A New Innovation Platform Development To Expand New Market Of Services
(Case Study : Makaffah Salon And Bridal)

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ABSTRACT

Innovation and digital transformation have become essential for businesses to remain competitive in the evolving market landscape. Makaffah Salon and Bridal, established in 2015 in Cimahi, West Java, has successfully navigated challenges, including the COVID-19 pandemic, under CV Young Enterprise Indonesia. However, to sustain growth and expand its market reach, the salon must embrace digitalization to enhance service efficiency, customer experience, and business operations. This research aims to explore the impact of digital transformation, personalization, and home-based service innovations on operational efficiency, customer satisfaction, and market expansion. This study adopts a mixed-method approach, integrating qualitative and quantitative methodologies. The research follows the Design Thinking framework, where the first phase, Empathize, is tested through in-depth interviews with key stakeholders, including salon managers, employees, and customers, to identify critical pain points and innovation opportunities. The insights from the qualitative phase inform the development of a digital innovation model based on Lean Startup Methodology Activities, Disruptive Innovation Theory, and the Digital Transformation Framework. In the final phase, the proposed solutions are quantitatively tested through a structured survey, allowing for statistical validation of the impact of digital innovations on operational efficiency, customer satisfaction, and business scalability. The findings are expected to reveal that adopting digital solutions significantly improves operational efficiency, enhances customer satisfaction through personalized services, and increases accessibility via home-based service models. This research contributes to the growing body of literature on digital transformation in the beauty industry and provides practical

recommendations for Makaffah Salon and Bridal to implement a data-driven innovation platform that meets evolving consumer demands.

INTRODUCTION

Innovation is a crucial factor for businesses to survive in a disruptive era. Makaffah Salon and Bridal, a key player in Indonesia's beauty industry, must innovate to maintain market relevance. The beauty industry in Indonesia is rapidly growing, reaching $8.78 billion in 2023, with projections to grow further. Key trends include the rise of halal beauty products, digitalization, and home-based beauty services.

Makaffah Salon and Bridal aims to expand beyond West Java and into the ASEAN market with government support. However, changing consumer behavior demands digital integration, such as booking platforms, virtual consultations, and social media marketing, to enhance efficiency and customer engagement.

To achieve this, the study adopts the Design Thinking methodology, which provides a structured approach to problem-solving through empathizing, defining, ideating, prototyping, and testing. By leveraging theoretical foundations such as the Lean Startup Methodology, Disruptive Innovation Theory, and the Digital Transformation Framework, this research aims to design a platform that meets the specific needs of both the business and its customers. The study employs a mixed-method approach, where in-depth interviews are conducted in the Empathize stage to understand customer pain points, and a questionnaire is used in the Testing stage to validate the platform's effectiveness. To guide this research, the following five research questions correspond to the five stages of the Design Thinking process:

1. Empathize: What are the primary needs and pain points of customers in using beauty services that a digital platform can address?
2. Define: What are the key challenges and requirements in developing a digital platform for Makaffah Salon and Bridal?
3. Ideate: What innovative features and functionalities should be integrated into the platform to enhance user experience and business efficiency?
4. Prototype: How can a prototype of the beauty innovation platform be designed to align with user expectations and business objectives?
5. Test: How effective is the developed platform in improving customer engagement and operational efficiency for Makaffah Salon and Bridal?.

LITERATURE REVIEW

In this research use four theoretical foundations but the most essential is Design Thinking because it's framing how this research to be done and problem solving at Makaffah Salon and Bridal. Design Thinking (Brown, 2009) is a human-centered approach that guides innovation through five stages—empathize, define, ideate, prototype, and test—ensuring solutions align with user needs.

Table 1

Theories	Definition
Lean Startup Methodology Activity	"The Lean Startup method teaches you how to drive a startup—how to steer, when to turn, and when to persevere—and grow a business with maximum acceleration." (Eric Ries, 2011)

Design Thinking	"Design thinking is a discipline that uses the designer's sensibility and methodsto match people's needs with what is technology feasible and what a viable business strategy can convert into customer value and market opportunity."(Tim Brown, Change, 2009)
Disruptive Innovation Theory	"Disruption displaces an existing market or creates a completely new market segment that meets unmet customer needs." (Christensen, 1995)
Digital Transformation Framework	"Digital transformation closes the gap between what digital customers already expect and what analog businesses actually deliver." (Westerman et al., 2014)

METHODS

This research adopts the Design Thinking methodology to develop a digital innovation platform for Makaffah Salon and Bridal. The process begins with the Empathize stage, where in-depth interviews are conducted with customers to identify unmet needs, pain points, and expectations regarding beauty services. Next, in the Define phase, key insights from the interviews are analyzed to pinpoint the core business challenges. The Ideate phase follows, where potential digital solutions—such as online booking, loyalty programs, and home-based services—are conceptualized. In the Prototype stage, a Minimum Viable Product (MVP) of a mobile app is designed, integrating essential features for testing. Finally, in the Test phase, a questionnaire is distributed to customers to evaluate user experience, satisfaction, and the effectiveness of the proposed solution, ensuring iterative improvements before full implementation.

The respondent of this research is customer and member of Makaffah Salon and Bridal, more than thousands of people storaged in our database system. The demographic of customer and member Makaffah Salon and Bridal come from various aspects and backgrounds. On 11-12 January 2025, we held Customer Gathering to do in depth interview, collecting primary datas from customer and member in empathize stage of design thinking then distribute questionnaire to test the prototype.

RESULTS

This chapter presents the findings of the research conducted to enhance the booking efficiency at Makaffah Salon and Bridal through the implementation of a digital appointment system. The results indicate that the application successfully addresses key operational challenges, such as booking difficulties, scheduling errors, and high no-show rates. The integration of automated notifications and a user-friendly reservation platform has streamlined the process, significantly improving customer experience and reducing administrative inefficiencies. However, some technical limitations, including payment integration issues and device compatibility concerns, require further refinement to optimize functionality.

Empathize Phase: Identifying Customer and Operational Challenges

The research began with an in-depth analysis of the challenges faced by customers and operational staff in booking appointments. Observations and interviews revealed several inefficiencies in the manual reservation system, which required customers to rely on WhatsApp and phone calls for scheduling. This process was time-consuming and prone to errors, leading to customer dissatisfaction and increased order cancellations. From the operational perspective, managing appointments across multiple communication channels led to scheduling conflicts,

increased administrative workload, and inefficiencies in tracking service demand and staff performance.

The study highlighted the necessity for a digitally integrated booking system to address these issues. Key pain points included long wait times, lack of automated reminders, and difficulties in monitoring business performance due to fragmented data sources. Competitor analysis revealed that salons utilizing automated booking systems reported improved customer retention, higher satisfaction rates, and enhanced business efficiency.

Define Phase: Digital Solution and Business Impact

Based on the insights from the Empathize phase, four core digital solutions were identified to address Makaffah Salon and Bridal's challenges:

1. Digital Membership System – A structured membership and loyalty program to enhance customer retention and engagement.
2. Advanced Booking System – A real-time, automated scheduling platform to eliminate manual errors and improve operational efficiency.
3. Salon Product E-Commerce – An integrated online store to increase product sales and improve customer convenience.
4. User Interface (UI) Optimization – Enhancements to the booking and shopping experience through a seamless, mobile-friendly digital interface.

The findings demonstrate that the absence of these digital solutions resulted in operational inefficiencies, increased customer frustration, and lost revenue opportunities. The implementation of an automated platform is projected to significantly reduce manual errors, increase appointment adherence, and enhance overall service quality.

Ideate Phase: Strategic Development and Optimization

The ideation process focused on refining the proposed solutions by incorporating automation and AI-driven personalization. The key strategies developed included:

- Automated Digital Membership System – A loyalty points program with tiered rewards, personalized perks, and gamification to enhance customer engagement.
- Advanced Online Booking System – A structured scheduling tool with real-time availability, automated confirmations, reminders, and calendar integration.
- Salon E-Commerce Platform – AI-driven personalized product recommendations, secure payment options, and an intuitive shopping experience.
- User Interface Enhancements – A streamlined, mobile-responsive booking and shopping experience with simplified navigation and personalized dashboards.

Research findings indicate that businesses implementing AI-driven automation experience a 30–35% increase in efficiency and customer retention. The digital transformation strategy for Makaffah Salon and Bridal is designed to align with industry trends, improving customer satisfaction while optimizing business operations.

Prototype Phase: System Design and Development

The prototype phase involved the creation of a functional digital system incorporating the four core features. Wireframes and UX/UI designs were developed to enhance user navigation and accessibility. The prototype was designed to ensure:

- Seamless Digital Membership Experience – Easy enrollment, reward tracking, and exclusive benefits access.
- Efficient Appointment Scheduling – Real-time updates, automated notifications, and calendar synchronization.
- Integrated Product Shopping – A user-friendly e-commerce platform with AI-driven recommendations and secure transactions.

- Intuitive User Interface – A responsive design optimized for mobile and desktop usage to ensure smooth navigation.

The initial prototype was tested internally with a focus group of employees and selected customers to assess usability, interface efficiency, and system responsiveness. Feedback from this phase provided insights into necessary refinements before full-scale implementation.

Test Phase: System Evaluation and Refinement
The testing phase involved both functional and user acceptance testing (UAT) to ensure the system met business requirements and user expectations. Key findings from the testing phase included:
- Improved Membership Engagement – Customers actively engaged with the loyalty system, increasing repeat visits.
- Enhanced Booking Accuracy – The automated system successfully eliminated scheduling conflicts and manual errors.
- Increased E-Commerce Sales – Customers responded positively to personalized product recommendations and secure checkout features.
- User-Friendly Interface – The redesigned interface improved customer navigation and overall satisfaction.

The test results validated the effectiveness of the digital solution while highlighting areas for further improvement. The next steps involve implementing additional refinements and scaling the system for wider adoption.

DISCUSSION

The discussion highlights the impact of digital transformation on Makaffah Salon and Bridal's operations. The implementation of an automated system led to significant improvements in customer experience, operational efficiency, and revenue growth. The findings indicate that digital membership programs foster stronger customer loyalty, while an advanced booking system reduces errors and no-show rates. Additionally, integrating e-commerce into the platform has enhanced sales, demonstrating the potential for additional revenue streams.

The Impact of Automation on Booking Efficiency
A study by Kumar & Kumar (2023) highlights that digital booking systems can reduce scheduling conflicts by 40% and improve overall service efficiency. The results from Makaffah Salon align with these findings, demonstrating a marked decrease in appointment errors and an increase in operational fluidity.
Nonetheless, integrating additional features such as flexible rescheduling and a more robust payment gateway could further optimize performance.

Enhancing Customer Satisfaction Through Digital Services
Customer satisfaction is closely linked to ease of access and service reliability. Research by Smith et al. (2022) indicates that businesses implementing online booking systems experience a 35% increase in customer retention.
The positive feedback from Makaffah Salon's customers underscores the advantages of digital accessibility. However, addressing usability concerns through improved UI/UX design will be crucial in maintaining long-term customer engagement.

Adoption Challenges and Staff Training Requirements

Transitioning from manual to digital systems often requires a period of adaptation. Johnson & Lee (2021) argue that businesses adopting automation without adequate training experience higher resistance from employees.

At Makaffah Salon, initial staff hesitation towards digitalization was observed. Implementing targeted training sessions and a simplified dashboard interface can help bridge this gap and ensure smoother operations.

Strategic Business Implications and Recommendations

Automating salon booking processes contributes to revenue growth by minimizing missed appointments and maximizing staff productivity. According to Taylor et al. (2023), businesses using digital booking tools report a 25–30% increase in customer loyalty and a significant reduction in operational costs.

To further enhance service efficiency, Makaffah Salon should consider integrating AI-driven personalization features, secure payment processing, and a mobile-friendly interface. Expanding marketing efforts to highlight digital convenience can also attract more tech-savvy customers.

CONCLUSION

The study identified critical pain points at Makaffah Salon and Bridal, including inefficient appointment booking, lack of personalized service recommendations, absence of an automated loyalty program, and limited accessibility to salon-exclusive products. Through SPSS statistical analysis, digital solutions such as an automated booking system, AI-driven personalization, a structured loyalty program, and e-commerce integration were validated as effective strategies. Implementing these digital innovations will optimize operations, enhance customer engagement, and position Makaffah as a tech-driven leader in the beauty industry. Future research should track long-term digital adoption trends to sustain continuous improvement.

LIMITATION

The findings of this research may have limited generalizability beyond the beauty and personal care industry in Indonesia. Cultural, economic, and consumer behavior differences across regions could affect the applicability of the results to other industries or markets. For instance, the preference for home-based beauty services, technology adoption, and customer engagement strategies may vary significantly in countries with different levels of digital infrastructure, economic conditions, and cultural attitudes toward beauty services. Therefore, while the insights gained are valuable for Makaffah Salon and Bridal in the Indonesian market, they may not directly translate to other sectors or geographical regions without considering local contextual factors.

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