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Driving Sustainable Growth in Agribusiness: Product Development and Market Strategy

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Abstract

This study examines how product development and market strategy contribute to driving sustainable growth and enhancing competitiveness in the agribusiness sector, using CV Missouri Bandung as a case study. In the context of increasing market competition and the growing importance of food security, agribusiness firms are required to adopt adaptive and value-driven strategies to maintain competitiveness and long-term sustainability. This research employs a qualitative case study approach using strategic management tools, including SWOT analysis, Internal Factor Evaluation (IFE), External Factor Evaluation (EFE), the Internal–External (IE) Matrix, and the Quantitative Strategic Planning Matrix (QSPM), to evaluate the company's strategic position and determine the most appropriate growth strategy. The findings indicate that the company achieved an Internal Factor Evaluation (IFE) score of 3.05 and an External Factor Evaluation (EFE) score of 2.61, positioning the company in Quadrant IV of the Internal–External (IE) Matrix, categorized as "Grow and Build," which reflects strong internal capabilities and an adequate response to external environmental dynamics. Furthermore, the Quantitative Strategic Planning Matrix (QSPM) analysis identified product development as the most effective strategic alternative, achieving the highest Total Attractiveness Score (TAS) of 5.60, followed by market development and market penetration. These findings indicate that product innovation, value-added offerings, and continuous market adaptation are essential for strengthening competitiveness and supporting long-term business resilience. This study highlights that the integration of product development and market strategy plays a critical role in driving sustainable growth, enhancing competitiveness, and supporting supply chain resilience in the agribusiness industry. The findings provide practical insights for agribusiness firms in designing strategic initiatives aligned with sustainable economic development.

Keywords: *agribusiness, competitiveness, market strategy, product development, sustainable growth*

INTRODUCTION

The agribusiness sector in Indonesia has experienced significant growth in recent years, primarily driven by increasing food demand and rising public awareness of protein consumption. The poultry industry is an important part of agribusiness and helps ensure that the country has enough food by supporting food security. It also helps the economy grow by contributing to economic development. This sector also has several challenges, like more competition, changing costs for materials, and difficulties in making the supply chain work smoothly. In this situation, agribusiness companies need to do more than just grow their businesses; they also have to build value that lasts and keep their businesses strong over time. Growth strategies like creating new products and planning how to reach customers have become important for meeting changing consumer needs. Product development helps companies improve the quality of their products and make them stand out from others. At the same time, market strategy, especially market penetration, allows businesses to reach more customers and gain a stronger position in the competition.

Earlier research has shown that developing new products and entering new markets can help companies perform better and stay more competitive. Most studies have looked at manufacturing or other industries, but they haven't paid much attention to the agribusiness sector, especially when it comes to individual local companies. There are not enough studies that combine these strategies to explain how they work together to support both sustainable growth and the creation of value. This study looks at how product development and market strategy can help businesses grow in a sustainable way and become more competitive, especially in the agribusiness industry. To provide a practical understanding of strategic growth in agribusiness, this study focuses on CV Missouri, an integrated poultry agribusiness company located in Bandung, Indonesia. Established in 1935 as a family- owned poultry business, the company has evolved into a legally registered enterprise since 1992, operating feed production facilities, hatcheries, breeding farms, and marketing offices across West Java. The company has also established strategic partnerships with global poultry genetics companies such as Cobb Vantress and Hy-Line International, strengthening its competitive position in Indonesia's poultry industry. Despite its long operational history and established market presence, the company faces strategic challenges, including increasing market competition, substitute products, rising logistics costs, and limited branch expansion outside Bandung. These conditions require strategic evaluation to support sustainable growth and long-term competitiveness. Therefore, this study employs a qualitative approach using strategic management tools, including SWOT analysis, Internal Factor Evaluation (IFE), External Factor Evaluation (EFE), the Internal–External (IE) Matrix, and the Quantitative Strategic Planning Matrix (QSPM) to evaluate the company's strategic position and determine the most appropriate growth strategy.

This study is likely to help in both theory and real-world situations. In theory, it adds value to the studies about how businesses in agriculture and food grow and develop. In real-world situations, it gives business professionals useful ideas for creating strategies that are flexible, competitive, and long-lasting.

LITERATURE REVIEW

A growth strategy is a key idea in strategic management that helps companies increase their presence in the market and boost their overall performance. Kotler and Keller (2002) say that companies can grow by using strategies like increasing market share, entering new markets, creating new products, or moving into different areas. Many companies use product development and market penetration to improve their competitive edge, especially in fast-changing and highly competitive sectors. Product development is the process of making improvements to products that already exist or creating new products to better satisfy the changing needs of customers. Studies before have found that developing new products helps companies perform better and gain an edge over their competitors (Lee & Chen, 2022). By making their products better, standing out from others, and coming up with new ideas, companies can make customers happier and create lasting value over time. In the agribusiness industry, creating new products is very important because customer tastes are always changing and there's a growing need for better quality and safer food.

On the other hand, market strategy, especially market penetration, is about growing the share of the market in the areas where the company is already active. This approach focuses on making the distribution process stronger, making marketing efforts more effective, and creating better connections with customers. Kumar and Singh (2023) say that using market penetration strategies can help a company do better by raising the amount of sales and making the company stronger in the market. In agribusiness, having good market strategies is important for making products available and staying competitive in a market that is very competitive. In addition, how well a company can compete is strongly connected to its ability to make value and keep its place in the market. Porter (1985) says that a company gains a competitive edge when it can provide more value to customers than its competitors. In this situation, combining product development with market strategy is important for improving competitiveness and helping the business grow in a lasting way.

Even though there has been a lot of talk about ways to grow businesses, most past research has mainly looked at manufacturing or broader business areas. There is not much research that looks closely at how product development and market strategy work together in the agribusiness industry, especially when looking at individual companies. There are not enough studies that look at how these strategies help both sustainable growth and value creation at the same time. This study looks at how product development and market strategies can help achieve sustainable growth and improve competitiveness in the agribusiness sector. It uses CV Missouri Bandung as an example to explore these ideas.

RESEARCH METHODOLOGY

This study takes a qualitative approach and looks at a particular example to explore the growth strategies that CV Missouri Bandung has used. The company operates in the agribusiness sector, with a focus on the poultry industry. The case study method is used to closely examine how the company decides on its strategies, taking into account both what's going on inside the company and what's happening in the broader environment. The information used in this study was collected from different sources, such as talking to key individuals, observing events firsthand, and reviewing documents from companies. These data sources help ensure the results are accurate and reliable by using data triangulation.

The analysis makes use of several strategic management tools adapted from David (2011). A SWOT analysis helps identify a company's internal strengths and weaknesses, as well as the external opportunities and threats it encounters. A SWOT analysis helps identify a company's internal strengths and weaknesses, as well as the external opportunities and threats it encounters. Second, the Internal Factor Evaluation (IFE) and External Factor Evaluation (EFE) matrices are tools that help assess the company's internal and external environments using numbers. The results from the IFE and EFE analyses are then used in the Internal-External (IE) Matrix to determine the company's strategic position. Finally, the Quantitative Strategic Planning Matrix (QSPM) is used to evaluate different strategies and determine which one is most attractive and effective, based on the Total Attractiveness Score (TAS).

This approach allows us to carefully review the company's overall strategy and helps make better plans for growing the business by considering what's happening in the market.

RESULTS AND DISCUSSION

Internal and External Analysis

The internal and external analysis indicates that CV Missouri possesses several strategic strengths that support its business sustainability and competitiveness. These include extensive experience in the agribusiness sector, consistent product quality, and integrated production capabilities. Such strengths enable the company to maintain operational efficiency and deliver reliable products to the market. However, the company also faces several internal limitations, particularly in distribution coverage and marketing effectiveness, which may restrict broader market expansion.

From an external perspective, increasing public awareness of protein consumption and growing demand for poultry products create significant market opportunities. Nevertheless, the company also faces external challenges, including intense price competition, substitute products, and the emergence of new competitors in the agribusiness industry. These findings indicate that aligning internal strengths with external opportunities is essential for sustaining long-term business growth.

IFE and EFE Matrix Analysis

The Internal Factor Evaluation (IFE) and External Factor Evaluation (EFE) matrices were employed to assess the strategic position of CV Missouri based on internal and external business factors. The IFE analysis produced a total weighted score of 3.05, indicating that the company possesses strong internal capabilities in supporting sustainable growth. The company's primary strengths include product quality standards, competent human resources, and strong customer relationships. However, limited capital availability and restricted geographical expansion remain significant internal constraints.

Table 1. Internal Factor Evaluation (IFE)

Internal Strategic Factors	Weight	Rating	Score
Product quality standards	0.18	4	0.72
Human resource quality standards	0.18	4	0.72
Strong customer relationships	0.17	4	0.68
Broad market coverage	0.08	3	0.24
Products are relatively common	0.15	2	0.30
No branches outside Bandung	0.09	2	0.18
Limited capital availability	0.15	1	0.21
Total	**1.00**		**3.05**

Furthermore, the EFE analysis resulted in a total weighted score of 2.61, indicating that the company responds adequately to external environmental dynamics. Consistent market demand, population growth, and customer loyalty emerged as the most significant opportunities, while substitute products, increasing competition, and rising logistics costs remain critical external challenges.

Table 2. External Factor Evaluation (EFE)

External Strategic Factors	Weight	Rating	Score
Consistent market demand	0.23	4	0.92
Population growth	0.15	3	0.45
Customer loyalty	0.20	3	0.60
Declining purchasing power	0.10	1	0.10
Emergence of new competitors	0.10	2	0.20
Substitute products	0.12	1	0.12
Rising logistics costs	0.10	2	0.20
Total	**1.00**		**2.61**

IE Matrix Analysis

Based on the results of the Internal Factor Evaluation (IFE) and External Factor Evaluation (EFE) matrices, CV Missouri obtained an IFE score of 3.05 and an EFE score of 2.61. These scores position the company in Quadrant IV of the Internal–External (IE) Matrix, which is categorized as “Grow and Build.” This strategic position indicates that the company possesses strong internal capabilities while maintaining an adequate response to external opportunities and threats. Therefore, intensive growth strategies such as product development, market development, and market penetration are considered appropriate to support sustainable business growth and strengthen the company’s competitive position in the agribusiness industry.

Table 3. Internal–External (IE) Matrix Position of CV Missouri

EFE / IFE	Strong (3.0–4.0)	Average (2.0–2.99)	Weak (1.0–1.99)
High (3.0–4.0)	I	II	III
Medium (2.0–2.99)	**IV***	V	VI
Low (1.0–1.99)	VII	VIII	IX

*Position of CV Missouri: IFE = 3.05; EFE = 2.61 → Quadrant IV (Grow and Build)

QSPM Analysis

To determine the most appropriate strategic priority, the Quantitative Strategic Planning

Matrix (QSPM) was employed to evaluate alternative growth strategies based on the company's internal strengths, weaknesses, opportunities, and threats. The analysis indicates that product development achieved the highest Total Attractiveness Score (TAS) of 5.60, followed by market development with a score of 5.13 and market penetration with a score of 4.97. These results indicate that product development represents the most suitable strategic alternative for supporting the long-term growth and competitiveness of CV Missouri.

Table 4. Quantitative Strategic Planning Matrix (QSPM) Results

Strategic Alternative	Total Attractiveness Score (TAS)	Priority
Product Development	5.60	1
Market Development	5.13	2
Market Penetration	4.97	3

Summary of Strategic Analysis

The overall strategic analysis indicates that CV Missouri possesses strong internal capabilities, as reflected by its IFE score of 3.05, while demonstrating an adequate response to external opportunities and threats, as indicated by its EFE score of 2.61. These results position the company in Quadrant IV of the Internal–External (IE) Matrix, categorized as "Grow and Build," suggesting that intensive growth strategies are appropriate for sustaining long-term competitiveness. Among the evaluated strategic alternatives, the QSPM analysis identified product development as the highest strategic priority, achieving a Total Attractiveness Score (TAS) of 5.60. This result demonstrates strong alignment between the company's internal strengths and external market opportunities, supporting product innovation as the most suitable strategy for sustainable business growth.

Table 5. Summary of Strategic Analysis Results

Analysis Tool	Result	Strategic Interpretation
IFE Matrix	3.05	Strong internal capabilities
EFE Matrix	2.61	Adequate response to external environment
IE Matrix	Quadrant IV	Grow and Build
QSPM	Product Development (5.60)	Priority growth strategy

Discussion

The results of this study demonstrate that product development is the most appropriate strategic priority for CV Missouri in achieving sustainable business growth. The QSPM analysis shows that product development obtained the highest Total Attractiveness Score (5.60), indicating stronger strategic alignment compared with market development and market penetration alternatives. This finding is supported by the company's strong internal capabilities, particularly its established product quality standards, experienced human resources, and long-term customer relationships. These internal strengths provide a solid foundation for implementing product innovation and creating value-added offerings in the poultry agribusiness sector.

In addition, external environmental conditions further support the implementation of product development strategies. Consistent market demand, population growth, and customer loyalty indicate favorable market opportunities for product diversification and innovation. At the same time, increasing competition, substitute products, and rising logistics costs require the company to continuously enhance its product competitiveness and operational efficiency. Therefore, focusing on product development not only strengthens the company's competitive position but also supports its long-term resilience in Indonesia's agribusiness industry.

CONCLUSION AND RECOMMENDATIONS

Conclusion

This study concludes that CV Missouri possesses strong internal capabilities, as reflected by an Internal Factor Evaluation (IFE) score of 3.05, and demonstrates an adequate response to external opportunities and threats, as indicated by an External Factor Evaluation (EFE) score of 2.61. These results position the company in Quadrant IV of the Internal– External (IE) Matrix, categorized as "Grow and Build," indicating that intensive growth strategies are appropriate for sustaining long-term competitiveness. Among the evaluated strategic alternatives, the Quantitative Strategic Planning Matrix (QSPM) identified product development as the highest strategic priority, achieving a Total Attractiveness Score (TAS) of 5.60. These findings suggest that strengthening product innovation, improving value-added offerings, and maintaining operational excellence can support sustainable business growth and enhance the competitive position of CV Missouri in Indonesia’s agribusiness industry.

Recommendations

Based on the findings of this study, several recommendations can be proposed for managerial, academic, and policy implications. In real-world situations, agribusiness companies are advised to focus on creating new products to increase their value and keep up with changing customer needs. Companies should also work on making their market strategies better by enhancing their distribution systems and how well they promote their products, so they can reach more customers and stay more competitive.

For academic purposes, future studies should look into using numbers and measurements to check how growth strategies affect a company's performance. Additionally, more research could look at different areas or larger groups to make the results apply to more situations.

From a policy point of view, stakeholders and those who make policies are being encouraged to back agribusiness growth by creating rules that make supply chains work better, encourage new ideas, and make food security systems stronger.

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