

ABSTRACT

The vehicle rental industry in Indonesia has experienced rapid growth in response to the increasing demand for safe, efficient, and flexible transportation solutions, both in the business and individual sectors. Currently, PT Prima Armada Raya (PAR) remains heavily dependent on the captive market, particularly the Pertamina Group. This high dependency poses a sustainability risk and necessitates the formulation of strategies to expand its presence in the non-captive market. Amid the rise of digitalization, changing consumer behavior, and intensifying competition, PAR must prepare strategic actions to strengthen its competitiveness.

This study aims to formulate a strategy for developing the non-captive market for PAR by identifying the company's vision and mission, analyzing internal and external environments, and formulating and selecting appropriate strategies to support expansion into the non-captive segment.

This research adopts a qualitative method with a case study approach. Data were collected through direct observation, in-depth interviews, and document review. Internal analysis was conducted using management function and VRIO approaches, while external analysis applied the PESTEL framework and Porter's Five Forces. In addition, the Competitive Profile Matrix was used to assess the company's position relative to its competitors. The results of the IFE and EFE matrices were then mapped into the IE Matrix to determine the company's strategic position, which served as the basis for formulating alternative strategies through the SWOT Matrix. The most appropriate strategy was selected using the Quantitative Strategic Planning Matrix (QSPM) method.

The findings indicate that PAR's vision and mission are relevant to the development of the non-captive market over the next five years, aiming to increase its revenue contribution by 20–30%. The analysis also reveals that the company has a fairly solid internal condition and is reasonably effective in responding to external opportunities and threats, which reflects a growth and development strategy as shown in the IE Matrix. Based on the SWOT analysis, nine alternative strategies were formulated and evaluated using QSPM. The selected strategy is to reduce dependence on external financing in order to enhance price competitiveness and mitigate the risks of economic fluctuations and regulatory changes, in line with the goal of sustainable non-captive market expansion.

This research is expected to serve as a reference for the company in designing a structured direction for non-captive market development. The study contributes to the formulation of a comprehensive strategy based on internal and external analysis and the quantitative evaluation of strategic alternatives through QSPM. The company is also advised to strengthen its internal capabilities and improve its capital structure to enhance overall competitiveness.

Keywords: vehicle rental industry, strategy formulation, SWOT analysis, QSPM