

Original Article

# Developing Marketing Strategy to Acquire Potential Customers Under 35 Years Old for Dietary Supplements Company: Case Study of 4Life Indonesia

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Received Date: 04 January 2024

Revised Date: 13 January 2024

Accepted Date: 18 January 2024

Published Date: 28 January 2024

**Abstract:** *The current market trend of dietary supplements was driven by the segment of people under 35 years old and their rising awareness of health, well-being, and performance enhancement. This market research focuses on the marketing strategy that can be applied by 4Life Indonesia, a dietary supplement company headquartered in the United States, to acquire these potential customers and increase the company's revenue. The primary research objective is to comprehend the under-35 market's purchasing behavior, as well as propose suitable value propositions and a marketing strategy. This research combines qualitative interviews with 8 potential customers and a quantitative online questionnaire with 110 participants. Tools such as PESTLE, Porter's Five Forces, and Competitive Profile Matrix (CPM) were used to analyze the company's external environment. Customer Journey 5A was used to analyze the customer's journey. Marketing Mix 7P and STP were used to analyze the internal environment. SWOT analysis was later developed from these results to create the possible value proposition and marketing strategy. Findings reveal economic, sociocultural, and technological influences on the segment's behavior, as well as product uniqueness, personalization, recommendation, and online reviews. The proposed value proposition focuses on high-quality ingredients, extensive research, transparent labeling, and customer-centric features. The proposed strategic marketing is a differentiation strategy aiming to raise awareness of 4Life Indonesia's brand. These research findings will help 4Life Indonesia to acquire and strategically position itself as a unique preventive health solution to the segment under 35 years old, fostering sustained growth of the company.*

**Keywords:** Acquisition, Dietary Supplement, Market Research, Marketing Strategy, Value Proposition.

## I. INTRODUCTION

The dietary supplement industry has been facing significant growth that's driven by the younger generations. According to PwC (2020), the market trend was driven by the rising health awareness post-pandemic. More people are paying attention to their health and taking preventive measures to improve their immune system or specific nutrients to meet their needs. Additionally, the demographic shift from the older generations to millennials, Generation Z, and Generation Alpha has created a higher demand for supplements that were not as popular in the past, such as probiotics, fatty acid, protein, gut health, and athletic performance. With the rising cost of health care, preventive measures such as taking dietary supplements have become a more affordable solution to the segment's problem.

According to past market research done by Coherent (2022) and Vantage (2022), the competition for a trending market, such as dietary supplements, is high, with many players trying to get attention from potential customers. Traditional and modern marketing tools are being utilized to an optimum level to achieve this goal. Different brands highlighted different value propositions to make sure their brand is distinct from one another. Variations of price range, product line, ingredients, claimed health benefits, and distribution are also available for different segments that allow customers to choose based on their preferences and needs.

To protect the customers and ensure product safety in the market, the government created regulating organizations. The Republic of Indonesia created *Badan Penanggulangan Obat dan Makanan* (BPOM), or The Indonesian Food and Drug Authority. Regulated in the presidential decree since 2000, BPOM is responsible for supervising the food and drugs from the administration process all the way to the post-distribution process in the market. Products that want to be distributed in Indonesia need to meet all of the requirements and are not allowed to claim health benefits unless it fulfils a clinical study on BPOM's standards (BPOM, 2022).

4Life is a dietary supplements company that originated in the United States and officially arrived in Indonesia in 2008. The value proposition from this company centered around science and research, success from the direct-selling business model,



service and giving back through the 4Life Foundation, and a high customer satisfaction rate (4Life, n.d). Due to its business model, 4Life Indonesia must also be mindful of regulations from the Ministry of Trade and Asosiasi Penjualan Langsung Indonesia (APLI) or the Indonesian Direct-Selling Association. These regulatory bodies ensure the longevity and ethical growth of 4Life in Indonesia.

4Life Indonesia is currently facing challenges to enhance the company's growth and sustain better. The existing affiliate base is predominantly comprised of older generations with a lifetime value that decreases over time due to aging and reduced business activity. Recognizing the market trend and growth potential in the under-35 segment, 4Life is actively seeking strategies to attract and engage younger customers. To achieve this, the company must understand the preferences and behaviors of this demographic and tailor its marketing approach accordingly, effectively communicating suitable values to resonate with the target audience.

## **II. LITERATURE REVIEW**

### **A) Under 35 Years Old Purchasing Behavior on Dietary Supplements**

Multiple studies offer insights into the purchasing behavior of dietary supplements among individuals under 35. Zolkepli et al. (2022) focused on social media advertising, celebrity endorsements, and electronic word-of-mouth (eWOM), revealing that social media and eWOM positively influence purchases, while celebrity endorsements have an insignificant effect. Suparwo (2022) examined online promotion, price, and brand image for Neosaipress herbal products, finding that online promotion and brand image impact purchasing decisions, but price directly influences decisions. Tajuddin et al. (2020) explored the relationship between eWOM, brand image, and consumer purchase intentions, emphasizing the importance of carefully planned eWOM communication supported by a positive brand image.

A series of regional studies provided additional perspectives. In South Korea, J. Choi (2019) studied university students' dietary supplement purchasing behavior, revealing the influence of health involvement and recommendations from family and friends. Fitriyani et al. (2017) in Indonesia identified significant effects of motivation and stimulus factors on consumer involvement, impacting purchasing behavior. In Thailand, studies by Wangcharoen et al. (2013) and Tunsakul (2012) found that consumer characteristics, including income and lifestyle factors, influence dietary supplement consumption, shedding light on effective strategies for reaching the Thai market.

Lastly, a study in 2002 tackled the broader question of why people purchase health supplements. Using perceived value, external cues, personality traits, and socio-demographic variables, the study revealed that the perceived value of supplements and external cues were strong predictors of supplement consumption. Collectively, these studies offer valuable insights for stakeholders in the dietary supplement industry to refine marketing strategies and better understand consumer behavior.

### **B) PESTLE Analysis**

PESTLE analysis, a strategic marketing framework, aids companies in comprehensively assessing the external factors that impact their operating environment or the launch of new products and services. PESTLE stands for Political, Economic, Social, Technological, Legal, and Environmental or Ethics factors, offering a multi-dimensional view to guide firms in developing effective strategies. The analysis involves a thorough examination of each factor's influence on the business environment, serving as a precursor to a SWOT analysis that informs key decision-making processes within the company (Alanzi, 2018).

Political analysis within PESTLE involves evaluating government conditions and policies that may affect the company, including tax policies, regulations, infrastructure, and laws. Economic analysis assesses the impact of economic factors such as unemployment rates, inflation, material costs, and currency exchange rates on the organization's profitability. The Social angle focuses on demographic trends, education, cultural background, lifestyle, and attitudes within the intended market. Technological factors consider the impact of innovation and developments on the company, covering digital advancements, manufacturing, and logistics. Legal factors focus on the company's compliance with various laws, including consumer law and health and safety regulations. Lastly, Environmental or Ethical factors examine the company's influence on the environment and ecology, particularly in the context of rising corporate sustainability responsibility. This comprehensive analysis helps companies tailor their strategies to navigate diverse industry landscapes and make informed market entry decisions.

### **C) Porter's Five Forces Analysis**

Porter's Five Forces framework is a strategic tool designed to assist companies in thoroughly assessing an industry before entering it, enhancing performance and decision-making capabilities. The model evaluates the industry's competitiveness, aids in issue resolution, and facilitates the development of industry-appropriate corporate strategies (Hole et al., 2019).

The horizontal forces in the framework encompass Competitive Rivalry, Threat of New Entrants, and Threat of Substitutes. Competitive rivalry gauges the intensity of competition within the industry, with factors such as similar products, strategies, slow growth, and low entry barriers contributing to intense rivalry (Llusa & Mercedes, 2006). The Threat of New Entrants assesses the impact of new companies entering the industry, considering barriers to entry like patents, technology access, and government support. Threat of Substitutes examines the availability of alternative products, influencing profits based on cost and suitability.

The vertical forces consist of the Bargaining Power of Buyers and the Bargaining Power of Suppliers. Bargaining Power of Buyers evaluates how consumer buying power aligns with product prices, emphasizing the influence of consumer dynamics and financial capacity on sales. The Bargaining Power of Suppliers focuses on suppliers determining terms, prices, and timelines, with industry firms obliged to comply with these supplier-defined conditions. Porter's Five Forces Framework provides a comprehensive analysis to understand the dynamics and competitive landscape of an industry, aiding companies in formulating effective strategies.

#### D) Competitive Profile Matrix

Competitor analysis is crucial for companies aiming to identify opportunities and threats within their industry, ultimately guiding strategic decision-making (Adom et al., 2016). The Competitive Profile Matrix (CPM) is a valuable tool, as described by Zimmerer et al. (2008), enabling firms to assess themselves against competitors using key success factors (KSF) specific to their industry. The three-step process involves identifying KSFs, assigning weights to each factor based on their importance, and then rating each firm and its competitors on these factors. The final step includes multiplying the rating by the assigned weight to calculate a total weighted score for each competitor. The resulting matrix provides a visual representation of each company's strengths and weaknesses. In the example table provided, Company A, with a total score of 2.80, is shown to be trailing behind Competitor 1 (total score of 3.10), particularly in the areas of advertising and brand name. This information allows Company A to strategically focus on improving its weaknesses to surpass competitors in these specific aspects.

**Table 1: Example of Competitive Profile Matrix**

Key Success Factors	Weight	Company A		Competitor 1		Competitor 2	
		Score	Weighted Score	Score	Weighted Score	Score	Weighted Score
Innovation	0.25	4	1.00	4	1.00	3	0.75
Advertising	0.20	2	0.40	3	0.60	4	0.80
Brand Name	0.20	1	0.20	4	0.80	2	0.40
Product Quality	0.15	4	0.60	2	0.30	2	0.30
Customer Service	0.10	3	0.30	2	0.20	1	0.10
Price Competitiveness	0.05	3	0.15	3	0.15	4	0.20
Technological Competence	0.05	3	0.15	1	0.05	2	0.10
Total	1.00	-	2.80	-	3.10	-	2.65

#### E) Customer Journey 5A Analysis

Philip Kotler introduced the 5 A's of the customer journey to help companies map their users' positions throughout the sales process, aiming to enhance understanding and foster customer loyalty. The five stages in this framework are Aware, Appeal, Ask, Act, and Advocate. In the Aware phase, customers first learn about a brand through various marketing channels, developing initial interest. The Appeal phase sees potential customers seeking more compelling information about the brand. Ask follows, where customers actively gather information, bringing them closer to making a purchase. The Act phase marks the transition from potential to actual customers through a purchase. Finally, in the Advocate phase, customers become advocates who not only make repeat purchases but also recommend the brand to others through word of mouth or electronic channels. The 5 A's model has evolved from a linear funnel shape to a more dynamic, non-linear structure, as depicted in Marketing 4.0. In this dynamic model, customers may not necessarily progress through each stage sequentially, with some advocating for a product even without going through all the preceding stages. Loyalty is not solely tied to completing the entire journey but extends to anyone recommending or expressing interest in the product (Kotler et al., 2017).

#### F) Marketing Mix 7P Analysis

The marketing mix, a crucial concept for marketers, serves as a strategic framework for creating effective business strategies. Originating with McCarthy's 4Ps—product, price, promotion, and place—this framework has evolved to encompass the 7Ps, with the addition of personnel, physical assets, and procedures. The 7Ps are interconnected and play a vital role in

defining all marketing elements necessary for a successful market positioning offer following the STP (Segmenting, Targeting, and Positioning) approach.

Product involves the specific goods or services offered, each with its unique value proposition. Price reflects customers' willingness to spend and requires careful consideration, especially for price-sensitive segments. Promotion encompasses various selling techniques, ensuring that great products and prices are effectively communicated to the target audience. Place pertains to the distribution system from the company to end-users, utilizing channels like direct selling or retailers based on customer segments. People emphasize the role of personnel in producing and delivering goods, focusing on personal interactions and general skills. The process involves operational aspects such as production and cost management to increase profits. Finally, physical evidence comprises tangible cues customers use to evaluate services throughout the purchase process (Jain, 2013). The 7Ps provide a comprehensive framework for marketers to analyze and optimize various elements, contributing to the overall success of marketing strategies.

#### **G) STP Analysis**

Creating a profitable business involves strategic market planning, and the STP (Segmenting, Targeting, and Positioning) approach is a key methodology for understanding and catering to specific target audiences. Market segmentation, the first step, involves dividing a broad customer base into sub-groups with similar characteristics. This detailed identification enables marketers to tailor their strategies to the unique needs, preferences, and expectations of each segment, whether based on demographics, geography, psychographics, behavior, or product-related factors. The next phase, targeting, entails choosing the most profitable and underserved segments to specialize in. Strategies include undifferentiated marketing, treating all segments similarly; differentiated marketing, focusing on multiple segments with individual offerings; and concentrated marketing, targeting one or a few highly profitable segments based on company resources and market dynamics. Finally, positioning is about defining how a company or brand wants to be perceived in the market and customers' minds compared to competitors. This involves emphasizing benefits, product differentiation, team skills, and ensuring a strong and difficult-to-imitate position. STP provides a systematic approach to marketing decisions, facilitating personalized strategies and enhancing overall market performance (Camilleri, 2018).

#### **H) SWOT Analysis**

SWOT analysis, a crucial phase in strategic decision-making for achieving a company's objectives, involves both internal and external assessments. External analysis helps identify threats and opportunities in the environment, while internal analysis reveals strengths and weaknesses within the company. Strengths are internal factors aiding in goal attainment, while weaknesses hinder progress. Opportunities are external conditions facilitating certain activities, while threats pose difficulties in realizing plans. Strengths enable a company to outperform competitors, while weaknesses highlight areas needing improvement to avoid future challenges. Opportunities leverage external factors to mitigate weaknesses or counter threats, whereas threats present external obstacles that must be navigated effectively. Effective SWOT analysis aids in selecting strategies for competitive advantage within an industry by capitalizing on strengths, addressing weaknesses, leveraging opportunities, and mitigating threats (Gurel and Tat, 2017).

#### **I) Value Proposition**

Crafting a value proposition is essential before devising a marketing strategy, aligning company offerings with consumer values to drive effective marketing activities. Ideally, investment and production decisions should reflect customer-perceived value, adapting to shifts in consumer preferences through ongoing marketing research. A value proposition serves as a concise statement directing all marketing efforts towards elements that significantly influence consumers' brand preferences over competitors. It encompasses both internal and external values, balancing shareholder perspectives on profit and efficiency with corporate mission, vision, and objectives alongside customer-centric insights. Customer value is analyzed holistically, considering target customers, their needs and problems, purchasing context and occasion, product/service benefits, uniqueness, and competitive advantage. Successful value propositions address what customers find important and deliver value seamlessly, emphasizing operational excellence to satisfy customer needs effectively. A well-aligned value proposition and marketing plan ensure customer satisfaction, uniqueness, profitability, and sustainability, driving competitive advantage in the marketplace (Hassan, 2012).

### **III. RESULTS AND DISCUSSION**

The research method utilized in this study incorporates both primary and secondary data collection techniques. Initially, a preliminary study involving interviews with 4Life Indonesia's management team was conducted to identify perceived business issues. Afterward, primary data collection comprising qualitative and quantitative methods was done. The qualitative data was gathered through in-depth interviews with 12 participants under the age of 35 who had purchased dietary supplements

in the last month. The qualitative phase employed thematic data analysis to identify patterns and themes in the interview transcripts, employing an inductive approach to coding.

Meanwhile, quantitative data was collected through online questionnaires from 110 participants under 35 who had not purchased 4Life's products, utilizing simple random sampling. Reliability and validity tests were conducted on the quantitative data, with Cronbach's Alpha indicating high reliability and validity tests ensuring the accuracy of most questions. The quantitative analysis method involved collecting data on age, domicile, occupation, monthly income, monthly expenses, and disposable income spent on dietary supplements, followed by conducting a distribution analysis. Subsequently, Pearson's correlation test was performed to examine the relationships between these factors and disposable income. Finally, triangulation was employed to enhance the reliability and validity of the research findings by cross-verifying data from both qualitative and quantitative sources.

**Table 2: Pearson's Correlation Test**

Independent Variables	Test Results	Disposable Income
Age	Pearson Correlation	.251**
	Sig. (2-tailed)	0.008
Domicile	Pearson Correlation	-.220*
	Sig. (2-tailed)	0.021
Occupation	Pearson Correlation	.278**
	Sig. (2-tailed)	0.003
Monthly Income	Pearson Correlation	.334**
	Sig. (2-tailed)	0
Monthly Expense	Pearson Correlation	.365**
	Sig. (2-tailed)	0

\*\* Correlation is significant at the 0.01 level (2-tailed).

The results of the analysis highlighted disposable income as the primary determinant of expenditures on dietary supplements, with age, domicile, occupation, monthly income, and monthly expenses considered as secondary factors. Positive coefficients in the correlation analysis for age, monthly income, and monthly expenses suggested a direct and positive relationship with disposable income allocated to dietary supplements. Conversely, a negative correlation was observed between domicile and disposable income, indicating that individuals in more densely populated areas tended to have higher disposable incomes for supplements. Occupation showed a positive correlation, indicating that participants with more independent job roles tended to possess higher disposable incomes. However, it is important to note that ordinal categories for domicile and occupation may lack precision in directly reflecting specific population sizes or independence scores in work. Further research may be needed to refine these variables for a more accurate analysis.

#### **A) PESTLE Analysis**

PESTLE analysis showed that the things that could affect the participants the most are economic, sociocultural, and technological factors. This segment of potential customers is mostly still price sensitive, although they showed that they seek value more than lower price itself. Their health awareness is rising in their sociocultural schemes, especially in improving their immune system and physical health. When it comes to technological factors, the participants focus on social media influences that are highly used as brand communication tools and search engines for them to find information and build trust in the brand. Legal considerations, such as BPOM and Halal certification, and environmental impact also came across as important, although not as widely affecting as the mentioned aspects. Lastly, the political aspects are considered not related to their decision at all.

#### **B) Porter's Five Forces Analysis**

During Porter's Five Forces analysis, the customers stated how they view the industry, especially regarding the new entrants, substitutes, their bargaining power, and the competitive landscape. The participants are generally open to new brands of dietary supplements. They are also open to substitutes, mostly adapting to a healthy lifestyle, and others resort to solutions such as various health professional services (doctors/ physicians/ counselors/ therapists/ nutritionists). When it comes to their bargaining power, they do feel like their health needs drive the industry a lot, and they emphasize the need for a brand to provide holistic, trustworthy, and practical benefits. They also saw the dietary supplement competition landscape to be varied and provide well for them, allowing them to choose products based on their circumstances.

### C) Competitive Profile Matrix

In the Competitive Profile Matrix, the factors that affected the participants' purchasing behavior were further seen. The eighteen factors that were predetermined based on the preliminary study were ranked, and a few factors that are considered important (have higher scores than 8-10, in decreasing rank) are product quality and ingredients, nutrition labeling, scientific proof, perceived health benefits, and product certification. Following that were recommendations from physicians, closest relatives, and the brand image. The participants also mentioned a few highly known competitors in dietary supplements. However, the author has chosen those with similar price ranges and business models of direct selling to be analyzed in the matrix. Amway can be seen leading over 4Life based on the matrix.

**Table 3: 4Life Indonesia's Competitive Profile Matrix**

Critical Success Factors	Weight	Subject: 4Life (US)		Competitor 1: HDI (Philippines)		Competitor 2: AFC (Japan)		Competitor 3: Amway (US)	
		Score*	Weighted Score	Score*	Weighted Score	Score*	Weighted Score	Score*	Weighted Score
Quality product	0.17	4	0.68	3	0.51	4	0.68	4	0.68
Nutrition labeling	0.17	2	0.34	2	0.34	2	0.34	3	0.51
Scientific proof	0.17	4	0.68	1	0.17	3	0.51	4	0.68
Health benefits	0.16	4	0.64	3	0.48	3	0.48	4	0.64
Certification: BPOM	0.16	3	0.48	2	0.32	2	0.32	4	0.64
Certification: Halal	0.16	3	0.48	2	0.32	3	0.48	4	0.64
Total	1	-	3.3	-	2.14	-	2.81	-	3.79

\*1 = major weakness, 2 = minor weakness, 3 = minor strength, 4 = major strength

### D) Customer Journey 5A Analysis

The first step of the journey is the awareness phase. The preliminary study suggests that individuals under 35 primarily become aware of 4Life through family connections and offline events like shopping mall exhibitions, which is consistent with the older adult demographic's influence on introducing products to family members. Meanwhile, in-depth interviews with the new target segment reveal diverse channels through which individuals discover dietary supplement brands, including search engines, social media, and recommendations from family members or physicians, with Google being particularly influential. E-commerce is favored by informed consumers, while trust concerns lead some to prefer traditional offline retail stores. Questionnaire results highlight relatives' recommendations as the primary source of awareness, followed by advertising and influencers, with product uniqueness and health benefits driving initial interest. This data underscores the importance of product quality and endorsements from trusted sources in engaging the under-35 demographic, suggesting a strategy of leveraging older customers to reach younger prospects effectively.

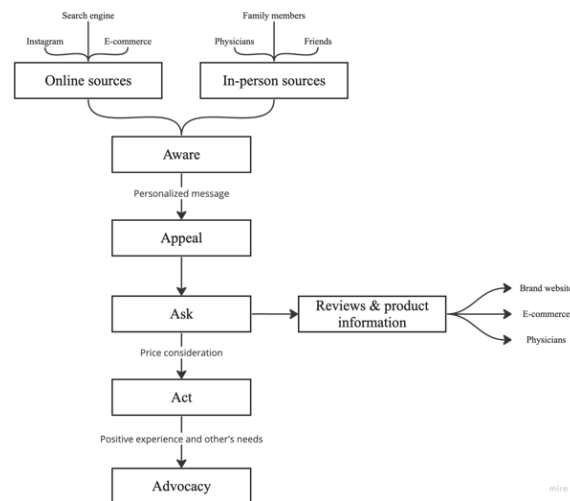
The second step is the appeal phase. Insights from the preliminary study revealed that 4Life's appeal to affiliates stemmed from witnessing tangible improvements in the health of their family or relatives, establishing a foundation of trust and confidence in the brand's efficacy. This finding was further supported by in-depth interviews, which highlighted the allure of the unique business model as a significant factor sparking curiosity among potential buyers. The absence of misconduct or fraudulent activities emerged as a key qualitative finding influencing trust and confidence. The quantitative analysis supports these qualitative findings, with 57.3% of participants emphasizing the importance of positive reviews in enhancing a dietary supplement brand's appeal. Overall, these results underscore the pivotal role of testimonials, personalized messaging, and endorsements from trusted sources in shaping brand perception and influencing purchase decisions within the target demographic. Additionally, it gave the imperative for 4Life to maintain a strong digital presence and prioritize customer-centric marketing strategies to capitalize on these influential factors effectively.

In the third phase of the customer journey, "ask," participants actively seek information from multiple sources to inform their decision-making process before proceeding to the "act" phase. The thematic analysis highlights the brand's official website as a primary information hub, with a focus on understanding product composition, effects, and mechanisms of action. Online reviews are pivotal, with positive and numerous reviews influencing participants' progression. Physicians' endorsements are highly valued for personalized insights. Notably, participants engage in extensive research, examining certificates, investigating news, and comparing prices. Quantitative data supports these findings, with a significant portion relying on official websites and online reviews, showcasing a trend toward informed decision-making. Prioritizing ingredient scrutiny,

customer experiences, and scientific evidence, participants demonstrate a discerning approach, reflecting digital literacy and a commitment to making informed choices amidst a crowded market.

In the "act" phase of the customer journey, the intended demographic's purchasing behavior reflects an interplay of financial considerations and health-related priorities. Insights from the preliminary study reveal varied motivations, with some individuals waiting for payday to afford 4Life's relatively high-priced products, while others make immediate purchases driven by urgent health needs. Different health goals, such as immune system boosting or weight management, influence the timing and urgency of purchases, showcasing a diverse spectrum of consumer motivations. For many, dietary supplements complement their lifestyle within a budget of under Rp 300,000 per month. However, participants with clear health objectives are willing to invest significantly more, prioritizing product quality and suitability over price. The quantitative data underscores the importance of product uniqueness and health benefits in driving purchasing decisions, with recommendations from relatives also giving considerable influence. Conversely, inadequate product information emerges as a primary deterrent, emphasizing the need for transparent communication to build consumer confidence and facilitate informed choices.

Finally, the last step of the journey is advocacy. Current 4Life affiliates demonstrate a strong inclination towards promoting 4Life's products, driven by positive experiences and a desire to share their benefits with others. Advocacy efforts primarily manifest through direct personal interactions and occasionally extend to social media platforms. Participants express a sense of loyalty to the brand, often making repeat purchases to support long-term health goals. Thematic analysis reveals that while older participants tend to advocate when specifically asked, younger demographics actively share their advocacy online, motivated by a desire to educate others and connect with like-minded individuals. The quantitative analysis highlights perceived health benefits as the primary motivator for advocacy, followed by product quality and overall user experience. A smaller segment expresses interest in the associated business opportunity. These findings underscore the multifaceted nature of product advocacy, emphasizing the importance of positive experiences, quality, and seamless customer interactions in fostering loyalty and driving advocacy efforts.



**Figure 1: Customer Journey 5A's**

### E) Marketing Mix 7P Analysis

In addressing the *Product* aspect of 4Life Indonesia's marketing mix, the company strategically caters to a diverse range of dietary supplement needs. Focusing on various bodily systems, 24 out of 74 globally available products in Indonesia undergo a meticulous BPOM certification process every five years, ensuring compliance with local regulations. Although the company does not directly engage in product innovation, it emphasizes 4Life's US-based research and manufacturing capabilities. Notably, 4Life Indonesia introduced a Korean beauty products line to align with market preferences. The thematic analysis highlights the target demographic's preference for compact, multipurpose products that align with fitness, weight management, and immune system goals. Capitalizing on this insight, 4Life Indonesia has the potential to tap into emerging market trends, especially in weight management, physical performance, beauty, and skincare. The company already offers immune-boosting products, but there is an opportunity for value adjustment to appeal to the younger market demographic. Successful BPOM certification is crucial for credibility and market trust, ensuring 4Life Indonesia's continued alignment with evolving consumer needs.

Currently, 4Life Indonesia's product Prices, ranging from 300,000 to 800,000, predominantly target a middle to high-income demographic. However, pricing decisions are dictated by 4Life US, posing challenges in reaching a broader market segment with lower purchasing power. Despite a recent fluctuation of 6-16% in prices in 2024, Indonesian management lacks significant influence due to the centralized decision-making process. Recognizing financial constraints, 4Life offers financial schemes to empower affiliates with reduced prices and additional benefits. In the context of the under-35 demographic, focused on building careers and businesses, their financial capacity limits monthly expenditure on supplements to below 300,000. The study emphasizes the pivotal role of price in decision-making, with participants conscious of the perceived value and influenced by endorsements and discounts. While there is a misalignment between disposable income and current pricing, the younger demographic shows a willingness to pay more for enhanced value. 4Life can strategically bridge this gap by building trust and loyalty, making the slightly higher price justifiable as perceived essential products.

In the past, 4Life Indonesia relied heavily on a restricted distribution channel, primarily utilizing affiliates strategically positioned across the country to introduce products to customers. This model linked sales success to affiliate effectiveness but posed challenges due to unpredictable activities. Affiliates employed various approaches, such as personalized interactions and event attendance, to acquire customers, while products were also accessible via the company's website and limited physical locations. However, new data indicates that customers prioritize accessibility and convenience when purchasing dietary supplements, preferring online platforms and established offline stores like Guardian and Watsons. Concerns about the reliability of affiliates' channels are highlighted, compounded by limitations imposed by APLI regulations preventing e-commerce sales. To address customer preferences, 4Life should focus on enhancing convenience by simplifying online purchasing processes and ensuring the visibility of purchase options despite regulatory constraints.

In the past, 4Life Indonesia's promotion strategies were heavily influenced by approval processes from 4Life US, requiring proposals supported by reliable data. However, despite BPOM certification, new product launches faced hindrances due to insufficient market research and marketing plans. Presently, promotions primarily revolve around the Loyalty Program, with offers such as Buy One Get One and merchandise rewards. Media platforms like Facebook, Instagram, WhatsApp, and *Telkomsel* SMS Blast are utilized, catering to both affiliates and the general public, with a focus on softer, educational content. The target demographic prefers authenticity and informative messaging over hard-selling tactics, responding positively to discounts and event-based promotions. Given regulatory constraints by APLI, the diminished reliance on traditional advertisements presents an advantage. Recommendations include reinforcing the brand through authentic Instagram content featuring younger demographics, improving website information, collaborating with sports associations for increased brand presence, and aligning with customer preferences while complying with regulations.

In the current setup at 4Life, the interaction with customers is primarily handled by affiliates and the customer service team, who engage through various platforms such as WhatsApp, Instagram, Facebook, and the call center. These individuals are crucial in shaping the customer's perception of the organization, acting as the frontline representatives. Additionally, the business development team and trainers play significant roles in supporting and enhancing affiliate performance. While there is a foundational understanding of the company's products and services, a product trainer offers deeper insights when necessary. Notably, affiliates undergo training to ensure access to relevant information, although they may sometimes present subjective perspectives to secure transactions. Participants emphasized the importance of representatives in dietary supplement companies, valuing attributes like certainty, confidence, genuineness, honesty, and patience. Particularly for new customers, interactions with representatives significantly influence trust, credibility, and brand perception, underscoring the pivotal role of the "people" element in fostering positive customer experiences and perceptions.

In the current process at 4Life Indonesia, new customers have various channels to place orders, including the website, office, or through affiliated distributors. Products are imported based on monthly sales volume, with notifications provided for available and unavailable items. Upon inquiry, customers experience a 5-10 minute wait at the office before their order is processed, with no predefined response times. Orders require the completion of a form and payment through various methods. Delivery times range from 3-7 days, depending on location, with no systematic post-purchase follow-up. New data emphasizes the importance of process in the marketing mix, indicating that customers readily opt for substitutes if product acquisition is challenging, particularly with perceived medicinal supplements. Lengthy processes are viewed as inefficient, prompting consumers to explore alternatives like local production or e-commerce platforms for a streamlined and familiar experience. Efficiency in the process, from acquisition to post-purchase, significantly influences consumer decisions, highlighting the importance of a simplified and user-friendly journey to retain interest and satisfaction.

In the current setup at 4Life Indonesia, physical evidence holds significant importance, particularly for new customers. Product packaging serves as a primary source of information, providing details on nutritional facts, ingredients, and usage instructions, albeit sometimes generalized due to BPOM regulations. Additional information on benefits can be found on various platforms, though discrepancies may arise between official branding materials and those disseminated by affiliates,



leading to inconsistencies. Participants stress the necessity of added value in physical evidence, emphasizing transparent manufacturing sites, identifiable offices, and well-designed packaging that is visually appealing, clean, and informative. Slim and portable packaging catering to travellers is preferred, with informative labels contributing to brand trustworthiness. Overall, tangible elements associated with the product significantly shape customer perceptions and establish brand credibility, underscoring the importance of physical evidence in fostering trust and confidence among consumers.

#### F) STP Analysis

The table below outlines an analysis of 4Life's current state regarding segmentation, targeting, and positioning (STP). It incorporates data from various results in previous analyses. The existing market segments and their characteristics are detailed, along with a potential new segment comprising a younger demographic with distinct traits. Utilizing STP enables personalized marketing by precisely defining target audiences and aligning 4Life Indonesia's products with their preferences. This personalized approach fosters more intimate and empathetic brand messaging, directly addressing identified customer personas.

**Table 4: Segmenting, Targeting, and Positioning**

Aspect	Current	New Added Target
<b>Segmenting</b>		
Demographic	75% of registered affiliates are over 35 years old	The under 35 years old, comprising the younger Millennials and Gen Z
Geographic	Java-centric, Medan, Makassar	Java-centric, Sumatera, Bali
Psychographic	Influenced by the traditional model of marketing	Influenced by the digital model of marketing
Behavioral	Trusting old and famous brands, skeptical of new entrants, higher brand loyalty <i>Boomers</i> - conventional <i>Gen X</i> - influential in the workforce	Reliant on recommendations by trusted individuals, more open to new entrants, low brand loyalty <i>Millennial</i> - curious and critical <i>Gen Z</i> - candid and authentic
<b>II. Targeting</b>		
Total Population in 2022	80.5 million <i>only</i> productive age (another 18.6 million unproductive age that needs support)	88.3 million <i>only</i> productive age (another 88.4 million unproductive age that needs support)
Profitability	Higher CAC due to traditional marketing methods	Lower CAC due to digital marketing methods
Reachability	Lower reach due to traditional marketing methods	Higher reach due to digital marketing methods
Challenges	Harder to gain and maintain trust Prone to fake products online and hoaxes due to less literacy in digital information	<i>Millennial</i> - highly critical and demands tons of information <i>Gen Z</i> - requires a high sense of personalization
Opportunities	More health conscious due to rising diseases (curative)	Rising healthy lifestyle trends in many areas (preventive)
Common Demands	Chronic diseases	Holistic health, mental health, physical performance, breastfeeding and pregnancy, pediatrics
<b>III. Positioning</b>		
USP	4Life Transfer Factor is the patented technology that's able to educate your immune system	Boost your life through the immune system with 4Life Transfer Factor
Brand Image	Medicine that could cure different diseases with just one formula (Transfer Factor)	A dietary supplement to take every day in order to help build a stronger life now and achieve success
Media	Facebook (100% Promotions), Instagram (70% Promotions & 30% Content),	Instagram (80% Content & 20% Promotions), Website (95% Content & 5% Promotion), WhatsApp (80% Targeted Promotions & 20% Content),

	WhatsApp (100% Promotions), Website (90% Content & 10% Promotions)	Facebook (80% Targeted Promotions & 20% Content)
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### G) SWOT Analysis

Conducting a SWOT Analysis is an essential step in the strategic decision-making process, aiding in the achievement of a company's objectives. External analysis assists in the identification of threats and opportunities within the environment, while internal analysis sheds light on strengths and weaknesses. Each aspect contributes to enhancing a company's competitive edge and facilitates the selection of an appropriate strategy for competing within a specific industry (Gurel and Tat, 2017). In this study, the tools utilized to analyze the company and the purchasing behavior of the target demographic serve as a framework for the author to assess the corresponding strengths, weaknesses, opportunities, and threats faced by 4Life Indonesia. This analysis informs the recommendation of a value proposition and the development of a marketing strategy.

4Life Indonesia is known for distributing high-quality products sourced from heavily certified suppliers. These products undergo extensive research at the US research center, boasting high-efficiency rates in the market. The manufacturing center of 4Life exhibits impressive capabilities in terms of technology, personnel, processes, and facilities. Notably, 70% of 4Life Indonesia's products are manufactured in their own factory, reducing reliance on external manufacturers. Additionally, the company offers financial schemes allowing preferred customers to shop at discounted rates while gaining financial benefits. With a stable network marketing business model, 4Life Indonesia has successfully operated in Indonesia for 15 years.

Despite its strengths, 4Life Indonesia faces certain limitations. Currently, the product variation is limited to 24 items, albeit licensed by BPOM. Moreover, the company lacks autonomy in pricing decisions, which 4Life solely determines. Official products are primarily available through limited distribution channels, mainly affiliates, restricting market access. Market research within 4Life Indonesia is also limited. Sales heavily rely on affiliates, as advertising is not permitted, and online transactions are restricted to the company's website.

There are several promising opportunities for 4Life Indonesia. With a rising awareness of health and fitness, particularly among younger adults, there is an increased demand for products related to immune system support, cardiovascular health, weight management, and physical and mental performance. Post-COVID, the market has regained buying power, presenting opportunities for growth. Advancements in health product manufacturing technology offer the potential for more accurate and efficient screening and product variation. Expanding product offerings from 4Life US, especially in other body systems, physical performance, and skin care, could further enhance market presence. Collaboration with sports associations and small groups offers avenues for brand expansion.

Despite opportunities, 4Life Indonesia faces several threats. The volatile nature of the network marketing business model in Indonesia poses risks. Post-COVID, demand for health products may decline. The perception of supplements as 'cures' in Indonesia presents challenges. Additionally, the regulatory landscape, including changes and lack of transparency in certification processes by BPOM, poses threats. Intense competition in the skincare market further complicates matters. Being a decentralized entity within a centralized direct-selling company structure limits decision-making power for essential matters.

### H) Value Proposition Recommendation

After identifying the customer's behavior and what affects their purchasing decision, information that was processed, along with the STP and SWOT analysis, here are the possible value propositions for 4Life Indonesia to acquire the segment under 35 years in the table below. The main value was :

*"Boost your life through the immune system with 4Life Transfer Factor."*

**Table 5: Value Proposition Recommendations**

Customer-based Values			Firm-based Values	
Consumer Knowledge	Competitor Knowledge	Innovation to Pain-Point	Strategic Vision	Product Knowledge
Numerous perceived health benefits	High product variation	Immune booster and natural enhancer	Satisfaction	High-quality products and ingredients
Recommended by physicians	Research & development	All-in-one ( <i>compact</i> )	Innovation	Highly researched clinically
Seamless customer journey	Certified globally and locally	Nutrient-dense	Foundation	Transparent and informative labelling

### **I) Proposed Marketing Strategy**

After identifying the recommended value proposition according to customer behavior and factors influencing their purchasing decisions and considering the processed information alongside the STP and SWOT analysis, the ensuing marketing strategy has been formulated.

*Company Objective:* Improving revenue growth to 10% each year consistently until 2030 (*hypothetically*).

*Marketing Objective:*

1. Acquiring 4,000 customers under 35 years old reflects a priority RFM.
2. Shifting existing and active customers proportion to 50% of customers fall under 35 years old.
3. Building brand awareness amongst under 35 years old, verified through online customer interaction.

*Target Market:*

1. Young Millennials (age 27-35), male and female, with monthly income >10,000,000 per month, working for a private-owned company, have health concerns for themselves and family members (parents/spouse/children).
2. Late Generation Z (age 21-26) females with a monthly income >5,000,000 per month have health concerns regarding themselves and possibly their parents, more digital awareness, and willingness to advocate for the product.
3. Early Generation Z (age 18-20) females have health concerns regarding themselves, even higher digital awareness, and a willingness to advocate for the product.

*Main Marketing Strategy:*

Differentiation strategy (a general competitive advantage in acquisition strategy) aims to show uniqueness that's higher than the competition based on the value proposition created before.

*Positioning:*

4Life helps you prevent future and further health concerns with abundant available data, information, and education on health and the product itself.

*Marketing Mix:*

1. *Product:* Get 4Life's US products certified in Indonesia's BPOM, especially those in the category of immune-boosting (Core Products), weight management (4Life Transform), and gut health (Digest4Life).
2. *Price:* Offer product giveaways for non-members through all social media channels; offer bundles that focus on weight management and skin care (once the products are available in Indonesia); the bundles should not be more than Rp 500,000 price
3. *Place:* The affiliate channel must consist of younger generations. The website's UI on the member's page can be redesigned with a clearer UX that's tested with actual customers.
4. *Promotion:* Bundle product with healthy lifestyle-related tools (workout or skin care regimen tools), bundle product with healthy lifestyle-related community partners (certain wellness or training center free trial session), soft-selling regular content posting on Instagram (comprising success stories, community events, customer's question & answer, product knowledge), addition of article content in the official website and review section in product pages.
5. *People:* The 4Life Indonesia staff must be ready for the new segment and trained on the segments' behavior or preferences beforehand; there is a post-purchase rating and review in every customer service channel (live chat, WhatsApp, Facebook, call center).
6. *Process:* Improving the website and 4Life app's UI and UX to become more efficient and visually appealing for the new segment, mobile-device friendly website and app.

7. *Physical Evidence*: Correcting the mistake BPOM label and doing strict checking to ensure the validity and comprehension of the label before putting it on the packaging

**Table 6: Marketing Tools Recommendations**

Channel	Value	Key Metrics
Instagram Social Media <i>Organic</i>	Satisfaction	<ul style="list-style-type: none"> <li>Organic 5-8K new followers increase</li> <li>Increase 10-25K reach</li> </ul>
	High quality	
	Highly researched	
WhatsApp Social Media <i>Organic</i>	Product variation	<ul style="list-style-type: none"> <li>Message open rate increased by 10%</li> <li>SLA 5 minutes within working hours</li> </ul>
	Certification	
	All-in-one	
SEO Official Website <i>Organic</i>	Health benefits	<ul style="list-style-type: none"> <li>Increase 20% of organic traffic</li> <li>Increase 5% of conversion rate</li> </ul>
	Informative labelling	
	Research and development	
Facebook Social Media <i>Organic</i>	Physicians' recommendation	<ul style="list-style-type: none"> <li>Increase likes, comments, and shares by 10%</li> <li>3-5K new followers</li> </ul>
	Family members' recommendation	
	Nutrient-dense	

#### IV. CONCLUSION

In conclusion, the research on dietary supplement purchasing behavior among individuals under 35 has identified various key factors. Participants prioritize values, especially for immune system and physical health improvement, with digital tools playing crucial roles in their decision-making journey. Pricing considerations reveal lower disposable income but a willingness to pay for perceived value. Leveraging these insights, 4Life Indonesia can highlight values of customer satisfaction, innovation, and transparent service, aligning with the preferences of the target demographic. The outlined marketing strategy, with objectives focused on customer acquisition, differentiation, and brand positioning, forms a comprehensive approach to overcoming post-COVID sales decline and fostering sustained growth within the under-35 segment.

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