

## Swot Analysis Approach To MSME Development

Ade Risna Sari<sup>1</sup>, Mashudi Hariyanto<sup>2</sup>, Bunga Aditi<sup>3</sup>, Olga Theolina Sitorus<sup>4</sup>,  
Annisha Suvero Suyar<sup>5</sup>

<sup>1</sup> Universitas Tanjungpura, <sup>2</sup> IAI Nusantara Batanghari Jambi, <sup>3</sup> Universitas Harapan Medan,

<sup>4</sup> Politeknik Mandiri Bina Prestasi, <sup>5</sup> Universitas Harapan Medan

Korespondensi penulis: [a.risna.sari@fisip.untan.ac.id](mailto:a.risna.sari@fisip.untan.ac.id)

### Article History:

Received: 12 Mei 2023

Revised: 21 Juni 2023

Accepted: 10 Juli 2023

**Keywords:** SWOT Analysis, Cinunuk, UMKM

**Abstract.** Development in the era of globalization depends heavily on the economic sector as a measure of government success. The role of society in national development especially in economic development is micro, small and medium-sized enterprises. (UMKM). SWOT analysis is the right way to solve problems in marketing management. This analysis is based on logic that can maximize strengths and opportunities, but at the same time can minimize weaknesses and threats. This research method was carried out using survey methods with interviews and quizzes on UMKM perpetrators in Cinunuk Village in particular in RW 25. Data collection is carried out by disseminating quizzes and conducting direct interviews with UMKM enterprises. Each of them has its own weaknesses and shortcomings. There are 4 problems: lack of technology mastery, not using product branding, has not used e-payment, and the location of UMKM is not listed on Google maps.

### Abstrak

Pembangunan di era globalisasi sangat bergantung pada sektor ekonomi sebagai ukuran keberhasilan pemerintah. Peran masyarakat dalam pembangunan nasional khususnya dalam pembangunan ekonomi adalah usaha mikro, kecil dan menengah (UMKM). Analisis SWOT adalah cara yang tepat untuk memecahkan masalah dalam manajemen pemasaran. Analisis ini didasarkan pada logika yang dapat memaksimalkan kekuatan dan peluang, namun secara bersamaan dapat meminimalkan kelemahan dan ancaman. Metode penelitian ini dilakukan dengan menggunakan metode survey dengan wawancara dan kuisioner pada pelaku UMKM di Desa Cinunuk khususnya di RW 25. Pengumpulan data dilakukan dengan menyebarkan kuisioner dan melakukan wawancara langsung dengan pelaku usaha UMKM. Setiap pelaku UMKM tentunya memiliki kekurangan dan kendala dalam menjalankan usahanya masing-masing. Terdapat 4 permasalahan yaitu kurangnya penguasaan teknologi, belum menggunakan product branding, belum menggunakan e-payment, dan lokasi UMKM belum terdaftar di google maps

**Kata kunci:** Analisis SWOT, Cinunuk, UMKM

## **INTRODUCTION**

Business development is expected to become increasingly important in the future. The UMKM cannot be separated from the various changes that occur both internally and externally. The proper implementation of strategies to change external and internal environments can reveal strengths, weaknesses, threats, and opportunities. SWOT analysis is the best method for solving marketing management problems. In the face of environmental problems, SWOT analysis is divided into two stages: the external environment to know the threats and opportunities faced by UMKM perpetrators, and the internal environment to recognize the strengths and weaknesses of UMKM actors, so that the situation of internal or external environments can be used as a leapstone to gain profits for the company.

Cinunuk Village in particular RW 25 has many UMKM activities, the majority of which are UMKMs that move in the culinary field. Most UMKMs in Cinunuk Village have the same problem: the limitation of place and time. To dig deeper into the UMKM problem that exists in Cinunuk Village will be done with SWOT analysis method. With the help of SWOT analysis, knowledge of external and internal environmental factors can be used as a reference for UMKM in determining the right strategy to face the stringent competition.

## **LITERATURE REVIEW**

### **1. SWOT analysis**

A strategic decision-making process, usually related to issues related to the mission, goals, strategies, and policies of the company. As a strategic planner, it is important to pay attention to the various areas related to the factors that influence it during the analysis. These factors can be grouped into four categories called Strengths, Weaknesses, Opportunities and Threats, so known as SWOT Analysis. (Widowati, 2022).

Strengths, weaknesses, opportunities, and threats can be needed as marketing management methods to cope with changing external and internal environments. In marketing management, SWOT analysis is the best technique to deal with problems. In the face of environmental issues, SWOT analysis is divided into two stages: the external environment that covers the threats and opportunities faced by UMKM, and the internal environment that includes the strengths and weaknesses of UMKM. Knowing the elements of the external and internal environment can be used as a support for UMKM measurement in preparing a

marketing plan that will be used to improve UMKM competitiveness using SWOT analysis. (Sianturi, 2022). According to Juliana and Jamiat (2251), the SWOT analysis is as follows:

A. Strength (Strenght)

Strengths are the resources or capabilities a company possesses that can make the company relatively superior to its competitors in meeting customer needs. Strength comes from the resources and competence of the company available.

B. weaknesses (Weakness)

A weakness is a limitation/deficiency in one or more resources/capacities of a company compared to its competitors, which constitutes an obstacle to effectively serving consumer needs.

C. Opportunity (Opportunity)

In a business environment, opportunity is a significant profitable position. Key trends can be a source of opportunities for companies, such as identifying previously neglected market niches, changes in competition/regulatory situations, technical changes, and enhanced buyers/suppliers relationships.

D. Threatened (Threat)

Threats in the corporate environment are unfavorable scenarios for the company. Threats are the most significant obstacle for companies to desired status. As new competitors enter the market, slow market developments, greater negotiating power from major buyers/suppliers, technological advances, and modified or updated regulations can all create obstacles to a company's success.

## **2. The SWOT Matrix**

SWOT analysis is the identification of methods from different perspectives for developing a company's strategy. This analysis is based on logic that maximizes strengths and opportunities while minimizing weaknesses and threats. In mission development, the objectives, strategies, and policies of the company are always related to the strategic decision-making process. Therefore, strategic planners should evaluate the strategic elements of the company (strengths, weaknesses, opportunities, and threats) by considering the applicable environment. This can be called a situation analysis. With the presence of external threats the organization faces can be adjusted to its strengths and weaknesses (Juliana, 2021).

**A. Strategy as**

This strategy is built on the company's philosophy that aims to use all its power to capture and leverage as many opportunities as possible.

**B. Strategy of ST**

This strategy is used to overcome dangers by leveraging the strengths of the company.

**C. Strategy WO**

This strategy is constructed by maximizing the current likelihood of being covered by reducing existing losses.

**D. The WT Strategy**

This strategy focuses on defensive operations and efforts to reduce and avoid current weaknesses. By mapping and identifying the types of UMKM that are in Cinunuk Village, especially those in RW 25 will facilitate the determination of SWOT Analysis and SWOT Matrix to know the creative economic potential that exists in the RW 25

## **RESEARCH METHOD**

This research was carried out using survey methods (interviews and questionnaires) on UMKM perpetrators in Cinunuk Village in particular in RW 25. The framework of the survey research can then be analyzed using the SWOT analysis method consisting of the analysis of the aspects of production, marketing, capitalization, and development. SWOT analysis is the systematic identification of various factors to create logical analysis that can maximize strengths and opportunities while minimizing weaknesses and threats. The process of strategic decision-making is always related to the mission, goals, strategies, and policies of the company. Therefore, an entrepreneur should be able to analyze the strategic factors of the company (strengths, weaknesses, opportunities and threats) under certain circumstances. The sample in this study is the entire UMKM that is in RW 25 Cinunuk Village. Data collection is carried out by disseminating questionnaires and conducting interviews directly to UMKM enterprises. In this case, researchers perform data analysis by sorting information, performing re-checking and summarizing data obtained in the process of surveys and interviews. After conducting the survey phase, interviews and data analysis, researchers can make a conclusion of the strategies that can be applied.

## RESULT AND DISCUSSION

Micro, small and medium-sized enterprises (UMKM) are one of the most important pillars of the Indonesian economy. UMKM plays an important role in providing security networks especially for low-income societies that can carry out productive economic activities. In the Indonesian economy, UMKM has become a pillar of the economy of the nation and the country in difficult times such as the Covid-19 pandemic. UMKM is able to adapt to changing consumption patterns from offline to online by leveraging digital marketing. UMKM is also able to produce creative and innovative products that meet the needs and tastes of the community. (Putri, 2022).

Generally speaking, UMKM in Cinunuk Village has already promoted its products through the Instagram platform. However, its use is still limited due to the lack of digital literacy among citizens about the functions that can be sold to market products in this digital age. Also, photo view selection information is not good. Moreover, it is still visible that UMKM promotes its product only from mouth to mouth. Usually foods and drinks that are marketed and sold to consumers retailers in the store (Izaak, 2252)

Based on the data provided by the Cileunyi district in the Number (2022), Cinunuk Village became a village with the number of WNI residents who have not or do not have jobs from the registration results in 2022 with a total of 6,764. This is the focus of the 77 group to improve their community skills both soft skills and hard skills starting from the activities of dissemination, training and support. As the development of the era progresses, there is a need for innovation to develop the potential of Cinunuk society.

Cinunuk Village has 10 RWs and 62 RTs that have a variety of small and medium-sized micro enterprises (UMKMs) ranging from fashion, hand crafts, and the most are culinary enterprises. As on RW 25, of the 8 RTs that UMKM will often be found there are food and beverage types. (FnB). In fact, the number of UMKMs that exist in the RW 25 is very large and weeds along the gang, but those that are already registered and include active only 8 UMKM.

Like UMKM in general, the UMKM run by the community of Cinunuk Village especially in RW 25 experienced barriers in managing their enterprises especially in the financial aspects, resources and location of product sales. Some of these UMKMs are only sold when there is an event held by the district or town of Bandung.

The program is designed for students to gain real-world experience in building and developing a business. The activities aim to help students understand the needs and challenges in the business world, as well as develop the skills and abilities needed in starting and managing a business venture. From the results of interviews and surveys obtained the identification results of the problem existing on RW 25. Here are some that can be identified:

#### Lack of technology

One of the problems faced by UMKM small- and medium-sized communities is the limitation in the use of Social Media that is less active and does not work well, due to the public's incomprehension in the usage of social media, in addition.

People are also less familiar with payment via electronic money or e-wallet, so many do not use electronic payment. This enterprise-focused KKN program can help small entrepreneurs in improving technology mastery to expand marketing.

#### Not using branding.

The majority of UMKMs (micro, small and medium-sized) often experience a lack of awareness related to branding. Most UMKMs still believe that if they have logos and labels, they have brands. However, this is similar to stationary business. Branding should be done strongly because branding is the identity or face that a brand wants to show to the public. According to Rohmawati (2020), small should also make efforts to develop a brand image. This is important because it will enhance the image of small and affect their survival in the eyes of society. This can be achieved with the use of digital marketing technologies.

#### Not using e-payment

The use of e-payment or electronic payment in Cinunuk Village is not maximum in its application, due to limited use in payment transactions. In addition, people are also less aware of payment through electronic money or e-wallet, so many do not use payment through the e-payment. The KKN program focused on entrepreneurship can help the community in the use of electronic payment to facilitate the payment process.

#### The location is not listed on Google Maps.

One of the problems with UMKM is its location that is not yet registered on the Internet. Google Maps is very helpful in business and promotes UMKM because it can display important information such as names, addresses, location maps, product images, even customer reviews. The KKN program that seeks to advance UMKM wants to help add UMKM to Google Maps

in order to make it easier for clients to access information around UMKM. Group 77 offers UMKM perpetrators to register the location of their home and place of business on a digital device, namely Google Maps, in order to make it easier for consumers or customers to know where the products will be purchased. If the location of their home is registered on Google Maps, people who want to buy their products can go straight home easily, just stay.

Search in the digital media with the Google Maps app. Those who are going to seek out UMKM will no longer be confused about finding a path. (Sukmawan, 2251).

Everyone who deals with UMKM must have shortcomings and obstacles in carrying out their respective efforts, including UMKM in RW 25 Village Cinunuk. if referring to the table above we can know that UMKM at RW25 Village Cinunuck has a barrier to lack of knowledge and development and innovation over the efforts that have been carried out each UMKM. then lack of understanding related to digital marketing in this case digital marketing is very helpful to enterprises to gain a broader reach of customers through social media/online. In addition, considering that the majority of UMKM in RW 25 Village Cinunuk moves in the culinary or food sector, then other obstacles that have been faced are competition that is quite a lot, not having a branding business, as well as limited human resources.

## **CONCLUSION**

The efforts at RW 25 include: spicy chips, Vamelia, Baso fried hana, Seblak bu Dewi, Hanan Catering, and Barokah store. When the identification of the problems existing on RW 25 Village Cinunuk, we identified four problems that exist: lack of technology mastery, not making product branding, not using e-payment, and UMKM location has not been registered on Google maps. Each of them has its own weaknesses and shortcomings. Some solutions in the face of the potential and obstacles in UMKM include providing an understanding of the importance of technology, giving an understanding about the creation of social media and marketplace in carrying out a sales promotion, conducting training on product branding, as well as making logos, stamps and products that attract the attention of consumers..

## **REFERENCES**

- Allfauziah, F. (2018). Pengaruh Penetapan Harga Terhadap Keputusan Pembelian Pada Rumah Batik Komar Di Cigadung Raya Timur Bandung (Skripsi). Universitas Pasundan, Bandung.
- Herawati, A. F., Yusuf, M., Cakranegara, P. A., Sampe, F., & Haryono, A. (2022). Social

- Media Marketing In The Promotion Of Incubator Business Programs. *Jurnal Darma Agung*, 30(2), 623-633.
- Heryadi, D. Y., Fachrurazi, F., Nurcholifah, I., & Yusuf, M. (2023). During the Covid-19 Pandemic, Marketing Strategy Analysis for Crispy MSMEs" MA ICIH". *Jurnal Publikasi Ilmu Manajemen*, 2(1), 184-201.
- Izzak, W.C., Denisya, F., Pratama, G.I., Nurdianty, F.D., Pradana, N.A., & Prayoga, D. (2252). Optimalisasi Digital Marketing Melalui Instagram Sebagai Strategi Pemasaran Produk UMKM Di Desa Cinunuk Kota Bandung. *J. Pengabd. Masy.*, 1(2), 152–160.
- Juliana, A., & Jamiat, N. (2251). Strategi Pemasaran Usaha Mikro Kecil dan Menengah UMKM dengan Analisis SWOT (Studi Kasus Pada Sukahati Cafe di Cibinong, Kabupaten Bogor). *e-Proceeding of Management*, 8(2), 8773-8810.
- Rohmawati, T., Selvia, E., Monica, E., Welizaro, R., & Saputra, H. (2250). Teknologi pemasaran digital untuk branding. *JISAMAR (Journal of Information System, Applied, Management, Accounting and Research)*, 5(3), 638-643.
- Sampe, F., Yusuf, M., Pakiding, D. L., Haryono, A., & Sutrisno, S. (2022). Application Of Digital Marketing In Maintaining Msmes During The Covid-19 PandemiC. *Jurnal Darma Agung*, 30(2), 663-676.
- Sarfiah, S.N., Atmaja, H.E., & Verawati, D.M. (2019). UMKM Sebagai Pilar Membangun Ekonomi Bangsa. *Jurnal REP (Riset Ekon. Pembangunan)*, 4(2), 1–189.
- Sianturi, R.D. (2250). Manajemen Pemasaran Menggunakan Analisis SWOT pada UMKM Guna Meningkatkan Daya Saing UMKM. *Jurnal of business and economic research (JNE)*, 1(1), 45-50
- Sudirjo, F., Sutaguna, I. N. T., Silaningsih, E., Akbarina, F., & Yusuf, M. (2023). THE INFLUENCE OF SOCIAL MEDIA MARKETING AND BRAND AWARENESS ON CAFE YUMA BANDUNG PURCHASE DECISIONS. *Inisiatif: Jurnal Ekonomi, Akuntansi dan Manajemen*, 2(3), 27-36.
- Sukmawan, V.P., Ningsih, S.W., & Sonya, E.R. (2251). Digitalisasi Lokasi UMKM Warga RW 05 Pasir Biru. *PROCEEDINGS*, 1(19), 57-67.
- Widowati, I., Rianny, D.A., & Andrianto, F. (2252). Analisis SWOT untuk Pengembangan Bisnis Kuliner (Studi Kasus Pada UMKM Papat Sodara Food Purwakarta. *Jurnal Teknologika (Jurnal Teknik Logika Matematika)*.
- Yani, D., Yusuf, M., Rosmawati, E., & Apriani, Z. (2022). Branding Brand Image Strategy Study Through Digital Marketing Overview on MSMEs: Sanggabuana Coffee (KoSa) in Mekarbuana Village, Karawang. *International Journal of Economics and Management Research*, 1(3), 183-193.
- Yusuf, M., & Matiin, N. (2022). ANALYSIS OF THE EFFECT OF THE MARKETING MIX ON PURCHASING DECISIONS. *International Journal of Economics and Management Research*, 1(3), 177-182.
- Yusuf, M., Sutrisno, S., Putri, P. A. N., Asir, M., & Cakranegara, P. A. (2022). Prospek Penggunaan E-Commerce Terhadap Profitabilitas Dan Kemudahan Pelayanan Konsumen: Literature Review. *Jurnal Darma Agung*, 30(1), 786-801.
- Taufik, Y., Sari, A. R., Zakhra, A., Ayesha, I., Siregar, A. P., Kusnadi, I. H., & Tannady, H. (2022). Peran Social Media Marketing dan Brand Awareness Terhadap Purchase



Intention Produk Es Teh Indonesia. *Jurnal Kewarganegaraan*, 6(2), 5234-5240.

Sari, A. R., Mokoagow, H., & Andari, S. (2023). Analyzing the Interaction of Education Level, Income, Social Capital, and Political Participation on Community Involvement in Urban City Bandung. *Jurnal Geosains West Science*, 1(02), 64-76.

Sari, A. R., & Muhtadi, M. A. (2023). Dampak Gaya Kepemimpinan, Kepuasan Karyawan, Budaya Organisasi, dan Kinerja Keuangan di PT. XYZ. *Jurnal Bisnis dan Manajemen West Science*, 2(02), 94-105.

Hanis, R., & Yusuf, M. (2022, December). Applying A Swot Analysis Approach To A Sharia Marketing Perspective At Alunicorn Shops In Bandung. In *Proceeding of The International Conference on Economics and Business* (Vol. 1, No. 2, pp. 653-670).

Yusuf, M., Saiyed, R., & Sahala, J. (2022, December). Swot Analysis in Making Relationship Marketing Program. In *Proceeding of The International Conference on Economics and Business* (Vol. 1, No. 2, pp. 573-588).