

**STRATEGY FORMULATION FOR EXTRUCK COFFEE TOMOHON***FORMULASI STRATEGI UNTUK KEDAI EXTRUCK COFFEE TOMOHON*

By:

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**Abstract:** The aim of this research is to examine Extruck internal and external environment and to formulate business strategy for Extruck Coffee. This study is a combination of qualitative and quantitative analytical methods. Additional quantitative methods in this study are intended to support the analytical process, using the role of quantitative analysis to facilitate qualitative research by using strategy formulation analytical tools such as IFE, EFE, CPM, SWOT, IE, Grand Strategy, SPACE and QSP matrices. The IFE and EFE matrix reveal the main factors that influence Extruck Coffee. Quality, Price, and Brand Image being the main key strength of Extruck Coffee. Extruck possessed several weaknesses regarding to its Location, Place Attractiveness, Sales, and Promotion. The main key opportunities that occur in its industry is the behavior of people that being consumptive toward coffee product also severe threats that occurs from number of existing competitor and control over supplier. The result of QSP Matrix stated that Market Development is the most appropriate strategy to implement by Extruck Coffee with the total score point of 4.66.

**Keywords:** Strategy Formulation, IFE, EFE, CPM, SWOT, IE, Grand Strategy, SPACE matrix, QSPM

**Abstrak:** Tujuan dari penelitian ini adalah untuk mengkaji lingkungan internal dan eksternal Extruck dan merumuskan strategi bisnis untuk Extruck Coffee. Penelitian ini merupakan gabungan dari metode analisis kualitatif dan kuantitatif. Metode kuantitatif dalam penelitian ini dimaksudkan untuk mendukung proses analisis, menggunakan peran analisis kuantitatif untuk memfasilitasi penelitian kualitatif dengan menggunakan alat analisis formulasi strategi seperti matriks IFE, EFE, CPM, SWOT, IE, Grand Strategy, SPACE dan QSPM. Matriks IFE dan EFE mengungkapkan faktor-faktor utama yang mempengaruhi Extruck Coffee. Kualitas, Harga, dan Citra Merek menjadi kekuatan utama Extruck Coffee. Extruck memiliki beberapa kelemahan mengenai Lokasi, Daya Tarik Tempat, Penjualan, dan Promosi. Peluang utama yang terjadi dalam industrinya adalah perilaku masyarakat yang konsumtif terhadap produk kopi serta ancaman berat yang terjadi dari banyaknya pesaing yang ada dan kendali atas pemasok. Hasil Matriks QSP menyatakan bahwa Pengembangan Pasar adalah strategi yang paling tepat untuk diterapkan oleh Extruck Coffee dengan total skor poin 4,66.

**Kata Kunci:** Formulasi Strategi, IFE, EFE, CPM, SWOT, IE, Grand Strategy, SPACE matrix, QSPM

## INTRODUCTION

### Research Background

Various changes have occurred in various fields. Both in the fields of technology, economics, and business. In this case there are so many opportunities and threats that arise in the business world. Some of these opportunities include the increasingly open opportunities to market products and services in new market segments and the faster information can be disseminated or obtained. While the threats that may arise are the increasing number of new competitors that appear and changes in culture and rules that can threaten the existence of the company. For this reason, companies must be good at seeing existing market opportunities and threats that can

harm the company by managing these opportunities and threats properly. Survival in markets requires accurate identification of the environment so that changes can be made if necessary.

Changes in people's lifestyles, particularly in urban communities that are consumptive, have resulted in an increase in the number of entrepreneurs developing products to meet the consumer desires. Rising of coffee consumption and changes in people's lifestyles have fueled the growth of the coffee shop industry in Indonesia. Because urban residents have a higher consumption attitude, the development of this modern coffee shop can be seen in urban centers. At this time, the business coffee has been found in many regions, therefore in facing a situation of increasingly fierce competition and changing social conditions, it demands that every business owner is always responsive and adapts to face the competition. They compete with each other to be the best, and try to provide the best services in order to always gain consumer trust and always produce products that suit the tastes and the needs of consumers and with the best quality.

Basically, profitable business activities are based on great opportunities, it means that if a business does not have great opportunities, the business will naturally be in vain. This happens because the market potential is not too big. An entrepreneur who will carry out business activities must be clever in analyzing market opportunities. One of the business opportunities that is growing very rapidly in the city of Tomohon is the cafe business. Cafe business is currently increasing and growing rapidly, which is marked by the increasing number of business actors using information technology to support their business activities.

For some people in Tomohon, drinking coffee has become their lifestyle. This product is popular among people ranging in age from adults to teenagers. Some people used to enjoy it at home, while others prefer to go to the coffee shop with friends to hang out and socialize while drinking coffee. It comes as no surprise that Tomohon has plenty of coffee shops. Numerous of modern coffee shops are beginning to sprout in Tomohon, each with its own signature product. From 2018 until now, there are more than 30 new coffee shop in Tomohon. One of it is Extruck Coffee, owned by Cavin.

Since 2022, Extruck Coffee has fluctuated sales level every month. The highest sales of Extruck Coffee were in March 2022. Extruck Coffee's sales fluctuated, increasing or decreasing each month, and recently on the beginning of 2023 tend to decrease. In a situation of business competition between entrepreneurs in the culinary sector, it is undeniable that competition is getting tighter as is currently happening, especially in the food and beverages sector, as evidenced by the existence of several other cafes in the Tomohon area. Based on the situation of Extruck, the performance of the company is still less than expected. Regarding this situation, Extruck wants to increase their performance by renewing its strategy to meet better result in the future by increasing and stabilize their sales.

With the situation and conditions of increasingly fierce competition between cafes, business owners/managers must not only be able to sell their products and services, but also must have the ability to market their business, so that the number of consumers does not decrease but increases. Café owners must be able to understand the tastes and behavior of people who are consumers, in addition to knowing the situation of external and internal conditions of the company, so that they can formulate the right strategy to maintain the level of consumer demand at a level that can maximize profits. Formulating strategy is an effort to bring the company to a better direction in an increasingly difficult business competition. The strategy is a guide for companies to have an advantage in market competition. In assessing a business opportunity, whether it is suitable for our circumstances or not, of course we must pay attention to internal and external factors.

From several previous relevant studies, apart from using new input data, this research also uses matrices such as CPM which compare the company with its competitors, and also matrices such as SPACE and Grand Strategy Matrix which evaluate the industry in which the company operates which were not found in previous research. which might produce different analysis results. To meet his desire the owner must pay attention to this, specifically to formulate the strategy so that Extruck Coffee may survive and even earn more profit.

### Research Objectives

1. To examine Extruck internal and external environment.
2. To formulate business strategy for Extruck Coffee.

## THEORETICAL FRAMEWORK

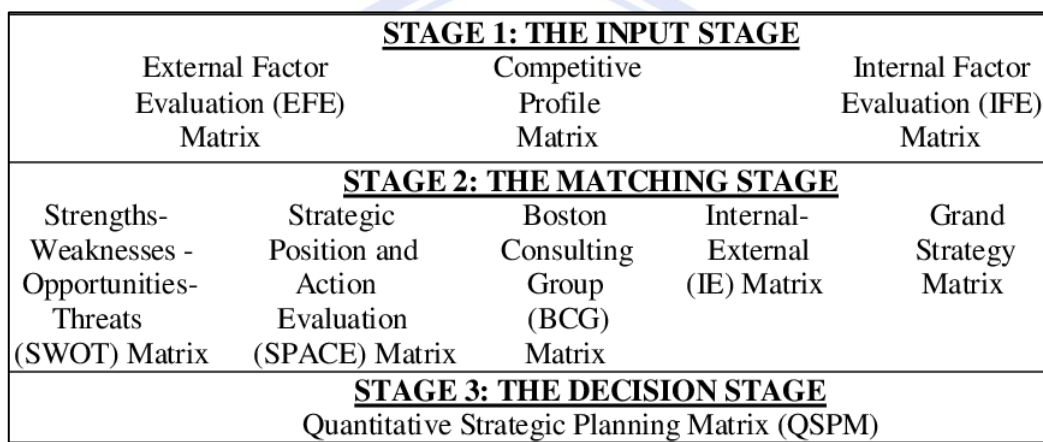
### Strategic Management

Strategic management is the set of decisions and actions that lead to a strategy or refinement of a strategy that is considered effective in achieving the company's goals. Strategic management, according to David (2017),

is the art and science of formulating, implementing, and evaluating cross-functional decisions that enable businesses to achieve their goals. To achieve organizational performance, the emphasis is on combining marketing, management, finance or accounting, production or operations, research and development, and information systems.

### Strategy Formulation

Sedarmayanti (2014) stated strategic planning or strategy formulation is the implementation of a strategy that begins with the formulation of the vision, mission and values. Then define further by analyzing/reviewing the internal and external environment. According to David (2017), Formulation methods include defining the organization's vision and mission, recognizing opportunities and external threats, assessing internal strengths and weaknesses, setting long-term goals, developing a variety of alternative strategies, and selecting a plan that will be implemented. Decisions bind the organization for a long time in order to formulate strategy toward goods, markets, resources, and technology. Techniques for strategy formulation are integrated into three stages of the decision-making framework. The methods offered in this framework are applicable to companies of all sizes and types and can assist in identifying, analyzing, and selecting a strategy. (David, 2017). The third stage is presented in Figure below.



**Figure 1. Strategic Formulation Framework**

*Source: David (2017)*

### Previous Research

Yumikesari, Saerang, and Tumewu (2017) aimed formulating strategy to improve performance of UD. Aditya Meubel in north Bolaang Mongondow (the implementation of Qspm and Topsis Model). The research method used is the combination of descriptive qualitative and quantitative method where quantitative is used to facilitate the qualitative by using some of the analytical tools such as IFE, EFE, IE, SWOT, QSPM and TOPSIS. The result on QSPM and Fuzzy TOPSIS show that the market development becomes the top preferred priority among another alternative strategies with the amount of weight is 3.697 in QSPM and 0.72124 in Fuzzy TOPSIS. Thus, UD. Aditya Meubel needs to expand its marketing area gradually, which can be started in 5 areas around its regular marketing area.

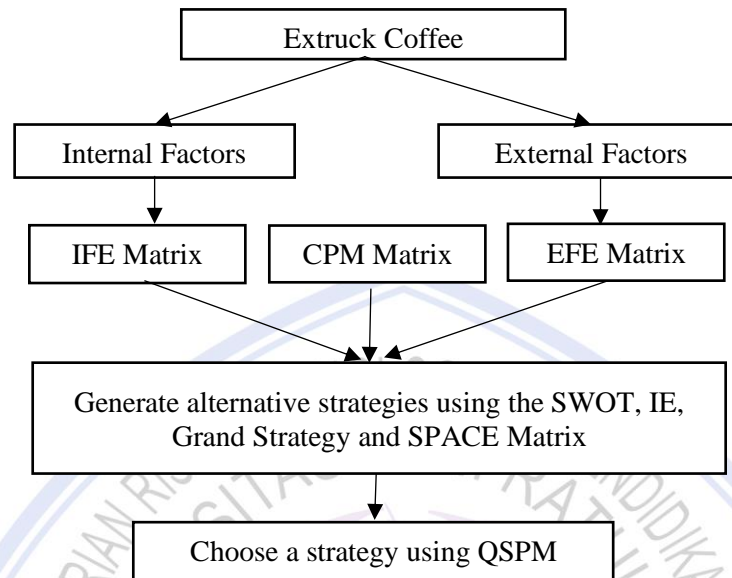
Khadijah, Dhamara, and Wijaya (2023) determined the appropriate marketing strategy applied to the Citra City of Serang SMEs according to the internal and external environment owned. The results of this study indicate that the results of the IFAS matrix are 3,246 and the results of the EFAS matrix are 3,213. So that on the SWOT diagram it can occupy a quadrant 1 position, which means that MSMEs The environmental image of Peksrunan is in a strong position and has many opportunities. In accordance with the results of the SWOT matrix and the QSPM matrix, the appropriate strategy to be applied is the W – O Strategy with a rank 1 in the QSPM matrix 1. Increasing promotions to offset the promotion of new competitors and utilizing social media to show product quality 2. Marketing is expanded to the Ciruas - Cikande area as a measure to expand the distribution area.

Sitorus, Aviantara, and Pudja (2022) aimed to determine alternative strategies that are formulated through the factors that determine marketing of products produced by the company using the SWOT and QSPM methods. The research results show that PT Wedhatama Sukses Makmur in carrying out its marketing strategy has 14 internal factors (9 strength factors and 5 weakness factors) and 11 external factors (7 opportunity factors and 4 threat factors). The total IFE matrix is 3.06, the EFE matrix is 3.51, and the IE matrix company position is in



quadrant I (Growth and Build). The results of the SWOT analysis show that there are 8 alternative strategies. Strategies that can be prioritized by companies from the QSPM analysis are improving the management system, increasing the company's technical capabilities, and increasing the number of human resources, especially in the marketing sector to achieve sales targets with a total TAS score of 7.78.

### Conceptual Framework



## RESEARCH METHOD

### Research Approach

This study is a combination of qualitative and quantitative analytical methods. Additional quantitative methods in this study are intended to support the analytical process, using the role of quantitative analysis to facilitate qualitative research, according to Brymman as cited by Sarwono (2011).

### Population, Sample, and Sampling Technique

In this study the population are the representative of the object internal and external parties which are the owner, employee, and customers. This study using *purposive sampling* where Abubakar (2021) state that this technique is based from the population certain characteristics or properties of the population. Sample determination based on research objectives. Therefor the selected informants are handpicked with the consideration that the informants know about Extruck Coffee situation or ever experienced visiting Extruck Coffee. In this research, sample is the participants that will be the informant that are the part of the targeted population, or the representative of the population. The sample size of this research is 23 that consist of potential informants in Extruck Coffee that consist 1 owner and 2 employees and the customers.

### Data Collection Method

Observation and interviews to the owner, employee and customer provided the primary data for this study. In this study, interviews were conducted to gather information about Extruck Coffee's internal and external situation. Following that, questionnaires were given to the owner and employee of Extruck in order to measure internal and external factors of the IFE and EFE matrices. While another questionnaire is distributed to all representative which is the owner, employee, and customers to build the CPM matrix.

### Validity and Reliability

Validity test of this research conducted using triangulation source approach. Data credibility test using source triangulation is carried out by checking one type of data through several existing sources (Abubakar, 2021). Researcher reviewed the data obtained from the informants, such as the owner, employee, and customer.

### Data Analysis Method

The method used in this study follows the concept of Miles and Hubberman cited in Sugiyono (2014), qualitative data analysis activities are performed interactively and continuously until completion during fieldwork resulting in data saturation. Activities in analyzing this data including data reduction, data display and conclusion. Techniques for strategy formulation are integrated into three stages of the strategy formulation analytical framework. The methods offered in this framework are applicable to companies of all sizes and types and can assist in identifying, analyzing, and selecting a strategy (David, 2017). The stages are Input stage, Matching stage and Final (decision making) stage.

## RESULT AND DISCUSSION

### Factors Identification

After internal and external aspect been evaluate, the factor that derived from the internal and external aspect are categorize and classify on which factors are the strength, weakness, opportunities, and threats of Extruck Coffee.

**Table 1. Strength, Weakness, Opportunities, And Threats**

<b>Strength</b>
1. Good product quality
2. Cheaper Price
3. Certified and experienced employee
4. Owner's persevering in maintaining product quality
5. Signature products are difficult to imitate
6. Strong brand image
7. Has billiard pool for rent
8. The only coffee shop in Tomohon that provide coffee catering service
9. Have no debt
10. Various filtered coffee serving method
<b>Weakness</b>
1. Unsettled shift schedule
2. Undiscipline employee
3. Signature products are not popular
4. Location is far from downtown
5. Place are less attractive
6. Sales declining 0.13% in 2023
7. Lack in product development
8. Food products are less varied
9. Lack in promotion and advertising
<b>Opportunities</b>
1. Tomohon unemployment rate are declining 0.73% in 2022
2. People consumptive lifestyle toward coffee product in Tomohon
3. Population grows 0.33% in Tomohon
4. Government program to develop coffee plantation
5. Internet penetration reached 79.5% in Indonesia
6. Presence of online delivery application
7. Barriers to entry are high
<b>Threats</b>
1. Inflation rate increased 3.05% in March 2024
2. Number of existing competitors
3. Raw materials are often scarce
4. Lack of local supplier
5. Substitute products are cheaper

Source: Data Processed

**Input Stage**

Input stage summarize the basic input information needed to formulate strategy. Input stage include Internal Evaluation Matrix (IFE), External Evaluation Matrix (EFE), and Competitive Profile Matrix (CPM). Some of numbers in these matrices are simplified and rounded.

**Internal Factor Evaluation Matrix****Table 2. Internal Factor Evaluation Matrix**

Strength	Weight	Rating	Weighted Score
Good product quality	0.07	4	0.28
Cheaper price	0.05	4	0.22
Certified and experienced employee	0.05	3	0.16
Owner's persevering in maintaining product quality	0.06	4	0.25
Signature products are difficult to imitate	0.04	3	0.13
Strong brand image	0.07	4	0.28
Has billiard pool for rent	0.03	3	0.09
The only coffee shop in Tomohon that provide coffee catering service	0.04	4	0.15
Have no debt	0.06	4	0.21
Various filtered coffee serving method	0.04	3	0.12
Total of Strength			1.9
Weakness			
Unsettled shift schedule	0.03	2	0.06
Undiscipline employee	0.03	2	0.07
Signature products are not popular	0.05	2	0.09
Location is far from downtown	0.07	1	0.07
Place are less attractive	0.07	1	0.07
Sales declining 0.13% in 2023	0.07	1	0.07
Lack in product development	0.06	1	0.06
Food products are less varied	0.05	1	0.07
Lack in promotion and advertising	0.05	1	0.07
Total of Weakness			0.63
Total IFE	1.00		2.53

Source: Data Processed

On IFE matrix above reveal the most important and influential key strength of Extruck Coffee. Those factors are, Good Product Quality and Strong Brand Image with the weight score of 0.07. Extruck does excellent because these two factors are being the major strength of Extruck that can be seen from the rating of 4. These ratings are validated with the result of interview among the customer that state that Extruck has good product quality. On the other hand, the matrix also reveals the most important and influential key weakness. Those factors are Location, Place, and Sales. These factors are considered the main weakness of Extruck that been indicated with rating 1. The total weighted score of IFE is 2.53 that barely above average 2.5. These numbers show that the Extruck is neither strong nor weak internally.

**External Factor Evaluation Matrix****Table 3. External Factor Evaluation Matrix**

Opportunities	Weight	Rating	Weighted Score
Tomohon unemployment rate are declining 0.73% in 2022	0.05	2	0.12
People consumptive lifestyle toward coffee product in Tomohon	0.11	3	0.34
Population grows 0.33% in Tomohon	0.05	2	0.10
Internet penetration reached 79.5% in Indonesia	0.06	2	0.12
Government program to develop coffee plantation	0.08	2	0.18
Presence of online delivery application	0.08	1	0.08
Barriers to entry are high	0.09	2	0.18

Total of Opportunities	1.13		
<b>Threats</b>			
Inflation rate increased 3.05% in March 2024	0.06	2	0.16
Number of existing competitors	0.12	3	0.36
Raw materials are often scarce	0.11	2	0.25
Lack of local supplier	0.11	3	0.29
Substitute products are cheaper	0.08	4	0.32
Total Score of Threats	1.38		
EFE Total Score	1.00	2.51	

Source: Data Processed

In the key opportunities factor, it can be seen that the most important factor is “People consumptive lifestyle toward coffee product in Tomohon” with the weight score of 0.11. Facing these opportunities, Extruck already did good effort, can be seen on the rating of 3, where Extruck current strategies is above average. Apart from that, Extruck also need to pay more attention in facing “A Presence of Online Delivery Application” where Extruck only get ratings of 1. The rating state that the current strategy of Extruck is not capitalize this opportunity. This matrix also reveals which factor that being a threats to Extruck. “Number of existing competitors” is the most threatening factor, indicates with weight score of 0.12. Facing this threat, Extruck get rating score of 3 which state that Extruck respond is above average. Another factor that also important are “Raw materials are often scarce” and “Lack of local supplier”. Extruck need more attention of these factors, especially “Raw materials are often scarce” because only get rating of 2. This indicates that Extruck respond to this factor is average. The total of EFE weighted score is above average with total score of 2.51. This score is barely above the midpoint of 2.5, means that Extruck already doing pretty well but still have to do further improvement.

#### Competitive Profile Matrix (CPM)

This matrix compared Extruck with its major competitors in several factors called Critical Success Factor, quantitatively. This matrix is meant to get to know Extruck competitive position among its competitor. Critical Success Factors assigned are Product Quality, Product Price, Facility, Location, Customer Service, Product Innovation, Product Variety, Place Concept.

**Table 4. Competitive Profile Matrix (CPM)**

Critical Success Factor	Weight	Extruck Coffee		Curated Coffee Space		Encounter Coffee		Jangkar Tomohon	
		R	WS	R	WS	R	WS	R	WS
Product Quality	0.15	3.83	0.57	3.74	0.55	3.74	0.55	3.83	0.57
Product Price	0.13	4.00	0.54	2.26	0.30	3.17	0.43	2.17	0.29
Facility	0.09	1.87	0.17	3.78	0.35	2.39	0.22	4.00	0.37
Location	0.16	1.48	0.24	1.65	0.27	4.00	0.65	2.35	0.38
Customer Service	0.09	3.52	0.32	3.39	0.31	3.26	0.30	3.91	0.36
Product Innovation	0.11	2.35	0.26	3.39	0.37	3.52	0.39	3.30	0.36
Product Variety	0.10	3.04	0.29	3.43	0.33	3.22	0.31	3.22	0.31
Place Concept	0.17	1.91	0.32	3.74	0.62	2.65	0.44	3.91	0.65
Total	1.00		2.71		3.11		3.28		3.29

Source: Data Processed

In this matrix can be seen which area Extruck perform good or bad compared to other places. The most important factors in sequence are ‘Place Concept’ with 0.17 point, “Product Quality” with 0.15 point, and “Location” with 0.16 score point. Extruck doing pretty good with the quality and prices, can be seen that Extruck get 3.83 and 4.00 point on that area, but unfortunately not supported with a good concept, location, and facility. On that area, Extruck scores are the lowest among the other. Extruck has to pay more attention to these factors because according to the matrix, concept and location placed on first and third rank of most important factors. With the total CPM score of 2.71, stated that Extruck placed in bad competitive position compared to others competitor.

#### Matching Stage



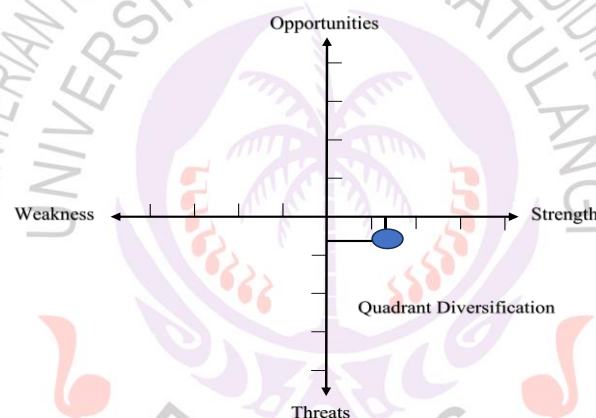
### SWOT Matrix

From the matching of key external factor and key internal factor, the alternative strategy acquired are categorized on Strength-Opportunities (SO), Weakness-Opportunities (WO) strategies, Strength-Threats (ST) strategies, and Weakness-Threats (WT) strategies. Those strategy are:

- SO: (1). Develop new trends of product which is a mixture of coffee and carbonated drink; (2). Make a bundle promotion of coffee purchased and billiard pool rent; and (3) More intensive promotion and advertising on coffee catering service.
- ST: (1). Adding more variety of tea and milk-processed product; (2) Attempt to make contract with interlocal supplier to get raw material supply; and (3) Offer cheaper price for trending product such as coffee lemon and palm sugar milk coffee.
- WO: (1). Reactivated coffee truck as representative and placed in more strategic area such as Alfa Omega Tower; (2) Register on online delivery application such as Grab and Gojek; and (3) Adding free Wi-Fi facility. (4) Intensify internet advertising on signature product.
- WT: (1). Adding more meal menus; (2) Intensify advertising on signature product; and (3) Renovate the whole shops or moving to more strategic area.

Furthermore, SWOT diagram analysis is used to define the position of Extruck Coffee. Coordinates are obtained from the comparison of internal factor score on x axis (strength total score 1.9 – weakness total score 0.63) and comparison of external factor score on y axis (opportunities total score 1.13 – threats total score 1.38).

$$x \text{ axis} = 1.9 - 0.63 = 1.27, y \text{ axis} = 1.13 - 1.38 = -0.2$$



**Figure 2. SWOT Diagram Analysis**


*Source: Data Processed*

The combined score put Extruck on diversification quadrant. Even though company in this quadrant faced various threats, they still have several internal strengths. Suggested strategy for this quadrant is related diversification and unrelated diversification type of strategy.

### Internal External Matrix

The matrix based on two dimension which total score of IFE on x axis and total score EFE on y axis. With total IFE score of 2.53 and EFE score of 2.51, placed Extruck Coffee in the V quadrant. Where this quadrant includes in region 2. The strategies can be described as hold and maintain where Extruck should pursue market penetration with enhancing the appeal of the store by renovating and providing wi-fi, intensify advertising about coffee catering service and their signature product through social media or make a promotion bundling packet about pool rent and coffee purchasing. Extruck also can pursue product development through their effort to develop new trend of product which is a mixture of coffee and carbonated drink.



		Total IFE Weighted Score		
		Strong 3.0-4.00	Average 2.00-2.99	Weak 1.0-1.99
Total EFE Weighted Score	High 3.0-4.00	I	II	III
	Medium 2.0-2.99	IV	V 	VI
	Low 1.0-1.99	VII	VIII	IX

**Figure 3. Internal External Matrix***Source: Data Processed***Grand Strategy Matrix**

Grand strategy matrix evaluates two dimensions, competitive position on x axis, and industry growth on y axis. According to Industrial Ministry of Indonesia, growth in the food and beverage industry in the third quarter of 2022 reached 3.57%, higher than the same period last year which was recorded at 3.49%. With this number it could not be said that this industry has growing rapidly because its growth not reached 5%. This number already give the position on the y axis. While Extruck placed in a weak competitive position as derived from the Competitive Profile Matrix. The position of Extruck stated the position on x axis.

		Rapid Market Growth		Strong Competitive Position
Weak Competitive Position	Quadrant I		Quadrant II	
	Quadrant III		Quadrant IV	
			Slow Market Growth	

**Figure 4. Grand Strategy Matrix***Source: Data Processed*

As can be seen that on this matrix, Extruck placed in Quadrant III. Firm that positioned in this quadrant means compete in a slow growth industry with a weak competitive position. Suggested strategies for this quadrant such are retrenchment, unrelated diversification and related diversification. Extruck can reducing the number of employees as actionable effort to pursue retrenchment type strategies. Focus on their meals menu like adding more variative meals on their menu to pursue unrelated diversification type of strategy. Or adding more variative tea-processed and milk processed product as an effort to pursue related diversification type of strategy.

**Strategic Position and Action Evaluation (SPACE) Matrix**

The SPACE (Strategic Position and Action Evaluation) Matrix is used as a tool to help formulate alternative strategies. The dimensions examined in the matrix are internal dimensions consist of Financial Position (FP) and Competitive Position (CP), as well as the external dimension consisting of Stability Position (SP) and Industrial Position (IP). The following are the variable and rating assigned in creating the SPACE matrix.

**Table 5. Strategic Position and Action Evaluation (SPACE) Matrix**

Internal Strategic Position	External Strategic Position
Financial Position (FP)+	Stability Position (SP)-

Have no debt	7	Number of competitors	-7
Sales decrease 0.13%	1	Barrier to entry the market	-4
		Substitute product	-4
		Supplier bargain power	-5
		Presence of online application	-3
Total	8	Total	-23
<b>Competitive Position (CP)-</b>		<b>Industry Position (IP)+</b>	
Product Quality	-1	Industry Growth	6
Product Price	-1	Demand toward coffee product	7
Brand image	-1	Government Program	4
Experienced employee	-3	Population Growth	4
Location	-6	Unemployment rate decrease	4
Facility	-5	Rate of inflation increased	3
Concept	-7		
Total	-24	Total	

Source: Data Processed

Coordinate obtained by averaging the value each dimension and summing FP and SP on y axis, as well as CP and IP on x axis.

$$FP \text{ average} = 8/2 = 4$$

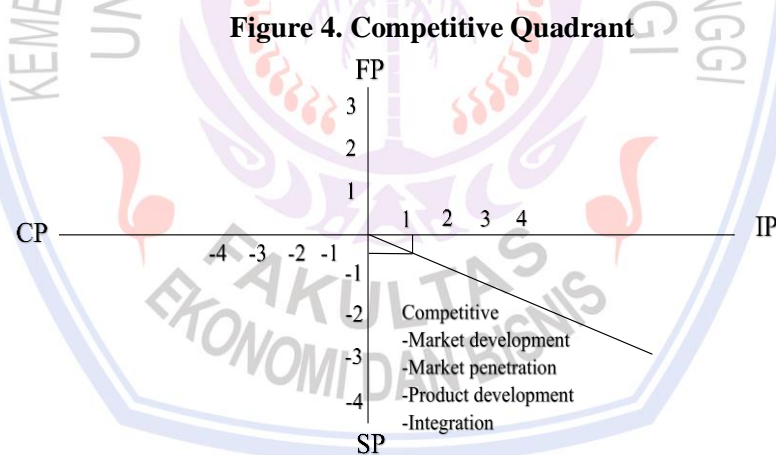
$$CP \text{ average} = -24/7 = -3.42$$

$$SP \text{ average} = -23/5 = -4.6$$

$$IP \text{ average} = 28/6 = 4.6$$

$$y \text{ axis} = (FP)(SP)4 + -4.6 = -0.6$$

$$x \text{ axis} = (CP)(IP)-3.42 + 4.6 = 1.18$$



Source: Data Processed

The plotting of the coordinate placed Extruck on Competitive quadrant. The vector that headed to lower-right quadrant defines that this company have several competitive advantages and operating in a growing industry. It means there still room for further improvement. Suggested strategies in this quadrant are integration, market development, market penetration, product development. As the actionable effort for market penetration and product development already mention on previous matrix, actionable effort suggested for market development strategy is register the shop on online delivery application such as Grab and Gojek or Extruck should consider to reactivate the mobile coffee truck and placed on strategic area such as Alfa Omega Tower and Stadion Parasamya to reach wider potential consumer. Extruck also could consider to do backward integration type of strategy where they could attempt to make contract with interlocal supplier to get raw material supply with the best price.

### Decision Stage: Quantitative Strategy Planning Matrix

Quantitative Strategy Planning Matrix comes in the third stage of strategy formulation framework which called the decision stage. QSPM is the tool which used to evaluate set of alternative strategies obtained from the matching stage. QSPM ordering the priority of alternative strategy based on the Total Attractiveness Score (TAS). Set of strategies are categorize in related diversification, unrelated diversification, market penetration, market development, product development, backward integration, and retrenchment. From the evaluation of QSPM, Market Development get the highest score of 4.66, following with Market penetration on the second place with total score of 4.23. This matrix reveals which strategy that being priority of Extruck to implement regarding their internal and external situation. From its definition, Market Development involve of introducing product and services into new and strategic geographic area (David, 2017). Suggested actionable efforts to pursue this kind of strategy are reactivated the mobile coffee truck as representative and placed it in more strategic area such as Alfa Omega tower or Parasmya Stadium. Another actionable effort is to register this shop on online delivery application such as Grab and Gojek.

## CONCLUSION AND RECOMMENDATION

### Conclusion

From the discussion on previous chapter, there are several points to state as conclusion:

1. The IFE and EFE matrix reveal the main factors that influence Extruck Coffee. Can be seen that Quality, Price, and Brand Image being the main key strength of Extruck Coffee. But this factor are not enough to give Extruck an competitive position among its competitor. Extruck still possessed several weaknesses regarding to its Location, Place Attractiveness, Sales, and Promotion. Where are Location and Place Attractiveness holding a crucial role in maintaining the interest of customers in Tomohon as the result from CPM matrix. The main key opportunities that occur in its industry is the behavior of people that being consumptive toward coffee product. Following the opportunities, there are also severe threats that occurs from number of existing competitor and control over supplier. In capitalizing this opportunity and facing these threats, the respond of Extruck is considered average.
2. After analyzing and evaluating internal and external environment of Extruck Coffee, data taken from the input stage and analyzed at the matching stage produces alternative strategies such as related diversification, unrelated diversification, market penetration, market development, product development, backward integration, and retrenchment. The evaluation from the QSP Matrix stated that Market Development is the most appropriate strategy to implement by Extruck Coffee with the total score point of 4.66.

### Recommendation

1. Extruck already known for its cheap price among its competitor. They should maintain the product quality and their image in the society. Even though they have several key strengths but they still lack in promoting and advertising their capabilities.
2. Based on the result of the research, Extruck should pursue Market Development type of strategies. Where the nature of the strategy is to reach wider potential customer in another area of Tomohon. Actionable efforts to pursue this kind of strategy is reactivate the mobile coffee shop as the representative of its current shops and register this shop on online delivery application such as Grab and Gojek.
3. Tomohon has plenty of competitor but also plenty of potential customer. Bringing their shops closer to the potential customer by being one-of-a-kind coffee shop that has a mobile representative in Tomohon. With this, they already improve their main weakness regarding to its place and location. On the other hand, they could do direct advertising to the customer about their product and services such as the coffee catering.

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