

Original Article

Proposed Marketing Strategy for Pos Indonesia: Adapting to The Digital Era and Engaging Millennials and Gen Z With Innovative Service Offerings

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Abstract: This study explores the strategic marketing initiatives required for Pos Indonesia to adapt to the digital era and enhance its appeal to Millennials and Gen Z. Utilizing a mixed-method approach, the research combines qualitative content and narrative analysis with quantitative data analysis through SPSS. A survey of 400 respondents reveals insights into customer perceptions and expectations of courier services, highlighting a lack of awareness and low adoption rates of the PosAja application. The Importance Performance Analysis (IPA) identifies critical service attributes such as speed, security, and customer service that require improvement. The study also examines Pos Indonesia's competitive environment, including a comparison with key competitors like J&T Express and JNE Express, through the lens of the marketing mix 4Ps. Strategic recommendations for Pos Indonesia include enhancing digital platforms, improving service quality, modernizing operations, and investing in human capital development. The research concludes that Pos Indonesia must align its services with the preferences of younger generations by offering digital-friendly and eco-conscious options, engaging in social media, and exploring innovative delivery methods. Future research should investigate the long-term impact of these strategies on customer satisfaction and market positioning.

Keywords: Millennials And Gen Z, Importance Performance Analysis, Marketing Mix 4Ps, Service Quality, Competitors Analysis, Market Positioning.

I. INTRODUCTION

Courier services are a vital link in the modern economy, connecting sellers and buyers by facilitating the delivery of goods. The convenience offered by courier services has revolutionized the shopping experience, allowing consumers to access a wide range of products without leaving their homes. The Indonesian Courier, Express, and Parcel (CEP) industry is projected to grow significantly, with a market size expected to reach USD 5.31 billion in 2023 and USD 8.15 billion by 2028, growing at a CAGR of 8.96%. This growth is largely driven by the expansion of e-commerce, which relies on courier services to complete transactions, creating a symbiotic relationship between the two sectors.

PT Pos Indonesia, a state-owned enterprise, has a long history dating back to 1746 and has undergone several transformations to become a major player in the courier, logistics, and financial services industry. Despite its extensive network and infrastructure, Pos Indonesia faces challenges in maintaining its market share and revenue, which have shown a decline in recent years. The company's market share has experienced stagnation, and it is not the preferred brand among Millennials and Gen Z, who are the dominant demographic in online shopping and e-commerce transactions.

The Indonesian e-commerce market is heavily influenced by Millennials and Gen Z, who are responsible for over 80% of e-commerce transactions in the country. These digital natives prioritize convenience and have integrated online shopping into their daily routines. With Millennials and Gen Z making up a significant portion of the population, they represent a substantial market potential for companies like Pos Indonesia. However, Pos Indonesia's current market share and revenue trends indicate a need for the company to adapt its strategies to serve these key demographic groups better.

To address these challenges and capitalize on the growing e-commerce market, Pos Indonesia must innovate and align its services with the preferences of Millennials and Gen Z. This includes focusing on digital platforms, e-commerce integration, and sustainable logistics solutions. By understanding and catering to the needs of these younger generations, Pos Indonesia can position itself as a leading partner in e-commerce delivery, potentially increasing its market share, brand equity, and revenue.



II. LITERATURE REVIEW

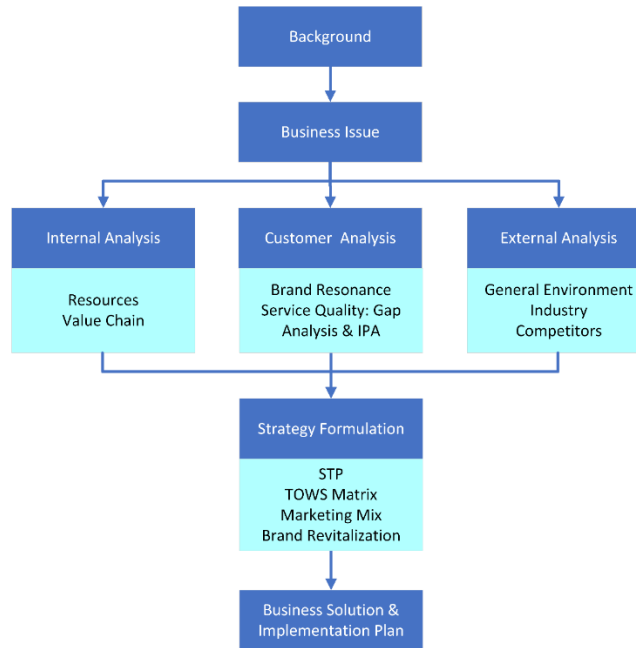


Figure I. Conceptual Framework

In response to the stagnation of market share and revenue within the growing courier industry, Pos Indonesia is facing a critical need to revamp its marketing strategy to reclaim its status as the preferred courier service provider. Recognizing this business issue, the author conducted a comprehensive analysis encompassing customer perceptions—evaluating brand awareness, image, resonance, and service quality through Importance Performance Analysis—as well as internal and external factors through resources, capabilities, core competencies, and value chain analysis, alongside assessments of the general environment, industry, and competition. To address the identified strategic misalignments, the author proposed a strategic planning process, drawing on Segmenting, Targeting, and Positioning (STP), TOWS Matrix, Marketing Mix, and Brand Revitalization, as outlined by Wheelen (2018). The culmination of this research is the presentation of actionable business solutions and implementation plans, which are essential for the systematic execution of strategic objectives, ensuring that Pos Indonesia's resources and efforts are effectively aligned to enhance its market position and customer appeal.

The research methodology employed in this study involved a combination of primary and secondary data collection methods to provide a comprehensive understanding of customer perceptions and expectations of courier services, with a focus on Pos Indonesia. Primary data was collected through observation, interviews, and surveys using questionnaires. The author, an employee of Pos Indonesia since 2016, utilized their insider perspective to conduct detailed observations of the company's operations. Interviews were conducted with key company executives to gain insights into marketing, product management, and digital business strategies. A questionnaire was designed to gather quantitative data from 400 respondents, consisting of Millennials and Gen Z, who use courier services, using simple random sampling to ensure each participant had an equal chance of selection. The author also implemented quota sampling to ensure the sample reflected the proportion of control characteristics such as age and service usage within the population. This mixed-method approach aimed to balance subjective insights with measurable data, enhancing the depth and reliability of the research findings.

The Gap Analysis calculate the gap value is the difference between the level of satisfaction (perception) and the level of expectations. The gap analysis can be formulated as follows (Supranto, 2011):

$$Q_i (\text{Gap}) = x_i - y_i$$

Where:

- $Q_i (\text{Gap})$ represents the level of the quality gap
- x_i represents performance or current perceived quality value
- y_i represents important quality values that are expected

If the result value is positive (+), then the quality of service is in good criteria. If the result value is negative (-), it is said that the quality of service is in poor criteria. The data obtained from the questionnaire results is in ordinal form, so according to

the characteristics of the data, it is impossible to carry out mathematical operations, addition, multiplication, powers and so on. So, the result of applying the Performance-Expectation formula is not a value that matches its meaning with the alternative answers in the questionnaire but only as an illustration. If the result value is positive (+), it is said to be service quality in good criteria. If the result value is negative (-), it is said to be service quality in bad criteria. Therefore, Importance Performance Analysis (IPA) is carried out to describe the state of service quality.

In this research, the author also uses Importance Performance Analysis (IPA) to analyze the importance of a service attribute from a courier service to a customer and the performance of Pos Indonesia in delivering that service attribute. The calculations carried out by the IPA method are divided into several steps (Tjiptono and Chandra, 2019). The first step is to calculate the level of suitability to determine the level of user satisfaction with existing services using a formula that the equation can show:

$$Tk_i = \frac{x_i}{y_i} * 100$$

Where:

- Tk_i represents the level of conformity
- x_i represents the level of performance
- y_i represents the level of importance

To find the average level of satisfaction, it is sought by dividing the total score by the number of respondents taken as a sample (Steer in Budiono, 2013). Steer also divides the percentage level of satisfaction with the following criteria:

- 20% – 40%: Low satisfaction
- 41% – 79%: Moderate satisfaction
- 80% – 100%: High satisfaction

Second step is calculating the average value for each attribute perceived by customers using the following formula:

$$\bar{x} = \frac{\sum x_i}{n}$$

$$\bar{y} = \frac{\sum y_i}{n}$$

Where:

- \bar{x} represents the average of the performance
- \bar{y} represents the average of importance
- n represents the number of respondents

The third step is to calculate the average of all attributes of importance (\bar{y}) and performance (\bar{x}) which are the boundaries in the Cartesian Diagram, with the formula:

$$\bar{\bar{x}} = \frac{\sum_{i=1}^n \bar{x}_i}{k}$$

$$\bar{\bar{y}} = \frac{\sum_{i=1}^n \bar{y}_i}{k}$$

Where:

- $\bar{\bar{x}}$ represents x-axis limits (the average product performance level score for all factors or attributes)
- $\bar{\bar{y}}$ represents the y-axis limit (the average level of importance of all attributes that influence customer satisfaction)
- k represents the number of attributes that can influence customer satisfaction

III. RESULTS AND DISCUSSION

External Analysis

The general environment analysis for Pos Indonesia involves examining various societal factors that influence the industry and the competition within it. This analysis is crucial as it helps identify opportunities and threats that can impact Pos Indonesia's strategic competitiveness. The general environment is categorized into six segments: demographic, economic, political/legal, sociocultural, technological, and global. Each of these segments plays a role in shaping the business landscape for Pos Indonesia. The demographic segment is particularly important for Pos Indonesia, as the majority of Indonesia's population comprises Millennials and Gen Z, who represent a significant portion of the market with distinct preferences and behaviors. The economic environment is another key factor, with Indonesia experiencing stable growth, around 5% annually, although there was a contraction in 2020 due to the COVID-19 pandemic. The economy has since rebounded, with 2022 marking the highest growth in the last decade. Political and legal changes, such as the end of Pos Indonesia's monopoly and the introduction of regulations governing electronic system trading, have opened up the industry to competition and new collaborations, presenting both challenges and opportunities for Pos Indonesia. The sociocultural and technological segments also influence consumer behavior

and operational efficiency, while the global segment affects international shipping services and competition with foreign companies. By systematically collecting and analyzing information from these segments, Pos Indonesia can make strategic decisions to exploit opportunities and mitigate threats in the external environment.

Industry analysis using Porter's Five Forces Framework provides insight into the competitive dynamics of the courier industry in Indonesia. The framework assesses five key elements: competitive rivalry, threat of entry, threat of substitutes, power of buyers, and power of suppliers.

- **Competitive Rivalry:** The courier industry in Indonesia is marked by high competition due to the presence of numerous players, including 150 companies registered with Asperindo. This intense competition is driven by the industry's growth, making it an attractive sector for new entrants.
- **Threat of Entry:** The threat of new entrants is high in the Indonesian courier industry. The market's attractiveness invites both domestic and international companies to enter, increasing the competitive pressure on existing firms like Pos Indonesia.
- **Threat of Substitutes:** The threat of substitutes in the courier industry is considered low. While there are alternative methods of communication and delivery, the demand for reliable courier services remains strong, particularly for physical goods delivery.
- **Power of Buyers:** Buyers in the courier industry wield high power due to the availability of numerous service providers. This gives customers the flexibility to choose among different courier companies based on their service quality, price, and reliability.
- **Power of Suppliers:** The power of suppliers in the courier industry is low, as there are many options available for courier companies when selecting suppliers for their operational needs. This allows courier companies to have more leverage in negotiations and choice of suppliers.
- **Overall,** Porter's Five Forces analysis indicates that the Indonesian courier industry is highly competitive, with significant challenges and opportunities for companies like Pos Indonesia. The industry's attractiveness is tempered by the high level of rivalry and the ease of entry for new competitors. At the same time, the power dynamics with buyers and suppliers offer some strategic considerations for firms operating within this space.

Competitor analysis in the Indonesian courier industry involves evaluating companies that directly compete with Pos Indonesia. The industry is crowded with numerous players, making it a highly competitive environment. For a focused analysis, three main competitors have been selected based on their scale, product offerings, and influence in the industry: J&T Express, JNE Express, and SiCepat. J&T Express, also known as PT Global Jet Express, is a relatively new yet significant player in the market. Founded in 2015, J&T has quickly achieved decacorn status, indicating a valuation of over \$10 billion. The company's rapid growth is supported by major investors such as Hillhouse Capital Management, Boyu Capital, Sequoia Capital China, Temasek, and Tencent. J&T operates not only in Indonesia but has expanded to 13 countries, including China, several ASEAN countries, the Middle East, and even the Americas. JNE Express is another major competitor, offering a range of courier services and enjoying a strong presence in the market. SiCepat, while also a key competitor, has a more limited international service, focusing on specific cities. The selection of these competitors is based on various factors, including the company's scale, the diversity of products offered, and their overall impact on the courier industry. This analysis helps Pos Indonesia understand the competitive landscape and strategize accordingly to maintain and enhance its market position.

Internal Analysis

Tangible assets are the visible and quantifiable resources that a company owns. These include finances, organizations, physical facilities, and technology that support the operations of a company. For instance, Pos Indonesia's tangible assets encompass financial resources, organizational structures, physical facilities such as buildings and transportation means, and technological equipment. The financial performance of Pos Indonesia for the fiscal year 2022 showed a total asset growth of 15% from the previous year, with total assets recorded at 11.15 trillion rupiah and an increase in equity of 25% compared to 2021. The company also experienced growth in its physical facilities and production capacity, particularly in the Agenpos courier and financial service, which grew by 73.03%.

Intangible assets, on the other hand, are valuable assets that are not physical in nature and are often more challenging for competitors to understand, analyze, and imitate. These assets are deeply rooted in a company's history and are acquired over time. They are considered more important than tangible assets in building core competencies. Pos Indonesia's intangible assets include human resources, innovation, and reputation. The company places a strong emphasis on creating a professional and reliable human resource base, fostering innovation, and maintaining a good reputation, all of which are integral to its identity and competitive advantage.

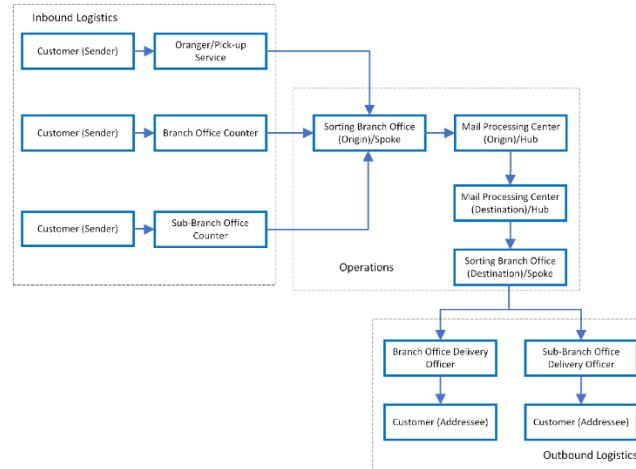


Figure II. Pos Indonesia Primary Activities

Pos Indonesia's primary activities in its value chain are as follows:

- Inbound logistics at Pos Indonesia involves collecting consigned goods from customers through walk-in transactions at branch and sub-branch office counters, as well as through the PosAja application, where Orangers pick up shipments and complete transactions on-site.
- Pos Indonesia's operations follow a "hub and spoke" system, with branch office operations as the spokes and a central mail processing center as the hub. Shipments are collected from various sources, sorted, loaded, and forwarded to the mail processing center for further distribution to destination mail processing centers and branch offices.
- Outbound logistics begins when the delivery department at branch and sub-branch offices receives shipments from the operations department. Delivery officers perform route-based sorting for efficient deliveries, ensuring timely shipment updates through barcodes affixed to each item.
- Pos Indonesia's sales and marketing program for 2020-2024 focuses on business strategies, including courier, logistics, property, financial services, and other areas. Specifically, the courier business aims to increase market penetration in the retail and e-commerce segment, expand corporate customer wallet share, and extend service coverage through partnerships with Agenpos and Orangers.
- These primary activities are essential for Pos Indonesia to maintain its operations and provide value to its customers, ensuring the company's revenue growth and customer satisfaction.

Support activities at Pos Indonesia are essential for enhancing the efficiency and effectiveness of their primary activities.

These include:

- **Company Infrastructure:** Pos Indonesia focuses on modernizing its equipment and processes to improve operational efficiency and service quality. This includes integrating various logistics platforms and launching new initiatives for courier services.
- **Human Resource Management:** The company invests in human capital development, ensuring that its workforce is professional, reliable, and capable of driving innovation and maintaining the company's competitive edge.
- **Technology Development:** Pos Indonesia is committed to innovation in technology, which is evident from their implementation of a war room for 24/7 monitoring of courier operations and testing the use of electric vehicles for delivery.
- These support activities are crucial for Pos Indonesia to maintain its reputation as a top courier company in Indonesia and to continue providing high-quality services to its customers.

Servqual Gap Analysis and Importance Performance Analysis (IPA)

Table I. Validity Test Result

No	Dimension	Attribute		r Total		r Table	Validity
				Importance	Performance		
1	Reliability	1	Reputation	0.522	0.656	0.098	Valid
		2	Price	0.177	0.673	0.098	Valid
		3	Speed	0.248	0.701	0.098	Valid
		4	Tracking System	0.396	0.714	0.098	Valid
		5	Delivery Range	0.340	0.289	0.098	Valid
		6	Application Availability	0.299	0.638	0.098	Valid
2	Assurance	7	Safety	0.208	0.734	0.098	Valid

3	Tangible	8	Ease of Insurance Claims	0.391	0.795	0.098	Valid
		9	Location Accessibility	0.518	0.731	0.098	Valid
		10	Location Convenience	0.423	0.735	0.098	Valid
		11	Opening Days & Hours	0.418	0.690	0.098	Valid
		12	Employees Appearance	0.743	0.663	0.098	Valid
4	Responsiveness	13	Vehicle Condition	0.648	0.650	0.098	Valid
		14	Packing Service	0.306	0.740	0.098	Valid
5	Empathy	15	Pick-up Service	0.359	0.768	0.098	Valid
		16	Employee Friendliness	0.393	0.715	0.098	Valid
		17	Customer Service	0.317	0.745	0.098	Valid
		18	Web/Socmed Information	0.444	0.721	0.098	Valid

Table II. Reliability Test Result

Cronbach's Alpha	N of Items	Reliability
0.938	36	Very Strong

Table III. Servqual Gap Analysis Result

No	Dimension	Attribute	Average Importance	Average Performance	Gap	
1	Reliability	1	Reputation	4.41	3.65	-0.76
		2	Price	4.43	3.53	-0.91
		3	Speed	4.60	3.53	-1.08
		4	Tracking System	4.48	3.53	-0.95
		5	Delivery Range	4.43	4.33	-0.10
		6	Application Availability	4.17	3.42	-0.75
2	Assurance	7	Safety	4.82	3.83	-1.00
		8	Ease of Insurance Claims	4.35	3.37	-0.98
3	Tangible	9	Location Accessibility	4.27	3.33	-0.94
		10	Location Convenience	4.20	3.53	-0.67
		11	Opening Days & Hours	4.25	3.47	-0.78
		12	Employees Appearance	3.36	3.85	0.49
		13	Vehicle Condition	3.99	3.74	-0.25
4	Responsiveness	14	Packing Service	4.53	3.59	-0.94
		15	Pick-up Service	4.28	3.42	-0.86
5	Empathy	16	Employee Friendliness	4.49	3.59	-0.90
		17	Customer Service	4.58	3.57	-1.01
		18	Web/Socmed Information	4.16	3.23	-0.93

Servqual Gap Analysis:

- Reliability: All attributes show negative gaps, with "Speed" and "Tracking System" as the areas with the largest gaps, indicating that these aspects are significantly below customer expectations.
- Assurance: The level of security and ease of insurance claims is considered less than satisfactory.
- Tangible: Location accessibility and location convenience have substantial gaps, indicating that customers expect improvements in the ease of accessing services.
- Responsiveness: Packing and package pick-up services have a large negative gap, while employee performance is considered satisfactory.
- Empathy: Customer service information and employee kindness do not meet customer expectations.

The author also conducted an analysis of the five gaps in the Servqual model according to Parasuraman as follows:

➤ **Gap 1: Management Perception vs. Management Consumer Expectations**

Pos Indonesia management may not fully understand consumer expectations. Financial data shows positive growth, but IPA analysis indicates that there are several areas, such as 'Speed', 'Tracking System' and 'Price', where consumer expectations are not being met. There may be deficiencies in market research or in feedback collection systems that result in management not fully understanding consumer needs and expectations.

➤ **Gap 2: Management Perception vs. Management Service Quality Specifications**

Although Pos Indonesia has significant financial and physical resources, including advances in technology and infrastructure, the service specifications set by management may not fully match what consumers expect. For example, despite investment in information technology and innovation capabilities, consumer satisfaction with 'Tracking Systems' and 'Application Availability' is still low.

➤ Gap 3: Service Specifications vs. Service Delivery

There is a gap between the established service quality specifications and the actual service delivery to consumers. This factor can be seen from the IPA analysis, where attributes such as 'Speed' and 'Ease of Insurance Claims' are rated as important but underperforming. This shows that although Pos Indonesia may have set certain standards for this service, the reality on the ground does not meet these standards.

➤ Gap 4: Service Delivery vs. External Communications

Pos Indonesia may experience gaps in communication about its services. There may be promises in marketing communications that are not fully fulfilled in practice. For example, if Pos Indonesia advertises fast delivery speeds but is inconsistent in delivering it, this will create a gap between what is promised and what consumers actually feel.

➤ Gap 5: Consumer Expectations vs. Service Perception

The final and most critical gap is between consumers' expectations and the perception of the service they receive. IPA analysis shows that for several key attributes, there is a perception that the service received does not meet the expectations that have been set. For example, even though Pos Indonesia has a good reputation in general, there are still some respondents who have never used the service who feel the reputation is inadequate, indicating a gap in perceived service quality.

After looking at analyzing the servqual gap, the author carried out Importance Performance Analysis (IPA), with the first step looking at the level of conformity.

Table IV. Importance Performance Analysis

No	Dimension	Attribute		Importance		Performance		Tk
				y	\bar{y}	x	\bar{x}	
1	Reliability	1	Reputation	1,763	4.47	1,458	3.91	83%
		2	Price	1,772	4.46	1,410	3.74	80%
		3	Speed	1,840	4.65	1,410	3.80	77%
		4	Tracking System	1,791	4.50	1,410	3.72	79%
		5	Delivery Range	1,772	4.44	1,732	4.32	98%
		6	Application Availability	1,668	4.26	1,368	3.55	82%
2	Assurance	7	Safety	1,928	4.81	1,530	4.06	79%
		8	Ease of Insurance Claims	1,740	4.38	1,349	3.60	78%
3	Tangible	9	Location Accessibility	1,707	4.37	1,330	3.50	78%
		10	Location Convenience	1,680	4.26	1,413	3.78	84%
		11	Opening Days & Hours	1,699	4.25	1,386	3.62	82%
		12	Employees Appearance	1,344	3.63	1,540	3.98	115%
		13	Vehicle Condition	1,596	4.13	1,496	3.87	94%
4	Responsiveness	14	Packing Service	1,811	4.62	1,434	3.88	79%
		15	Pick-up Service	1,711	4.32	1,369	3.69	80%
5	Empathy	16	Employee Friendliness	1,795	4.52	1,437	3.89	80%
		17	Customer Service	1,832	4.60	1,429	3.83	78%
		18	Web/Socmed Information	1,664	4.20	1,292	3.48	78%
Cartesian Diagram Line				\bar{y}	4.32	\bar{x}	3.58	

➤ Reliability: 'Delivery Range' was the only attribute with high satisfaction (98%). Other attributes such as 'Reputation', 'Price', 'Speed', and 'Application Availability' had moderate satisfaction. In contrast, 'Speed' and 'Tracking System' were close to the lower limit of moderate satisfaction, indicating a need for improvement.

➤ Assurance: The 'Safety' and 'Ease of Insurance Claims' attributes are at the upper limit of moderate satisfaction, indicating areas for improvement.

- Tangible: 'Location Convenience' has high satisfaction, while 'Location Accessibility' is at moderate satisfaction.
- Responsiveness: 'Vehicle Condition' approaches high satisfaction, but 'Packing Service' and 'Pick-up Service' show moderate satisfaction.
- Empathy: 'Employee Friendliness' and 'Customer Service' show moderate satisfaction.

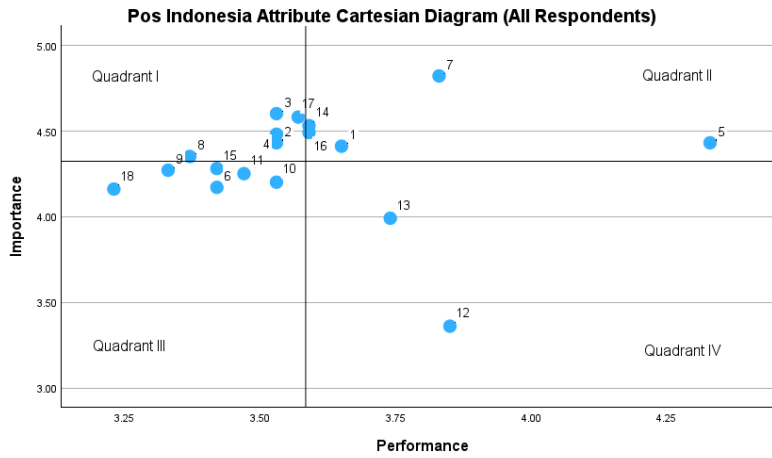


Figure III. Pos Indonesia Attribute Cartesian Diagram

Table V. IPA Quadrant Analysis

Quadrant I			Quadrant II		
Attribute	Importance	Performance	Attribute	Importance	Performance
3	4.60	3.53	7	4.82	3.83
17	4.58	3.57	14	4.53	3.59
4	4.48	3.53	16	4.49	3.59
2	4.43	3.53	5	4.43	4.33
8	4.35	3.37	1	4.41	3.65
Quadrant III			Quadrant IV		
Attribute	Importance	Performance	Attribute	Importance	Performance
15	4.28	3.42	13	3.99	3.74
9	4.27	3.33	12	3.36	3.85
11	4.25	3.47			
10	4.20	3.53			
6	4.17	3.42			
18	4.16	3.23			

The following is the Importance Performance Analysis (IPA) from all respondents for each quadrant:

- Quadrant I
Attributes in this quadrant include 'Speed', 'Application Availability', 'Tracking System', 'Ease of Insurance Claims', and 'Safety'. This shows that customers consider these attributes to be very important for the quality of Pos Indonesia services, but their current performance has not met their expectations. Pos Indonesia needs to allocate sufficient resources to improve performance in these aspects to increase customer satisfaction.
- Quadrant II
Attributes here include 'Delivery Range', 'Employee Friendliness', and 'Customer Service'. Respondents felt that Pos Indonesia's performance in these aspects was good, and they were considered important. Companies must strive to maintain these high levels of performance to continue to meet customer expectations and maintain their competitive advantage.
- Quadrant III
Attributes in this quadrant include 'Opening Days & Hours', 'Location Convenience', and 'Web/Social Media Information'. These attributes are considered less important by customers and also have lower performance. Although this is not an urgent area for improvement, Pos Indonesia may wish to evaluate and consider future improvements to improve overall service quality.
- Quadrant IV
'Employees Appearance' and 'Price' are in this quadrant. Although performance is considered good by customers, these attributes are not considered important. This may indicate that Pos Indonesia could re-evaluate resource allocation in this area and consider shifting it to higher priority areas, as identified in Quadrant I.

STRATEGY FORMULATION

A) TOWS Matrix

TOWS matrix strategies started with a SWOT analysis. SWOT analysis is a business framework to analyze a wide variety of internal and external factors that can influence a company's performance. Based on the internal and external analysis of Pos Indonesia, the company's strengths, weaknesses, opportunities, and threats can be summarized as follows:

- **Strengths (S):**
 1. **Established Market Presence:** Pos Indonesia has a significant history and market presence as Indonesia's oldest courier company.
 2. **Extensive Network:** A wide network of branch offices and service points, even in remote areas.
 3. **Diverse Services:** Offering a variety of domestic and international courier services.
 4. **Positive Reputation:** Despite challenges, it has maintained a reputation for reliability.
 5. **Innovation Initiatives:** Efforts in technology upgrades and service innovations like SuperApps and EV usage.
- **Weaknesses (W):**
 1. **Limited E-commerce Integration:** Lags behind competitors in forming partnerships with e-commerce platforms.
 2. **Marketing Effectiveness:** Needs improvement in engaging customers, particularly Millennials and Gen Z, on social media and other digital platforms.
 3. **Awareness of New Services:** Newer services like "Pos Sameday" and "Pos Nextday" have low customer awareness.
 4. **Digital Tool Adoption:** The PosAja application lacks customer awareness and usage.
- **Opportunities (O):**
 1. **E-commerce Growth:** With e-commerce booming in Indonesia, Pos Indonesia can capitalize on this trend by enhancing its services for online shoppers.
 2. **Digital Engagement:** Can capture the attention of younger demographics by revamping digital marketing strategies.
 3. **Service Expansion:** Opportunities to expand service offerings and improve international shipping options.
 4. **Strategic Partnerships:** Potential to form new alliances with e-commerce platforms and tech companies.
- **Threats (T):**
 1. **Competitive Market:** Intense competition from both established players and new startups.
 2. **Rapid Technological Change:** The need to keep up with fast-evolving digital and logistics technology.
 3. **Consumer Preference Shifts:** Millennials and Gen Z's preferences may shift toward more agile and tech-savvy courier services.

Based on the SWOT analysis previously discussed, here is a TOWS Matrix outlining potential strategies for Pos Indonesia:

Table VI. TOWS Matrix Strategies

TOWS	Strategy	
SO Strategies (Maxi-Maxi)	1	E-Commerce Partnerships (S1, S3, O1): Utilize established market presence and diverse services to form strategic partnerships with e-commerce platforms to capitalize on the e-commerce boom.
	2	Customer Preference Adaptation (S2, T3): Adapt services to fit the shifting preferences of younger generations, focusing on agility and tech-savviness.
ST Strategies (Maxi-Mini)	1	Digital Transformation (S5, T2): Accelerate digital transformation efforts to keep up with technological changes and stay ahead of competitors.
	2	Customer Preference Adaptation (S2, T3): Adapt services to fit the shifting preferences of younger generations, focusing on agility and tech-savviness.
WO Strategies (Mini-Maxi)	1	Awareness Campaigns for New Services (W3, O3): Develop targeted marketing campaigns to raise awareness for "Pos Sameday" and "Pos Nextday" among potential customers.
	2	Exploit Tech Partnerships (W4, O4): Improve the PosAja application by forming tech partnerships that could offer advanced features and functionalities.
WT Strategies (Mini-Mini)	1	Competitive Differentiation (W1, W2, T1): Differentiate Pos Indonesia's services from competitors by emphasizing unique offerings and heritage in marketing communications.
	2	Innovation Focus (W4, T2): Invest in innovation to overcome technological weaknesses and mitigate threats from rapid changes in logistics technology.

B) Segmenting, Targeting, Positioning (STP)

For Pos Indonesia, an effective STP (Segmenting, Targeting, Positioning) strategy could be developed as follows:

- Segmenting
 1. Demographic Segmentation: Focus on different age groups, particularly Millennials and Gen Z, who are tech-savvy and make the most use of e-commerce services.
 2. Geographic Segmentation: Identify urban, suburban, and rural segments, considering the varying levels of logistics needs and e-commerce penetration.
 3. Behavioral Segmentation: Segment by user behavior, identifying frequent shoppers, business shippers, and occasional users with different service expectations.
- Targeting
 1. Millennials and Gen Z: Target these groups with digital services, fast delivery options, and eco-friendly initiatives that align with their values and lifestyles.
 2. SMEs and E-commerce Businesses: Offer tailored solutions for small and medium-sized enterprises (SMEs) and online businesses that require reliable logistics partners.
 3. Rural Customers: Address the unique needs of customers in rural areas with solutions for accessibility and affordability.
- Positioning
 1. For Millennials and Gen Z: Position Pos Indonesia as a modern, innovative, and socially responsible brand that connects with their digital-first lifestyle.
 2. For SMEs and E-commerce Businesses: Position as a strategic business partner offering cost-effective, reliable, and extensive logistics services.
 3. For Rural Areas: Position as a community-centric brand that brings the world closer to its doorstep, emphasizing trust and long-standing service traditions.

C) Marketing Mix 4Ps

For Pos Indonesia, a marketing mix strategy that aligns with contemporary market demands and positions the brand effectively could be constructed as follows:

- Product Strategy
 1. Develop a range of digital-friendly courier services that cater to the e-commerce market, such as real-time tracking, easy return solutions, and flexible delivery options.
 2. Introduce eco-friendly packaging and shipping options to appeal to environmentally conscious consumers, like biodegradable packaging or carbon-neutral delivery.
 3. Offer premium services like same-day delivery or time-specific delivery slots for urban customers.
 4. Offer personalized products, such as custom packaging designs for personal shipments and gifts.
- Place Strategy
 1. Expand presence on digital platforms where customers can access services, book deliveries, and track shipments with ease.
 2. Enhance the physical presence in strategic locations, focusing on accessibility and convenience for pickups and drop-offs, especially in high-density urban areas.
 3. Develop partnerships with popular hangouts, cafes, or co-working spaces for convenient package drop-off and pick-up points.
 4. Utilize pop-up kiosks in high foot-traffic areas like malls and universities for easy access.
- Promotion Strategy
 1. Launch targeted digital marketing campaigns leveraging social media, influencer partnerships, and online advertising to reach younger demographics.
 2. Host community events and sponsor relevant social causes to build brand equity and affinity.
 3. Create interactive marketing initiatives like AR experiences or gamified apps that offer discounts or special offers.
- Pricing Strategy
 1. Provide special discounts and loyalty rewards with a subscription model for frequent users, offering discounts and value-added services.
 2. Introduce tiered pricing for different service levels, allowing customers to choose based on their urgency and value for the service.
 3. Create a referral program with rewards that incentivize word-of-mouth promotion, a trusted source among these groups.

D) Brand Revitalization

In revitalizing Pos Indonesia's brand, a comprehensive strategy is required that refreshes existing brand equity and creates new sources. Here's an extended approach:

➤ Refreshing Old Sources of Brand Equity:

1. Heritage and Modernity: Pos Indonesia has a significant historical legacy, which is a potent source of brand equity. A campaign that tells the story of Pos Indonesia's journey, evolution, and contribution to the nation's communication infrastructure can help refresh this legacy. Celebrate Pos Indonesia's heritage by blending it with modern design and technology trends that appeal to younger generations. For example, introduce a 'heritage' series of packaging that features traditional designs with a modern twist.
2. Customer Experience and Service Quality: Leveraging the Servqual Gap Analysis, Pos Indonesia can identify and maintain aspects where Pos Indonesia excels and promotes these strengths while improving customer experience. Ensure that the brand message clearly communicates these improvements. These can be amplified through testimonials and case studies in various media, affirming the brand's commitment to service excellence. Involve employee training focused on engaging with digital-savvy customers and upgrading digital platforms for easier access and interaction.
3. Community Engagement: Pos Indonesia has been part of the Indonesian community fabric. Identify the strongest customer segments with deep emotional connections to the brand. Reinforcing this connection through loyalty programs or community-based initiatives such as community events, local sponsorships, and culturally relevant communications can rejuvenate these traditional ties. Engage Millennials and Gen Z where they are active, such as on social media platforms, with campaigns that showcase Pos Indonesia's involvement in community and sustainability initiatives.

➤ Creating New Sources of Brand Equity:

1. Digital Transformation: With insights from Brand Resonance and Importance Performance Analysis, Pos Indonesia should invest in digital technologies that streamline customer interactions, such as creating a mobile app or digital platform that offers unique functionalities, such as gamified tracking features or social media integrations, which allow sharing package unboxing experiences.
2. Sustainable Practices: Developing a green initiative could attract environmentally conscious consumers. This may include eco-friendly packaging and a carbon offset program for deliveries, highlighting Pos Indonesia's commitment to sustainability. This can create new pillars of brand equity, because green campaign is highly valued by Millennials and Gen Z.
3. The survey data shows a strong interest among Millennial and Gen Z respondents in courier companies that offer environmentally sustainable options. A significant majority, 94.3%, rated their interest at 4 or 5, indicating that services such as biodegradable packaging and the use of electric vehicles in delivery fleets are highly valued. This suggests that incorporating green practices into courier service operations could be a compelling value proposition for engaging these demographics.
4. Innovative Service Offerings: Use insights from the analyses to expand services to underserved or unexplored markets. Explore new service offerings such as same-day deliveries, digital lockers, or subscription models for regular deliveries. These innovations should be demanded aggressively as evidence of Pos Indonesia's evolution to meet modern logistics and e-commerce demands, where the Millennial and Gen Z generations do a lot of online shopping there.

IV. CONCLUSION

Pos Indonesia recognizes the changing preferences and habits of Millennial and Gen Z customers in the courier services industry. These digitally savvy generations prioritize convenience, digital integration, and sustainability in their choice of courier services. To cater to their needs, Pos Indonesia plans to enhance its digital platforms, offer eco-friendly packaging and shipping options, and actively engage with customers through feedback mechanisms and loyalty programs. The company also aims to improve service quality by addressing identified gaps, such as speed, tracking systems, safety, insurance claims, and customer service communications. By adapting to these preferences and focusing on innovation, Pos Indonesia aspires to become the first-choice brand for Millennials and Gen Z customers.

Pos Indonesia faces a competitive landscape with established competitors and the influence of technology and global trade. To optimize its market position, the company aims to increase its online visibility, engage more effectively on social media, and strengthen its presence on e-commerce platforms. Additionally, Pos Indonesia will explore unconventional delivery methods like drones and offer personalized delivery options to align with the dynamic lifestyles of the younger generations. By revitalizing its brand and aligning its services with the evolving demands of Millennials and Gen Z, Pos Indonesia seeks to improve its competitive advantage and solidify its position as a modern and innovative courier service provider in the market.

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