



## Developing Marketing Strategy Initiatives to Enhance Customer Acquisition and Customer Retention for MedTech Startup (Case Study: Riliv)

Salma Inas<sup>1</sup>, Prawira Fajarindra Belgiawan<sup>2</sup>

<sup>1,2</sup>School of Business and Management, Bandung Institute of Technology, Indonesia

**ABSTRACT:** In response to increased consumption, the MedTech market in Indonesia, which includes applications for mental health services, has experienced phenomenal growth. However, customer acquisition and retention have emerged as significant obstacles for businesses such as Riliv, a prominent mental health service application. This study seeks to identify the factors that influence and improve Riliv user acquisition and retention among non-users, current users, and former users. A quantitative research strategy employing descriptive statistics and a non-probability sample of 200 respondents were utilized. To capture data, the Likert scale questionnaire was distributed online. The research included both internal and external analyses (STP, 7Ps of the marketing mix, and VRIO) as well as PESTEL, Porter's Five Forces, competitor, and customer analyses. The SWOT and TOWS analyses were then conducted. The findings highlight the importance of effective promotional activities, competitive pricing, and superior product quality and service in attracting and retaining Riliv users. Increasing brand recognition, enhancing product attributes, and ensuring service quality have been identified as crucial factors positively influencing consumer acquisition and retention. Riliv can implement strategic marketing initiatives such as targeted advertising, influencer collaborations, refined messaging, content marketing, personalized experiences, trial periods, referral programs, and continuous engagement in order to overcome these obstacles. By adopting these strategies, Riliv can position itself as a dependable online mental health services provider and accomplish sustainable growth in the highly competitive MedTech industry.

**KEYWORDS:** Customer Acquisition, Customer Retention, Marketing Strategy, MedTech, Brand Awareness, Product Attribute, Service Quality.

### INTRODUCTION

The digital health industry, which includes technologies such as mobile health apps and telemedicine, has expanded significantly due to increased internet and smartphone usage, as well as a greater emphasis on health. Riliv, a pioneering medical technology startup, provides online mental health support and counseling in an effort to revolutionize the administration of mental healthcare. However, Riliv and other startups confront difficulties in customer acquisition and retention. This article examines Riliv's marketing strategy initiatives to improve consumer acquisition and retention through the lens of a case study. Through quantitative research methods and in-depth analysis, the study identifies key user-influencing factors and recommends targeted advertising, content marketing, and personalized experiences, among other strategies, to attract and retain consumers. The findings contribute to the comprehension of marketing strategies in the MedTech industry, aiding entrepreneurs in navigating a competitive environment and establishing a strong brand presence [1].

### BUSINESS ISSUES

The Indonesian MedTech market, including applications for mental health services, has encountered significant growth due to increased consumption. However, enterprises in this industry, such as Riliv, face difficulties in acquiring and retaining customers. This is a crucial business issue that must be resolved in order to attain long-term growth and success. In order to surmount these obstacles, Riliv must develop marketing strategy initiatives that improve customer acquisition and retention. In the competitive MedTech industry, Riliv can establish itself as a trusted provider of online mental health services by gaining a comprehension of the factors that influence user behavior and preferences [2].



## METHODOLOGY

A company's marketing plan development begins with the identification or, more precisely, the definition of its target markets. Businesses must understand the purchasing patterns of their target market. This implies that companies must have a keen awareness of how their customers conduct and how their target market makes purchasing decisions. Customer analysis firms contribute to marketing audits in three ways: determining the correct target market and consumer profile; analyzing consumer value provided by the firm through product, price, and promotion strategies; and analyzing customer value for the business [3].

### A. Data Collection Method

Each data collection method is described in detail, including its purpose, procedures, and ethical considerations. By employing a comprehensive and well-designed data collection approach, this study aims to gather robust and credible data to address research questions and contribute to the existing body of knowledge in the field.

#### i. Primary Data

Primary data is a source of information that provides information directly to the data collector. Primary data is information that the researcher initially recorded and gathered. In research using primary data, the author employs a questionnaire and other data sources obtained from respondents in the form of responses and answers to queries provided by respondents via questionnaire. A questionnaire is a technique for collecting data in which the respondent is given a set of questions or a written statement to answer. Questionnaires can take the form of closed or open questions or statements, and they can be given directly to respondents, mailed to them, or distributed via the Internet. In this study, questionnaires were distributed via social media using a Google Form containing a list of queries or statements whose responses would be used to support Customer Journey analysis for Riliv users and The 5 A's analysis for non-Riliv users.

#### ii. Secondary Data

Secondary data are derived from sources that do not provide data directly to data collectors, such as other persons or documents. Secondary data consists of information that is already accessible and collected by third parties. In this study, secondary data were gathered through library research involving required books, literature, journals, research results, websites, and other information sources pertinent to the topic of study. In this study, the author gathered secondary data from book literature for theories related to the variables studied, internet sites to obtain company data or objects studied, and prior research in the form of theses and national and international scientific journals pertaining to MedTech, Customer Acquisition, and Customer Engagement.

### B. Data Analysis Method

The research approach selected is applied research. According to Sekaran and Bougie, the objective of applied research is to implement research findings to solve a specific issue facing an organization or business. This type of research will also aid the company in making more prudent and effective decisions in response to its challenges. Using the SMART PLS program, the data will be analyzed and assessed quantitatively. SmartPLS is a well-known PLS-SEM software suite. Marketers can use SEM to graphically examine the connections between pertinent factors in order to prioritize resources and improve the customer experience. The outer model depicts the relationships between latent variables and their observable indicators, while the interior model describes the relationships between independent and dependent latent variables. PLS is useful for structural equation modeling in applied research projects, especially when there are few participants and the distribution of the data is skewed.

In terms of time, this study employs a cross-sectional design because data collection occurs within the same period but the object/subject varies. In contrast, cross-sectional research requires less time and is less expensive. According to Malhotra, the target population is a collection of components or items that contain the data the researcher seeks and from which inferences must be derived. Additionally, the population refers to all groups of people, events, or objects that academicians find interesting to study collectively. In other terms, the population consists of the subjects of the research.

#### i. Validity Test

According to Malhotra [4], a type of validity, also known as authenticity, comprises of a subjective yet systematic evaluation of a scale's content's representativeness for the measuring task at hand. 30 respondents from the study's samples have already been subjected to the validity test. In addition, the data will be processed with IBM SPSS 23 to ascertain the validity of the measuring instrument to be used. By evaluating the correlation between instrument item



scores and total scores, the author will evaluate the items in order to establish valid criteria. He deems it valid if the Pearson Correlation value exceeds 0.30.

Criteria:

- Valid when the Pearson Correlation value is more than 0.3 [5]
- If the Pearson Correlation value is more than 0.3, the condition is considered valid [4]
- $r_{counted} > r_{table} = \text{correct. } r_{table}, n=30, 5\% \text{ level of significance } 0.361$

**ii. Reliability Test**

"Reliability is a test of the consistency with which an instrument of measurement assesses whatever concept it is measuring," write [6]. In testing for reliability, the Cronbach's Alpha equation is applied: "Cronbach's alpha provides a reliability coefficient that reflects the degree to which the items in a set are firmly correlated [6]. According to Malhotra [5], composite reliability values of 0.70 or higher are preferable as general criteria. If the model validity estimates are satisfactory, estimates between 0.6 and 0.7 may be deemed acceptable.

The Pearson correlation coefficient can be used to evaluate the dependability of a questionnaire. The coefficient of correlation between variables. A correlation score larger than 0.6 indicates system reliability. As part of the analysis of the questionnaire's reliability, the correlation values between variables are evaluated to confirm consistency and stability. Consistent and trustworthy data collection is ensured by questionnaires that are dependable, providing confidence in their ability to precisely measure desired constructs or variables.

**RESULT AND DISCUSSION**

This study will utilize PLS-SEM software to evaluate hypotheses and address research questions regarding the product qualities that have the greatest impact on purchase intent. The first stage is to conduct reliability and validity evaluations with the outer model, followed by testing hypotheses with the structural model.

**A. Validity Analysis**

Cross-loading provides evidence for discriminant validity. Comparing the Square Root of the AVE for every construct with the correlation across the construct and the other constructs in the model is another method for evaluating discriminant validity. If the AVE root for each construct is greater than the correlation between constructions and other constructs, the model has good discriminant validity.

**Table 1.** Discriminant Validity Result Non-User (Author, 2023)

	Brand Awareness	Customer Acquisition	Product Attribute
Brand Awareness	0,498		
Customer Acquisition	0,540	1000	
Product Attribute	0,440	0,363	0,459

**Table 2.** Discriminant Validity Result Existing & Ex-User (Author, 2023)

	Brand Awareness	Customer Acquisition	Customer Retention	Product Attribute	Service Quality
Brand Awareness	0,516				
Customer Acquisition	0,344	1.000			
Customer Retention	0,534	0,281	1.000		
Product Attribute	0,513	0,442	0,398	0,474	
Service Quality	0,330	0,220	0,477	0,197	1.000



Given that the root of AVE > the correlation value among the latent variables, all latent variables have excellent discriminant validity.

**B. Reliability Analysis**

The composite reliability value of the construct indicator is checked as part of the reliability test. If the Composite Reliability test result is greater than 0.6, it indicates a satisfactory value. The result is as follows:

**Table 3.** Composite Reliability NON-User (Author, 2023)

	Composite Reliability
Brand Awareness	0.748
Product Attribute	0.925

**Table 4.** Composite Reliability Existing & Ex-User (Author, 2023)

	Composite Reliability
Brand Awareness	0.681
Product Attribute	0.853

Based on the result of the Composite Reliability, it is possible to conclude that all variables are reliable.

**C. Customer Analysis**

**i. R-Square**

The R square value describes how well a research model represents a phenomenon; below are the outcomes:

**Table 5.** R-Square Description (Author, 2023)

Dependent Variable	R-square	Description
Customer Acquisition	0.606	As much as 60.6% of the phenomenon can be explained by this model (X1 Brand Awareness, X2 Product Attributes, and Y Customer Acquisition). It is impossible to represent the remaining 39.4% since outside variables also influence purchase intention.
Dependent Variable	R-square	Description
Customer Acquisition	0.427	As much as 42.7% of the phenomenon can be explained by this model (X1 Brand Awareness, X2 Product Attributes, X3 Service Quality and Y Customer Acquisition). It is impossible to represent the remaining 57.3% since outside variables also influence purchase intention.
Customer Retention	0.728	As much as 72.8% of the phenomenon can be explained by this model (X1 Brand Awareness, X2 Product Attributes, X3 Service Quality and Y Customer Retention). It is impossible to represent the remaining 27.2% since outside variables also influence purchase intention.

**ii. Path Coefficient**

The t-table value was then compared to the t-statistic values that were obtained using the bootstrap resampling procedure. If the t-statistic value is greater than the t-table value or vice versa, the suggested research hypothesis is approved, all t-values greater than 1.96 are significant.

**Table 6.** List of Non-User T-Statistics Value (Author, 2023)

Variable	T-Statistics
Brand Awareness -> Customer Acquisition	13.247
Product Attribute -> Customer Acquisition	0.658



**Table 7.** List of Existing & Ex-User T-Statistics Value (Author, 2023)

Variable	T-Statistics
Brand Awareness -> Customer Acquisition	0,43125
Brand Awareness -> Customer Retention	7.653
Product Attribute -> Customer Acquisition	10.771
Product Attribute -> Customer Retention	1.175
Service Quality -> Customer Acquisition	2.488
Service Quality -> Customer Retention	6.606

The association between latent variables is significant (has a positive influence) for all statistical T values > 1.96, as can be seen from the table above. This displays the responses from respondents who, according to the survey questions, believe that variable x has an impact on variable y.

**Table 7.** List of Non-User P Value (Author, 2023)

Variable	P-Value
Brand Awareness -> Customer Acquisition	0.000
Product Attribute -> Customer Acquisition	0.000

**Table 8.** List of Existing & Ex-User P Value (Author, 2023)

Variable	P-Value
Brand Awareness -> Customer Acquisition	0.000
Brand Awareness -> Customer Retention	0.000
Product Attribute -> Customer Acquisition	0.000
Product Attribute -> Customer Retention	0.000
Service Quality -> Customer Acquisition	0.013
Service Quality -> Customer Retention	0.000

Examining the p-value is another method for determining significance. When the p-value is less than 0.05, the criterion is significant. It is clear from the table above that all of the factors are significantly related (have a positive effect).

Table 5. Hypothesis Analysis (Author, 2023)

**Table 9.** Non-User Customer Analysis Conclusion

Hypothesis	P Value	Conclusion
H1: Brand Awareness positively influences the Customer Acquisition.	Accepted	The hypothesis is correct
H2: Product Attribute positively influences the Customer Acquisition.	Accepted	The hypothesis is correct

**Table 10.** Existing & Ex-User Customer Analysis Conclusion

Hypothesis	P Value	Conclusion
H1: Brand Awareness positively influences the Customer Acquisition.	Accepted	The hypothesis is correct
H2: Product Attribute positively influences the Customer Acquisition.	Accepted	The hypothesis is correct
H3: Service Quality positively influences the Customer Acquisition.	Accepted	The hypothesis is correct
H4: Product Attribute positively influences the Customer Retention.	Accepted	The hypothesis is correct
H5: Brand Awareness positively influences the Customer Retention.	Accepted	The hypothesis is correct
H6: Service Quality positively influences the Customer Retention.	Accepted	The hypothesis is correct



## CONCLUSION

Riliv, a medtech startup that provides online mental health services, seeks to increase customer acquisition and retention through an all-encompassing marketing strategy. Riliv can optimize its efforts to acquire and retain users by aligning its marketing efforts with each stage of the customer journey, including targeted advertising, influencer collaborations, refined messaging, content marketing, personalized experiences, trial periods, referral programs, and continuous engagement. By focusing on personalized customer experiences, ongoing engagement, and consumer switching behavior, Riliv aims to provide exceptional service, foster customer loyalty, and create positive customer experiences in order to establish itself as a dependable provider of mental health services within the competitive medtech industry.

## RECOMMENDATION

Brush and Palette should boost its promotional efforts through social media marketing in order to improve their Brand Awareness, Product Attributes, and Store Atmosphere. They should expect a future increase in Purchase Intention if they successfully elevate and sustain all the elements. Furthermore, the thesis advances marketing theory by demonstrating how marketers may strategically use these characteristics to alter customer attitudes and behaviors, so offering essential insights for effective marketing tactics. The research's practical consequences are helpful for marketing practitioners, since reliable suggestions for pricing techniques, promotional activities, and processes are presented, enabling effective marketing planning in the coffee shop industry. Advertising, sales promotion, brand awareness, store atmosphere, product attributes that affect purchase intention, and market segmentation were the only elements considered in this study. Future research might examine the success rate of marketing strategies, evaluate the performance of various platforms, and investigate creative ways to use these channels for advertising and customer acquisition.

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