



COMPETITIVE STRATEGY ANALYSIS TO INCREASE THE COMPETITIVENESS OF LOGISTICS EXPEDITION SERVICES AT LION PARCEL P. SIANTAR BRANCH

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Abstract

The aim of this research was to determine Competitive Strategy for Increasing the Competitiveness of Logistics Expedition Services. This type of research is descriptive qualitative. The informants in this research were managers and supervisors, consisting of one person each. The data collection techniques used were observation, interviews and documentation studies (library). The data analysis method uses data collection, data reduction, data display and conclusion drawing. The research results show that the Competitive Strategy implemented in increasing the competitiveness of logistics expedition services at Lion Parcel P. Siantar branch consists of Differentiation of Products and Services (Differentiation), PT. Lion Parcel has different products and services consisting of Jagopack, Regpack, Interpack, Bigpack and Bosspac. Low Cost (Cost Leadership). Some of the strategies implemented by Lion Parcel in its low cost strategy to increase competitiveness are by introducing a 20% GASS discount program, for regular shipments (REGPACK) under 1kg and large shipments (BIGPACK) under 10kg. 25 % discount for sending packages at Lion Parcel Special for Weekends The strategy implemented by Lion Parcel in its innovation strategy to increase competitiveness consists of launching the newest payment method, namely Cash on Delivery (COD), the PASTI: Growth (Growth) program. Currently Lion Parcel has more than 7,000 agents, 15,000 delivery couriers, and 3,000 delivery fleets. With agents spread throughout Indonesia, PT Lion Parcel has a collaboration strategy with several companies such as Bukalapak and Tokopedia, Pos Indonesia, PT Kereta Api Logistik (Kalog), PT Narindo Solusi Telekomunikasi (Narindo), Lujjistik, a startup from Singapore that specializes in logistics integration Customs clearance for overseas shipments. And Astra Insurance.

Keywords: Differentiation, Cost Leadership, Innovation, Growth, Alliance.

1. INTRODUCTION

In today's era of globalization, marketing strategy is an important factor for a company to be able to compete and survive. Facing the reality of many similar goods or services with varying quality and changing consumer tastes and the emergence of new competitors, the level of competition has become increasingly sharp. Companies must be able to maintain their market share and even expand that market share in order to compete with other similar companies. Goods delivery services are a form of public service that offers convenience in the process of sending goods from one city to another safely and can be accounted for by the service party. Delivery of goods can be in the form of documents, logistics, electronic products and others. The means of transportation used to send goods can be by land, sea or air. Distance is an important part of determining what means of transportation will be used to transport the consignment. There are many companies and modes of goods delivery that continue to exist along with the development of technology. Many goods delivery service companies have spread and developed in Indonesia. services such as, PT. Pos Indonesia, JNE, J&T Express, TIKI, DHL, Lion Parcel and other shipping companies.

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The following delivery services in Indonesia will be the most popular with customers in 2023

Table I.1. Delivery Services in Indonesia in 2023

No	Name of delivery service
1	J&T Express
2	JNE Express
3	Shopee Xpress
4	Quick
5	TIKI
6	Indonesian post
7	Lion Parcel
8	Beautiful Cargo Logistics
9	J&T Cargo
10	ID Express

Based on table 1.1, the highest top brand is J&T, followed by JNE, while Lion Parcel is in seventh place. This shows that Lion Parcel must strive hard to innovate in producing the best and innovative services in order to attract new customers and retain old customers and be superior to competitors. Lion Parcel is one of the expedition companies that is growing rapidly in Indonesia. Lion Parcel is trying to catch up with competing companies that first started business in expedition services. To be able to dominate the expedition services market, the Lion Parcel company must do many things to attract consumer interest and then decide to use Lion Parcel services. Currently Lion Parcel is spread in almost all major cities in Indonesia, one of which is Lion Parcel P. Siantar branch Lion Parcel P. Siantar branch has been established 7 years ago starting in 2017. Even though Lion Parcel is a relatively new package delivery logistics company, Lion Parcel will continue to develop a good service performance network to provide security in delivery services for packages or documents that have been established. supported by information systems and priority commitment in service performance to improve service quality properly. One strategy that is often used by companies to be able to compete in similar or different types of industry is the generic strategy. Generic strategies aim to create a profitable position and strength in industrial companies. The determined generic strategy is then used to determine matters relating to planning, formulation and implementation of operational activities, so that company entrepreneurs have clear direction and objectives (Porter, 2008: 70).

Competitive Marketing Strategy

Competitive Marketing Strategy is an effort carried out by a company to win a market that is its target market by providing competitive advantages, analyzing competitors, and implementing effective competitive strategies.

Competitiveness

According to Agus Pitoyo (2018), competitiveness is the ability to maintain market position in meeting product supplies in a timely manner and at competitive prices flexibly to respond to changes in demand quickly and through successful product differentiation by increasing innovation capacity and effective marketing.

2. RESEARCH METHODS

2.1 Types of research

In this research, the author uses a type of qualitative research, namely to describe or describe systematically, factually, and accurately regarding the facts, characteristics and relationships between phenomena of the object being researched (Sugiyono, 2019). This qualitative method will produce discoveries in the form of speech or writing and so on that support the research process. Meanwhile, the qualitative descriptive research method in this research was used to develop a theory built through data

obtained in the field. Qualitative research theory Description is a series of activities to obtain data that is as it is without being in certain conditions, the results of which emphasize meaning.

2.2 Research sites

This research was conducted at Lion Parcel P. Siantar branch, Jl. Kartini No.28, Pematang Siantar City, North Sumatra 21132

3. RESULTS AND DISCUSSION

3.1 Competitive Strategy

a) Differentiation of Products and Services (Differentiation)

Some strategies for differentiating products and services carried out by PT Lion Parcel are by dividing several types and differing from each other, as follows:

Table 4.16 Products and Services at PT Lion Parcel

No	Product name	Information
1	Jagopack	JAGOPACK service has an estimated delivery time of between 2 and 7 days. Apart from cheap postage, JAGOPACK can also be combined with the BRUSH promo. Through the BRUSH promo, costs Postage will be rounded down for every additional 0.5 kg in weight.
2	Regpack	REGPACK service is a type of cheap goods delivery service option with regular rates. The delivery duration ranges from 2-3 days, just like regular delivery services in general
3	Interpack	overseas goods delivery services, delivery to countries in ASEAN and Asia, Europe, the United States and Canada, Australia and New Zealand. , duration Delivery is shorter and faster than international expedition services, which is around 3 to 5 days.
4	Bigpack	BIGPACK, which you can choose for sending packages in large volumes. Therefore, there is a minimum package weight limit set, namely 10 kg per receipt. Meanwhile, for future deliveries, Lion Parcel will use land and sea transportation modes with an estimated delivery duration of 6 up to 9 days.
5	BOSSPACK	Delivery priority with profit extra And service privileges. Estimated delivery duration 1 to 2 days.

Source: Processed Data, 2024

b) Low Cost Strategy (Cost Leadership Strategy)

Some of the strategies implemented by Lion Parcel in its low cost strategy to increase competitiveness are by introducing a 20% discount program, namely a 20% discount on shipping costs for regular deliveries (REGPACK) under 1kg and large deliveries (BIGPACK) under 10kg This is a development of the previous program as a solution for MSMEs and sellers with various delivery needs, both small and large packages. Not only that, 25% discount on sending packages at Lion Parcel Special for Weekends. Apart from the program launched, the rates applied by Lion Parcel can be said to be cheap, here is the estimated shipping cost from Pematang Siantar to Medan with a weight of 1 kg.

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Table 4.17 Shipping Costs

No	Product name	Price	Delivery Duration
1	Jagopack	Rp. 9,000	2-5 Days
2	Regpack	Rp. 9,500	2-3 Days
3	Interpack	Not available	-
4	Bigpack	Rp. 48,000	4-7 Days
5	Bosspack	Rp. 11,000	1-2 Days

Source: <https://lionparcel.com/tarif>, 2024

Based on table 4.17, it shows that the rates charged by PT Lion for shipments weighing 1kg are different for each type of shipment. This is based on the delivery duration and type of package.

c) Innovation Strategy (Innovation)

The strategy implemented by Lion Parcel in its innovation strategy to increase competitiveness is as follows:

1. Lion Parcel also launched a new payment method, namely Cash on Delivery (COD). COD can help MSMEs reach a wider market, namely people who do not have access to digital finance, with a real time withdrawal process.
2. Lion Parcel also launched the PASTI program: Package One Day Late, Postage Replaced, which also strengthens consumer confidence in Lion Parcel services because there is a money back guarantee if the package is received later than the time promised on the STT (Letter of Receipt).
3. Lion parcel collaborates with PT Narindo Solusi Telekomunikasi (Narindo) by utilizing Narindo digital products or known as PPOB (Payment Point Online Banking), such as credit, data packages, BPJS payments & PLN Tokens.
4. Technological Innovation, namely Utilizing new technology to increase operational efficiency, such as using a sophisticated logistics management system, integrating with smart applications for shipping tracking, or investing in process automation. Lion Parcel continues to innovate to increase its competitiveness, considering the many similar competitors who continue to compete. in increasing its expansion in order to capture the market.

d) Growth Strategy (Growth)

Lion Parcel is a leading logistics company in Indonesia which is a subsidiary of the Lion Air Group. Established in 2013, Lion Parcel serves first, middle and last mile deliveries, from domestic to international deliveries. Supported by the network and infrastructure of the leading airline in Indonesia, Lion Group, Lion Parcel services currently cover up to 98% of Indonesia and 51 international countries on 5 continents. Currently Lion Parcel has more than 7,000 agents, 15,000 delivery couriers, and 3,000 delivery fleets with agents spread throughout Indonesia, this can reach all consumers to the regions

e) Cooperation Strategy (Alliance)

Strategic collaboration or alliances can be an important step to support long-term growth and success. PT Lion Parcel carries out a collaboration strategy with several companies as follows:

1. Partnership with E-commerce: Lion Parcel collaborates with Bukalapak and Tokopedia, building partnerships with large e-commerce platforms or online businesses that need reliable and efficient goods delivery services. This can increase Lion Parcel's delivery volume and open access to a wider market segment
2. Partnerships with Logistics Service Providers: Lion Parcel collaborates with Pos Indonesia for domestic deliveries, while for overseas deliveries Lion Parcel partners with Luwjistik, a startup from Singapore that specializes in logistics integration.
3. Partnership with Transportation Companies: Lion Parcel partners with Lion Air as an air freight delivery fleet, both companies are members of the Lion Group. Apart from that, Lion Parcel is also working with PT Kereta Api Logistik (Kalog) to get around high air cargo rates.
4. Technology Partnership: Lion Parcel collaborates with PT Narindo Solusi Telekomunikasi (Narindo) to support customers' digital needs. The collaboration between these two well-known companies will be carried out by utilizing Narindo's digital products or known as PPOB (Payment Point Online Banking), such as credit, data packages, BPJS payments & PLN Tokens to



complement the company's services. Where the PPOB feature can be accessed by POS Partners/Lion Parcel agents throughout Indonesia.

5. International Partnership: Lion Parcel partners with Lujistik, a startup from Singapore that specializes in logistics integration. Develop international partnerships with logistics companies in other countries to expand Lion Parcel's global reach and provide more efficient cross-border delivery services.
6. Partnership with Government or Institutions: Partner with the government or related institutions to develop logistics solutions that can increase the efficiency of goods delivery and support local economic growth.
7. Partnerships with Business Associations: Lion Parcel collaborates with Customs for overseas shipments.
8. Partnership with Additional Service Providers: Lion Parcel collaborates with Astra Insurance, to provide the best protection facilities for all Point of Sales Partners.

3.2 Competitiveness

Based on the results of interviews with consumers regarding the competitiveness of Lion Parcel

P. Siantar Branch, several points were obtained as follows:

a) Business Location

The Lion Parcel business location, P. Siantar Branch is easy for consumers to reach, however consumers have difficulty finding other outlets/agents, this is because there are still very few agents spread across P. Siantar

b) Price

The prices or rates provided by Lion Parcel P. Siantar Branch are in accordance with the benefits felt by consumers, rates also vary according to the services used by consumers, prices are not inferior to competitors. Lion Parcel P. Siantar Branch also often provides discounts in the form of cash back and gifts for consumers.

c) Service Quality

The quality of service provided by employees of Lion Parcel P. Siantar Branch is still low, this can be seen from the answers of respondents, the majority of whom answered that they were dissatisfied. Lion Parcel P. Siantar Branch is also slow in dealing with problems with goods that are lost, damaged or problematic during delivery. Employees are also less responsive in dealing with consumer complaints. As well as customer complaints regarding the courier's lack of friendliness in delivering packages and not being on time.

d) Quality and quality

The quality and quality provided by Lion Parcel P. Siantar Branch is very diverse, starting from providing guarantees for loss and damage to goods sent as well as insurance for goods sent. With this guarantee, consumers feel comfortable using the services of Lion Parcel P. Siantar Branch. Lion Parcel also offers affordable insurance premiums to consumers, so consumers can use insurance for the security of the packages they send to reduce risks.

e) Promotion

Lion Parcel P. Siantar Branch is less active in promoting on social media, so consumers do not know the latest information regarding price discounts and other promotions. However, Lion Parcel P. Siantar Branch routinely provides discounts for certain times such as Eid al-Fitr, Christmas and New Year. This aims to attract consumers to use Lion Parcel's services.

4. CONCLUSION

4.1 Competitive Strategy

Competitive Strategy implemented by Lion Parcel P. Siantar branch can be concluded:

a. Differentiation of products and services (Differentiation),

PT. Lion Parcel has different Lion Parcel products and services compared to other competitors consisting of Jagopack, Regpack, Interpack, Bigpack and Bosspac. Various types of

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products/services offered by Lion Parcel to consumers are based on consumer needs and based on predetermined market share.

- b. **Low Costs (Cost Leadership)**
Some of the strategies implemented by Lion Parcel in its low cost strategy to increase competitiveness are by introducing a 20% discount program, for regular shipments (REGPACK) under 1kg and large shipments (BIGPACK) under 10kg. 25% discount for sending packages at Lion Parcel, Weekend Special.
- c. **Innovation (Innovation),**
The strategy implemented by Lion Parcel in its innovation strategy to increase competitiveness consists of launching the newest payment method, namely Cash on Delivery (COD), the PASTI program: One Day Late Package, in collaboration with PT Narindo Solusi Telekomunikasi (Narindo) by utilizing Narindo digital products or known as PPOB (Payment Point Online Banking), such as credit, data packages, BPJS payments & PLN Tokens.
- d. **Grow (Growth),**
Currently, Lion Parcel has more than 7,000 agents, 15,000 delivery couriers, and 3,000 delivery fleets. With agents spread throughout Indonesia, this can reach all consumers in regional areas.
- e. **Cooperation (Alliance)**
PT Lion Parcel carries out a collaboration strategy with several companies as follows: collaborating with Bukalapak and Tokopedia, Pos Indonesia, Lion Air, PT Kereta Api Logistik (Kalog), PT Narindo Solusi Telekomunikasi (Narindo), Luwjistik, a startup from Singapore which specializes in logistics integration. Customs duties for overseas shipments. And Astra Insurance.

4.2 Competitiveness

Based on the discussion, it can be concluded that:

- a. **Business Location**
Consumers have difficulty finding Lion Parcel outlets/agents in P. Siantar, because there is still a lack of agents spread throughout P. Siantar
- b. **Price**
The prices or rates provided by Lion Parcel P. Siantar Branch are in accordance with the benefits felt by consumers, rates also vary according to the services used by consumers, prices are not inferior to competitors.
- c. **Service Quality**
The quality of service provided by employees of Lion Parcel P. Siantar Branch is still not felt by consumers, and the friendliness of the courier is also a complaint from consumers.
- d. **Quality and quality**
The quality and quality provided by Lion Parcel P. Siantar Branch is very diverse, starting from providing guarantees for loss and damage to goods sent as well as insurance for goods sent.
- e. **Promotion**
Lion Parcel P. Siantar Branch is still not active on social media, so many consumers don't know about the ongoing promotions.

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