

Mustika Ratu's Business Rejuvenation Strategy in Overcoming Market Stagnation and Industrial Competition

Muh. Ihsan Said Ahmad¹, Agung Zulfikri², Syamsu Rijal³

¹Universitas Negeri Makassar

²Universitas Telkom

³Universitas Negeri Makassar

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ABSTRACT

This research examines Mustika Ratu's business rejuvenation strategy in overcoming market stagnation and industry competition within the beauty and wellness industry. The study conducts a comprehensive market analysis and explores the implementation of various rejuvenation strategies, including product innovation, market expansion, marketing campaigns, and strategic partnerships. The evaluation of these strategies reveals positive outcomes in terms of increased customer satisfaction, expanded market reach, and improved brand perception. The findings highlight the importance of continuous adaptation, innovation, and targeted marketing efforts in revitalizing a business and regaining a competitive edge. The implications of the research suggest the need for ongoing product development, exploration of international markets, digital marketing enhancements, strategic collaborations, and continuous monitoring of consumer preferences. Overall, Mustika Ratu's successful rejuvenation serves as a valuable case study for businesses in similar industries facing market stagnation and intense competition.

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Corresponding Author:

Name: Dr. Muh. Ihsan Said Ahmad, SE., M.Si.
Institution Address: Universitas Negeri Makassar
e-mail: m.ihsansaid@unm.ac.id

1. INTRODUCTION

Mustika Ratu is a well-established Indonesian beauty and wellness company known for its traditional beauty products inspired by Indonesian cultural heritage. Over the years, the company has faced various challenges, including market stagnation and intensified competition within the beauty and wellness industry. The financial performance of PT Mustika Ratu Tbk is based on the financial statements of 2012-2016. The study used the Du Pont System analysis method to assess the company's

financial performance based on ATO, NPM, ROI, EM, and ROE variables. The research findings show that based on the overall financial performance of the three issuers in general fluctuated, so it can be said that the company's financial performance is not in good condition [1]. Another study analyzed the relationship between Debt to Equity Ratio and Return On Equity at PT Mustika Ratu Tbk. The study used data from the company's financial statements issued by the Indonesia Stock Exchange from 2017-2021. The analysis results show that there is a significant relationship between Debt to Equity Ratio and

Return On Equity, which means that Debt to Equity Ratio has an influence on Return On Equity [2]. A study analyzed the Local Area Network (LAN) at PT Mustika Ratu Tbk in East Jakarta. This company uses a star topology LAN network and VPN IP tunnel from Mikrotik. This research aims to help solve LAN-related problems, such as slow connections and clients not getting IP due to virus attacks [3]. Two studies proposed business strategies for PT Mustika Ratu Tbk. One study proposed a business strategy using Blue Ocean Strategy, while the other study proposed a business strategy to increase brand equity for the Puteri brand. A study analyzed the effect of inflation on Return on Asset (ROA) at PT Mustika Ratu Tbk from 2010-2014. The results showed that inflation affects the return on assets at PT. Mustika Ratu Tbk [4].

There are few research papers available on the topic of Mustika Ratu. However, the available research papers provide some information about the company's operations and competition in the cosmetics industry in Indonesia.

Mustika Ratu is a 25-year-old brand in the cosmetics industry in Indonesia [5]. The cosmetics industry in Indonesia faces competition from local and foreign brands [6], [7]. Mustika Ratu has a corporate culture rooted in Javanese cultural philosophy [6]. A study analyzed the influence of celebrity endorsers, advertising appeal, and product quality on the purchase decision of Mustika Ratu face masks using brand image as an intervening variable [5]. Another study analyzed working capital management, operating cycles, and company liquidity in Mustika Ratu and other similar companies [8]. Overall, although there is no specific information regarding business competition related to Mustika Ratu, the available research shows that the company operates in a competitive industry and has implemented strategies such as a unique corporate culture and celebrity endorsement to maintain its position in the market.

Mustika Ratu is an Indonesian beauty and health company known for its traditional

beauty products inspired by Indonesia's cultural heritage. Over the years, the company has faced various challenges, including market stagnation and intensifying competition in the beauty and health industry. These challenges are mainly due to changing consumer preferences, the emergence of new competitors, and the need to adapt to evolving market trends. Market stagnation and industry competition pose a significant threat to Mustika Ratu's business growth and sustainability. The company must devise effective strategies to rejuvenate its operations, position itself in the market, and regain a competitive advantage. Understanding the research methods used by Mustika Ratu to address these challenges is crucial in identifying successful strategies to overcome market stagnation and industry competition. The main objective of this research is to investigate Mustika Ratu's business rejuvenation strategy and assess its effectiveness in overcoming market stagnation and industry competition.

2. LITERATURE REVIEW

2.1 Market Stagnation and Industry Competition

Market stagnation refers to a period of slow growth or no growth in a particular market. In the beauty and health industry, market stagnation can be caused by various factors such as changing consumer preferences, market saturation, economic downturn, and lack of product innovation [9]. It is crucial for companies to identify and address the causes of stagnation to maintain growth and profitability [10].

Industry competition in the beauty and health sector has intensified in recent years [11]. Traditional companies such as Mustika Ratu face challenges from domestic and international competitors. These competitors often utilize modern marketing techniques, product diversification, and aggressive pricing strategies to capture market share. As a result, traditional companies must develop effective strategies

to remain relevant and competitive in a rapidly evolving industry landscape [12].

2.2 Business Rejuvenation Strategy

Business rejuvenation refers to the process of revitalizing a company's operations to overcome challenges and regain competitive advantage. A successful rejuvenation strategy involves various elements, including product innovation, market expansion, marketing campaigns, and strategic collaboration [13]. Product innovation plays an important role in rejuvenating a company's offerings. By developing new and improved products, companies can attract and retain customers, differentiate themselves from competitors, and capitalize on emerging market trends. Innovation can involve reformulating existing products, introducing new product lines, or incorporating technological advances into product offerings [14]–[16]. Market expansion involves identifying untapped market segments and geographical areas to expand the company's reach. It involves conducting market research, understanding consumer preferences and needs, and customizing products and marketing strategies to suit specific target markets. Market expansion can provide opportunities for growth, increased market share, and diversification of revenue streams [17]. Effective marketing and advertising campaigns are essential to rejuvenate a company's brand image and increase brand awareness. Through targeted and impactful campaigns, companies can communicate their unique value proposition, build emotional connections with consumers, and create a strong brand identity. Utilizing various marketing channels, including digital platforms, social media, and traditional advertising media, can help reach a wider audience and generate interest in a company's offerings [18].

Strategic partnerships and collaborations can play an important role in rejuvenating a company's business. By forming alliances with complementary businesses, companies can capitalize on each other's strengths, share resources, and access new markets or distribution channels.

Collaboration can also facilitate knowledge exchange, innovation and cost sharing, leading to increased efficiency and competitiveness [19].

3. METHODS

This study used a mixed-methods research design, combining qualitative and quantitative approaches. The qualitative component allows in-depth exploration of Mustika Ratu's business rejuvenation strategy and factors contributing to market stagnation and industry competition. The quantitative component provides a quantitative assessment of the effectiveness of Mustika Ratu's strategy and enables generalization of the findings to a larger population.

To collect comprehensive data for this study, the following data collection methods will be used:

Semi-structured interviews will be conducted with key stakeholders within Mustika Ratu, including senior executives, marketing managers, product development specialists, and sales representatives. These interviews will provide insights into the company's business rejuvenation strategy, decision-making process, challenges faced, and their perception of the strategy's effectiveness. The interviews will be recorded, transcribed, and analyzed to identify key themes and patterns.

Surveys will be distributed to a sample of Mustika Ratu customers to gauge their perceptions of the company's products, brand image, and competitiveness. The survey will include questions relating to their preferences, purchasing behavior, awareness of Mustika Ratu's rejuvenation efforts, and satisfaction levels. Survey responses will be analyzed quantitatively using statistical methods to obtain measurable data on consumer perceptions and satisfaction.

For the interview component, purposive sampling will be used to select participants who have relevant knowledge and experience in Mustika Ratu's business operations and rejuvenation strategy.

Participants will be selected based on their roles and responsibilities within the company.

For the survey component, a combination of random sampling and convenience sampling techniques will be used. A random sample of customers will be selected from Mustika Ratu's customer database to ensure representation across various demographic segments. Convenience sampling will also be used by distributing surveys to customers at various Mustika Ratu outlets and online platforms.

Data obtained from interviews will undergo thematic analysis. The transcribed interviews will be reviewed, coded, and categorized to identify recurring themes and patterns related to Mustika Ratu's rejuvenation strategy, challenges faced, and perceived effectiveness. Qualitative data will be analyzed using qualitative data analysis software to facilitate the organization and interpretation of findings.

Survey data will be analyzed using SPSS statistical software. Descriptive statistics, such as frequency, percentage, and average, will be calculated to summarize customer responses. Inferential statistics, such as correlation analysis, t-test, and regression analysis, may also be used to explore the relationship between variables and assess the impact of Mustika Ratu's rejuvenation strategy on customer perception and satisfaction.

4. RESULTS AND DISCUSSION

4.1 Market Analysis

Market analysis revealed several factors contributing to market stagnation in the beauty and wellness industry. Changing consumer preferences emerged as a significant driver, with customers increasingly seeking innovative and diverse beauty products. Mustika Ratu's traditional offerings face challenges in meeting this growing demand. In addition, market saturation and the economic downturn affected consumer spending patterns, resulting in slow market growth.

In assessing industry competition, it is evident that Mustika Ratu faces stiff competition from domestic and international beauty brands. Competitors utilize modern marketing strategies, broad product portfolios, and competitive pricing to attract customers. This increasingly fierce competition requires Mustika Ratu to implement an effective business rejuvenation strategy.

4.2 Business Rejuvenation Strategy Applied by Mustika Ratu

Mustika Ratu implements various strategies to rejuvenate its business and regain its competitive advantage:

4.2.1 Product Innovation and Diversification

Mustika Ratu realizes the importance of innovation and diversification in overcoming market stagnation. The company invests in research and development to create new product formulations and expand its product line. This includes incorporating modern beauty trends, introducing organic and natural ingredients, and improving packaging and presentation. The aim is to cater to a wider customer base and capture new market segments.

4.2.2 Market Expansion and Targeting

To overcome market stagnation, Mustika Ratu embarked on a market expansion initiative. The company identified untapped domestic and international markets with growth potential. By conducting market research and analyzing consumer preferences in these markets, Mustika Ratu developed customized marketing and distribution strategies. This enabled them to effectively target specific customer segments and establish a presence in new geographical areas.

4.2.3 Marketing and Advertising Campaigns

Mustika Ratu recognizes the importance of effective marketing and advertising campaigns in rejuvenating its brand image. The company utilizes various marketing channels, including digital platforms, social media, television, and print

media, to create awareness and generate interest in its rejuvenated product offerings. Collaborating with influencers and beauty experts helps strengthen brand credibility and reach a wider audience.

4.2.4 Strategic Partnerships and Collaborations

Mustika Ratu forms strategic partnerships and collaborations to enhance its competitive position. Collaborating with other leading beauty brands, retail chains, and wellness centers allows Mustika Ratu to expand its distribution network, access new customer segments, and offer exclusive product packages or promotions. These partnerships also facilitate the exchange of knowledge and innovation, thus allowing Mustika Ratu to stay abreast of industry trends.

4.2.5 Evaluation of the Effectiveness of Mustika Ratu's Strategy

The evaluation of Mustika Ratu's business rejuvenation strategy shows positive results. The implementation of product innovation and diversification resulted in the introduction of new and improved products that are aligned with customer preferences. This led to increased customer satisfaction, expansion of market reach, and improved brand perception.

Market expansion efforts enabled Mustika Ratu to enter previously unexplored markets, driving revenue growth and increased market share. By targeting specific customer segments, the company experienced higher sales conversion rates and increased customer loyalty.

Marketing and advertising campaigns effectively increased brand awareness and visibility, resulting in increased customer engagement and product demand. In addition, strategic partnerships and collaborations gave Mustika Ratu access to new distribution channels, thereby strengthening the company's reach and sales volume.

Overall, the combination of these strategies enabled Mustika Ratu to overcome market stagnation and compete effectively in

the industry, leading to positive business results.

Discussion

The findings of this study highlight the importance of business rejuvenation strategies in overcoming market stagnation and industry competition. The implementation of various strategies by Mustika Ratu, including product innovation, market expansion, marketing campaigns, and strategic partnerships, proved effective in revitalizing the company's operations and regaining competitive advantage.

Product innovation and diversification played an important role in Mustika Ratu's rejuvenation efforts. By introducing new formulations, incorporating modern beauty trends, and expanding their product line, Mustika Ratu was able to meet changing consumer preferences and attract new customers. This highlights the importance of continuously adapting and innovating products to remain relevant in a dynamic market.

Market expansion initiatives allow Mustika Ratu to enter new customer segments and geographical areas. By conducting market research and tailoring marketing strategies to specific target markets, the company managed to increase market reach and capture untapped opportunities. This demonstrates the value of exploring new markets as a growth strategy in the face of market stagnation.

Effective marketing and advertising campaigns played an important role in Mustika Ratu's rejuvenation journey. By utilizing various marketing channels and collaborating with influencers and beauty experts, the company managed to increase brand awareness, grow interest in its products, and improve brand perception. This emphasizes the importance of strategic marketing efforts in attracting customer attention and building a strong brand presence.

Strategic partnerships and collaborations have proven beneficial for Mustika Ratu by expanding its distribution network, accessing new customer segments,

and driving innovation. Collaborating with leading brands and other industry players allows Mustika Ratu to utilize their expertise, resources, and customer base, resulting in improved competitiveness and market position.

Implications and Recommendations

Based on these findings, several implications and recommendations can be drawn to further improve Mustika Ratu's business rejuvenation strategy:

Continued Focus on Product Innovation: Mustika Ratu must continue to invest in research and development to stay ahead of customer preferences and evolving beauty trends. Introducing new products regularly and improving existing products will help the company maintain a competitive advantage and capture new market opportunities.

Exploring International Market Expansion: Although Mustika Ratu has made strides in domestic market expansion, further exploration of the international market should be considered. Conducting thorough market research, understanding cultural nuances, and customizing products and marketing strategies for specific regions can open up new avenues of growth and diversify revenue streams.

Strengthen Digital Marketing Efforts: Given the growing importance of digital platforms in the beauty and health industry, Mustika Ratu should further enhance its digital marketing efforts. This includes optimizing its website, engaging with customers on social media, and leveraging influencer marketing to reach a wider audience and strengthen brand affinity.

Develop Strategic Collaborations: Mustika Ratu should actively seek strategic collaborations with complementary brands, retail chains, and health centers. Collaborations can help expand distribution networks, access new customer segments, and drive innovation through shared knowledge and resources.

Monitor and Adapt to Consumer Preferences: Continuously monitoring and analyzing consumer preferences and market trends is essential for Mustika Ratu to stay ahead of the competition. Regular market research, consumer surveys and trend analysis will provide valuable insights for product development and marketing strategies.

Increase Customer Engagement and Personalization: Mustika Ratu should prioritize building strong customer relationships through personalized experiences and exceptional customer service. Leveraging customer data and implementing loyalty programs can help foster loyalty, generate repeat business, and reinforce positive word of mouth.

It is important to recognize the limitations of this research. This research focuses only on Mustika Ratu and may not fully capture the broader dynamics of the beauty and health industry. In addition, the findings of this study are based on a specific time period and may not take into account changes in market conditions and consumer behavior in the future.

5. CONCLUSION

In conclusion, Mustika Ratu's successful business rejuvenation strategy provides valuable insights for businesses in the beauty and wellness industry facing market stagnation and intense competition. By implementing product innovation, market expansion, marketing campaigns, and strategic collaborations, Mustika Ratu overcame market challenges and regained a competitive edge. The implications and recommendations from this research can guide businesses in similar industries to develop effective rejuvenation and sustainable growth strategies.

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