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UNIVERSITI
TEKNOLOGI
MARA

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dan Perniagaan

INDUSTRIAL TRAINING REPORT

AT LUXASIA SDN. BHD.

5 SEPTEMBER 2022 – 17 FEBRUARY 2023

**NUHA FAUZIANA BINTI MOD FAZIL |
2020985103 | BA240**

L U X A S I A





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MGT666 INTERNSHIP

INDUSTRIAL TRAINING REPORT:

SWOT ANALYSIS AT LUXASIA SDN. BHD.
(5 SEPTEMBER 2022 – 17 FEBRUARY 2023)

L U X A S I A 

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DUE DATE:

13th FEBRUARY 2023, 12 P.M.

Executive Summary

Internship or Industrial Training (MGT666) is a concluding course for all undergraduate programs under the Bachelor of Business Administration (Hons.) Marketing (BA240). It is designed to train and expose students to the critical marketing concepts and strategies in the corporate world. The purpose of this program is to help students apply business concepts and theories to real-world decision making. The industrial training took place at Luxasia (M) Sdn. Bhd. and LEAP Commerce. At the end of this training, students are required to prepare and present a report focusing on SWOT Analysis, PESTEL, and TOWS Matrix. In this report, a SWOT analysis for a slow moving product of the company is produced to assess the internal and external factors that affect its performance. A comprehensive analysis on a product of ETUDE which is ETUDE KAKAO Fixing Tint was conducted. SWOT highlights the strengths and weaknesses, and opportunities, and threats of the product. External factors from the PESTEL framework are used to discuss opportunities and threats. Recommendations for solutions are explained based on TOWS Matrix. Outcomes of this industrial training report relate to student experience and product growth strategy. The internship training successfully contributed to student experiences and skills in adapting to the work environment. The SWOT report helped recognize problems and provide suitable recommendations for growth in relation to ETUDE KAKAO Fixing Tint.

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Short Forms


EKFT	ETUDE KAKAO Fixing Tint
SMLs	social media influencers (SMLs)
VR	Virtual reality
AR	Augmented reality
AI	Artificial Intelligence
SKU	Stock Keeping Unit
SAP	Systems Applications and Products in Data Processing

3.0 Company's Profile

3.1 Organization's Profile

Name	Luxasia (M) Sdn Bhd & LEAP Commerce 
Location	Unit 37 – 01, Q Sentral, 2A, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Federal Territory of Kuala Lumpur
Background	<p>LUXASIA is a beauty omni distribution platform of Asia Pacific that brings beauty and luxury brands to Asia Pacific consumers through networks of retail, ecommerce and distribution channels, with insights derived from consumer analytics.</p> <p>LEAP Commerce is LUXASIA's ecommerce enabler subsidiary offering end-to-end solutions for online commerce covering all digital channels – online marketplaces, mono- & multi-brand sites, and social commerce</p>
Vision	To be the leading eCommerce enabler in Asia Pacific that drives results, protects brand ethos, and delights consumers.
Organizational Structure	 <p>LEAP ORGANIZATIONAL CHART</p> <ul style="list-style-type: none"> Satyaki Banerjee: Managing Director, Board Member Lim Ean Ean: Regional Talent and Excitement Lead Raman Arora: Chief Operating Officer Manvi Kathuria: Chief Business Officer Dr. Wolfgang Baier: Board Director & Advisor Archana Rai: Cluster Head (SG & MY) Jovitta Law: Ecommerce Executive Nicole Chong: Assistant Ecommerce Manager Dhruv Iyer: Data Analyst
Website	LUXASIA: https://www.luxasia.com/ LEAP: https://leapcommerce.com/

3.2 Brand's Profile

Brand Name	ETUDE HOUSE 
Parent Company	Amore Pacific
Founded	1966
Country of Origin	South Korea
Products	Skincare & cosmetics
Brand's Concept	To allow customer to freely and proudly unleash their inner princess
Website	http://www.etude.com/my/en/
Ecommerce Sites	Lazada: Etude House Shopee: Etude Official Store Zalora: ETUDE
Social Media	Facebook: @etudeglobal, @etudemalaysia Instagram: @etudeofficial, @etudemalaysia TikTok: @etude_official

4.0 Training's Reflection

This section describes the activities that I have done at Luxasia and LEAP Commerce throughout the first week until the twenty fourth week. More detailed daily tasks that I performed at the company will be included in the Training Logbook as required in the rubrics. During my training, I have learned a lot of new knowledge under the supervision of Ms. Lim Ean Ean, Mr. Dhruv Iyer, Ms. Nicole Chong, and Ms. Jovitta Law.

4.1 Working Hours

Period of Training	5 September 2022 - 17 February 2023 (24 Weeks)
Working Hours	Monday - Friday 9 am - 6 pm (9 Hours)

4.2 Training & Working Experience

During my internship at LEAP Commerce and Luxasia, I was assigned to train under the Ecommerce department for Malaysia and Singapore teams. My main role as an Ecommerce Intern is to assist superiors in executing ecommerce strategy on all ecommerce platforms, primarily Shopee, Lazada and Zalora. Throughout the internship, I acquired various hard skills from training in ecommerce sites operation, data mining, and content creation. I have also developed soft skills including work ethic, time management, and interpersonal skills.

In the course of my training, I have executed a series of tasks for various brands. First, I assisted brand managers in handling mechanics across ecommerce sites. The brand mechanics include uploading new Stock Keeping Unit (SKU) and creating promotions like vouchers and free shipping (Appendix 1). I had to set up and update the mechanics through platform Seller Center according to the brand building blocks. From this task, I learned about the importance of understanding key metrics in order to develop effective digital marketing strategies for brands.

Furthermore, I have supported brands in regards to data analytics. The softwares that I use for data management include Microsoft Excel, SelluSeller, and Systems Applications and Products in Data Processing (SAP). Tools such as Marketing Center and Business Analytics on platform seller centers were mainly utilized to export and import data. From the extracted data, I

helped managers to inform brands regarding their brand analytics and performance. This task has helped brands see their strengths and make better decisions for future growth.

In addition, I have also contributed to producing brand contents. The brands that I assisted include SK-II, ETUDE, and AHC (Appendix 2). In this task, I applied creative thinking skills to write Customer Experience Management (CEM) messages and captions for feed posting. These contents helped brands raise awareness and persuade action among consumers through attractive copywriting.

5.0 SWOT Analysis

5.1 Product Overview

ETUDE is one of the brands that is managed by LEAP and Luxasia. It is a makeup and skincare brand from South Korea that carries over 150 products and selling in multiple ecommerce platforms. The brand is owned by Amore Pacific, the blueprint of global success of K-Beauty. According to cosmetics conglomerate Amore Pacific (n.d.), ETUDE is South Korea's first specialized makeup brand since its launch in 1985. Etude has a long-standing reputation to its name and has led the K-Beauty trend until the early 2010s. Its bestselling item, ETUDE Fixing Tint is one of the most popular lip tints among makeup lovers.

The product selected for this SWOT Analysis is ETUDE KAKAO Fixing Tint (EKFT) (Appendix 3). EKFT is a product of a special collection from collaboration between ETUDE and popular household name, KAKAO. The reason for choosing EKFT is because it is a slow moving item across all online selling platforms including Lazada, Shopee, and Zalora. Despite the low sales, EKFT has great potential to perform better. According to Appendix 4, the graph shows monthly sales performance of EKFT on the ETUDE Shopee store. The product has just recently hit a growth spurt and is predicted to achieve more sales in the next few months. The purpose of this SWOT analysis is to help ETUDE develop better strategies to increase sales of EKFT by analyzing its strengths, weaknesses, opportunities, and threats.

5.2 SWOT Analysis Diagram

Appendix 5 shows the SWOT Analysis diagram for ETUDE KAKAO Fixing Tint.

5.3 PESTEL Analysis Diagram

Appendix 6 shows the PESTEL Analysis diagram for opportunities and threats elements of ETUDE KAKAO Fixing Tint.

6.0 Discussion & Recommendation

6.1 Discussion of SWOT Analysis

The section will further analyze and discuss the elements of strengths, weaknesses, opportunities, and threats from the SWOT diagram. External factors from the PESTEL framework are used to discuss opportunities and threats.

➤ 6.1.1 Strengths

- S1: Product of popular brand

The first strength of ETUDE KAKAO Fixing Tint is being a product of a popular brand. ETUDE is a popular brand with strong brand awareness and reputation. In 2021, Etude Corporation in South Korea generated approximately 104.6 billion South Korean Won of sales revenue and the largest part of it was from selling goods (Jobst, 2022). This indicates that ETUDE is making a lot of revenue from selling skincare and cosmetics. One of the goods includes ETUDE Fixing Tint, a top performing SKU of the ETUDE brand with over 2,000 units sold on Shopee. Customers will naturally have a good perception and set a certain standard towards any product related to Etude Fixing Tint, which in this case is the EKFT. The ETUDE KAKAO Fixing Tint is in the lineage of ETUDE Fixing Tint which gives it a privilege to become one of the best selling SKU of ETUDE. Being a product of a popular brand like ETUDE automatically allows EKFT to gain stronger brand recognition in the fast moving cosmetics market. With a high and positive brand awareness, the product has the advantages of being immediately recognized when customers browse for lip tint on online shopping platforms. On Shopee, ETUDE store has over 100,000 followers and 4.9 rating. Once a consumer is aware of a brand, they start to recognize it without assistance, then seek out to buy a product of the brand. Among many other lip tints available in the market, they will recognize EKFT first due to its brand name and will be more likely to choose this product over others. This is because they are already familiar with ETUDE and its credibility of producing good quality makeup. By leveraging the popularity of the ETUDE brand, EKFT could grow in the market alongside other best selling SKUs. Hence, LEAP can fully utilize this strength to generate higher sales for EKFT.

- S2: High quality product

High quality is another strength of ETUDE KAKAO Fixing Tint. The lip tint is formulated using the same good quality ingredients as ETUDE Fixing Tint, which is the best selling SKU of ETUDE on all shopping platforms. Based on Shopee ETUDE official store, the regular ETUDE fixing tint receives mostly 5-star rating for satisfaction and many positive reviews. Customers described the product to be moisturizing, highly pigmented, transfer proof, and long-lasting. These are the characteristics that consumers usually seek for when purchasing lip makeup (Wartaka, 2018). As for packaging, the vibrant color with KAKAO Friends characters design reinforces the cobranding effort of ETUDE and KAKAO Friends. The unique design makes the product stand out among many other lip tints of other brands which could attract both target and potential customers. EKFT is a quality lip tint because of its functional applicator which requires effortless application that allows the liquid glides seamlessly onto lips. Its spill proof, easy to open, and travel friendly size container also contributes to their ease of use. Most importantly, the container is sturdy which helps protect and preserve the product and keep it safe and intact through the shipping process. Made with almost the exact same formula as EFT, customers will most likely experience a similar level of satisfaction with the KAKAO limited edition version. This indicates that EKFT is a good quality lip tint that meets the expectations of many users.

➤ 6.1.2 Weaknesses

- W1: Limited edition

ETUDE struggles to achieve high sales for its limited edition product which badly impact its revenues. Moreover, EKFT is a high margin product which is a product that is low cost to secure and store but high profit when it comes to selling. In this sense, the cost to produce EKFT is relatively low but being sold at a high price. Thus, lower sales are detrimental to profits. EKFT becomes a slow moving SKU on all ecommerce platforms because of low demand. The reason is because there is a stigma surrounding limited edition products. Beauty consumers tend to be doubtful to experiment with limited edition products due to new formulations that might not suit their skin type and color. This is a common concern among beauty consumers because if the new formulation is not suitable for them, it will badly affect their appearance and skin condition. Besides, limited edition products have fewer reviews compared to signature or best selling products. This is a disadvantage to limited edition releases because consumers rely on reviews

for skincare and cosmetics purchases. Hence, to eliminate uncertainty and convince consumers to buy EKFT, ETUDE should promote EKFT as a good quality product with greater benefits.

- W2: Lack of proper marketing

EKFT is a good product with bad performance due to poor marketing. The lack of promotional efforts like Search Engine Optimization (SEO) and reliable product information has caused the SKU to perform badly on Lazada, Shopee, and Zalora. According to data from Shopee ETUDE official store, sales of EKFT has been underperforming since its launch on the platform. The slow sales were due to lack of investment in Search Engine Optimization (SEO) and search ads. These factors cause low visibility and inefficient product search on Shopee. SEO refers to a digital marketing strategy that aims at increasing the chances that a link of a brand will appear as high as possible in the list of all unpaid links when customers look for certain terms (Kotler & Keller, 2016). When people search for EKFT on Shopee, ETUDE Official is less likely to gain traffic despite being an authorized seller. Instead, EKFT from unauthorized shops appears first on the search engine (Appendix 7). This will cause potential buyers to visit other stores and buy from them instead of ETUDE Official. In addition, this SKU has relatively high page visitors but low conversion rate. Before purchasing skincare and cosmetics, consumers tend to seek safe and reliable products. Significant product information such as color swatches, ingredients, and benefits are helpful for their decision making and conversion into sales. At the EKFT page on Shopee and Lazada, reliable information that could help contribute to increased conversion rate are rather limited. Although the product might grab their attention at first, the lack of this important information made customers hesitate to purchase EKFT. With this, ETUDE Official shop is losing sales to its competition with more attractive displays and details. As a result, sales revenue of EKFT might gradually become worse due to ineffective promotional strategies.

- W3: Online selling of makeup product

Online selling of makeup products puts ETUDE KAKAO Fixing Tint at a disadvantage. As Luxasia and LEAP Commerce manages the ecommerce aspects of ETUDE brand, products of the brand are mainly being sold online on Shopee, Lazada, and Zalora. However, in beauty and cosmetics ecommerce, there are limitations to test products online. In the case of online selling

EKFT, customers have limited access to test the colors in person and cannot find a suitable shade for their skin tone. Testing out the lip tint themselves is important because the actual shades will vary from what it is advertised due to factors like lighting and image resolution. Thus, this results in customers ordering the wrong shade that does not match their actual skin tone. As a result of unsatisfactory purchase, increase in order returns, exchange, and negative reviews of EKFT are highly possible. Bad experiences cause customers to develop trust issues and avoid buying beauty products online which could affect sales revenue of ETUDE flagship stores. EKFT is at a disadvantage as it is only available online. It falls into the situation where customers have limited access to test and feel EKFT onto their skin. Moreover, online shoppers are more prudent than before when buying cosmetics and beauty products online. In addition to lack of proper marketing, these conditions hinder the experience of consumers towards EKFT and lower their expectation to purchase from ETUDE in the future.

➤ 6.1.3 Opportunities

- O1: Social media

The influence of **digital technology** in the beauty industry is evident through social media. Social media is shaping the beauty industry as beauty brands are increasingly shifting their advertising and selling to platforms like Instagram and TikTok. It is because social media adverts generate high engagement especially for skincare and cosmetics. A recent study found that social media inspires 42% of 18 to 24-year-olds with their makeup consumption (Schwarz, 2022). Instagram is a valuable social app for beauty brands having 90% of all beauty-related posts in 2020 published on the platform. As for TikTok, the app has emerged as a major platform for beauty brands with over 100 million users that is dominated by Gen Z. ETUDE has benefited from the social media where a video of Etude best selling Fixing Tint went viral and gained almost 1 million views on TikTok. Recently, platforms like Lemon and Xiaohongshu are taking over the online beauty community in Asia. With such powerful influence over its users, especially young women, these platforms could become the most influential tool to effectively promote EKFT.

ETUDE has yet to fully utilize social media as an opportunity to increase sales of ETUDE KAKAO Fixing Tint. With its attractive features and good reviews, the product has potential to become viral on social media platforms. ETUDE and KAKAO both have a large following on social media platforms and active engagement with their followers. ETUDE Malaysia has over 100,000

followers on Instagram and Etude Official has over 1 million engagements on TikTok. LEAP can make use of their user generated content to promote EKFT. As the target audience of ETUDE is 18- to 24-year-old women, the most suitable social platforms to work on would be Instagram and TikTok. LEAP can capitalize on existing resources to help ETUDE pull social media users with engaging EKFT-related contents. Large social media following significantly increases chances of going viral. Another resource that could be capitalized on is its current brand ambassador, Kazuha, a popular Kpop idol who is widely admired by young girls. Proper execution of these resources can help to catapult EKFT into social media superstardom which increases possibility to increase traffic for EKFT SKU on Lazada and Shopee. Thus, EKFT can better reach this specific target group. With proper presentation of the attractive visuals of the EKFT, consumers will become more interested in the product. On ETUDE Instagram page, the brand has attached links that will connect potential customers directly to ETUDE Lazada and Shopee stores. This provides convenience and enhances consumer shopping experience because they can easily click on the link to buy EKFT from Shopee or Lazada stores.

- O2: Onsite marketing

Ecommerce marketplaces have grown significantly in the past decades and have impacted the beauty industry. This **technological approach** is emerging rapidly due to increased consumer interest, participation, and demand for better shopping experience. The global beauty market is currently adapting to the shift from physical outlets to online platforms to embrace the effect of this trend. According to Statista, global health and beauty sales in ecommerce were predicted to reach nearly 449.6 billion U.S. dollars in 2027 (Petruzzi, 2022). GlobalData revealed that the e-commerce industry in Malaysia has gained revenue totaling up to US\$7.1 billion in 2021 and is expected to reach US\$13.8 billion in 2025 (DHL, 2022). These statistics show the potential growth of the beauty ecommerce industry in the upcoming five years for local and global markets. Hence, many skincare and cosmetics brands are encouraged to establish their own online retail business on ecommerce platforms like Shopee, Lazada, and Zalora. Popular brands like SK-II, Lancome, La Mer have already established their own flagship stores on Lazada. As technology takes over the transactions between seller and buyer, consumers have access to various tools to estimate prices, find alternatives, and search for information on these sites. Since sole reliance on online sources increases among consumers when shopping for beauty products, it is important for brands to satisfy consumer need for reliable information. This can help them make the right

purchase decisions which will further enhance experience with the brand. Selling on third-party platforms like Shopee and Lazada, marketing is often highly prioritized. Onsite marketing is significant to generate sales and drive conversion from online shoppers. It consists of elements that encourage people to visit the product page such as attractive storefronts, ads, and call to action (CTA) tools. In 2021, the amount online businesses spent on digital ad increased by 35% to build their brand and gain traffic, and expected to grow in the future (Vermeulen, 2022).

Strategic onsite marketing is effective in increasing conversion rate and online sales. ETUDE could exploit onsite marketing to maximize conversion opportunities for EKFT. ETUDE is capable of undertaking this data-driven marketing strategy on various ecommerce platforms. With the advancement of technology and ecommerce, making use of available resources on Shopee, Lazada, and Zalora is helpful to increase the overall performance of EKFT. As seen on ETUDE Shopee, the brand has been utilizing various marketing tools to reach potential consumers including Store Builder, Customer Engagement Manager, and Marketing Tools. Based on the data from Shopee ETUDE, traffic on EKFT fluctuates but conversion rate is almost 0%. Due to the poor sales performance and low traffic of EKFT on Shopee, onsite ads can help gain more traffic to the SKU. Investing in onsite ads helps optimize EKFT visibility to search engines and search engine users. When they search for keywords like 'lip tint', 'ETUDE lip tint', or 'KAKAO', EKFT by ETUDE Official will appear as top results instead of other similar products from other seller shops. The more ETUDE invests on ads promoting EKFT on Shopee, the higher the potential to increase traffic and sales. Moreover, ETUDE could continue utilizing the free gift with purchase (GWP) tool where they give out free items, usually samples, with every purchase of EKFT SKU. Effective execution of these tools will drive engagement to ETUDE and eventually increase sales performance of EKFT.

- O3: Product modification

A surge in new **technology** is transforming and shaping the future of the beauty industry. With the influence of social media in the FMCG industry, beauty brands are required to keep up with current trends and demands to produce the perfect skincare and makeup for consumers. In recent years, demand for high quality ingredients has increased due to conscious consumerism. Product modification is an effort to extend the length of the Product Life Cycle (PCL) by making small, or big differences to a product. Companies plan to stimulate sales by improving product

quality, features, or style and then releasing it as “new and improved”. Quality improvement increases functional performance of the product and can attract consumer attention. Technological influences are often seen in most successful modification approaches. For example, Apple launched the iPhone 11 with a triple-lens camera as a modification of its previous dual lens iPhone X. Advancement in technology makes it more possible to modify outdated products or products in decline stage. With the technological environment advancing at a very fast pace, making small differences in product features can contribute to the competitive advantage of the brand. While once ‘high-tech’ might sound intimidating, now customers are more confident in understanding the results of clinical trials and the science behind ingredients of beauty products. In relation to this, understanding consumer **social needs** is also important to ensure that modification is properly executed. Noticing that consumers are gravitating toward natural and cutting-edge beauty, many brands are making efforts to be more trendy and innovative. Robinson, a skincare expert from BeautyStat Cosmetics stated that, in 2022, consumers will continue to look for products that contain ingredients that they believe will enhance and protect their skin while looking attractive (Weinstock, 2022). Vitamin C, SPF, Retinol, and Niacinamide are among the skincare ingredients that are trending in the beauty industry today.

The cosmetics market has recently seen a rise in interest in products similar to ETUDE KAKAO Fixing Tint, which ETUDE could capitalize on. For example, Rare Beauty lipstick that is trending nowadays has unique features such as vegan, cruelty free, and inclusive packaging. Since EKFT is at a growth stage in PCL, ETUDE could take advantage of product modification to jump on the trend which could contribute to increased growth potential and sales. The modification should incorporate natural and high-tech elements that are currently trending and in great demand in beauty products. A well-designed research and development strategy could help contribute to product differentiation of EKFT in the highly competitive beauty industry. The new version should help EKFT stand out among similar rival products that are popular like Barenbliss and YOU Beauty lip tints. In order to drive growth of ETUDE KAKAO Fixing Tint, the brand needs to understand the niche market that is lip tint users. ETUDE has the opportunity to modify EKFT with a new influx of capital which could attract new buyers and bring loyal customers back to buy from the brand again. To perfectly modify EKFT, understanding consumer reviews, trends, and conducting preference surveys can be helpful. Moreover, the brand could make use of LEAP assets to launch a new and improved version of ETUDE KAKAO Fixing Tint. Backed up with relevant data and resources, LEAP can help ETUDE strategize a proper product development plan and ensure effective execution.

➤ 6.1.3 Threats

- T1: Competitors

Sales are stagnant for a number of reasons, one of them is competition. Competitor threats have impacted almost every business in every industry. Korean beauty or K-beauty craze have revolutionized the industry worldwide including Malaysia. According to a Statista survey about the global popularity of K-beauty products in 2021, nearly 36% of respondents stated that Korean beauty products were very popular in their country (Jobst, 2021). Moreover, Rakuten Insight revealed that 39% of Malaysian K-Beauty users said that such products occupied 25 to 50 percent of the beauty products that they owned (Statista, 2022). From the past decade until today, there has been an increasing number of K-Beauty brands entering the Malaysian beauty market. Rising South Korean beauty brands will eventually become a threat to ETUDE relevance in the industry. Moreover, these new brands are more aggressive in introducing refreshing concepts so that they can penetrate the cosmetics world. As a long established brand, ETUDE strategies might be outdated and fall behind these rising brands. In general, homogeneous goods like lip makeup have many substitutes that function identically to each other. Beauty consumers can easily browse for alternatives to these types of products on ecommerce sites like Shopee and Lazada. Without features that could enhance a product appeal, it is difficult to stand out among thousands of other brands with similar offerings.

With increasing domestic and foreign competition in the beauty industry, performance of ETUDE KAKAO Fixing Tint is worsening day by day. ETUDE considers K-Beauty brands that sell lip tint and unauthorized sellers as its direct competitors that threatens the growth of EKFT. These competitor products are also targeted to the same demographic as EKFT which is female Gen Z aged from 15 to 24. Lip tints by Peripera and Barenbliss become direct competitors of EKFT due to their similarities in features and price points. Peripera and Barenbliss lip tints are almost identical to EKFT with vibrant shades, moisturizing, and long lasting effects. Besides, they are priced around RM40 and RM30 respectively which are substantially lower than EKFT. Due to this, EKFT is at a major disadvantage because of its higher price at RM60. Beside K-Beauty brands, ETUDE also considers unauthorized sellers as its direct competitor. On ecommerce sites, there are a lot of unofficial shops or resellers that are selling EKFT at lower prices with more powerful points of sale. These factors will cause EKFT to have lower preferences among lip tint users,

which will negatively impact its sales. As 82% of Gen Z describe price as a very important factor when shopping, they are more likely to prefer buying cheaper personal care goods (Corbin, 2022). LEAP has been putting efforts by reporting reseller accounts to reduce the threat on growth of EKFT on Shopee and Lazada. To overcome this, LEAP has been conducting a competitor analysis to identify and evaluate their strategies. The report helps ETUDE to determine competitor strengths and weaknesses in relation to lip makeup items, then compare them with its own EKFT. By understanding these strategies, ETUDE is able to recognize potential threats and where improvements can be made on EKFT. With critical analysis contributed by LEAP resources, EKFT can win over rivals with greater selling points. Hence, ETUDE will be able to increase its ROI on EKFT and eventually gain a competitive advantage.

- T2: Consumer trends

The emergence of beauty trends in social media is affecting social identity behavior among adolescents in Malaysia. **Social environment** has a significant impact on consumer trends. Understanding how people behave and respond to stimuli and emotions is a key component of marketing trends. One of the threats caused by social influence on consumer trends is Fear of Missing Out (FOMO). FOMO refers to the feeling of missing out on a certain social group and the desire to stay connected with what they are doing in social media. In this digital age where people consume social media every day, FOMO is becoming increasingly common. Around 56% of all social media users experience FOMO (TrustPulse, 2019). Argan & Argan (2019) stated that 'Fomsumerism' or FOMO based consumption can create anxiety for those who feel that they might be left behind by others. In the context of beauty marketing, Fomsumerism links FOMO and its influence on beauty consumption behavior among social media users. It affects purchasing and spending decisions which relates back to consumer trends. In this fast moving industry, it is difficult to always keep up with trends. Due to FOMO, a lot of consumers today buy makeup products based on what they see trending with most reviews on social media. According to a 2021 FortuneLords survey, 63% of consumers prefer buying from a site with product reviews and ratings (Gilbert, 2023). It is proven that this social media phenomenon has significantly influenced beauty consumption today.

The industry has witnessed multiple shifts in lip makeup trends. During the pandemic, non-transfer and long-lasting lipsticks were trending because people want to avoid staining their mask.

Lifestyle Asia reported that the pandemic has paved the way for lip gloss and lip balms, offering textures and colors that are not too heavy for daily wear (Narula, 2022). One of the reasons for the shift of taste from matte lipstick to lip gloss is because people are no longer required to wear masks. With the recent lift on mask mandatory, people are elevating their appearance with new makeup styles. With many people favoring this type of lip makeup recently, lip gloss by brands like Dior and Bobbi Brown has taken over social media by storm. This trend will put EKFT at risk because the product has a matte-like texture which might go out of style in a few upcoming years. There is a possibility that more consumers will shift from using lip tint to lip gloss which could eventually affect sales of EKFT. Instead of avoiding this threat, ETUDE should find a suitable method to undertake the changing social needs of consumers. With the impact of FOMO on consumer beauty purchases nowadays, ETUDE can incorporate elements that could help create a sense of urgency to purchase EKFT.

- T3: Physical store closing

Covid-19 has affected the global retail industry, reflected by government efforts in introducing policy measures to reduce the spread of the virus. Drastic changes in the external environment caused by Covid-19 have a major impact on the business of the retail industry. Retail Group Malaysia (RGM) reported that the retail sector recorded an almost 30% decline in third-quarter sales compared to the same period in the previous year (Jaafar, 2021). The pandemic has caused financial hardship for many businesses and recently, fueled by rising inflation. These **economic situations** particularly affected businesses selling shopping goods and luxury items, including ETUDE. ETUDE shut down a number of physical stores to downsize its business. Since 2018, the brand has been reducing its number of stores from 800 to 140 (Ping, 2022). For now, products of ETUDE will be available in Malaysia only on its website and through e-commerce sites like Lazada and Shopee. The dramatic decline and shift to online might be caused by sluggish consumption and intensifying competition, along with the growth of online malls and health and beauty stores like Olive Young (Kim, 2021). With rising inflation, ETUDE was unable to sustain its retail operation and was forced to close physical stores to support its business. The massive outbreak of COVID-19 pandemic has also played a decisive role in closing down its stores. As people spent more time at home, they felt less need to wear makeup and switched to online shopping to prevent the spread of the coronavirus.

ETUDE flagship stores are an important channel of distribution for its cosmetic products. Its inability to sustain retail operation might directly threaten sales of EKFT. This is because beauty consumers prefer to test out skincare and cosmetics products on their own skin. Closing flagship stores will result in limited physical availability of EKFT and alter consumer behaviors towards it. Without a store, they are unable to truly feel the texture of EKFT and see if the color matches their skin tone. The inability to test cosmetic products will lower consumer expectation to buy which leads to lower sales of EKFT. Hence, ETUDE should take appropriate measures in relation to physical availability and store operation to prevent EKFT sales from declining.

6.2 Recommendation for SWOT Analysis (TOWS Matrix)

This part consists of recommendations for SWOT elements. The suggestions for solution were made based on the TOWS Matrix matching stage. Appendix 8 shows the TOWS Matrix diagram for the matching strategies.

➤ 6.2.1 Strengths and Opportunities

- Viral on social media (S1 + O1: S1: Popular brand O1: Social media)

ETUDE can take advantage of its popularity to make EKFT **viral on social media platforms**. Currently, ETUDE has a large following on Instagram with over 1 million followers. An effective social media strategy is essential for ETUDE to significantly enhance brand credibility and drive conversions for EKFT in the local market. Malaysian consumers actively use Instagram for brand and new product research through advertisements and influencer collaborations on Instagram. The platform is also dominated by female users in Malaysia which comprises 56.4% of the ad audience reach (Cultural Insights in Asia, 2022). Besides, 56.8% of TikTok Malaysia users are female with 47% of user interest is in beauty and fashion. Moreover, TikTok is seeing a lot of traction and interest by Gen Zs and young millennials. This indicates that promoting EKFT on TikTok and Instagram seems the most suitable. As EKFT targets female young adults in Malaysia, ETUDE should develop an effective influencer marketing strategy for Instagram and TikTok. Beauty giant Estée Lauder is also spending 75% of its marketing budget on collaborations with social influencers (Schwarz, 2022). ETUDE can partner with beauty influencers that execute a feminine and playful aesthetic, similar to the brand personalities. By leveraging influencers in ETUDE campaigns, it will allow many opportunities for EKFT related content to go viral on these

platforms. In addition to their power to generate high engagement on Instagram and TikTok, influencers can help reach more potential consumers of EKFT. The higher the engagement rate of the content, the higher the chances for EKFT to go viral and reach target consumers. Going viral will allow higher chances to drive sales of EKFT because seven out of ten people believe that they buy things online after seeing them on social media (Cultural Insights in Asia, 2022).

- Launch Halal and vegan version (S2 + O3: S2: High quality product O3: Product modification)

To take full advantage of the high quality product, ETUDE should consider modification for EKFT to better meet the needs of consumers. Recently, there has been rising demand for clean beauty products such as cruelty free and vegan. By 2027, the global market for natural cosmetic and personal care products is expected to reach \$54.5 dollars. (Anchanto, n.d.). Questions have arisen about whether ETUDE products are Halal. As demand for Halal or vegan products rises, ETUDE can take this opportunity to **launch Halal or vegan version** of EKFT. Before releasing the improved version of EKFT, ETUDE should educate its target consumers regarding Halal and vegan status in makeup products. Educating consumers can be conducted effectively through soft sell, an indirect advertising and sales approach that uses subtle language to persuade customers to buy a product or service (Kenton, 2022). ETUDE should ensure that EKFT is made with natural ingredients that conform to Syarak requirements and certified HALAL by a stringent independent body like Jabatan Kemajuan Islam Malaysia (JAKIM). For vegan status, ETUDE can partner with vegan organizations like The Vegan Society and PETA. These bodies help provide information and guidance on various aspects of veganism, especially cosmetics. Besides, they will provide EKFT with trusted vegan labeling and certified logo. By registering with these organizations, it could help people identify that EKFT is free from animal ingredients. Aside from Halal and vegan, ETUDE can modify EKFT by adding SPF as a new ingredient. SPF is one of the trending ingredients for beauty products today. Due to high demands of cosmetics and skincare with SPF, adding this ingredient will contribute to the growth potential of EKFT.

➤ 6.2.3 Weaknesses and Opportunities

- Utilizing live shopping and Virtual Reality (W2 + O1 + O2: W2: Lack proper marketing O1: Social media O2: Onsite marketing)

Retailers have been introducing in-store digital and omnichannel features for marketing their beauty products. In order to overcome the lack of proper marketing, the brand should consider making use of onsite marketing to promote EKFT. By utilizing **live shopping**, ETUDE can drive growth of EKFT across Shopee, Lazada, and TikTok. According to Shopify director, Mecca, live shopping is especially suitable for brands that sell physical products in the health and wellness categories which include beauty and cosmetics (Lindberg, 2022). In 2020, live shopping events generated \$5.6 billion in US sales and is projected to grow to nearly \$25 billion by 2023. Live selling is effective in engaging customers through product demonstrations. According to My Media Network, 48% of TikTok users are interested in shopping on TikTok in the next three months after watching TikTok Live while half of TikTok users actually bought an item while watching livestream (Jalal, 2022). ETUDE sales assistants can stream live swatches of EKFT which allow customers to see the effect on actual skin tones. This helps build a sense of excitement for the audience and eventually influence purchase intention. Beside live shopping, the brand should also consider using **Virtual Reality (VR)** in promoting EKFT on Shopee and Lazada. For example, Maybelline uses VR features that allow shoppers to try makeup from their phones or computers on Shopee and Lazada. Virtual testing allows online shoppers to virtually try on EKFT in real-time, build expectation, and immediately purchase it without the hassle of visiting stores. Online shoppers find virtual swatches as highly enjoyable and useful, which can evoke higher purchase intentions for EKFT. Furthermore, adding a VR feature in the ETUDE store allows the brand to promote EKFT via onsite programs like Shopee Beauty Cam: Virtual Makeup Try. Viewers who are interested in trying products virtually might be interested in EKFT which will drive traffic to its page on the platform.

➤ 6.2.3 Strengths and Threats

- Image repositioning as inclusive brand (S1 + T1: S1: Popular brand T1: Competition)

Image repositioning will be a great way for EKFT to stand out among competitor products. Repositioning is often carried out when a business experiences decline in sales and

realizes they need to adjust grow. It is an effort in trying to get current target consumers to take another look at a product and see it with a new perspective. Through repositioning, ETUDE can make minor adjustments to its brand image and EKFT campaign. Based on other K-Beauty brand campaigns, most of them use Korean models with brighter skin tone to advertise their products. To appeal to consumers and gain competitive advantage over K-Beauty brands, ETUDE should consider repositioning itself as an inclusive brand. According to the latest research by Mintel Group (2022), 47% of beauty consumers shop from brands with diversity or inclusivity. While the beauty industry is becoming more inclusive, ETUDE can promote diversity in its campaigns. The brand can use models of different races, skin tones, and genders to represent the brand and advertise EKFT. It is an inclusive effort to spread the message that beauty is for all. Brands like Maybelline and Fenty Beauty are ahead of the game in spreading inclusive messages to beauty consumers around the world. In Malaysia, diversity is important to attract Malaysian consumers with a wide range of skin tones. Outstanding inclusive efforts from local brands can be seen on BeauTyra and Velvet Vanity. ETUDE can leverage its popularity and millions of followers to make the message reach a large number of potential consumers. Effective delivery of inclusive messages in the campaign will contribute to the point of difference of EKFT and competitive advantage of ETUDE. The more consumers appreciate and relate to this message, the higher the chances to purchase EKFT. As a result, EKFT will stay on top of consumer minds and ETUDE can regain market share.

- Creating FOMO for product (S1 + T2: S1: Popular brand T2: Consumer trends)

ETUDE can leverage its brand popularity to keep up with consumer trends. The brand should take advantage of its large following on social media and ecommerce sites to **create FOMO** for EKFT. Currently, ETUDE best selling items such as Fixing Tint and Eye Palette are promoted as Kazuha's Pick bundle set. As Kazuha is a famous and influential Kpop idol among Gen Zs, her featured campaign could garner widespread attention across social media. Thus, including EKFT SKU alongside other best sellers as Kazuha's Pick could create attention to EKFT. In addition to this, ETUDE could give out free Kazuha photocards as a Gift With Purchase (GWP) promotion. GWP is an effective mechanic to drive sales for slow selling items. Furthermore, labeling the photocards with "While stocks last" will further create a sense of urgency for consumers to buy EKFT. Leveraging the popularity of ETUDE and its celebrity ambassador, EKFT has great potential to go viral which leads to FOMO. Since ETUDE has a large following on social

media platforms, it allows the promotion to reach a large number of its followers or potential consumers. More people will pay attention and become interested in EKFT when they see the lip tint and photocards across social media. This strategy will evoke purchase intentions of fans of both ETUDE brand and Kazuha for EKFT.

➤ 6.2.4 Weaknesses and Threats

- Build hype from an event (W1 + W2 + T2: W1: Limited edition W2: Lack proper marketing T2: Consumer trends)

ETUDE can lessen the impact of being limited edition and lack of proper marketing on EKFT by embracing consumer trends. Instead of eliminating the threat, ETUDE should jump on the trend that relates to FOMO marketing. OptinMonster revealed in 2021 that nearly 60% of consumers make a reactive purchase after they experienced FOMO, often within 24 hours (Gilbert, 2023). Due to shopping reliance on FOMO, purchases of consumers nowadays are easily influenced by what they see on social media. ETUDE should **build hype for EKFT from an event** to compensate for the lack of proper marketing. The hype will provoke brand enthusiasts who are eager to try out EKFT and make them buy immediately. Besides, the event can help eliminate the stigma surrounding EKFT as a limited edition product. It will provide a valuable opportunity for customers to learn more about the limited edition EKFT. ETUDE can work together with KAKAO to properly showcase EKFT through the event. By planning proper activities at the event, EKFT can generate hype and cause FOMO among online shoppers. Besides, inviting social media influencers (SMIs) can help promote the event and EKFT through their fun contents and positive reviews of EKFT. This can help garner the public interest towards EKFT due to their sense of curiosity towards trending social events. Eventually, the event will produce great outcomes such as increased interest and engagements towards EKFT which may result in increased sales.

- Open a temporary popup store (W3 + T3: W3: online selling of makeup product T3: physical store closing)

In order to reduce the impact of online selling of makeup products and physical store closing, ETUDE should **open a temporary pop-up store**. Since Luxasia specializes in managing omnichannel distribution, ETUDE could use resources from the company to execute a proper plan for its pop-up store. A pop-up shop is an ideal opportunity for digitally driven brands to experience a temporary retail space. According to a survey from Storefront, 80% of global retail companies that have operated a pop-up store stated that it was successful, and 58% are likely to open pop-up stores again (Keyes, 2019). The store will provide a cohesive experience that helps unify online and offline shopping efforts. This is important to omnichannel experience building, as it involves bridging the gap between online and offline retail. An ETUDE pop-up store could help generate buzz and excitement around EKFT. Since ETUDE has shut down retail stores and mainly operates on ecommerce sites, consumers are unable to try out the product. By visiting the ETUDE popup store, they can test products and place orders online. This allows consumers to swatch EKFT onto their own skin to see its real effect which helps build excitement and expectation for the product. More visitors might lead to more offline and online sales which would benefit ETUDE. As a temporary pop-up store only opens for a limited time, it will create a sense of urgency and exclusivity, which can bring more sales opportunities. With the recent post covid pandemic and economic recovery, a pop-up store would be a great solution for re-engagement with consumers of ETUDE. By engaging with customers in a face-to-face setting, ETUDE will be able to deepen relationships with customers beyond online interactions.

7.0 Conclusion

In conclusion, this internship program is relevant to experience and knowledge regarding the corporate world. The program has given me tremendous opportunities to prosper in my future activities as I was also able to explore career alternatives prior to graduation. My experience with Luxasia and LEAP was very crucial in my development as a business marketing undergraduate. From a theoretical perspective, the SWOT analysis allows integration of theory and practice of various marketing concepts. Besides, this analysis shows the company the best way to optimize its resources and capabilities for its brands, particularly for a slow moving product, ETUDE KAKAO Fixing Tint. Overall, this industrial training report contributed significantly to enhancing the performance of both the student and the product.

8.0 References

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9.0 Appendices

Appendix 1:

Brand Mechanics (Uploading New SKUs)

Home > My Products > Product Details

Basic information

* Product Images

* Cover Photo * Image 1 * Image 2 Image 3 Image 4 Image 5 Image 6 Image 7

Image 8

Product Video

Cover Video

1. Size: Max 30Mb, resolution should not exceed 1280x1280px
2. Duration: 10s-60s
3. Format: MP4
4. Note: You can publish this listing while the video is being processed. Video will be shown in listing once successfully processed.

* Product Name ETUDE Play Tone Eye Palette 6.4g 32/120

Cancel Delist Update

Appendix 2:

Brand Contents (Copywriting)

LazMall x SK-II

13 JANUARY ONLY

SK-II PITERA™ SET

Worth: RM1,100 | Now: RM799

Facial Treatment Essence (230ml)

GIFTS WITH PURCHASE WORTH RM301

SK-II SKINPOWER

Worth: RM968 | Now: RM799

SK-II SK-II LazMall Flagship Store

Pengikut 38.6k

Follow

Loved by millions for its powerful treatment. Make your New Year sparkle brighter with SK-II's PITERA™ exclusive sets on 13 Jan only. Add to cart now to enjoy up to 8-pc gifts.

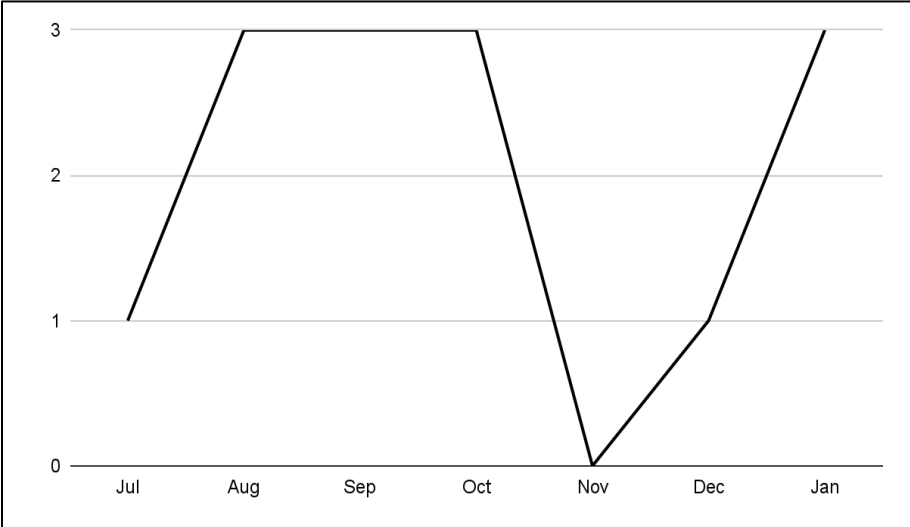
Appendix 3:

ETUDE KAKAO Fixing Tint



Appendix 4:

Monthly Sales of EKFT



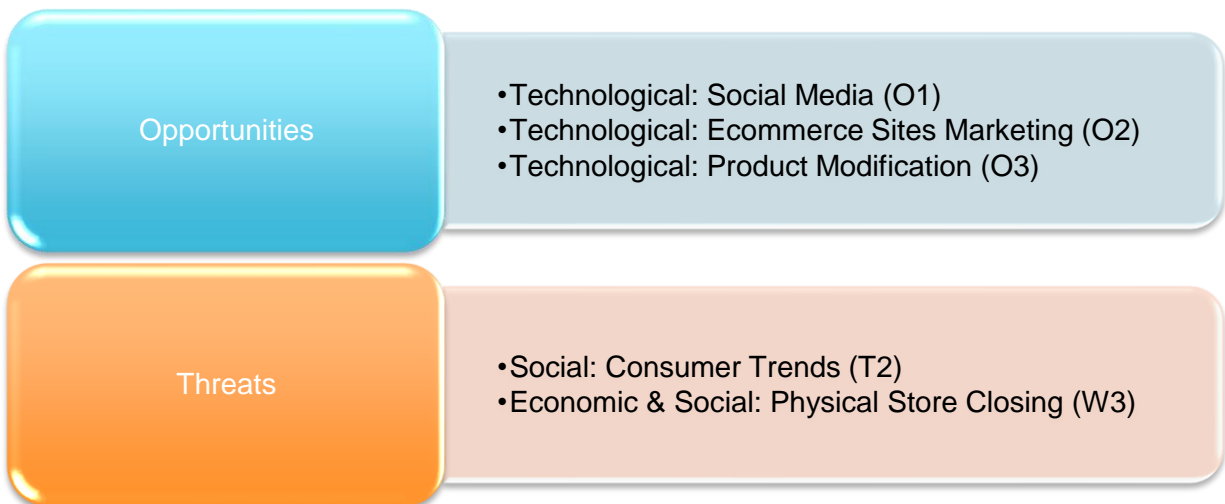
Appendix 5:

SWOT Diagram for EKFT



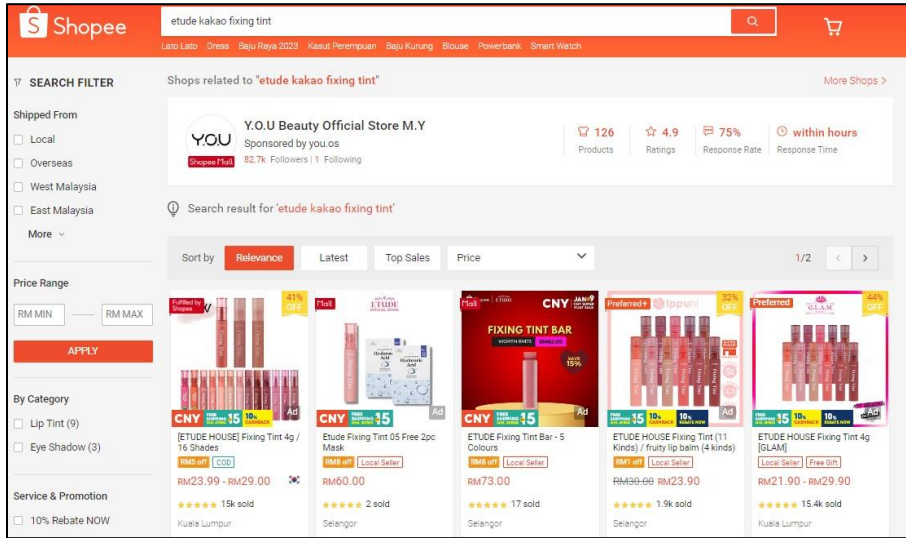
Appendix 6:

PESTEL Analysis for EKFT



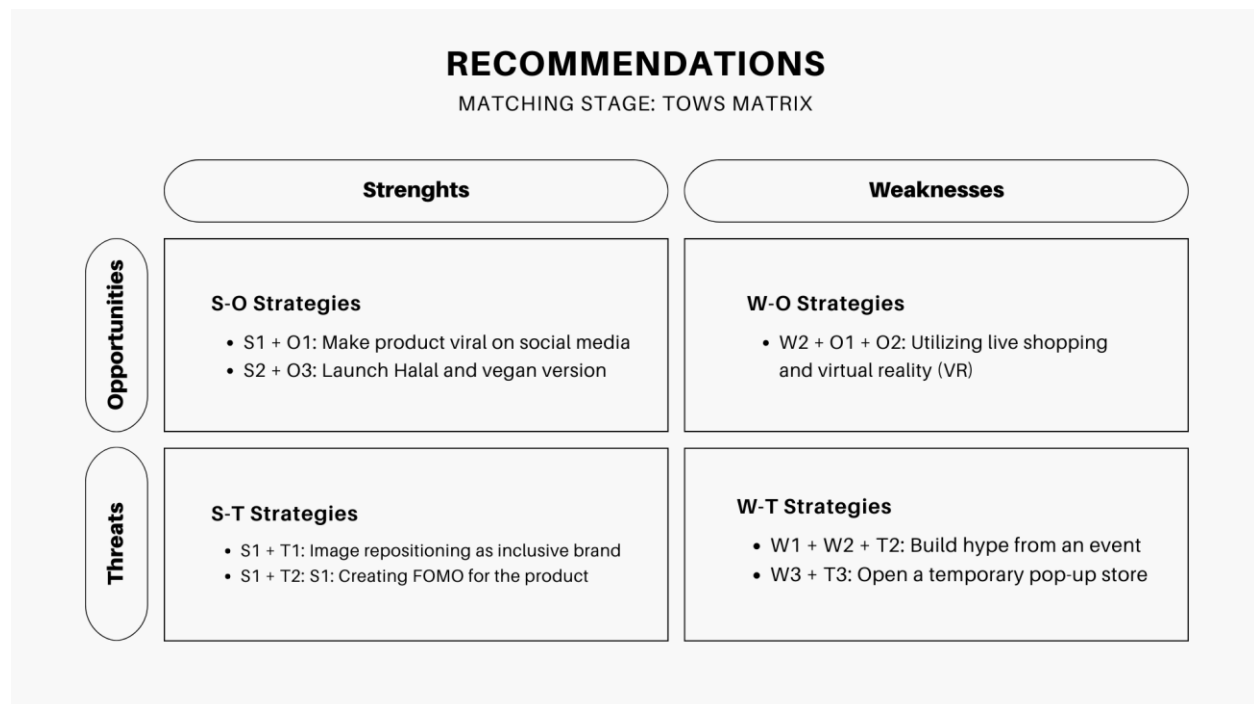
Appendix 7:

EKFT Search Engine



Appendix 8:

TOWS Matrix for EKFT





Appendix 9:

Copy of Ouriginal Report

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Analysis address	shafiqshahrudin.UiTM@analysis.ouriginal.com

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