



## Marketing Strategy Analysis of Xtra Combolite and Xtra Hotrod Special Product at PT XL Axiata with the Application of the Boston Consulting Group Matrix

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### ABSTRACT

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Every company must maintain and develop the market through marketing implementation and evaluation of various product control activities. The purpose of this research is to analyze the marketing strategy for Xtra Combolite and Xtra Hotrod Special products at PT XL Axiata which is being marketed in the community. The method used is the application of the Boston Consulting Group (BCG) matrix as a marketing strategy method by classifying the company's profit potential graphically. The findings show that the Xtra Combolite product position matrix is in the Star which is an ideal position so it needs to be maintained. Meanwhile, the Xtra Hotrod Special product position matrix is the Question Marks, so high investment is needed so that its growth prospects increase and has the potential to change its position to become the Star.

### KEYWORDS:

Marketing strategy, application, boston consulting group matrix.

### 1. INTRODUCTION

The development of digital technology has made many people interested in using the internet as an alternative to be able to access information and communication. The rapid development of internet network technology makes it possible for service operators to be able to provide various services, data (internet), and images (IP-TV) in one access network or with triple-play services (Chaudhuri, 2008).

The increasing demand for data quota used to access the internet has resulted in various telecommunications service providers offering various internet products. This company is one of the cellular telecommunications operator companies in Indonesia, which provides complete telecommunication services and networks (Abditama & Damayanti, 2015).

The existence of fast communication technology, humans can exchange information remotely with a relatively fast and effective time. PT XL Axiata has a variety of main products including XL-Prepaid, XL-Prioritas, XL-Home, XL-Business Solutions, and Axis (Soebandi et al, 2012). One of the newest

products introduced is the XL Hotrod Special, which is a regular internet package with a quota that can be used on 2G/3G/4G networks with varying active periods, from daily to monthly packages for 24 hours. Recently, PT XL Axiata has added a number of Xtra Hotrod Special internet packages for low denomination variants with a larger quota but the price is still relatively affordable (Nawawi, 2020).

This product was also released as an innovation from the previous product. Of course, the various subscription packages available at PT XL Axiata are a marketing strategy carried out by the company in increasing the number of sales and the number of subscribers. The types of packages offered by PT XL Axiata can help people choose subscription packages that suit their needs (Soebandi et al, 2012; Mahriva & Wuryanata, 2021).

The Xtra Hotrod Special is a new product issued by PT XL Axiata which formulates the right marketing strategy so that the product can be used by customers, increases market penetration, and is able to win the competition in the multi-service business world. The intended marketing strategy is as a plan to analyze the target market, develop and maintain a marketing mix that can satisfy consumer needs (Ferrell et al, 2021). This is done so that the marketing of a company's products can be carried out in a more organized manner in order to produce results according to previously projected expectations.

Companies must maintain and develop existing markets and evaluate various control activities for product, price, promotion, people, physical evidence, and process (Kaligis et al, 2021). In

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# Rosnaini Daga et al, Marketing Strategy Analysis of Xtra Combolite and Xtra Hotrod Special Product at PT XL Axiata with the Application of the Boston Consulting Group Matrix

addition, a marketing strategy is needed in the development of increasing product sales users that integrates all communication and communication media as media for product promotion (Guha et al, 2021; Ilieska, 2013). However, of the many promotions that have been carried out so far, it is not yet known how effective the level of effectiveness is in reaching the target audience. To be able to find out the extent of the promotional messages that have been carried out by PT XL Axiata, the most effective strategy is needed to increase sales of these products (Mahriwa & Wuryanata, 2021; Sam & Dhanya, 2012).

As addition, the company also needs to know the position of competitors' products that are being marketed in the community. The position here shows a comparison regarding market share and market growth from competitors with similar products from other companies. One method to find out the position of a product in the market is by using the Boston Consulting Group (BCG) method which is a method used in preparing a strategic business unit plan by classifying the company's profit potential graphically showing the differences between various divisions in relative market share positions. and market growth rate (Permata et al, 2020).

## II. METHODOLOGY

This research was conducted using quantitative research methods with the Boston Consulting Group (BCG) matrix approach. Research conducted at PT. XL Axiata Cluster North Sulawesi from April to July 2022. The study population is all cellular operator product sales data as a whole including XL Axiata, Telkomsel, Indosat, 3-Hutchison, and Smartfren. Meanwhile, the research sample total sales of XL Axiata, Telkomsel, Indosat, 3-Hutchison and Smartfren products in the form of accumulated data for 2021.

The Boston Consulting Group (BCG) matrix analysis method principally aims to determine market growth and to determine market share as well as to determine the strategy undertaken by PT XL Axiata for resource allocation decisions based on market share and business growth rate. In this matrix there are two variables, each of which is placed on the vertical axis, namely the market growth rate and the horizontal axis, namely relative market share (Mutandwa et al, 2009).

### 2.1. The market growth rate.

Market growth is used as a measure of market attractiveness. If a market experiences high market growth over total market development, it will be relatively easy for businesses to add to their profits and remain stable. To measure the market growth rate, the following equation (1) is used:

$$TPP = \frac{VP_N - VP_{N1}}{VP_{N1}} \times 100 \quad (1)$$

with  $TPP$  = market growth rate,  $VP_N$  = last year's sales volume, and  $VP_{N1}$  = previous year's sales volume.

### 2.2. The relative market share

Market share is the percentage of the total market being served by the company, either in terms of revenue or in volume units. The higher the market share, the higher the market proportion to be controlled. To measure relative market share, the following equation (2) is used.

$$PPR = \frac{VP_N}{VPP_N} \quad (2)$$

with  $PPR$  = relative market share,  $VP_N$  = Last year's Sales Volume, and  $VPP_N$  = competitor's last year's sales volume.

Meanwhile, to analyze the BCG matrix, there are four quadrants which describe the position of a business unit represented by stars, question marks, cash cows, dogs as shown in Figure 1 below.



Figure 1. BCG matrix quadrants

## III. RESULTS AND DISCUSSION

Market growth rates are generally distinguished based on high and low classifications. Meanwhile, the relative position of competitors is differentiated based on market share. The BCG matrix can be determined by two factors including market growth rate and relative market share.

### 3.1. Market growth rate.

The market growth rate is the projected level of sales for the market to be served. Usually measured by a percentage increase in value or sales volume in the last two years. To find out the market growth rate, the data needed is sales volume data for XL Co, Xtra Combolite products, and Xtra Hotrod Special sales volume data in 2021 as shown in Table 1 below.

Table 1. PT XL Axiata product sales growth data for 2021 in rupiah.

Product	Q1	Q2	Q3	Q4
XL Co	Rp. 14,515,576,350	Rp. 17,032,652,780	Rp. 20,878,145,090	Rp. 24,697,036,815
Xtra Combolite	Rp. 9,435,124,628	Rp. 11,071,224,307	Rp. 13,570,794,309	Rp. 16,053,073,930
Xtra Hotrod Special	Rp. 5,080,451,723	Rp. 5,961,428,473	Rp. 7,307,350,782	Rp. 8,643,962,885

## Rosnaini Daga et al, Marketing Strategy Analysis of Xtra Combolite and Xtra Hotrod Special Product at PT XL Axiata with the Application of the Boston Consulting Group Matrix

According to table 1, the BCG matrix  $TPP$  value is calculated using Equation (1) where the  $VP_N$  value is in Q4 and the  $VP_{N1}$  value is in Q1 and the  $TPP$  value is obtained as shown in Table 2 below.

**Table 2. Results of market growth rate analysis**

No.	Product	TPP (%)
1	XL Co	70
2	Xtra Combolite	70
3	Xtra Hotrod Special	70

Based on calculations using the BCG matrix as shown in Table 2, it is known that the market growth rate for XL Co,

**Table 3. Competitor operator sales data in rupiah.**

Competitor operator	Q1	Q2	Q3	Q4
Telkomsel	Rp. 67,088,798,256	Rp. 78,722,344,782	Rp. 96,495,628,567	Rp. 114,145,968,473
Indosat	Rp. 21,346,435,809	Rp. 25,048,018,794	Rp. 30,703,154,544	Rp. 36,319,171,787
3-Hutchlson	Rp. 14,393,596,717	Rp. 16,889,521,244	Rp. 20,702,698,493	Rp. 24,489,498,691
Smartfren	Rp. 4,635,226,061	Rp. 5,438,998,367	Rp. 6,666,970,701	Rp. 7,886,448,731

According to Table 3, the calculation of the BCG matrix  $PPR$  value is used Equation (2) where  $VP_N$  is the final sales volume of PT XL Axiata products and  $VP_{N1}$  is the sales volume of competitors as shown in Table 4 below.

**Table 4. Following are the calculations for PT XL Axiata and competitor products.**

XL product	Telk	Indo	3	Smtf
XL-CO	0.22	0.68	1.01	3.13
Xtra Combolite	0.14	0.44	0.65	2.04
Xtra Hotrod Special	0.08	0.24	0.35	1.10

Note:

Telk = Telkomsel

Indo = Indosat

3 = 3-Hutchison

Smtf = Smartfren

According to Table 4, the  $PPR$  value of PT XL Axiata products is less than one ( $< 1$ ) of Telkomsel and Indosat products, where the market share value of PT XL Axiata products is smaller when compared to Telkomsel and Indosat products. Furthermore, the  $PPR$  value of XL Co products is greater than one ( $> 1$ ) where the market share value of XL Co products is greater when compared to 3-Hutchison. As for the Xtra Combolite and Xtra Hotrod Special products, it is less than one ( $< 1$ ) where the market share value of the Xtra Combolite and Xtra Hotrod Special products is smaller when compared to 3 Hutchison. Meanwhile, the  $PPR$  value of all PT XL Axiata products is greater than one ( $> 1$ ) when compared to Smartfren products. This means that the market share value of PT XL Axiata's products is greater when compared to Smartfren products.

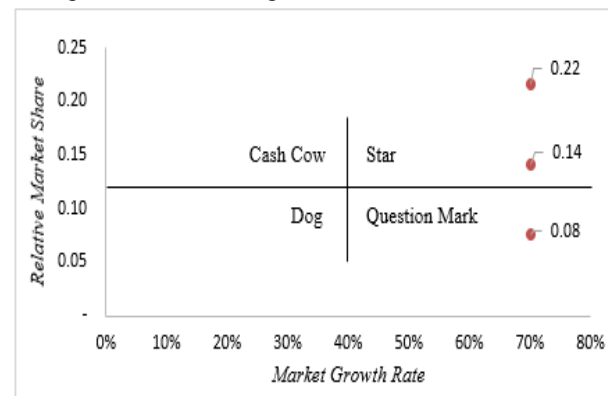
Xtra Combolite, and Xtra Hotrod Special products are both 70%. This means that the product is accepted by consumers by 70% and this percentage is a high percentage.

### 3.2. Relative market share.

Relative market share analysis shows the size of the market share from the sales volume of PT XL Axiata's products compared to competitors' products. The data used is PT XL Axiata's product sales volume data in 2021 and competitors' sales volume data in 2021 including Telkomsel, Indosat, 3-Hutchlson, and Smartfren which are used as a divider of the total sales volume of PT XL Axiata's products in 2021 as shown in Table 3.

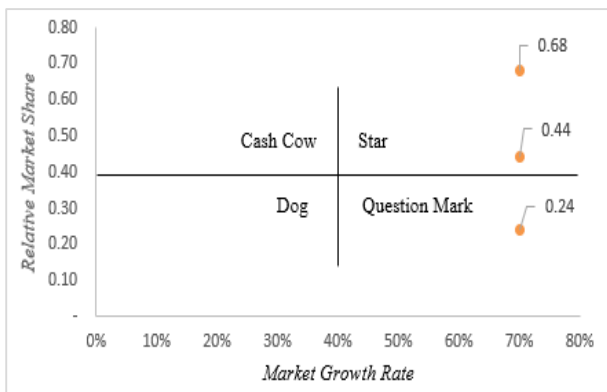
### 3.3. BCG matrix analysis.

According to Table 4, the BCG matrix between PT XL Axiata's and Telkomsel products as a competitor's product is arranged as shown in Figure 2 below.



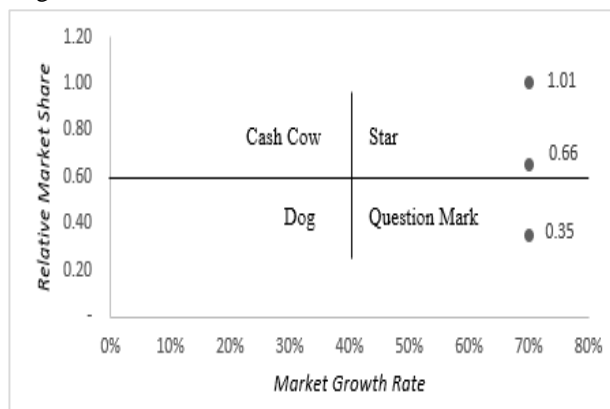
**Figure 2. Position of the BCG Matrix for PT. XL Axiata with Telkomsel.**

According to Table 4, the BCG matrix between PT XL Axiata's and Indosat products as a competitor's product is arranged as shown in Figure 3 below.



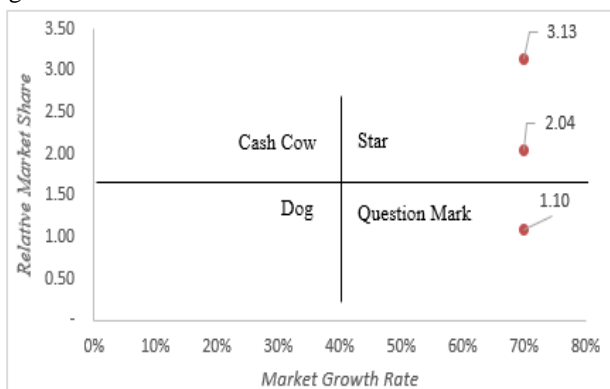
**Figure 3. Position of the BCG Matrix for PT. XL Axiata with Indosat.**

According to Table 4, the BCG matrix between PT XL Axiata's and 3-Hutchison products as a competitor's product in Figure 4 below.



**Figure 4. Position of the BCG Matrix for PT. XL Axiata with 3-Hutchison.**

According to Table 4, the BCG matrix between PT XL Axiata's and Smartfren products as a competitor's product in Figure 5 below.



**Figure 5. Position of the BCG Matrix for PT. XL Axiata with Smartfren**

Based on Table 2, Figure 2, Figure 3, Figure 4, and Figure 5, it shows that the market growth rate is 70% which means that this company has a fairly high market growth where XL Co is in the Star position, Xtra Combolite is in the Star position and Xtra Hotrod Special is in the Star position. in the

Question Marks position. In the Star position, the company requires a lot of investment to maintain the product's position and to support further growth and maintain the advantages of the product so that it can remain competitive with other competing products.

Meanwhile, for the position of Question Marks, the company has high growth prospects but its market share is still very low. The income earned is generally not proportional to the costs incurred (more expenses than income). However, because the prospects for growth are very rapid, it has the potential to turn into Stars or Bintang. The company's management is advised to keep investing in products or business units that are in the Question Marks category due to high growth.

**3.4. Marketing Strategy Based on BCG Matrix.**

Implementation of the marketing strategy PT XL Axiata, has established several appropriate marketing strategies that have an important role in efforts to market the products to be sold, namely PT XL Axiata products to generate maximum profits.

The marketing strategy that can be carried out is by maintaining the market, namely improving service quality so that consumers remain loyal to using PT XL Axiata products, creating new products or product innovations such as Xtra Hotrod Special as an alternative product of superior choice.

Meanwhile, the Xtra Hotrod Special marketing strategy is a hold strategy as a strategy to maintain products in the same category. In addition, the company also requires a lot of investment to maintain the position of these products and to support further growth and maintain the advantages of these products so that they can remain competitive with other competitors' products and can generate maximum profits.

Alternative marketing strategies recommended for PT XL Axiata products are as follows:

- Improving the company's image for consumers by providing higher quality services and maintaining a more competitive price level in accordance with the quality of services provided.
- Improving the quality of human resources by providing regular training to employees, such as training to improve performance standardization, as well as providing incentives or awards for work performance in order to realize customer satisfaction and loyalty.
- Increasing promotions online by creating a web or through social networks so that consumers can access them easily obtain service.
- Maintaining product quality as well as innovating and developing service products offered.

**IV. CONCLUSION**

Based on the analysis and findings, it can be interpreted that (1) the position of the Xtra Combolite product matrix is the Star which is an ideal position. In this position, the company requires sufficient investment to maintain the

## Rosnaini Daga et al, Marketing Strategy Analysis of Xtra Combolite and Xtra Hotrod Special Product at PT XL Axiata with the Application of the Boston Consulting Group Matrix

product's position and maintain the advantages of the product in order to remain competitive with other competing products, and (2) the position of the Xtra Hotrod Special product matrix is the Question Marks. In this position, the company has high growth prospects, but its market share is still very low. The income earned is generally not worth the costs incurred. However, high investment is required so that its growth prospects increase and has the potential to change its position to become the Star. Thus, it is necessary to carry out more education and acquisitions into the market in order to make it easier for PT XL Axiata to increase market share or new customers. The recommendations for further research development are to be able to analyze and examine in more depth the influence of the specific marketing of other competitor products so that they can provide input in product development strategies.

### V. ACKNOWLEDGMENTS

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### VI. DISCLOSURE

The author reports no conflicts of interest in this work. All authors contributed and were actively involved in the research.

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