

MARKETING DILEMMA : A&I CONFINEMENT SPA CASE STUDY.



By

AZYATI BINTI PAKIR MOHAMED

UNIVERSITI

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I hereby declare that the case study is based on my original work except for quotations and citations that have been duly acknowledged. I also declare it has not been previously or concurrently submitted for any other degree at UMK or other institution.

AZYATI BINTI PAKIR MOHAMED

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EXECUTIVE SUMMARY

Over the years, the spa industry has experienced positive growth and is considered to be one of the most important industry because of its ability to provide revenue and satisfy the needs of the customers. As interest in physical wellness increases, spa therapy becomes increasingly popular in Malaysia and is highly recommended by many medical specialists. In the case analysis is to understand A&I Confinement Spa marketing aspects that should be taken into consideration because it play a great role towards the success of the company. The analysis also provide action plan to be taken by A&I Confinement Spa to improve its marketing strategies in term of strategize the target groups, positioning, brand recognition and differentiation.



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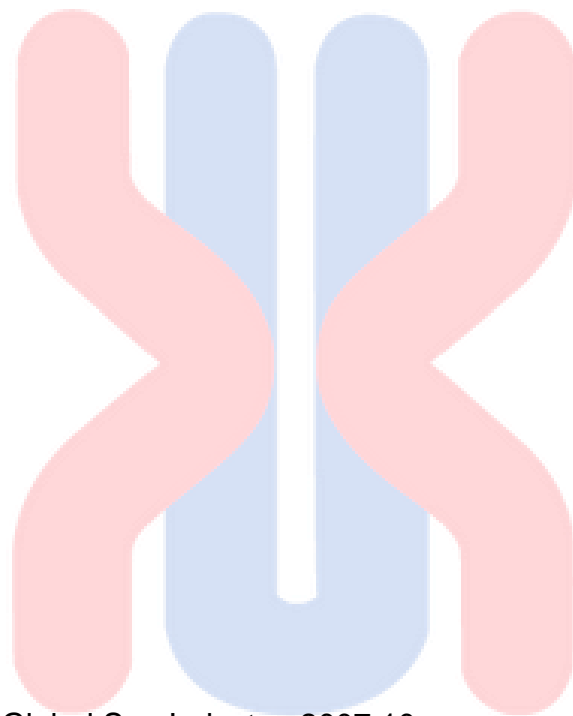
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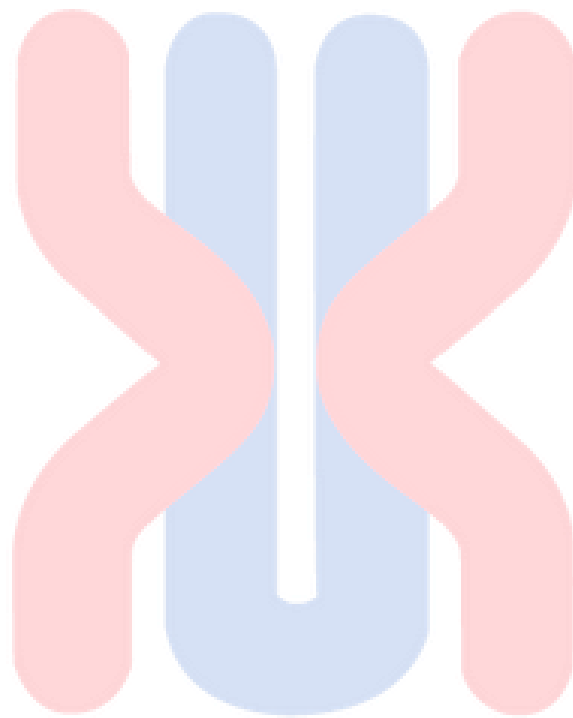
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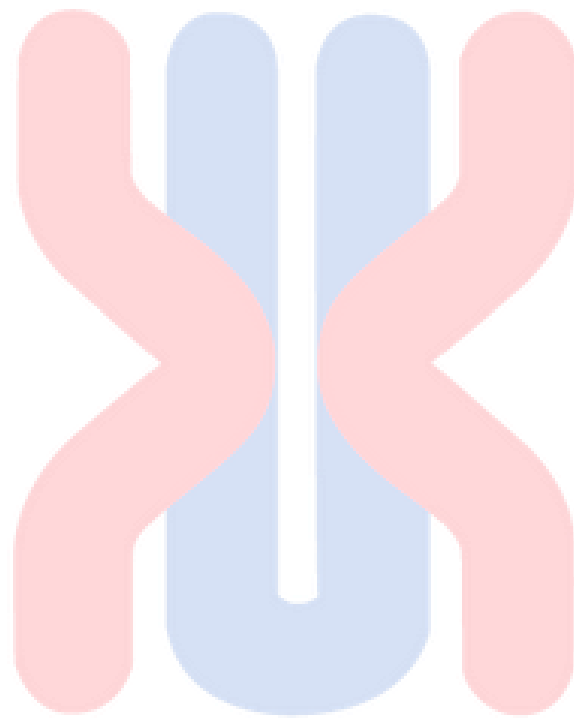
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PART I : Case Description

MALAYSIA

1.0 INTRODUCTION

1.1 Prologue

KELANTAN

On the glory Friday morning, March 21st, 2014 at 11.00 a.m., like most Friday, Yusnor Izzah Bt Mohd Yusop, the Director was sitting in her office looking at the view of Seremban through her window. Rather than admiring the view, she instead was trying to recall the point issue raised by her in the monthly management meeting yesterday. In the meeting, Yusnor came up with the

idea, a Spa business. She said *“In this challenging economic, I think it is time for us spotting and exploiting new market opportunities, venture into a new business”*.

She continues *“I found out that people nowadays positive towards their mental and emotional health. They are prepared to pay regularly for great treatments which improve their quality of life, health and wellbeing. There is a growing number of foreign and domestic tourists visiting day spas for relaxation and treatments. More premium spas have appeared at various resorts such as Langkawi, Penang and Kuala Lumpur. Most day spa facilities have also been upgraded to provide a full range of rejuvenating and therapeutic treatments”*.

She added *“Let me brief to you about Spa concept in my mind. I decided to choose Karar as the name of our spa because it means calm in Malay Sanskrit words. The tagline for this business will be towards healthy lifestyle. Karar Spa main focus will be on marketing aspects, on how our spa penetrates the spas industry”*.

A partner asked whether Karar Spa is able to survive in this rapid growth industry since Karar Spa is a newcomer in the industry. Yusnor Izzah also concern with these matters but explained that to maintain in this business and able to compete in the industry, Karar Spa have own identity that represent the branding. The importance is understanding the customer needs in order to capture the targeted market segment. Strategize ways to meet those expectations and building a strong relationship through close support

networking. Most important is that the treatment offered must be innovatively using traditional tools and techniques, with home - grown therapy/treatment.

Yusnor also elaborate that she had done a survey on this industry and found out that tourism is a potential matter in social, environmental and economic levels of government agendas. Tourism is a mentionable earning industry of Malaysia. About 24.7 million tourist arrivals in Malaysia in 2011 and receipts RM 58.3 billion from this sector. Malaysian government has played a significant role in instituting legal and institutional framework for ensuring sustainable tourism.

The partner inspired with the idea opening a spa, with its unique Malay signature treatment and the name that reflect its local environment. Eventhough the competition is stiff but Karar Spa able to overcome it.



2.0 COMPANY OVERVIEW

2.1 Company Background

A&I Confinement Spa was founded in 28 March 2014 by partnership, initial capital of RM50 000. The business registered as 'A & I

Confinement Spa', using the name of Karar Spa. Company registration number NS0128394-A with Suruhanjaya Syarikat Malaysia (SSM).

Karar Spa was open in the Seremban area, was one of the pioneers and the spa offered confinement services to the local people

A&I Confinement Spa offering a complete day spa experience. We offer massage in variety of style. Our massage such as Malay Relaxing Massage is combination with Swedish massage, shiatsu points and has reflexology for foot and hand. Our other service such as hot blanket, hot stone massage, facial, full body treatment and confinement service to help woman have relaxing, rejuvenate and pampered their self.

This company start with RM50,000 and it was invested by previous owners; Karar Enterprise. A & I Confinement Spa took over the company in April 2014. This company is partnership and belong to Yusnor Izzah bt Mohd Yusop and Azyati bt Pakir Mohamed. We have expert therapist that have experienced more than 7 years who work in spa field. We also have assistant therapist who have qualification SKM 2 in spa management.

At the moment, we operates at a bungalow that own 3 rooms. One room is for confinement service and another two rooms is for spa service. Apart from that, we also have combatable space for hair treatment, manicure and pedicure service space and sauna treatment. Our expectation for these treatment can generate about

RM15,000 average per month. Growth for sales is about 25% per year for early three years. After we have strong management and establish we expect we can produce out product especially on confinement service such as herb and this may contributed to 40% growth per year.

2.2 Company Description

2.2.1 Vision

A&I Confinement Spa wants to provide the best treatments with Malaysian identity.

2.2.2 Mission

A&I Confinement Spa mission is achieving a MAWSPA standard in spa, confinement and wellness activities.

2.2.3 Objectives

The main objective of A&I Confinement Spa is to help clients have a great outcome with any of their beauty concerns and tailor the client's services to their individual needs that make them want to come back to us again and again.

2.2.4 Long Term Plan

A&I Confinement Spa long-term plan are:-

- Pioneer in introducing the traditional Malay

treatments globally.

- Leading in training local therapist for the global spa industry that has long been dominated by the Thais and Indonesians.
- Expand business throughout Malaysia.

2.3 Product and Services

As the customer enter the premise with heavenly scent of fresh flower in the air, customer will discover that A&I Confinement Spa offer a range of exclusive traditional spa treatments from head to toe and customer will be pampered by professional therapists using only the best natural traditional products known for its rejuvenating and calming effects on the mind body and spirit.

With 14 treatments on offer, there is the choice of something for everyone regardless of customer needs. Treatment rooms provide the perfect settings for relaxing and enjoying your chosen treatment and offer a blend of traditional and new therapies which are designed to promote better balance between mind, body & spirit. The price list of Karar Spa services is shown in Appendix I.

2.3.1 Details of the Services

A. Massage

The art of Massage has been used for centuries and is a simple and pleasurable way to enhance life, health and mood. One of the oldest and simplest form of communication without words, the massage has evolved into a respected form of healing. It effects the entire body and research has shown that regular massage has broad health benefits such as reducing the heart rate, lowering blood pressure, increasing blood circulation and increasing endorphins, the body's natural painkillers.

In Karar Spa this ancient tradition by offering massage techniques that will awaken internal forces to provide customer with much needed tranquility and regeneration. Experience a journey that is not only pleasurable but also enormously beneficial.

❖ **Malay Massage**

Special massage technique combination of traditional massage (deep tissue stroking) with a relaxing massage (Swedish massage). Focusing on acupuncture points (shiatsu points) on areas of concern such as the waist, hips, shoulder blades, shoulder and neck, and also added the techniques of reflexology on the feet and hands. Massage helps to improve blood circulation, eliminate toxins and reduce aches, fatigue, body aches and relax your body under stress. Traditionally done on the floor,

the massage strokes are done sometimes gently and sometimes hard, depending on the masseur's judgment of one's body needs, and selected natural plants or herbal oils are applied during the massage.

❖ **Foot Reflexology Massage**

Special massage technique combination of traditional massage (deep tissue stroking) with a relaxing massage (Swedish massage). This sequence focuses on the reflexology points and assists to improve blood circulation and eliminate toxins. Massage reduces pain and fatigue. Each toe has the function of ensuring mechanisms and organs functioning properly.

❖ **Head Hot Oil Massage**

Special massage technique combination of traditional massage (deep tissue stroking) with a relaxing massage (Swedish massage). This sequence focuses on Ayurvedic points to relieve stress, headaches, and migraines, as well as blood flow in the head and neck.

❖ **Mother-To-Be Therapeutic Massage**

Mother-To-Be massage is essential to pregnancy. It helps to relax tense muscles, ease sore spots, improve blood circulation, and mobility. It is tailored specifically to the

needs of pregnant women and their changing bodies, and use the combination of traditional Malay and Swedish techniques.

❖ **Postnatal Therapeutic Massage**

Special massage focusing on veins and intimate female sex and reproductive development from the heel to the calf to the groin up to the stone womb ketundun appropriate for women who are newly married, had maternity or long-married.

B. Body Treatment

The traditional body treatment using natural ingredients of fruits and herbs to cleanse and soften the skin.

❖ **Mulus Body Spa**

Skin care body using scrub and mask from natural ingredients such as glutinous rice, turmeric, ginger, cloves, cinnamon, coconut, coffee beans, cocoa beans and others. Not only remove dead skin, softens skin and improve the skin but it is also good for blood circulation, removing toxins and eliminate fatigue. Where the materials used are very nutritious for health and help the

body relax. Optional services are scrubs, cream, coconut and mcocoa.

❖ **Stone Compress and Hot Blanket**

Stone Compress and heat treatment is to break wind in the toxins in the body, softens tense muscles and help warm the body while improving blood circulation which causes the body to fatigue, aches and fatigue. This treatment is great



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