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STRATEGY FORMULATION TO NAVIGATE REVENUE FLUCTUATION DURING THE DEATH VALLEY PHASE: A CASE STUDY OF BUNGKUST – A PACKAGING COMPANY

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Abstract

This study formulates strategies to reduce revenue fluctuation at Bungkust, a business-to-business custom paper packaging company navigating the Death Valley phase. A single-case study combined semi-structured interviews with employees, customers, and a vendor with internal revenue and marketing-funnel records from January 2025 to May 2026. Interview data were examined through thematic analysis, revenue through descriptive time-series analysis, and funnel records through descriptive statistics. Monthly revenue ranged from IDR 50.14 million to IDR 715.30 million, with major increases repeatedly followed by sharp declines. High traffic did not consistently produce qualified prospects, while only 6-19% of released quotations became orders. The company shows strong growth ambition but lacks a sufficiently standardized and scalable business model, placing it in the Start-up phase of the Death Valley framework. Market, external, and internal analyses generated 23 TOWS alternatives, consolidated into nine strategies. Integrated Cost Leadership/Differentiation was selected to combine cost efficiency with customization, quality, responsiveness, and fulfilment reliability. A preparation phase from Q3 2026 to Q2 2027 and an execution phase from Q3 2027 provide a structured route toward more stable and scalable growth.

Keywords: *affordable-premium positioning; custom paper packaging; death valley; marketing funnel; revenue fluctuation; strategy formulation.*

1 Introduction

Paper packaging has become strategically important because it protects products while supporting brand identity, customer experience, and sustainability objectives. Global market estimates differ in baseline and forecast horizon, but consistently indicate continued expansion. Mordor Intelligence estimated a market value of USD 458.80 billion in 2025 and projected USD 601.73 billion by 2031, while Global Market Insights projected growth from USD 410.5 billion in 2024 to USD 596.5 billion by 2034 [1], [2]. Indonesia is also expected to expand, with the national paper packaging market projected to rise from USD 8.09 billion in 2025 to USD 10.8 billion in 2030 [3]. Nevertheless, growth does not eliminate competitive pressure. Indonesian micro and small paper-related manufacturing recorded a notable production decline in 2023, illustrating the vulnerability of firms exposed to price competition, cost escalation, and structural change [4].

These pressures are especially consequential for early-stage enterprises. The Death Valley concept describes a vulnerable period in which a venture has begun commercial activity but has not yet established a model capable of generating stable and repeatable outcomes. Ritter and Pedersen distinguish enterprise phases using two indicators: growth ambition and the readiness of the business model [5]. A company with strong scaling intention but an insufficiently validated and scalable model occupies the Start-up phase, regardless of its legal age or ability to secure occasional high-value orders. This perspective is useful for Bungkust because the central issue is not simply low sales; it is the inability to sustain performance after strong months.

Bungkust is a business-to-business custom paper packaging company serving micro, small, and medium enterprises, local brands, and corporate customers. It offers made-to-order softboxes, hardboxes, and public-relations packages through consultation, design, sample development, production coordination, quality control, and delivery. The company achieved early market traction after commencing operations in 2022, yet its growth path remained uneven. Dependence on external vendors, incomplete production assets, limited standardization, leadership and employee turnover, fragmented information, production rejects, and aggressive price competition repeatedly constrained execution. By 2026, additional machinery and organizational functions had strengthened the operating base, but revenue continuity still depended heavily on irregular large projects.

Accordingly, this study addresses three questions: what customer characteristics, needs, and perceptions define Bungkust's paper packaging market; how external factors and internal resources and capabilities influence revenue fluctuation; and which strategic options can stabilize growth and strengthen market penetration. The study contributes an integrated case analysis connecting marketing-funnel performance, Death Valley diagnosis, market selection, external and internal assessments, TOWS formulation, business-level strategy, and implementation planning. This connection is managerially important because increasing promotional volume alone cannot resolve fluctuation when acquisition, pricing, production, retention, and organizational readiness remain misaligned.

2 Literature Review

2.1 Market and Customer Analysis

Market analysis begins with segmentation, targeting, and positioning. Business customers can be grouped by industry, geography, operating characteristics, purchasing approach, situational factors, and buyer characteristics; attractive targets are then selected according to compatibility, monetary value, and strategic value [6]. Positioning defines the intended place of the offer in the target customer's mind and requires both points of parity, which meet category expectations, and points of difference, which provide distinctive value. For a custom packaging supplier, essential parity includes specification accuracy, suitable materials, consistent quality, competitive pricing, responsive communication, and on-time delivery. Potential differentiation arises from consultation, customization, design support, service flexibility, and risk reduction.

The Value Proposition Canvas complements STP by connecting customer jobs, gains, and pains with products and services, gain creators, and pain relievers [7]. In this context, customers seek packaging that protects products, supports operations, and strengthens brand presentation; they expect attractive, timely, budget-suitable output but face specification uncertainty, supplier comparison, defects, delays, and limited packaging knowledge. The marketing funnel then traces movement from awareness and interest to inquiry, quotation, purchase, and retention. Digital marketing can expand reach, but channel performance must be evaluated by lead relevance, conversion, acquisition cost, and downstream value rather than traffic alone [8].

2.2 Strategic Diagnosis and Formulation

Strategic diagnosis combines external and internal perspectives. General-environment, industry, and competitor analyses identify opportunities and threats arising from macro trends, competitive forces, rival objectives, strategies, assumptions, capabilities, and likely responses. Internally, the resource-based view evaluates tangible and intangible resources, while VRIN assessment distinguishes valuable, rare, costly-to-imitate, and non-substitutable capabilities that may support competitive advantage [9]. Value-chain analysis examines how inbound logistics, operations, outbound logistics, marketing and sales, service, procurement, technology, human resources, and infrastructure collectively create customer value [10]. Ishikawa analysis is used to organize the interconnected causes of an observed problem rather than treating a visible symptom as the root cause [11].

The TOWS Matrix translates diagnosis into action by matching strengths and weaknesses with opportunities and threats to generate SO, WO, ST, and WT alternatives [12]. Business-level strategy then clarifies how the firm will compete. The five alternatives are Cost Leadership, Differentiation, Focused Cost Leadership, Focused Differentiation, and Integrated Cost Leadership/Differentiation [9]. The integrated strategy is suitable when customers remain price-conscious but also value unique service, customization, quality, and reliability. In this study, the analytical sequence therefore moves from business evidence to market and environmental diagnosis, root-cause coverage, strategic consolidation, business-level choice, functional ownership, and phased implementation.

3 Research Methodology

This research employed a single-case study, with Bungkust as the unit of analysis. Case study design is appropriate when a contemporary business issue must be examined within its real-life context and when multiple sources of evidence are required [13]. The qualitative evidence consisted of semi-structured interviews with purposively selected employees from relevant functions, customers, and a production vendor. Participants were selected for their direct knowledge of marketing, quotation, operations, production, human resources, accounting, purchasing behavior, service expectations, or vendor conditions. Purposive selection supported information richness rather than statistical representativeness, consistent with qualitative business research [14]-[16].

Quantitative evidence was obtained from internal company records covering 17 months from January 2025 to May 2026. Monthly revenue was analyzed through descriptive time-series analysis to identify growth, decline, peaks, and post-peak contraction. Marketing-funnel records comprised views, clicks, chats, quotation requests, quotation releases, and completed acquisitions; descriptive statistics were used to compare stage volumes and monthly conversion rates. Interview transcripts were reduced, coded, grouped into sub-codes and themes, and interpreted through thematic analysis [17]. Triangulation linked stakeholder explanations to observed revenue and funnel patterns. The analytical process moved from performance evidence to Death Valley classification and Ishikawa root causes; STP, POP/POD, and value-proposition analysis; external, internal, VRIN, and value-chain diagnosis; TOWS alternatives and root-cause coverage; and finally strategic consolidation, business-level selection, functional ownership, KPIs, and a phased timeline.

4 Results and Discussion

4.1 Revenue and Marketing-Funnel Performance

Bungkust's revenue displayed substantial volatility rather than progressive growth. Across the 17-month period, monthly revenue ranged from IDR 50.14 million in May 2025 to IDR 715.30 million in January 2026. The first eight months of 2025 generally remained below IDR 130 million, followed by sharp peaks of IDR 423.65 million in September and IDR 408.40 million in November. Revenue reached its maximum in January 2026, declined to IDR 100.46 million in March, increased again to IDR 445.08 million in April, and fell to IDR 180.40 million in May. Figure 1 therefore demonstrates an ability to win high-value projects without a stable mechanism for reproducing them.

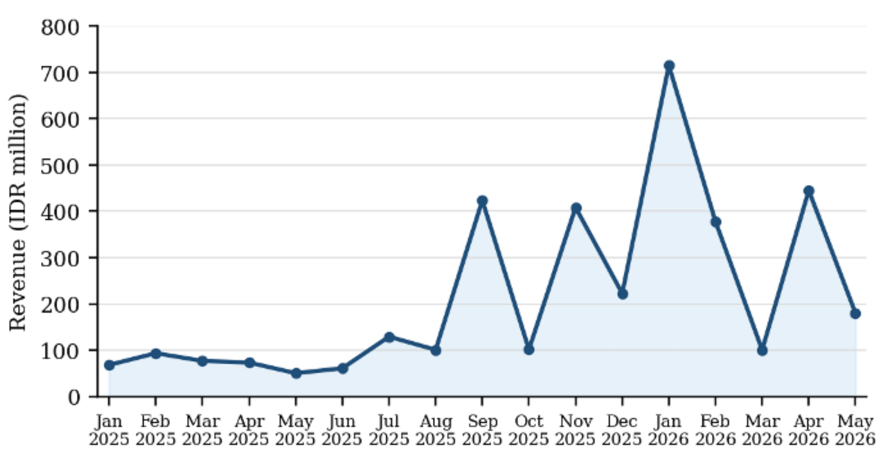

Figure 1 Bungkust monthly revenue, January 2025-May 2026.

Funnel evidence explains why high awareness did not consistently stabilize acquisition. Meta Ads increased views and clicks between May and August 2025, but downstream growth was disproportionate: August produced 180,565 views and 18 acquisitions, whereas November produced only 20,763 views but 27 acquisitions. Views-to-click conversion generally remained 5-12%, excluding an anomalous 45% in July 2025, and click-to-chat conversion weakened during the high-traffic campaign. The middle funnel was comparatively strong: 75-100% of quotation requests progressed to released quotations. However, released-quotation-to-acquisition conversion remained only 6-19%. The business therefore experienced dual leakage: insufficient audience relevance at the top and weak commercial conversion after quotation release at the bottom.

Table 1 Revenue and funnel diagnostic evidence.

Indicator	Observed evidence	Interpretation
Revenue range	IDR 50.14-715.30 million	High project-winning capacity; weak continuity
Traffic quality	Aug.: 180,565 views / 18 orders; Nov.: 20,763 / 27	Volume did not represent purchase intent
Quotation processing	75-100% request-to-release	Middle funnel was not the primary bottleneck
Commercial conversion	6-19% release-to-order	Persistent bottom-funnel leakage

4.2 Death Valley Classification and Root Causes

Interview coding confirms that Bungkust has explicit growth ambition. Respondents described efforts to acquire larger brands, raise order values, broaden market reach, expand production capacity, strengthen SEO, improve service, and secure major projects. The second indicator was not satisfied: quotation, sales, production, quality, human-resource, and after-sales systems were not sufficiently standardized to deliver consistent and scalable results. Revenue peaks, irregular repeat orders, cash-flow pressure, founder dependence, and operational bottlenecks were symptoms of this readiness gap. Bungkust is consequently positioned in the Start-up phase of the Death Valley framework, meaning that its priority is to strengthen the business model before accelerating scale [5].
The Ishikawa analysis showed that revenue fluctuation was produced by mutually reinforcing causes. Marketing and Sales involved unqualified traffic, weak lead qualification, inconsistent follow-up, and limited closing capability. Pricing and Cost involved input-cost pressure, customer price sensitivity, price competition, and weak value justification. Operations and SOPs involved inconsistent workflows, unclear handovers, limited order tracking, and weak standardization. Production and Quality Control involved vendor dependence, capacity constraints, delays, rejects, and inconsistent output. Customer Demand and Retention involved project-based and seasonal demand, customer concentration, and weak repeat-order systems. Market and Competition intensified vendor comparison and switching, while Human Resources and Leadership involved turnover, overlapping roles, capability gaps, founder dependence, and limited sales leadership. This diagnosis shows why a promotion-only solution would leave the dominant operational and organizational causes untreated.

4.3 Market, Target, and Positioning

Customer records covered 270 clients across 16 industry categories. Food and Beverage contributed the largest sales share at 28.10%, followed by Beauty and Personal Care at 26.00% and Industrial, Manufacturing and Energy at 16.20%; together they represented 70.30% of sales. Beauty and Personal Care combined a relatively high average order value of IDR 14.94 million with 49 customers and a 34.69% repeat rate. Food and Beverage generated 109 orders and an average order value of IDR 12.61 million. Industrial, Manufacturing and Energy recorded the highest average order value among the three at IDR 19.28 million and a 36.36% repeat rate, but had lower customer and order volumes. Geographically, approximately 85.54% of customers were located in Greater Jakarta.

Table 2 Priority customer segments.

Segment	Sales share	AOV	Repeat rate	Strategic role
Beauty & Personal Care	26.00%	IDR 14.94m	34.69%	Primary
Food & Beverage	28.10%	IDR 12.61m	29.17%	Supporting
Industrial, Manufacturing & Energy	16.20%	IDR 19.28m	36.36%	Selective high-value

The strategic implication is to prioritize growing-to-established Beauty and Personal Care brands in Greater Jakarta, retain Food and Beverage brands as a supporting target, and approach Industrial, Manufacturing and Energy selectively for high-value and repeat projects. Bungkust should position itself as a reliable affordable-premium custom packaging partner. Category parity requires consistent quality, accurate specifications, neat finishing, suitable materials, competitive price, responsive communication, and on-time fulfilment. Differentiation should come from a flexible and consultative process: structural and visual design support, material and finishing alternatives, sample development, customer-fit quotations, proactive communication, service recovery, and coordination from concept to delivery. This configuration aligns the value map with customer jobs, gains, and pains [6], [7].

4.4 External and Internal Environment

External analysis identified opportunities from the growth of MSMEs, local brands, e-commerce, aesthetic and social-media-oriented packaging, digital marketing and operational technologies, sustainable materials, certification, and quality-service differentiation. Threats arose from declining purchasing power, rising material and vendor costs, exchange-rate exposure, compliance requirements, supply disruption, intense rivalry, high buyer and supplier bargaining power, lower-priced alternatives, fast quotations, flexible minimum quantities, internal machinery, automation, certification, and strong competitor SEO. Customers can compare and switch suppliers easily, so Bungkust must improve value communication and reliability while protecting margins.

Internally, Bungkust possesses production equipment for selected stages, pricing and production data, SOP and work-order documentation, experienced packaging personnel, customer and vendor relationships, and a responsive consultative culture. VRIN assessment classified nine capabilities as sustained competitive advantages, nine as competitive parity, and three as temporary advantages. The strongest capabilities involved technical packaging expertise, customer-oriented consultation, pricing and material optimization, customer data, consultative selling, specification development, and production coordination. Weaknesses included incomplete machinery, unclear investment capacity, fragmented systems, informal coordination, uneven role clarity, limited knowledge transfer, dependence on suppliers, vendors, advertising, and third-party logistics, constrained complex or high-volume production, and inconsistent after-sales execution. The value chain can create customized and lower-risk packaging solutions, but the consistency of that value remains dependent on operational integration [9], [10].

4.5 Proposed Strategy

The TOWS Matrix generated 23 alternatives: five SO, six WO, six ST, and six WT strategies. A root-cause coverage check confirmed that all causes identified in the business issue analysis were addressed by at least one alternative. Similar strategies were then consolidated by objective, resources, activities, and expected implications into nine strategic themes shown in Table 3. Consolidation reduced duplication while preserving the full coverage of acquisition, conversion, pricing, operations, production, retention, supply, distribution, and organizational capability.

Table 3 Proposed strategy and functional ownership.

No.	Proposed strategy	Primary function	Related functions
1	Human Resources and Organizational Improvement	Human Resources	Marketing, Operations, Finance
2	Digital System and Process Integration	Operations	Marketing, Human Resources
3	Marketing Acquisition and Market Penetration	Marketing	Operations, Finance
4	Customer Retention and Loyalty Development	Marketing	Operations
5	Product, Quality, and Service Differentiation	Operations	Marketing, Human Resources
6	Cost, Pricing, and Order Management	Marketing, Operations, Finance	-
7	Production Capacity and Investment Development	Operations, Finance	Human Resources
8	Supplier and Supply-Chain Resilience	Operations	Finance
9	Distribution and Logistics Reliability	Operations	Marketing, Finance

Integrated Cost Leadership/Differentiation was selected as the most suitable business-level strategy. Interview coding strongly favored a combination of reasonable pricing and differentiated customer value rather than the lowest-price position. The choice is consistent with the evidence: customers compare quotations and remain budget-sensitive, but also require customization, quality, consultation, responsiveness, speed, and fulfilment certainty. Cost efficiency must therefore be improved through standardized quotations, material optimization, internal machinery, selective orders, margin controls, production planning, and supplier management. Differentiation must be reinforced through design and specification expertise, customer-fit solutions, quality assurance, sustainable options, fast-turnaround hardboxes, proactive communication, and reliable end-to-end service. Pursuing only cost leadership would expose the company to price wars, while pure differentiation would not resolve buyers' budget constraints [9].

4.6 Implementation and Control

Implementation is divided into preparation and execution because the strategy requires financial resources, recruitment, systems, facilities, and formal operating controls before full activation. The Preparation Phase runs from Q3 2026 to Q2 2027. It covers investor or financing preparation, pitch development, job and responsibility design, recruitment, SOP and training-module development, CRM and production-system design, customer segmentation, campaign and portfolio preparation, pricing rules, capacity and machinery feasibility, supplier and material mapping, and logistics standards. The Execution Phase begins in Q3 2027 and extends through the initial operating horizon to Q2 2028. It activates training, integrated systems, targeted acquisition, retention and referral programs, differentiated products and services, quotation and margin controls, facility and machinery expansion, multi-supplier procurement, and shipment monitoring. Performance control should connect the nine themes to a limited set of indicators. Acquisition measures include qualified leads, funnel conversion, customer acquisition cost, and advertising return. Retention measures include repeat orders, customer lifetime value, referrals, satisfaction, and complaint resolution. Operational and financial control should track quotation turnaround, SOP compliance, defects, lead time, on-time fulfilment, supplier performance, gross margin, product profitability, capacity utilization, and investment return. Monthly review and corrective action are necessary because the objective is repeatability, not isolated campaigns or equipment purchases [18].

Table 4 Implementation phases and control priorities.

Phase	Timing	Main priorities	Control focus
Preparatio n	Q3 2026-Q2 2027	Financing; recruitment; roles and SOPs; system design; segmentation; pricing rules; capacity, supplier, and logistics planning	Readiness, approved policies, system completion, recruitment, feasibility
Execution	Q3 2027-Q2 2028	Training; system activation; targeted acquisition; retention; differentiated offers; margin control; capacity expansion; resilient supply and delivery	Conversion, repeat orders, margin, defects, lead time, on-time fulfilment, ROI

5 Conclusion and Recommendations

This study concludes that Bungkust's revenue fluctuation is not an isolated sales problem. The company can generate large projects, but its acquisition, conversion, pricing, production, retention, and organizational systems do not yet reproduce that performance consistently. Monthly revenue varied from IDR 50.14 million to IDR 715.30 million, high traffic frequently produced low-intent demand, and only 6-19% of released quotations converted into orders. Strong growth ambition combined with incomplete business-model readiness places Bungkust in the Start-up phase of the Death Valley framework.

For the first research question, suitable customers are growing, brand-oriented businesses needing customization, appropriate materials, competitive pricing, consultation, consistent quality, and reliable fulfilment. Beauty and Personal Care in Greater Jakarta should be the primary target, Food and Beverage the supporting target, and Industrial, Manufacturing and Energy a selective high-value target. For the second question, market growth, digital technology, sustainability, and customization provide opportunities, while rivalry, bargaining power, input costs, and switching threaten performance. Valuable design, consultation, pricing, customer-data, and production-coordination capabilities are constrained by fragmented systems, turnover, vendor dependence, limited capacity, and inconsistent execution.

For the third research question, 23 TOWS alternatives were consolidated into nine strategies under Integrated Cost Leadership/Differentiation. Management should first establish organizational readiness, integrated information, pricing discipline, production and supply resilience, and accountability; it should then scale targeted acquisition, retention, differentiated offers, capacity, and logistics. The priority is simultaneous improvement of qualified demand, quotation conversion, repeat orders, margins, and fulfilment reliability. The study is limited to one company and a 17-month quantitative period and does not evaluate post-implementation outcomes. Future research should test the strategy with longer revenue, funnel, operational, and financial series; broader stakeholder participation; and comparisons with other packaging firms or enterprises facing similar Death Valley conditions. Retention, pricing accuracy, investment feasibility, system adoption, and employee capability warrant particular attention.

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