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Utilizing Sales Data to Optimize Digital Marketing Strategies for Beauty Products in Padangsidimpuan City

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Abstrak

Penelitian ini meneliti bagaimana data penjualan produk kecantikan di Padangsidimpuan dapat dimanfaatkan untuk mengoptimalkan strategi pemasaran digital melalui analisis portofolio dan evaluasi kinerja toko. Penelitian ini dimotivasi oleh pertumbuhan pesat pasar kecantikan Indonesia, yang kontras dengan toko-toko lokal yang hanya mencapai 43,7 persen dari target bulanan mereka dan menunjukkan variabilitas kinerja yang luas yang menandakan potensi pendapatan yang belum terealisasi secara signifikan. Studi ini bertujuan untuk mengembangkan kerangka kerja pemasaran digital berbasis data yang mengalokasikan anggaran sesuai dengan tingkatan harga dan margin produk, menyelaraskan taktik digital dengan karakteristik portofolio dan audiens, meningkatkan tingkat pencapaian di atas 60 persen, dan memperkuat profitabilitas jangka panjang dengan memprioritaskan item dengan margin tinggi. Pendekatan deskriptif kuantitatif diterapkan menggunakan data sekunder internal yang mencakup 1.297 unit produk, 27 toko, dan 25 duta merek, yang dianalisis melalui pemetaan portofolio, segmentasi harga, distribusi margin, dan benchmarking kesenjangan kinerja. Temuan menunjukkan bahwa portofolio sangat terkonsentrasi pada produk dengan harga menengah dengan margin rata-rata 31,3 persen, sementara item dengan margin tinggi hanya merupakan sebagian kecil. Tingkat pencapaian bervariasi dari 0 hingga 91,1 persen, menunjukkan kekurangan dalam pelaksanaan daripada keterbatasan pasar. Kerangka kerja yang diusulkan mengalokasikan 40–50 persen pengeluaran untuk produk dengan margin tinggi yang didukung oleh media berbayar, 30–40 persen untuk barang dengan margin menengah melalui strategi pencarian dan konten, dan 10–20 persen untuk produk dengan margin rendah menggunakan pendekatan penggabungan dan berbasis komunitas. Kerangka kerja ini diharapkan dapat mengurangi kesenjangan pendapatan, meningkatkan kinerja toko, dan menyediakan model yang dapat diskalakan untuk pasar regional serupa.

Abstract

The study examines how sales data from beauty products in Padangsidimpuan can be leveraged to optimize digital marketing strategies through portfolio analysis and store performance evaluation. The research is motivated by the rapid growth of the Indonesian beauty market, contrasted with local stores achieving only 43.7 percent of their monthly target and showing wide performance variability that signals significant unrealized revenue potential. The study aims to develop a data-driven digital marketing framework that allocates budgets according to product price tiers and margins, aligns digital tactics with portfolio and audience characteristics, improves achievement rates beyond 60 percent, and strengthens long-term profitability by prioritizing high-margin items. A quantitative descriptive approach is applied using internal secondary data covering 1,297 product units, 27 stores, and 25 brand ambassadors, analyzed through portfolio mapping, price segmentation, margin distribution, and benchmarking of performance gaps. Findings indicate that the portfolio is heavily concentrated in medium-priced products with an average margin of 31.3 percent, while high-margin items constitute only a small portion. Achievement rates vary from 0 to 91.1 percent, suggesting execution shortcomings rather than market limitations. The proposed framework allocates 40–50 percent of spending to high-margin products supported by paid media, 30–40 percent to medium-margin items through search and content strategies, and 10–20 percent to low-

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margin products using bundling and community-based approaches. The framework is expected to reduce revenue gaps, elevate store performance, and provide a scalable model for similar regional markets.

INTRODUCTION

Digital transformation in the Industry 4.0 era has fundamentally disrupted the micro-business ecosystem, particularly Micro, Small, and Medium Enterprises (MSMEs) in Indonesia. This phenomenon reflects a shift in the business paradigm from traditional commerce to a digital- first economy, where Artificial Intelligence (AI) technology plays a game-changer in the competitive landscape. (Anatan & Nur, 2023; Fuadi et al., 2021).

In Indonesia, MSMEs contribute more than 60% to Gross Domestic Product and absorb approximately 97% of the national workforce, making them the backbone of the economy that requires revitalization through the adoption of digital technology (Erlanitasari et al., 2020). This phenomenon is becoming increasingly important in the cosmetics industry which is showing rapid expansion, marked by e-commerce growth of 12.5%, as well as the finding that approximately 11.9% of cosmetics business players have recognized the substantial potential of applying artificial intelligence in their business development (Bunea et al., 2024).

Padangsidimpuan City, as one of the economic centers in North Sumatra, has significant potential for developing local cosmetics MSMEs based on Islamic business ethics. However, implementing artificial intelligence technology in the MSME ecosystem faces complex challenges, particularly in harmonizing technological advancements with fundamental Islamic values that emphasize justice, transparency, and social benefit (Habib, 2025; Raquib et al., 2022).

The Indonesian beauty industry is experiencing exponential growth, with a market value reaching USD 9.10 billion by 2024 and a projected CAGR of 4.33% until 2030. Digital transformation has fundamentally changed the beauty marketing landscape, with 87% of Indonesian consumers making online purchases across multiple devices. However, a significant gap exists between the digital market potential and realized sales at the regional level. Empirical data shows that despite a monthly sales target of IDR 1.23 billion, the achievement rate of beauty shops in Padangsidimpuan City is only 43.7%, creating a revenue gap of 55.5% (Statista, 2025). This phenomenon reflects the ineffectiveness of digital marketing strategies in translating traffic into actual sales conversions, especially in the context of regional markets with specific consumer characteristics and distribution structures.

Previous research has identified several effective digital marketing levers for the beauty industry. (Zakwan Fadil Bakri, 2023)It has been shown that integrating a comprehensive digital marketing strategy significantly increases brand awareness and sales performance. Sudirjo et al. (2024) demonstrated that influencer partnerships, augmented reality marketing, and personalized recommendations substantially impact purchasing decisions in the Indonesian beauty market. Meanwhile, Ferdinand & Ciptono (2022)they identified product, marketing, and speed of execution as critical success factors in the Indonesian cosmetics industry. However, existing studies show operational limitations: first, a focus on global/national analysis without considering regional market dynamics; second, a theoretical approach without empirical validation based on actual sales data; and third, the absence of a framework linking product portfolio characteristics (price, *margin, brand)* with specific digital channel strategies.

Although literature demonstrates the effectiveness of digital tactics (*influencer marketing, live streaming, personalization)* in the beauty industry, no research has integrated product portfolio structure analysis (1,297 Stock Keeping Units (SKUs) with varying prices, margins, and brands) with actual store performance data to optimize digital marketing resource allocation. "Specific cultural nuances and diverse consumer preferences in Indonesia are not well understood" in the context of influencer marketing, while previous studies tend to focus on "global trends rather than the specific interests of the Indonesian market" (Chen, 2024).

Digital transformation in the microbusiness ecosystem has become a strategic imperative, particularly for Micro, Small, and Medium Enterprises (MSMEs) in Indonesia, which contribute more than 60% to Gross Domestic Product and employ 97% of the national workforce. This phenomenon is increasingly relevant in the beauty industry, which is showing exponential growth, with a market value reaching USD 9.10 billion by 2024 and a projected CAGR of 4.33% through 2030. Digital transformation has fundamentally changed the beauty marketing landscape, with 87% of Indonesian consumers making online purchases through various digital channels. Padangsidimpuan City, as one of the economic centers in North Sumatra, has significant potential for developing a local beauty MSME ecosystem based on modern and sustainable business values. However, this vast digital market opportunity has not yet been optimally translated into realized sales at the regional level.

LITERATURE REVIEW

Data-Driven Marketing in the Beauty Industry

Recent research shows three main streams in the application of data analytics to optimize beauty marketing. First, AI-driven personalization and recommendation systems. (Lee et al., 2024)developed a deep learning-based skincare product recommendation system capable of estimating cosmetic efficacy based on ingredients with up to 98% accuracy using DenseNet. Meanwhile, (Thi et al., 2025)they achieved 92-98% precision in analyzing skin characteristics using CNN, VGGNet, and DenseNet for personalized cosmetic guidance. These studies demonstrate that machine learning can significantly improve the relevance of product recommendations.

Second, omnichannel integration and customer experience optimization. (Armelia Windasari et al., 2022)A multichannel retailing study showed no significant difference in purchase decisions among female customers between AR, traditional websites, and offline stores, indicating that product focus is more important than channel technology. However, this study was limited to experience comparison without integrating sales data and profitability analysis.

Third, digital marketing effectiveness and ROI optimization. Digital marketing investments generate transformative power in revenue growth and brand visibility, with authenticity, relevance, and personalization being key factors in consumer engagement. Research (Jannatin & Ratnasari, 2025)shows that ontology-based recommendation systems can improve personalization and transparency in skincare solutions, with a score of 4.5/5 for Perceived Usefulness.

Digital Marketing Analytics Framework and Methodology

From a methodology perspective, data analytics research in beauty retail demonstrates the adoption of a mixed-methods approach that combines quantitative analysis with qualitative insights. (Therence & Tjen, 2025)used the Multinomial Naïve Bayes algorithm for sentiment analysis of customer reviews with 87.95% accuracy, generating actionable insights for brand positioning and product development. Meanwhile, Sylvagno (2025) integrated CNN ResNet50 with real-time weather data for skincare recommendations with 90.94% validation accuracy.

In terms of strategy frameworks, research shows the adoption of RACE (Reach-Act-Convert-Engage) and SOSTAC as KPI orchestration frameworks across the digital marketing funnel. However, most research still focuses on single-touchpoint optimization without integrating the end-to-end customer journey with sales performance data.

METHODOLOGY

This research uses a descriptive quantitative approach that focuses on exploratory analysis of the structure of actual sales data to identify patterns, opportunities, and strategic insights(Tanvir et al., 2024). This design was justified by:

1. Data Availability: Structured secondary data is available on a sufficient scale (1,297 SKUs, 27 stores, 25 BAs with historical target and achievement data).
2. Problem Nature: The problem is an optimization problem that requires quantitative pattern analysis to identify allocation logic.
3. Output Requirements: The expected output is a strategic framework with quantifiable metrics and actionable recommendations.
4. Resource Constraints: Primary data collection is not required, allowing a focus on in-depth data analysis.

This design is enriched with library research, which serves as a theoretical foundation for interpreting data patterns and connecting findings with best practices in digital marketing literature, rather than as a qualitative component in the sense of primary qualitative data collection (Jaiwani et al., 2024).

Sources and data collection techniques

Transactional and operational data were obtained from the organization's internal system in a structured format: files of 1,297 products containing Material Code/Name, sell-in price, sell-out price (portfolio structure and margin) and monthly target-achievement files of 27 stores and 25 BAs (August 2025), including monthly targets, realizations, and incentives (aggregate per entity).

External Secondary Data (Library Research): A systematic literature review was conducted to establish a theoretical foundation, following the protocol recommended by (Hung et al., 2024; Varman et al., 2025)for SEM applications in marketing research. Literature sources included:

1. Accredited journal: Focus on digital marketing, consumer behavior, and data-driven strategies in the beauty industry
2. Industry reports: Analysis of beauty market trends in Indonesia and Southeast Asia
3. Case studies: Implementation of digital marketing strategies for local and international beauty brands

Research Instruments and Operational Definitions

Product and Portfolio Variables:

1. Sell-in Price (Rp): Distributor price to retailers, reflects cost structure and positioning strategy
2. Sell-out Price (Rp): End consumer price, reflecting value perception and competitive positioning
3. Absolute Profit Margin (Rp): Difference between sell-out minus sell-in, contribution indicator per SKU
4. Profit Margin Percentage (%): (Profit margin / sell-in) × 100, an indicator of efficiency and attractiveness for investment marketing
5. Brand Category: First token extraction from Material Name for brand portfolio analysis
6. Price Segment: Categorization based on sell-in price (≤30k; 30k-60k; 60k-100k; >100k)

Performance and Target Variables:

1. BA Monthly Target (Rp): Individual sales target per Beauty Advisor
2. Monthly Realization (Rp): Actual achievement in the observation period
3. Achievement Rate (%): (Actual / Target) × 100, individual and store performance indicators
4. Revenue Gap (Rp): Target minus realization, indicator of potential improvement

Data Analysis and Validation Instruments

Following the secondary data evaluation criteria set by (Malhotra et al., 2017), the research instruments include: Specifications Assessment: Suitability of the data structure to the research objectives Currency Evaluation: Temporal validation of the data (August 2025) to represent the current conditions

Methodology Validation: Verification of format consistency and completeness of the data Dependability Check: Cross-validation through derivative calculations and consistency testing

Data Analysis Methods

Descriptive Quantitative Analysis

Descriptive statistics are applied following Guinn's (2023) framework for marketing research applications:

1. Measures of Central Tendency: Mean, median, mode for price distribution and margin analysis
2. Measures of Variability: Standard deviation, range for volatility assessment
3. Distribution Analysis: Frequency distribution and percentage for segmentation analysis
4. Cross-tabulation: Brand vs. price segment for strategic positioning insights

Segmentation and Categorization Analysis

Price segmentation methodology adapts the approach used in cosmetics market analysis:

1. Sell-in price based segmentation for demand accessibility assessment
2. Brand portfolio analysis for strategic focus determination
3. Margin-based categorization for campaign prioritization framework

Performance and Gap Analysis

Achievement rate analysis uses variance analysis and benchmarking to identify:

1. Performance distribution at individual BA and store level
2. Revenue gap quantification for investment opportunity assessment
3. Best practice identification of top-performing outlets for replication strategy

Data Integration and Synthesis

Methodological Triangulation

Following the recommendations of mixed-method research guidelines, the integration of quantitative and qualitative data was carried out through:

1. Convergent validation: Aligning quantitative analysis results with literature findings on digital marketing effectiveness
2. Complementary insights: Using literature reviews to interpret patterns in sales data
3. Expansion strategy: Developing a strategic framework based on a combination of empirical data and best practices

Strategic Framework

The final synthesis uses the RACE (Reach-Act-Convert-Engage) framework as an organizing structure to connect:

1. Data-driven insights from portfolio and performance analysis
2. Literature-based tactics from digital marketing research
3. Strategic recommendations that are actionable and measurable

Validity and Reliability

Secondary Data Validity

Following the criteria(Houston, 2004; Sun & Lipsitz, 2018) to assess the validity of secondary data proxies:

Content Validity: Data covers the entire spectrum of variables relevant to digital marketing optimization.

Construct Validity: Operational definitions are consistent with literature and practice. Criterion Validity: Cross-validation with industry benchmarks and best practices.

Reliability and Consistency

Internal consistency is ensured through:

1. Data cleaning protocols: Format standardization, treatment of missing values, outlier detection
2. Calculation verification: Cross-check derivative formula (margin, achievement rate)
3. Temporal consistency: Validation of data periods for representation of actual conditions

Triangulation and Traceability

Methodological triangulation through multiple data sources and analytical approaches:

1. Quantitative triangulation: Multiple measures for each construct (absolute vs. percentage margin)
2. Qualitative triangulation: Literature from multiple theoretical perspectives
3. Audit trail: Complete documentation of the analysis process and decision logic via CSV output files.

RESULTS AND DISCUSSION

Optimize Budget Allocation Based on Portfolio Structure and Margin

1. Portfolio Concentration dan Strategic Implication

An analysis of 1,297 SKUs revealed significant brand concentration, with the YOU brand controlling 47.8% market share (620 SKUs), followed by Barenbliss (18.6%, 241 SKUs), Dazzle (17.0%, 221 SKUs), Glamfix (10.5%, 136 SKUs), and Lavojoy (4.8%, 62 SKUs). This structure creates a strategic foundation for economies of scale in content creation and brand messaging. Problem it Addresses: "Portfolio fragmentation makes it difficult to formulate a unified strategy and allocate resources efficiently." Strategic Implication: You brand dominance enables: (a) concentrated brand-building campaigns with high ROI for content creation, (b) stronger negotiating positions with influencers and media partners due to volume, and (c) consistent messaging across channels because a single-brand focus can achieve scale efficiency. Allocation Logic: 40-50% of the total digital marketing budget can be allocated to YOU brand campaigns (620 SKUs), while the remaining brands share 50-60% with sub-allocation based on individual brand margin performance.

2. Price Segment Distribution dan Volume-Profitability Tradeoff

Table 1. Segmentasi berdasarkan Sell-in price

Price Segment	Number of SKUs	Percentage	Strategic Implication
Low (≤30k)	400	30,8%	High volume, high accessibility, mass market
Medium (30k-60k)	501	38,6%	Largest opportunity, balanced price-quality
High (60k-100k)	308	23,7%	Premium sub-segment, quality-conscious
Premium (>100k)	88	6,8%	Luxury segment, exclusive positioning
Price Segment	Number of SKUs	Percentage	Strategic Implication
Low (≤30k)	400	30,8%	High volume, high accessibility, mass market

The medium segment (30,000-60,000, 38.6%) represents the largest volume opportunity with 501 SKUs, aligned with the target market (middle-class consumers with strong digital adoption and reasonable purchasing power). Problem it Addresses: "It is unclear which segment should be prioritized for digital investment based on volume vs. profitability considerations." Strategic Implication: The medium segment can be the primary focus for growth strategy due to: (a) the largest volume, (b) a balanced price-value perception, (c) a high digital adoption rate in this demographic, and (d) reasonable profit margins (28% on average). The low segment can drive volume with an aggressive organic/SEO strategy. The premium segment can focus on brand-building and exclusivity positioning. Allocation Logic: 40% of the budget for the medium segment (main growth driver), 35% for the low segment (volume + acquisition), and 25% for the high + premium segments (brand + profit).

3. **Margin Distribution dan High-Margin SKU Concentration**

Critical Finding: Only 14.2% of SKUs (184 products) had margins >40%, while 71.1% of SKUs (922 products) had margins ≤25%. Implication: Profitability is highly concentrated, making a selective focus strategy essential. Problem it Addresses: "Low ROI on the majority of SKUs makes paid marketing campaigns unviable unless focused on a profitable subset." Strategic Implication: High-Margin SKUs (>40%, 184 SKUs): Can absorb higher CAC (Customer Acquisition Cost) from paid media campaigns, justified by the margin cushion. Recommended for intensive paid media investment (Google Ads, Instagram Ads, influencer collaborations). Medium-Margin SKUs (25-40%, 191 SKUs): ROI remains viable for organic channels with lower CAC. Recommended for SEO optimization, content marketing, and live streaming (lower CAC but consistent conversion). Low-Margin SKUs (≤25%, 922 SKUs): Paid media is not viable because CAC will exceed margin. Recommended are bundling (increase average order value), community engagement (organic growth), and a volume strategy. How this Addresses the Problem: "Problem—no framework for allocating budget based on product profitability. Solution—margin-based prioritization framework with explicit tiers and corresponding channel allocation." Allocation Logic: 40-50% of budget for 184 high-margin SKUs → Paid Media; 30-40% for 191 medium-margin SKUs → Organic + SEO; 10-20% for 922 low-margin SKUs → Bundling + Community.

Table 2. Margin analysis

Margin Tier	Number of SKUs	Percentage
≤25%	922	71,1%
25-35%	191	14,8%
35-40%	0	0%
>40%	184	14,2%
Margin Tier	Number of SKUs	Percentage

Align Digital Tactics with Product Characteristics

1. **High-Margin Segment (>40% margin, 184 SKU) Tactics**

Product Characteristics: Average margin 52,3%, average sell-out price Rp62.000+, typically premium positioning products. Recommended Tactics Based on Literature & Margin Analysis:

4. Paid Media (Google Ads, Instagram Ads): Literature shows 15-20% CAC can be absorbed dalam high-margin products. Objective: Brand awareness + conversion untuk premium-conscious consumers.
5. Influencer Collaboration: Bakri (2023) menunjukkan influencer partnerships significantly impact purchasing decisions di beauty market, particularly efektif untuk premium segment.
6. Exclusive Content & Personalization: Jannatin & Ratnasari (2025) menunjukkan personalized recommendations increase Perceived Usefulness, critical untuk premium segment.
7. Limited-Edition Campaigns: Create scarcity dan exclusivity untuk maintain premium positioning

RACE Framework Mapping:

1. Reach: Paid media targeting affluent demographics
2. Act: Influencer collaborations untuk credibility
3. Convert: Personalized recommendations, limited-edition urgency
4. Engage: Exclusive community, VIP programs

Expected Outcomes: 15-25% conversion rate improvement, 20-30% brand perception increase untuk premium positioning maintenance. How this Addresses the Problem: "Problem—tidak clear tactic-segment matching, generic tactics applied across all products. Solution—high-

margin segment receive intensive premium tactics dengan justified higher CAC due to margin cushion."

2. **Low-Margin Segment (≤25% margin, 922 SKU) Tactics**

This product, with an average margin of 20.5 percent, has high volume potential and serves as a gateway for new customers, requiring a targeted, volume-driven marketing approach. Relevant strategies include cross-category bundling with complementary products to increase transaction value and overall margin, as research shows that bundling can increase revenue per transaction. Community-building efforts through grooming routines, beauty education, and brand advocacy help build organic relationships at no cost, while seasonal campaigns can drive sales volume by packaging low-margin products into thematic offerings. Email marketing plays a role in customer retention and promotes bundling and cross-selling at minimal cost. Within the RACE framework, reach is amplified through seasonal campaigns and email lists, customer action is triggered through bundling, conversion is increased through volume-oriented pricing, and engagement is maintained through community and brand advocacy. This approach is estimated to increase average transaction value by 20–30 percent, drive volume growth by 25–35 percent, and increase customer lifetime value. Thus, bundling and community-building strategies offer a solution to the problem of disproportionate budget allocation to low-margin products, as they can both drive volume and maintain margin sustainability.

Increase Achievement Rate from 43.7% to >60%

1. **Performance Distribution dan Top/Bottom Performer Analysis**

Analysis terhadap 27 toko dan 25 BA mengungkapkan wide performance variability:

Table 3. Top Performers (70-91% achievement rate)

Store	BA Name	Monthly Target	Realization	Achievement %
EVI COSMETICS	TIASA PARINA	50M	45.6M	91.1%
SUCCESS TOGETHER I	SRI JUMAIDA	50M	42.5M	85.0%
MISS GLAM PSP	TASYA ANGGRAINI	65M	49.1M	75.6%
MISS GLAM PSP	ADELINA BATUBARA	65M	49.1M	75.6%

Table 4. Bottom Performers (0-10% achievement rate)

Store	BA Name	Monthly Target	Realization	Achievement %
EVI COSMETICS	TIASA PARINA	50M	45.6M	91.1%
SUCCESS TOGETHER I	SRI JUMAIDA	50M	42.5M	85.0%
MISS GLAM PSP	TASYA ANGGRAINI	65M	49.1M	75.6%
MISS GLAM PSP	ADELINA BATUBARA	65M	49.1M	75.6%

The analysis reveals that top outlets such as EVI Cosmetics, which achieve 91.1 percent under the same sales target of fifty billion rupiah as outlets stuck at zero percent, demonstrate that the core issue is not market demand or target feasibility but weaknesses in execution and sales strategy. This directly addresses the problem of a 43.7 percent achievement rate and a revenue gap of 55.5 percent, where the drivers of high performance and the mechanisms for replicating success remain unclear. The findings imply that a 60 percent achievement rate is both attainable and realistic when grounded in top-performer benchmarks rather than an idealized target, and that the performance gap reflects execution shortcomings—ranging from sales tactics and product knowledge to customer engagement and day-to-day operational precision—rather than market limitations. Applying the practices of high-performing outlets is projected to lift bottom performers from their current 0–10 percent range to around 50–60 percent. The potential uplift is substantial: raising the twelve lowest-performing outlets to 60 percent achievement would add roughly two hundred thirty-four billion rupiah in monthly revenue, while improving the remaining fifteen outlets from their current 43.7 percent average to 60 percent would recover an additional one hundred eighty-one point four billion rupiah from the overall revenue gap.

Ensure Profitability Sustainability through Prioritization

1. **Profitability Concentration dan Investment Justification**

Only 14.2 percent of the SKUs—about 184 products—serve as the core profit drivers of the entire portfolio, which means that prioritizing these high-margin items in digital marketing allocation is essential for maintaining long-term profitability. Because profit is heavily concentrated in this subset, directing forty to fifty percent of the digital marketing budget toward these products can generate a disproportionately large share of total profit, provide a margin buffer to support medium-margin items, and finance sustainability and customer-retention initiatives. This approach directly responds to the challenge of closing the revenue gap without sacrificing profitability, especially given the risks that arise when growth is pursued through low-margin products. Strategically, the framework prevents margin dilution by ensuring that revenue expansion is tied to campaigns centered on high-margin SKUs, allowing profit levels to rise alongside sales performance rather than weaken.

Table 5. Margin distribution reveals concentrated profitability structure:

Tier	Number of SKUs	% of Total	Average Margin	Total Contribution*
High (>40%)	184	14,2%	52,3%	High (disproportionate)
Medium (25-40%)	191	14,8%	29,5%	Sustaining
Low (≤25%)	922	71,1%	20,5%	Volume-based
Tier	Number of SKUs	% of Total	Average Margin	Total Contribution*

*Contribution = Individual SKU margin × volume (estimated from segment popularity)

Finding 4.3—Segment-Specific Margin Performance dan Portfolio Optimization Assessment

Table 6. Price segment margin analysis

Segment	Avg Sell-in	Avg Sell-out	Avg Margin (%)	Interpretation
Low (≤30k)	19.8k	27k	38,0%	Highest %, efficient pricing
Medium (30-60k)	43.1k	55.5k	28,0%	Largest volume, balanced

High (60-100k)	72.8k	93.4k	28,0%	Consistent with Medium
Premium (>100k)	121.4k	157.3k	29,0%	Highest absolute value

Assessment: The portfolio has been optimized from a margin perspective. Low segment, despite low absolute price, shows the highest percentage margin (38%), indicating efficient cost structure. This suggests the portfolio price architecture is well-designed. Implication: The framework does not require product mix restructuring—optimization opportunities exist in go-to-market strategy (channel selection) and campaign intensity, not in fundamental product portfolio changes.

Discussion

Integrating Portfolio Structure with Strategic Digital Marketing Prioritization

The YOU brand concentration (47.8%) combined with the dominance of the medium-price segment (38.6%) creates a strategic foundation that aligns with research on the importance of robust social media engagement in driving sales growth in the beauty industry. Brand concentration enables economies of scale in content creation and consistent brand messaging, while the dominance of the medium-price segment optimizes reach to relatively price-conscious middle-class consumers with high digital adoption.

Margin distribution analysis reveals strategic opportunities for data-driven campaign allocation. With only 14.2% of SKUs having margins >40%, organizations can implement a tiered marketing investment strategy, as recommended in Simon-Kucher's (2024) research on price segmentation for profit maximization. High-margin products can be allocated for intensive paid campaigns and influencer collaborations, while medium-margin products focus on organic content and SEO optimization.

The revenue gap of Rp682,360,930 (55.5% of target) with an average achievement rate of 43.7% indicates a significant optimization opportunity through digital marketing intervention. High performance variability (0%-91.1%) indicates that best practices from top performers (such as EVI Cosmetics with 91.1% achievement) can be replicated through a systematic digital marketing approach and sales enablement.

Framework Integrasi: Product Analytics dengan Digital Marketing Tactics

Integrating portfolio analysis with digital marketing tactics creates an actionable framework that connects product characteristics with channel strategy. Research from industry case studies (e.g., Juliette Armand's case) shows that targeted campaigns using first-party marketing data can generate 15X ROI through orchestration of all digital channels. In the Padangsidimpuan context, a similar framework can be applied by integrating:

Price-Margin Matrix for Campaign Allocation: SKUs with margins >35% are allocated to intensive paid media, while SKUs with margins of 25-35% focus on organic channels and bundling strategies. This approach aligns with research on pricing strategies in cosmetics, which emphasizes the importance of strategic pricing for revenue optimization.

Segmentation-Based Channel Strategy: The medium segment (30,000-60,000), representing the largest opportunity, can be the focus for influencer marketing and live streaming, based on findings that beauty influencer campaigns can achieve high ROI through authentic content creation. The premium segment can focus on exclusive content and a personalized approach to maintain brand perception.

Performance-Driven Resource Allocation: High-performing stores (>70% achievement rate) can serve as testing grounds for new tactics, while critical performers (<20% achievement rate) require

intensive intervention through comprehensive digital marketing support with a focus on conversion optimization and customer acquisition..

Theoretical and Practical Implications

The research findings contribute to the understanding of integrating internal sales analytics with digital marketing strategy formulation in the context of the regional beauty market. Unlike existing research that focuses on single metrics optimization, this study demonstrates that a holistic approach integrating product profitability, sales performance, and digital tactics can produce more actionable and measurable strategic recommendations.

From a practical perspective, the resulting framework is applicable to regional beauty retailers with resource constraints, addressing gaps identified in the literature on digital marketing for local/regional markets. The 55.5% revenue gap indicates significant upside potential that can be addressed through the systematic implementation of data-driven digital marketing strategies tailored to portfolio characteristics and the local market.

These research findings align with industry trends demonstrating the growing importance of data-driven personalization in the beauty industry. Recent research shows that AI-driven recommendation systems can achieve up to 98% accuracy in product recommendations, while personalized marketing approaches significantly increase customer engagement and conversion rates.

In the context of digital channel optimization, research shows that multi-channel performance optimization improves marketing efficiency through effective customer communication and consistent brand experiences. The framework developed in this study adopts these principles by integrating product analytics, performance data, and digital marketing tactics into a comprehensive, measurable, and actionable strategic approach.

CONCLUSION

This study maps the dynamics of the beauty product sales ecosystem in Padangsidimpuan through an integrated analysis of portfolio, margin, and performance, indicating that the portfolio structure with 1,297 SKUs is highly concentrated in the YOU brand and dominant in the mid-price segment with an average margin of 31.3 percent, thus presenting both scale opportunities and concentration risks. Profitability proved uneven, as only 14.2 percent of products had margins above 40 percent, while more than 70 percent were at low margins, requiring selective focus on high-margin items to maintain profitability. Sales performance showed an average achievement rate of 43.7 percent with a revenue gap of Rp682.36 billion per period and extreme variation between stores, indicating that the main constraints stem from execution, not market conditions, as seen in high-performing stores that were able to achieve 70–91 percent. Margin analysis per segment showed that the low-price segment had the highest percentage margin, while the premium segment generated the largest absolute margin, indicating a relatively effective pricing architecture. The superior performance of stores such as EVI Cosmetics and Success Together I serves as a good practice that can be replicated to drive the achievement of a realistic target of 60 percent.

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