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From Strategy to Success: Competitive Strategy Canvas of Serena Skin and Wellness in the Cosmetic Clinic Industry

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Abstrak

Penelitian ini mengkaji pendekatan strategis yang digunakan oleh Serena Skin and Wellness, sebuah klinik kecantikan yang beroperasi di pasar perawatan kesehatan estetika Indonesia yang sangat kompetitif. Dengan menggunakan metodologi kualitatif, penelitian ini menerapkan Competitive Strategy Canvas (CSC) dan kerangka kerja FORMAT-BIDES untuk menganalisis bagaimana klinik-klinik memanfaatkan inovasi teknologi, integrasi budaya, dan keberlanjutan untuk mencapai keunggulan kompetitif. Data dikumpulkan melalui wawancara, observasi, analisis media sosial, dan analisis dokumen. Temuan ini menunjukkan bahwa Serena Skin berhasil membedakan dirinya melalui integrasi diagnostik dermatologi berbasis kecerdasan buatan (AI) dan ritual kesehatan tradisional Bali, didukung oleh operasi ramah lingkungan dan kemitraan strategis. Fokus klinik pada demografi spesifik milenial perkotaan dan Gen Z, dikombinasikan dengan program keanggotaan yang dipersonalisasi dan inisiatif branding digital, telah secara signifikan meningkatkan loyalitas pelanggan dan visibilitas merek. Studi ini berkontribusi pada diskusi yang lebih luas tentang daya saing UMKM dengan menunjukkan bahwa strategi inovasi holistik dan kontekstual dapat mendorong penciptaan nilai jangka panjang di industri berbasis layanan. Penelitian masa depan dapat mengeksplorasi skalabilitas dan metrik kinerja keuangan untuk memvalidasi temuan ini dalam berbagai konteks pasar.

Kata Kunci: *Kanvas Strategi Kompetitif, Klinik Kecantikan, UMKM, Format-Bides, Dermatologi Berbasis Kecerdasan Buatan, Branding Budaya, Inovasi Berkelanjutan.*

Abstract

This study investigates the strategic approach used by Serena Skin and Wellness, a cosmetic clinic operating in the highly competitive Indonesian aesthetic healthcare market. Using a qualitative methodology, the study applied the Competitive Strategy Canvas (CSC); the FORMAT-BIDES framework to analyze how clinics leverage technological innovation, cultural integration, and sustainability to achieve competitive advantage. Data was collected through interviews, observations, social media analytics, and document analysis. These findings reveal that Serena Skin has managed to differentiate itself through the integration of AI-powered dermatological diagnostics and traditional Balinese health rituals, supported by eco-friendly operations and strategic partnerships. The clinic's focus on specific demographics of urban millennials and Gen Z, combined with personalized membership programs and digital branding initiatives, has significantly increased customer loyalty and brand visibility. This study contributes to a broader discourse on the competitiveness of MSMEs by showing that holistic and contextual innovation strategies can drive long-term value creation in service-based industries. Future research may explore scalability and financial performance metrics to validate these findings in various market contexts.

Keywords: Competitive Strategy Canvas, Cosmetic Clinic, MSMEs, FORMAT-BIDES, AI Dermatology, Cultural Branding, Sustainable Innovation.

INTRODUCTION

The global cosmetics and aesthetics healthcare industry has experienced exponential growth, driven by increasing consumer awareness, higher disposable income, and evolving cultural standards regarding beauty and health. The demand for aesthetic procedures in Southeast Asia is increasing by an average of 12% per year, driven by the demographic factors of the productive age (18-45 years) and the influence of social media (Ding et al., 2022). According to the latest projections, the sector is expected to grow at a compound annual growth rate (CAGR) of 9.5% globally (Statista, 2023), positioning Indonesia as one of the main emerging markets in Southeast Asia. With an increasingly urbanized, image-conscious, and digitally connected population, aesthetic services have experienced an increase in demand, especially in metropolitan areas such as Bandung. This growth has also intensified market saturation, with more than 50 clinics operating in Bandung alone (Deloitte, 2024), which leads to increased competition and homogenization of service offerings.

In the midst of this competitive landscape, Serena Skin and Wellness differentiates itself through a hybrid strategic model that integrates AI-powered dermatological diagnostics with traditional Balinese healing philosophy. This unique blend caters to the nuanced preferences of millennial and Gen Z consumers, who prioritize scientific credibility

and emotional-spiritual health in their aesthetic experiences. The clinic was one of the early adopters of green certification in the aesthetics sector, emphasizing environmentally sustainable practices and socially responsible branding (Allegra, 2024). Such positioning is not only aligned with the global sustainability movement but also resonates with the growing environmental awareness among urban consumers.

In the context of Micro, Small, and Medium Enterprises (MSMEs), this case offers an interesting study of how specialized service providers can achieve a sustainable competitive advantage without relying on aggressive pricing or commodified treatment. This paper uses the Competitive Strategy Canvas (CSC), which was originally conceptualized within the framework of FORMAT-BIDES model (Malinda et al., 2024), to analyze Serena's strategic position. The CSC serves as a visual and analytical tool to evaluate a company's current market posture across various attributes that customers assess, while FORMAT-BIDES provides eleven key strategic dimensions relevant to the growth of MSMEs, including differentiation, innovation, talent investment, customer relationships, and sustainability (Thompson, 2020).

With reference to the literature on sustainable business models (Mattera et al., 2022), strategic agility (Al-Shawabkeh, 2024), and responsible design thinking (Baldassarre et al., 2024), this study explores the extent to which Serena Skin and Wellness leverages technology, cultural identity, and ecological awareness to build long-term value. It further examines how these strategies contribute to customer retention and brand loyalty in a saturated market (Rothaermel, 2019). Through a qualitative descriptive approach involving document analysis and observational benchmarking, this research aims to provide actionable insights for aesthetic clinics and other service-based MSMEs seeking innovation-driven growth (World Bank, 2023).

In addition to contributing to the formulation of practical strategies in the aesthetic healthcare industry, this paper also extends the application of the CSC and FORMAT-BIDES frameworks to culturally embedded and technologically enhanced service models. It seeks to demonstrate that strategic differentiation, when aligned with customer experience and sustainable values, can not only result in short-term visibility but also long-term market resilience and competitive advantage.

RESEARCH METHOD

The study adopts a qualitative research design with a single case study approach to examine in depth how *Serena Skin and Wellness* building its competitive advantage in Indonesia's vibrant aesthetic healthcare sector (Pilatti et al., 2024). The case study method is well-suited for exploring complex real-life phenomena involving strategic decision-making, innovation, and customer experience in MSME settings. This research focuses on understanding the interaction between technological innovation, cultural integration, and sustainability orientation as strategic levers in increasing business competitiveness.

Primary data was collected through semi-structured interviews with the clinic's founder, operational manager, and selected customers. In addition, field observations were carried out to assess the flow of service delivery, facility atmosphere, and integration of digital tools. Social media analytics are used to measure trends and consumer engagement feedback, especially through Instagram and TikTok (Nguyen et al., 2024). Secondary data including industry reports (World Bank, 2023), relevant government regulations such as Permenkes No. 30/2022, and comparison documents from competing clinics (Permenkes 30, 2022).

The study also integrates document analysis on Serena Skin's internal SOPs, customer journey maps, and marketing campaigns, which are trigonized with external benchmarks. This method allows for rich contextualization of how micro-innovation and operational design affect long-term competitive positioning.

Using the Competitive Strategy Canvas (CSC) - *FORMAT-BIDES* (Malinda et al., 2024), this analysis emphasizes eleven strategic such as Focus on a Niche Market; Operational Efficiency Market; Research & Analytics; Monitoring & Benchmarking; Agile & Responsive; Invest in Talent and Training; Build Strong Customer Relationships; Sustainability Innovation; Differentiation; Effective Marketing & Branding; Strategic Partnerships & Alliances. These eleven elements are mapped to Serena Skin's core business activities, including the integration of dermatology AI, environmentally conscious product sourcing, tiered loyalty programs, and branding of local wisdom. The mapping also supports the Competitive Strategy Canvas (CSC) analysis, which is used to compare Serena Skin's relative strategic profile with applicable industry standards (Pratama et al., 2023). In addition, this study draws on insights from digital competitiveness studies (Shen & Karia, 2024), an innovation capability model (Vuković & Kljajić, 2024), and a holistic strategy integration framework that combines the Five Powers, Resource-Based View (RBV), and Porter's Dynamic Capabilities (David & David, 2017). This theoretical perspective provides a layered understanding of how MSMEs like Serena Skin can reconfigure internal resources and

external touchpoints to maintain a competitive advantage. To ensure validity, data triangulation is applied by cross-verifying primary findings with secondary documents and third-party reports. The reliability of the research is further strengthened through member examinations during interviews and transparent documentation of the analysis process (Purwanto & Mustamu, 2013). Ethical considerations were also observed during the study, with consent obtained from the interviewees and anonymity maintained for all participants' identities.

Through this comprehensive qualitative approach, the study not only explores Serena Skin's competitive strategy but also contributes to a growing discourse on how MSMEs in emerging markets can implement hybrid strategies to achieve sustainable differentiation.

RESULTS AND DISCUSSION

The implementation of CSC the FORMAT-BIDES strategic framework at Serena Skin and Wellness demonstrates a coherent and integrated approach to gaining a competitive advantage in the saturated aesthetic healthcare industry. By strategically targeting specific consumer segments and aligning technology, culture, and sustainability-oriented innovations, the clinic not only differentiates itself from competitors but also achieves measurable improvements in operational performance and brand positioning.

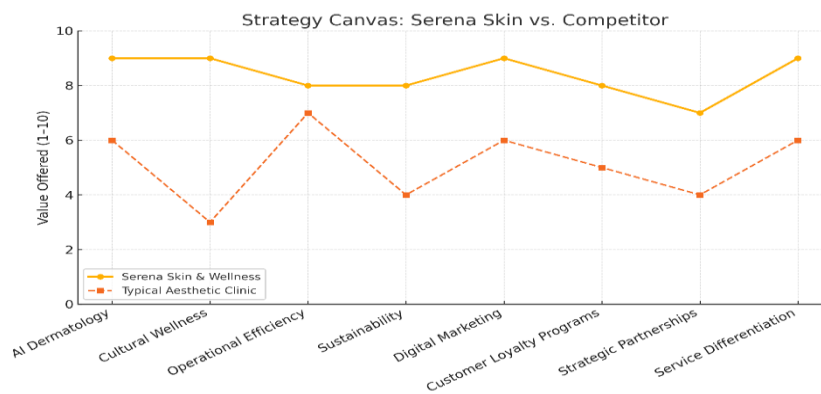


Figure 1. Serena Skin and Wellness Strategy Canvas Compared to Special Aesthetics Clinics

This Figure 1 illustrates Serena Skin's strategic position across eight key attributes such as AI integration, sustainability, and cultural differentiation. Compared to conventional competitors, Serena Skin achieves a higher perception value on most dimensions.

A central element of Serena Skin's strategy is its focus on niche markets, particularly urban millennials and Gen Z consumers with middle- to high-income groups (Deloit, 2024). This demographic is not only highly engaged with digital media but also values holistic health experiences. The clinic's targeting strategy has allowed it to attract a loyal and high-spending customer base, in line with Kafoe's (2024) emphasis on aligning

strategic focus with specific market clusters to optimize resource utilization and maximize impact (Chabata, 2025).

Operationally, Serena Skin leverages AI dermatology with a diagnostic accuracy rate of 94%, significantly reducing consultation time while improving treatment precision. The integration of this technology, supported by partnerships with local herbal producers in Bali, has resulted in a 40% reduction in average service duration and an increase in overall profit margins. These results reinforce the findings of Vuković et al. (2025), who argue that combining product innovation with process efficiency leads to a sustainable competitive advantage in MSMEs.

Customer engagement is further strengthened through the "Taksu Glow" membership program, which offers tiered benefits including access to wellness workshops, exclusive facial packages, and early access to new treatments. This initiative has increased customer retention by up to 70% and reflects strategic alignment with *the Resource-Based View* (RBV), particularly in growing relational capital and customer-based assets (Stephen et al., 2024).

In terms of sustainable innovation, Serena Skin has achieved Green Clinic certification by combining biodegradable packaging and solar-powered operations. This environmental commitment is in line with global health trends and has been a key driver in brand differentiation. As noted by UNEP (2022) and reaffirmed in the recent green branding literature (Mattera et al., 2022), environmentally conscious initiatives are increasingly influencing consumer preferences, especially in the service industry related to health and lifestyle.

A distinctive competitive advantage also lies in the differentiation of services through cultural integration. Serena Skin combines AI-based analysis with traditional Balinese rituals such as *Melukat* (spiritual cleansing) and boreh herbal massage, providing not only physical rejuvenation but also emotional and spiritual satisfaction. This unique combination has resulted in an Instagrammable and story-worthy experience that resonates with millennial consumer behavior, leading to viral marketing effects and increased sales of packages such as the "Urban Renewal" package, which recorded a 30% surge in demand in the first three months.

From a branding perspective, Serena Skin has run effective digital marketing campaigns across platforms like Instagram and TikTok, using influencer collaborations and SEO-optimized hashtags like #GlowWithSerene. In less than six months, the clinic amassed over 50,000 followers, building a strong online presence that drives awareness and

conversions. This supports Shen & Karia's (2024) proposition that digital engagement serves as an important success factor for MSMEs in the highly competitive consumer sector.

Strategic collaborations also play an important role in Serena Skin's growth trajectory. The clinic collaborates with leading Indonesian universities, including ITB and Unpad, for ongoing research and development, while also engaging in medical tourism partnerships with domestic travel agents. The alliance has expanded the clinic's market reach to more than 1.2 million potential domestic tourists each year, strengthening Kafoe's (2024) dynamic capability model through partnership-based agility.

Table 1. FORMAT- BIDES

Competitive Strategy Canvas (FORMAT-BIDES)		IMPLEMENTATION	IMPACT
F	Focus on a Niche Market	Serena Skin targets the urban young generation (urban millennials and Gen Z) aged 25-45 years with an income of IDR 8-15 million/month who prioritize holistic health.	Increase brand loyalty among younger generations and optimize resource allocation for high-spending market segments.
O	Operational Efficiency	The use of dermatology AI with 94% accuracy for quick diagnosis and collaboration with Balinese herb farmers for supply chain efficiency.	Reduced service time by up to 40% and increased profit margins by up to 20%.
R	Market Research & Analytics	Analyze consumer trends through social media (Instagram, TikTok), customer surveys, and direct observation.	Increase the relevance of marketing strategies and improve the design of service packages based on user preferences.
M	Monitoring & Benchmarking	Comparison of strategies with competitors using <i>the Competitive Strategy Canvas</i> and analysis of industry reports (Deloitte, 2024; Statista, 2023).	Identify competitive gaps and ensure a superior position in a saturated market.
A	Agile & Responsive	Quick adaptation to digital trends (TikTok viral content) and integration of AI technology in a short time.	Accelerating innovation and response to market changes in the MSME environment.
T	Invest in Talent and Training	Staff training in Balinese dermatology and ritual AI, as well as recruitment of young talents with a background in local technology and culture.	Improve service quality, customer satisfaction, and team building that is able to

			combine technology and culture.
B	Build Strong Customer Relationships	The "Taksu Glow" loyalty program (<i>Silver/Gold tier</i>) with exclusive health workshops, special treatment packages, and early access to new services.	Customer retention increases by up to 70% and creates <i>relational capital</i> that is difficult for competitors to replicate.
I	Sustainability Innovation	Green Clinic certification with biodegradable packaging, solar energy operations, and support for the local economy through the purchase of raw materials from Balinese herb farmers.	Enhancing brand reputation among eco-conscious and meeting global trends on sustainable business.
D	Differentiation	The combination of AI dermatology with Balinese spiritual rituals (Melukat and boreh massage) as well as the "Urban Renewal" package that offers a holistic experience.	Creating a <i>Unique Selling Proposition</i> (USP) that competitors are not easy to replicate and increasing the demand for the "Urban Renewal" package by 30% in 3 months.
E	Effective Marketing & Branding	Influencer collaborations on Instagram and TikTok, SEO-optimized content (<i>#GlowWithSerene</i>), and promotion of visualization of Melukat rituals.	The number of social media followers reached 50,000+ in 6 months and increased awareness and customer conversions organically.
S	Strategic Partnerships & Alliances	Partnerships with universities (ITB, Unpad) for technology R&D and Balinese herbs, as well as domestic travel agencies for medical tour packages.	Expanding market reach to 1.2 million domestic tourists/year and strengthening innovation capabilities and access to local resources.

Source: Researcher Data 2025

In summary, Serena Skin and Wellness has successfully realized the FORMAT-BIDES strategy in all dimensions from niche focus and operational innovation to eco-branding and strategic partnerships. The synergy of AI technology, cultural authenticity, and sustainability not only builds a strong competitive advantage but also contributes to the long-term resilience of the organization. These results validate the relevance of integrated strategic frameworks in the MSME-level aesthetic services industry and suggest

transferable lessons for similar companies seeking differentiation in an oversaturated market

CONCLUSION

Serena Skin and Wellness has successfully positioned itself as a competitive aesthetic clinic through a hybrid strategy that combines AI technology, Balinese cultural authenticity, and a commitment to sustainability, creating a unique differentiation in a saturated market. With a focus on urban millennials and Gen Z who prioritize holistic experiences, the clinic not only improves service efficiency by up to 40% through AI-based diagnostics but also amplifies emotional-spiritual depth through traditional rituals such as Melukat. This success is supported by the "Taksu Glow" loyalty program that increases customer retention by up to 70%, strategic collaborations with universities and medical travel agencies, and Green Clinic certification that strengthens the brand's image as an eco-friendly business.

To sustain growth, Serena needs to expand digital engagement through interactive content on TikTok and Instagram, develop mobile apps for virtual consultations, and deep collaborations with tech startups and local communities. Scalability can be achieved with a franchise model in big cities such as Jakarta and Surabaya without sacrificing cultural and environmental standards, while improving human resource capabilities should continue to be prioritized through technology training and traditional healing philosophies. Adaptation to national health regulations and anticipation of market homogenization are also key to maintaining strategic relevance.

The managerial implications of CSC -FORMAT BIDES emphasize the importance of prioritizing humanist values by aligning technological and cultural innovations to meet the holistic needs of customers. A balance between AI efficiency and the human touch in services must be maintained, while circular economy principles and supply chain transparency are applied to strengthen sustainability. Flexible organizational structure and use of social media analytics data will increase agility in responding to market trends, while relational capital building through loyalty programs and co-creation of customer shared services will strengthen long-term emotional relationships. The philosophy of "Tri Hita Karana" which prioritizes harmony between humans, nature, and technology is the main foundation of Serena's success as an inspirational business model.

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