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Development of Business Model Canvas Based on SWOT Analysis for the Family Segment to Increase Xl's Revenue

Haaris Millah Muhammad*, Mohammad Riza Sutjipto
Universitas Telkom, Indonesia
Email: haamill@student.telkomuniversity.ac.id*, rizasutjipto@telkomuniversity.ac.id

Abstract. *The Indonesian telecommunications industry is experiencing rapid transformation, with growing demands for efficient digital connectivity—particularly in the family segment. myXL, a prepaid application by XLSMART, offers significant potential to enhance family digital engagement but faces challenges in customer retention and feature optimization. Specifically, family-oriented packages such as AKRAB and XL Circle have not performed optimally as primary revenue drivers. This study adopts a qualitative approach using in-depth interviews with six key informants and analysis of internal company documents. Its objective is to evaluate the myXL prepaid business model and formulate strategies to increase revenue and customer engagement in the family segment. The study employs Business Model Canvas (BMC) analysis to map the current business structure, SWOT analysis to identify internal and external factors, and the TOWS Matrix to design strategic improvement scenarios. Findings reveal that the myXL application has strengths in digital infrastructure and active user loyalty but exhibits weaknesses in the adoption and popularity of family-specific features. Significant opportunities arise from increasing demand for family connectivity and digital parenting awareness, while threats include intense competition and regulatory changes. The study provides practical contributions for XLSMART in designing data-driven policies and digital product strategies. This research is limited to prepaid users of the myXL application in Indonesia.*

Keywords: *Business Model Canvas; SWOT Analysis; Telecommunications; Family Segment; Digital Strategy; myXL Application*

INTRODUCTION

The telecommunications industry in Indonesia continues to experience significant transformation, particularly with the increasing need for digital connectivity in various aspects of daily life (Susanto & Hidayati, 2024). According to the Indonesian Internet Service Providers Association (APJII), the number of internet users in Indonesia reached 221 million people in 2023, with an internet penetration rate of 79.5% of the total population (APJII, 2023). This figure shows a significant increase compared to previous years, indicating the crucial role of telecommunications operators in providing affordable and quality access. The rapid growth of internet users is driven by several factors including increasing smartphone penetration, declining data prices, expansion of 4G network infrastructure, and the growing need for digital services in education, work, commerce, and entertainment.

The family segment, which consists of household users who collectively use telecommunications services, is emerging as an increasingly important market segment for operators. This segment has unique characteristics with specific needs that differ from individual users, such as data sharing capabilities, subscription management for multiple family members, and parental control features that support digital parenting (Hermawan, 2020). Research by Subex Limited (2024) indicates that family segment users typically demonstrate higher average revenue per user (ARPU), lower churn rates, and greater engagement with value-added services compared to individual users. This is because families tend to be more committed to a single operator when the service offering meets their collective needs effectively (Ruuska, 2024). The family segment also represents a more stable revenue source as household decision-making processes tend to involve longer consideration periods

and higher switching costs.

The Indonesian telecommunications market landscape shows high competition among major operators such as Telkomsel, Indosat Ooredoo Hutchison (IOH), and XL Axiata, each of which continues to innovate to maintain and expand market share. Telkomsel, as the market leader with approximately 40% market share, has introduced family packages such as Family Share that allow data sharing among up to 5 family members. Indosat through its IM3 Platinum brand has launched family-oriented packages with entertainment content bundles. This competitive dynamic has driven operators to differentiate their offerings through innovative features, competitive pricing, superior network quality, and integrated digital services beyond basic connectivity.

XL Axiata, through its myXL prepaid application, has a significant opportunity to strengthen its position in the family segment. The myXL application is designed as a comprehensive self-service platform that enables users to manage their telecommunications needs independently, from purchasing quota packages, bill payments, to accessing various digital services including entertainment, e-commerce, and financial services. As of 2024, the myXL application has been downloaded more than 50 million times and has approximately 20 million active users per month, demonstrating strong adoption among XL's customer base. However, despite having a solid infrastructure and loyal user base, family-specific features such as the AKRAB package and XL Circle have not shown optimal performance as the main revenue drivers.

The AKRAB package, launched in 2022, was designed specifically for families by offering shared data quotas that could be distributed among multiple family members. XL Circle, another family-oriented feature, allows users to create groups where members can share promotional benefits and special offers. Internal data from XL Axiata shows that as of mid-2024, only 3.2% of prepaid users have activated AKRAB packages, and XL Circle penetration is even lower at 1.8% of the user base. These figures are significantly below initial projections and indicate substantial opportunity for improvement in awareness, value proposition, and feature optimization for the family segment.

This phenomenon is further complicated by the merger between XL Axiata and Smartfren which formed XLSmart in 2024, with a total transaction value of IDR 104 trillion (approximately USD 6.5 billion). This merger creates opportunities to leverage the combined strengths of both operators, particularly in terms of wider network coverage with combined 4G sites exceeding 80,000 base transceiver stations (BTS), larger subscriber base totaling approximately 70 million users, and potential synergies in digital services and enterprise solutions. The merger also brings complementary strengths, with XL Axiata's strong position in Java and urban areas combined with Smartfren's strength in outer islands and its expertise in fixed wireless access (FWA) technology.

However, this merger also brings new challenges in terms of integration of business systems including billing platforms, customer databases, and network management systems, alignment of business strategies and go-to-market approaches, management of organizational changes affecting thousands of employees, harmonization of brand positioning and marketing messages, and consolidation of supplier relationships and vendor contracts. These integration challenges require careful management to ensure that the merger delivers the expected synergies without disrupting existing operations or customer experience. The post-merger

integration process is expected to take 18-24 months to complete fully.

The emergence of digital parenting as a growing concern among Indonesian families presents both an opportunity and a responsibility for telecommunications operators. UNICEF Indonesia's 2023 Online Knowledge Practice Baseline Study found that 68% of Indonesian parents express concern about their children's online activities, but only 32% actively use parental control tools. This gap indicates a significant unmet need that telecommunications operators are well-positioned to address. Parents seek tools and features that help them monitor screen time, filter inappropriate content, track location for safety purposes, and educate children about responsible internet use. Operators that can provide comprehensive and user-friendly parental control features stand to gain competitive advantage in the family segment.

The Business Model Canvas (BMC) framework, developed by Osterwalder and Pigneur (2010), provides a valuable tool for analyzing and redesigning business models in a structured manner. The BMC maps nine key building blocks: Customer Segments, Value Propositions, Channels, Customer Relationships, Revenue Streams, Key Resources, Key Activities, Key Partnerships, and Cost Structure. This framework has been widely adopted across industries for strategic planning and business model innovation. In the telecommunications context, the BMC is particularly useful for understanding how different components of the business model interact to create and deliver value to customers, especially when targeting specific segments such as families.

SWOT analysis (Strengths, Weaknesses, Opportunities, Threats) is a fundamental strategic management tool that helps organizations assess their internal capabilities and external environment. When combined with the TOWS Matrix developed by Weihrich (1982), this analysis enables the systematic development of strategic alternatives by matching internal factors with external factors. The TOWS Matrix generates four types of strategies: SO strategies that leverage strengths to capture opportunities, WO strategies that overcome weaknesses to pursue opportunities, ST strategies that use strengths to counter threats, and WT strategies that minimize weaknesses and avoid threats. This integrated approach has been successfully applied in various telecommunications strategy studies.

In this context, it is necessary to conduct an in-depth evaluation of the myXL prepaid business model, especially in relation to the family segment, using a comprehensive and structured approach that combines BMC analysis for business model mapping, SWOT analysis for identifying strategic factors, and TOWS Matrix for generating strategic alternatives. This research aims to: (1) Map the current business model of myXL prepaid for the family segment using the Business Model Canvas framework to understand how value is currently created and delivered; (2) Identify strengths, weaknesses, opportunities, and threats through comprehensive SWOT analysis based on internal company data, stakeholder interviews, and market analysis; (3) Formulate strategic recommendations using the TOWS Matrix to optimize the myXL business model in increasing revenue from the family segment through actionable and prioritized strategies; and (4) Provide practical insights for XLSmart management in formulating policies and digital product development strategies that are focused on family segment needs and aligned with post-merger integration objectives.

This research is significant for several reasons. Theoretically, it contributes to the growing literature on business model innovation in the telecommunications industry, particularly in the context of emerging markets and family segment strategies. The application

of BMC and SWOT/TOWS frameworks in combination provides a replicable methodology that can be adapted for other operators and markets. Practically, this research provides actionable recommendations for XLSmart to optimize its myXL platform for the family segment, potentially unlocking significant revenue growth opportunities. The findings can guide product development priorities, marketing strategies, partnership decisions, and resource allocation. Given the substantial investment in the merger and the strategic importance of the family segment, optimizing myXL's performance in this segment can significantly contribute to XLSmart's overall business success and competitiveness in the Indonesian telecommunications market.

MATERIALS AND METHODS

This research employs a qualitative approach with a case study research design, focusing on the myXL prepaid application and its positioning in the family segment market. The qualitative approach was chosen because it allows for in-depth exploration of complex phenomena within their real-world context, particularly in understanding how business model components interact and how strategic factors influence business performance. The case study design is appropriate for this research because it enables comprehensive examination of a contemporary phenomenon within its specific context, especially when the boundaries between phenomenon and context are not clearly evident (Yin, 2018).

Data were collected through multiple sources to ensure triangulation and enhance the validity of findings. Primary data were gathered through semi-structured in-depth interviews with six key informants selected using purposive sampling. The informants included: (1) Product Manager for Digital Services responsible for myXL application development and feature roadmap; (2) Marketing Manager for Consumer Segment focusing on family segment strategies and customer acquisition; (3) Customer Service Manager with insights into user feedback, complaints, and behavior patterns; (4) Technical Manager overseeing application infrastructure, security, and performance; (5) Active myXL user representing family segment (parent with 2 children, aged 35-45); and (6) Active myXL user representing family segment (parent with 3 children, aged 30-40). Each interview lasted approximately 60-90 minutes and was conducted either in-person at XL Axiata offices or via video conference, with all interviews recorded with consent and transcribed verbatim for analysis.

The interview protocol covered topics including current usage patterns of myXL application, awareness and utilization of family features, perceived value propositions, pain points and improvement suggestions, competitive comparisons, and attitudes toward digital parenting features. Secondary data were collected from various sources including XL Axiata annual reports (2021-2024), internal strategic planning documents, customer satisfaction surveys, application usage analytics, industry reports from sources such as Statista and MarkPlus Inc., academic publications on telecommunications business models and family segment strategies, and competitor analysis materials. These documents provided contextual information about industry trends, competitive dynamics, regulatory environments, and historical performance data.

The data analysis process followed a systematic approach consistent with qualitative research best practices. First, all interview transcripts and documents were coded using thematic coding techniques to identify recurring patterns and themes. The coding process

involved open coding to identify initial concepts, axial coding to establish relationships between concepts, and selective coding to identify core themes. NVivo software was used to facilitate the coding process and ensure systematic analysis. Second, the coded data were organized according to the Business Model Canvas framework to map the current state of myXL's business model for the family segment. Each of the nine building blocks was analyzed based on the interview data and supporting documents.

Third, SWOT analysis was conducted by identifying strengths, weaknesses, opportunities, and threats based on the analyzed data, existing literature, and expert judgment from interviews with company managers. Strengths and weaknesses were identified through internal analysis of myXL's capabilities, resources, and performance. Opportunities and threats were identified through external environmental analysis including market trends, competitive dynamics, technological developments, and regulatory factors. Fourth, the TOWS Matrix was developed by systematically matching internal factors (strengths and weaknesses) with external factors (opportunities and threats) to generate four categories of strategic alternatives: SO strategies, WO strategies, ST strategies, and WT strategies. Each strategic alternative was developed through collaborative discussion with key informants to ensure feasibility and relevance.

Finally, the generated strategies were evaluated and prioritized based on their feasibility considering organizational capabilities and resource constraints, potential impact on revenue and customer satisfaction in the family segment, alignment with overall corporate strategy and post-merger integration objectives, and time to implementation and quick win potential. A scoring matrix was developed to systematically evaluate each strategy across these criteria. To ensure research quality and rigor, several measures were implemented including: (1) Data triangulation through multiple data sources (interviews, documents, observations) to cross-validate findings; (2) Investigator triangulation through peer review of coding and analysis by academic supervisors; (3) Member checking by sharing preliminary findings with select informants for validation and feedback; (4) Detailed audit trail documentation of all research procedures and decisions to ensure transparency and replicability; and (5) Reflexivity practices where the researcher acknowledged and accounted for potential biases and their influence on the research process.

RESULTS AND DISCUSSION

Current Business Model Canvas Analysis

The analysis of myXL's current business model reveals several key insights across the nine building blocks of the Business Model Canvas. In terms of Customer Segments, myXL primarily targets prepaid mobile users in Indonesia, with a particular focus on value-conscious consumers aged 18-45, young adults and millennials who are digitally savvy, and increasingly, family users. The family segment is characterized by households with 2-5 members who collectively use telecommunication services and seek convenient ways to manage multiple subscriptions and share resources. Analysis of user demographics shows that the family segment represents approximately 28% of myXL's active user base, with an ARPU 35% higher than individual users, indicating significant revenue potential. However, interview data reveals that most of these family users do not actively utilize family-specific features, treating myXL primarily as an individual service platform.

The Value Propositions offered by myXL to the family segment include: convenient self-service capabilities through a user-friendly mobile application that allows users to manage their accounts 24/7 without visiting physical stores; competitive pricing with family-specific packages such as AKRAB that offer shared data quotas at discounted rates; data sharing features through XL Circle that enable users to create groups and share benefits; comprehensive digital services including entertainment (streaming music and video), e-commerce integrations (with Tokopedia, Shopee), and financial services (digital wallet, bill payments); and parental control features that support digital parenting practices including content filtering and usage monitoring. However, interview data reveal significant gaps between the intended value proposition and actual value perception by customers.

Specifically, awareness of AKRAB package is limited with only 18% of family segment users aware of its existence, and among those aware, only 22% have tried it. The primary barrier cited is lack of clear differentiation from regular packages and unclear value proposition. XL Circle penetration is even lower, with informants reporting confusion about how the feature works and skepticism about its practical benefits. One interviewed parent stated: "I know there are some family features, but I'm not sure exactly what they do or how they would benefit us. The regular packages already work fine for our needs." This indicates a critical need for improved communication and value demonstration for family-specific features.

The Channels through which myXL reaches and communicates with family segment customers include: the mobile application itself as the primary interface for service access and self-service; physical retail outlets including XL Centers, authorized dealers, and modern trade outlets; digital marketing channels including social media (Facebook, Instagram, TikTok), search engine marketing, and display advertising; partnerships with e-commerce platforms where XL packages can be purchased; and customer service touchpoints including call center (123), social media customer service, and in-app chat. Analysis shows that while myXL has established multiple channels, the coordination and consistency of messaging across these channels specifically for family-oriented features need improvement. For instance, retail staff training on family packages is limited, and digital marketing campaigns have primarily focused on individual user propositions.

Customer Relationships are maintained primarily through: the self-service application providing automated and convenient service access; customer service support for problem resolution and inquiries; loyalty programs including XL Prioritas for high-value customers; personalized notifications and offers based on usage patterns; and community engagement through social media platforms. However, there is limited proactive engagement specifically designed to nurture and deepen relationships with family segment users. The current approach is largely transactional rather than relationship-oriented. One product manager interviewed noted: "We have good tools for individual customer engagement, but we haven't really optimized for the family dynamic where decisions are made collectively and different family members have different needs." This represents an opportunity for developing family-specific relationship management strategies.

Revenue Streams primarily come from: prepaid recharges and package purchases which account for approximately 75% of revenue; data package purchases including daily, weekly, and monthly packages; voice and SMS services which have declined but still contribute

approximately 15% of revenue; and commissions from third-party services integrated within the application including e-commerce transactions, bill payments, and digital content purchases. For the family segment, the AKRAB package and related offerings contribute only 2.1% of total prepaid revenue, significantly below the projected 8-10% contribution anticipated when the package was launched. This underperformance is attributed to low awareness, limited differentiation, and insufficient marketing support.

The analysis identified opportunities to develop more differentiated family packages with clearer value propositions, explore subscription-based revenue models that could provide more predictable and higher-value revenue streams, expand value-added services specifically relevant to families such as educational content, family entertainment bundles, and digital safety services, and develop tiered family packages addressing different family sizes and usage patterns. Key Resources include: the application infrastructure built on cloud platforms enabling scalability and reliability; network infrastructure particularly enhanced after the merger with combined 4G coverage reaching 95% of populated areas; customer database containing valuable usage data, preferences, and behavioral information for over 70 million users; brand reputation with XL Axiata recognized as an innovative and customer-focused operator; and partnerships with content and service providers including major streaming platforms, e-commerce marketplaces, and fintech companies.

The merger with Smartfren has significantly strengthened XL's network resources, creating potential for improved service quality particularly in areas where XL previously had limited coverage. However, integration of the two networks is still ongoing, with full integration expected by late 2025. The combined network positions XLSmart to offer superior coverage as a competitive advantage, particularly important for family users who may be located across different geographical areas. Key Activities encompass: application development and maintenance including regular updates, new feature development, bug fixes, and security patches; network operations including monitoring, maintenance, capacity planning, and quality optimization; customer service operations handling inquiries, complaints, and technical support; marketing and promotional activities including campaign development, execution, and performance tracking; and partnership management maintaining relationships with content providers, vendors, and distribution partners.

Interview data suggest that while these activities are well-executed individually, there is room for better integration and optimization specifically for family segment needs. For instance, application development priorities are largely driven by overall user feedback rather than segment-specific insights, meaning family-specific pain points may not be adequately addressed. Customer service representatives receive general training but lack specialized knowledge about family features and use cases. Marketing campaigns are designed for mass market appeal rather than targeted family messaging. This fragmented approach limits the effectiveness of efforts to serve the family segment optimally.

Key Partnerships include: technology vendors for application development including cloud platform providers (AWS, Google Cloud), security solution providers, and application development agencies; content providers for entertainment services including major streaming platforms (Netflix, Disney+, Spotify), gaming platforms, and educational content providers; payment gateway providers enabling seamless financial transactions within the application; e-commerce platforms (Tokopedia, Shopee, Bukalapak) where XL products can be purchased

and that provide cross-promotional opportunities; and most significantly, Smartfren as the merger partner bringing complementary strengths in network infrastructure, subscriber base, and technological capabilities. The Smartfren merger represents both an opportunity and a challenge, as it requires careful integration of systems, alignment of strategies, and cultural integration while leveraging potential synergies in network, technology, and market reach.

Finally, the Cost Structure includes: network infrastructure costs including spectrum license fees, tower rental, equipment maintenance, and capacity expansion; application development and maintenance costs including salaries for development teams, cloud hosting fees, third-party service subscriptions, and security infrastructure; marketing and promotion expenses including above-the-line advertising, digital marketing, retail marketing materials, and promotional subsidies; customer acquisition and retention costs including sales commissions, loyalty program costs, and customer service operations; and partnership fees including revenue sharing with content providers, commission payments to distribution partners, and integration costs for third-party services. The analysis identified opportunities for cost optimization through economies of scale post-merger particularly in network infrastructure and vendor negotiations, improved efficiency in marketing spend through better targeting of family segment communications and elimination of waste from ineffective campaigns, and optimization of customer acquisition costs by focusing on high-value family segment users with lower churn rates and higher ARPU.

SWOT Analysis Results

The comprehensive SWOT analysis revealed several critical factors that influence myXL's performance in the family segment. The main Strengths identified include: (1) Strong digital infrastructure with a user-friendly and feature-rich mobile application that has received positive ratings (4.2/5 on Google Play Store based on over 500,000 reviews) and recognition for its intuitive interface and comprehensive functionality; (2) Wide network coverage enhanced by the merger with Smartfren, providing better connectivity across Indonesia with combined 4G coverage reaching 95% of populated areas and plans for 5G deployment in major cities; (3) High loyalty among active users, with many users demonstrating long-term commitment to the platform evidenced by average customer tenure of 4.3 years for prepaid users and Net Promoter Score (NPS) of +35 indicating strong likelihood to recommend; (4) Comprehensive digital ecosystem integrating telecommunications, entertainment, e-commerce, and financial services providing users with a one-stop platform for various needs; (5) Strong brand recognition with XL Axiata ranking third in brand awareness among Indonesian telecommunications operators and associated with innovation and customer focus; and (6) Access to extensive customer data that can be leveraged for personalization and service improvement including usage patterns, preferences, demographic information, and behavioral insights for over 70 million users.

The main Weaknesses identified include: (1) Low awareness and utilization of family-specific features such as AKRAB package (3.2% penetration) and XL Circle (1.8% penetration), significantly below targets and indicating failure to effectively communicate value propositions or design compelling offerings; (2) Limited differentiation of family offerings compared to competitors with Telkomsel's Family Share and Indosat's family packages perceived as offering clearer benefits and better value propositions; (3) Dependency

on external vendors for certain application features and services creating potential risks in terms of service continuity, cost control, and feature development agility; (4) Incomplete integration of systems and services post-merger with billing systems, customer databases, and network management still operating on separate platforms in some cases, creating inefficiencies and limiting potential synergies; (5) Limited proactive engagement strategies specifically designed for family segment with customer relationship management primarily focused on individual users rather than household units; (6) Insufficient parental control features compared to emerging market expectations with basic content filtering but lacking advanced features like screen time management, location tracking, and comprehensive activity reporting that parents increasingly desire; and (7) Challenges in managing customer experience across multiple touchpoints with inconsistent service quality and messaging between application, customer service, and retail channels.

The main Opportunities include: (1) Growing awareness and concern about digital parenting among Indonesian families with UNICEF study showing 68% of parents concerned about children's online activities but only 32% using parental control tools, indicating large unmet need; (2) Increasing internet adoption and data usage among family members with household internet penetration expected to reach 85% by 2026 and average data consumption per family projected to grow 40% annually; (3) Rising demand for integrated digital services that simplify household management including bill payments, family entertainment, educational resources, and home connectivity solutions; (4) Potential to leverage merger synergies to create unique value propositions combining XL's digital expertise and urban market strength with Smartfren's fixed wireless access capabilities and outer island presence; (5) Expanding middle-class population with increasing purchasing power and willingness to spend on quality telecommunications services estimated at 52 million households by 2025; (6) Technological advancements enabling more sophisticated features and personalization including AI-powered recommendations, advanced parental controls, and seamless multi-device experiences; (7) Regulatory support for digital services and family-oriented products with government initiatives promoting digital literacy and safe internet usage; and (8) Potential partnerships with education platforms and family-oriented content providers including online learning platforms, children's entertainment providers, and parenting resource websites.

The main Threats include: (1) Intense competition from major operators such as Telkomsel with 40% market share and strong brand loyalty, and Indosat Ooredoo Hutchison with aggressive pricing and improving network quality, both actively targeting the family segment; (2) Rapid technological changes requiring continuous investment in innovation including 5G deployment, network densification, application feature development, and cybersecurity enhancements; (3) Potential regulatory changes affecting telecommunications services including spectrum auction rules, data privacy regulations, content censorship requirements, and consumer protection laws; (4) Economic uncertainties that could impact consumer spending on telecommunications services with inflation concerns and income volatility potentially leading to downtrading or service cancellation; (5) Increasing customer expectations for personalized and seamless experiences with standards set by global technology companies like Google, Apple, and Facebook creating pressure for telecommunications operators to match; (6) Cybersecurity risks and privacy concerns particularly relevant for family users with increasing incidents of data breaches, online scams, and inappropriate content

exposure creating anxiety among parents; (7) Potential execution challenges in post-merger integration including system integration complexities, cultural differences, employee retention issues, and delayed realization of synergies; and (8) Emergence of new competitors and digital service platforms that could disintermediate traditional telecommunications operators including over-the-top (OTT) messaging services, WiFi first mobile virtual network operators (MVNOs), and big tech companies entering telecommunications.

TOWS Matrix Strategic Alternatives

Based on the SWOT analysis results, the TOWS Matrix was developed to generate strategic alternatives by systematically matching internal and external factors. Table 1 presents the TOWS Matrix with the resulting strategic options across four categories: SO strategies (leveraging strengths to capture opportunities), WO strategies (overcoming weaknesses to pursue opportunities), ST strategies (using strengths to counter threats), and WT strategies (minimizing weaknesses and avoiding threats).

Table 1. TOWS Matrix for myXL Family Segment Strategy

	Strengths (S)	**Weaknesses (W)**
Opportunities (O)	**SO Strategies:** 1. Develop comprehensive digital parenting features leveraging strong infrastructure 2. Create integrated family packages utilizing merger synergies 3. Enhance personalization using customer data analytics	**WO Strategies:** 1. Launch targeted awareness campaigns for family features 2. Partner with education and family content providers 3. Accelerate post-merger system integration
Threats (T)	**ST Strategies:** 1. Strengthen competitive position through differentiated family offerings 2. Enhance cybersecurity and privacy protections 3. Build customer loyalty through superior experience	**WT Strategies:** 1. Focus resources on core family segment value propositions 2. Implement agile development to respond to market changes 3. Reduce dependency on external vendors

Source: Processed from SWOT analysis results based on interviews with key informants and internal company documents (XL Axiata, 2024)

Strategic Recommendations and Discussion

Based on the TOWS Matrix analysis, several strategic priorities emerge for myXL to optimize its business model for the family segment. The SO strategies, which leverage strengths to capture opportunities, should be prioritized as they represent the highest potential for growth and align with myXL's existing capabilities. First, developing comprehensive digital parenting features that leverage myXL's strong infrastructure represents a significant opportunity to differentiate from competitors and meet an important emerging need among Indonesian families. These features should include robust content filtering and monitoring tools that allow parents to block inappropriate websites and applications, usage time limits that parents can configure for different times of day and different family members, educational content recommendations based on children's ages and interests, activity reports that give parents insight into their children's digital behavior including time spent on different applications and websites visited, and location tracking features for child safety purposes with

real-time alerts.

Implementation of these features should be phased, starting with the most critical parental controls (content filtering and time limits) in the first phase (3-4 months), followed by enhanced monitoring and reporting features in the second phase (5-6 months), and finally advanced features like AI-powered recommendations and predictive alerts in the third phase (7-12 months). User feedback should be continuously collected and incorporated into feature refinement. Creating integrated family packages that utilize merger synergies with Smartfren presents another high-priority opportunity. These packages should combine competitive pricing with family-specific features such as shared data pools allowing flexible distribution among family members with primary account holder control, multi-user management enabling convenient subscription management for all family members from a single interface, bundled services that address collective family needs including entertainment (family streaming subscriptions), education (online learning access), and home connectivity (combining mobile and fixed wireless access using Smartfren's FWA capabilities).

The enhanced network coverage resulting from the merger should be prominently featured as a key benefit of these packages, with messaging emphasizing "stay connected wherever your family goes" and highlighting the combined network strength. Pricing should be structured to offer clear value compared to purchasing individual packages, with discounts ranging from 20-30% for families purchasing bundled packages. Enhancing personalization using customer data analytics represents a third critical SO strategy. myXL should leverage its extensive customer database to develop predictive models that anticipate family needs based on usage patterns, recommend relevant packages and services proactively, deliver personalized communications through optimal channels and timing, and create targeted offers that resonate with specific family segments.

This requires investment in data analytics capabilities including hiring or training data scientists, implementing machine learning platforms, and integrating customer data from multiple sources (application usage, network data, customer service interactions, transaction history). Privacy protections must be carefully implemented to ensure compliance with data protection regulations and maintain customer trust, including transparent data usage policies, opt-in mechanisms for advanced personalization, and secure data storage and processing. The WO strategies address how to overcome weaknesses to capture opportunities. Launching targeted awareness campaigns for family features is essential to address the low awareness issue identified in the analysis. These campaigns should use multiple channels including social media platforms (Facebook, Instagram, TikTok) with engaging content showing real family use cases, in-app notifications and banners highlighting family features prominently within the myXL application, physical retail outlets with trained staff, promotional materials, and demonstration devices, and partnerships with family-oriented platforms and influencers including parenting bloggers, family YouTube channels, and education platforms.

The messaging should clearly articulate the value proposition for families emphasizing convenience (manage multiple family members easily), savings (discounts on family packages), control (parental control features), and connectivity (reliable network for the whole family). Success should be measured through awareness tracking surveys, feature adoption rates, customer feedback, and revenue contribution from family packages. Partnering with education and family content providers can help overcome the limitation in content offerings

while expanding the value proposition. Potential partnerships could include educational technology platforms providing online courses, tutoring, and learning resources that can be bundled with family packages, children's entertainment providers offering age-appropriate content with parental controls integrated, family-oriented e-commerce platforms providing special offers for XL family package subscribers, and parenting resource websites offering expert advice on digital parenting integrated within the myXL application.

These partnerships should be structured to create mutual value through revenue sharing arrangements, co-marketing opportunities, data insights sharing (with appropriate privacy protections), and integrated user experiences. Partnership selection criteria should include brand alignment (partners that share family-friendly values), value proposition fit (offerings that genuinely benefit family users), technical compatibility (ability to integrate smoothly with myXL platform), and commercial viability (sustainable business model for both parties). Accelerating post-merger system integration is critical to realizing the full potential of the merger and overcoming current operational weaknesses. This includes integrating billing systems to provide unified customer accounts and seamless service across XL and Smartfren networks, customer databases to enable comprehensive view of customer relationships and enable better personalization, application features to provide consistent user experience across both brands, and network management systems to optimize performance and capacity across the combined infrastructure.

A phased integration approach with clear milestones and success metrics should be implemented, with priority given to integrations that directly impact customer experience and family segment capabilities. Integration should be completed within 18 months with critical customer-facing integrations prioritized in the first 12 months. The ST strategies focus on using strengths to counter threats. Strengthening competitive position through differentiated family offerings is essential given the intense competition in the telecommunications market. myXL should identify and emphasize unique features that competitors cannot easily replicate such as specific parental control capabilities that go beyond basic content filtering, unique content partnerships providing exclusive access to family-oriented content, innovative pricing models such as dynamic data sharing that adjusts automatically based on family member usage patterns, or superior customer experience through dedicated family account managers or priority customer service.

These differentiators should be prominently communicated in all marketing materials and sales processes, with clear competitive comparisons showing why myXL offers superior value for families. Regular competitive intelligence should be gathered to understand competitor moves and adapt strategies accordingly. Enhancing cybersecurity and privacy protections is particularly important for family users who may have heightened concerns about children's online safety. This includes implementing strong encryption for data transmission and storage, regular security audits by third-party experts to identify and address vulnerabilities, transparent privacy policies written in clear language explaining exactly how customer data is collected, used, and protected, giving users control over their data through easy-to-use privacy settings and data deletion options, and proactive communication about security measures to build trust.

Security features should be marketed as a key benefit of myXL family packages, with messaging emphasizing "keeping your family safe online." Partnerships with cybersecurity

companies and parental control solution providers can enhance capabilities and credibility. Building customer loyalty through superior experience requires consistent excellence across all touchpoints including intuitive application design that makes family features easy to discover and use, responsive customer service with specialized training on family-related inquiries, seamless onboarding processes that guide families through setup and initial use of features, proactive problem resolution that identifies and addresses issues before customers complain, and loyalty programs specifically designed for family segment users offering rewards that appeal to families such as entertainment subscriptions, educational resources, or additional data.

Customer experience metrics should be tracked rigorously including Net Promoter Score (NPS), Customer Satisfaction (CSAT), Customer Effort Score (CES), and churn rate, with specific targets for family segment users. Regular customer feedback should be collected through surveys, focus groups, and user testing sessions, with insights directly informing product and service improvements. The WT strategies are defensive in nature, aiming to minimize weaknesses and avoid threats. Focusing resources on core family segment value propositions requires making strategic choices about where to invest and what to de-prioritize. myXL should identify the 2-3 most important needs of family segment users through customer research and ensure these are addressed excellently rather than trying to offer everything.

Based on research findings, these core needs likely include affordable data sharing for the whole family, effective parental control tools for managing children's device usage, and convenient management of multiple family members' subscriptions. Resources including development budget, marketing spend, and management attention should be concentrated on these priorities with clear KPIs to measure success. Lower priority features or initiatives should be deprioritized or eliminated to avoid resource dilution. Implementing agile development methodologies enables faster response to market changes and competitive threats. This includes shorter development cycles with releases every 2-4 weeks rather than lengthy quarterly updates, continuous feedback loops with users through beta testing, in-app feedback mechanisms, and regular user research, and iterative improvement of features based on usage data and customer feedback rather than trying to perfect features before release.

Agile practices should be adopted across product development, marketing campaigns, and customer service improvements. Cross-functional teams should be empowered to make decisions quickly and implement changes rapidly. This approach allows myXL to adapt quickly to changing family needs, respond to competitive moves, and continuously improve the value proposition. Reducing dependency on external vendors improves flexibility and reduces risk, though this must be balanced against the benefits of specialization and partnership. Critical features that differentiate myXL in the family segment should be developed in-house when feasible, particularly core application functionality, data analytics capabilities, and customer relationship management systems.

However, partnerships remain valuable for specialized capabilities including content (where content providers have expertise and rights), advanced technologies (where vendors have specialized expertise), and non-core functions (where outsourcing provides cost efficiency). The key is to maintain strategic control over differentiating capabilities while leveraging partners for complementary capabilities. Vendor relationships should be actively managed with clear service level agreements, performance monitoring, and alternative vendor

options identified to maintain negotiating leverage. The implementation of these strategies should be phased over a 12-18 month period with clear priorities and resource allocation. Quick wins that can be achieved in the first 3-6 months should be identified to build momentum and demonstrate progress, potentially including launching awareness campaigns using existing marketing channels, improving existing family features based on user feedback that requires minimal development effort, establishing initial partnerships with 1-2 key content or service providers, and piloting enhanced parental control features with a limited user group.

Medium-term initiatives for months 6-12 might include launching integrated family packages with improved value propositions and marketing support, completing major system integration milestones particularly for customer databases and billing systems, expanding partnerships to create a comprehensive family ecosystem, and implementing data analytics capabilities for enhanced personalization. Long-term initiatives for months 12-18 would include achieving full post-merger integration for all customer-facing systems, establishing myXL as the clear family segment leader in the Indonesian market through successful execution of strategies, building a sustainable competitive moat through unique features and superior customer experience, and scaling successful strategies across the entire XLSmart customer base including both prepaid and postpaid segments.

CONCLUSIONS

This research provides comprehensive insights into the myXL prepaid business model and its potential for the family segment through systematic analysis using Business Model Canvas, SWOT analysis, and TOWS Matrix frameworks. The analysis reveals that myXL possesses significant strengths including robust digital infrastructure, wide network coverage enhanced by the Smartfren merger, high user loyalty, and a comprehensive digital ecosystem. However, these strengths are not fully leveraged for the family segment due to low awareness and utilization of family-specific features, limited differentiation from competitors, and incomplete post-merger integration. The external environment presents substantial opportunities arising from growing digital parenting awareness, increasing family internet adoption, and technological advancements enabling sophisticated personalization. Simultaneously, intense competition, rapid technological change, and evolving customer expectations pose significant threats. The TOWS Matrix analysis generates twelve strategic alternatives across four categories, with priority emphasis on SO strategies that leverage strengths to capture opportunities. Key recommendations include developing comprehensive digital parenting features, creating integrated family packages utilizing merger synergies, enhancing personalization through data analytics, launching targeted awareness campaigns, accelerating system integration, and strengthening competitive differentiation. Implementation should be phased over 12-18 months with clear metrics to track progress and impact including family feature adoption rates, revenue contribution from family packages, customer satisfaction scores, and competitive position metrics. This research contributes to both academic literature on telecommunications business models and provides practical guidance for XLSmart management in optimizing the myXL application for family segment growth. The findings demonstrate the value of combining multiple strategic analysis frameworks to develop actionable recommendations. Future research could extend this analysis by conducting quantitative studies to measure the impact of implemented strategies on key performance indicators, comparing family segment strategies across different telecommunications markets to identify best practices and contextual factors, exploring the role of emerging technologies such as artificial intelligence and 5G in enhancing family-oriented digital services, and

investigating the long-term sustainability of family segment strategies in the face of market disruptions and technological change.

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