Exploring Market Opportunities for Online Russian Language Education in Indonesia: A Competitive Analysis of LERUSS ID

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Abstract

The Indonesian online education sector has seen significant growth since the COVID-19 pandemic, with a projected market value exceeding USD 1.7 billion by 2026. This has fueled demand for foreign language proficiency, particularly Russian, a globally prominent language. LERUSS ID, an online Russian language course provider, initially thrived with Instagram Reels in 2020-2021. However, inconsistent marketing since 2021 led to a sharp revenue decline from 2022 to 2024. This study aims to analyze LERUSS ID's competitive positioning and strategic actions for enhanced competitiveness. Employing a qualitative exploratory-descriptive case study design, data was collected from January to May 2025 through digital ethnography, document analysis, and founder interviews. Competitors were sampled and categorized. The theoretical framework integrates Porter's Five Forces for external analysis and the Resource-Based View (RBV) for internal assessment, followed by SWOT and TOWS matrix development. Key findings reveal intense market rivalry, high buyer bargaining power, and significant threats from substitutes and new entrants. LERUSS ID's strengths include personalization, flexibility, and competitive pricing. Weaknesses, correlating with revenue decline, are the absence of native tutors, limited technological infrastructure, and low brand visibility. Opportunities exist in growing interest in studying in Russia and underserved markets. Recommendations include leveraging personalization, addressing weaknesses like native tutor absence and LMS limitations, and consistent digital marketing to regain visibility and student acquisition.

Keywords: Online Education; Russian Language; Competitive Strategy; Porter's Five Forces; Resource-Based View; Edtech Startup; Indonesia.

Introduction

The Indonesian online education sector has experienced substantial growth since the COVID-19 pandemic. According to Statista (2023), the industry's market value is projected to exceed USD 1.7 billion by 2026, reflecting the promising nature of the e-learning industry and the high adoption rate of digital learning platforms among Indonesians.
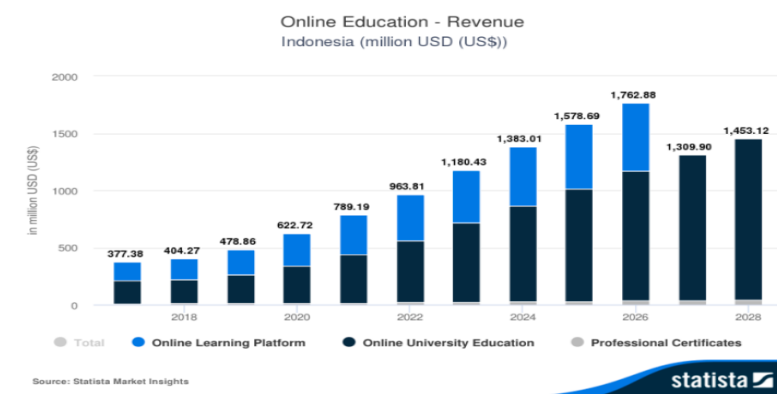

Figure 1. Indonesia's Online Education Market Value

Source: Statista, 2023

The Rise of Foreign Language Learning and Russian Language Potential

Within this broader e-learning ecosystem, online education aligns with the escalating demand for global skills, where foreign language proficiency plays a crucial role. Various factors, including social, economic, and cultural needs, contribute to this rapid increase in demand. In this context, the Russian language, being the 5th most spoken language globally with 270 million speakers and one of the official languages of the United Nations (UNC College of Arts and Science, 2023), presents a significant opportunity.

This fact has a substantial impact on the foreign language learning market in Indonesia. Historically, Indonesia and Russia have maintained strong and close bilateral relations. Although still considered a niche language, Russian holds considerable potential among Indonesians, especially those aspiring to study abroad. The annual scholarship programs for undergraduate and postgraduate studies in Russia, offered by the Russian government, serve as a unique draw for learning the language, opening new educational and professional pathways for Indonesian students.

LERUSS ID's Emergence and Subsequent Challenges

In line with the growing interest in the Russian language, LERUSS ID emerged as an online Russian language course provider for Indonesians at the onset of the COVID-19 pandemic. The product-market fit solution offered by LERUSS ID substantively addressed the market challenge posed by the scarcity of Russian speakers and language institutions in Indonesia, positioning it as a sought-after institution since 2020.
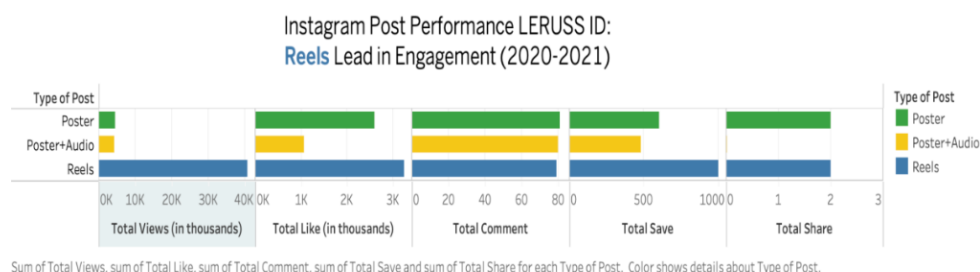

Figure 2. Social Media Marketing LERUSS ID

Source: Authors' Own, 2024

Initially, the platform gained significant traction in 2020–2021 through engaging visual content and social media campaigns on Instagram, particularly utilizing Reels, which drove substantial sales generation (see Figure 2). However, following inconsistent marketing efforts since 2021, the platform has experienced a sharp decline in revenue—from IDR 129 million in 2021 to merely IDR 5 million by 2024 (see Figure 2)—signaling a waning in visibility and reduced student acquisition.
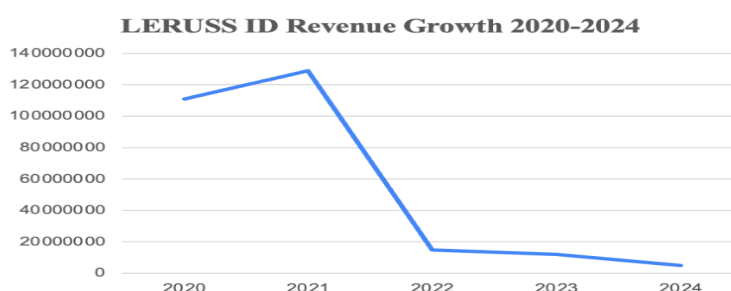

Figure 3. LERUSS ID Data Revenue Growth (2020-2024)

Source: Authors' Own, 2024

Competitive Landscape and Research Questions

The stagnation experienced by LERUSS ID points to deeper structural challenges, particularly in sustaining engagement within an increasingly competitive market. This is exacerbated by the emergence of several similar competitors who have recognized the market opportunity for Russian language education in Indonesia, making it difficult for LERUSS ID to differentiate itself from mass-market competitors.

While global platforms like Duolingo and prominent institutional providers from Russia dominate in scalability and resources, they often lack localized content and personalized support tailored to the unique needs of Indonesian learners. LERUSS ID, positioned between these two extremes, offers flexibility, affordability, and cultural relevance, but struggles with issues of scale and consistent outreach. This situation creates an urgent need for LERUSS ID to re-evaluate and strengthen its competitive positioning for business sustainability in an increasingly competitive market.

Therefore, this study aims to analyze the competitive and strategic challenges and opportunities within the context of the Russian language education market in Indonesia. Specifically, this study seeks to answer two research questions:

1. How does LERUSS ID position itself as a Russian language course institution compared to its competitors?
2. What strategic actions can LERUSS ID undertake to enhance its competitiveness in a competitive market?

To answer these questions, this study will adopt a complementary theoretical framework integrating Porter's Five Forces Model and the Resource-Based View (RBV). Porter's Five Forces will primarily serve as an external analysis lens to understand the competitive dynamics in the Indonesian online Russian language education market , while the RBV will function as an internal analysis lens to identify LERUSS ID's unique resources and capabilities that can contribute to a sustainable competitive advantage. This research contributes to the competitive strategy literature by offering an in-depth case study of a local edtech startup in a niche foreign language segment (Russian) within an emerging market context like Indonesia, and by demonstrating the synergistic application of Porter's Five Forces and RBV theories.

Literature Review

This study employs a complementary theoretical framework, integrating Porter's Five Forces Model of Competitive Advantage and the Resource-Based View (RBV). This integration aims to comprehensively analyze LERUSS ID's competitive positioning and strategic opportunities within the Indonesian online Russian language education market. Porter's Five Forces will primarily serve as an external analysis lens, aiding in understanding the structural attractiveness and competitive dynamics of the industry. Concurrently, the RBV will act as an internal analysis lens, identifying LERUSS ID's unique resources and capabilities that contribute to (or could potentially contribute to) a sustainable competitive advantage. This synergistic approach allows for a holistic understanding of LERUSS ID's challenges and opportunities, forming the basis for strategic recommendations.

Porter's Five Forces

Porter's Five Forces Model offers a robust framework for understanding how a firm can achieve competitive advantage by leveraging five imperative industry forces, focusing on

external analysis and a firm's reaction to changes in its external environment (Goyal, 2020). These forces begin with the Threat of New Entrants, referring to the likelihood of new competitors entering the market. In the edtech industry, barriers to entry can be relatively low, allowing new entrants to pressure existing firms to cut prices and reduce profitability (Goyal, 2020).

Complementing this is the Threat of Substitutes, which encompasses competition from products or services that can offer the same level of utility to the buyer. This threat becomes significant when there's an attractive price-performance trade-off or when buyers face low switching costs (Goyal, 2020). The Bargaining Power of Buyers represents the pressure buyers can exert on a firm, which is high when they are few in number but purchase large volumes, when industry products are homogeneous, or when switching costs are low (Goyal, 2020).

Conversely, the Bargaining Power of Suppliers allows powerful suppliers to capture more value by charging higher prices, limiting quality or services, or shifting costs to industry participants. Supplier power is elevated when they are few, offer differentiated products, or can credibly threaten to integrate forward (Goyal, 2020). Finally, Rivalry Among Existing Competitors describes how the intensity and basis of competition among firms impact an industry's profit potential, tending to be high when industry growth is slow or there are numerous competitors (Goyal, 2020).

While Porter's model is widely renowned and accepted, it is not without its limitations (Goyal, 2020). One major criticism is its static nature, providing only a snapshot of the broader industry at a certain point in the past (Beattie, 2018, as cited in Goyal, 2020). Additionally, Porter initially overlooked the effect of complements on the industry, though he mentioned them in a revised edition (Goyal, 2020). Other criticisms highlight that the model does not explicitly address how firms can sustain competitive advantage in the long term, especially in dynamic environments (Goyal, 2020).

Resource-Based View (RBV)

To address the limitations of Porter's model regarding the sustainability of competitive advantage, the Resource-Based View (RBV) serves as a crucial complementary framework, explaining how firms achieve sustainable competitive advantage. RBV posits that a firm's sustainable competitive advantage (SCA) originates from its internal resources and capabilities that are valuable (V), rare (R), inimitable (I), and non-substitutable (N) (Barney, 1991, as cited in Goyal, 2020).

Resources are considered Valuable when they enable a firm to conceive or implement strategies that improve its efficiency and effectiveness (Barney, 1991, as cited in Goyal, 2020). Rare resources are valuable resources that are difficult for competing companies to possess (Barney, 1991, as cited in Goyal, 2020). Resources are Inimitable if they are difficult or impossible for competitors to imitate (Barney, 1991, as cited in Goyal, 2020). Lastly, Non-substitutable resources are those that are difficult to imitate or replace with other resources using different strategies but providing the same results (Barney, 1991, as cited in Goyal, 2020).

While RBV is highly effective for identifying internal resources, it's worth noting that some research indicates RBV may be less suitable for application in startups due to their limited tangible resources (Goyal, 2020). Nevertheless, RBV encourages entrepreneurs to be more creative in managing their limited resources, with a focus on intangible assets like human resource quality (Goyal, 2020).

Based on the literature review of Porter's Five Forces Model and the Resource-Based View (RBV), as well as an initial identification of the challenges faced by LERUSS ID, this research proposes the following propositions:

P1: LERUSS ID's competitive position is significantly influenced by the high bargaining power of buyers and the substantial threat of substitute products, which in turn necessitates a stronger value differentiation effort. This proposition draws from the analysis of external industry forces, specifically from Porter's Five Forces framework, indicating competitive pressures from consumers and available product alternatives.

P2: Inconsistencies in LERUSS ID's online marketing efforts have substantially reduced its visibility and student acquisition, thereby hindering the full utilization of its unique internal resources such as personalized learning and cultural relevance. This proposition bridges the external analysis (lack of outreach) with the internal analysis (utilization of RBV resources), highlighting how weaknesses in marketing strategy can prevent the company from maximizing the potential of its internal strengths.

P3: An increased focus on developing and promoting intangible resources that are Valuable, Rare, Inimitable, and Non-substitutable (VRIO)—such as instructor quality, adaptive curriculum, and a strong student community—will be key for LERUSS ID to achieve sustainable competitive advantage in the competitive Russian language edtech landscape. This proposition directly focuses on the core of RBV, suggesting that strengthening internal intangible assets is a primary solution for building and maintaining long-term competitive advantage amidst competition.
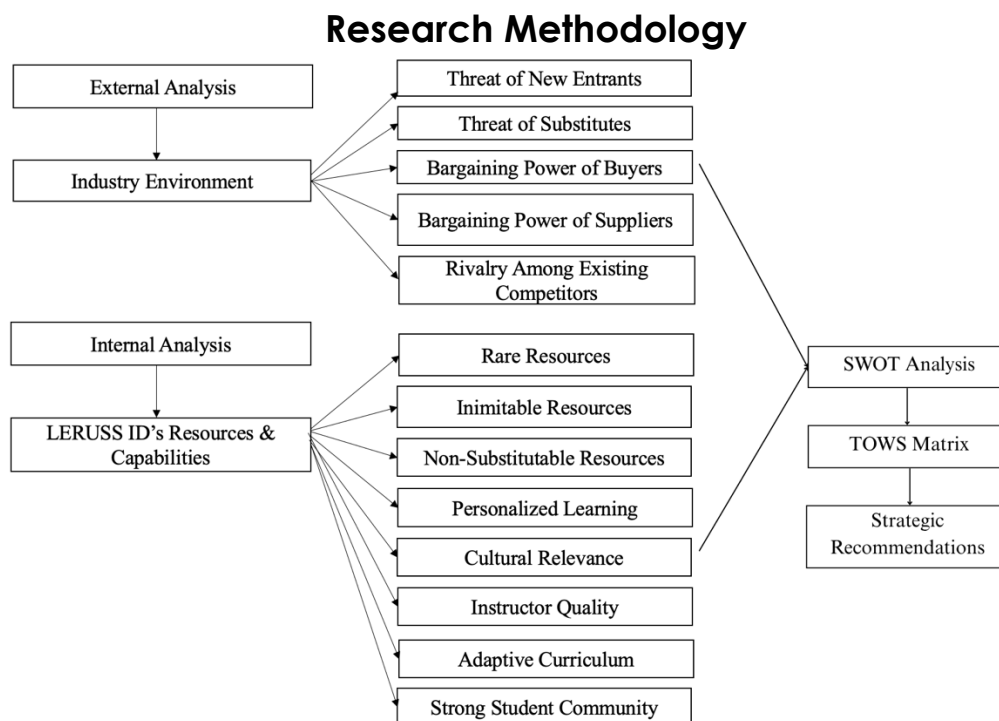
Research Methodology

Figure 4. Research Design

Source: Authors' Own, 2025

This study adopts a qualitative exploratory-descriptive research design to thoroughly examine the strategic positioning of LERUSS ID within the dynamic Indonesian online Russian language learning market. Rooted in a contextual case study approach, LERUSS ID serves as the central unit of analysis. As depicted in the research design framework (Figure 3), the

investigation begins with a comprehensive External Analysis and Internal Analysis, which then converge to inform subsequent strategic diagnostics.

The External Analysis, based on Porter's Five Forces, will evaluate the threat of new entrants, the threat of substitute products, the bargaining power of buyers and suppliers, and the intensity of rivalry. Meanwhile, the Internal Analysis, rooted in the RBV, will assess LERUSS ID's resources and capabilities based on the VRIO criteria (Valuable, Rare, Inimitable, Non-substitutable) as well as key elements such as personalized learning, cultural relevance, instructor quality, adaptive curriculum, and a strong student community.

This approach allows for an in-depth investigation into a locally grown digital language learning platform operating under specific resource constraints and navigating an increasingly competitive digital education ecosystem. The research aims to understand LERUSS ID's unique standing relative to other market players in terms of offerings, pricing, market reach, and adaptability, directly addressing the research questions posed earlier regarding LERUSS ID's competitive comparison and strategic enhancement.

Data Collection

Data collection was systematically conducted from January to May 2025. This study integrates both secondary data and primary data. For secondary data, the primary techniques utilized were digital ethnography and document analysis. This approach was selected to capture comprehensive insights from publicly accessible sources, including company websites, social media content (with a particular focus on engagement metrics), platform pricing information, detailed course structure outlines, marketing campaigns, and relevant media coverage. By examining these diverse sources, the study aimed to uncover both explicit operational features and implicit strategic cues from key market players.

As the founder of LERUSS ID, the researcher possessed unique and in-depth access to internal data and a deep understanding of the company's operational context. Therefore, to gain a comprehensive understanding of LERUSS ID's internal conditions, specifically concerning its operations, challenges, and implemented strategies, primary data were collected through in-depth interviews conducted by the researcher in their capacity as the founder of LERUSS ID. This internal interview aimed to confirm and enrich the secondary data, providing a direct perspective on specific internal resources and capabilities, as well as the rationale behind LERUSS ID's strategic decisions and the challenges encountered. This method aligns with the study's propositions (P1, P2, P3) by allowing for an external analysis of market pressures (P1), an internal assessment of LERUSS ID's operational realities and marketing efforts (P2), and an observation of how resources are leveraged by competitors (informing P3).

Competitor Sampling and Categorization

To thoroughly analyze the competitive environment, a purposive sampling of nine relevant competitors was conducted. These competitors were carefully identified and categorized into three distinct analytical groups based on their core business model and market presence. This detailed categorization facilitates the External Analysis as presented in Figure 3, ensuring a comprehensive view of the competitive landscape as framed by Porter's Five Forces:

- *Direct Competitors*: Platforms whose primary educational service is Russian language instruction, operating in the same niche market as LERUSS ID. These primarily contribute

to understanding Rivalry Among Existing Competitors and aspects of the Threat of New Entrants (as seen in Figure 3).

- *Indirect Competitors*: Platforms that include Russian as part of a broader multilingual offering or as a feature within general-purpose language learning applications (e.g., global platforms like Duolingo mentioned in the introduction). This category highlights the Threat of Substitutes and broader market competition, also serving as input for the External Analysis.
- Potential Competitors: Institutions or education providers that, while not currently dominant in the Russian language space, possess the capability to enter and disrupt the market due to their robust infrastructure or strong brand recognition. This group primarily represents the Threat of New Entrants within the External Analysis framework.

Comparative Data Dimensions

Comparative data were systematically evaluated across several key dimensions that reflect critical competitive factors within the online education sector. These dimensions directly inform both the External Analysis (e.g., understanding competitive offerings and buyer choices) and the Internal Analysis (by providing a basis to assess LERUSS ID's own resources and capabilities) as conceptualized in Figure 3:

- Learning Format: Encompassing various delivery methods such as live tutoring, pre-recorded sessions, or gamified modules.
- Pricing Strategies: Analyzing models like subscription-based, pay-per-class, or bundled packages.
- Pedagogical Structure: Assessing curriculum depth, instructional methodologies, and assessment mechanisms.
- Marketing Outreach: Examining the use of social media platforms (linking to LERUSS ID's challenges in P2), influencer partnerships, and promotional activities.
- Technological Infrastructure: Evaluating learning management systems, user interface, and content accessibility. These dimensions were chosen to provide a detailed comparative lens that supports the comprehensive assessment of market pressures (P1) and the evaluation of LERUSS ID's internal capabilities and their leverage (P2, P3) across various market players, serving as input for the SWOT analysis.

Data Analysis and Strategic Formulation

As illustrated in the research design framework (Figure 3) , the collected data were synthesized using thematic content analysis, which facilitated the categorization of competitor strategies and the identification of overarching market patterns. From this synthesis, a structured competitor comparison matrix was developed. This matrix visually mapped the relative strengths and weaknesses of each platform in relation to LERUSS ID, providing a clear basis for the subsequent strategic diagnostic.

The insights derived from both the External Analysis (Porter's Five Forces and Competitor Analysis) and the Internal Analysis (LERUSS ID's Resources & Capabilities, particularly the VRIO elements) formed the foundation for developing a SWOT (Strengths, Weaknesses, Opportunities, Threats) framework for LERUSS ID. Following the SWOT analysis, a TOWS (Threats, Opportunities, Weaknesses, Strengths) matrix was constructed, as shown in Figure 3. This matrix was crucial for generating actionable strategic suggestions for LERUSS ID by identifying optimal alignments between its internal strengths and weaknesses with

external market conditions , directly addressing the core of P3 and the second research question.

This rigorous methodological process ensures that both the qualitative insights from digital ethnography, structured comparative business analysis, and primary data from interviews are contextually relevant and meticulously executed, aligning precisely with the integrated analytical steps presented in Figure 3. By systematically progressing through these stages, this method aims to provide a more detailed and nuanced understanding of LERUSS ID's current market position and to propose effective strategic avenues for enhancing its competitiveness within Indonesia's increasingly congested online language education sector.

Results and Discussions

This research identifies the Indonesian online Russian language education market as a dynamic yet still developing segment of the edtech industry. Within this environment, global companies have entered with scalable and gamified offerings, but localized options remain limited, showcasing significant variations in pricing, availability, and teaching styles. We found and looked at nine different competing platforms. The table below shows a summary of the main features:

Tabel 1. Analysis Overview

Company	Type	Format	Target Market	Pricing (IDR/USD)	Strength	Weakness
LERUSS ID	-	Online Zoom 1-on-1	Beginners	225K-250K/session	Personalized, flexible, free trial class	No native tutor, low branding
PKRJ/Rusdomindo	Direct	Offline/Online (Zoom)	Academics	1.5M-4.1M/level	Native tutors, embassy links	Jakarta only, rigid schedule
BelajarBahasaRusiaID	Direct	Online Zoom	Students	300K-800K/month	Affordable, flexible groups	Low visibility
Jiwa Rusia	Direct	Informal Online	Beginners	100K-170K/session	Loyal community, free trial class	Lack of structure
Duolingo	Indirect	Gamified App	Global	Free/Premium 70K per month	Scalable, free	No instruction
Lingoda	Indirect	Live Zoom	Global	USD 9-20/class	Native tutors, curriculum	High cost
RussianPod101	Indirect	Audio/Video Learning	Independent learners	USD 8-25/month	Multimedia, on-demand	No live feedback
LBI FIB UI	Potential	Academic Offline Class	University students	1.3M/level	Accredited, structured	No online option
Kukche Languages	Potential	Offline/Online	General public	Start from 4.6M/pack	Structured modules	Russian not prioritized, high cost
Russian Univ. (MSU, SPbU, HSE)	Potential	Formal academic	Global	USD 100-500/semester	Certification, native tutors	Expensive, complex entry

Source: Authors' Own, 2025

The descriptive comparative analysis conducted on nine key competitors, categorized as direct, indirect, and potential rivals, reveals several levels of rivalry and market dynamics:

Competitive Analysis (Porter's Five Forces):

Rivalry Among Existing Competitors: LERUSS ID positions itself within a spectrum of competition. Direct rivals like PKRJ/Rusdomindo stand out with embassy connections and native tutors, albeit with premium pricing and rigid schedules, limiting appeal outside Jakarta or for busy individuals. BelajarBahasaRusiaID offers flexible pricing and formats but suffers from low visibility. Jiwa Rusia operates informally through community groups, providing loyal engagement and low-cost sessions, but struggles with scale and standardization. LERUSS ID, focusing on one-on-one online Zoom lessons with organized materials, positions itself as a bridge between informal flexibility and formal structure.

Threat of Substitutes: The market is significantly influenced by indirect competitors. Duolingo, a free and popular global platform, offers scalability and gamification appealing to beginners, but lacks in-depth instruction or direct instructor interaction, and may not lead to fluency. Lingoda, while offering a structured curriculum and live native speakers, can be too expensive for Indonesian students. RussianPod101 provides multimedia, on-demand learning but without live feedback.

Threat of New Entrants: Formal institutions like LBI FIB UI, Kukche Languages, and Russian universities (MSU, SPbU, HSE) represent potential competitors. These institutions offer accredited certifications and quality material but often pose high costs, complex entry requirements, and frequently lack comprehensive online options.

Bargaining Power of Buyers: The wide variation in pricing and formats across the market, ranging from free sessions to expensive premium packages, indicates strong buyer bargaining power. Flexibility and affordability are key factors for Indonesian learners.

Internal Resources and Capabilities Analysis (RBV)

As a domestic player, LERUSS ID stands out by offering personalized and flexible learning, free from the constraints of traditional institutions or algorithm-based applications. The ability to offer free trial sessions and engaging digital learning materials is also a strength, particularly for Gen Z students. However, findings also identify crucial internal weaknesses for LERUSS ID that are at the root of its business stagnation.

Specifically, the absence of native Russian-speaking tutors is a significant weakness. As confirmed by an interview with the founder of LERUSS ID, the researcher revealed, "Our main challenge currently is the limited resources to recruit full-time native-speaking tutors and to develop an independent LMS, which are our long-term priorities." This limits LERUSS ID's ability to provide the maximum authenticity experience sought by advanced learners and restricts its capacity to imitate competitors' features.

Furthermore, limited technological infrastructure without an integrated Learning Management System (LMS) is also a constraint. This limitation hinders operational scalability and automated student progress tracking, restricting LERUSS ID's ability to compete effectively with more established global platforms.

Another factor is low brand visibility. This is exacerbated by LERUSS ID's inconsistent social media activity since 2022, characterized by infrequent posts and a lack of content variety, leading to fading brand visibility and reduced audience interaction. The founder of

LERUSS ID (the researcher) also acknowledged that, "After an intense initial period, we encountered obstacles in maintaining marketing momentum, which directly impacted brand visibility and student acquisition." This phenomenon directly correlates with a drastic decline in revenue from IDR 129 million in 2021 to merely IDR 5 million by 2024.

Lastly, LERUSS ID still operates on a limited operational scale and with limited human resources, which can restrict market reach and the ability to rapidly develop new features.

Overall, the analysis indicates that LERUSS ID positions itself as a potential "medium ground" solution for learners seeking more depth than gamified applications but less than full immersion from formal institutions. This group includes students preparing for scholarships, professionals aiming to distinguish themselves in their fields, and hobbyists interested in Russian culture. These findings will form the primary basis for the subsequent SWOT and TOWS analyses, to formulate relevant strategic recommendations.

SWOT Analysis

A SWOT analysis was conducted to examine LERUSS ID's internal strengths and weaknesses, alongside the opportunities and threats present in the Indonesian online language education industry. This analysis is built upon comparative findings and the theoretical frameworks of Porter's Five Forces and the Resource-Based View (RBV).

Strengths

LERUSS ID possesses several inherent internal strengths that offer a foundational competitive advantage in the online Russian language education market.

Firstly, a significant strength lies in its high personalization and flexibility. LERUSS ID offers one-on-one sessions via Zoom, which provides substantial scheduling flexibility, making it highly relevant and appealing to students and busy young professionals alike. This personalized approach, particularly in a niche language, represents a valuable (V) and relatively rare (R) capability when compared to larger, more generalized, or mass-market platforms.

Secondly, the platform demonstrates strong accessibility and initial appeal. The provision of complimentary trial sessions and supplementary educational resources, such as e-books, serves as an effective strategy to attract new users and differentiate itself from some competitors. This facilitates a smoother initiation process for individuals interested in exploring Russian language learning.

Thirdly, LERUSS ID benefits from a competitive and flexible pricing structure. Its tiered pricing model, coupled with packaged class options, offers an economical choice for learners while maintaining a degree of customization. This creates an attractive value proposition, particularly in a market where buyer bargaining power is high.

Finally, the platform's provision of structured materials and progress tracking is a notable strength. LERUSS ID ensures that its learning content is organized and provides a method for students to monitor their progress, distinguishing it from less structured, informal learning alternatives in the market.

Weaknesses

Despite its inherent strengths, LERUSS ID faces several critical internal weaknesses that challenge its growth and competitive standing, directly contributing to its business stagnation.

Firstly, a significant limitation is the absence of native Russian-speaking tutors. This poses a considerable barrier for advanced learners who prioritize the highest level of authenticity in language acquisition, a feature prominently offered by direct competitors such as

PKRJ/Rusdomindo and Lingoda. This directly limits LERUSS ID's ability to imitate (I) a key competitive offering present in the market.

Secondly, LERUSS ID suffers from limited technological infrastructure. The platform currently lacks its own fully integrated Learning Management System (LMS) or proprietary backend. This deficiency significantly hinders its operational scalability and the ability to provide automated student progress tracking, thereby limiting LERUSS ID's capacity to compete effectively with more established global platforms that offer robust technological ecosystems.

Thirdly, LERUSS ID experiences low visibility and branding. Its social media activity has been inconsistent since 2022, characterized by infrequent posts and a lack of variety in content types. This has led to a fading brand visibility and reduced audience interaction , directly contributing to the sharp decline in student acquisition and revenue observed since 2021.

Finally, LERUSS ID operates with a limited operational scale and human resources. Its small operational size and constrained personnel can restrict its potential market reach and impede its ability to rapidly develop new features or respond swiftly to market demands. This organizational limitation impacts its agility and competitive responsiveness in a fast-evolving edtech landscape.

Opportunities

Firstly, there is a clear increase in interest in studying in Russia among Indonesian students, primarily driven by the availability of scholarship programs. LERUSS ID can proactively position itself as an affordable and personalized initial bridge for this segment of students seeking scholarships. Many of these prospective students require a strong foundation in Russian before entering formal academic environments in Russia, and this is where LERUSS ID's personalized format can offer a smooth transition and solid preparation. This represents a clear and expanding market that can be targeted with communication focused on overseas study pathways.

Secondly, market analysis identifies a significantly underserved market beyond Jakarta. Formal institutions tend to be concentrated in the capital, while global applications may not offer sufficiently localized support for learners in these regions. LERUSS ID, with its online format, possesses an inherent advantage in reaching this market segment and fulfilling unmet Russian language learning needs in secondary cities and provinces. The increasing penetration of digital technology in non-metropolitan areas further supports this potential, providing a broad user base ready for online platform adoption.

Thirdly, Gen Z learner preferences represent a key opportunity that aligns well with LERUSS ID's teaching model. This generation highly values flexible, visually appealing, and interactive content. LERUSS ID, with its personalized sessions and the use of digital resources and free trial sessions, can effectively meet these expectations. This is a golden opportunity to position LERUSS ID's personalized learning and cultural relevance as valuable (V) and relatively rare (R) resources in the eyes of this market segment. Integrating this market insight means LERUSS ID not only provides lessons but also an experience that resonates with Gen Z's learning styles and communication preferences, enhancing its appeal compared to more rigid or less interactive competitors.

By strategically capitalizing on these opportunities, LERUSS ID can not only restore its visibility but also achieve sustainable growth by targeting evolving niche markets that align with its core capabilities.

Threats

Conversely, LERUSS ID must contend with a range of significant external threats that challenge its sustained growth and market stability.

Firstly, price competition from global platforms like Duolingo poses a substantial threat. These free and popular platforms offer highly accessible and low-cost options , appealing strongly to price-sensitive consumers who, as identified, possess high bargaining power within the online learning market. This forces LERUSS ID to constantly justify its value proposition against seemingly "free" alternatives.

Secondly, the inherent nature of the online learning sector, characterized by low switching costs, presents a considerable challenge. Consumers can easily transition between providers without incurring significant financial or academic repercussions. This amplifies buyer bargaining power and makes the cultivation of long-term user loyalty particularly difficult, as learners can readily seek alternatives if their evolving needs are not met or if a more appealing option emerges.

Thirdly, the low barriers to entry in the edtech sector mean that new applications or businesses can easily enter the market with competitive features or aggressive pricing strategies. This perpetually increases the threat of new entrants, putting constant pressure on LERUSS ID to innovate and differentiate, rather than simply maintaining its current position. The emergence of new, agile players can quickly erode LERUSS ID's market share if it fails to adapt.

Finally, user retention challenges remain a pervasive issue across the edtech field. Maintaining user loyalty and preventing dropout is difficult, particularly in the absence of gamification elements or clear, long-term academic pathways that might otherwise keep learners engaged. This threat is particularly salient for LERUSS ID, given its current lack of an integrated LMS and its less consistent marketing outreach, which could exacerbate retention issues compared to more sophisticated or engaging platforms.

This SWOT analysis indicates that LERUSS ID possesses fundamental strengths and promising market opportunities; however, to achieve sustainable growth and maintain a competitive edge, the company must aggressively address its internal weaknesses, such as the absence of native-speaking tutors and LMS limitations, and proactively safeguard against external threats identified from the competitive landscape.

TOWS Matrix

Based on the SWOT analysis, a TOWS (Threats, Opportunities, Weaknesses, Strengths) matrix was subsequently developed to formulate relevant strategies for LERUSS ID. This matrix identifies how internal strengths can be leveraged to seize opportunities and counter threats, and how weaknesses can be minimized or overcome to capitalize on opportunities or face threats.

1. Strengths-Opportunities (SO) Strategies: Maximizing Growth This strategy focuses on utilizing LERUSS ID's internal strengths to capitalize on existing market opportunities. LERUSS ID can leverage its high personalization and flexibility as well as its structured materials and progress tracking to attract Gen Z students who seek flexible, visually engaging, and interactive content. By offering complimentary trial sessions and supplementary educational resources , LERUSS ID can strategically target the increasing interest among Indonesian students to study in Russia (particularly for scholarships) and expand its reach into underserved areas outside Jakarta. Its competitive and flexible pricing structure can be a key attraction to capture potential growth in these segments, aligning with the spread of digital technology in non-metropolitan areas.

2. Weaknesses-Opportunities (WO) Strategies: Overcoming Weaknesses to Seize Opportunities This strategy aims to address LERUSS ID's internal weaknesses to enable it to capitalize on available market opportunities. The absence of a native Russian tutor is a significant weakness; however, LERUSS ID can consider strategic partnerships with Russian institutions or recruiting part-time native tutors to meet the increasing interest in studying in Russia that demands language authenticity. To address technological infrastructure limitations (lack of an integrated LMS) , LERUSS ID needs to invest in developing or acquiring systems that support scalability and automated progress tracking, thereby enabling it to serve students outside major urban centers and meet Gen Z preferences for a seamless digital experience. Increased investment in its low visibility and branding through consistent and targeted digital marketing campaigns can attract more users from the identified opportunity segments.

3. Strengths-Threats (ST) Strategies: Mitigating Threats with Strengths This strategy employs LERUSS ID's strengths to mitigate the impact of external threats. Facing price competition from global platforms like Duolingo , LERUSS ID must emphasize its one-on-one personalization and structured materials with progress tracking as value differentiators not offered by free or mass options. Although low switching costs pose a threat to user loyalty, LERUSS ID can leverage its potential to build a strong student community (as a crucial intangible resource) and enhance the quality of the personalized experience to improve retention. Its competitive and flexible pricing structure also helps to reduce the appeal of very low-cost platforms. To counter low barriers to entry , LERUSS ID needs to continuously innovate in adaptive curriculum and strengthen instructor quality (including highly qualified non-native tutors) to maintain an inimitable competitive edge.

4. Weaknesses-Threats (WT) Strategies: Minimizing Losses This strategy aims to minimize internal weaknesses and avoid external threats. LERUSS ID must proactively address its low visibility and branding through consistent marketing efforts to avoid further erosion by intense rivalry among existing competitors and the constant threat of new entrants. The absence of native tutors and technological infrastructure limitations make LERUSS ID vulnerable to user retention challenges and competition from platforms with more comprehensive features. Therefore, investment in feature development and enhancing instructor quality (including seeking solutions for the native speaker aspect) must be a priority to reduce the risk of losing customers to competitors with low switching costs.

This TOWS Matrix analysis underscores that to achieve sustainable growth and competitiveness in the Indonesian online Russian language education market, LERUSS ID must strategically leverage its core strengths, address hindering weaknesses, convert external opportunities, and mitigate competitive threats.

Strategic Recommendation
Based on the comprehensive TOWS Matrix analysis, the following strategic recommendations are proposed for LERUSS ID to achieve sustainable growth and enhance its competitive position in the Indonesian online Russian language education market:
1. Maximizing Growth through Strategic Positioning (SO Strategies):
To capitalize on its core strengths and market opportunities, LERUSS ID should solidify its position as the premier "medium ground" solution for Russian language learning in Indonesia. This involves actively targeting Gen Z students and those interested in studying in Russia, by consistently highlighting its personalized one-on-one Zoom sessions, flexible scheduling, and structured materials.

The free trial classes and supplementary educational resources should be prominently featured in marketing efforts, particularly leveraging digital platforms to reach this tech-savvy demographic. Furthermore, LERUSS ID should explore and actively penetrate underserved markets outside major urban centers , aligning with the increasing digital penetration in these areas. Its competitive and flexible pricing structure should be emphasized as a key differentiator against more expensive formal institutions and less personalized global apps.

2. Addressing Weaknesses to Seize Opportunities (WO Strategies):

LERUSS ID must strategically invest in overcoming its identified weaknesses to fully exploit market opportunities. A critical step is to address the absence of native Russian tutors. While challenging, this could involve: Strategic Partnerships: Collaborating with Russian universities or cultural centers (like PKRJ/Rusdomindo) to facilitate guest lecturing by native speakers or offering hybrid programs. Recruitment of Part-Time Native Tutors: Exploring options to recruit native Russian speakers, perhaps on a part-time or project basis, to offer specialized advanced sessions or conversational practice. Leveraging Technology for Immersion: Utilizing online tools and resources to create a richer, more authentic learning environment even with non-native tutors, focusing on cultural immersion through content.

Simultaneously, LERUSS ID needs to prioritize the development or acquisition of its own integrated Learning Management System (LMS) or proprietary backend. This is crucial for enhancing scalability, improving progress tracking, and delivering the seamless digital experience expected by Gen Z learners. Finally, a significant and consistent investment in branding and digital marketing is paramount. LERUSS ID must develop a consistent social media strategy with diverse content types (building on past success with Instagram Reels) to rebuild visibility and audience engagement, directly combating its recent decline in revenue and student acquisition.

3. Leveraging Strengths to Mitigate Threats (ST Strategies):

To effectively counter external threats, LERUSS ID should lean into its unique strengths. Against price competition from global platforms like Duolingo , LERUSS ID must firmly articulate its superior value proposition: personalized one-on-one instruction and structured materials with dedicated progress tracking, which free or gamified platforms cannot fully replicate.

While low switching costs remain an industry challenge, LERUSS ID should foster a strong, engaged student community around its personalized approach, turning its informal strength into a formal retention mechanism. This can be achieved through dedicated online forums, virtual cultural events, and peer-to-peer learning opportunities. Continuous innovation in its adaptive curriculum and strengthening the quality of its non-native teachers will be vital to maintain an inimitable advantage against new entrants.

4. Minimizing Weaknesses and Avoiding Threats (WT Strategies):

LERUSS ID must urgently address its vulnerabilities to avoid being overwhelmed by market threats. The low brand visibility makes LERUSS ID particularly susceptible to intense rivalry and the constant threat of new entrants. Therefore, a sustained and aggressive digital marketing campaign, emphasizing its unique strengths, is critical for survival. The absence of native tutors and technological infrastructure limitations heighten LERUSS ID's vulnerability to user retention challenges. To mitigate this, alongside the development of an LMS, LERUSS ID should explore partnerships for specialized content or tools that can enrich the learning experience. Prioritizing investment in these areas will directly reduce the risk of losing

students to competitors offering more comprehensive or 'authentic' features at comparable costs.

Conclusions

This study reveals that LERUSS ID, operating within the Indonesian online Russian language education market, faces significant strategic challenges. External analysis using Porter's Five Forces highlights intense rivalry, strong buyer bargaining power due to numerous choices and low switching costs, and considerable threats from free global platforms (substitutes) and established formal institutions (new entrants). Internally, a Resource-Based View analysis identifies core strengths in LERUSS ID's personalized one-on-one learning and structured materials, which are valuable and relatively rare. However, the findings also pinpoint crucial weaknesses contributing to business stagnation: the absence of native Russian-speaking tutors, limited technological infrastructure (lack of an integrated LMS), and low brand visibility due to inconsistent marketing since 2022, directly correlating with a sharp revenue decline from IDR 129 million in 2021 to IDR 5 million by 2024.

Despite these challenges, opportunities exist from increasing interest in studying in Russia, Gen Z preferences for flexible digital content, and untapped markets in non-metropolitan areas. The TOWS Matrix analysis underscores the need for LERUSS ID to strengthen value differentiation through personalization and community building, address weaknesses like the lack of native tutors and LMS, and enhance branding through consistent digital marketing to regain student acquisition and mitigate threats.

This research offers substantial academic and practical value by providing an in-depth case study of a local edtech startup in a niche foreign language segment within an emerging market context. It uniquely demonstrates the efficacy of integrating Porter's Five Forces and the Resource-Based View for a holistic strategic analysis, offering a robust framework for similar businesses. Furthermore, it yields nuanced insights into localization and value differentiation strategies crucial for domestic players competing against global giants and traditional institutions. This contributes directly to competitive strategy literature and is highly relevant for practitioners navigating dynamic edtech landscapes.

Despite its contributions, this study has limitations inherent in its qualitative, exploratory-descriptive design, focusing solely on LERUSS ID as a single case study. While providing in-depth insights, the findings may not be broadly generalizable to all edtech startups or niche language markets. The reliance on the founder's interview for internal data, while offering unique access, could introduce some bias. Future research could benefit from quantitative methods to validate these findings across a larger sample of edtech platforms. Additionally, exploring the long-term impact of specific strategic recommendations and examining competitor responses would provide a more dynamic understanding of market evolution.

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