

The Mapping Competitive Strategies in the Digitalization Era in Improving Marketing Performance: A Study on Handicraft-Based Small and Medium Enterprises in Indonesia

By

Ihsanuddin

Mahasiswa, Ekonomi dan Binis, Universitas Borobudur Jakarta, Indonesia

Correspondence Author: ihsanuddin_mz@yahoo.com

Masnilam Hasibuan

Dosen, Ekonomi dan Binis, Universitas Graha Nusantara Padangsidempuan, Indonesia

Email: masnilam75@gmail.com

Meirinaldi

Dosen, Ekonomi dan Binis, Universitas Borobudur Jakarta

Email: meirinaldi.2505@gmail.com

Hery Dia Anata Batubara

Dosen, Ekonomi dan Binis, Universitas Graha Nusantara Padangsidempuan, Indonesia

Email: anata.batubara@gmail.com

Abstract

This study aims to identify and analyze effective and efficient strategies for improving marketing performance in the digitalization era. Determining and mapping the strategy in this study is assisted by using SWOT analysis. SWOT analysis is one of the means of determining alternative strategies based on identifying external and internal factors. This research method was conducted using qualitative methods, with research subjects being small and medium-scale business actors through observation and interview techniques. The study results show that the strength factor is still able to respond to the existing internal situation, and the opportunity factor is still able to respond to the existing external situation. The SWOT matrix and SWOT diagram analysis shows that the small and medium-scale craft industry in Padangsidempuan City is in quadrant I, and the marketing strategy that must be applied is an aggressive growth strategy.

Keywords: Strategy, Competitive Advantage, Marketing Performance

Introduction

Indonesia is an agricultural country changing or developing towards an industrial country. In general, the role of the small business sector as the essential component in the economy of a nation has a strategic value that can make a significant contribution; when viewed from the economic structure of the Indonesian nation, it is included as a country that is experiencing a transition period, namely the transition from an agrarian economic structure to an economic sector that is an industrialist. Therefore it will be quite helpful to reduce the burden of problems currently faced by the Indonesian people. It cannot be denied that small businesses are an essential and quite decisive part of the Indonesian economy. Many people believe that small businesses are the foundation and hope for the future of national development.

The role of Micro, Small, and Medium Enterprises (MSMEs) is enormous for Indonesia's economic growth, with their number reaching 99% of all business units. The contribution of MSMEs to GDP also reaches 60.5%, and employment is 96.9% of the total absorption of the national workforce (ekon.go.id, 2022). The condition of local MSMEs experienced a decline during the Covid 19 pandemic (Mujianto et al., 2022). Based on a survey from UNDP and LPEM UI, which involved 1,180 MSME respondents, it was found that at that time, more than 48% of MSMEs experienced a decrease in product demand, and even 97% of MSMEs experienced a decrease in asset value. One of the main advantages of the MSME sector is the ease of adopting and implementing new technology and innovation in business (Kirom et al., 2022). It is easier to adopt the latest technology to increase the growth and competitiveness of MSME businesses because it does not have a complicated bureaucracy, and the organizational structure is still relatively lean. Hence, coordination and communication between managerial levels are manageable. In addition to the ease of technology application, another advantage possessed by the MSME sector is in terms of maintaining good relations between employees; this is because the number of employees is still smaller, and finally, in terms of business flexibility which can make it easier to adjust the business to dynamic market conditions.

In running a business, internal and external conditions will affect the performance of the business, be it MSME or large-scale businesses. Therefore, an essential key to making the business grow is to plan and implement the right strategy and follow societal developments. In times like now, the industrial revolution has reached 4.0, where technology is highly valued; it can even be said that technology is an essential pillar for the progress of MSMEs. The handicraft industry in Padangsidempuan City includes knitting dolls, woven fabrics, palm sugar, miniature Vespa rickshaws, boats made of bamboo, clove coffee, and do not miss the salak fruit, which is the prima donna of Padangsidempuan. It is hoped that the Padasidempuan City government will be able to compete at the national and international levels. Therefore, to achieve this, what is strengthened is how to implement business strategies adapted to developments in technology and information to improve marketing performance.

Improving marketing performance in SME businesses in the digitalization era must be carried out, bearing in mind that competition continues to increase in line with developments in technology and information. Therefore, it is time to pay attention to SMEs to improve marketing performance. Implementing an effective and efficient strategy can improve marketing performance in business (Kalogiannidis et al., 2022; Karyono, 2022a). Effective and efficient strategies can produce appropriate alternative solutions and help improve business performance (Chadhiq et al., 2022).

The competitive advantage of a company in the current era is how capable it is in mastering technology and information (Calicchio & Marcondes, 2016; Yuliantari & Pramuki, 2022) so that business strategy alignment in improving marketing performance must pay attention to aspects of technology and information development. Therefore, this research will examine the alignment of technology and information in depth by paying attention to technology and information. The development of technology and information in business is changing business activities that are carried out manually into digitization (Parviainen et al., 2017; Sosrowidigdo et al., 2021) so that marketing activities and transactions can be carried out anytime and anywhere.

Literature Review

Business strategy

Strategy is defined as a process of determining plans for top leaders that focus on the organization's long-term goals, accompanied by a preparation, method, or effort to achieve these goals Stephanie K. Marrus (Sedarmayanti, 2014). Strategy is an organization's parameters in determining the place of business and how the business competes. The strategy shows the general direction that an organization (company) wants to take to achieve its goals. Competitive advantage is due to the choice of strategy by the company to seize market opportunities. Suppose companies want to improve their business in increasingly fierce competition. In that case, companies must choose the principle of doing business, namely products with high prices or products with low costs, not both.

The word "Business" in Indonesian is absorbed from "Business" in English, which means busyness. Busyness is related explicitly to profit orientation. According to Buchari Alma, (2009, p. 5), the notion of business is aimed at a profit-oriented activity that produces goods or services to meet the needs of society. Business can also be interpreted as an institution producing society's goods and services. Etymologically, business means a situation where a person or group is busy doing work that generates profits. The word "business" itself has three uses, depending on the scope - the singular use of the word business can refer to a business entity, namely a juridical (legal), technical, and economic entity that aims to make a profit or profit (Abdul, 2013). Business is a general term that describes all activities and institutions producing goods/services in everyday life.

Skinner defines business as an exchange of goods or services that are mutually beneficial or beneficial Madnasir, 2007). Business is an activity that leads to increased added value through providing services, trading, or processing goods (production) (Muhammad dan Alimin, 2004, p. 56). Meanwhile, according to its essential meaning, business means buying and selling goods and services. According to J.S. Nimpoena, the notion of business can be distinguished in a narrow sense and a broad sense. If we are oriented in a narrow sense, then the business is nothing but fiction. In a broad sense, business is a business closely related to the world of economics and politics. This is because the world of economics and politics is an interdependent relationship, which also reflects the effectiveness of a society in its business activities. It can be interpreted as all activities organized by people working in the field of commerce and industry that provide goods and services to maintain and improve the standard and quality of people's lives (Sutarno, 2012, p. 1). So, a business strategy is a document that clearly articulates the direction a business will pursue and the steps required to achieve its goals. That business strategy is a competitive advantage. The sole purpose of strategic planning is to enable a company to obtain, as efficiently as possible, the last viable position against its competitors. A business strategy, also called competitive strategy, is usually developed at the divisional level and emphasizes improving the competitive position of the company's goods/services products in the specific industry/market segment served by the division. The division's business strategy may emphasize increasing profits in producing and selling products and services. The business strategy should also integrate various functional activities to achieve divisional goals (Sedarmayanti, 2014, p. 43).

Marketing Performance

Performance is a reasonably broad concept and changes meaningfully according to the perspective and needs of the user. Marketing performance is a measure of achievement produced by a company or organization from its overall marketing activities. Marketing

performance is also interpreted as a concept that is a measure of how far marketing is achieved by a product produced by a company (Amin, Miftakhul, Sudarwati, 2019). Performance or performance is a system related to the process and results (outcomes) achieved. Marketing performance is a measure of achievement obtained from a company or organization's overall marketing process activities. Marketing performance is a concept that measures a company's marketing performance. Every company is interested in studying its achievements to reflect the success of its business in market competition (Karyono, 2022b; Pattipeilohy, 2018). Marketing is an activity, a set of institutions and processes for creating, communicating, delivering, and exchanging offerings that are valuable to customers, customers, partners, and society at large (Kotler, 2016, p. 5). Akhmad, (2019) adds that marketing is an activity of one person aiming to satisfy, satisfy, and satisfy needs through a communication process.

Marketing performance measures a company's success in marketing its products in the market. Marketing performance is a concept used to measure a company's performance in marketing its products (Arbawa & Wardoyo, 2018; Morgan, 2012). Marketing performance describes the results of implementing corporate strategies such as customer satisfaction, new product success, sales growth, and profitability. Therefore, the company's marketing performance measurement uses units such as sales, customer growth, and customer turnover to better describe marketing and competitive performance (Doyle & Wong, 1998; Saori, 2015). Marketing performance is defined as a company's ability to develop marketing strategies implemented with the company's strengths and external factors. This definition can be explained that marketing performance is an illustration of the marketing of products and services developed (Danayanti et al., 2020; Wulandari & Parameswara, 2020).

Marketing performance is an index used to measure the success of the company's strategy used to market its products in the market. Evaluation of marketing performance can be measured from data on sales levels, increased revenue, number of customers, or other data that shows the company's success in selling products or services (Kencana & Giantari, 2021; Putu, Diah Saraswati, 2019). From the opinions above, marketing performance is a measure of the success of the company's product marketing process. Marketing performance is an achievement achieved by a company or organization from marketing activities.

SWOT analysis

SWOT analysis is a strategic planning method used to evaluate the Strengths, Weaknesses, Opportunities, and Threats that occur in a project or a business venture or evaluate own or competitor product lines. To carry out the analysis, business objectives are determined or identify the object to be analyzed. Strengths and weaknesses are grouped into internal factors, while opportunities and threats are identified as external factors (Rangkuti, 2014, p. 19). According to Pearce and Robinson, SWOT stands for the company's internal strengths and weaknesses and opportunities and threats in the environment. SWOT analysis is a systematic way to identify the factors and strategies that best describe the fit between them. This analysis is based on the assumption that an effective strategy will maximize strengths and opportunities while minimizing weaknesses and threats. When applied accurately, this simple assumption significantly impacts the design of a successful strategy ((A. Pearce II, John dan Richard B. Robinson, 2008, p. 229). This analysis can help in the decision-making process. The decision-making process is related to the company's vision, mission, and goals. So SWOT analysis can be used as an effective tool to analyze the factors that influence the company and as a decision-making process to determine strategy. Siagian, (2012), there is a division of strategic factors in the SWOT analysis, namely:

1. **Factors in the form of strength** What is meant by factors of strength owned by a company, including its business units, are, among other things, unique competition within the organization, which results in the business unit having a comparative advantage in the market. It is said that because the business unit has a source of skills, reliable products, and so on, it is more vital than competitors in satisfying market needs that have been and are planned to be served by the business unit concerned.
2. **Weakness Factor** What is meant by weakness is a limitation or deficiency in terms of resources, skills, and capabilities which is a severe obstacle to the appearance of satisfactory organizational performance.
3. **Opportunity factors.** The definition of opportunities, in simple terms, is the various favorable environmental situations for a business unit.
4. **Threat Factors** The definition of threats is the opposite of the understanding of opportunities, namely environmental factors unfavorable to a business unit. If the threats are not addressed, they will become dangerous for the business unit, both now and in the future (Siagian, 2018).

Using the research method with the SWOT analysis method, we want to show that company performance can be determined by a combination of internal and external factors; these two factors must be considered in a SWOT analysis. How to make a SWOT analysis Research shows that a combination of internal and external factors can determine company performance. Both of these factors must be considered in a SWOT analysis. SWOT stands for internal strengths and weaknesses as well as external environmental opportunities and threats faced in the business world. SWOT analysis compares external factors, opportunities, and threats with internal strengths and weaknesses (Rangkuti, 2014, pp. 18–19).

	Strength (S) List all strengths possessed.	Weakness (W) A list of all the weaknesses one has.
Opportunities (O) A list of all opportunities that can be identified.	SO Strategy Use all the power you have to take advantage of the opportunities that exist.	WO Strategy Overcome all weaknesses by taking advantage of existing opportunities.
Threats (T) List of all identified threats.	ST Strategy Use all power to avoid threats.	WT Strategy Suppress all weaknesses and prevent all threats.

The SWOT matrix can describe how the opportunities and threats from the company's external environment are anticipated with the strengths and weaknesses it has. The SWOT matrix will make it easier to formulate various strategies. The alternative strategies must be directed at using strengths and improving weaknesses, taking advantage of business opportunities, and overcoming threats. So from the SWOT matrix, we will get four alternative strategic groups: SO, ST, WO, and WT (Mudraja, 2005). Each of these alternative strategies is (Husain, 2010):

- a. **SO (Strenght-Opportunity) Strategy** This strategy is based on the company's mindset, namely by utilizing all the strengths it has to seize and take advantage of as many opportunities as possible.
- b. **ST Strategy (Strenght-Threath)** This strategy is based on the company's strengths to anticipate existing threats.
- c. **WO Strategy (Weakness-Opportunity)** This strategy is implemented based on utilizing existing opportunities by minimizing existing weaknesses.

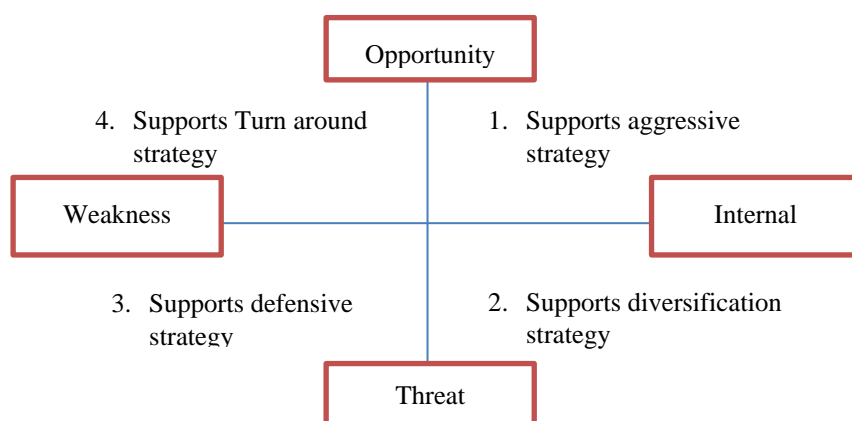
WT (Weakness-Threat) Strategy This strategy is based on defensive activities, trying to minimize the company's weaknesses and simultaneously avoiding threats.

With the SWOT strategy matrix, positioning is then carried out to measure the position of the relevant. Considering that the influence of internal and external aspects on business is different, in doing positioning, certain aspects must be weighted (Mudraja, 2005). Carrying out weighting and giving values in each aspect of the internal factor analysis (Internal Factor Evaluation) can be done with the following work stages (Husain, 2010):

- a. Determine the essential factors of the internal conditions of an industry to be studied, and group them into strengths and weaknesses. The weight column is the level of importance of each factor; the weighting of 0.20 is significant, 0.15 is important, 0.10 is quite essential, 0.05 is not necessary, and if added together, it will be worth 1.00.
- b. Rating is the value of the internal condition of each organization. Score 4 for excellent condition, 3 for good condition, 2 for average condition, and 1 for bad condition. The factors are scored 3 and 4 for the strengths group, while the scores are 2 and 1 for the weaknesses group.
- c. The value of each factor is the product of the weight and Rating. If all scores are added up, the IFE value of the organization can be identified.

If a have completed the analysis of the internal factors, the same thing is done to analyze external factors in the same way.

- a. Determine the essential factors from the external conditions of an industry to be studied, and group them into opportunities and threats. The weight column is the level of importance of each factor; the weighting of 0.20 is significant, 0.15 is important, 0.10 is quite essential, 0.05 is not necessary, and if added together, it will be worth 1.00.
- b. The Rating is the response/anticipation value of the organization's management towards these environmental conditions. Giving a rating value for the opportunity factor is positive (a bigger chance is given a rating of 4, but if the opportunity is small, it is given a rating of 1). Giving a threat rating is the opposite. If the threat is substantial, the Rating is 1, but if the threat is minor, the Rating is 4.
- c. The value of each factor is the product of the weight and Rating. If all scores are added up, the EFE value of the organization can be identified. After the scoring results are obtained, a positioning chart can be made. The vertical axis shows the total score of external aspects, and the horizontal axis shows the total score of internal aspects. The coordinates of the two aspects indicate the position in question. Using the SWOT analysis diagram matrix, threats and opportunities can be clearly described according to their strengths and weaknesses (Siagian, 2018, p. 175).



Quadrant 1: This is a very favorable situation. The company has opportunities and strengths to take advantage of current opportunities. The strategy that must be applied in this condition is to support an aggressive growth policy (Growth-oriented strategy).

Quadrant 2: although facing various threats, this company still has internal strength. The strategy that must be implemented uses strength to take advantage of long-term opportunities through a diversification strategy (product/market).

Quadrant 3: the company faces enormous market opportunities, but on the other hand, it faces some internal constraints/weaknesses. Business conditions in quadrant 3 are similar to Question marks in the BCG matrix. The focus of this company's strategy is to minimize its internal problems so it can seize good market opportunities. For example, Apple uses a technology review strategy by offering new products in the microcomputer industry.

Quadrant 4: This is a very unfavorable situation; the company faces various internal threats and weaknesses.

Methods

The method used in this research is a qualitative approach with a descriptive research type. The choice of approach and type of research is because after the researchers compared previous studies that used both quantitative and qualitative approaches, the researchers considered that a qualitative approach with a descriptive type has more potential to produce a study appropriate to the circumstances being studied. This research means presenting a description of the data obtained through interviews and observation. Therefore, the data presented and analyzed in the research report are in the form of interviews and observations. In this qualitative research, SWOT analysis is used in the marketing field by analyzing the strengths and weaknesses of the handicraft industry in Padangsidempuan City and considering the opportunities and threats faced by the handicraft industry in Padangsidempuan City to obtain a marketing strategy that is appropriate for home industries. In the present and the future, following the primary goal of developing a more competitive craft industry in Padangsidempuan City. In this study, researchers chose the location of the craft industry in Padangsidempuan City. The researcher chose this location because the craft industry is a priority scale of concern to the local government and can still compete amidst intense market competition. Therefore researchers are interested in examining the marketing strategies used in the craft industry in Padangsidempuan City. Sources of data in this study are primary and secondary data.

Primary data is directly obtained from the results of interviews, namely in the form of answers from a list of questions to informants regarding planning a marketing strategy for craft business owners in the city of Padangsidempuan. Secondary data is obtained by researchers in the form of any documents/files related to the craft industry, such as photos of activities in the industry, organizational structure, and essential records in the craft industry. Data collection techniques through observation, interviews, and documentation methods. Data analysis in qualitative research was carried out before entering the field, while in the field, and after finishing in the field. Qualitative data analysis takes place during the data collection process rather than after data collection is complete. Preliminary data analysis in the field is carried out on data from preliminary studies, or secondary data, which will be used to determine the research focus. The research focus is still temporary and will develop after researchers enter the field. The data obtained about the Marketing Strategy with SWOT Analysis for Developing

a Craft Business in the city of Padangsidempuan will be analyzed and explained in words that are clearer and easier for others to understand.

In this study using SWOT analysis, the first step is to analyze the data obtained by analyzing the internal and external factors of the company. Namely by using the IFAS matrix to identify the strengths and weaknesses faced by the company. The EFAS matrix is used to identify the opportunity and threat factors of the company. The second stage is matching internal and external factors to create a strategy. This stage uses the SWOT Matrix to obtain alternative strategies based on the company's strengths, weaknesses, opportunities, and threats.

Results and Discussion

The results of the research that was carried out using SWOT analysis focused on assessing internal and external factors faced by the craft industry in Padangsidempuan City, North Sumatra Province. Internal factors are obtained from data within the company environment, such as sources of raw materials, competitive selling prices, product varieties, local wisdom, online marketing, network, technology, information, and financial access. At the same time, external factors are obtained from environmental data outside the company, such as government policies, marketing potential, socio-economic conditions, market expansion, competition with similar products, variations in marketing by competitors, competitors' marketing networks, and limited capital. After being identified, it is analyzed and grouped into IFAS and EFAS.

IFAS (Internal Strategic Factors Analysis Summary) is structured to formulate these internal strategic factors within the company's strengths and weaknesses. EFAS are factors of a company's external strategy, the external strategy in the framework of product opportunities and threats. The two are compared, which can produce alternative strategies (SO, ST, WO, and WT) (Rangkuti, 2014, p. 22). Then the researcher determines strategies that can be used in craft-based small industries in Padangsidempuan City in dealing with craft-based small industry business competition. According to the researcher, the best strategy for small craft-based industries in Padangsidempuan City is to use the SWOT matrix.

Table 1. *IFAS Matrix*

Strength	Weight	Value	Score
Sources of raw materials	0.09	4	0.34
Competitive Price	0.08	3	0.23
Product Varieties	0.07	3	0.20
Local wisdom	0.07	4	0.27
Total Strength			1.04
Weakness			
Online Marketing	0.05	2	0.10
Network	0.05	3	0.14
Technology and Information	0.05	2	0.10
Financial Access	0.06	2	0.11
Total Weaknesses			0.45
Total Score			1.45

The results of the IFAS calculation show that the internal factor with the main strength with a score of 0.34 is the source of raw materials. This is followed by handicraft products based on local wisdom, competitive prices, and product varieties. While the internal factors

have the main weakness with a score of 0.14, namely the business network, which still has limitations in the marketing network, financial access is still limited. In comparison, online marketing, technology, and information in marketing activities have the lowest value. If the strengths and weaknesses are optimized, it will overcome the existing weaknesses. This is indicated by the total score on the IFAS matrix of $1.04 \geq 0.45$, which means that internal conditions have the power to overcome situations. For external factors found, variables have a positive effect, namely as an opportunity, and variables that have a negative effect, namely as a threat. The External Factors Analysis Summary (EFAS) matrix model is used to assess these external factors, which is presented in Table 2.

Table 2. *EFAS Matrix*

Opportunity	Weight	Value	Score
Government policy	0.07	4	0.27
Marketing Potential	0.09	4	0.34
Socioeconomic Conditions	0.07	3	0.20
Market Expansion	0.08	3	0.23
Total Chances			1.04
Threat			
Competition with Similar Products	0.05	1	0.05
Variation of competitor marketing	0.06	1	0.06
Use of competitors' marketing networks	0.06	2	0.11
Capital Limitations	0.05	2	0.10
Total Threat	1		0.31
Total Score			1.35

The results of the EFAS table analysis show that several factors are the main external factors as opportunities with a score of 0.34, namely marketing potential, which is a potential opportunity, considering that marketing in this digitalization era can be done offline and online. Furthermore, regarding government policies that support the growth and development of small and medium enterprises, then regarding the expansion of markets that are very open to being developed by business actors whose reach is not only regional and national but also international. While the socio-economic conditions, or this relates to one of the people's purchasing power, is quite good because it has a score of 2.0, although, in this analysis, it is the last aspect. In the results of this study, the main external factors as threats were also generated, namely by obtaining a score of 0.11, namely the threat of competitors in other regions in using a wider marketing network and controlling several marketing networks both online and offline, then the other threat is regarding the limited capital owned by the craftsmen in Padangsidimpuan City, and the last is the variation in competitor marketing and competition with similar products. If all the existing variables or opportunity factors are utilized optimally, they can overcome the various threats that arise. This can be proven by the total EFAS value of $1.04 \geq 0.31$, which means the system can respond to external situations.

The SWOT matrix will provide a clear picture of how the external opportunities and threats faced by the company can be adjusted to its strengths and weaknesses. From the SWOT matrix, several strategies can be taken, namely as follows:

Table 3. Matriks SWOT

	Strength (S)	Weakness (W)
	Source of Raw Materials	Online Marketing
	Competitive Price	Network
	Product Varieties	Technology and Information
	Local Wisdom	Financial Access
		Strategi WO
		Increase literacy in the use of technology and information in supporting marketing activities, especially in online marketing
		Conduct partnerships with local governments to be promoted in various activities, especially those related to tourism
	Strategi SO	
	Increase sales	
	Maintain good and harmonious relations between fellow business partners	
	Maintain customer trust	
	Maintain products based on local wisdom as a regional characteristic	
		Strategi ST
		Making innovative products by paying attention to local wisdom
		Carry out promotional strategies that are different from competitors and prioritize product uniqueness
		Increasing the use of social media as a medium for displaying products that have been produced
		Strategi WT
		Adding marketing or promotional strategies through the implementation of E-commerce
		Adding company technology facilities and infrastructure to support product marketing
Opportunities (O)		
Government Policy		
Marketing Potential		
Socioeconomic Conditions		
Market Expansion		
	Threats (T)	
	Competition with Similar Products	
	The variety of marketing competitors	
	Use of competitors' marketing networks	
	Limited Capital	

1. SO (Strength and Opportunity) Strategy Created based on the company's mindset, the company utilizes all of its internal strengths to seize and take advantage of good and big opportunities.
2. ST Strategy (Strength and Threats) Strategy uses the strengths that the company has to overcome threats from outside.
3. WO (Weakness and Opportunities) Strategy This strategy is processed based on taking advantage of existing opportunities by minimizing the company's weaknesses.
4. WT Strategy (Weakness and Threats) This strategy is based on defensive activities and seeks to reduce or minimize weaknesses to avoid threats.

The results of the SWOT matrix show that there are several policy strategies to support the mapping of competitive strategies in the digitalization era in improving marketing performance in Padangsidempuan City, which are as follows.

1. Increasing product innovation that is increasingly unique and environmentally friendly and of better quality than competing products
2. Develop a product certification program for product specifications produced

3. Improving satisfactory service to increase consumer confidence
4. Improving the marketing strategy by implementing E-commerce to increase the number of consumers and public interest in the product
5. Improving HR skills through programs from educational and training institutions
6. Increase the suitability of products displayed on social media with the products being produced
7. Adding company technology facilities and infrastructure to support product marketing.

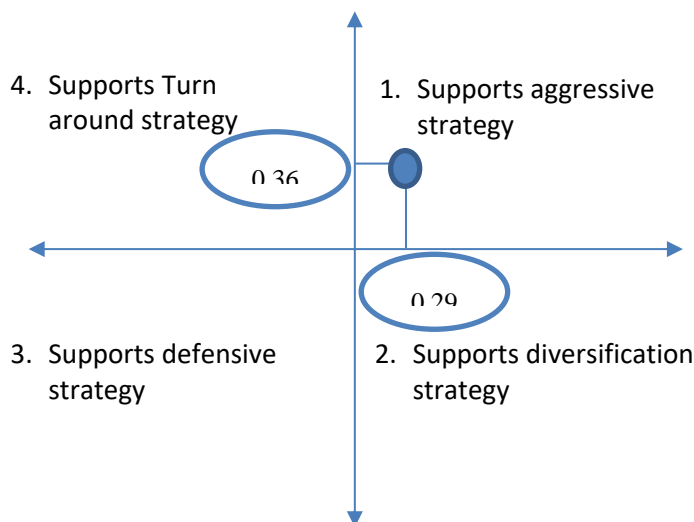


Figure 1. *SWOT Analysis Diagram*

This SWOT Analysis diagram is used to see the company's current position. There are four quadrants with different categories. Quadrant 1 is favorable because the company has opportunities and strengths to take advantage of current opportunities. The strategy that must be implemented when the company is in this condition is to support an aggressive growth policy. Quadrant 2, namely, when the company is facing various threats, the company still has internal strength. The strategy that must be carried out is to use strength to take advantage of long-term opportunities using a diversification strategy (product/market). Quadrant 3, namely, the company faces enormous market opportunities, but on the other hand, it faces some internal constraints/weaknesses. The focus of this company's strategy is to minimize its internal problems so it can seize better market opportunities. Quadrant 4 is very unfavorable because the company faces various internal threats and weaknesses. The determination of the X and Y coordinates is obtained from the results of the strength (S) value, weakness (W) value, opportunity (O) value, and threat (T) value.

From figure 1, the point of intersection of the diagram is on the X and Y axes (0.295; 0.362) in diagram 1, where the position is in quadrant one, which supports an aggressive strategy. Craft-based small and medium industries in Padangsidimpuan City, which are in a favorable situation, have strengths and opportunities to take advantage of current opportunities. The strategy that can be applied in quadrant 1 is to support an aggressive growth policy (growth-oriented).

Conclusion

Craft-based small and medium industries in Padangsidimpuan City, which are in a favorable situation, have strengths and opportunities to take advantage of current opportunities.

The strategy that can be applied in quadrant 1 is to support an aggressive growth policy (growth-oriented). Included in the aggressive strategy are as follows:

- a. Market penetration A market penetration strategy seeks to increase market share for a product or service in the current market through greater marketing efforts. Market penetration includes increasing human resources, advertising spending, offering extensive sales promotions, or increasing publicity efforts.
- b. Market development The market development will be a more effective strategy in the following conditions.
 - a. When new distribution channels are available, they are cheaper and have good quality.
 - b. When an organization is successful at what it does.
 - c. When the market has not been exploited, or consumers are not saturated.
 - d. When an organization has the capital and human resources to manage the market.
 - e. As the organization rapidly becomes global in scope.
- c. Product development

Product development will be a more effective strategy if:

- a. When an organization has a product that is in a stage of the product life cycle. The strategy is carried out by attracting customers to try new products/services so that consumers give positive things about the products offered.
- b. When an organization competes in an industry characterized by rapid technological developments.
- c. When major competitors offer products of good quality at comparable prices.
- d. When a corporate organization competes in a high-growth industry.
- e. When an enterprise organization has very strong research and development capabilities.
- d. Horizontal integration

Horizontal integration leads to strategies seeking ownership or increased control over the company's competitors. The strategy that can be applied to horizontal integration is to increase the use of horizontal integration as a growth strategy. Mergers, acquisitions, and takeovers between competitors allow for increased economies of scale and enhanced transfer of resources and competencies.

- e. Diversification Some companies prefer a diversification strategy to take advantage of the following synergies.
 - a. Transferring valuable competitive skills, technology, or other capabilities from one business to another.
 - b. Combining different related business activities into one operation to achieve lower costs.
 - c. Exploitation of common uses of well-known brand names.
 - d. Cross-business collaboration to create valuable competitive resource strengths and capabilities

References

- A. Pearce II, John dan Richard B. Robinson, J. 2008. (2008). Edisi, Manajemen Strategis 10 Buku 1, terj. Yanivi Bachtar dan Christine. Salemba Empat.
- Abdul, A. (2013). Etika Bisnis Perspektif Islam. Alfabeta.
- Akhmad, N. (2019). Pengaruh Inovasi Produk terhadap Kinerja Pemasaran Industri Mebel di Kabupaten Pasuruan. REFERENSI; Jurnal Ilmu Manajemen Dan Akuntansi, 6(2), 17–23.

- Amin, Miftakhul, Sudarwati, S. M. (2019). Analisis Pengaruh Inovasi Produk, Orientasi Pasar, Keunggulan Bersaing terhadap Kinerja Pemasaran di Sentra Industri Mebel Desa Sembungan. *Edunomika*, 03(02), 501–510.
- Arbawa, D. L., & Wardoyo, P. (2018). Keunggulan Bersaing : Berpengaruh Terhadap Kinerja Pemasaran (Studi Pada Umkm Makanan Dan Minuman Di Kabupaten Kendal). *Jurnal Riset Ekonomi Dan Bisnis*, 11(1), 56. <https://doi.org/10.26623/jreb.v11i1.1077>
- Buchari Alma. (2009). *Kewirausahaan*. Alfabeta.
- Calicchio, A. C., & Marcondes, R. C. (2016). Relevant factors for competitiveness in information technology consulting businesses. *Gestao e Producao*, 23(3), 625–637. https://doi.org/10.1590/0104-530x0403_15
- Chadhiq, U., Suslinawati, Dyanasari, Fachrurazi, & Nurcholifah, I. (2022). Understanding What Business Marketing Strategy Will Continue in 2022: Business Literacy Prediction Study. *Budapest International Research and Critics Institute (BIRCI-Journal) Humanities and Social Sciences*, 5(1), 4165–4175.
- Danayanti, A. C., Astuti, M., & Nobelson. (2020). Orientasi Pasar dan Inovasi Pada UMKM Kuliner di Margonda: Implikasinya Pada Kinerja Pemasaran. *KORELASI (Konferensi Riset Nasional Ekonomi, Manajemen, Dan Akuntansi)*, 20, 676–689.
- Doyle, P., & Wong, V. (1998). Marketing and competitive performance: an empirical study. *European Journal of Marketing*, 32(5/6), 514–535. <https://doi.org/10.1108/03090569810216145>
- ekon.go.id. (2022). Perkembangan UMKM sebagai Critical Engine Perekonomian Nasional Terus Mendapatkan Dukungan Pemerintah. <https://www.ekon.go.id/>. <https://www.ekon.go.id/publikasi/detail/4593/perkembangan-umkm-sebagai-critical-engine-perekonomian-nasional-terus-mendapatkan-dukungan-pemerintah>
- Husain, U. (2010). *Desain Penelitian Manajemen Strategik*. Rajawali Press.
- Kalogiannidis, S., Kontsas, S., & Papaevangelou, O. (2022). Influence of Strategic Marketing Approaches in Business Communication. *Business Management and Strategy*, 13(1), 48. <https://doi.org/10.5296/bms.v13i1.19430>
- Karyono, O. (2022a). The Competitive Advantage Strategy in Online BusinessShop : Research on Millennials and Generation Z. 24(10), 12–19. <https://doi.org/10.9790/487X-2410031219>
- Karyono, O. (2022b). What is the Development Strategy for a Service-based Business ? What Is the Development Strategy for a Service-Based Business?, 1(3).
- Kencana, P. A. P., & Giantari, I. G. A. K. (2021). Pengaruh Orientasi Pasar Dan Inovasi Terhadap Keunggulan Bersaing Dan Kinerja Pemasaran. *Buletin Studi Ekonomi*, 26(2), 177. <https://doi.org/10.24843/bse.2021.v26.i02.p03>
- Kirom, N. R., Sudarmiatin, S., & Hermawan, A. (2022). E-Commerce Strategy for MSME Innovation Development in the New Normal Era. *International Journal of Environmental, Sustainability, and Social Science*, 3(1), 169–178. <https://doi.org/10.38142/ijesss.v3i1.125>
- Kotler, P. and K. L. K. (2016). *Marketing Management*, 15th Edition. Pearson Prentice Hall.
- Morgan, N. A. (2012). Marketing and business performance. *Journal of the Academy of Marketing Science*, 40(1), 102–119. <https://doi.org/10.1007/s11747-011-0279-9>
- Mudraja, K. (2005). *Strategi Bagaimana Meraih Keunggulan Kompetitif*. Gelora Aksara Pratama.
- Muhammad dan Alimin. (2004). *Etika Perlindungan Konsumen dalam Ekonomi Islam*. BPFE Yogyakarta.
- Mujianto, M., Ramaditya, M., Mustika, M., Tanurahrarjo, H. H., & Maronrong, R. (2022). Dampak Pandemi Covid-19 pada UMKM Warung Ritel Tradisional di Indonesia dan Strategi Bertahannya. *Jurnal STEI Ekonomi*, 30(02), 60–74.

- <https://doi.org/10.36406/jemi.v30i02.494>
- Parviainen, P., Tihinen, M., Kääriäinen, J., & Teppola, S. (2017). Tackling the digitalization challenge: How to benefit from digitalization in practice. *International Journal of Information Systems and Project Management*, 5(1), 63–77. <https://doi.org/10.12821/ijispm050104>
- Pattipeilohy, V. R. (2018). Inovasi Produk dan Keunggulan Bersaing: Pengaruhnya terhadap Kinerja Pemasaran (Studi pada Usaha Nasi Kuning di Kelurahan Batu Meja Kota Ambon). *Jurnal Maneksi*, 7(1), 66. <https://doi.org/10.31959/jm.v7i1.78>
- Putu, Diah Saraswati, I. W. S. (2019). Peran Inovasi Produk Memediasi Orientasi Pasar terhadap Kinerja Pemasaran Produsen Makanan Oleh-Oleh khas Bali. *E-Jurnal Manajemen*, 8(12), 6992–7012.
- Rangkuti, R. (2014). *ANALISIS SWOT : Teknik Membedah Kasus Bisnis*. Gramedia Pustaka Utama.
- Saori. (2015). Analisis Kinerja Pemasaran pada Industri Makanan (Studi Kasus UMKM CV. NJ Food Industries, Kabupaten Sukabumi). *Paper Knowledge . Toward a Media History of Documents*, 3(April), 49–58.
- Sedarmayanti. (2014). *Manajemen Strategi*. Refika Aditama.
- Siagian, S. (2012). *Fungsi-Fungsi Manajemen*. Bumi Aksara.
- Siagian, S. (2018). *Manajemen Stratejik*. Bumi Aksara.
- Sosrowidigdo, S., Arifin, A. L., Pranogyo, A. B., & Ramaditya, M. (2021). The Future of Human Resources and Digital Trend Phenomenon in Indonesian Business Practices: Review Literature. *Journal of Contemporary Issues in Business and Government*, 27(02). <https://doi.org/10.47750/cibg.2021.27.02.208>
- Sutarno. (2012). *Serba-serbi Manajemen Bisnis*. Graha Ilmu.
- Wulandari, I. G. A. A., & Parameswara, A. A. G. A. (2020). Problematika UMKM Berbasis Budaya Lokal di Bali (Studi Kasus Pemasaran Produk UMKM Berbasis Budaya Lokal di Pesta Kesenian Bali). *Ekonomi Dan Bisnis*, 6(2), 101–120. <https://doi.org/10.35590/jeb.v6i2.1263>
- Yuliantari, N. P. Y., & Pramuki, N. M. W. A. (2022). The Role of Competitive Advantage in Mediating the Relationship Between Digital Transformation and MSME Performance in Bali. *Jurnal Ekonomi & Bisnis JAGADITHA*, 9(1), 66–75. <https://doi.org/10.22225/jj.9.1.2022.66-75>