



Developing a 7P Marketing Strategy for Nail Art Services: A Benchmarking Case Study in Surabaya, Indonesia

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ABSTRACT

Purpose: This study aims to develop an adaptive marketing strategy for nail art micro, small, and medium enterprises (MSMEs) in Surabaya, Indonesia, by integrating the 7P marketing mix with a benchmarking approach. **Methodology:** The research employed a qualitative exploratory design using benchmarking as the main analytical approach, with data collected through in-depth interviews and observations of selected nail art studios using purposive sampling, and analyzed through thematic coding techniques including open, axial, and selective coding. **Results:** The findings indicate that effective marketing strategies in nail art MSMEs depend on the integrated implementation of the 7P marketing mix rather than isolated application, with benchmarking enabling businesses to identify best practices and adapt to dynamic market conditions. **Findings:** Benchmarking functions as a continuous learning mechanism that strengthens innovation, digital engagement, service quality, and brand consistency when aligned with internal marketing practices. **Novelty:** This study proposes an adaptive marketing strategy framework that combines benchmarking with the 7P marketing mix, transforming a traditional marketing model into a dynamic and learning-oriented system for creative service MSMEs. **Conclusion:** The adaptive framework offers both theoretical and practical insights for enhancing competitiveness and long-term sustainability in trend-driven and highly competitive markets. **Type of Paper:** Qualitative research.

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INTRODUCTION

The beauty industry has experienced significant growth in recent years, driven by increasing consumer demand for personalized and experience-based services. Within this industry, nail art services have emerged as a creative sub-sector that combines aesthetic value, craftsmanship, and customer interaction. In Indonesia, particularly in urban areas such as Surabaya, nail art businesses are predominantly operated as micro, small, and medium enterprises (MSMEs), which play an important role in supporting local economic development and employment.

Despite this growth potential, nail art MSMEs face intense competition and rapidly changing consumer preferences. Customers are no longer influenced solely by price, but also by design uniqueness, service quality, studio ambiance, and digital presence. These conditions

require MSMEs to implement marketing strategies that are not only comprehensive but also adaptive to market dynamics. However, many nail art MSMEs still rely on informal marketing practices and lack structured strategic planning, which limits their ability to sustain competitiveness.

Previous studies on service marketing emphasize the importance of integrating multiple marketing elements to create value and enhance customer experience. In service-based businesses, marketing effectiveness is determined not by isolated activities, but by the alignment of product offerings, pricing, accessibility, promotion, human resources, service processes, and physical evidence. At the same time, strategic learning through benchmarking has been widely acknowledged as a practical approach for MSMEs to identify best practices and respond to competitive pressures. By observing and adapting successful practices from comparable businesses, MSMEs can improve decision-making without requiring extensive resources.

However, existing literature largely discusses the marketing mix and benchmarking as separate strategic tools. Limited empirical attention has been given to how benchmarking can inform the integrated implementation of the 7P marketing mix, particularly within creative service MSMEs such as nail art studios. Moreover, studies focusing on the Indonesian nail art sector remain scarce, resulting in a contextual gap in understanding how these strategies are applied in practice at the local level.

Based on these conditions, the core problem addressed in this study is the absence of a structured and adaptive marketing strategy among nail art MSMEs in Surabaya, despite increasing competition and evolving customer expectations. Therefore, this research aims to analyze the development of a 7P marketing strategy through benchmarking practices in nail art services. The study is expected to contribute by providing a practical strategic framework for creative service MSMEs, while also enriching service marketing literature through context-specific qualitative insights from the Indonesian beauty industry.

The 7P Marketing Mix Concept

Marketing strategy in service-based industries requires an integrated framework that reflects the intangible and experiential nature of services. Unlike product-oriented businesses, service performance is strongly influenced by customer interaction, process consistency, and the physical environment in which the service is delivered. Consequently, contemporary service marketing emphasizes a multidimensional approach to value creation rather than a focus on isolated marketing activities.

Recent service marketing literature conceptualizes the marketing mix as a combination of seven interconnected elements—Product, Price, Place, Promotion, People, Process, and Physical Evidence—that collectively shape customer experience and brand perception (Kotler et al., 2021; Lovelock & Wirtz, 2023). These elements function as a cohesive system in which strategic alignment is essential to ensure consistent service quality and customer satisfaction.

In the context of nail art services, the product dimension encompasses not only the final visual outcome but also creativity, customization, and trend responsiveness. Pricing reflects perceived value derived from design complexity and service professionalism, while place includes both physical accessibility and digital booking channels. Promotional activities increasingly rely on visual storytelling through social media platforms to communicate brand identity and emotional appeal.

The remaining elements—People, Process, and Physical Evidence—play a central role in reinforcing service credibility. Skilled nail artists contribute to emotional comfort and trust, standardized service processes ensure hygiene and efficiency, and tangible cues such as studio ambiance and cleanliness serve as indicators of professionalism. Empirical studies on beauty and creative service MSMEs confirm that the integration of these seven elements enhances customer satisfaction and long-term competitiveness (Hasan et al., 2023; Widjaja & Sutanto, 2025).

Benchmarking in MSME Strategy

Benchmarking is increasingly viewed in contemporary MSME literature as a strategic learning mechanism that supports adaptation and continuous improvement. Rather than simple imitation, benchmarking enables businesses to evaluate their practices against industry peers in order to identify gaps, refine processes, and respond to evolving market expectations.

Recent studies emphasize that benchmarking is particularly relevant for MSMEs operating in creative and service-based industries, where rapid trend changes and customer preferences demand strategic flexibility (Rahmawati & Santoso, 2024; Khalid & Rahman, 2024). Through systematic observation of competitors' product innovation, pricing structures, service processes, and digital engagement, MSMEs can develop context-specific strategies that align with their internal capabilities.

In this study, benchmarking is positioned as an adaptive cycle that complements the implementation of the 7P marketing mix. External insights derived from benchmarking inform internal marketing decisions, allowing nail art MSMEs to adjust service offerings, pricing logic, and customer interaction practices in response to market dynamics. This approach supports the development of marketing strategies that are both responsive and sustainable.

When integrated with the 7P framework, benchmarking enhances strategic responsiveness by linking market learning with operational execution. Empirical evidence from recent MSME research suggests that this integration strengthens competitiveness, improves service consistency, and supports long-term business sustainability in creative service sectors (Darma & Yuliana, 2022; Widjaja & Sutanto, 2025).

Previous studies have explored various marketing strategies among MSMEs and service-based businesses, particularly during and after the COVID-19 pandemic. Most emphasize the role of digital marketing, social media engagement, or pricing flexibility, yet few examine the integrated use of the 7P marketing mix combined with benchmarking. Table 1 summarizes relevant prior studies that form the theoretical foundation for this research.

Table 1. Summary of Previous Research on MSME Marketing Strategies

No	Researcher(s) & Year	Title	Framework	Key Findings	Similarity	Difference
1	Farhan Rizky & Erwin Permana (2023)	Analysis of Business Strategy MSME makes Digital Strategy, Marketing in Digital MSMEs Post Marketing Covid-19 Pandemic		Digital marketing provides efficiency, measurable results, and wider market access.	Qualitative method, focus on marketing strategy.	Focus only on digital marketing aspect.
2	Virginia Claudia Kaunang et al. (2022)	Analysis of Online Marketing Strategies for Marketing MSMEs During the Covid-19 Pandemic in Tomohon City		Social media, marketplace, and flexible pricing are key marketing tactics.	Focus on MSMEs and marketing planning.	Limited to 4P, lacks 7P elements.
3	Khesi & Edy Yulianto Putra (2021)	Analysis of Local Fashion Product Marketing Strategy Using the Marketing Mix Concept	Marketing Mix 7P	Product and promotion are key to consumer interest; People and Process remain weak.	Qualitative method, uses 7P framework.	Focused on fashion product, not service.
4	Syawalia et al. (2021)	Analysis of MSME Strategies During the Covid-19 Pandemic	SWOT, MSME	Developed strategies from internal strengths to maintain business during pandemic.	MSME strategic study context.	Did not discuss marketing mix components.
5	logi et al. (2022)	Nail Art Studio Marketing Strategy Using the 7P Approach	Marketing Mix 7P	Integration of 7P increases service quality and customer satisfaction.	Similar focus on nail art and 7P framework.	Did not apply benchmarking or adaptive model.

Source : Processed from secondary data and previous research journals (2021–2025)

Table 1. summarizes prior studies relevant to the marketing mix and MSME strategies, highlighting the research gap that this study aims to address through a benchmarking-based 7P integration approach.

Analytical Framework

Based on the reviewed literature, this study adopts the 7P marketing mix framework as an analytical lens to explore how each marketing element contributes to the competitiveness of nail art MSMEs. The integration of benchmarking as a supporting approach enables the identification of best practices among business actors, offering insights into how innovation,

pricing, and process management can be aligned to strengthen market positioning. Rather than testing predetermined hypotheses, this research employs a qualitative exploratory design to interpret how MSME practitioners perceive and implement the 7P elements in real business contexts. The outcome of this analysis is expected to generate an adaptive marketing strategy model that reflects the dynamic characteristics of the creative beauty industry in Surabaya.

METHOD

Research Design

This study employed a qualitative exploratory research design with a benchmarking approach. This design was selected to gain an in-depth understanding of how nail art MSMEs develop and adapt their marketing strategies through the integration of the 7P marketing mix. The benchmarking approach enabled systematic comparison of marketing practices across selected studios to identify best practices and adaptive strategies within the creative service sector.

Data Collection and Sampling

Primary data were collected through in-depth semi-structured interviews and direct observations. The study used purposive sampling to select nail art studios in Surabaya that actively operate and demonstrate diverse marketing practices. Informants consisted of studio owners and key personnel involved in marketing and service delivery processes. This approach ensured the relevance and richness of the collected data in addressing the research objectives.

Data Analysis

Data analysis followed a thematic coding procedure consisting of open coding, axial coding, and selective coding. Open coding was conducted to identify initial concepts and patterns from interview transcripts and observation notes. Axial coding was then used to categorize and relate codes to the 7P marketing mix dimensions. Finally, selective coding was applied to integrate the categories into a coherent adaptive marketing strategy framework based on benchmarking insights.

Ethical Considerations

All participants provided informed consent prior to data collection. Participation was voluntary, and respondents were informed about the purpose of the study. To ensure confidentiality, the identities of participants and business entities were anonymized, and all data were used solely for academic research purposes. Table 2 summarizes the coding process, key themes, representative findings, and their strategic implications.

Table 2. Summary of Qualitative Coding Process and Emerging Themes

Coding Stage	Key Themes Identified	Representative Findings (from Interview)	Strategic Implications
Open Coding	Product innovation and service differentiation	"We update nail art designs monthly and offer new color palettes to follow trends." (Respondent A)	Continuous innovation strengthens product value and customer retention.
	Value-based pricing	"Prices are set based on design complexity and material cost, not just competitors." (Respondent B)	Value-oriented pricing appeals to different market segments without harming brand image.
	Strategic location and accessibility	"Customers prefer studios near main roads or malls with parking." (Respondent C)	Location convenience increases customer visit frequency.
	Digital promotion and social media consistency	"Instagram reels and TikTok videos help show our work and attract new clients." (Respondent D)	Visual-based social media content improves brand awareness.
	Skilled and customer-oriented staff	"Clients feel comfortable when artists communicate and suggest suitable designs." (Respondent E)	Service quality depends on skill and empathy of nail artists.
	Standardized service process	"We use booking systems to avoid waiting and maintain hygiene standards." (Respondent F)	Clear process flow increases efficiency and customer satisfaction.
	Professional studio ambiance and cleanliness	"We maintain pastel tones and scents in the room so clients feel relaxed." (Respondent G)	Positive servicescape supports brand professionalism and trust.
Axial Coding	Integration of 7P elements as interrelated service components	Combining design innovation, pricing, and digital visibility creates higher competitiveness.	Holistic management of 7P drives consistency in service experience.
Selective Coding	Development of an adaptive marketing strategy through benchmarking	Successful studios benchmark design renewal, pricing an adaptive strategy through models, and process efficiency from peers.	Benchmarking results form an adaptive strategy framework for sustainable MSME growth.

Source : Processed from interview data and field observation of nail art MSMEs in Surabaya (2025).

As shown in Table 2, the findings reveal that each element of the 7P marketing mix contributes uniquely to shaping the overall marketing strategy of nail art MSMEs. However, these elements are interdependent rather than isolated—product innovation influences pricing perception, while process standardization and people competence reinforce customer satisfaction and brand image. The integration of these coded themes led to the formulation of an adaptive marketing strategy model, which synthesizes the best practices identified through benchmarking into a cohesive strategic framework for MSME competitiveness.

Validity and Ethical Considerations

Data validity was ensured through triangulation of sources (business owners, nail artists, and experts) and triangulation of methods (interviews and observations). To maintain research credibility, the researcher conducted member checking by confirming interpretations with selected participants. Ethical principles were upheld throughout the process: participants were informed of the research purpose, consented voluntarily, and their identities were anonymized to protect confidentiality..

RESULTS AND DISCUSSION

Overview of Findings

The findings of this study were analyzed using the 7P marketing mix framework, revealing that each element—Product, Price, Place, Promotion, People, Process, and Physical Evidence—plays a crucial role in shaping competitiveness among nail art MSMEs in Surabaya. Through benchmarking with successful studios, several best practices were identified and formulated into an adaptive marketing strategy model. The integration of these elements demonstrates that consistent innovation, service quality, and customer-oriented marketing activities are key success factors in sustaining business performance.

The benchmarking process compared multiple nail art MSMEs in Surabaya to identify best practices within each element of the marketing mix. Insights from business owners, nail artists, and marketing experts reveal how different approaches shape competitiveness and customer loyalty. A summary of the benchmarking results is presented in Table 3.

Table 3. Benchmarking Summary of 7P Marketing Elements among Nail Art MSMEs

Marketing Mix (7P)	Key Findings from Interview and Field Observation	Benchmark Insights
Product	Nail art businesses in Surabaya are constantly updating their designs to reflect Korean and Japanese trends. Some studios offer additional services like nail extensions, hand spas, and custom art upon request.	Inovasi berkelanjutan pada desain dan layanan tambahan meningkatkan loyalitas pelanggan dan memperkuat positioning merek.
Price	Pricing strategies vary: small studios set competitive prices, while premium studios use packages and bundling. Pricing takes into account materials, design complexity, and target market.	Penerapan value-based pricing dan strategi bundling efektif untuk menarik berbagai segmen tanpa menurunkan persepsi nilai.
Place	Nail art studios are generally located in strategic areas (malls, beauty centers, and densely populated residential areas). Some businesses have implemented online booking systems via Instagram or WhatsApp.	Lokasi yang mudah diakses dan digital booking meningkatkan kenyamanan pelanggan dan memperluas jangkauan pasar.
Promotion	The main promotion is done through social media (Instagram, TikTok). Businesses actively utilize before-and-after content, collaborations with local influencers, and seasonal promotions.	Konsistensi digital marketing dengan konten visual dan kolaborasi influencer efektif memperkuat brand awareness.
People	Experienced and certified nail artists are a plus.	SDM terampil dengan

Marketing Mix (7P)	Key Findings from Interview and Field Observation	Benchmark Insights
	Some studios implement in-house training and customer service quality assessment systems.	pelatihan berkelanjutan meningkatkan kepuasan dan membangun kepercayaan pelanggan.
Process	The service process has been standardized, from design consultations and sterile equipment preparation to finishing. Some studios have implemented digital queuing and scheduling systems.	Proses layanan yang efisien dan profesional meningkatkan pengalaman pelanggan dan efektivitas operasional.
Physical Evidence	Most studios prioritize cleanliness, good lighting, and aesthetic interior design with pastel and wood tones. Visual branding on social media is also designed to align with the studio's atmosphere.	Desain studio yang nyaman dan identitas visual konsisten memperkuat citra profesional dan kepercayaan pelanggan.

Source : Processed benchmarking results and interview data with selected nail art business actors, 2025

Table 3 highlights that successful nail art studios consistently align innovation, pricing, and promotion with customer experience. This alignment demonstrates that integrated 7P management—supported by benchmarking—creates a strong foundation for adaptive and sustainable business strategies in the creative beauty sector.

RESULTS

Product: Innovation and Service Differentiation

The results indicate that product strategy in nail art services is strongly characterized by design customization and trend adaptation. Based on the benchmarking analysis, MSMEs continuously observe competitor designs and customer preferences to adjust their service offerings. As presented in Table 3, product differentiation is primarily reflected in design uniqueness, creativity, and the ability to follow seasonal and social media-driven trends.

Interview findings reveal that customers value not only the final nail art outcome but also the opportunity to request personalized designs. This suggests that product performance in nail art services extends beyond tangible results and includes creative collaboration between service providers and customers.

Price: Value-Based and Tiered Pricing Strategy

The findings show that pricing strategies among nail art MSMEs are determined by design complexity, service duration, and material quality. Table 3 demonstrates that MSMEs apply flexible pricing structures rather than standardized price lists. Benchmarking practices reveal that price adjustments are often influenced by competitor pricing and perceived market standards.

The results also indicate that transparent communication regarding pricing contributes to customer acceptance, particularly when higher prices are associated with detailed designs or premium materials.

Place: Accessibility and Hybrid Service Delivery

Results related to the place element highlight the importance of accessibility and digital presence. Nail art MSMEs primarily operate through home-based studios, supported by online

booking systems and social media platforms. As shown in Table 3, digital channels function as both service access points and promotional tools.

Benchmarking findings suggest that MSMEs adopt flexible scheduling and online communication to enhance customer convenience, compensating for limited physical location visibility.

Promotion: Digital Storytelling and Influencer Collaboration

Promotion strategies are predominantly digital and visually oriented. The results indicate that social media platforms, particularly Instagram, play a central role in showcasing nail art designs and engaging customers. Table 4 illustrates that promotional effectiveness is closely linked to visual consistency and content originality.

The findings also show that word-of-mouth promotion remains significant, especially when supported by online reviews and customer-generated content.

People: Skill, Communication, and Emotional Service Quality

The people element is reflected in the role of nail artists as both service providers and brand representatives. Results from interviews indicate that technical skills, communication ability, and customer empathy are key factors influencing customer satisfaction. As summarized in Table 3, MSMEs prioritize skill development through self-learning and informal training rather than formal certification.

Process: Efficiency Through Standardization

The results reveal that service processes in nail art MSMEs emphasize hygiene standards, service flow efficiency, and customer comfort. Benchmarking findings show that MSMEs adopt standardized procedures based on observed best practices, including tool sterilization and step-by-step service execution.

Table 4 indicates that process consistency contributes to perceived professionalism and repeat customer visits.

Physical Evidence: Creating a Professional and Aesthetic Ambience

Physical evidence findings demonstrate that studio ambience, cleanliness, and visual branding influence customer perceptions of service quality. As shown in Table 3, MSMEs invest in simple yet aesthetically pleasing studio designs to enhance customer experience.

Benchmarking results suggest that physical evidence serves as a credibility signal, particularly for new customers who rely on visual cues before making service decisions.

Overall, the results across the seven elements of the marketing mix indicate that nail art MSMEs implement the 7P framework in an interconnected manner, rather than as isolated marketing activities. Based on these findings, the adaptive marketing patterns derived from benchmarking practices are summarized in Table 4.

Table 4. Adaptive Marketing Strategy Framework for Nail Art MSMEs

Framework Component	Key Elements / Activities	Strategic Role	Expected Outcomes
External Benchmarking Cycle	Observation of competitor practices, trend monitoring, and customer feedback analysis.	Serves as an external learning mechanism that provides reference points for improvement.	Identification of best practices and innovation opportunities.
Internal Marketing Integration (7P Marketing Mix)			
• Product	Design innovation, seasonal collections, and customized services.	Enhance product attractiveness and differentiation.	Customer satisfaction and repeat visits.
• Price	Value-based pricing, bundling, and loyalty discounts.	Reflect service value while maintaining affordability.	Broader market reach and perceived fairness.
• Place	Strategic location selection and digital booking channels.	Increase service accessibility and convenience.	Higher customer traffic and engagement.
• Promotion	Multi-platform digital campaigns, influencer collaborations, and storytelling.	Strengthen brand identity and awareness.	Improved visibility and engagement rate.
• People	Skill development, soft-skill training, and service attitude.	Ensure consistent service quality and client comfort.	Positive word-of-mouth and client trust.
• Process	Standardized procedures and online scheduling.	Increase service efficiency and consistency.	Reduced waiting time and errors.
• Physical Evidence	Aesthetic studio design, cleanliness, cohesive brand theme.	Build tangible brand image and emotional comfort.	Higher perceived professionalism and loyalty.
Integration Mechanism	Alignment of internal 7P practices with insights from benchmarking.	Establish adaptive strategy model responsive to market dynamics.	Continuous improvement and strategic fit.
Final Outcome	Coherent and adaptive marketing system for nail art MSMEs.	Strengthen service innovation and competitiveness.	Sustainable business growth and brand differentiation.

Source : Developed by the researcher from qualitative findings and benchmarking synthesis (2025).

Table 4 illustrates how benchmarking practices are translated into adaptive marketing strategies through the integration of the 7P marketing mix. The table highlights recurring patterns in which external insights from competitors and market trends inform internal decisions related to product design, pricing flexibility, promotional content, and service processes. These patterns suggest that adaptability in nail art MSMEs emerges from continuous learning and strategic alignment rather than from isolated strategic changes.

DISCUSSION

This section discusses the empirical findings by emphasizing the underlying mechanisms that explain how the 7P marketing mix and benchmarking practices interact to form an adaptive marketing strategy for nail art MSMEs in Surabaya. Rather than viewing marketing elements as independent tools, the discussion highlights the importance of integration, learning, and adaptability in sustaining competitiveness within creative service industries.

As illustrated in Figure 1, the adaptive marketing strategy framework positions benchmarking as an external learning mechanism that continuously informs and refines the internal implementation of the 7P marketing mix.

Figure 1. Conceptual Model of Adaptive Marketing Strategy for Nail Art MSMEs



Source : Developed by the author based on qualitative findings and benchmarking analysis, 2025.

Based on the qualitative findings and benchmarking analysis, this study proposes a conceptual model that illustrates how nail art MSMEs develop adaptive marketing strategies. As shown in Figure 1, benchmarking informs the integrated implementation of the 7P marketing mix, which in turn enhances competitiveness and business sustainability.

Integration of the 7P Marketing Mix in Creative Service MSMEs

The findings indicate that the 7P marketing mix elements operate as an interconnected system rather than as isolated strategic components. Product innovation in nail art services must be aligned with appropriate pricing structures and consistent promotional efforts to ensure value perception among customers. Likewise, people, physical evidence, and process play a critical role in supporting a holistic service experience, where technical skills, studio aesthetics, and service flow collectively influence customer satisfaction.

This integrated perspective reinforces the view that service-based MSMEs, particularly in the creative beauty sector, rely heavily on experiential value creation. When one element of the marketing mix is misaligned, the overall service experience may be compromised, potentially weakening brand positioning and customer loyalty. Therefore, strategic coherence across all 7P elements is essential to maintaining competitiveness in a highly visual and trend-driven market such as nail art services.

Benchmarking as a Driver of Adaptive Marketing Strategies

The discussion further reveals that benchmarking functions as a dynamic learning mechanism that enables MSME owners to adapt their marketing strategies in response to market changes. By observing competitor practices, emerging design trends, pricing patterns, and digital engagement strategies, nail art entrepreneurs gain practical insights that can be translated into actionable improvements within their own businesses.

Benchmarking operates as a continuous feedback loop, aligning external market learning with internal marketing practices. This process allows MSMEs to respond proactively to shifting consumer preferences rather than relying on static marketing plans. In the context of Surabaya's competitive beauty industry, such adaptability is particularly crucial, as customer expectations evolve rapidly alongside social media influence and aesthetic trends.

Adaptive Marketing Strategy as an Integrated Framework

The integration of benchmarking and the 7P marketing mix forms an adaptive marketing strategy framework that supports sustained competitiveness for nail art MSMEs. This framework emphasizes that strategic effectiveness is achieved not merely through the adoption of standard marketing tools, but through their continuous refinement based on external insights and internal capabilities.

By combining market observation with structured implementation of the 7P elements, MSMEs are better equipped to innovate, maintain consistent brand experiences, and enhance customer value creation. The adaptive framework thus reflects a strategic system in which learning, innovation, and service quality evolve simultaneously, enabling small creative enterprises to navigate dynamic and competitive environments more effectively.

Theoretical Implications

This study contributes to marketing theory by extending the application of the 7P marketing mix within the context of creative service MSMEs in the post-pandemic digital era. The findings demonstrate that the traditional 7P framework remains relevant when integrated with continuous benchmarking, transforming it from a static model into an adaptive system shaped by external learning processes.

Moreover, the study strengthens the linkage between service marketing theory and dynamic capability perspectives by highlighting adaptability and market learning as essential capabilities for MSMEs. Positioning benchmarking as a catalyst for these capabilities bridges classical marketing models with contemporary strategic approaches tailored to small-scale creative enterprises. The proposed adaptive marketing framework also provides a theoretical foundation for future research examining the co-evolution of innovation, customer value, and sustainability in service-based industries.

Managerial and Practical Implications

From a managerial standpoint, the findings suggest that nail art MSME owners should embed continuous benchmarking and innovation into their daily operations. Regular observation of competitor trends, service innovations, and customer preferences can inform more responsive decision-making without requiring substantial financial investment.

Practically, MSMEs can operationalize the adaptive marketing framework by implementing monthly design renewal cycles, adopting tiered pricing strategies based on service complexity, leveraging digital platforms such as Instagram, TikTok, and ShopeeLive for consistent brand storytelling, and investing in staff training that integrates technical and communication skills. Additionally, standardizing booking procedures, hygiene practices, and studio aesthetics can enhance operational efficiency while reinforcing brand identity and customer trust.

Policy and Social Implications

At the policy level, the findings underscore the importance of structured benchmarking programs and digital capability training for MSMEs in the beauty sector. Collaborative initiatives involving local governments, vocational institutions, and private stakeholders can facilitate knowledge transfer and improve industry standards.

Furthermore, the development of benchmarking databases and accessible online learning platforms can support creative entrepreneurs in adopting professional marketing practices more efficiently. Such initiatives align with Indonesia's broader agenda to promote inclusive and sustainable MSME growth within the creative economy ecosystem.

CONCLUSION

This study concludes that the development of an adaptive marketing strategy through the integration of the 7P marketing mix and benchmarking practices is essential for enhancing the competitiveness of nail art MSMEs in Surabaya. Rather than operating as separate strategic tools, the 7P elements function most effectively when implemented as an interconnected system that is continuously informed by external market learning. Benchmarking enables MSMEs to respond dynamically to changing consumer preferences, competitive pressures, and industry trends, making marketing strategies more relevant and sustainable.

From a theoretical perspective, this study contributes to service marketing and MSME literature by demonstrating that the traditional 7P marketing mix remains applicable in the post-pandemic digital era when combined with adaptive learning mechanisms. By positioning benchmarking as a catalyst for dynamic capability development, the study extends classical marketing models into a more flexible and context-sensitive framework suitable for creative service-based microenterprises.

Practically, the findings provide actionable insights for nail art MSME owners by highlighting the importance of continuous innovation, value-based pricing, consistent digital promotion, service quality management, and experiential branding. The proposed adaptive marketing framework offers a structured yet flexible guide that can be implemented without significant financial investment, supporting business sustainability and customer loyalty in a highly competitive market.

Despite its contributions, this study has several limitations. The research focuses on a limited number of nail art studios within a specific geographic context, which may affect the generalizability of the findings. Future research is encouraged to apply the adaptive marketing framework to other creative service sectors, incorporate quantitative approaches, or examine long-term performance impacts to further validate and refine the model.

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