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Problem Identification and Business Plan of Beauty Clinics: Application of Qualitative Research Approaches

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Abstract. This study aims to pinpoint the fundamental challenges encountered by a beauty clinic in Jakarta and develop an appropriate business strategy through qualitative research methods. Data were gathered via in-depth interviews with 15 participants, consisting of 10 active clients, 5 inactive clients, 3 therapists, and 1 operational manager, complemented by participatory field observations conducted over a three-month period. The findings revealed four primary issues: inconsistent service quality, weak brand identity and differentiation, inadequate digital marketing strategies, and the absence of a customer loyalty system. In response to these findings, a business plan was formulated encompassing service standardization, brand repositioning, enhanced digital marketing optimization, and the creation of customer retention programs. This research underscores the significance of employing qualitative approaches to comprehend consumer expectations and formulate experience-driven service business development strategies. The implications of this study provide practical guidance for beauty clinic managers in designing customer-centric business models and offer methodological contributions to qualitative research applications in service industry contexts.

Keywords: brand identity; business strategy; customer loyalty; digital marketing; qualitative research.

INTRODUCTION

Indonesia's beauty industry has shown an encouraging growth trend over the past few years (Hasrudin & Sagena, 2023). This phenomenon is motivated by lifestyle shifts, increasing economic capabilities of the middle class, and the role of social media in influencing the concept of beauty (Ministry of Industry, 2023). Jakarta, as the epicenter of business and urban culture, has witnessed the rapid growth of beauty clinics not only in number but also in the diversity of services provided, from basic skin treatments to the latest medical aesthetic technology (Chandra, 2025).

ERHA Clinic is one of the illustrations of a well-developed beauty clinic, known for its clinical dermatology approach and personalized care (Koen, 2019). Despite high credibility, challenges still arise with the presence of new competitors such as ZAP Clinic, which adopts the concept of technology-based fast services, targeting the millennial and Gen Z markets with a more aggressive digital strategy (ZAP Beauty Index, 2023). This proves that the success of beauty clinics does not depend solely on the quality of medical services but also on a deep mastery of consumer patterns and responsiveness to industry dynamics (Naung, 2024).

However, not all clinics are able to survive or develop optimally. Many clinics experience obstacles in maintaining customer loyalty, building brand differentiators, and managing operations consistently (Worlu, Kehinde, & Borishade, 2016). In this context, it is important to conduct research using a qualitative approach to identify the source of the problem from the perspective of consumers, labor, and management (Fischer & Guzel, 2023). This approach allows exploration of non-quantitative factors such as emotional satisfaction, quality perception, and the interpersonal relationships of the client-therapist (Drisko & Grady, 2019).

The most dominant complaint from beauty clinic clients is the inconsistency of treatment results and service experience (Tambingon & Saerang, 2019). Most customers feel

that the quality of care is greatly influenced by the therapist or doctor who treats them (Meesala & Paul, 2018). Some therapists are considered more meticulous, responsive in communicating, or produce more optimal results than their colleagues (Hatcher, 2015). This situation creates uncertainty among customers and impacts their level of trust in the clinic as a whole (Saxena, 2022).

This problem indicates that there is no standard operating procedures (SOP) system consistently implemented for all staff (Saxena, 2022). In addition, the lack of regular training and the absence of individual performance assessment mechanisms further worsen the condition (Liguori et al., 2018). Clinics that do not run ongoing training programs are at high risk of quality disparities among employees, which ultimately affect the clinic's image of professionalism and reputation among consumers. In a service industry that relies heavily on direct consumer experience, service inconsistency is a major obstacle to forming loyalty (Srivastava & Kaul, 2016). Customers who feel dissatisfied or achieve results below expectations are more likely to turn to other options, especially when many competitors provide a more standardized and satisfying experience (Wali & Nwokah, 2018). Therefore, it is important for clinic management to ensure that each therapist has balanced capabilities, works according to uniform standards, and receives ongoing coaching (Martens & Vealey, 2023).

In the era of rapid growth in the beauty sector, competition between clinics is no longer limited to price and promotion but also to their ability to build brand identity and perception (*brand positioning*) in the minds of consumers. Unfortunately, many beauty clinics experience significant obstacles because they lack firm service differentiation or a solid brand narrative (Neumeier, 2015). This condition makes it difficult for consumers to distinguish one clinic from another, so purchase decisions are based more on short-term incentives such as discounts or promotional packages that are temporary (Willie, 2025).

Clinics without a unique value proposition (UVP) generally fail to create long-term loyalty. When all services look identical — facial, peeling, laser — without uniqueness in approach, method, or branding, the clinic loses its exclusive appeal in the eyes of consumers. In fact, according to Porter, strategic differentiation is the key to building a sustainable competitive advantage and does not depend solely on price competition.

The absence of a firm brand position also causes clinics to be unable to effectively target specific market segments (Thomas, 2024). For example, clinics aimed at young professionals should feature elegant, minimalist, and science-based branding, while for teens or Gen Z, a more fun, interactive, and educational approach would be more appropriate. Without market segmentation and consistent visual and verbal identity, brand messaging becomes unclear and fails to leave a deep impression on consumers. Furthermore, the weakness of the brand position can be seen from generic promotional materials, clinic interior design that does not represent brand values, and the absence of an emotional and authentic narrative (*brand story*). In fact, according to Keller, a strong brand is formed from a consistent combination of experiences, perceptions, symbols, and stories. In an experience-based service industry such as beauty clinics, a touching narrative and building a personal connection with customers is crucial to creating emotional bonds and differentiating from competitors.

Digital marketing is an important element in modern communication strategies, especially in the highly visual and perception-oriented sectors of the beauty industry. However, many clinics are still lagging in implementing strategic and integrated digital marketing. Most

only use social media such as Instagram or Facebook passively, limited to occasional promotional posts or simple visual content such as before-and-after treatments without an engaging narrative. This leads to low engagement, lack of consumer education, and limited reach to potential new customers.

In fact, millennials and Gen Z, as the main targets of beauty clinics, are very active on digital platforms and respond more to content that is interactive, authentic, and informative. According to the ZAP Beauty Index (2023), customers in Indonesia are now more interested in education-based content, such as skincare tips, scientific explanations of products or treatments, and relatable testimonials. Clinics that fail to adapt to these trends risk losing relevance in the modern market.

Apart from content, many clinics have also not implemented a Customer Relationship Management (CRM) system capable of maintaining long-term customer relationships. CRMs such as automatic reminders for treatment schedules, follow-up treatment results, and personalized offers based on visit history are essential for building loyalty. The absence of this system causes many customers to feel forgotten after the first visit, reducing the chances of returning or getting repeat treatments.

On the other hand, marketing automation such as email marketing, segmented WhatsApp blasts, and data-driven ads (retargeting ads) have not been optimally used. Clinics still rely on traditional methods such as flyers, verbal promotions, or passive interaction from in-person customers. This is insufficient in the digital era, which demands a proactive and personalized approach to reach and retain consumers. Overall, weaknesses in digital marketing impact not only new customer acquisition but also the building of communities and long-term relationships, which are key to success in the aesthetic services industry.

Customer retention is a crucial indicator of success in service businesses, including beauty clinics. However, many clinics face challenges in retaining customers for regular visits. The low rate of repeat visits shows that clinics have not succeeded in creating a satisfactory and memorable service experience. Factors affecting low retention include mismatches between treatment results and customer expectations, unfriendly or inconsistent attitudes of service personnel, and lack of reward or incentive systems that make customers feel appreciated.

In interviews with customers, many stated they did not receive a compelling reason to return to the same clinic, especially when no real difference compared to competitors existed. Clinics without loyalty programs such as reward points, member discounts, or exclusive services for loyal customers tend to be abandoned as less value-added. According to service marketing theory, customers who have used the service and feel satisfied have the potential to become effective promoters and have higher lifetime value than new customers. Therefore, it is important for clinics to develop retention strategies involving emotional, functional, and reward aspects of customer loyalty systematically.

One common drawback of many beauty clinics is an overly transactional approach to service, simply selling products or treatments without providing adequate education and consultation. In the current era, consumers—especially millennials and Gen Z—show greater interest in services that are informative, transparent, and personalized. Customers want to understand their skin condition, why certain treatments are recommended, and how realistic the expected results are.

Unfortunately, many clinics lack a structured consultation system, such as skin analysis sessions using diagnostic tools, formulation of long-term treatment plans, or provision of clear written information after consultation. This lack of approach makes customers feel like objects of sale rather than subjects involved in treatment decisions. This lowers trust and reduces the likelihood of customers returning and establishing long-term relationships with the clinic.

A good consultative approach builds an emotional connection between experts and customers and forms an image of professionalism and concern for individual needs. Clinics that provide relevant education and personalized recommendations are usually more trusted, even if their service prices are relatively higher. Therefore, integrating consultative and educational approaches is key to building differentiation and increasing customer satisfaction and loyalty.

This study aims to identify the fundamental problems faced by a beauty clinic through qualitative research and develop a business plan aligned with market demands and potential service expansion. The rapid growth of the beauty industry does not guarantee success for all business actors in this sector. Despite high market demand, many beauty clinics face problems that hinder business sustainability in operations, marketing, and human resource management. Therefore, this research seeks to contribute theoretically by demonstrating the effectiveness of qualitative methods in uncovering service industry problems, and practically by providing actionable strategic recommendations for beauty clinic management to enhance competitiveness and achieve sustainable growth.

METHOD

This research used an exploratory qualitative approach that aims to explore in depth various problems and dynamics that occur in the operation of beauty clinics. This approach was chosen because it is able to provide a comprehensive contextual understanding of complex social phenomena, such as customer perceptions, service experiences, and managerial strategies that cannot be quantitatively measured.

Figure 1. Data Collection Techniques

The figure illustrates three primary data collection methods employed in this study: (1) In-depth Interviews conducted with 15 participants including 10 active customers, 5 inactive customers, 3 therapists, and 1 operational manager; (2) Participatory Observation of service processes, staff-customer interactions, and treatment procedures in real-time settings; and (3) Document Analysis of clinic operational records, promotional materials, and customer feedback forms. These triangulated methods ensure comprehensive data collection from multiple perspectives.

The data collection technique is carried out through several main methods. First, an in-depth interview was conducted with 10 active customers and 5 inactive customers. This interview aims to understand the subjective experiences, expectations, and reasons for loyalty and dissatisfaction felt by customers. Second, participatory observation was made of the service process at the clinic, including how the interaction between staff and customers took place, as well as how the treatment procedures were carried out in real time. Third, interviews were also conducted with three therapists as direct service personnel and one operational manager to obtain managerial perspectives related to SOPs, training, and daily operational challenges.

To analyze the data obtained, this study uses the thematic analysis method, namely by identifying the main themes that emerged from the results of interviews and observations. This process is carried out through the stages of data coding, category grouping, and repeated interpretation of thematic meanings. In addition, data triangulation techniques are also applied, which is comparing and confirming findings from various sources of information—customers, staff, management, and field observation results—to ensure the validity and reliability of research results. With this approach, researchers can build a complete picture of the main problems faced by the clinic and formulate relevant and contextual strategic recommendations.

RESULTS AND DISCUSSION
Inconsistent Quality of Service

One of the main complaints from customers is the difference in service outcomes and experience depending on who the therapist is handling. Some active customers state that they only want to be treated by a specific therapist because they feel more comfortable and get more optimal results. This shows that there is no standardization of service procedures (SOPs) that are applied in a disciplined manner to all staff. "If it is Mbak Y, the results are very visible. But if it's the same as the others, sometimes it seems less than optimal. So I always book the same." – (Active customer)

These inconsistencies risk lowering customer trust in the long term and increasing the likelihood of *churn* (moving to another clinic). From observations, it was also found that there were variations in massage techniques, duration of actions, and how to communicate between therapists. This indicates a lack of periodic training and an individualized performance evaluation system.

Lack of Personal Branding of Clinics

Many customers cannot clearly explain what makes a clinic unique or superior to competitors. Clinics are considered generic and easily replaceable because they offer similar

services at prices and promotions that do not stand out. This shows the weakness of the *positioning* strategy and brand differentiation. "Actually, the clinic is okay, but it's the same as other places. I move around depending on the promo." – (Inactive customer)

From the management side, there is no narrative or brand identity that is built consistently through promotional materials, clinic interiors, and service communication. Clinics tend to focus on technical operations without building a brand story that can build an emotional connection with customers.

Lack of Digital Marketing Involvement

Although the clinic has social media accounts like Instagram, its use is very limited. The content is static (only promo or before-after photos), there is no active engagement with followers, and no relevant education about beauty or skin. In addition, the clinic does not have a customer database system or automated reminders such as reminders of the next treatment schedule or post-treatment follow-up. This shows a great opportunity that has not been tapped in the realm of CRM (Customer Relationship Management). "I was never reminded to go back again. So sometimes I forget when the last facial was. If other places like to give it a WA or email." – (Active customer)

The lack of digital integration leads to low customer engagement, even though based on the ZAP Beauty Index (2023), millennials and Gen Z are very digitally active and more loyal to brands that are responsive and communicative on social media.

No Loyalty System

One of the key findings in this study is the absence of a structured and sustainable customer loyalty system. Although some customers have made regular visits, they do not feel any form of appreciation or recognition for their loyalty to the clinic's services. This leads to reduced motivation to remain loyal and opens up great opportunities for competitors to take over those customers through more attractive offers. In interviews, some customers complained that there was no difference in treatment between new and old customers, so they felt that they did not get more value even though they had often used the clinic's services. An active customer even said, *"If I can be rewarded, I'll subscribe. It's the same time as the one I just tried."* This phrase shows the importance of differentiating treatment for loyal customers as a form of appreciation and an effective retention strategy.

The absence of a loyalty program also makes customers more easily tempted by promotions offered by competitors, such as member discounts, a points system that can be exchanged for free services or products, to referral *rewards* programs that are profitable directly. In a highly competitive beauty industry, loyalty strategies become an essential tool for retaining a customer base and creating profitable long-term relationships. The absence of such a system shows that management has not prioritized retention strategies as part of long-term planning.

Loyalty systems don't always have to be complex or expensive. Even a simple form of appreciation such as a birthday greeting, a discount for a fifth visit, or giving a free product after a certain number of visits, is enough to make customers feel appreciated. However, in observations and field interviews, no such mechanism was found in the clinics studied. This is a serious weakness considering that today's consumer trends tend to be more responsive to

personalized, emotional, and sustainably beneficial service experiences. Therefore, the development of a loyalty system that is relevant, accessible, and integrated with customer service is an urgent need to increase the rate of repeat visits as well as strengthen the emotional bond between the clinic and its consumers.

Business Planning

Based on the main findings in this study, the business plan is designed to address the problems that have been systematically identified. The plan focuses on four key pillars that are interrelated and contribute to improving service quality, strengthening brand positioning, integrating digital technology, and improving customer retention.

The first pillar is *Service Standardization*. To address the problem of inconsistencies in service quality, clinics need to establish and implement detailed and measurable *Standard Operating Procedures* (SOPs) for each type of care offered. This SOP includes service workflows, standards for the duration of actions, communication techniques with customers, and expected outcome criteria. In addition, periodic training is mandatory for all therapists and service staff. This training not only covers technical skills in maintenance actions, but also aspects of soft skills such as communication, empathy, and handling customer complaints. Regular training will ensure homogeneity of service quality and build even professionalism throughout the clinic's work units.

The second pillar is *Brand Positioning and Differentiation* . Clinics need to build a strong brand identity that stands out from competitors. One relevant approach is to establish a positioning as a beauty clinic that carries the principle *of "beauty with science"*—that is, emphasizing the use of a scientific, safe, and evidence-based approach in every service. This narrative needs to be translated consistently in brand communication, from visual design, promotional materials, to service attitudes. In addition, differentiation can be strengthened through the offering of personalized consultation programs and tailored treatments based on individual skin analysis. This consultative approach not only differentiates the clinic from generic and mass competitors, but also enhances trust and personalized customer experience.

The third pillar is *Digital Strategy*. To improve customer engagement and operational efficiency, clinics need to strengthen their presence in the digital realm. The first step that can be taken is to build an informative and professional official website as a service information center, expert profiles, educational articles, and online reservation system. In addition, educational content on social media such as Instagram, TikTok, and YouTube must also be activated consistently. Relevant content such as skincare tips, patient testimonials, behind-the-scenes treatments, and live Q&A with therapists. Furthermore, a simple *Customer Relationship Management* (CRM) system needs to be developed to record customer visit history, send reminders of the next treatment schedule , and automatically manage personal promotions. This will increase customer loyalty and strengthen long-term relationships.

The fourth pillar is the *Customer Retention Program*. To increase the frequency of repeat visits and build long-term loyalty, clinics need to implement a loyalty points system that allows customers to accumulate points from each transaction, which can then be exchanged for rebates, free products, or additional services. This program provides direct incentives for customers who regularly use the service. In addition, the *referral program* strategy also needs to be implemented, namely providing special prizes or discounts for customers who

successfully invite others to try clinic services. This approach not only expands the customer base through word *of mouth* marketing methods, but also rewards existing customers for their contribution to business growth.

These four pillars of the business plan support each other and are expected to be able to answer the real challenges faced by beauty clinics, as well as the basis for building a business foundation that is sustainable, adaptive to digital trends, and oriented towards overall customer satisfaction and experience.

CONCLUSION

This research demonstrates that a qualitative approach effectively uncovers key operational and strategic challenges in beauty clinics that quantitative data alone may miss. By using in-depth interviews, field observations, and data triangulation, the study identified four critical themes threatening clinics' sustainability: inconsistent service quality due to lack of standardized procedures and training, weak brand identity, low digital marketing engagement, and absence of customer loyalty systems. Addressing these issues requires improving human resource management, refining brand communication, integrating technology such as CRM, and developing customer retention strategies. Recommended actions include establishing clear SOPs, delivering regular staff training, creating authentic brand narratives, enhancing digital marketing with interactive educational content, and implementing loyalty programs. Future research could explore the long-term impact of these integrated strategies on customer satisfaction and clinic profitability, as well as investigate how emerging digital technologies can further transform service delivery and marketing in the beauty industry.

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