
COMPETITIVE STRATEGY FORMULATION FOR LION PARCEL MERUYUNG IN FACING BUSINESS COMPETITION IN THE EXPEDITION SERVICE INDUSTRY

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ABSTRACT

This study examines the competitive positioning of Lion Parcel Meruyung within Indonesia's rapidly expanding courier, express, and parcel (CEP) industry, which has experienced substantial growth amid the e-commerce boom reaching US\$53 billion in 2023. The research addresses the strategic challenges faced by emerging logistics providers competing against established market leaders (JNE, J&T, Pos Indonesia) and alternative delivery services offered by e-commerce platforms. Employing a comprehensive qualitative methodology, the study gathered primary data through stakeholder interviews and supplemented this with secondary data from industry reports and literature. The research framework incorporated multiple analytical tools including PESTLE, Porter's Five Forces, Value Chain Analysis, Competitive Profile Matrix, Internal-External Matrix, SWOT Analysis, Grand Strategy Analysis, and Quantitative Strategic Planning Matrix (QSPM). Findings reveal that Lion Parcel Meruyung operates within a favorably opportunistic market landscape while confronting significant competitive threats from alternative delivery services (weighted score 0.322) and established industry players (0.256). Internal assessment identified operational inefficiencies stemming from manual recording systems (0.261) and marketing budget limitations (0.230) as principal weaknesses. Through systematic strategic formulation processes, ten potential strategies were developed and prioritized using QSPM analysis. Four high-priority strategies emerged: express delivery service development (STAS 6.247), strategic hub expansion for instant delivery capabilities (STAS 6.189), integrated e-commerce partnership programs (STAS 6.123), and implementation of tier-based customer loyalty initiatives (STAS 6.104). This research contributes to strategic management literature by demonstrating the practical application of comprehensive analytical frameworks in developing competitive strategies for emerging logistics companies in digitally disrupted markets. The findings offer actionable strategic direction for Lion Parcel Meruyung while providing valuable insights for logistics providers facing similar competitive challenges in emerging economies' rapidly evolving e-commerce landscapes.

KEYWORDS PT BBA, EFE Matrix, IFE Matrix, SWOT Matrix, QSPM Matrix



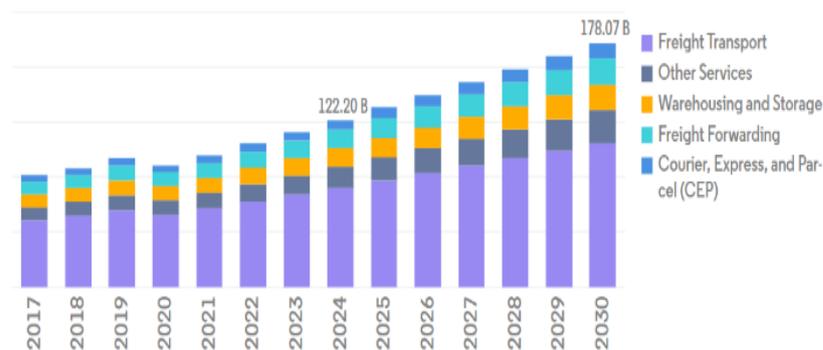
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INTRODUCTION

Indonesia's economy in the fourth quarter of 2023 compared to the fourth quarter of 2022 (*y-on-y*) grew by 5.04 percent. Significant growth occurred in the transportation and warehousing business sector by 10.33 percent, followed by other service sectors by 10.15 percent, then the electricity and gas procurement services sector by 8.68 percent. This also contributed to the increase, especially in (BPS 2023) *courier, express, parcel* (CEP) services. According to *Mordor Intelligence* (2023) research, the market share of the CEP industry in Indonesia is estimated to reach 122.2 billion USD and is projected to reach 178.1 billion USD by 2030, with a CAGR growth of 6.48% during the recorded period. This is mainly driven by the growth of *e-commerce* and changes in consumer shopping behavior. The growth of the CEP industry in Indonesia can be seen in Figure 1. Meanwhile, technology adaptation and continued recovery from the impact of the *Covid-19* pandemic have encouraged the use of *e-commerce services* in Indonesia. The number of *e-commerce* service users in Indonesia continues to increase from year to year.



Source: (*mordorintelligence.com* 2023)

Figure 1 Data on the growth of the CEP industry in Indonesia 2017-2030

Although *e-commerce* has existed since before the pandemic, there has been a *shift* in consumer behavior patterns from *face-to-face shopping* patterns to *online shopping* (Sirclo and Ravenry 2020). It is not surprising that Indonesia's digital economy is largely driven by *e-commerce activity*. One of the advantages of *e-commerce* is that it has a very wide range of regions so that it realizes economic interaction between regions in the 2019 pandemic era. Lion Parcel Meruyung is a subsidiary and partner of Lion Parcel Group which is engaged in *express, courier, parcel* (CEP) delivery services. The CEP service is part of a logistics service that provides delivery services up to 70kg, *business-to-business* (B2B), *business-to-consumer* (B2C), express, regular, and economical delivery, to domestic and international delivery. Throughout 2023, Lion Parcel Meruyung recorded a fluctuating company turnover. It reached its lowest point in December 2023 (Figure 2). This fluctuation is caused by high competition from CEP service companies in the Meruyung region. In addition, because Lion Parcel is still not popular in the eyes of the public, it creates various dynamics in the field. Based on research from, CEP companies that dominate the industrial market share are companies that focus

on technological innovation and (Gulc 2017) (Citorus *et al.* 2024) *Mordor Intelligence (2017) top of mind* from the community. The development of the CEP industry is also driven by advances in communication and information technology. (Fanani *et al.* 2020)

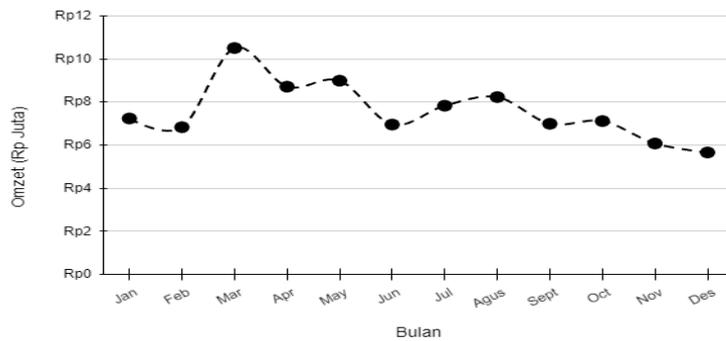


Figure 2 Lion Parcel Meruyung 2023 Turnover Chart

With these challenges, the implementation of strategic management needs to be carried out by Lion Parcel Meruyung to be able to compete with other CEP companies. These various challenges and dynamics demand a comprehensive solution by the management of Lion Parcel Meruyung to determine the right competitive strategy to be able to sustain the company's improvement.

This study aims to analyze internal and external factors that affect Lion Parcel Meruyung and formulate alternative strategies and appropriate priority strategies to face business competition in the expedition service industry. The main focus of this research is to identify the existing conditions in the company and evaluate the strategic steps that can be taken to improve competitiveness in the market.

The benefits of this research include providing recommendations for strategies that can be implemented by Lion Parcel Meruyung, as well as contributing knowledge to academics and the public about the importance of formulating effective strategies in the business world. This research will provide deeper insights into how companies can adapt and thrive in an increasingly competitive expedition service industry.

RESEARCH METHOD

Location and Time of Research

This research was conducted at Lion Parcel Meruyung which is located on Jalan Meruyung Raya, Limo District, Depok City and will be carried out from October 2024 – January 2025.

Types and Data Sources

This study uses primary and secondary data as input material for analysis. Primary data was obtained through the results of interviews with individuals,

groups (organizations), and the internet. Secondary data comes from company documents, journal literature sources, books, and others. (Creswell and Poht 2018)

Data Collection Techniques

The data collection methods carried out in this study are observation, interviews, and questionnaires. The data collection technique in this study uses *a purposive sampling approach*, where the selection of samples is based on consideration of appropriate respondent characteristics, in order to be able to understand the research problem and answer the research objectives.

Data Processing and Analysis Techniques

The data obtained in this study was processed using a series of strategy formulation analysis techniques by analyzing strategic factors both internal and external. Internal environmental analysis is carried out based on the framework of functional aspects, while external environmental analysis uses the PESTLE framework. The data processing and analysis can be seen in the following Table 2: (David R. Fred and David R. Forest 2017)

Table 1 Research data processing and analysis techniques

No.	Stages	Analytical tools	Output
1.	<i>Input</i>	Mariks IFE-value chain analysis, EFE-PESTLE matrix & porter's five forces, CPM	Internal and external environmental factors, knowing the strengths, weaknesses, opportunities, and threats, to determine the company's position compared to similar competitors, as well as determining the competitive factors of the company.
2.	<i>Matching</i>	IE Matrix, SWOT Matrix, Grand strategy Matrix	Formulating an alternative strategy for Lion Parcel Meruyung
3.	<i>Decision</i>	QSPM Matrix	Formulating Lion Parcel Meruyung's priority strategy

IFE and EFE analysis

An internal factor evaluation (IFE) matrix is used to summarize and evaluate the key strengths and weaknesses in a company, and is the basis for identifying and evaluating relationships between those areas. The external factor evaluation (IFE) matrix is used to summarize and evaluate opportunities and threats within a company, and is the basis for identifying and evaluating the relationships between those areas.

Competitive Profile Matrix (CPM) Analysis

The *competitive profile* matrix is an analysis tool used to identify the weaknesses and strengths of the position of competitors or main competitors of a company.

Internal-External Matrix (IE)

According to , the IE matrix can be divided into three major parts with different strategic implications namely: David R. Fred and David R. Forest (2017)

1. Growing and building is the formula for division in cells I, II, or IV. Intensive strategies (market penetration, forward integration, and horizontal integration) or integrative (forward integration, backward integration, and horizontal integration) are most appropriate for these divisions.
2. The survival and maintenance strategy is an effective strategy for managing divisions in cells III, V, or VII. For this type of division, two common strategies used are market penetration and product development.
3. Harvest or divestment is the general formula of the divisions in cells VI, VIII, or XI. The IE matrix places businesses that have built a successful business portfolio in or around cell I.

SWOT Analysis

Data processing and analysis using the SWOT Matrix (*Strength, Weakness, Opportunities, Threat*). The four main strategies recommended are S-O (*Strength-Opportunities*), W-O (*Weakness-Opportunities*), S-T (*Strength-Threats*) and W-T (*Weakness-Threats*) strategies. From these strategies, several alternative strategies will be obtained that can be carried out by Fauzi *et al.* (2022) . Each factor is linked so as to form an alternative strategy based on the strengths, weaknesses, opportunities, and threats of Lion Parcel Meruyung. The advantage of using this model is that it is easy to formulate strategies based on a combination of internal and external factors.

Grand Strategy Analysis

The grand strategy matrix is a tool to formulate an alternative strategy of a company. This matrix is based on two dimensions of evaluation to determine the company's position in terms of competitors depicted by the x-axis and market growth in the industry depicted by the y-axis.

QSPM Analysis

The *Quantitative Strategic Planning Matrix* is an analysis tool to determine the best strategic decisions used by companies. This matrix is also an analysis tool used to evaluate alternative strategies derived from the SWOT matrix, IE matrix, and *Grand Strategy matrix*. The factors used in the QSPM use factors that have been determined at the input stage, namely the determination of external factors and internal factors which help to objectively assess alternative strategies.

RESULT AND DISCUSSION

Lion Parcel Meruyung Company Profile

Lion Parcel Meruyung was established in 2021 and is located at Jalan Meruyung Raya No. 75, Limo, Depok. Lion Parcel Meruyung is one of the

representative branches under the auspices of Lion Parcel (PT. Lion *Express*) which provides document and package delivery services both domestically and internationally. The Lion Parcel Meruyung license has been transferred to private management, but it still stands directly under the auspices of PT. Lion *Express*. Lion Parcel Meruyung's vision is "To be a logistics company with seamless and reliable services". The mission carried out is committed to continuing to provide innovations that can develop each company's services to provide affordable services for the best customer experience.

Analysis of the Internal Environmental Conditions of Lion Parcel Meruyung

The analysis of the company's internal condition is embodied in the IFE matrix in the form of the company's strengths and weaknesses. The results of the IFE Lion Parcel Meruyung matrix are as follows (Table 2):

Table 2 IFE Lion Parcel Meruyung Matrix

Internal Factors	Weight	Rating	Weighted Score
Strength			
1 Strategic Location	0.082	3.2	0.261
2 Direct access to Lion Air's logistics network	0.097	3.8	0.368
3 <i>Real-time</i> tracking system	0.071	2.8	0.200
4 Pickup service at no extra charge	0.077	3.0	0.230
5 Partnerships with local MSMEs	0.061	2.4	0.147
6 Quick response to customer complaints through <i>whatsapp communication</i>	0.061	2.4	0.147
7 Family work culture and appreciation using incentives	0.066	2.6	0.172
Total Strength			1.526
Debilitation			
1 Limitations of the model in developing a business	0.071	2.8	0.200
2 Manual logging system that slows <i>down data entry</i>	0.082	3.2	0.261
3 Lack of budget for marketing	0.077	3.0	0.230
4 Reliance on third-party logistics partners that cause delays	0.061	2.4	0.147
5 Lack of effective marketing strategy	0.066	2.6	0.172
6 There is no automation system in <i>procurement and inventory monitoring</i>	0.061	2.4	0.147
7 Lack of <i>digital</i> logistics training for employees	0.066	2.6	0.172
Total Weaknesses			1.330
Total Internal Factor Analysis	1.00	2.885	

Analysis of External Environmental Conditions of Lion Parcel Meruyung

The results of the EFE matrix show that Lion Parcel Meruyung's external conditions are in the form of opportunities and company threats. The results of the EFE Lion Parcel Meruyung matrix are as follows (Table 3):

Table 3 EFE Lion Parcel Meruyung Matrix

External Factors	Weight	Rating	Weighted Score
Chance			
1 Regulatory support for the logistics digitalization ecosystem	0.070	2.8	0.195
2 Growth of <i>the e-commerce</i> market in Indonesia	0.085	3.4	0.288
3 Instant delivery trends	0.045	1.8	0.081
4 Adoption of technology in the logistics industry (<i>Artificial Intelligence, Tracking System</i>)	0.070	2.8	0.195
5 Growth of <i>buy now-pay later trend</i>	0.080	3.2	0.255
6 Partnerships with <i>e-commerce platforms</i>	0.075	3.0	0.224
7 Eco-friendly logistics	0.060	2.4	0.143
Total Opportunities			1.380
Threat			
1 Fierce competition with big players (JNE, J&T, Pos Indonesia)	0.080	3.2	0.256
2 Price wars that squeeze profit margins	0.065	2.6	0.168
3 Threats from alternative services (Shopee <i>express</i> , Poxel, Grab <i>express</i> , Gosend)	0.090	3.6	0.322
4 Fluctuations in fuel prices and transportation costs	0.070	2.8	0.196
5 Demand for service speed and transparency	0.075	3.0	0.225
6 Data security risks	0.070	2.8	0.196
7 The impact of climate change and weather on shipping	0.065	2.6	0.169
Total Threats			1.535
Total External Factor Analysis			2.922

Competitive Profile Matrix Analysis

Judging from the weighted total value of Lion Parcel Meruyung compared to the other two companies, which is 5.7 where this value is the lowest value compared to JNE Meruyung which is 6.4 and J&T Meruyung is 7.6. This shows that Lion Parcel Meruyung is still less competitive with its main competitors, especially in regional coverage, punctuality, and customer service.

Internal-External Matrix (IE)

The IE matrix positions the various divisions of an organization in a nine-cell view. This matrix serves to determine the strategic position and condition of the company based on the results of the analysis of the IFE matrix on the x-axis and the EFE matrix on the y-axis. Based on the results of the analysis of the IFE and EFE matrices at Lion Parcel Meruyung, it was found that the total IFE matrix score was 2,885 and the EFE matrix score was 2,922. This puts Lion Parcel Meruyung in cell V with a *hold and maintain strategy*. According to David *et al.* (2017), strategies that are commonly used by companies when in a *hold and maintain position*, namely *market penetration* and *product development*.

SWOT Analysis

The results of the SWOT analysis produced ten alternative strategies based on the S-O, WO, S-T, and W-T strategies. The strategy is presented in table 4.

Table 4 SWOT Analysis of Lion Parcel Meruyung

	<i>Strength</i>	<i>Weakness</i>
	Strategic location	Limitations of the
	Direct access to Lion Air's logistics network	model in developing a business
	Tracking system in <i>real time</i>	Manual logging system
	Pickup service at no extra charge	that slows down data entry
	Partnerships with local MSMEs	Lack of budget for marketing
	Quick response to customer complaints through <i>whatsapp communication</i>	Reliance on third-party logistics partners that cause delays
	Work culture of out-of-pocket and appreciation using incentives	Lack of effective marketing strategy
		There is no automation system in <i>procurement</i> and <i>inventory monitoring</i>
		Lack of digital logistics training for employees
<i>Opportunity</i>	<i>SO Strategies</i>	<i>WO Strategies</i>
Regulatory support for the logistics digitalization ecosystem	Development of <i>express delivery</i> services (S1S3O3).	<i>Incentive-based referral program</i> (W5O2).
Growth of the <i>e-commerce</i> market in Indonesia	Integrated <i>e-commerce partnership program</i> (S5O2O6).	Digital training program (W7O4).
Instant delivery trends	Implementation of the <i>buy-now pay-later</i> (S7O5) payment option.	The addition of a HUB to support <i>instant delivery</i> (W1O3) services.
Adoption of technology in the		

		<i>Strength</i>	<i>Weakness</i>
Table 4 SWOT Analysis of Lion Parcel			
logistics industry (artificial intelligence, tracking system) Growth of the <i>buy-now pay-later</i> trend Partnerships with <i>e-commerce</i> platforms Eco-friendly logistics			
<i>Threats</i>	<i>ST Strategies</i>	<i>WT Strategies</i>	
Fierce competition with big players (JNE, J&T, Pos Indonesia) Price wars that squeeze <i>profit margins</i> Threats from alternative services (Shopee <i>express</i> , Paxel, Grab <i>express</i> , Gosend) Fluctuations in fuel prices and transportation costs Demand for service speed and transparency Data security risks The impact of climate change and weather on shipping	Tier-based loyalty program to increase customer retention (S6T1T3). Expedited shipping <i>service</i> for certain routes (S2T5).	Community-based marketing (W3W5T1T2). Subscription service for regular customers (W1T1T2T3).	

Grand Strategy Analysis

Based on the results of *the grand strategy* analysis, Lion Parcel Meruyung's position in the first quadrant indicates that the company has a relatively strong competitive position in the midst of the expedition service market which is growing very rapidly. The existence of quadrant I puts Lion Parcel Meruyung in a very favorable position and has positive growth prospects in the expedition service industry.

QSPM Matrix

The results of the analysis of *the quantitative strategic planning matrix* (QSPM) of Lion Parcel Meruyung are presented in the following table 5.

Table 5 QSPM Lion Parcel Meruyung Matrix			
Strategy Recommendations	Total STAS	Order Priority	of
Development of <i>express delivery services</i>	6.247	1	

Strategy Recommendations	Total STAS	Order of Priority
Addition of HUB to support <i>instant delivery services</i>	6.189	2
Integrated <i>e-commerce</i> partnership program	6.123	3
Tier-based loyalty programs to improve customer retention	6.104	4
Expedited shipping <i>services</i> for specific routes	5.927	5
Incentive-based <i>referral</i> programs	5.874	6
Digital training programs	5.705	7
Community-based marketing	5.694	8
Subscription service for regular customers	5.651	9
Implementation of <i>the buy-now pay-later payment option</i>	4.986	10

Managerial Implications

The managerial implications of the results of this study are realized in a hold and maintain strategy framework. Management is advised to implement tier-based loyalty programs that can increase customer retention through incentives as well as referral programs that utilize customer data to acquire new customers. In addition, community-based marketing can help develop customer advocacy, while subscription services for regular customers can provide benefits for loyal customers of Lion Parcel Meruyung. To support product development, Lion Parcel Meruyung needs to focus on developing express delivery services and adding a HUB for instant delivery services, as well as implementing a buy-now pay-later payment option to increase payment flexibility. Digital training programs for employees and integrated partnerships with e-commerce platforms should also be considered to improve operational competence and efficiency. Overall, these measures are expected to strengthen Lion Parcel Meruyung's position in the logistics industry market and are expected to increase customer satisfaction.

CONCLUSION

Lion Parcel Meruyung's main strength is direct access to Lion Air's logistics network, while Lion Parcel Meruyung's weakness is its manual record-keeping system that slows down data input, as well as the lack of budget for marketing. Lion Parcel Meruyung is currently considered quite capable of responding to the growth opportunities of the e-commerce market in Indonesia, but it is not yet able to respond to threats in the form of alternative logistics services such as Shopee express, Paxe!, Grab express, and Gosend. Lion Parcel Meruyung is categorized in the hold and maintain zone where the strategy that can be developed is market penetration and product development. Based on the results of the analysis, there are 10 alternative strategies that can be developed by Lion Parcel Meruyung. The alternative priorities of the strategy are the development of express delivery services, the addition of a HUB to support instant delivery services, an integrated

e-commerce partnership program, and a tier-based loyalty program to increase customer retention.

The suggestion for Lion Parcel Meruyung in an effort to implement the strategy and managerial implications of the results of this study is to conduct a comprehensive monitoring system to monitor KPIs (key performance indicators) for each priority strategy such as on-time delivery, growth in express delivery volume, and customer satisfaction level with the service. The suggestion for the next research is to strengthen the analysis of the competitive aspects of the company with relevant frameworks and methods to produce a more comprehensive analysis and conduct a comparative study of leading logistics companies as a benchmark to provide valuable insights for optimizing the implementation of priority strategies.

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