

Marketing Strategy Based on SWOT Analysis in increasing the competitiveness of MSMEs selling Bagansiapiapi souvenirs

Muhammad Arif dan Muhammad Ridho Nosa

Politeknik Negeri Bengkalis, Indonesia

m.arif@polbeng.ac.id

Abstract

This research aims to analyze the extent to which marketing strategies based on SWOT analysis can help souvenir-based MSMEs in increasing their competitiveness, assess the effectiveness of applying SWOT analysis in formulating more targeted marketing strategies for souvenir-based MSMEs, and measure the level of success of household souvenir MSMEs. Souvenirs in facing business competition after implementing a marketing strategy based on SWOT analysis. The method used in this research is descriptive qualitative with SWOT analysis techniques. Research results where: Utilizing internal strengths to take advantage of external opportunities by diversifying unique and quality distinctive products in accordance with market trends, overcoming internal weaknesses by exploiting external opportunities, such as seeking additional funding sources to increase capital and technology, using internal strengths to overcome external threats, such as strengthening branding and product quality to face intense competition, reducing internal weaknesses and avoiding external threats by increasing operational efficiency, diversifying products, looking for strategic partners, and adjusting marketing strategies.

Keywords : First Marketing Strategy, Second SWOT, Third Competitiveness

1. INTRODUCTION

In this era of globalization, competition in the business world is increasingly fierce. Consequently, every business actor must have the right strategy to survive and develop. MSMEs (Micro, Small and Medium Enterprises) play an important role in the economy of a country, including Indonesia. MSMEs are often the backbone of the economy, especially in creating jobs and making a significant contribution to Gross Domestic Product (GDP). However, it cannot be denied that MSMEs also face various challenges in carrying out their operations. Therefore, an effective marketing strategy is very crucial to increase the competitiveness of MSMEs against other larger business actors. One approach that can be used is SWOT analysis (Strengths, Weaknesses, Opportunities, Threats).

SWOT analysis is a strategic tool that has long been used in various industrial sectors to identify internal strengths and weaknesses as well as external opportunities and threats faced by businesses (Zavadskas et al., 2011). By understanding these aspects, an MSME can formulate a more targeted and effective marketing strategy. In particular, the souvenir shop that is the focus of this research is one of the MSMEs that requires a marketing strategy based on SWOT analysis to increase its competitiveness. Rumah Souvenir faces various challenges, such as tight competition from similar products, changes in consumer behavior, and limitations in access to resources.

The ideal condition for a business is to be able to recognize and utilize its strengths, and minimize weaknesses, while taking advantage of existing opportunities and anticipating various threats. However, the factual conditions faced by MSMEs are often not as ideal as expected. According to Miller and Le Breton-Miller (2005), in their book "Managing for the Long Run: Lessons in Competitive Advantage from Great Family Businesses," every business, including MSMEs, must have the ability to adapt and innovate to survive in the long term. Innovation in marketing strategy, especially with a SWOT analysis approach, is an important key in increasing competitiveness.

UMKM home souvenirs as one of the players in this industry must be able to recognize their position and potential in the market. A survey conducted by Hilmi and Ramayah (2008) in the journal "Business Strategy and the Environment" shows that MSMEs that implement strategies based on SWOT analysis tend to be more successful in facing competition and achieving marketing targets. Apart from that, research from Kotler and Keller in "Marketing Management" (2016, p. 45) also confirms the importance of using SWOT analysis in developing more effective and efficient marketing strategies.

In its implementation, MSMEs also need to consider the use of information technology as a marketing tool. Risikatni and Jatmiko (2014) in the journal "Small Business Economics" show that MSMEs that utilize digital technology tend to experience a significant increase in competitiveness. Therefore, Souvenir House can consider using online platforms and social media as part of their marketing strategy.

Overall, by applying SWOT analysis effectively in marketing strategies, Umah Souvenir MSMEs can increase their competitiveness amidst tough business competition. This will also support long-term business sustainability and growth. As a basis for this research, various references from valid journals and books have been summarized, so as to provide a strong basis for developing the proposed strategy.

Research purposes:

1. Analyzing the extent to which marketing strategies based on SWOT analysis can help MSME souvenir shops increase their competitiveness. In this research, an in-depth analysis will be carried out on the internal and external factors that influence MSME souvenir shops and how SWOT-based marketing strategies can be optimized to increase their competitiveness in a competitive market.
2. Assessing the effectiveness of applying SWOT analysis in formulating more targeted marketing strategies for MSMEs and Souvenirs. This research will explore the extent to which SWOT analysis can help MSMEs identify the strengths, weaknesses, opportunities and threats around them and how this information can be used to formulate more effective marketing strategies.
3. Measuring the level of success of Umah Souvenir MSMEs in facing business competition after implementing a marketing strategy based on SWOT analysis. This research will evaluate the impact of implementing a SWOT-based marketing strategy on the performance and competitiveness of souvenir house MSMEs in a competitive market, as well as assessing the extent of their success in facing business competition after implementing this strategy.

Theoretical Review

1. Deep Understanding of 'Marketing Strategy Based on SWOT Analysis in increasing the competitiveness of MSMEs'

Marketing strategy is a series of actions and approaches made by organizations or companies to attract, retain and increase their interaction with market share. In the context of MSMEs, marketing strategies are essential to maintain business continuity and growth. As the backbone of the economy, MSMEs play an important role in creating jobs and contributing to a country's GDP (Hilmi & Ramayah, 2008). However, MSMEs often face obstacles such as limited capital, infrastructure and access to more advanced technology.

SWOT analysis (Strengths, Weaknesses, Opportunities, Threats) is a tool that helps companies evaluate internal and external conditions that affect their business performance. SWOT includes four key elements that must be considered in any strategic plan: strengths, weaknesses, opportunities, and threats. Strengths and weaknesses are internal factors, while opportunities and threats are external factors (Zavadskas et al., 2011).

2. In-depth Theory of 'MSME Context in the Application of SWOT Analysis'

Theories regarding MSMEs and marketing strategies are very broad, especially when linked to SWOT analysis. According to Kotler and Keller (2016), marketing strategy is the key to success in achieving business targets. SWOT analysis helps in detailing four crucial elements that impact business performance and sustainability. Strengths refer to internal positive attributes, such as unique resources or skills that can provide a competitive advantage. Weaknesses are internal shortcomings that can hinder business performance. Opportunities are external factors that can be exploited for business advantage, while threats are external factors that can reduce the effectiveness of business operations (Kotler & Keller, 2016).

In practice, a SWOT analysis-based marketing strategy for Rumah Souvenir MSMEs involves specific steps to evaluate each component of the SWOT. For example, authentic local product quality and competitive prices are strengths that must be emphasized in every marketing campaign. On the other hand, lack of capital and limited technological infrastructure are weaknesses that must be overcome through alternative funding or strategic partnerships. Opportunities, such as local tourism trends and government support for domestic products, can be exploited by expanding distribution networks and utilizing social media and online platforms to reach wider consumers (Schiffman & Kanuk, 2015).

2. RESEARCH METHOD

The research method used in this thesis is descriptive qualitative. This type of research aims to describe the phenomenon or characteristics of a condition without manipulating the existing variables. By using a qualitative approach, researchers can collect in-depth information through observation, interviews, and other qualitative data analysis. The focus of this descriptive approach is to create a systematic and factual description of the SWOT analysis-based marketing strategy implemented by Umah Souvenir MSMEs.

3. RESULTS AND DISCUSSIONS

Analysis of the internal and external environment is used to determine the strengths and weaknesses as well as opportunities and threats of MSME souvenir houses that are considered important. Data and information were obtained by means of interviews. The following are the strength and threat factors that MSME souvenir houses have:

Table. 1 IFAS UMKM home souvenirs

No	Strategy Factors Internal	Weight	Ratings	Weight X Rating	Comment
1	Unique and Quality Products	0.25	4	1.00	Typical products that appeal to tourists and local residents.
2	Strategic location	0.20	3	0.60	Located in an easily accessible place, increasing visibility.
3	Strong Branding	0.15	4	0.30	A name that is well known in the local community.
4	Good Customer Service	0.10	3	0.30	Friendly and responsive service increases customer satisfaction.
Total power				2.50	

1	Limited Capital	0.20	2	0.40	Difficulty in expanding and upgrading facilities.
2	Limited Human Resources	0.15	2	0.30	Limited skilled and experienced workforce.
3	Inadequate Technology	0.15	1	0.15	Lack of use of technology in operations and marketing.
4	Limited Product Diversification	0.10	2	0.20	Limited product choices compared to competitors.
Total Weakness				1.05	

Table. 2 EFAS UMKM home souvenirs

No	Strategy Factors External	Weight	Ratings	Weight X Rating	Comment
1	Tourism Growth	0.20	4	0.80	An increase in the number of tourists brings more potential customers.
2	Government Support	0.20	3	0.60	Government programs that support the development of MSMEs.
3	Online Shopping Trends	0.20	4	0.80	E-commerce opens up wider market opportunities.
4	Local Product AwarenessGood	0.10	3	0.30	Consumers are increasingly appreciating and seeking local products.
Total Odds				2.50	
1	Tight Competition	0.20	3	0.60	Many competitors offer similar products.
2	Changes in Consumer Preferences	0.15	2	0.30	Consumer tastes and preferences are rapidly changing.
3	Unstable Economic Conditions	0.15	2	0.30	Economic fluctuations affect people's purchasing power.
4	Strict Regulations	0.10	2	0.20	New regulations that may limit operations or increase costs.
Total threat				1.40	

Tables 1 and 2 show that the score for the strength factor is 2.50, for the weakness factor 1.05, for the opportunity factor 2.50 and for the threat factor 1.40. So it can be seen that the strength value is above the weakness value. The difference is (+) 1.45 and the Opportunities and Threats values are the difference (+) 1.10.

Table. 3 SWOT Matrix

SWOT	Strengths	Weaknesses
Opportunities	SO Strategies (SO Strategy) Utilizing strengths to take advantage of opportunities: 1. Diversifying unique and quality distinctive products in line with market trends. 2. Optimize strategic locations and government support by holding local promotional events. 3. Use e-commerce and social media platforms to reach more customers. 4. Promote local stories and values to attract consumers who support local products.	WO Strategies (WO Strategy) Overcoming weaknesses by exploiting opportunities: 1. Look for additional funding sources to increase capital and technology. 2. Invest in HR training to improve employee skills. 3. Use government support for training and business development programs. 4. Product diversification to reduce the risk of dependence on one type of product.
Threats	ST Strategies (ST Strategy) Using strengths to overcome threats: 1. Strengthen branding and product quality to face intense competition. 2. Take advantage of strategic locations to remain the main choice even though economic conditions are unstable. 3. Use good customer service to retain customers amidst changing consumer preferences.	WT Strategies (WT Strategy) Reduce weaknesses and avoid threats: 1. Increase operational efficiency with technology to face competition. 2. Diversify products to reduce the impact of changes in consumer preferences. 3. Look for strategic partners to overcome limited capital and expand the market. 4. Adjust marketing strategies to stay relevant amidst changing economic conditions.

More targeted marketing per SWOT element. For example, authentic local products have been identified as one of the strengths in the SWOT analysis. This product not only differentiates Umah Souvenir MSMEs from competitors but also creates added value for customers who look for uniqueness and authenticity in products.

In terms of weaknesses, limited capital and infrastructure must also be overcome through appropriate marketing strategies. Alternative funding and strategic partnerships could be a solution to overcome this shortcoming. In addition, through the application of SWOT analysis, Umah Souvenir MSMEs can identify positive trends in the market, such as increasing consumer awareness of authentic local products. By exploiting this opportunity in their marketing strategy, MSMEs can increase their market share.

Threats from intense competition and changes in consumer preferences must also be anticipated through flexible and responsive strategies. Product innovation and a dynamic marketing approach are key in facing this threat. For example, Umah Souvenir can modify its products according to consumer trends or add product variations to meet different needs.

Discussion

The application of SWOT analysis allows Rumah Souvenir MSMEs to formulate marketing strategies that are more targeted and in accordance with market conditions. By evaluating existing strengths, weaknesses, opportunities and threats, MSMEs can create holistic and effective strategies to increase their competitiveness. The integration of SWOT analysis in marketing strategies also allows MSMEs to be more responsive to market dynamics and changes in consumer preferences, which is very important in creating sustainable competitive advantages. This finding is also supported by previous research which shows the effectiveness of SWOT analysis in various business contexts. Therefore, Souvenir House MSMEs should continue to utilize SWOT analysis periodically to adapt their marketing strategies to ever-changing market conditions.

4. CONCLUSION

Based on the results of the SWOT analysis carried out on Bagansiapiapi souvenir house MSMEs, it can be concluded that these MSMEs have great potential to increase their competitiveness in the market. By utilizing their internal strengths, such as unique and quality products, strategic locations, strong branding, and good customer service, MSMEs can take advantage of external opportunities, such as tourism growth, government support, online shopping trends, and awareness of local products, to develop their business. To increase the competitiveness of MSME souvenir shops, several suggestions for marketing strategies based on SWOT analysis that can be carried out include:

1. Utilize internal strengths to take advantage of external opportunities by diversifying unique and quality distinctive products in line with market trends.
2. Overcoming internal weaknesses by taking advantage of external opportunities, such as seeking additional funding sources to increase capital and technology.
3. Using internal strengths to overcome external threats, such as strengthening branding and product quality to face intense competition.
4. Reduce internal weaknesses and avoid external threats by increasing operational efficiency, diversifying products, looking for strategic partners, and adjusting marketing strategies.

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