

NEW MARKET PENETRATION STRATEGY: EXPANDING BEAUTY PRODUCTS TO GLOBAL MARKETS

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Abstract

The research aims to analyze new market penetration strategies in the expansion of beauty products to global markets. The method used is literary research involving a review of publications, articles, and books relevant to this topic. The findings of this study suggest that in order to successfully enter the global market, companies need to understand the needs and preferences of consumers in the target market, make product adjustments, formulations, and marketing strategies, invest in extensive distribution networks, and provide good customer support. The research also identifies some of the challenges that might emerge in expansion into global markets, such as cultural differences, regulations, and tighter competition.

Keywords: Strategy, New Market Penetration, Expansion, Beauty Products, Global Markets.

Introduction

Technological and industrial business developments have had a significant impact on various sectors of the economy. Technological developments have changed the way operate and interact with customers, and enabled companies to innovate and expand into wider markets.

In today's competitive business world, expanding the market has become more than just a necessity, but also a must. The beauty industry is one of the growing industries, with ever-increasing demand all over the world. (Abbas et al., 2024). Moreover, technology and global connectivity through the Internet have opened the door for companies to enter the global market more easily. Therefore, the expansion of beauty products into global markets has become more attractive and profitable for companies (Farzanah, N., & Qastharin, A. R. 2023). In the beauty industry, technological

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developments have affected various aspects of business, from research and product development to marketing and sales. (Farzanah, N., & Qastharin, A. R. 2023). Companies can use technology in product development, such as advanced technology in formulation and cosmetic production. In addition, technology also allows companies to conduct more accurate and in-depth market research, thereby helping them understand consumer trends and preferences, as well as identifying growth opportunities in global markets (Nirmal, S.A., & Wani, N.D. 2024). On the other hand, the development of industrial business has also created new opportunities and challenges for companies in the beauty industry. (Nirmal, S. A., & Wani, N. D. 2024). With e-commerce platforms and social networks, companies can more easily reach potential consumers around the world and market their products directly. It also means that competition in the beauty industry is increasingly intense, as consumers have easier access to comparing different brands and products.

Therefore, in the expansion of beauty products to the global market, it is important for companies to adopt technology wisely and make the best use of it. Companies need to keep up with the latest technological developments and integrate them into their business strategies. In addition, companies also need to be able to adapt to changing trends and consumer patterns driven by technology developments.

Intelligent use of technology and using the right business strategy is the key to success in expanding beauty products to global markets (Dalziel, R., & Bevan-Dye, A. 2019). Thus, effective business strategies that can be taken in combination with technology to the desired expansion goals include Global Target Market Understanding, Product Adaptation and Innovation, Digital Marketing and E-commerce, Partnerships and Collaborations, and Consumer Research and Analysis (Rasheed et al., 2024). (Recalde et al., 2024). It is important to note that the use of technology must be in line with the long-term business plan and company objectives. Intelligent and targeted use of technology can bring huge benefits to companies in achieving success in new market penetration.

In this study, we will discuss effective new market penetration strategies to expand beauty products to global markets. The primary objective is to understand the characteristics of global markets, identify existing growth opportunities, and develop a solid action plan to succeed in achieving global market targets.

The main advantage of expansion into global markets is increased sales potential (Maulidya et al., 2023). By entering new markets, companies have the opportunity to reach wider consumers across countries. In addition, new market penetration can also bring benefits such as increased brand awareness, global reputation, and competitive advantage. Due to increased globalization, increased consumer purchasing power in various countries, and technological advances have opened up huge opportunities for business expansion and new market penetration. (Saleh, M., & Rasyidin, M. 2024).

New market penetration refers to a company's attempt to enter and increase market share in a market they have never reached before. It involves introducing a company's product or service to potential consumers who have never used it before. (Ernayani, R., & Firman, F. 2024).

New market penetration effectively boosts company growth and expands customer base. By reaching new customers, companies can increase revenue, strengthen brands, and competitive advantage. For a company, it takes careful research, planning, and execution. Companies must understand well the characteristics of new markets, competition, local culture, as well as consumer needs and preferences. (Utami et al., 2024). Companies also need to develop effective marketing strategies and use the right tools and technologies to reach potential customers in new markets. Gaining new market penetration in product expansion into global markets can be a challenge, but with the right approach, mature planning, and the right use of technology, companies can success and gain long-term benefits from such new market Penetration (Averilya, M. R. 2024).

However, it is important to remember that expanding to global markets also involves challenges and risks. Each country has its own unique culture, regulations, and consumer preferences. Therefore, companies need to undertake in-depth market research to understand consumer needs and preferences in the targeted global market, as well as to identify competitors and potential opportunities.

In this study, we will discuss some effective new market penetration strategies, such as product adaptation to meet local needs, target-appropriate marketing and promotion, as well as collaboration with experienced partners in global markets. In addition, we will discuss the importance of conducting risk analysis and developing a solid mitigation plan.

Research Method

The method of literary research, also known as the "method of literature study", involves conducting studies by analyzing existing literary sources such as books, journals, and other publications, with the aim of collecting information, reviewing, and synthesizing existing knowledge on a particular topic. (Richardson, 2018; Antin et al., 2015; Marshall et al., 2013).

Researchers use literature methods to take steps; 1) define research questions or topics; 2) conduct extensive searches for relevant literature using keywords; 3) evaluate the sources gathered to ensure relevance and reliability; 4) analyze the data collected to identify key themes, patterns, or findings; 5) synthesize information to draw conclusions and generate new insights. (Punch, 2013; Adhabi & Anozie, 2017).

Using literary research as a method provides a comprehensive understanding for researchers of existing knowledge, helps identify research gaps, and can provide information for future research.

Result and Discussion

Global Market Expansion in the Beauty Industry

Industry is an economic sector involving the production of goods or services in large quantities through the processing of raw materials or semi-finished materials using appropriate machinery and technology (Abbate et al., 2024). A wide range of industries can be found, including manufacturing, agricultural, food and beverage, information technology, automotive, beauty and more. Each industry has its own characteristics and production processes. (Bustamante Duarte et al., 2024).

Industry plays an important role in the economic growth of a country. They create jobs, increase revenue, and drive innovation. Industry roles can also relate to environmental and social issues, such as sustainability and corporate social responsibility.

In general, industry can make a major contribution to the economy of a country and society as a whole, including the production of beauty industries. (He et al., 2024). The beauty product industry is a sector of the economy that focuses on the production and sale of a variety of beauty products. This industry includes companies involved in the manufacture, packaging, and marketing of beauty products such as make-up, skin care, hair care, perfume, and other body care products. (Recalde et al., 2024).

The beauty product industry is very rapidly growing and has a large market share all over the world. Some of the characteristics of the beauty product industry include continuous product innovation, tight competition between well-known brands, and consumer demand that tends to keep rising. (Putri, N. D., & Dimiyati, D. 2024).

Some of the leading companies in the beauty industry include L'Oréal, Estée Lauder, Procter & Gamble, Shiseido, and Revlon. Each of these companies has a wide range of product lines covering a wide market segment. (Putri, N. D., & Dimiyati, D. 2024).

The beauty product industry is also developing in a more sustainable direction by encouraging the use of natural, environmentally friendly, and cruelty-free ingredients. Companies are increasingly striving to launch products that are not only effective but also environmentally friendly and ethical. With increasing consumer awareness of self-care and appearance, the beauty product industry is expected to continue to grow and thrive in the future. (Keating et al., 2024). Global market expansion is a strategy carried out by the beauty industry to expand its presence in overseas markets and reach consumers in various countries. Given the extensive attractiveness of beauty industry and growing demand, many beauty companies strive to exploit opportunities in global markets. (Sari, N. P. 2024).

There are several reasons, the importance of global market expansion is done; 1) Great market potential: By entering the global market, beauty companies can reach wider consumers and have greater sales potential. The global market provides access

to millions of new prospective consumers who have different preferences, needs, and habits in using beauty products. 2) Economic growth: Some developing countries, especially in Asia, are experiencing rapid economic growth. This means increased purchasing power and consumer interest in quality beauty products. 3) Brand Excellence: World-renowned beauty brands often become key determinants in meeting consumer needs and expectations in the global market. With global market expansion, beauty companies can build more brand recognition and trust among international consumers, which in turn can expand market share and competitiveness. 4) Innovation and Trendsetter: The beauty industry is always bringing new innovations and trends to the market. With the expansion of the global market, beauty companies can introduce innovative products and the latest trends into various countries around the world. This enables them to be key players in setting trends as well as a source of inspiration for local brands in various markets. (Armiani et al., 2024; Ariawa et al., 2024).

However, global market expansion also presents certain challenges and risks, including regulatory differences, consumer habits, local preferences, and intense competition. Therefore, careful global market planning and research is needed before expansion. (Nabilah, F., & Yunanto, S. 2024; Aprilia, N., & Ibrahim, H. 2024).

In order to succeed in expanding global markets, beauty companies must pay attention to aspects such as in-depth market analysis, proper segmentation, product adaptation and marketing tailored to local needs and preferences, as well as building strong partnerships with local distributors and retailers.

In order to expand the global market, beauty companies must also consider various factors, such as cultural differences, regulations and legal requirements, logistics and supply chains, and effective marketing strategies. With mature planning and proper execution, global market expansion can be a profitable opportunity for the beauty industry for long-term growth and success.

Development of Market Penetration Strategy

A strategy is a plan or measures that are structured with the aim of achieving a specific goal. It involves strategic thinking, decision-making, resource allocation, and coordinated action to desired results. Strategies can be applied in a variety of contexts, be it in business, military, marketing, or other fields. (Hartono, J. 2024).

In the business context, a strategy refers to a set of decisions and actions taken by a company to look forward, the company's goals, and maintain a competitive advantage in the market. A strategy involves the selection and adjustment of long-term goals, research and creation of competitive advantages, identification of opportunities, risk analysis, resource allocation, and the development of a specific and measured action plan. (Andarini et al., 2024).

In implementing strategies, companies consider their external and internal environments, conduct market analysis, identify strengths and weaknesses, understand

competitors, and take steps to take advantage of opportunities and overcome challenges. The objective of the strategy is to competitive advantage, growth, increased profitability, product development, or other long-term objectives. (Khoirudin et al., 2024).

Strategies also involve continuous monitoring and evaluation, as well as the company's ability to adapt and change strategies if necessary. Flexibility becomes crucial when faced with changing markets, technologies, consumer trends, or changing external conditions Khoirudin et al., 2024).

Meanwhile, market penetration strategy is one of the approaches used by companies to expand their market share by focusing on increasing sales of their products or services to existing customers in existing markets. (Sulaeman et al., 2024).

Some tactics that can be used in market penetration strategies include: 1) Product Development: Companies can release new versions of existing products with improved functionality, features, or quality to attract existing customers and gain a larger market share. 2) Price adjustment: One way to encourage market penetration is by setting lower prices to reduce the barrier in terms of prices for existing customers, so that they are more likely to buy or use the product. 3) Promotion and Marketing: Using aggressive marketing strategies and promotions specifically to attract existing clients and build a stronger brand awareness in existing markets. For example, discount offers, loyalty programs, or marketing campaigns can be carried out to raise awareness and acquire new customers. 4) Distribution diversification: Expanding product distribution channels to reach more existing customers. For instance, companies can partner with online retailers or expand their presence through new physical stores. 5) Customer Service Improvement: Focus on improving the quality of customer service, providing better support, reducing response times, and providing a better experience. It can help inining existing customers and getting recommendations from them. 6) Geographical Market Penetration: Dig deeper into existing markets by expanding to new territories or countries. This can involve more intensive sales and marketing efforts to reach a larger market share (Budiman et al., 2024). Market penetration strategies are effective when a company has reached maximum capacity in an existing Market and wants to leverage existing customers to boost sales and growth. It also plays an important role in marketing beauty products. Market strategies in the marketing of beauty products play a crucial role in attracting customer attention and generating successful sales. Strategies that can be used include; 1) The Right Market Segment: It is important to understand the people who are most likely to buy your beauty product and then allocate your marketing resources to the right market segments. It involves research on factors such as age, skin type, hair type or lifestyle, so you can offer the most relevant and attractive products to your targeted customers. 2) Strong Brand Identity: Building a strong brand identity is crucial in a highly competitive beauty market. It involves choosing visual elements such as colors, logos, and product packaging that

can be easily identified by your customers, as well as building a consistent brand message and building a brand image that distinguishes you from your competitors. 3) Use of Influencers: Partnering with influencers and celebrities who have followers on big social media can help introduce your brand to a wider audience, raise brand awareness, and drive sales. The chosen influencer should be in line with your brand value and known by your target group. 4) Targeted Sales Strategy: You can use targeted sales strategies, such as content marketing, Facebook Ads, or Google Adwords to target specific market segments and attract a wider market share. These promotional campaigns must be specific and relevant to the targeted market segment. 5) Bundling and Product Packaging: Bundling beauty products in one package or package can help attract customer attention and increase their appeal to your product. Many customers prefer to buy packages at a more affordable price than to buy the product separately. 6) Customer support: Providing good customer service and support is essential in a highly competitive beauty market. This involves using social media, email, chat, or other forms of communication that are easily accessible to customers to answer their questions and help them respond to your product. 7) Customers Comparing Goods: Customers generally tend to compare goods in the market with their competitors. In marketing beauty products, it is important to start selling before shopping online. For example, open your own online store to allow customers to monitor and compare brands along with their competitors. (Apriani et al., 2022; Kim et al., 2009; Zhao, Y. 2023).

By implementing an effective market strategy, beauty brands can raise brand awareness, drive sales, and expand their market share in highly competitive markets.

Conclusion

The strategy of new market penetration in the expansion of beauty products to global markets is that a strong understanding of consumer needs and preferences in the targeted global market is needed. It is important to conduct in-depth market research to understand market trends, local preferences, culture, regulation, and competition in the market to enter. Besides, the development of a product that meets the needs of the global market is also crucial to achieving success in expansion. This could mean making product adjustments, formulations, packaging, or marketing strategies to adapt to local preferences.

A global market penetration strategy also requires investment in a large and efficient distribution network, as well as good customer support. Effective communication and proper marketing will help build brand awareness in new markets.

In expanding into global markets, companies need to be prepared to face risks and challenges that may arise, such as cultural differences, regulatory issues, or tighter competition. Therefore, it is important to have a mature and flexible strategy to overcome these barriers.

In conclusion, the expansion of beauty products to global markets through new market penetration strategies can be an interesting and potentially profitable step for companies, as long as it is run with a strong market understanding, proper adjustment, and commitment to delivering value to customers in a new global market.

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