



Proposed Marketing Strategy to Attract Potential Customers and Increase Revenue through Product Diversification in Resik Wangi Auto Detailing

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ABSTRACT: The automotive detailing industry in South Jakarta is experiencing heightened competition, impacting the revenue of Resik Wangi Auto Detailing. This thesis investigates the factors contributing to the revenue decline and proposes a comprehensive marketing strategy focused on product diversification and digital marketing to attract potential customers and increase revenue. The study employs a mixed-methods approach, combining quantitative surveys and qualitative interviews to gather data on customer preferences, market conditions, and business performance. The research identifies that the primary internal challenge is the lack of diversified services, while externally, increased competition and consumer behavior heavily influenced by digital marketing and service quality are critical factors.

Key findings indicate that product diversification, particularly through bundled service packages like the "Signature Menu" and "Ultimate Menu," can significantly enhance customer satisfaction and loyalty. Competitive pricing strategies and a robust digital marketing presence are essential in attracting and retaining customers. The study concludes that by implementing these strategies, Resik Wangi can effectively address its revenue challenges and achieve sustainable business growth. Recommendations for Resik Wangi include the immediate implementation of diversified service packages, enhanced digital marketing efforts, competitive pricing, and a strong focus on service quality. Additionally, future research should explore further diversification opportunities and the impact of emerging technologies on customer engagement and marketing strategies. This research provides a strategic framework for Resik Wangi Auto Detailing to navigate the competitive landscape, improve market positioning, and increase revenue through targeted marketing and service enhancements.

KEYWORDS: Auto Detailing, Digital Marketing, Product Diversification, Product Quality, Pricing Strategy, Service Quality.

INTRODUCTION

Every year, the use of cars and motorcycles are always experiencing a growth, because in Indonesia, especially in Jakarta people need private vehicles to commute to everywhere because of the inefficiencies of using public transportation in certain areas. Although there's some negative impact due to the numbers of vehicles in Indonesia, especially Jakarta, it also creates a lot of opportunities in the business aspect, it can help some people to make a living from this automotive industry. One example is an Auto detailing business. Auto detailing is an activity that keeps the vehicle in its best possible condition, especially cosmetic, as opposed to mechanical. This is achieved by removing both visible and invisible contaminants from the vehicle's interior, and polishing the exterior to its original blemish-free finish. It's like a car salon but with more detail to work on. This business is quite promising, given the large number of private vehicles in Jakarta. With the presence of a wide market consisting of private vehicle owners, this industry can be considered quite lucrative for those who see the opportunity. And as time goes by, there's quite some people who see this opportunity and resulting in a competitive market in this industry. Resik Wangi Auto detailing is an automotive based business focusing in Auto detailing, located on Jl. Lebak bulus 1 no 43 was founded on 25 February, 2022. After operating for over 2 years, Resikwangi has experienced a decline in its revenue, from Rp 278,000,000 in 2022, to Rp 185.000.000 in 2023. After doing research, the author believes that the reason for the decrease of the revenue is caused by the remarkable growth of Auto detailing business in South Jakarta, causing a lot of competitors to emerge, and the lack of product diversification Resikwangi has make Resikwangi hard to compete with other Auto Detailing business. The auto detailing business is experiencing remarkable growth in South Jakarta, where there are now over 20 auto detailing businesses in the market. This auto detailing business trend causes fierce competition in the auto detailing market industry. As each business strives to gain a foothold and capture a share of the growing customer base, they are continually innovating and enhancing their services. This fierce competition is driving improvements in service quality, pricing strategies, and the introduction of innovative marketing techniques. In response to these challenges, this study aims to explore strategies that can enhance the



competitiveness and sustainability of Resik Wangi Auto Detailing. Specifically, it investigates the role of product diversification and digital marketing in attracting potential customers and increasing revenue. Product diversification is an important strategy for companies looking to expand into new areas or introduce new products with the objective to increase market presence and minimize risk. Fundamentally, as Ansoff (1987) explained, the strategy of product diversification tries to control risk by diversifying the company's portfolio to protect it from market instability, while also pursuing growth through new market routes. This strategy helps businesses manage market instability and pursue growth through new market routes. Digital marketing is the application of digital technologies and online platforms for advertising and promotion (Chaffey & Smith, 2017). The shift towards digital platforms has significantly altered traditional marketing approaches, making it essential for businesses to adopt comprehensive digital strategies that maximize the use of online channels like social media and search engines.

The research questions guiding this study are:

1. What are the internal or external factors that are affecting the sustainability and growth of the auto detailing business?
2. How does a product diversification strategy contribute to sustaining a business amidst competitive pressure and increasing the revenue in auto detailing business?
3. What factors influence consumer decisions when they are choosing among varied auto detailing service options?

These challenges underscore the critical need for auto detailing businesses to address the issue of effectively marketing diversified offerings to maximize sales potential and maintain a dominant market presence. And the objectives of this study aims to To identify and analyze the underlying factors that influence the internal or external factors that are affecting the sustainability and growth of the auto detailing business, To examine how product diversification strategy can contribute to sustaining a business amidst competitive pressure and increasing the revenue in auto detailing business, and To investigate the customer preferences towards a diversified auto detailing services.

CONCEPTUAL FRAMEWORK

Digital Marketing

Digital Marketing refers to the use of digital devices in promoting or selling goods and services to individuals or organizations. This includes methods such as search engine optimization (SEO), search engine marketing (SEM), content marketing, influencer marketing, content automation, campaign marketing, data-driven marketing, e-commerce marketing, social media marketing, social media optimization, email direct marketing, display advertising and any other form of digital media such as e-books optical disks games (Ryan & Jones, 2009, p. 16). Digital marketing is the application of digital technologies and online platforms for advertising and promotion (Chaffey & Smith, 2017).

Product Diversification

Strategy of product diversification tries to control risk by diversifying the company's portfolio to protect it from market instability, while also pursuing growth through new market routes (Ansoff (1987). Organizations carry out diversification when they want to change their business definition by creating new products or entering a new market alone or with another company (Oladimeji & Udosen, 2019). This strategic methodology acts as a vital ingredient in organizing productive forces because it serves as a means of rectifying imbalances in reproduction through resource redistribution. Diversification's priority is making the most money possible by becoming competitive (Masharipov, Allamuratova, & Nazirov, 2021

Product Quality

Product quality refers to the set of inherent characteristics of a product that determine its ability to satisfy stated or implied needs. These characteristics include performance, reliability, durability, serviceability, aesthetics, and perceived quality. When a product has good quality it implies that the item not only meets but exceeds what customers expect, leading to their happiness and loyalty too. Quality in goods represents all steps taken during design through production until it gets into stores as well as advertising necessary for its identification among others. (Seth, Deshmukh, & Vrat, 2019). Product quality is a measure of all the features and characteristics of a good or service that meets customers' needs and expectations. It includes performance, durability, reliability, aesthetics among others. Quality is critical for customer satisfaction because it determines value perception and brand trust which in turn affects loyalty towards the product.



Therefore, businesses must strive to maintain high levels of quality if they want to succeed in today's competitive market environment. (Ukpatha & Sunday, 2022).

Pricing Strategy

To influence consumer behavior and business profitability, it should be noted that pricing strategy is very important. The process of analysis, planning, decision making, enforcement and monitoring are all included in this. However, according to Anderson et al.(2010), the highest price does not always mean the best; thus implying that there should be a strategic view of prices based on customers' perception and prevailing market situation. In another study by Bertini & Wathieu (2010), they discuss how value creation can prevent customers from focusing on prices through different pricing strategies while on the other side Hinterhuber (2004) presents an integrative model for decision-making based on values.

Service Quality

Service quality refers to how well a service meets the expectations and needs of the customers. It covers different aspects including dependability, reactivity, certainty, compassion, and physical appearance. The reason why high service quality is important can be attributed to its direct effect on customer satisfaction (Khoo, 2020).

Consumer Behavior

Consumer behavior is a multifaceted concept that results from the complex interactions between psychological, social, cultural, and economic factors that influence how people decide what to buy, how to use, and how to discard goods and services (Schiffman & Wisenblit, 2019). It involves examining how individuals or collectives make choices, acquire, utilize, or discard products, services, concepts, or experiences to fulfill their wants and needs. This includes both the visual and symbolic aspects of consumption that shape social and personal identity, in addition to typical economic transactions (Solomon, 2020).

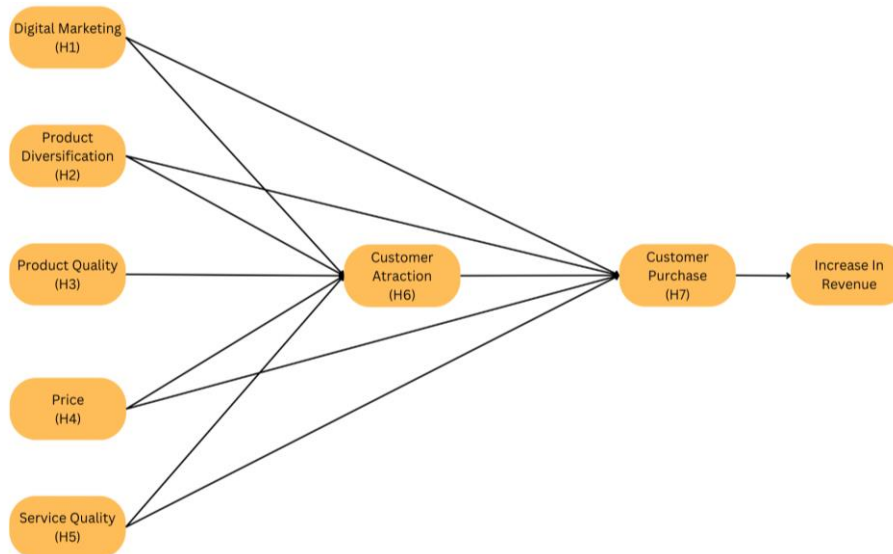


Figure 1. Conceptual Framework

RESEARCH METHODOLOGY

This study employs a mixed-methods approach to gain a comprehensive understanding of the proposed marketing strategy's impact on Resik Wangi Auto Detailing. The research methods include both quantitative with data collection collected through surveys and questionnaires meticulously designed to capture data from customers or potential customers and qualitative techniques through interview with the customer to give feedback about impact of the proposed marketing strategies. The research design combines quantitative surveys and qualitative interviews. This mixed-methods approach allows for the collection of both numerical data and in-depth insights, providing a holistic understanding of the factors influencing Resik Wangi's performance and the effectiveness of the proposed marketing strategy [16].

DISCUSSION AND CONCLUSION

The study presents findings from both quantitative and qualitative data analyses, discussing their implications in relation to the research questions and objectives.



Figure 2. Quantitative Data Results

The survey data gathered from 134 individuals indicated that 85% of respondents live in the Jabodetabek area, while the remaining 15% reside in different regions. This localized focus highlights the relevance of the findings to the target market. The majority of respondents (78%) have used an auto detailing service at least once, with 66% using the services 1-5 times, indicating strong market penetration and a significant opportunity for repeat business.

Auto detailing and coating packages emerged as the most popular services, used by 35% and 25% of respondents, respectively, underscoring the importance of offering comprehensive vehicle care options. A substantial 72% of respondents reported that social media advertisements influence their decision to try auto detailing services, demonstrating the critical role of digital marketing in attracting customers and highlighting the need for targeted and engaging online campaigns.

The data revealed that 80.3% of respondents believe that having a wider selection of services or products would improve their experience as customers, and 93.2% indicated that product diversification increases their confidence in choosing an auto detailing service. These insights confirm that diversified service offerings can enhance customer satisfaction and attract a broader market. Price was identified as a crucial factor for 90.2% of respondents when choosing an auto detailing service, emphasizing the need for a competitive pricing strategy that offers value for money and caters to different customer segments.

An overwhelming 94.7% of respondents indicated that the quality of the service provided is important in their decision-making process, with high service quality, including attention to detail and professionalism, being key to customer satisfaction and loyalty. Additionally, 84.7% of respondents consider the quality of products or chemical materials important when choosing an auto detailing service, as high-quality products are associated with better results and longer-lasting protection, reinforcing the need for businesses to use premium materials.

The findings from this study provide valuable insights into the factors affecting the performance of Resik Wangi Auto Detailing and the potential impact of the proposed marketing strategy. The data indicates that product diversification, competitive pricing, and high service quality are essential for attracting and retaining customers in a competitive market. The introduction of diversified service packages, such as the "Signature Menu" and "Ultimate Menu," addresses the need for comprehensive and bundled service options. These packages cater to various customer preferences and enhance the perceived value of the offerings. By providing more choices, Resik Wangi can attract new customers and improve overall satisfaction and loyalty.



Figures 3. Proposed Product Diversification

After testing the new product diversification, Resik wangi tested out the new services and tried to collect data through qualitative data, the interviewees were Resik wangi customers who tested the new services. Qualitative data analysis confirms that there is increased flexibility along with other attributes within the new menu i.e., competitive pricing mechanisms accompanied by excellent services which fit into what the clientele wants out of it. Furthermore, digital marketing has greatly facilitated in creating awareness among many clients thereby raising their interests on such services offered at strategic levels. When combined these aspects result in higher consumer satisfaction plus attraction thus showing an all round efficient way of hitting targets through innovations within the new service menu.

DIGITAL MARKETING	PRODUCT DIVERSIFICATION	PRODUCT QUALITY, SERVICE QUALITY, AND PRICE
<ul style="list-style-type: none"> 75% (Helmy, Agus, Budi) of the respondents were heavily influenced by social media (Instagram, Facebook) in discovering and deciding to try the auto detailing services. 25% (Taufik) acknowledged that while social media introduced him to the service, it was not the primary influence on his decision. Digital marketing is crucial, as 75% of customers were significantly influenced by it. 	<ul style="list-style-type: none"> 50% (Helmy, Agus) found the new diversified menu more convenient and suitable to their needs. 50% (Budi, Taufik) appreciated the economic value and flexibility of the new service offerings. Product diversification effectively meets the needs of 100% of respondents, enhancing satisfaction. 	<ul style="list-style-type: none"> 100% of respondents (Helmy, Agus, Budi, Taufik) confirmed that the new pricing strategy offers better value and flexibility compared to the previous menu. 75% (Helmy, Agus, Budi) noted significant improvements in service quality and diversity, leading to higher satisfaction. 25% (Taufik) also recognized the service improvements but was more neutral about the overall impact. The structured pricing and improved service quality led to a 100% satisfaction rate among the respondents.

Figures 4. Qualitative Data Result

The significant influence of digital marketing on consumer behavior underscores the importance of maintaining an active and engaging online presence. Social media platforms, in particular, offer a powerful tool for reaching potential customers and building brand awareness. By leveraging targeted digital marketing campaigns, Resik Wangi can effectively capture the interest of a wider audience and drive customer engagement. The importance of competitive pricing is evident from the respondents' sensitivity to price variations. Offering a range of price options, including tiered pricing and introductory discounts, can attract price-sensitive customers and increase overall sales. Additionally, loyalty programs and bundled packages can provide added value and encourage repeat business.

High service quality and the use of premium products are critical factors influencing customer decisions. Ensuring consistent delivery of excellent service and highlighting the use of high-quality materials in marketing communications can build trust and credibility among customers. These factors contribute to higher levels of customer satisfaction and loyalty, which are essential for sustaining competitive advantage. In conclusion, the proposed marketing strategy focusing on product diversification, digital



marketing, competitive pricing, and high service quality is likely to address the revenue challenges faced by Resik Wangi Auto Detailing. By aligning its services with customer preferences and leveraging effective marketing channels, Resik Wangi can improve its market position, attract a broader customer base, and achieve sustainable business growth.

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