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Digital Marketing Strategy for Laboratories Marketplace

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Abstract. The rapid development of Information Technology (IT) in Indonesia influences the trend towards the establishment of IT-based startups. Pesanlab is an example of such start-up that offers a healthcare diagnostic platform connecting laboratories to consumers. As a vast growing organization, Pesanlab requires a set of strategies to assist in attaining organizational goals and predetermined targets. The purpose of this research is to formulate a digital marketing strategy, more specifically one that is suited for digital start-up organizations. The SOSTAC framework, complemented with additional relevant theories, such as SWOT analysis, SMART Objectives, RACE planning objectives was employed as a robust framework in terms of formulating a digital marketing strategy. This research formulated 3 targets, 9 strategies and 32 tactics.

1. Introduction

The development of digital start-up organizations within the realms of e-commerce has gained a lot of attention in Indonesia. This phenomenon supported by increasing number of internet penetration. In 2014 internet penetration in Indonesia was 34.9% and in 2016 was 51.8%. It can be concluded that people are getting accustomed with Internet and smartphones more than ever.

Conversely, the increasing internet penetration has led to an increase of digital healthcare system offerings. For example, Indonesia has numerous online consulting platform for healthcare, such as HaloDoc, TanyaDok, DokterSehat, Konsula. Their main business is similar, which is to connect a certified physician or doctor with a patient mediated through website or an app accessed through a mobile phone.

Pesanlab is a platform designed to gather and analyse data from all medical check-up service providers around Indonesia and process it to an actionable information. It is a pioneer organization in such specific service offerings, that bids a solution to a common problem of those in need of a medical check-up and would like to distinguish its prices beforehand. To date, Pesanlab has numerous lab-partners in the greater Jakarta area, as an effort to maximize its penetration to society.

As a start-up organization, Pesanlab has set demanding targets and objectives to survive in the cut-throat competitive start-up environment. Their main organizational focus is to quickly grow and achieve substantial market share. To achieve such target, it is imperative to define a set of lean and adaptive business strategies, specifically tailored for current market needs. Due to the lack of market awareness concerning healthcare, Pesanlab's utmost important goal is to come up with a sound strategy to build market interest and gain market attention.

Currently, Pesanlab has a traditional desktop website that serves not only as a tool to disseminate information, but also as an entry point for transactions. Pesanlab is unique due to its multi-channel



approach, offering customers the choice of both desktop and mobile transactions. This research, however, focuses on Pesanlab's mobile channel, which is gravely lacking when compared to its desktop / web-based channel.

To improve adoption and customer usage of the mobile channel, it is imperative to formulate and carry out a sound digital marketing strategy. Such strategy will help achieve organizational targets and goals. The strategy should accommodate all organizational objectives, transliterated from its mission statements of current available services.

The purpose of this research is to formulate a digital marketing strategy, more specifically one that is suited for digital start-up organizations. The research will be conducted as a case-study research, taking place in Pesanlab.

2. Literature Review

Digital marketing is not only about understanding the technology, but also understanding the way people use technology and generating a yield [3]. Social media represents a phase of change where people can find, read and share news, information, and content with others [4].

Alike to constructing any strategy in general, constructing a digital marketing strategy requires an appropriate framework to be used as methodology. SOSTAC, is a marketing model developed by PR Smith in the 1990s, is an acronym for six fundamental facets of marketing: situation, objectives, strategy, tactics, action, and control. Furthermore, SOSTAC is considered as one of the most robust frameworks for marketing strategy, which in the case of this research was argued to be suitable for digital marketing strategy. Its six phases aid in determining the relevant components related to digital marketing. In this research, SOSTAC was used as the main outer framework as guideline of the underlying research methodology.

The sequential process of SOSTAC will be finalized at the tactic phase. Whereas phases of action and control was excluded in this research. This research focuses itself on the development of marketing strategy, hence the two latter phases of SOSTAC was not executed because they relate more to the execution of the strategy.

The situation analysis phase in SOSTAC was intended to aid the understanding of the current organizational condition. A common theory for such analysis is the SWOT analysis [2]. The SWOT analysis comprise of strength, weaknesses, opportunities, and threats. The purpose is to discover the organization's current condition based on internal and external factors.

Furthermore, the objective phase in SOSTAC helps in specifying the targets that should be achieved by the organization, with an emphasis of digital marketing context. The results will be used as references in the latter strategy phases, to ensure strategic alignment. Every strategy should be a derivative of a specific relevant objective. The adopted theory to help elaborate objective definition is SMART Objectives [5]. SMART Objective formulation consist of five steps, namely specific, measurable, attainable, relevant, and time-bound.

The strategy phase in SOSTAC defined the strategies by referencing from the objectives defined previously. The purpose is to map causes and effects in the strategy development process, to ensure strategic alignment with organization's strategic goals. This phase is elaborated by implementing the steps defined in RACE Planning, which consist of (1)target and segmentation, (2)positioning, (3)proposition and marketing mix, (4)brand strategy, (5)online representation, (6)content and engagement strategy, (7)digital channel acquisition communication strategy, (8)digital conversion channel strategy, (9)digital channel retention communication strategy, (10)data strategy, (11)multi-channel integration strategy, (12)social media marketing strategy, and (13)digital marketing governance strategy.

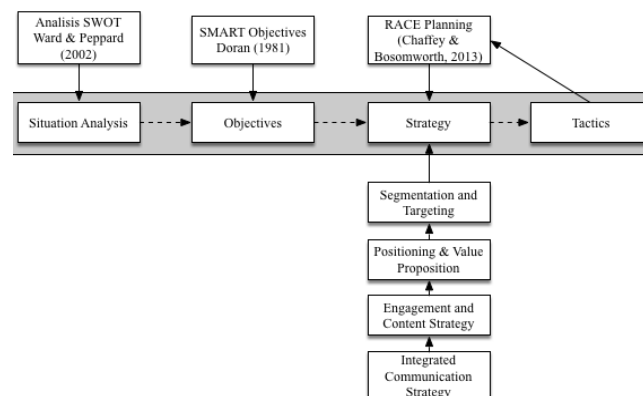


Figure 1. Theoretical Framework

The tactics phase in SOSTAC was used to construct tactics for all strategies previously defined. The difference between tactics and strategy is that tactics is the detail points of strategies which dictates the execution of strategies in later “action” phase. Every strategy shall have one or more tactics, and every tactic must be aligned to a strategy and objective.

Tactics in RACE Planning consists of its own phase. There might be cases in which some tactics need to be configured, such as search engine optimization, pay per click (PPC), affiliate and partner marketing, online advertising, online PR, and social media marketing.

Based on the relevant theories described previously, it can be concluded that the SOSTAC framework needs adjustment to fit to this research’s context and scope. The absence of action (A) and control (C) phase was justified due to the scope of this research, which focuses only on the strategy development. Therefore, the logical flow of this research was formed as theoretical framework as depicted in Figure 1.

3. Methodology

This research is classified as a case-study research, because it uses a specific problem which emerged in an organization. Conversely, the theoretical framework itself is robust, and is often referred to for other similar researches which focuses on digital marketing. The use of this framework for other cases should take into consideration the circumstances, scope and other concerns related to the respective research.

3.1. Situation Analysis

Data collection for this stage was conducted in collaboration with Pesanlab’s CTO. A series of in-depth interview was conducted as this research’s effort to validate the findings during situation analysis.

3.2. Objective

SMART Objectives analysis was performed to define organizational objectives. Because it is aligning with Pesanlab’s objectives. In this phase, the use of instrument is required to identify specific business objective. RACE Planning’s objectives were the choice of instrument. The purpose is to collect data, such as visitation, bounce rate, brand mentions, influencer contacts, add to cart, conversion rate, new customer, social engagement and reviews.

3.3. Strategy

The results from situation analysis and objective phase will concertedly be used in the strategy phase. The development of strategies should be referred from three sources: (1) results of situation analysis, (2) targets defined in objective phase and (3) relevant theories in strategy phase. The results in previous phases are used to ensure alignment with the current condition, defined targets with the strategy. Every

strategy should be a derivative of ideas generated in situation analysis and objective phase. Such alignment is critical to attain a strategy which is applicable to Pesanlab.

3.4. Tactics

The process of creating tactics make use of strategies as a reference. In addition, it was organized in accordance to the RACE planning system and could be presented in a practical and applicable manner such as measures of engagement, reach, or interaction and convert.

4. Organizational Profile

As defined before, Pesanlab is a marketplace for laboratory which sells health packages. Pesanlab was previously known as LabConX, which is an abbreviation for Lab-Connect. Pesanlab is a sister company of HaloDoc, which offers complementing services in the digital health care industry.

The establishment of the business is driven by the experience of its founders in the healthcare diagnostic industry. Such previous expertise was proven to be useful in terms of determining critical factors within healthcare diagnostic industry. Nowadays, Pesanlab is perceived as the pioneer of laboratory marketplace in Indonesia. The concept of its business model is to cut down the idle and buffering time in healthcare system such confirmation from doctors to the lab.

Its own unique and differentiating strategic value is home service pick-up sample. Therefore, one does not need to go to the lab. Instead, a Pesanlab customer can just order from the website, pay and a designated Pesanlab partner will collect the required sample. Pesanlab currently serves customer in the greater Jakarta area. Pesanlab has numerous laboratories partners, such Prodia, Kimia Farma, Gunung Sahari and Primadia, which are considered market leaders in the industry.

As been described in the previous section, this research used SOSTAC as the main framework. Each phase will be analyzed and discussed in this section. Data were collected by means of observation as well as a series of in-depth interviews.

4.1. Situation Analysis

In this phase, the data was collected by means of discussion and interview with Pesanlab's CTO. Every idea generated in this research was first validated back to the CTO, to ensure its applicability or otherwise improve and adjusted. The tool used in this situation analysis is the SWOT analysis along with the cross-matrix. Table 1 presents several examples of critical points within the SWOT analysis. Table 2 exemplified the cross-matrix results. Validation of the SWOT analysis was conducted all Pesanlab top management.

Additional analysis process was required, to extract the substance from a verbatim interview transcript. While analyzing for the SWOT analysis, this research went through additional steps to reduce subjectivity, for example by using references from other interview (cross validation) transcripts.

As can be seen from the SWOT analysis, a critical thematic factor relates to the product itself. This indicates the urgency to rebrand Pesanlab in the market. Along with that, this research dug deeper to perform its analysis using the cross-matrix.

Table 1. Excerpt of SWOT Analysis

Code	Factor	Description of Situation Analysis	Type
S1	Product	Giving home service pick up sample with terms and condition apply in the website.	Strength
W1	Product	Availability of mobile version is nothing. Sometimes it still not browser friendly, unless its Chrome.	Weakness
O1	Partner	Chance to partnering with another Startup to completing the needs.	Opportunity
T1	Process	Government's regulation about online medical services [6].	Threat

Table 2. Example of Cross-Matrix of Digital Marketing

SO Strategies	WO Strategies
Develop a mobile based application.	Re-evaluate Pesanlab segmentation and its approach strategy
ST Strategies	WT Strategies
Assist government about medical service online.	Provide training about Pesanlab business process and the value.

As can be seen in the cross-matrix analysis, four different strategies should be considered for Pesanlab. Such strategies include issues related to (1) developing of a mobile based application, (2) re-evaluating market segments, (3) assisting the government about online medical service, and (4) providing training related to Pesanlab's business process and values. These four strategies were derived from a series of in-depth interview and were validated with the CTO of Pesanlab.

4.2. Objective

In this phase, another set of interviews were conducted to formulate the objectives, which results are excerpted in Table 3. The interview guidelines were based on SMART Objectives and RACE Planning's objectives phases [1]. Table 4 describes the resulting objectives of Pesanlab. This research found three objectives, which include increasing the number of visitors, transactions, and followers.

Table 3. Example of SMART Objectives Result

Code	Description of Objective	Target
VIS-1	Increasing of visitors to website	5% each week
ATC-1	Total transaction in a day	2
SME-2	Increasing of followers in social media	10% each week

4.3. Strategy

This phase is the most fundamental in this research. The creation of strategy is conducted based on the findings in situation analysis and objective phases. All those findings were mapped into a respective strategy. Based on RACE Planning strategy, this research formulated nine different strategies as means to achieve the objectives. Table IV describes the strategy formulation result.

Table 4. Strategy Formulation Results

Strategy	Description of Strategy	References
STR – 1	Educating market about the business process concept and re-evaluate the segmentation.	Targeting and Segmentation
STR – 2	Do business positioning	Positioning
STR – 3	Modify current marketing mix	Preposition and Marketing Mix
STR – 4	Rebrand Pesanlab	Brand Strategy
STR – 5	Makes some campaign	Digital channel conversion strategy
STR – 6	Using influencer to attract more	Online representation or presence
STR - 7	Developing a mobile based application	Digital channel acquisitions strategy
STR - 8	Making interesting content	Content and Engagement Strategy
STR - 9	Divide social media function as customer service and information	Retention communication strategy

4.4. Tactics

In this phase, each formulated strategy is detailed into tactics. The resulting tactics may be used as references for the latter action phase. Every single strategy will be detailed one or more tactics. The formulation of tactics took into consideration relevant best practices on digital marketing, which in this case mostly came from Smart Insights. Table 5 describes the example of tactics formulation result.

The results of this research accentuate every strategy with multiple tactics to aid in attainment of

Table 5. Tactics Formulation Result

Strategy	Tactics
Educating market about the business process concept and re-evaluate the segmentation.	<ul style="list-style-type: none"> -Make doctors' chain. -Make health package by lifestyle. -Introducing Pesanlab as one of healthcare platform to Government and Ministry of Health. -Approaching big companies that regularly conduct health tests for their employees on a regular basis.
Do business positioning	<ul style="list-style-type: none"> -Enrich the items contained within the existing packages or panels. -Partnering with laboratories which has home service feature.
Modify current marketing mix	<ul style="list-style-type: none"> -Create a list of startups that can work together on multiple layers in a business process owned by Messages. -Partnering with Hospitals' laboratories for certain packages. -Create a page that lists glossary or list of illnesses and supporting diagnostic.
Rebrand Pesanlab	<ul style="list-style-type: none"> -Provide promotions related to certain important events or days. -Use LinkedIn to provide promotions and proposals to recruiter. -Use Facebook for information gates on educational promotions and information. -Create creative content on Youtube to reach further. -Improve search engine optimization, both on blogs and websites. -Using advertising services from Google to get first place in some search keywords. -Using offline advertising. -Process the generated data from the consumer experience
Makes some campaign	<ul style="list-style-type: none"> -Make special discounts on certain events, such as Triathlon. -Working with several public figures that are active in social media like Instagram. -Make the race a more trend, regardless of the health aspects.
Using influencer to attract more	<ul style="list-style-type: none"> -Make a list of influencers that can be invited to work together. Influencer can be used for specific segmentation. -Partnering with media such as television with dr. Oz or other similar programs.
Developing a mobile based application	<ul style="list-style-type: none"> -Developing an app on the Android platform. -Make special vouchers to promote apps on mobile phones. -Create game applications (games) as a supporter as well as other sources of funding.
Making interesting content	<ul style="list-style-type: none"> - Create a new product launch scheme. -User Generated Content includes talent or consumer who has transacted. -Conduct a random survey of health awareness. -Create verified account to each social media platform.
Divide social media function as customer service and information	<ul style="list-style-type: none"> -Make some landing pages -Use short message-based ads services on some specific carriers.

such strategy. Tactics were mostly based on best practices among digital marketing practitioner.

5. Discussion and Conclusion

The purpose of this research is to formulate a digital marketing strategy, more specifically for digital start-up organizations, in this case Pesanlab. The results from the situation analysis phase clarified that a major concern related to Pesanlab's value proposition and positioning. The results in the objective phase defined three major long run business objectives. Having SMART Objectives as a tool in this

research was deemed to be helpful because it is a recognized method to define objectives. It aided in to classifying target and objectives.

Furthermore, in the strategy phase, the formation of the strategies was based on the results in the situation analysis and objective phases. The targets which were defined in objective phase were used as references of the main purpose of each respective strategy. Additionally, results in the situation analysis phase were used to determine the description of every single strategy. That mapping process is critical to ensure the strategies generated are aligned with the previous phases. Finally, every strategy was then elaborated with multiple tactics to aid organizational achievements.

This research formulated 3 targets, 9 strategies and 32 tactics. Within the situation analysis phase, there were 18 points of SWOT analysis. Each points and results in each phase are mapped to the other respective components so that formulated strategies were in parallel with the organization's strategic goals.

The formulation of each strategy was detailed as tactics so that this research constructed a digital marketing strategy for a service marketplace. The use of SOSTAC framework emphasized the concept of digital marketing strategy and the formulation of tactics emphasized the concept of best practices. It can be concluded that the theoretical framework used in this research was "fitted-in" and relevant for this study case which is an e-commerce product Pesanlab.

This research has exemplified the formulation of digital marketing strategy in concurrence with its tactics. On the one hand, the strategies defined herein serve as an underlying focus to achieve organizational goals. Tactics, on the other hand, define the specific activities that supports the accomplishment of each strategy, at a much more granular level. Having strategy elaborated with tactics enables the organization to easily define its tasks, as part of its endeavor to reach overall organizational goals.

The SOSTAC framework was acknowledged as a robust framework in terms of formulating digital marketing strategy. Additional relevant theories, like SWOT analysis, SMART Objectives, RACE planning objectives may be included to elaborate on the SOSTAC framework.

6. Research Limitations and Future Works

Alike to any research in general, this research also has some limitations and plans for future works. First and foremost, this research employed a case-study approach, and was conducted specifically in one organization. Despite of successfully exemplifying the use of the SOSTAC framework, the digital marketing strategy developed herein lacks generalizability. The authors have plans to conduct similar researches, perhaps with different organizational settings, size, or geographic location to gain a more generalized result.

Researches conducted specifically on newly developed startups are gravely lacking, hence motivated us to conduct this research. Yet, attaining data from young organizations, like Pesanlab led us to numerous uncertainties. For example, the lack of definition pertaining to the organization's target market. Such analysis is critical, because not only does it provide the organization with a broader knowledge about the market, but it affects the level of precision during strategy formulation.

Another limitation is deficiency of literatures related to the development of digital marketing strategy. Many previous works were more focused on either online and offline organizations. Yet it is extremely lacking to find similar works, especially those that analyzes an organization during its blooming start-up years.

Finally, this research employed a qualitative approach which relied on numerous in-depth interviews to collect data. Hence, it is prone to researchers' biases during data analysis. The researchers tried their best to reduce such biases, by validating the results with organizational stakeholders. We suggest similar research in the future to consider using focus group discussion (FGD) and involving subject matter experts (SME) as a complementing approach to ensure a more precise data analysis.

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