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Utilizing SWOT Analysis to Improve The Comeptitiveness of UMKM in The Pandemic Era

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Abstract: In the pandemic era and the highly competitive national and international economic landscape, Micro, Small and Medium Enterprises (MSMEs) are facing challenging times. This is due to the increasingly intense competition in domestic and foreign industries. The government needs to pay greater attention to MSMEs as they are one of the drivers of economic growth, especially in Indonesia. Growing the MSME sector and reducing poverty are signs of successful development. Especially for low-income countries, the expansion of the MSME sector and the reduction of poverty are signs of successful development income per capita. The best tool to help MSMEs decide on marketing plans and forecast changes in the corporate environment is SWOT analysis. Where SWOT analysis can be applied Threats, Weaknesses, and Strengths are internal elements that affect MSMEs. MSMEs internal threats and Opportunity factors arising from competition or outside sources. Four marketing strategies were derived from this research to help MSMEs become more competitive. These strategies include the S-O Strategy of MSMEs, which calls on MSMEs to innovate, create unique features for their goods, and use technology as a tool for sales and promotion.

Keyword: UMKM, SWOT, Pandemic.

INTRODUCTION

Along with the rapid pace of globalisation, Indonesia's economic growth is currently showing a good trend. In the era of globalisation, the deteriorating socio-economic situation of the society has resulted in changes in the habitual pattern of people's lifestyles and needs. As a result, various retail centres were created to meet the needs and wants of the community. Retail centres as a means of satisfying people's needs and wants. This is evidenced by the number of new companies that have sprung up in this area. Among them is the contemporary market. Today, contemporary markets are growing rapidly, not only competing with other modern markets but also developing into competitors and possibly destroying established markets and small businesses (Sianturi, 2020).

Contemporary markets are growing rapidly, not only competing with other modern markets but also developing into competitors and possibly destroying traditional markets and

small businesses. The existence of old markets is affected by the rapid development of modern markets. In particular, since traditional markets are not under government supervision, they are left behind and unable to compete with contemporary supermarkets and shopping centres (Styaningrum, 2021).

The business sector has become increasingly integrated into people's lives; office workers, students, and entrepreneurs are some of the people who can now work in this field. Today, anyone can run a business: office workers, students, and entrepreneurs in the business sector manage a company. Every company must have traction as consumers demand more business interest and companies grow bigger every year.

Every company must have a unique customer appeal in order to be commercially attractive. Each company has a unique way to attract customers with their own needs. The ability to fulfil one's basic needs will increase as income increases. Both society and the government must be prepared for emergencies and respond quickly to anticipate how the past COVID-19 occurred by learning how to increase competitiveness in the next pandemic era if it occurs, it will affect the business sector as a whole. the impact of the epidemic on the entire corporate community. Implementation of PSBB. Microenterprise performance is impacted by the implementation of Work From Home (WFH) for public and private employees, as well as large-scale social restrictions. Employees in the public and private sectors impact the performance of MSMEs (micro, small and medium enterprises) (Elisabet et al., 2021).

MSMEs are currently an important part of a country's economic sector, especially in Indonesia. This is demonstrated by the fact that MSMEs have generated 60.34% of the country's revenue over the past five years. MSMEs are also able to absorb 96.87% of the labour force. Therefore, MSMEs can be categorised as having a significant impact on the economy. MSMEs are an important part of the sustainability and contribution of the Indonesian economy. (Chairunnisa et al., 2022; Zulfikar et al., 2019).

Reduced raw materials, decreased/reduced sales, obstructed production, experiencing capital difficulties, lack of technological knowledge, and production and distribution, experiencing capital difficulties, lack of information technology knowledge, and obstructed business networks, creating low productivity in the MSME sector business productivity and their capacity to change, especially in terms of how transactions are affected when manual processes must now be converted to digital (Herianti & Kusumawardhani, 2023)

When the pandemic hits, MSMEs must understand and assess their operations well in order to survive. To identify a company's current and possible vulnerabilities and threats, as well as to capitalise on strengths and turn them into opportunities, a SWOT analysis should be conducted. The use of the SWOT approach by MSME players is also anticipated to enable them to effectively manage their enterprises, plan ahead to remain competitive in the business sector, and survive the challenges posed by the pandemic (Sianturi, 2020)

Based on the description of the background of the problem, researchers hope to conduct further research to find out how to use SWOT analysis to improve the competitiveness of MSMEs during the pandemic. SWOT evaluation methodology. This is due to the fact that to be able to compete in the contemporary market and maintain market sustainability, MSMEs face difficulties during the pandemic that need to be controlled and gradually developed to be able to compete with contemporary markets or other MSMEs to maintain the long-term sustainability of traditional markets due to Indonesia's ability to preserve its cultural and economic diversity that will improve the welfare of the community.

METHOD

The qualitative research that uses primary data sources used in this paper is the information used in this research comes from credible and relevant publications and literature reviews. Using SWOT analysis to provide an overview of the internal and external situation of MSMEs, this research uses descriptive analytical techniques to analyse the data. By working in

various stages, starting with data collection, IFAS and EFAS analyses to matrix creation and identification of potential courses of action, the researcher was able to analyse the MSMEs' internal and external situation (Sianturi, 2020).

RESULTS AND DISCUSSION

The Central Bureau of Statistics (BPS) uses the number of workers to define MSMEs. Small enterprises are those that employ five to nineteen employees, medium-sized enterprises employ fifteen to nineteen employees, and medium-sized enterprises employ twenty to ninety-nine employees. A different definition of a small business is found in Minister of Finance Decree No. 316/KMK 016/1994, issued on 27 June 1994. It states that a small business is any individual or business entity that has engaged in activities or business with annual sales or output of up to IDR 600,000,000 or assets of up to IDR 600,000,000 (excluding occupied land and buildings).

MSMEs usually create their own clusters depending on the generation of their ancestors. Accessibility to raw materials is the basis for establishing the location of MSME enterprises. For example, locations with a high concentration of plantations are home to artisans who weave mats and bamboo. Convection, border, shoemaking and other related industries are mostly found in big cities due to their proximity to raw material suppliers. MSMEs often do not use specialised marketing management systems, but instead market using traditional techniques.

The marketing that has been done to date still uses traditional techniques, with goods only being displayed in the shops they own or sporadically at MSME exhibitions by departments or organisations that support MSMEs. This makes sense given the lack of expertise possessed by MSME players. In addition, the guidance provided by. In addition, because many MSMEs are still closed off from the outside world and because they do not get adequate information, the advice given by the agency to MSME players is also uneven. Hal ini disebabkan oleh minimnya pengetahuan yang mereka dapatkan.

Strengths, Weaknesses, Opportunities, and Threats are acronyms commonly used in SWOT analysis. One of the methods for evaluating strengths and weaknesses, opportunities and dangers, and other elements in commercial speculation is SWOT analysis. Experts affirm this. The conventional method of strategic planning known as SWOT analysis simplifies the process of selecting the optimal course of action. This tool makes it easier and faster for professionals to assess what can be achieved and what needs to be considered for future interests.

Using competitive strategy analysis, business strategies for MSMEs can be created by determining competitive advantages and disadvantages based on SWOT analysis. Developing alternative methods to help MSMEs become more competitive in the pandemic era is made easier with the use of SWOT analysis methodology. This strategy can balance the company's current external opportunities and threats with the MSME's internal strengths and limitations.

TABLE 1. INTERNAL AND EXTERNAL FACTORS OF UMKM IN THE PANDEMIC ERA

INTERNAL FACTORS	EXTERNAL FACTORS
STRENGTH 1.Lower building tax redistribution 2.No pressure on employees 3.Having a target market according to needs 4. The price offered must be affordable for the middle to lower class or vice versa 4.	OPPORTUNITIES 1.Many communities and MSME players have closed due to the pandemic 2. Disservices of raw material prices have made MSMEs become few

Weaknesses 1.Promotional media that must be improved. 2.The marketing department must go through online media due to the limited direct stores in the Pandemic era. 3. Do not yet have permanent employees	Threats 1.Fierce price competition. 2. Government policy with the enactment of PPKM limits the scope of business actors in direct purchases. 3.The difficulty of finding customers through online media
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MSMEs often do not use specialised marketing management systems; instead, marketing is done using traditional techniques and is limited to displaying goods in MSMEs' own shops. Conventional marketing techniques have been used, with goods only being displayed in their own shops or sometimes at events organised by organisations or institutions that support MSMEs or sporadically at exhibitions organised by businesses or organisations that support MSMEs. This could be. This could be due to the ignorance of the MSME players. In addition, as many MSMEs are still closed to the public and due to the scarcity of information, the advice given by institutions to MSME players is often inconsistent, with little information provided to them.

MSME environmental data, such as rivals, society, and clients, have a huge impact on marketing tactics for MSMEs. Therefore, the MSME environment must be taken into account when developing marketing strategies, including those for distribution, pricing, promotion, and products. In business, a marketing strategy is a means to achieve desired results. This approach is used to foresee future problems and opportunities methodically, logically, and critically in the right situation. A marketing strategy outlines a plan that leverages the advantages and resources of MSMEs to achieve targeted results.

Companies or firms should exploit unique advantages through the four levels of customer engagement-customer awareness, customer sensitivity, customer alignment, and customer engagement-to enhance their competitiveness. Customer awareness, customer sensitivity, customer alignment, and customer partnership are the four stages of customer participation. To achieve a high level of client satisfaction, many small business owners also consider that

Important factors that can improve competitiveness are (a) client-focused approach; (b) commitment to quality; (c) consideration of ease of use; (d) focus on customer satisfaction; and (d) focus on innovation; (e) commitment to service; and (f) priority on speed. The effectiveness of the marketing strategy depends on understanding the business and marketing strategy for the competitive advantage of the advertising plan. Marketing professionals work to improve marketing strategies. The following is a matrix strategy that is internal and external.

SWOT analysis is one of the methods used to identify marketing strategies and assess the competitiveness of MSMEs. One suggestion is to utilise SWOT Analysis (Strength, Weakness, possibilities, Threats) to assess opportunities and challenges in both the internal and external business environment of the company. To assess the company's internal environment as well as the business environment to find out opportunities and problems. To simplify the use of SWOT analysis

TABLE 2. ANALYSIS SWOT

<p>Internal Factors</p> <p>Eksternal Factors</p>	<p><u>STRENGTHS (S)</u></p> <p>1.Maintaining Market segmentation and Targeting 2.Determine strategic promotional media 3. Affordable price 4. Product design innovation</p>	<p><u>WEAKNESSES (W)</u></p> <p>1. Limited marketing 2. Not much use of technology for marketing 3. Lack of knowledge about marketing strategies in certain situations</p>
<p><u>OPPORTUNITIES (O)</u></p> <p>1. Online Product Sales is possible in the Pandemic era 2. Creation of many new market products 3. The use of technological media makes product marketing more accessible to the market.</p>	<p>1. Developing New Products and Conducting Product Innovation to Improve Competitiveness 2. Shaping the Unique Characteristics of Products 3. Sales Promotion by Utilising Technology Development</p>	<p>1. Promoting and Launching Products Outside the Area by Using Technology 2. Observe and fulfil consumer and market demands. 3.Innovation on products</p>
<p><u>THREATS (T)</u></p> <p>1.Businesses Create the Same Goods. 2.Business Players Create the Same Goods 3.Goods Do Not Compete with Other Business Players</p>	<p>1. Build Unique Quality with goods. 2. Coming up with New Ideas for Product Promotion</p>	<p>1. Introducing Items for Regional Groups 2. Developing New Products and Packaging Creative Product Packaging and Items Made With Unique Products</p>

The suggested S-O plan can be developed using the SWOT matrix as a guide:

1. Developing New and Innovative Products to Increase Competitiveness in the Pandemic Era
2. During the pandemic, it would be more beneficial to utilise technological advancements for sales and promotion.

For MSMEs, product innovation is an important approach as customers require goods that are constantly improving in terms of utility. Practical value. MSME players must be able to scan the market and anticipate how customer needs will change over time. Shifting customer preferences. Regular product innovation is necessary. There are several options available to come up with new product concepts. The use of information technology, including the internet, is nothing new at this point.

MSME players have global access to information through the internet. It is recommended that MSME participants allocate a small amount of funds for research and development to maximise the success of their product creation efforts. For this task to be accomplished, collaboration with Universities, government and commercial organisations should use technology to help MSME participants maximise the potential of their products. Universities should use technology to help MSME companies innovate their products

Information technology can also be used as a medium for product sales and promotion, allowing industries outside the MSME cluster to use it to advertise their goods so that MSME actors can use the information they learn to advance MSMEs.

MSMEs often experience a lack of confidence in the goods they make, which makes them inclined to use foreign brands on their goods.

This results in a tendency to use international labelling for their goods. Customers also contribute to the devaluation of MSME products, hence the blame cannot just be placed on the MSME entrepreneur. MSMEs themselves, but the contribution of customers also plays a role in lowering the value of MSME goods. Competition from imported goods, which provide cheaper knock-offs from elsewhere with higher quality than those made locally, exacerbates this problem. Imported goods are of better quality compared to local goods, yet they are quite cheap. In this case, the government and the community are urged to support MSME products so that they have the courage to produce under their own brand name.

W-O strategies that can be used:

1. Using Technology for Product Introduction and Marketing Outside the Region.
2. Keep an eye on things and fulfil customer and market demands.'

MSME products often have their own customers and do not compete directly with products from other regions outside the cluster. In fact, certain goods have unique qualities that are recognised by people in other areas. However, people from other locations are less familiar with these goods due to the absence of advertising elsewhere. Only a few MSMEs receive or undertake coaching. This is favourable for MSMEs that receive support from certain agencies, as it allows them to take part in various domestic and international promotional initiatives. Advertisements are run both domestically and internationally. This activity offers several benefits in addition to being profitable. However, these MSMEs must remember that there are still opportunities, so don't give up.

These MSMEs need to endeavour to learn more about events that can be attended to market their goods in different regions introducing goods to other regions. In addition to product promotion, another factor that must be considered is understanding customer and market preferences for the goods being sold. Market share and customer preferences. The tendency of product life cycles to shrink and customer saturation is caused by shifts in market share and consumer preferences. When consumers become bored with things that do not change, vigilant manufacturers need to consider ways to extend the life of their products. Extending the product life cycle is the reason why manufacturers or MSME companies should consistently reinvent their offerings

S-T strategies that can be used by MSME players during the Pandemic:

1. Make a prominent feature of a product.
2. Make an innovation in product promotion.
3. Create seller sizes on products.

The distinctive features of many MSME players' goods are determined by the MSME's calculability and region of origin. Many MSME players make goods that are unique to their respective regions, which should help draw more attention to these features.

highlighting the unique qualities of the region. In addition, creative consumer promotions presented in an attractive way will stimulate demand for these goods. Offering attractive deals will draw demand from customers to make purchases. Do not forget to register a trademark to

protect the product as an MSME player. This will help prevent other MSME players from stealing the work that is imitated by other MSME players.

W-T strategies that can be used by MSME players during the Pandemic:

1. Promote products through regional clusters
2. Designing Innovative packaging and products of the Product

MSMEs always form clusters for various reasons, including local activities that have been carried out for generations, availability of raw material sources, and other factors such as region, accessibility of raw material supply, and other considerations. Customers can identify regions by emblems or product features, which makes clusters advantageous. Clusters can be advantageous because customers can identify locations by product emblems or features. MSME participants who partner with the government should be able to take advantage of these benefits to make the community more familiar with them. In general, buyers make purchasing decisions primarily based on how well the product is packaged. For this reason, MSME players must be able to create attractive and creative packaging so that they want to buy the goods. So that consumers can tell, just by glancing at the product packaging, that the product is made by a particular MSME creation. However, do not neglect product quality.

CONCLUSION

Based on the research findings, conclusions can be drawn regarding the role of SWOT analysis in improving the competitiveness of MSMEs during the pandemic. Supporting aggressive measures is one of the techniques that can be used in this situation (growth-oriented strategy). This can be done by utilising existing opportunities and strengths to overcome the dangers and weaknesses faced to increase the level of competition of vulnerabilities and dangers faced to improve the competitiveness of MSMEs during the pandemic. To improve the competitiveness of MSMEs during the pandemic, there are four alternative strategies developed using SWOT analysis. These strategies include SO strategies that are implemented by taking advantage of current opportunities and strengths, ST strategies that use strengths to overcome threats, WO strategies that use strengths to overcome threats, WO tactics that focus on minimising vulnerabilities to seize existing opportunities and weaknesses to seize existing opportunities, and WT tactics that are implemented through reducing risks and vulnerabilities. The way to implement the strategy is by reducing threats and weaknesses.

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