in their research on managing change through team building. They found that VMOSA facilitates agreement on common targets and provides a practical planning process. Their analysis framework expands on the Action phase, specifying timelines, responsible individuals, and resource requirements for action plans.

### ○ II.6. Three Horizon Model

The Three Horizon Model, created by Sharpe<sup>23</sup>, helps organizations balance short-term improvements, medium-term growth opportunities, and long-term transformative changes. However, Blank<sup>24</sup> suggests that the model's time boundaries are no longer applicable in today's fast-paced industries. Horizon 3 innovations can now be delivered as quickly as horizon 1 ideas, as exemplified



by disruptive startups like Uber, Airbnb, and Tesla (Blank, 2019), which rapidly introduced horizon 3 disruptions using existing technologies and unique business models.

• **III. RESEARCH METHODOLOGY**

The research design involved collecting both internal and external data, which were analyzed to inform the strategic planning phase using the VMOSA framework. VMOSA stands for Vision, Mission, Objectives, Strategy, and Action Plans, providing a structured approach to strategic planning. The process began with creating a concise vision statement, followed by a mission statement outlining the organization's purpose and values. The Objectives, Strategy, and Action Plans were integrated into the Three Horizon Model by McKinsey, which allows for planning and managing growth over the short, medium, and long term. By combining VMOSA and the Three Horizon Model, businesses can balance their current operations while developing new opportunities and capabilities for sustained growth. This merger enables a comprehensive and focused growth strategy, promoting innovation, optimizing resources, and aligning with long-term objectives.

This research uses a qualitative approach to gather data. Primary data will be obtained through company data analysis and interviews. The interviews will involve two key informants: a freelance content creator who managed Evening's brand communication on social media, and an expert who is a skincare brand founder, a member of a local skincare business organization in Indonesia, and a beauty influencer. The interviews aim to validate Evening's intangible resources, assess customer perception, explore customer loyalty, and gain industry insights. Secondary data will be collected from articles, online media, company websites, and social media platforms. These sources provide information on industry trends, consumer preferences, market dynamics, and academic research. Collecting data from these diverse sources helps researchers understand the industry landscape, competitive forces, and emerging opportunities.

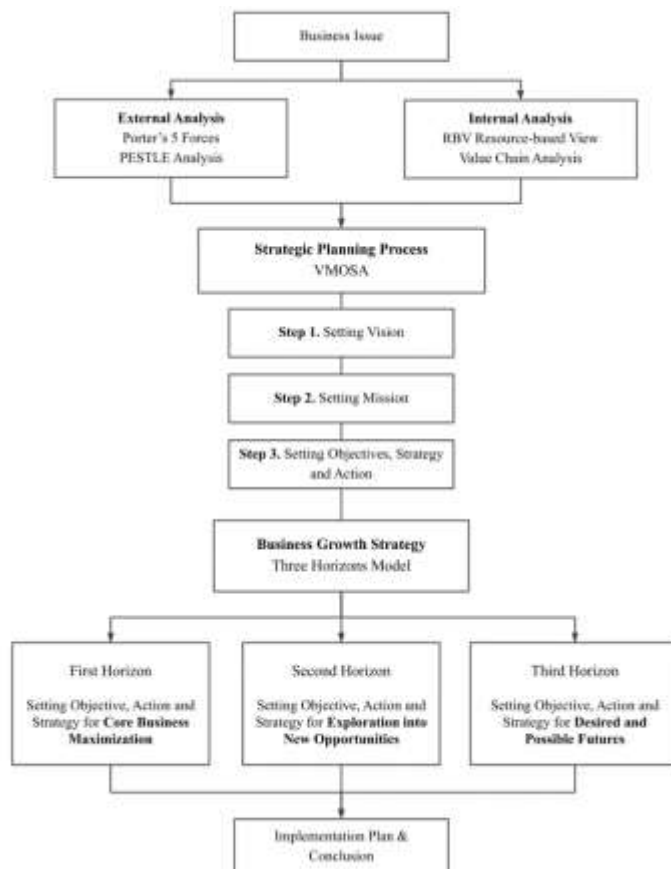


Figure III.1. Evening Research Design (source: Author Analysis, 2023)



● **IV. RESULTS AND DISCUSSION**

○ **IV.1. Resource Based View (RBV)**

Tangible resources are important to a business’s success, as they provide the necessary infrastructure, resources, and assets to operate and grow. These are the physical assets that Evening owns according to internal data:

**Table IV.1.** Evening Tangible Resources (source: Author Analysis, 2023)

<b>Resources and Capabilities</b>	
<b>Types: Tangible</b>	
Physical Assets	<p>Even though the business operates from the owner's house, these physical assets are still essential to the business:</p> <ul style="list-style-type: none"> <li>● Supplies: office supplies and shipping supplies</li> <li>● Inventory: Raw materials, work-in-progress and finished goods of the products, also packaging materials</li> <li>● Machinery: Computer, printer, camera</li> </ul>
Financial Resources	<p>Since the beginning, Evening financial resources come from the owner's personal funds. These investments have been used for operational and business growth ever since.</p>
Technology	<p>While Evening does not use direct technology for production and manufacturing, Evening uses various tools to market its products.</p> <p><u>Digital Marketing Tools</u></p> <ul style="list-style-type: none"> <li>● CMS / Content Management System to manage website with Sirclo Store</li> <li>● Social Media Platform (Instagram)</li> <li>● Pay-per-click (PPC) advertising with Facebook Ads</li> </ul> <p>Overall, Evening uses a combination of these digital marketing tools to create a strong online presence, build brand awareness, and drive more traffic and sales to their business.</p> <p><u>Data Analytics Tools</u></p> <ul style="list-style-type: none"> <li>● Marketplace Seller Centre: Track sales performance, monitor customer feedback, and integration with other tools, such as shipping and fulfillment services, inventory management systems. This streamline Evening sales-related operations efficiently.</li> </ul>
Supply Chain	<p><u>Raw Materials</u></p> <p>Evening sources all of the herb and aromatherapy needs locally through direct purchasing. The order type was bulk order and Evening received a special price for continuous purchase. There are 4 suppliers that Evening works with:</p> <ul style="list-style-type: none"> <li>● Tisane Tea supplier</li> <li>● Essential Oil and Natural Extract manufacturer</li> </ul>



	<ul style="list-style-type: none"> <li>• Organic Ingredient supplier</li> <li>• Digital Printing company</li> </ul> <p><u>Manufacturing Facilities</u> Evening divides the production process of its products into two, in-house and outsourced manufacture.</p> <ul style="list-style-type: none"> <li>- For products that require chemical processes and many processes, Evening uses outside manufacturing services.</li> <li>- For products that can be assembled without the need for special expertise, the production is done by in-house staff.</li> </ul> <p><u>Logistic Providers</u> To manage the transportation of the products, Evening signs a seller membership with local courier service, SiCepat. The benefits are package pickup with no min. quantity, discounted rates and postpaid payments.</p>
--	---

While intangibles are something that do not have physical form and cannot be touched or seen, intangible resources are also critical to a business's success, as they can provide competitive advantages and help businesses to differentiate themselves in the market. These are the intangible assets that Evening owns and earns according to internal data, desktop research and interview:

**Table IV.2.** Evening Intangible Resources (source: Author Analysis, 2023)

<b>Resources and Capabilities</b>	
<b>Types: Intangible</b>	
Intellectual Property	The Evening brand trademark is registered at the Indonesian Directorate General of Intellectual Property. These assets protect its products and brand identity for logo and brand name. As we can learn in Figure 4.1. Evening is recorded in the brand classification system number 3, namely cosmetics and other personal care needs related to beauty.
Reputation	<ul style="list-style-type: none"> <li>• Evening is known not only as a skincare brand, even though it initially sold face masks, but as a brand focused on wellness. This brand perception has been formed through the wide range of wellness-focused products and also the consistent messaging that emphasizes the holistic and self-care aspects of the products.</li> <li>• Customers perceive the product as effective and have good quality based on reviews and social media tags.</li> <li>• According to an interview with Adhyra, a freelance content creator who Evening has had the pleasure of working closely with, Evening has outstanding product branding that is highly regarded in the market. The brand has timeless packaging design and aesthetic, combined with its commitment to wellness, has created a strong messaging that resonates with customers.</li> <li>• Evening has also collaborated and established relationships with other local brands, further solidifying its reputation in the industry. From promotional collaboration to product and campaign collaboration.</li> </ul>



Product Innovation	<p>Evening has been recognized for offering unique and eco-friendly alternatives to traditional beauty tools. The Zero Waste Beauty Tools line from Cotton Pads, and Nail Polish Remover Pads have been well received by customers, providing a unique selling proposition for the brand. Actually, as we can see from the media feature Evening was the first to introduce reusable cotton pads to the Indonesian market in 2018. Followed by where Evening is able to differentiate themselves from competitors, this early innovation has since been followed by many other brands, highlighting Evening's influence towards more sustainable practices.</p> <p>Furthermore, the Aromatherapy Eye Pillow has proven to be a hit among young people, providing a solution for relaxation and stress relief. The product's unique blend of aromatherapy scents has been well received, its success highlights the brand's ability to identify emerging market trends.</p>
Customer Loyalty	<ul style="list-style-type: none"> <li>● Evening has managed to create a strong customer loyalty through their products, from the rating and reviews on Marketplace. As many customers have become repeat buyers, purchasing products not only for themselves but also as gifts for their loved ones.</li> <li>● Customers tag Evening in their social media posts showcasing their purchases and sharing positive reviews . This has helped increase brand reach and attract new customers through word-of-mouth.</li> <li>● According to Adhyra, the freelance content creator that manages Evening social media, customers are well-engaged with Evening's content. Adhyra often creates interactive content that receive frequent replying, and audiences are resharing Evening content to their story, further increasing brand awareness.</li> <li>● In the brand's early days, Evening has built intimate relationships with micro-content creators that some now have become big influencers. They have continued to support Evening through social media interactions and collaborations when a new product launches.</li> </ul>
Distribution Network	<p>Evening has a relatively small distribution network offline that includes four stores via consignment sales located in Jakarta, Tangerang, Bandung, and Surabaya. However, the brand's main distribution network is through Tokopedia and Shopee, Indonesia's top online marketplace, making its products accessible to customers all over Indonesia.</p>

○ **IV.2. Value Chain**

A. *Primary Activities*

○ **Inbound Logistics:** Evening sources its materials from local producers and suppliers through online orders, ordering materials online can save Evening time and streamline the ordering process. Sourcing materials from local producers and suppliers help Evening reduce transportation costs, minimize lead times, and support the local economy. By sourcing materials locally, Evening can also ensure that the quality of the materials meets its standards.

○ **Operations:** As a one-woman business, there is a challenge of managing multiple responsibilities by the sole owner and operator of the business. Evening faces limitations in terms of time, energy, and expertise, which impact the overall efficiency and



effectiveness of the operations. For instance, handling product development, production, packaging, shipping, customer service, and marketing activities all on her own result in a heavy workload and potential burnout.

○ **Outbound Logistics:** Evening places a high emphasis on maintaining the quality of its products. As a small batch producer, Evening may have limited resources and need to rely on a combination of visual inspection, sensory evaluation, and customer feedback to ensure product quality.

**Marketing and Sales:** Evening sells its products through both online marketplaces and offline consignment. This allows the business to reach a wider audience and diversify its sales channels. Evening collaborates with other brands from all related or unrelated industries to raise awareness and gain new customers. Collaborations have been made with cosmetics, fashion labels, coffee shops, fashion retailers, skin care, and online media.

**Service:** Evening's products are unique and suitable for gifts. To enhance the gifting experience, Evening offers gift wrapping services to customers. Customers can add a custom message to be included with the gift, adding a personal touch to the gift-giving experience. The gift is then nicely packaged and ready to be sent to the recipient, ensuring that the gift arrives in a presentable manner. Evening also gives product samples or merchandise as compliments to customers with repeat orders and expensive purchases. This is a great way to show appreciation to loyal customers and incentivize them to continue purchasing from the brand.

#### *B. Support Activities*

**Firm Infrastructure:** With Evening being a one-woman business, formal organizational charts may not be necessary. However, a lack of a clear job desk and responsibilities result in confusion and difficulties in managing operations efficiently. The absence of a formal organizational structure leads to challenges in delegating tasks and accountability.

**Procurement:** Evening orders raw materials and supplies in bulk from local producers and suppliers. But, as a small business, Evening does not have the bargaining power to negotiate strategic partnerships with suppliers like longer payment terms or lowest possible price, but it still get discounts for bulk purchases.

**Technology Development:** Evening's technology development analysis reveals that the brand does not require investments in new technologies or equipment regarding its manufacturing processes for its current products as they are manually made. This suggests that Evening's manufacturing process is not complicated and does not require significant technology advancements.

**Human Resources Management:** Evening hires freelancers as their content creators to support their marketing efforts. This approach allows for flexibility and cost-effectiveness, as the founder can outsource specific tasks to freelancers as needed. The founder works closely with freelancers to ensure they understand the brand values and tone.

#### ○ **IV.3. PESTLE**

**Political:** Government policies and regulations can significantly impact the beauty and wellness industry<sup>4</sup>. The Indonesian government recognizes the importance of cross-sectoral collaboration for the development of the pharmaceutical, cosmetic, and herbal medicine industries<sup>4</sup>. Additionally, the upcoming 2024 election in Indonesia holds significance for the country's economic potential to become the 7th largest economy in the world by 2030<sup>5</sup>. Elections every five years require substantial funds, which can impact various industries, including printing, textiles and clothing, transportation, telecommunications, hotels, food, as well as creator services, influencers, and advertising<sup>6</sup>.

**Economical:** According to Minister Sandiaga Salahuddin Uno, wellness tourism plays a crucial role in the recovery of the tourism and creative economy sectors, both nationally and globally<sup>7</sup>. During the "International Wellness Tourism Conference and Festival (IWTCF) 2022" in Solo, Indonesia, Minister Sandiaga acknowledged the challenges faced by the industries due to the COVID-19 pandemic. However, he highlighted the growing interest in travel, especially in wellness tourism, as health has become a new lifestyle trend. Minister Sandiaga expressed confidence in the resilience of the wellness industry and emphasized its importance in the recovery of the national and global tourism sectors<sup>7</sup>.

**Social:** According to the "2023 Global Wellness Trends Report: The Future of Wellness" by Beth McGroarty<sup>8</sup>, the wellness market has shifted from individualistic "me time" products to a focus on shared experiences. The pandemic has been a catalyst for this shift, leading to the emergence of new spaces and experiences that prioritize real-life social connection. The wellness industry now emphasizes teaching deeper connection and empathy. In an interview with Nadya, an industry expert and founder of the beauty brand 'ByTheBeau,' it was revealed that consumer preferences are no longer limited to gender or specific age groups. Consumers are now grouped based on shared lifestyles and interests. The rise of genderless skincare campaigns has increased male interest in



facial health and experimentation with skincare products. ByTheBeau, while maintaining a feminine approach, has attracted male customers through word-of-mouth recommendations, resulting in repeat purchases<sup>9</sup>. From a business owner perspective, there's a changing demographics of the beauty and personal care industry. It is evident that the largest market segment is currently the Gen Z customers. Gen Z consumers prefer brands that are authentic, relatable, and avoid content that feels overly manufactured or insincere. In terms of marketing and branding, they value a natural approach. Gen Z consumers value inclusivity and solidarity as important issues.

**Technological:** The use of artificial intelligence (AI) and machine learning is significantly impacting the beauty and personal care industry. AI enables personalization, process automation, augmented decision making, and digital supply chain networks<sup>10</sup>. This includes the growing trend of personalized products tailored to individual skin conditions and the offering of knowledge-based beauty routines. The combination of the 4th Industrial Revolution, big data, and personalized cosmetics is expanding the beauty self-care market focused on individual consumers<sup>11</sup>. Companies are investing in online channels and developing mobile apps to enhance consumer connections, simplify purchases, and provide personalized recommendations.

**Legal:** According to Kominfo<sup>12</sup>, Minister of Cooperatives and Small and Medium Enterprises (MenkopUKM) Teten Masduki emphasizes the growing demand for wellness products globally, and Indonesia's potential as a source due to its biodiversity. However, MenkopUKM emphasizes the importance of producing products correctly, meeting high standards, and adhering to specific standardization when entering foreign markets. The focus should not solely be on the local market. This aligns with the Global Wellness Summit's report mentioned in Jessica Smith's<sup>8</sup> "2023 Global Wellness Trends Report: The Future of Wellness." The report indicates a shift in the beauty industry from "clean beauty" to science-backed products, emphasizing education, transparency, and results-driven technologies. The beauty and wellness industries can leverage science and technology to reshape consumer perceptions, secure supply chains, and drive innovation.

○ **Environmental:** Consumers increasingly prioritize eco-friendly and sustainable beauty products, driving the demand for "green" beauty, particularly in skincare. Brands are promoting terms like recycled, biodegradable, and eco-friendly to meet this demand. However, the beauty industry is also witnessing the emergence of fast beauty, characterized by an oversaturated market and unsustainable practices. Sustainability concerns related to cosmetics safety, environmental impact, and social issues have further fueled this focus<sup>13</sup>. It is crucial to address misconceptions surrounding synthetic and nature-based ingredients to ensure informed decisions about sustainability in cosmetics.

#### ○ **IV.4. Porter's 5 Forces**

##### A. *Threats of New Entrants – High*

The threat of new entrants in the niche personal care industry is high due to the small batch production and the easy availability of ingredients for product manufacturing. The nature of Evening products being produced in small batches allows for relatively low barriers to entry, as new entrants can start with small-scale production without significant upfront capital. Many natural ingredients used in Evening products also can be sourced from various suppliers, making it accessible for potential entrants to acquire the necessary materials for production. This accessibility reduces the dependency on a limited number of suppliers and lowers the barriers to entry. This increased competition puts pressure on Evening to differentiate themselves through product quality, innovation, branding, or other factors to maintain their market position.

##### B. *Bargaining Power of Suppliers - Moderate*

The bargaining power of suppliers in the niche personal care industry can be considered as moderate. The increased awareness of healthy natural ingredients has led to a growing number of suppliers, especially local suppliers specializing in providing such materials. Therefore, Evening brands have the flexibility to switch suppliers which offer similar raw materials.

##### C. *Bargaining Power of Buyers - High*

Meanwhile, the bargaining power of buyers in the niche personal care industry is high due to several factors. One factor contributing to the high bargaining power of buyers is the decreased interest in "all-natural" claims. While natural ingredients were once a significant selling point for Evening products, customers are now more open to the use of scientifically-backed ingredients, including those with chemical compositions. This change in consumer mindset has created a demand for products that are supported by research and scientific findings. Moreover, the high availability of alternative niche personal care brands contributes to the high bargaining power of buyers. With numerous options in the market, customers have the freedom to switch brands if they find more





appealing alternatives. This variety gives buyers the ability to influence pricing and consider overall customer experience through their purchasing decisions.

D. *Threat of Substitutes - Moderate*

The threat of substitutes for Evening brand is moderate. In the context where some of the Evening products, such as their therapeutic Eye Pillow, are unique and currently have no direct competition, the threat of substitutes may be relatively low. Since there are no exact substitutes available in the market that offer the same product features and benefits, customers may not have immediate alternatives to choose from. However, it is crucial for Evening to be aware of these potential substitutes and their impact on customer choices. For example, customers seeking relaxation or stress relief may consider buying alternative products such as scented candles or other relaxation tools. While these substitutes may not directly replicate the therapeutic effects of the Eye Pillow, they can still provide some level of relaxation and contribute to overall well-being.

E. *Competitive Rivalry - Moderate*

The competitive rivalry for Evening is considered Moderate. While it is true that there are currently no direct competitors offering a similar range of products as Evening, the presence of competitors selling either skincare products or scented candles can still contribute to competitive rivalry. Evening's unique range of products sets them apart from competitors who focus solely on skincare or scented candles. This differentiation helps Evening establish a distinct market position and attract customers seeking a holistic approach to personal care. However, competitors may attempt to replicate or imitate by introducing similar or alternative products in the future. This can intensify rivalry and create a more competitive landscape for Evening.

o *IV.5. Business Solution*

As the first element of VMOSA, the researcher must craft a compelling vision statement that embodies the aspirations and values of the company. A well-defined vision acts as the guiding light for any organization, providing a clear direction and a shared sense of purpose. From the internal analysis, Evening aims to become a trusted companion on the journey to unwind and rejuvenate, offering a sanctuary of self-care rituals that promote inner peace and serenity. By analyzing the future demands and market trends, Evening must be tapped into making wellness approachable and inclusive, ensuring that everyone can embark on their personal wellness journey, regardless of their gender, background or circumstances. By fostering a supportive and inclusive community, Evening aspires to inspire and educate their customers, encouraging them to embrace everything that nourishes their mind, body, and spirit. In summary, the vision statement for Evening is:

**Table III.3.** Evening Vision and Mission Statement (source: Author Analysis, 2023)

Vision	Enabling all-around wellness that is approachable and accessible.
Mission	At Evening, our mission is to help individuals unwind and find balance amidst the demands of modern life through a range of innovative and sustainable products and services that promote holistic well-being and self-care.

To align the VMOSA tool with the Three Horizon Model, three objectives will be established to target different areas over specific timeframes: expanding the core business, exploring future opportunities, and driving transformative changes for emerging businesses. Through a thorough analysis of Evening's resources, value chain, competition, and PESTLE factors, it is evident that the brand needs to venture into new business opportunities. The Three Horizon Model supports this approach, highlighting the importance of innovation for a sustainable future when the current business model becomes less effective. To attract customers seeking research-backed offerings, Evening must move beyond small-batch products and avoid contradicting its sustainability commitment by engaging in mass production in an already oversaturated skincare industry. Instead, the brand should focus on a new business venture that addresses customer needs, emphasizing social community and inclusivity for industry success.



**Table III.4.** Evening Three Horizon Objectives (source: Author Analysis, 2023)

Horizon 1 (0-6 month)	To increase market share and revenue growth of Evening's existing product lines.
Horizon 2 (6 month-1 year)	To create an environment that supports and facilitates the emerging of new business opportunities.
Horizon 3 (1-2 year)	To establish new business ventures that have growth potential within the next 1-2 years while aligning with Evening's mission.

To achieve the outlined objectives, specific strategies are required. In Horizon 1, Evening should focus on expanding market share and increasing revenue for its existing products. This can be accomplished by expanding distribution channels both online and offline, reaching a wider customer base. Simultaneously, targeted marketing campaigns should be implemented to enhance brand visibility. Moving to Horizon 3, the objective is to generate new product and service ideas. Evening can allocate resources for market research to identify untapped niches in the beauty and wellness industry. To support these objectives, strategic initiatives within Horizon 2 are essential. This includes creating an environment that fosters the development of new ventures. Establishing an internal team dedicated to innovation and actively seeking investment opportunities can facilitate the growth of innovative ideas. The strategies for each horizon are as follows:

**Table IV.5.** Evening Three Horizon Strategies (source: Author Analysis, 2023)

Horizon 1 (0-6 month)	Enhance promotional activity and distribution channels through targeted marketing campaigns and retailers.
Horizon 2 (6 month-1 year)	Seek strategic partnerships for new business ideas and investment opportunities to accelerate growth and diversification.
Horizon 3 (1-2 year)	Conduct market research and analysis to identify emerging trends, consumer demands, and untapped niches in the beauty and wellness industry.

Based on the strategies outlined above, specific and actionable action plans are required within the designated timeframes. The detailed action plans are as follows:

**Table IV.6.** Evening Three Horizon Action Plans (source: Author Analysis, 2023)

Horizon 1 (0-6 month)	<p>Action Plans for Strengthening Distribution Channels and Enhancing Promotional Activities:</p> <ul style="list-style-type: none"> <li>- Identify new potential retail partners that align with Evening's target market and brand positioning within the first two months.</li> <li>- Initiate discussions with selected retailers to establish promotional partnerships to secure</li> </ul>
--------------------------	---



	<p>placement of Evening's products, also propose for bulk orders.</p> <ul style="list-style-type: none"> <li>- Seek external marketing expertise like agencies, social media managers or freelancers who can provide strategic guidance and execution support.</li> <li>- Develop a comprehensive marketing plan for the preferred social media platforms.</li> <li>- Launch targeted marketing campaigns to promote the offer to the identified target audience.</li> </ul>
<p>Horizon 2 (6 month-1 year)</p>	<p>Action Plans for Transition Horizon Considering a Small Business Starting Point:</p> <ul style="list-style-type: none"> <li>- Assess Evening's current resources and financial position to determine options for expanding the team or securing investment while keeping the business running.</li> <li>- Develop a comprehensive funding proposal.</li> <li>- Research and identify potential funding sources. Like startup incubators or business development programs that offer funding, resources, and mentorship for small businesses looking to expand and scale.</li> <li>- Engage in investor relations and funding applications by scheduling meetings, presentations, or pitch sessions.</li> </ul>
<p>Horizon 3 (1-2 year)</p>	<p>Action Plans to Establish a New Ventures in Untapped Niches:</p> <ul style="list-style-type: none"> <li>- Recruit or partner with key individuals to form a dedicated team focused on developing new business ideas.</li> <li>- Conduct observations and interviews with target customers to gain insights into their preferences, pain points, and unmet needs.</li> <li>- Analyze emerging trends to identify opportunities for Evening to introduce new product offerings or expand into complementary markets.</li> <li>- Develop a portfolio of potential new offerings that align with Evening's mission, core competencies, and growth potential.</li> <li>- Test and prototype the potential new offerings.</li> <li>- Conduct thorough market testing and validation for the selected new offerings, seeking feedback</li> </ul>



	<p>from target customers and making necessary refinements.</p> <ul style="list-style-type: none"><li>- Develop a strategic marketing plan to leverage Evening's brand reputation and credibility to introduce the new offerings effectively.</li><li>- Launch the new product or services offering.</li></ul>
--	---

There are multiple action plans within each horizon. Horizon 1 action plans focus on strengthening distribution channels and enhancing promotional activities. This includes identifying new retail partners, establishing promotional partnerships, seeking external marketing expertise, and launching targeted marketing campaigns. In Horizon 2, the action plans involve assessing Evening's resources and financial position, developing a funding proposal, researching potential funding sources, and engaging in investor relations. Lastly, in Horizon 3, the action plans revolve around establishing new ventures in untapped niches. This includes forming a dedicated team, conducting customer research, analyzing trends, developing potential offerings, testing and refining the offerings, creating a strategic marketing plan, and ultimately launching the new products or services. However, these plans do not need to be executed sequentially within the designated timeframes. Instead, action plans from Horizons 2 and 3 can begin in Horizon 1, alongside other plans, allowing for parallel progress. This approach enables the achievement of both short-term and long-term goals.

● **V. CONCLUSION AND RECOMMENDATION**

○ **V.1. Conclusion**

Evening's success and reputation in the niche market can be attributed to key factors such as wellness focus, strong branding, collaborations, eco-friendly offerings, customer loyalty, media recognition, and alignment with consumer values. The brand's positioning as a holistic wellness brand, along with a diverse range of wellness-focused products, reinforces its reputation. The effective product branding and timeless packaging design contribute to attracting premium customers. Collaborations with local brands have expanded Evening's reach and solidified its industry recognition. Furthermore, the brand's ability to identify emerging market trends is evident in products like the Aromatherapy Eye Pillow. Strong customer loyalty is demonstrated through repeat purchases and positive reviews, while social media engagement amplifies brand reach through word-of-mouth.

Evening can innovate in three key areas to adapt to evolving consumer preferences. Firstly, the brand can create shared wellness experiences through collaborations, group treatments, and community-focused products. This promotes a sense of togetherness and shared self-care. Secondly, Evening can incorporate multisensory integration in their products, engaging multiple senses simultaneously to enhance the wellness experience. This can be achieved through products like Aromatherapy Diffusers or virtual reality meditation. Lastly, Evening can embrace personalization and technology by integrating AI-driven personalization into their offerings, tailoring solutions to individual preferences and needs. By focusing on these areas, Evening can meet the changing demands of consumers and enhance their overall wellness experience.

To effectively implement the proposed business growth strategy, the first step for the one-woman-run business founder is to recruit or hire a business partner and collaborate with a marketing agency to allocate tasks. This will enable the founder to focus on activities that support business growth, such as generating high-profit business ideas for Horizon 3. As the business as usual becomes more established in Horizon 1, the newly formed New Venture Team can create a portfolio of well-researched new business ideas and seek investment opportunities to support the capital requirements in Horizon 2. Consequently, within the next 1-2 years, Evening can launch new branches of the business that generate greater profits and ensure their sustainability through new product or service offerings.

○ **V.2. Recommendation**

The recommendations for the company are to implement the formulated business growth strategy and implementation plan. During the first horizon, it is crucial for the company to regularly review and update the distribution strategy and marketing plan to align with evolving customer preferences. In order to pursue the second horizon, the company should continuously evaluate and refine



the portfolio of new business ideas based on internal capabilities and strategic alignment. Lastly, when executing the third horizon strategy, it is important for the company to regularly assess the market reception of the new offerings and make necessary adjustments based on feedback and market dynamics.

Conducting competitor analysis to understand their strategies and offerings will provide valuable insights for developing innovative products and marketing strategies for further research. Also, continuous market adapting to changing customer dynamics. This can be achieved through in-depth market analysis and consumer research to identify emerging trends, preferences, and demands.

## REFERENCES

1. National Wellness Institute. (n.d.). *The six dimensions of the Wellness Model*. <https://cdn.ymaws.com/members.nationalwellness.org/resource/resmgr/pdfs/sixdimensionsfactsheet.pdf>.
2. Natalia, E. (2022). (rep.). *Victoria Care Indonesia (VICI) Deserving a recognition*. Retrieved March 12, 2023, from <https://kisi.co.id/storage/research-analysis/August2022/gI2LSFxFU68CQMBR5P9e.pdf>.
3. Maryarini, P. (2021, March 18). *Indonesia's beauty and personal care market growth*. Retrieved March, 2023, from <https://www.trade.gov/market-intelligence/indonesias-beauty-and-personal-care-market-growth>.
4. *Industri Kosmetik dan Jamu Diracik Jadi Sektor Andalan Ekspo*. (2019, July 3). Kementerian Perindustrian Republik Indonesia. Retrieved March 14, 2023, from <https://kemenperin.go.id/artikel/20810/Industri-Kosmetik-dan-Jamu->.
5. Hamasy, A.I.A. (2022) *Industri Kecantikan Tanah Air Punya Prospek Bagus*, *kompas.id*. Harian Kompas. Available at: <https://www.kompas.id/baca/ekonomi/2022/10/25/bpom-menilai-industri-kosmetik-akan-tetap-berkembang> (Accessed: April 5, 2023).
6. Yulisnawati, A. (2023) "OPINI – Dampak Pemilu Terhadap Ekonomi Masyarakat," *Surya Metro*, 7 March. Available at: <https://suryametro.id/opini-dampak-pemilu-terhadap-ekonomi-masyarakat/>.
7. Wellness Tourism Kunci Pemulihan Sektor Parekraf Nasional dan Global. (2022, August 5). Retrieved June 3, 2023, from <https://kemenparekraf.go.id/berita/siaran-pers-menparekraf-wellness-tourism-kunci-pemulihan-sektor-parekraf-nasional-dan-global>.
8. McGroarty, B., Cohen, MD, M., Girr, C., Glusac, E., Hammond, R., Hubler, S., Kitchen, J., Malleret, T., Peralta, A., Roizen, MD, M., Smith, J., Starr, L., & Toro-Vaca, O. (2023). (rep.). *The Future of Wellness 2023 Trends*. Global Wellness Summit.
9. Interview with Nadya. (2023)
10. Mangtani, N. (2020) "IMPORTANCE OF ARTIFICIAL INTELLIGENCE AND AUGMENTED REALITY IN COSMETIC AND BEAUTY INDUSTRY POST COVID 19." Available at: <https://doi.org/10.20959/wjpr20208-18280>.
11. Lee, Y., Choi, J., & Shin, S. (2020). A Study on the Direction of Evaluation Indicators for Personalized Beauty Self-care. *Journal of Fashion Business*, 24(6), 120–134. <https://doi.org/10.12940/JFB.2020.24.6.120>
12. Kominfo. (2022). *MENKOPUKM: Wellness Indonesia Jadi Kekuatan UMKM masa depan Lewat Ajang G20*. Website Resmi Kementerian Komunikasi dan Informatika RI. [https://www.kominfo.go.id/content/detail/45696/menkopukm-wellness-indonesia-jadi-kekuatan-umkm-masa-depan-lewat-ajang-g20/0/artikel\\_gpr](https://www.kominfo.go.id/content/detail/45696/menkopukm-wellness-indonesia-jadi-kekuatan-umkm-masa-depan-lewat-ajang-g20/0/artikel_gpr)
13. Bom, S., Jorge, J., Ribeiro, H. M., & Marto, J. (2019). *A step forward on sustainability in the cosmetics industry: A Review*. *Journal of Cleaner Production*, 225, 270–290. <https://doi.org/10.1016/j.jclepro.2019.03.255>
14. Assensoh-Kodua, A. (2019). *The resource-based view: A tool of key competency for competitive advantage*. *Problems and Perspectives in Management*, 17(3), 143.
15. Madhani, Pankaj M., Resource Based View (RBV) of Competitive Advantage: An Overview (March 26, 2010). *RESOURCE BASED VIEW: CONCEPTS AND PRACTICES*, Pankaj Madhani, ed., pp. 3 -22, Icfai University Press, Hyderabad, India, 2009 , Available at SSRN: <https://ssrn.com/abstract=1578704>
16. Kumar, D., & Rajeev, P. V. (2016). *Customer-centric marketing strategies: Tools for building organizational market orientation*. *Journal of Strategic Marketing*, 24(3-4), 238-253.
17. Gupta, Dr. A. (2013). *Environmental and Pest Analysis: An Approach to External Business Environment* .
18. Dwyer, F. R., & Tanner, J. F. (2002). *Business Marketing: Connecting Strategy, Relationships, and Learning*. McGraw-Hill Education.



19. Porter, M. E. (2008). The five competitive forces that shape strategy. *Harvard Business Review*, 86(1), 78-93.
20. Goyal, S. (2020). Analyzing Porter's five forces model for startups. *International Journal of Advanced Research in Computer Science and Software Engineering*, 10(7), 431-437.
21. Danilina, E., & Majorzadehzahiri, S. (2020). The VMOSA Model of Strategic Planning. In *Comprehensive Healthcare Simulation: Implementing Best Practices in Standardized Patient Methodology* (pp. 333-341). Springer.
22. Stankevič, M., & Szybowska, U. (2021). Implementing Change Through Team Building: Empirical Study in a Small Enterprise. *Acta Polytechnica Hungarica*, 18(4), 71-87.
23. Sharpe, B. (1996). Three Horizons: The Patterning of Hope. *Journal of Business Strategy*, 17(3), 13-25.
24. Blank, S. (2019). The End of the Three Horizon Model. Retrieved from <https://steveblank.com/2019/02/12/the-end-of-the-three-horizon-model/>

---

*Cite this Article: Luqyana Rifa Mufida, Isti Raafaldini Mirzanti (2023). Business Growth Strategy of Personal Care Brand using VMOSA and Three Horizon Model (A Case of Evening). International Journal of Current Science Research and Review, 6(6), 3715-3728*