

Strategy Formulation for Market Development of the Ready-Mix Industry in Ibu Kota Negara

* Hury Wilman¹, Diah Pralitasari²

¹Magister Management, Management Department, Sekolah Tinggi Ilmu Ekonomi Indonesia Jakarta, Indonesia

²Magister Management, Management Department, Sekolah Tinggi Ilmu Ekonomi Indonesia Jakarta, Indonesia

Correspondence*:

Jl. Kayu Jati Raya 11A Rawamangun, Jakarta 13220 | e-mail: nitadpralitasari@gmail.com

Abstract

Objective: This research aims to establish market development strategies for the ready-mix industry in IKN.

Design/Methods/Approach: This research employs methods including literature review, data collection, and data analysis. The collected data, both primary and secondary, are processed by analyzing competitive factors in the IKN East Kalimantan area (CP Matrix), as well as internal factors (IFE Matrix) and external factors (EFE Matrix). These factors are then formulated to determine strategies using SWOT analysis, SPACE analysis, and GS Matrix. The results are further refined through the QSP Matrix to identify the strategic options to be implemented.

Findings: The strategy resulting from the formulation in this research is an aggressive alternative strategy focused on market penetration, aggressive promotion, strengthening sales capabilities, and product development. This approach aims to expand the market in the IKN region, increase revenue, and achieve the company's vision.

Originality/Value: No prior research has been conducted to establish market development strategies for the ready-mix industry in IKN.

Practical/Policy implication: Providing strategic guidance for ready-mix industry companies to take advantage of market opportunities in the IKN region. Increasing the company's competitiveness through the implementation of aggressive strategies such as market penetration, intensive promotion, and product diversification. Supporting the achievement of the company's vision by increasing market share and revenue in developing regions.

Keywords: Marketing Strategy, SWOT Matrix, SPACE Matrix, Quantitative Strategic Planning Matrix

JEL Classification: M4, M40, M41

Received, December, 14.; Received in revised form: December, 15, 2024. Accepted: December, 28, 2024

Introduction

The competitive climate of the domestic ready-mix market in Indonesia has entered a new era, marked by an increasing number of ready-mix producers intensifying competition, particularly in the IKN region of Indonesia (Abdullah et al., 2022). The ongoing development in the country indicates a growing domestic demand for ready-mix materials. This competition not only involves local producers but also attracts foreign manufacturers entering the Indonesian market, particularly to meet the substantial needs of the new IKN projects (Firnaherera & Lazuardi, 2022). With the high demand for construction, ready-mix companies are competing to offer products of the highest quality, competitive prices, and fast delivery times. Additionally, innovations in production technology and more environmentally friendly materials have become key focuses to attract customers and enhance competitiveness in this increasingly challenging market (Riski, 2021).

According to data from the Indonesian Ready-Mix Concrete Association (APBRI), the consumption of ready-mix concrete in Indonesia reached 59,909,442 cubic meters by the end of 2021. This figure represents a 47% increase compared to 2015, which recorded 40,786,834 cubic meters, with an average annual growth rate of 9.4%. Consequently, the growing demand for ready-mix concrete in Indonesia has attracted foreign producers to participate in the market, further intensifying competition in the domestic ready-mix sector (Ramadhan & Nugroho, 2023). Currently, there are at least 40 established ready-mix producers in Indonesia. With this large number of producers, customers benefit from the competition in the market. Ready-mix concrete comes in

various grades depending on the type of construction being worked on, starting with the most commonly used and widely available types made with Portland Composite Cement (PCC) and Portland Pozzolanic Cement (PPC). These two types of cement are typically available in bags or sacks. Other types include Ordinary Portland Cement (OPC) or Type 1 Cement, Type 2 Cement, Type 5 Cement, White Cement, and Oil Well Cement (OWC), which is used for oil drilling (Permana et al., 2021).

According to APBRI data, the usage of ready-mix concrete is distributed across several market segments, including infrastructure, buildings, and others. Additionally, the expansion of production capacity by existing ready-mix producers is pushing players in the industry to think strategically and work harder to maintain their market presence (Suri et al., 2024).

The increasing availability of ready-mix products in the market has led to a shift in consumption patterns, resistant to existing ready-mix options. This is clearly causing market phenomena, where, despite the growing ready-mix market every year, there is a possibility that the supply (volume of ready-mix) available in the market could exceed the existing demand. Such market conditions could affect current ready-mix consumption patterns (Nurokhman et al., 2021). Current ready-mix consumption patterns are no longer solely influenced by the availability of ready-mix in the market. Many other factors now contribute to a customer's decision to purchase a particular ready-mix brand. As a result, ready-mix is no longer just a commodity, but a branded product that plays a key role in a customer's purchasing decision. This has driven ready-mix producers to compete by developing the right strategies to win the market competition (Anditia et al., 2022).

Among the many players in the ready-mix industry in Indonesia, one of them is PT. Semen Indo Green Sentosa (HK SIS), a company established in 2012. HK SIS specializes in producing high-quality ready-mix and precast concrete, with management practices tailored to meet specific project requirements. In 2020, HK SIS plans to increase its production capacity by 5 million cubic meters per year, bringing its total production capacity to 23 million cubic meters annually (Anditia et al., 2022). In running its business, HK SIS has a Vision, Mission, and Motto. The company's Vision, Mission, and Motto are as follows:

Vision: "To be a leading player in the ready-mix and pre-cast concrete business, a market leader in Java, a key player outside Java, and independently supply aggregates and sand for the ready-mix concrete business."

Mission: "We are engaged in the provision of ready-mix and building materials that are of high quality, competitively priced, while maintaining quality and sustainability in construction."

Motto: "Contributing to building a quality life."

To achieve the company's vision, a strategy has been developed to face the market competition in the ready-mix industry in the IKN region of Indonesia (Dimi & Firmansyah, 2022). The strategy currently being applied is to increase wallet share across Indonesia and maximize the operational performance of the batching plants. At the business strategy level, the focus is aggressive market penetration in the IKN region, strengthening the home base market, and expanding market share in competitor territories. The IKN area is the home base of HK SIS, while the supporting regions (such as airports, ports, and toll roads) are dominated by competitors. The IKN region in East Kalimantan is seen as the battlefield area for market competition (Jessica, 2018).

The large market potential for ready-mix concrete in Indonesia is found on the islands of Java and Sumatra. According to data from APBRI, in 2014, 56% of the total ready-mix consumption in Indonesia was used on the island of Java. Within Java, the consumption is dominated by the Jakarta and West Java regions, accounting for 43%, followed by East Java at 24%, and Central Java at 20% (Wior et al., 2015). According to APBRI data, in the IKN marketing area, HK SIS ranks second with a market share of 38.83%. In East Kalimantan, for the infrastructure and building markets, HK SIS dominates with a market share of 50.19% (Firnaherera & Lazuardi, 2022).

To increase wallet share in the IKN region, the strategy implemented is to strengthen the infrastructure and building market segments while also targeting other segments. As mentioned earlier, the IKN area is the largest demand region in East Kalimantan and serves as the home base for competitors, with unique customer characteristics. However, HK SIS faces less competition from key competitors in the central IKN region (Hutama et al., 2017). The market share in the IKN region has been steadily increasing with many competitors. According to APBRI data on the sales of all ready-mix products in Indonesia, particularly in the IKN region, from 2022 to 2024, the smallest market growth was experienced by HK SIS, with a total growth of only 10% (Wior et al., 2015). Additionally, based on an internal survey of customer characteristics in the process of determining ready-mix material purchases, it was found that the decision to choose a ready-mix brand is largely influenced by the customer, with the biggest influence coming from contractor members in the IKN region. Quality remains

the primary factor in choosing a ready-mix brand, and this trend is consistent across all regions of Indonesia (Pardede & Mardiaman, 2023).

However, a unique reason found only in Indonesia for choosing a ready-mix brand is that it has been used for generations and holds the first brand image in the country. Due to the intense competition and the challenging situation in the IKN region for HK SIS, this area will serve as a role model for developing an aggressive marketing strategy. In addition to the historical data from APBRI, future opportunities can also be identified through an internal survey conducted by HK SIS regarding construction projects in the IKN area (Dimi & Firmansyah, 2022).

The types of development in the IKN area include infrastructure and residential projects. The demand for ready-mix in this area for the projects alone is estimated at 5 million cubic meters, excluding the ready-mix used for non-project public consumption. To assess the revenue position of HK SIS, the company's revenue declined by 1.23% in 2017. Compared to the growth in 2013, where revenue increased by 9.54%, the company experienced a decrease of 1.23% (Lugas et al., 2022). In order to implement the business strategy already defined in East Java, an appropriate functional strategy is required to increase wallet share in the market and boost the revenue of HK SIS. Therefore, based on the phenomena presented in the background, the author is interested in researching the topic 'Market Development Strategy in the Ready-Mix Industry in IKN'.

Literature Review

Market Development Strategy

A market development strategy is an approach used by companies to expand the reach of their products or services into new markets or increase penetration in existing markets. This strategy aims to boost sales volume by leveraging existing products and marketing them to new customer segments or by introducing products to new geographic regions. In the context of the Ansoff Matrix, market development is one of the four primary strategies used for business growth, alongside market penetration, product development, and diversification. According to Ansoff (1965), market development is an effort to seek growth opportunities by identifying new markets for existing products. This strategy often involves several key steps, such as adapting products to better suit the needs and preferences of the new market and deeper market segmentation to understand customer characteristics in the new segments being targeted. Additionally, relevant promotions and adjustments to distribution channels are also important factors in attracting new customers and building strong relationships in the new market.

The main focus of a market development strategy is to introduce existing products to a broader audience, optimize distribution channels, and tailor marketing strategies to meet customer expectations in the new market. Thus, market development is not only about expanding geographic reach but also targeting previously untapped market segments, which can provide significant growth opportunities for the company (P. Kotler & Keller, 2016).

According to Kotler & Keller (2016), market development involves two main steps:

1. Identifying New Markets: Identifying new geographic locations or potential customer segments that have not yet been reached.
2. Adapting Marketing Strategy: Adjusting promotional, distribution, and communication strategies to address the specific needs of the new market.

Competitive strategy

Competitive strategy consists of business approaches that involve attracting customers by meeting their expectations, withstanding competitive pressure, and strengthening market position. According to Porter (1980), competitive strategy is achieving a competitive advantage by being different from competitors, meaning providing unique added value to customers, and having a clear vision of how to uniquely position oneself within the industry (Chen et al., 2019).

Porter (1980) competitive strategy states that effective competitive strategies include both offensive and defensive actions to create a defensible position against the five competitive forces. Offensive actions involve activities aimed at attacking or competing in the market by building a new or stronger market position and creating a competitive advantage. Defensive actions, on the other hand, are aimed at protecting the competitive advantage and reducing the risk of being attacked. According to Kotler & Armstrong (2014) competitive

strategy is a strategy that firmly positions the company against its competitors and provides the largest competitive advantage (Li, 2023).

Based on the definitions above, competitive strategy encompasses several approaches as follows:

1. Positioning the company in such a way that its capabilities provide the best defense against the existing competitive forces.
2. Influencing the balance of power through strategic moves to improve the company's relative position.
3. Anticipating factors that contribute to competitive forces and responding to them, allowing the company to leverage changes by selecting strategies that fit the new competitive balance before competitors realize it.

Strategies in Various Competitions

Essentially, developing a competitive strategy involves creating a general formula on how a business will compete, what its objectives should be, and the policies needed to achieve those objectives. Before formulating a competitive strategy, it is advisable to first analyze the competitors' conditions. Some key questions to sharpen the analysis of competitors' conditions (Fitria et al., 2019), include:

1. The main strengths/weaknesses of the competitors.
2. The goals and strategies of competitors.
3. How competitors respond to external factors.
4. The resilience of the company's alternative strategies.
5. The resilience of the company's strategies in facing main competitors.
6. The company's product position relative to competitors' products.
7. Key success factors of the company in the industry.
8. Revenue and profit levels of the company compared to competitors.
9. The relationship with suppliers and distributors in the industry.
10. The likelihood of substitute products in the industry.

To understand how a company can compete Noel (2023) suggests conducting an analysis of competitors by considering the following steps:

1. Identifying the target market.
2. Identifying direct competitors.
3. Identifying potential competitors.
4. Evaluating their verbal and visual identity.
5. Conducting a SWOT analysis.
6. Conducting a PEST analysis.
7. Evaluating their sales and marketing strategies.
8. Assessing competitors' prices.
9. Using benchmarking tools and analysis.
10. Keeping the information updated.

Marketing Strategy

Marketing strategy refers to an integrated marketing plan designed to generate the desired response in the target market or a series of coordinated actions aimed at achieving sustainable competitive advantage (Mookerjee & Rao, 2021). This strategy includes the 4Ps from the seller's perspective (the company), which are (Romadhon et al., 2023):

1. Product Quality (Product)
2. Competitive Pricing (Price)
3. Strategic Location (Place)
4. Aggressive Promotion (Promotion)

When determining a marketing strategy, the company must first conduct a marketing analysis, followed by planning and implementation steps. The ultimate goal and concept of marketing strategy is total customer satisfaction. Elements of competitive strategy in marketing can be divided into several parts, namely (Vildayanti, 2020):

1. Market Segmentation

Kasali (2007) defines market segmentation as the process of dividing or grouping a heterogeneous market into "potential customer" groups that have similar needs and/or characteristics and will respond similarly in spending their money. According to Kotler & Armstrong (2016), there are four main variables that can be used as the basis for market segmentation: demographic, geographic, psychographic, and behavioral variables.

2. Targeting
Targeting is a strategy for allocating the company's resources effectively. The target market is the issue of how to choose, select, and reach the market. The product of targeting is the target market, which consists of one or more market segments that will become the focus of marketing activities (Kasali, 2007).
3. Positioning
Trout & Rivkin (2009) state that positioning is the way to differentiate yourself in the customer's mind and is also the framework for how thoughts work in the communication process. According to Kotler & Keller (2016) positioning is the process of designing the company's offer and image so that it occupies a distinctive place (compared to competitors) in the minds of the target customers. The goal is to place the brand in the consumer's mind to maximize the company's potential benefits.

Method

This study uses a descriptive and exploratory approach, employing both qualitative and quantitative methods. The purpose of this approach is to describe the actual situation and characteristics related to the research object and to analyze the data both quantitatively and qualitatively to formulate the most appropriate strategy for the internal and external conditions in the market development of the Readymix industry in IKN.

This research uses judgement sampling, where the sample selection is based on specific criteria relevant to the goal of obtaining maximum information about the development of the Readymix market in IKN (Creswell, 2014). The sample for this study includes experts, consumers, and competitors, with at least three participants in each group.

Data collection is conducted by studying aspects such as the demographics and economics of the area around IKN, customer behavior, market conditions, and conducting interviews with various stakeholders relevant to the development of the Readymix market in IKN. Additionally, Focus Group Discussions (FGD) are conducted to explore various perspectives. The data sources for this study are obtained from respondents who respond to or answer the researcher's questions through written or oral interviews.

To enhance the validity and reliability of this qualitative research, several validation procedures are used, including:

1. Triangulation: Combining observation techniques, interviews, and document analysis to verify data from various sources (Sugiyono, 2017).
2. Member Checking: Verifying findings with internal company stakeholders (such as management) to ensure the information aligns with the actual situation on the ground.

Additional validation is performed through data triangulation, which involves comparing the interview results with observations and relevant documents. This validation process ensures that the information obtained is valid and can strengthen the formulation of the Readymix market development strategy in IKN using the SPACE Matrix method and industry analysis.

Data processing in the strategy for HK SIS is carried out by analyzing the competition factors as well as internal and external factors. This data serves as input for determining the strategy to be implemented by the company. The IFE (Internal Factor Evaluation) Matrix is used to analyze the company's internal environment, considering the strengths and weaknesses of HK SIS. The EFE (External Factor Evaluation) Matrix analyzes external factors affecting the company, such as opportunities and threats.

Data analysis combines the SWOT matrix, SPACE matrix, and Quantitative Strategic Planning Matrix (QSPM). Additionally, industry analysis is used to understand market conditions, opportunities, and challenges that affect a specific sector.

Result and Discussion

Analysis of the ReadyMix Industry

In a competitive business world, understanding the dynamics of an industry is key to a company's success. One of the most commonly used frameworks for analyzing the attractiveness of an industry is Porter's Five Forces. This model helps companies understand the external forces influencing the level of competition, bargaining power, and profitability potential within an industry. The readymix industry, which provides ready-to-use concrete for construction projects, is a crucial sector supporting infrastructure development. However, like

other industries, the ready mix sector faces challenges, including competition, dependence on raw materials, and technological needs.

This analysis explores the five Porter's forces within the context of the ready mix industry. The aim is to provide a deeper understanding of the opportunities and risks faced, and the strategies that can be employed to compete effectively. This analysis serves as a solid foundation for companies to make strategic decisions and create value in a dynamic market.

1. Threat of New Entrants

Every industry, including ready mix, has the potential to attract new players who see opportunities in the market. The presence of new entrants often poses a threat to established players, especially if they bring innovation, efficiency, or significant capital that can alter the competitive dynamics. However, the strength of new entrants is not only determined by their desire to enter the market, but also by the challenges and barriers they must overcome. In the ready mix industry, factors such as the high investment required, access to raw materials, and the ability to build distribution networks become key barriers that reduce the risk of threat. According to Wheelen et al. (2015), the strength of new entrants can be viewed through several factors:

1. Economies of Scale

Large established companies benefit from economies of scale, making their prices more competitive compared to new entrants who are starting production on a smaller scale.

2. Product Differentiation

- a. Loyalty to established players is often a major challenge for new entrants, especially if their products are not widely tested in the market.
- b. Established players already have relationships with major developers and contractors. New entrants must work hard to build trust and establish similar cooperative networks.

3. Capital Requirements

New entrants need significant investment, such as building batching plants, purchasing mixer trucks, and other equipment. This becomes a significant barrier.

4. Switching Costs

- a. New entrants with new technology or innovative concrete formulations, such as high-performance concrete or eco-friendly concrete, may offer attractive added value to the market.
- b. The use of advanced technology to maximize production and delivery efficiency can be a key competitive weapon for new entrants.

5. Access to Distribution Channels/Suppliers

- a. Raw materials such as cement, sand, and aggregates are often dominated by large suppliers with long-term relationships with established players. New entrants may struggle to obtain quality raw materials at competitive prices.
- b. Ready mix plants are usually built near construction sites to reduce logistics costs. New entrants will need a good location strategy to compete effectively.

6. Government Policy

- a. The government sets strict quality standards for construction materials used in national strategic projects. This encourages ready mix companies to ensure that their products meet the required specifications.
- b. The government imposes strict regulations regarding environmental impact, such as waste management from batching plants and dust emissions. Ready mix industries must comply with these rules to obtain operating permits in the IKN area.
- c. Business permits in the IKN area involve administrative procedures that may affect the time it takes for new companies to enter the market.
- d. Many large projects in IKN are run by state-owned construction companies, creating opportunities for ready mix producers to partner in large-scale projects through government networks.

2. Bargaining Power of Buyers

Buyers in the readymix industry possess significant bargaining power, especially in the IKN development area. This is influenced by project characteristics, buyer profiles, and the market structure around IKN.

1. The majority of buyers in IKN are large contractors, property developers, and state-owned enterprises handling strategic infrastructure projects. They typically order in large quantities, thus holding high bargaining power.

2. These buyers often require concrete with specific characteristics (e.g., high-strength or eco-friendly concrete), so they can demand high-quality standards from suppliers.
3. Large-scale projects in IKN provide opportunities for ready mix suppliers to secure long-term contracts. However, large buyers often pressure prices or demand additional services such as timely delivery and quality guarantees.
4. If there are many ready mix suppliers around IKN, buyers will have more choices, increasing their bargaining power.
5. IKN construction is highly concentrated in government projects and large developers. If suppliers rely on a few buyers, the buyers' negotiating position strengthens.
6. Buyers in IKN are often price-sensitive, particularly when managing projects with tight budgets. This forces ready mix suppliers to offer competitive prices, which can lower their profit margins.
7. Buyers in IKN not only seek low prices but also demand consistent product quality, timely delivery, and technical support. Suppliers that fail to meet these expectations risk losing major contracts.
8. Suppliers who offer innovative products, such as low-carbon concrete or additional services, can reduce buyers' bargaining power by providing unique value.
9. Most projects in IKN are funded by the government, meaning buyers are bound by procurement rules. This can limit their ability to fully leverage bargaining power, as they must comply with competitive open tender procedures.

The bargaining power of buyers in the ready mix industry in IKN is relatively high, especially since the primary buyers are large companies handling strategic projects. However, ready mix suppliers can mitigate this by offering differentiation through innovation, operational efficiency, and service quality. Building long-term relationships with large buyers is key to maintaining a strong position in this competitive market.

3. Bargaining Power of Suppliers

Raw material suppliers in the ready mix industry play a critical role, providing essential components such as cement, sand, gravel, and chemical additives. In the context of IKN development, the bargaining power of suppliers is influenced by high demand, regulations, and resource availability.

1. The ready mix industry relies heavily on the supply of cement, sand, and gravel with specific quality requirements. Large suppliers that dominate the raw material market, such as national cement manufacturers or local sand quarries, have strong bargaining power.
2. Rising raw material costs can directly impact the production cost of ready mix. Suppliers with limited competition can set prices.
3. If the number of quality raw material suppliers around the IKN area is limited, their bargaining power increases.
4. If there are many local suppliers offering similar raw materials, the bargaining power of suppliers weakens.
5. IKN development requires large-scale distribution of raw materials to sometimes hard-to-reach locations. Suppliers with efficient logistics facilities or proximity to projects have higher bargaining power.
6. Local suppliers of raw materials in the IKN area have a competitive advantage in reducing logistics costs.
7. The government sets strict regulations for the exploitation of natural resources, such as sand and gravel mining, to preserve the environment. These regulations may limit the number of qualified suppliers, increasing the bargaining power of the remaining suppliers.
8. For national strategic projects like IKN, the government may intervene to control raw material prices and keep them stable, reducing the bargaining power of suppliers.
9. With large-scale construction in IKN, suppliers have opportunities to sell in bulk to ready mix producers. Their dependence on large orders can reduce their bargaining power, especially if there is competition among them.
10. Suppliers who form strategic partnerships with ready mix producers for long-term projects can strengthen their market position.

The bargaining power of suppliers in the readymix industry in IKN is relatively weak, particularly for key raw material suppliers like cement and sand. However, factors such as government regulation, availability of alternative suppliers, and supplier dependence on large-scale projects can reduce this power. For ready mix producers, building strategic relationships with suppliers and managing raw material price risks is crucial in mitigating supplier bargaining power.

4. Threat of Substitutes

The threat of substitutes in the ready mix industry refers to the potential use of alternative materials that could replace ready mix concrete in construction projects within IKN. The level of threat depends on the effectiveness, efficiency, and suitability of substitute products compared to ready mix.

1. **Alternative Use of Conventional Concrete**
 Manually mixed concrete on construction sites has lower initial costs because it does not require batching plant infrastructure. This can be an alternative, especially for smaller projects with less complex technical specifications. However, conventional concrete has drawbacks in terms of quality consistency, time efficiency, and scalability. For large-scale projects like IKN, the demand for high volume and strict specifications makes ready mix superior. Ready mix remains the preferred option due to its consistency, which is difficult to achieve with substitute products, especially for government projects requiring high standards.
2. **Alternative Materials for Construction**
 Precast concrete is a significant competitor to ready mix in building construction, bridges, and other infrastructure elements. Prefab offers time efficiency and controlled quality at the factory. However, prefab requires higher initial investment and is better suited for modular designs. Substitutes like prefab or other materials often have higher costs than ready mix, particularly when used at large scale.
3. **Alternative Materials Like Steel, Wood, or Environmentally Friendly Technologies**
 Materials such as steel, wood, or eco-friendly technologies like mass timber are beginning to be used in certain projects. However, their usage is limited to specific applications and does not fully replace the need for concrete in large infrastructure projects.
4. **Innovation in Concrete and Construction Technology**
 The threat to traditional readymix concrete comes from innovations like low-carbon concrete that is more environmentally friendly.
5. **3D Concrete Printing Technology**
 The emerging 3D concrete printing technology could become an alternative in the future.

Internal External Matrix

From the internal and external primary data processing that has been done above, it will be analyzed where the actual position of the company PT Semen Indogreen Sentosa is in market competition in the IKN area.

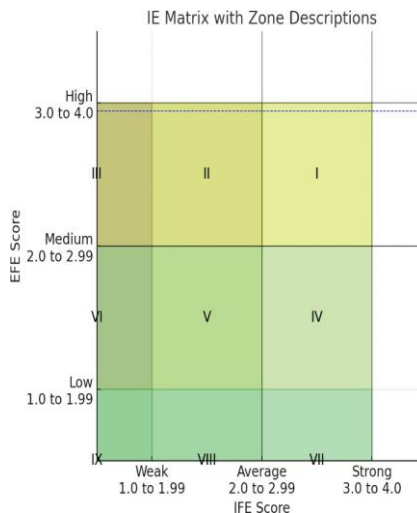


Figure 1. IE Matrix Diagram

Based on the IE Matrix diagram, the position of PT Semen Indogreen Sentosa is in Quadrant I, namely the Stability and Growth zone (Stability/Growth). This shows that the company has very good internal strength (IFE Score: 3.57) and great external opportunities in the market (EFE Score: 2.94). By being in this zone, PT Semen Indogreen Sentosa has a very strong strategic position to compete in the market, especially in the IKN area. The company can focus on intensive growth strategies, such as market and product development, to take advantage of existing strengths and opportunities to strengthen competitiveness in this rapidly developing region.

SPACE (Strategic Position & Action Evaluation) Matrix Analysis

From the analysis of external and internal factors of the company, it can be grouped into internal and external dimensions which are then divided into four factors which are then used for SPACE Matrix analysis, which can be seen in the table below.

Table 1. SPACE Matrix Analysis

Dimension	Key Factor	Weight	Rating	Weighted Score
Internal Dimension: <i>Competitive Advantage (CA)</i>	Quality and varied products	0.18	4	0.72
	Competitive prices	0.15	4	0.60
	Fast and friendly service	0.12	4	0.48
	Less product quantity compared to competitors	0.07	-3	-0.21
Total CA		0.52		1.59
Internal Dimension: <i>Industry Strength (IS)</i>	Good financial position	0.10	4	0.40
	Technology according to technical needs	0.10	4	0.40
	Good delivery system	0.07	4	0.28
	Market share competition is still wide	0.07	3	0.21
Total IS		0.34		1.29
External Dimension: <i>Environmental Stability (ES)</i>	Dynamic product needs changes	0.05	-3	-0.15
	Political and social stability conditions	0.06	-2	-0.12
	Low prices of new players	0.07	-3	-0.21
	Customer loyalty	0.09	-1	-0.09
Total ES		0.27		-0.57
External Dimension: <i>Industry Strength (IS)</i>	Product variety with good characteristics	0.08	4	0.32
	Increased development projects	0.06	3	0.18
	Varied payment systems	0.07	2	0.14
	Technology-aware market share	0.06	3	0.18
Total IS		0.27		0.82

Based on the results of the SPACE Matrix analysis for PT Semen Indogreen Sentosa, the company is in the aggressive quadrant. This shows that the company has a strong strategic position to take advantage of opportunities in the market. The Competitive Advantage (CA) dimension recorded a positive score of +1.59, which highlights the company's internal advantages, such as quality products, competitive prices, and fast and friendly service. However, the weakness in the form of fewer products compared to competitors is an important concern, although the impact is not significant. In this case, the company must continue to maximize its strengths while overcoming weaknesses related to product diversification to remain competitive in the market. The Industry Strength (IS) dimension also gave a positive result of +1.29, which reflects the strong industry potential to support the company's growth. Factors such as a good financial position, appropriate technology, and an efficient goods delivery system are key elements that strengthen the company's position in the market. In addition, the potential for growth in development projects and a still large market share provide opportunities for the company to expand the market and increase market share. To maximize this dimension, the company needs to be more active in taking market opportunities, especially in the rapidly developing Capital City (IKN) area.

From the analysis results above, PT Semen Indogreen Sentosa is in the Aggressive Quadrant in the SPACE Matrix, which shows that the company has a strong competitive advantage and great industrial strength. The company is advised to focus on expansion strategies, product development, and increased promotion to maximize available market opportunities. Although external environmental challenges are seen in the

Environmental Stability (ES) score of -0.57, these threats can be overcome with aggressive and innovative strategies. With this position, the company is able to respond to market threats while strengthening its existence in facing competition, especially in the IKN region.

Based on the results of the SPACE Matrix analysis, the X value is 2.31 and Y is 3.70. The X value is obtained from the sum of FP (Financial Position) and SP (Stability Position). In this case, FP includes the total score of the Internal Dimension: Competitive Advantage (CA) and Internal Dimension: Industry Strength (IS) dimensions, which produces a score of 2.88. While SP is obtained from the total score of the External Dimension: Environmental Stability (ES) dimension with a result of -0.57. Thus, the calculation of X is 2.31. Meanwhile, the Y value is calculated by adding CP (Competitive Position) and IP (Industry Position). CP comes from the total score of the Internal Dimension: Competitive Advantage (CA) and Internal Dimension: Industry Strength (IS) dimensions, which also produces a score of 2.88. While IP is obtained from the total score of the External

Dimension: Industry Strength (IS), yang menghasilkan skor 0.82. Oleh karena itu, hasil akhir untuk Y adalah 3.70. Dengan nilai X dan Y yang diperoleh, PT Semen Indogreen Sentosa (HKSIS) dapat merumuskan strategi yang tepat untuk pengembangan dan posisi perusahaan ke depan.

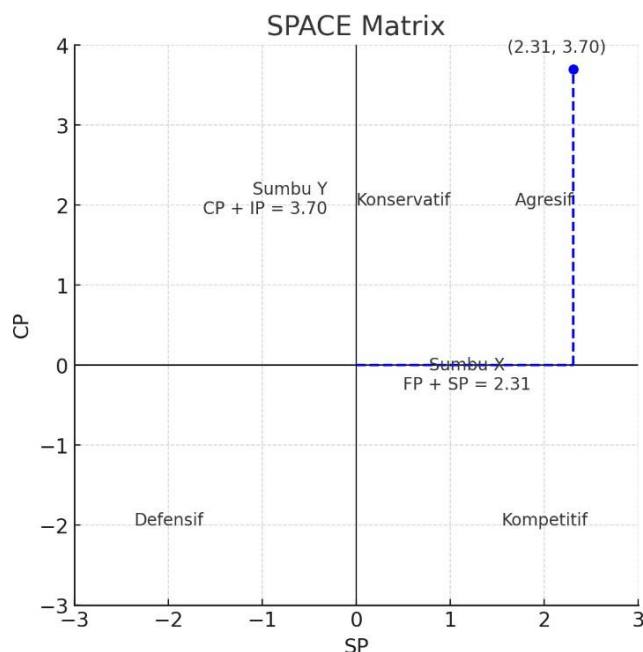


Figure2. Space Matrix

Based on the results of the SPACE Matrix graphic analysis, PT Semen Indogreen Sentosa (HKSIS) is in the Aggressive quadrant, which indicates that the company has significant internal strength and an external environment that provides great opportunities for growth. This position reflects that the company is in a stable financial condition (with a high FP score) and has a strong competitive advantage, supported by relatively good industry stability. Therefore, the strategy that must be implemented is an aggressive strategy, which aims to take advantage of market opportunities and strengthen the company's competitive position to the maximum.

The first step that can be taken by PT Semen Indogreen Sentosa is market expansion. The company can expand its distribution network to new areas that have high demand potential, both domestically and internationally. In addition, the company can also target new market segments that have not been previously explored, such as large infrastructure projects or consumer segments with specific needs. This expansion not only increases market share but also strengthens the company's presence in the cement industry.

The second step is product innovation to create greater added value for consumers. PT Semen Indogreen Sentosa can develop new products that are environmentally friendly, more efficient, or have other superior features in accordance with developing market trends. In the cement industry, innovations such as high-performance concrete or more durable building materials can provide significant competitive advantages. These innovations can also help companies meet sustainability standards that are increasingly becoming a global concern.

The third step is to make major investments in infrastructure, technology, and production capacity. These investments are essential to improve operational efficiency, reduce production costs, and strengthen competitiveness. PT Semen Indogreen Sentosa can also allocate a budget to adopt digital technology that supports process automation, real-time performance monitoring, and logistics optimization. In addition, investment in human resources to improve employee competency is also a priority in supporting the implementation of an aggressive strategy.

The fourth step is to establish strategic partnerships with other companies, both domestically and abroad. These partnerships can include alliances with large construction companies, the government, or major raw material providers. This cooperation aims to increase economies of scale, expand market access, and strengthen the supply chain. Partnerships can also help companies enter new markets more quickly and efficiently, as well as reduce the risks that may arise in expansion.

The last step is to implement a differentiation strategy to create a unique product image and increase customer loyalty. Differentiation can be done through strong branding, superior customer service, and providing complete solutions for consumers, such as technical consultation or after-sales service. By providing value that is difficult for competitors to imitate, PT Semen Indogreen Sentosa can build consumer trust and strengthen its position as a market leader. This aggressive strategy, if implemented consistently, can bring the company to a higher level of growth and strengthen its position in the cement industry.

SWOT (Strength Weakness Opportunities Threats) Matrix

From the results of the analysis and processing of internal and external data above, the total score for internal factors is 3.57, while for external factors it is 2.94. Internal factors indicate that the company's strengths are greater than its weaknesses, with a total Strength (S) of 2.60 and Weakness (W) of 0.97. Meanwhile, external factors indicate that the opportunities are greater than the threats, with a total Opportunities (O) of 1.73 and Threats (T) of 1.21. Based on this data, PT Semen Indogreen Sentosa (HKSIS) can utilize its strengths and opportunities to formulate a more effective marketing strategy, in order to increase the company's competitiveness in an increasingly competitive market.

Table 2. SWOT Matrix

SWOT MATRIX		Strength (S)	Weakness (W)
			1. Quality and varied products 2. Competitive prices 3. Fast and friendly service 4. Good financial position 5. Technology according to technical needs
OPPORTUNITIES (O)	1. Product variations with sage characteristics 2. Good and consistent quality	1. Developing customized products for bulk customers and strengthening superior products that competitors do not have	1. Maximizing promotions with a focus on digital technology to reach a wider market share 2. Strengthening incentives and promotions to consumers with more attractive offers
	3. Increasing development projects 4. Good goods delivery system 5. Market share competition is still wide 6. Payment system variations	2. Maintaining and continuously improving customer service 3. Promoting several types of advertising, both direct and indirect	3. Increasing the number of products that match the needs of the development project market 4. Increasing the stability of product distribution to several regions with good distribution management

THREATS (T)	<ol style="list-style-type: none"> 1. Tight competition 2. Customer loyalty 3. Reliability of product availability in the market 4. Limited distribution network 5. Dynamic changes in product needs 6. Political and social stability conditions in Indonesia 7. Cheap prices for new players' products 	<ol style="list-style-type: none"> 1. More aggressive in price promotions and strengthening CSR programs as indirect promotional media 2. Increasing technology development to produce more innovative products 	<ol style="list-style-type: none"> 1. Create economical packages with small product quantities to attract price-sensitive consumers 2. Increase product competitiveness with a variety of innovations on the digital marketing side 3. Develop strategies to increase funding and product distribution stability 4. Expand distribution networks to new markets to reduce the threat of limited access
-------------	---	---	--

Quantitative Strategic Planning Matrix

Table 3. QSPM Internal Factors PT Semen Indogreen Sentosa

No .	Internal Factors	Weight	Market Expansion (US)	Product Innovation (US)	Massive Investment (US)	Strategic Partnership (US)	Market Expansion TAS	TAS Product Innovation	TAS Massive Investment	TAS Strategic Partnership
1	Quality and varied products	0.18	4	4	3	4	0.72	0.72	0.54	0.72
2	Competitive prices	0.15	4	3	4	3	0.60	0.45	0.60	0.45
3	Fast and friendly service	0.12	3	4	3	3	0.36	0.48	0.36	0.36
4	Good financial position	0.10	3	3	4	4	0.30	0.30	0.40	0.40
5	Technology in accordance with technical needs	0.10	4	4	4	4	0.40	0.40	0.40	0.40
6	Promotion is still weak	0.08	3	2	2	3	0.24	0.16	0.16	0.24
7	Marketing is still lacking	0.08	3	2	3	3	0.24	0.16	0.24	0.24
8	Incentives are less attractive	0.07	2	2	3	3	0.14	0.14	0.21	0.21
9	Sales strength is low	0.08	3	2	3	3	0.24	0.16	0.24	0.24
10	Funding is less intensive	0.07	3	3	4	3	0.21	0.21	0.28	0.21
11	Number of products is less than competitors	0.07	4	4	3	4	0.28	0.28	0.21	0.28
Total Internal						0.75	2.60	2.56	2.68	2.68

Table 4. QSPM External Factors PT Semen Indogreen Sentosa

No .	Internal Factors	Weight	Market Expansion (US)	Product Innovation (US)	Massive Investment (US)	Strategic Partnership (US)	Market Expansion TAS	TAS Product Innovation	TAS Massive Investment	TAS Strategic Partnership
1	Product variety with usage characteristics	0.08	4	3	3	4	0.32	0.24	0.24	0.32
2	Good and consistent quality	0.08	4	4	4	4	0.32	0.32	0.32	0.32
3	Increasing development projects	0.06	3	3	3	3	0.18	0.18	0.18	0.18
4	Good delivery system	0.07	4	3	4	4	0.28	0.21	0.28	0.28
5	Wide market share competition	0.07	3	4	3	3	0.21	0.28	0.21	0.21
6	Variation of payment systems	0.07	2	3	2	3	0.14	0.21	0.14	0.21
7	Competitive promotion and advertising competition	0.06	3	2	2	3	0.18	0.12	0.12	0.18
8	Technology-aware market share	0.06	3	4	4	3	0.18	0.24	0.24	0.18
Total Eksternal		1.00					1.73	1.68	1.73	1.73

Considering internal and external factors, PT Semen Indogreen Sentosa is advised to prioritize large-scale investment and strategic partnerships as the main steps to strengthen its market position and optimize growth potential in the IKN area. Market expansion and product innovation can be considered as supporting strategies to further enhance the company's competitiveness.

Table 5. Alternatif Strategy And Corporate Action

Alternative Strategy	Corporate Action
Massive Investment	1. Increase production capacity and infrastructure to support market expansion. 2. Allocate funds for more efficient product research and development. 3. Strengthen distribution networks by opening new facilities in the IKN area and other strategic areas. 4. Increase investment in technology to accelerate production and distribution processes
Strategic Partnership	1. Building partnerships with local distributors and other strategic partners in the IKN area to expand the marketing network. 2. Establishing cooperation with government and major contractors involved in the IKN development project to improve product distribution. 3. Drafting long-term partnership agreements with transportation and logistics companies for shipping efficiency..
Market Expansion	1. Develop a marketing plan to reach new markets in the IKN area with a more aggressive approach. 2. Introduce products with competitive prices to attract new customers in the local market. 3. 3. Develop more effective promotional and advertising strategies by optimizing digital and social media.
Product Innovation	1. Develop product variations with usage characteristics that are more in line with local market needs. 2. Invest in research and development to create more environmentally friendly and innovative products. 3. 4. Provide a more varied and easily accessible payment system for customers.

Conclusion and future direction

From the results of the research and data analysis, the following conclusions can be drawn:

1. Internal and external factors of the company are very important for the formulation of an effective strategy. Internal factors include the strengths and weaknesses of the company, such as human resource capabilities, technological advantages, and efficient operational management. Meanwhile, external factors include opportunities and threats, such as the development of the National Capital City (IKN), government regulations, and market demand trends in the region. In IKN, opportunities can be in the form of high infrastructure construction needs, while threats can come from tight competition with other companies that have similar specializations. By understanding these factors, the HK SIS company (PT Semen Indogreen Sentosa) can design a strategy that utilizes internal strengths to overcome threats and take advantage of opportunities in the IKN market.
2. The stages of formulating a marketing strategy begin with a situation analysis, including market research and understanding the specific needs of development in IKN. Furthermore, market segmentation must be carried out to identify key customer groups, such as infrastructure project developers and local governments. After that, the company can determine a strategic market position by offering unique value, such as high-quality services and environmentally friendly solutions. Strategy formulation also includes setting measurable and realistic marketing objectives, followed by developing a marketing mix (4P): relevant products, competitive prices,

effective promotions, and efficient distribution. This stage ensures that the strategies implemented are relevant to the needs of the IKN market and support the company's revenue growth.

3. Several marketing strategies that can be implemented by HK SIS include product and service differentiation, strategic collaboration, and marketing digitalization. Differentiation is carried out by offering innovative solutions that are in accordance with the needs of modern infrastructure in IKN, such as sustainable construction technology. The company can also establish partnerships with the government or main contractors to expand the network and gain market trust. In addition, utilizing digital platforms to promote project portfolios and build the company's image as a leader in the infrastructure sector will increase visibility in the market. With this combination of strategies, HK SIS can strengthen its position in IKN, expand the market, and increase revenue significantly.

Implication

The findings from this research suggest that PT Semen Indogreen Sentosa has the potential for growth in the IKN market, but it needs to make strategic adjustments in areas such as marketing, distribution, and customer relations. Addressing internal weaknesses and external threats while capitalizing on available opportunities will position the company to be more competitive and sustainable in the long term.

References

- Abdullah, R., Akib, H., Rizal, M., Aslinda, A., & Baharuddin, A. (2022). Strategi Pemasaran Ready Mix Dengan Menggunakan Analisis Swot Di Pt. Prima Karya Manunggal Cabang Pangkep. *Ilmu Administrasi Bisnis (Jadbisfish)*, 1(2), 71–80. Homepage: [Http://Ojs.Unm.Ac.Id](http://Ojs.Unm.Ac.Id)
- Anditia, J., Mara, J., & Tangdialla, L. T. (2022). Analisis Peralatan Beton Ready Mix Pada Pekerjaan Pengecoran Balok Dan Lantai Proyek Gedung Education Center Fisip Unhas. *Paulus Civil Engineering Journal*, 4(2), 280–288. <https://doi.org/10.52722/Pcej.V4i2.457>
- Ansoff, I. (1965). *Corporate Strategy: An Analytic Approach To Business Policy For Growth And Expansion*. McGraw-Hill.
- Chen, J., Yang, L. X., Huang, D. W., Yang, X., & Tang, Y. Y. (2019). Dynamic Discount Pricing In Competitive Marketing. *Ieee Access*, 7, 145340–145347. <https://doi.org/10.1109/Access.2019.2945884>
- Dimi, F. M., & Firmansyah, A. (2022). Kinerja Keuangan Pt Utama Karya (Persero): Dampak Kebijakan Program Percepatan Pembangunan Infrastruktur Jalan Tol Trans Sumatra. *Statera: Jurnal Akuntansi Dan Keuangan*, 4(1), 17–36. <https://doi.org/10.33510/Statera.2022.4.1.17-36>
- Firnaherera, V. A., & Lazuardi, A. (2022). Pembangunan Ibu Kota Nusantara: Antisipasi Persoalan Pertanahan Masyarakat Hukum Adat. *Jurnal Studi Kebijakan Publik*, 1(1), 71–84. <https://doi.org/10.21787/Jskp.1.2022.71-84>
- Fitria, E. S., Yuliana, E., & Sadiyah, A. H. (2019). Comparison Analysis Of Fashion Hijab Competitive Strategy. *Iosr Journal Of Business And Management (Iosr-Jbm)*, 21(2), 39–45. <https://doi.org/10.9790/487x-2102033945>
- Hutama, D., Mudzakir, A., & Hapsari, T. (2017). Faktor-Faktor Yang Mempengaruhi Jumlah Produksi Unit Penangkapan Huhate (Pole And Line) Di Pelabuhan Perikanan Pantai (Ppp) Labuhan Lombok. *Journal Of Fisheries Resources Utilization Management And Technology*, 6(4), 64–73.
- Jessica, A. (2018). Peran Audit Internal Dalam Pt. Utama Karya (Persero). *Akbis: Media Riset Akuntansi Dan Bisnis*, 2(1), 1–12. <https://doi.org/10.35308/Akbis.V2i1.485>
- Kasali, R. (2007). *Membidik Pasar Indonesia: Segmentasi, Targeting, Positioning*. Gramedia Pustaka.
- Kotler, P., & Keller, K. L. (2016). *Marketing Management (15th Ed.)*. Pearson Education.

Vol.

ISSN.

- Kotler, Philip, & Armstrong, G. (2014). *Principles Of Marketing Fifteenth*. Pearson Education, Inc.
- Kotler, Phillip, & Amstrong, M. (2016). *Marketing An Introducing Prentice Hall Twelfth Edition*. Pearson Education, Inc.
- Li, X. (2023). Analysis Of The Marketing Strategy Of Adidas. *Advances In Economics, Management And Political Sciences*, 23(1), 33–38. <https://doi.org/10.54254/2754-1169/23/20230346>
- Lugas, J., Prihandini, D., Susanto, R. D., & Ikhtiar, R. (2022). *Strategi Humas Pt . Hutama Karya (Persero) Dalam Meningkatkan Pemahaman Masyarakat Dalam Penggunaan E- Toll Card Di Ruas Tol Akses Tanjung Priok (Atp)*. 6(1), 16–24.
- Mookerjee, J., & Rao, O. R. S. (2021). A Review Of The Impact Of Disruptive Innovations On Markets And Business Performance Of Players. *International Journal Of Grid And Distributed Computing*, 14(1), 605–630. <https://www.researchgate.net/publication/352135134>
- Noel, M. (2023). *Cara Melakukan Analisis Pesaing Yang Sangat Efektif Dalam 10 Langkah*. Studio Noel. <https://studionoel.co.uk/>
- Nurokhman, N., Suharyanto, I., & Rochmawati, U. (2021). Evaluasi Mutu Beton Dari Berbagai Ready Mix Pada Gedung Parkir Yogyakarta International Airport. *Civitech*, 3(2), 55–65. <https://doi.org/10.47200/civitech.v3i2.1058>
- Pardede, J., & Mardiaman. (2023). Analisis Pemakaian Beton Precast , Ready Mix Dan Beton Olah Pada Proyek Pembangunan Jalan Tol. *Menara: Jurnal Teknik Sipil*, 18(1), 1–10. <https://doi.org/10.21009/jmenara.v18i1.29188>
- Permana, R., Rulhendri, & Alimuddin. (2021). Kajian Dampak Lingkungan Terhadap Kegiatan Produksi Beton Readymix (Studi Kasus: Pt Adhimix Rmc Indonesia Plant Sentul, Bogor). *Seminar Nasional Ketekniksipilan, Infrastruktur Dan Industri Jasa Konstruksi (Kijk)*, 1(1), 291–300.
- Porter, M. E. (1980). *Competitive Strategy: Techniques For Analyzing Industries And Competitors*. New York: Free Press, 1980. (Republished With A New Introduction, 1998.).
- Ramadhan, F. F., & Nugroho, A. J. (2023). Pengukuran Produktivitas Beton Ready Mix Dengan Metode Omax (Objective Matrix). *Jurnal Ilmiah Teknik Mesin, Elektro Dan Komputer*, 3(2), 245–257. <https://doi.org/10.51903/juritek.v3i2.1760>
- Riski, H. (2021). Strategi Pengembangan Batching Plant Di Sumatera Barat (Studi Kasus Pt. Abc). *Jrb-Jurnal Riset Bisnis*, 5(1), 14–23. <https://doi.org/10.35814/jrb.v5i1.1965>
- Romadhon, P. N., Rizqi, A. W., & Hidayat, H. (2023). Analisis Pasar Segmentation, Targeting, Positioning, Dan Marketing Mix 4p Minuman Kopi Ud. Xyz. *Jurnal Teknik Industri: Jurnal Hasil Penelitian Dan Karya Ilmiah Dalam Bidang Teknik Industri*, 9(1), 80. <https://doi.org/10.24014/jti.v9i1.22034>
- Sugiyono. (2017). *Metode Penelitian Bisnis: Pendekatan Kuantitatif, Kualitatif, Kombinasi, Dan R&D*. Penerbit Cv. Alfabeta: Bandung, 225.
- Suri, Y. A. P., Noorhidana, V. A., Helmi, M., Isneini, M., & Wahono, E. P. (2024). Analisis Faktor-Faktor Yang Mempengaruhi Mutu Beton Ready Mix. *Teras Jurnal: Jurnal Teknik Sipil*, 14(1), 171. <https://doi.org/10.29103/tj.v14i1.1049>
- Trout, J., & Rivkin, S. (2009). *Repositioning: Marketing In An Era Of Competition, Change And Crisis* (1st Ed.). McGraw Hill.
- Vildayanti, R. A. (2020). Analisis Strategi Marketing Mix (4p) Dalam Meningkatkan Volume Penjualan Pada Perusahaan Jasa Periklanan Bigevo Di Jakarta Selatan Tahun 2019. *Jimek : Jurnal Ilmiah Mahasiswa Ekonomi*, 3(2), 248–272.
- Wheelen, T. L., Hunger, J. D., Hoffman, A. N., & Bamford, C. E. (2015). *Strategic Management And Business*

Vol.
ISSN.

Policy (14th Ed.).

Wior, M., Mandagi, R. J. M., & Tjakra, J. (2015). Analisa Kelayakan Investasi Ready Mix Concrete Di Provinsi Sulawesi Utara. *Jurnal Sipil Statik*, 3(7), 492–502.