

## Feasibility of MSMEs With SWOT Analysis Approach (Case Study at CV. Delta Raya, Sidoarjo)

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**Abstract,** *The increasingly competitive competition in international market is a challenge for Indonesia. In the development and economic growth, Small and Medium Industries (SMEs) play an important role. This study was conducted to find the most relevant marketing strategy so that sales at CV. Delta Raya, Sidoarjo, can increase. Based on the results of observations, CV. Delta Rata is in quadrant I, which indicates a favorable situation. For CV. Delta Rata, because it has the strength that can be utilized as an opportunity to increase sales results. With this study, it is expected that business actors will improve the quality and quantity of optimal services, expand the market, and maximize the development of information technology.*

**Keywords:** EFAS Matrix, Grand Strategy Matrix, SWOT, UMKM, FFAS

### 1. INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) play a very important role in the Indonesian economy. As a driver of the local economy, MSMEs contribute significantly to job creation, increasing community income, and developing product and service innovations. Statistics show that MSMEs contribute more than 60% of total employment and almost 50% of the national Gross Domestic Product (GDP) (Anastasya, 2023). However, despite their great potential, MSMEs often face various challenges, such as limited access to capital, changing market trends, and increasingly fierce competition. This raises the need to identify all aspects that affect the success and sustainability of their businesses.

MSMEs in the furniture sector in Indonesia have a very important role, considering the significant contribution of this industry to economic growth and job creation. The national furniture industry has great potential to continue to grow due to the availability of abundant raw materials and the diversity of product designs that are able to compete in the global market. Currently, MSME furniture is able to record a growth of 2.07 percent in 2024. However, there are challenges faced by the MSME furniture sector, namely competition from imported products and product efficiency. (Baren, 2025)

The Ministry of Cooperatives and Small and Medium Enterprises (KemenkopUKM) assesses that the furniture industry can help increase economic growth in Indonesia. This can be seen from the increasing trend in global demand for environmentally friendly furniture, which will reach \$51.02 billion US dollars or 8.6 percent in 2024. (Antara, 2024) Indonesia has

the potential to become a world furniture supplier because it has a wide range of materials, including wood, bamboo, and rattan.

The furniture sector in Indonesia faces various factors, both internal and external, which can be analyzed using the SWOT approach. The sector's strengths include the ability to utilize local resources and relatively cheap labor, which contribute to sustainability and efficiency of production. (Susanty et al., 2023). On the other hand, weaknesses can lie in the lack of access to advanced technology and innovation, which often hinders competitiveness and adaptability to market changes. (Ratnasingam et al., 2019) Research shows a significant relationship between marketing activities and business growth, highlighting the importance of effective marketing strategies in overcoming competitive challenges in the small and medium enterprise sector. (Mubita, 2019)

Currently, SWOT ( *Strengths, Weaknesses, Opportunities, Threats* ) analysis has become a widely used tool to help MSMEs formulate effective development strategies. (Mafaticha & Andni, 2023; Taherdoost & Madanchian, 2021). SWOT analysis provides a comprehensive overview of the business position by assessing internal factors (strengths and weaknesses) and external factors (opportunities and threats) (Benzaghta et al., 2021; Inrawan et al., 2022) In the context of MSMEs, applying this analysis allows business actors to map internal strengths that can be utilized, such as special expertise or product advantages, and identify weaknesses that must be minimized, such as limited resources. (Awaluddin, 2021; Noya et al., 2014) In addition, analyzing external factors such as market trends, government regulations, and competition is crucial to determining growth opportunities. (Budijati et al., 2022; Helms et al., 2011; Sulistiyowati et al., 2024).

This study aims to provide a deeper understanding of how MSMEs in the furniture sector can manage challenges and take advantage of opportunities through a structured approach such as SWOT analysis. It is hoped that this study can also provide insights and practical recommendations to MSMEs in the furniture industry, the government, and other related parties to increase the industry's competitiveness and growth.

## 2. LITERATURE REVIEW

Strategy is a pattern of actions taken to realize an organization's vision through a set mission. This strategy can take the form of decision-making. The company is tasked with optimally mobilizing and managing existing resources, with actions designed to realize the vision.

According to Suharni and Yudi (2010:42), strategy is an activity carried out to serve consumer needs guided by a framework that has been conceptualized from the beginning. There are many strategies used in the business world that ultimately aim to increase product/service sales. This is often referred to as a marketing strategy.

Marketing is one of the methods for every business, scale small to large, to guard the existence and continuity of its business processes. Marketing strategy gives an important contribution to planning a business for success. In addition, to get profit in accordance with the purpose. For reach goals, a proper marketing strategy is needed so that you can understand the attitudes and behavior of consumers. The right marketing strategy can also analyze market conditions and opportunities. One of the methods for implementing marketing strategies is to apply mix 4P marketing mix ( price, product, promotion, and place ). A good marketing strategy also requires knowing the position perpetrator's effort required, so that easy to formulate a marketing strategy to develop a business. Next, you can analyze the strengths and weaknesses of competitors so you can measure the ability business to its competitors, including aspects price, service, and quality provided to Consumers. Marketing strategies can be directed at behavior consumers and anticipatory competitors with a developed mix marketing.( Anjayani & Febriyanti , 2022)( Jufriyanto , 2023)

SWOT analysis is the method used to identify Various factors that can be used to maximize strengths and opportunities. In addition, SWOT analysis can also be used to minimize weaknesses and threats ( threats ). The SWOT analysis includes the internal environment includes strengths and weaknesses, while the external environment includes opportunities and threats. In terms of this SWOT analysis compares opportunities and threats to strengths and weaknesses faced in the business. (Panjaitan & Maimunah, 2022)world

### **3. RESEARCH METHODS**

This study uses a qualitative descriptive method. According to Sugiyono (2016), a qualitative research method is a procedure used to investigate the state of natural objects, in which the researcher is the central instrument. According to (Nazir, 2014), descriptive research investigates the state of human groups, objects, conditions, systems of thought, or current phenomena with the aim of creating a systematic, factual, and accurate description of the phenomena being studied. This research was carried out in stages according to a predetermined schedule in order to collect comprehensive data.

In this study, primary and secondary data are used as data sources. The interview method is used to collect accurate data or information from the informant. The interview was conducted

by asking questions from the data that had been collected and prepared by the researcher to the informant. The respondents in this study were the founder and owner of CV Delta Raya, Mr. Supriyanto. He is a key informant in the study. Key informants are sources of information who have a detailed understanding of the CV Delta Raya business.

The stages of completion with SWOT analysis (Syaiful & Elihami, 2020) first identify the internal environment, including strengths and weaknesses, and the external environment, namely opportunities and threats. Second, measure the IFAS matrix ( *Internal Factor Analysis Summary* ) and the EFAS matrix ( *External Factor Analysis Summary* ). Third, SWOT metrics. The SWOT matrix produces strategic alternatives.

#### 4. RESULTS AND DISCUSSION

##### Data Collection Stage

##### Internal Factor Evaluation

To determine the strengths and weaknesses faced by CVs, Delta Raya, it is necessary to identify internal tables and assign weights, ratings, and scores to each column. Based on this identification, the strengths and weaknesses are listed in Table 1.

Table 1 shows the internal score of CV. Delta Raya is 2.77. The results will be entered into the graphic formula of the Grand Strategy Matrix with the X-axis symbol.

##### External Factor Evaluation

To determine the opportunities and threats faced by CV Delta Raya, external factors must be identified and assigned weights, ratings, and scores to each column. Based on this identification, the opportunities and threats are listed in Table 2.

Based on Table 2, it can be seen that the external score of CV. Delta Raya is 2.96, then the results will be entered into the graphic formula of *the Grand Strategy Matrix* with the symbol Y.

**Table 1 IFAS Matrix ( *Internal Factor Analysis Summary* ) CV. Delta Raya MSMEs**

No.	Internal Factors	Weight	Rating	Score
<b>Strength</b>				
1	Design using computer design applications so that the product is very easy to install.	0.11	3	0.33
2	Has regular customers in Japan and has entered the South Korean, European, and Mexican markets.	0.15	4	0.60

3	Have workers with special skills and experience in making furniture products using automatic machines	0.10	3	0.30
4	Accepting the manufacture and delivery of sample product orders according to customer requests.	0.09	2	0.18
5	Capable of making large shipments of up to 6 40ft containers per month	0.08	2	0.16
6	Products use more natural ingredients	0.09	2	0.18
	<b>Sub-Total</b>	<b>0.62</b>		<b>1.75</b>
<b>Weakness</b>				
1	Not yet utilizing <i>online sales</i> in its sales system	0.09	3	0.27
2	Products sold domestically do not have their <i>brand</i> ; they only sub-license their products to several local furniture companies.	0.08	3	0.24
3	Lack of management knowledge in the use of information technology	0.07	2	0.14
4	Does not have active product promotion facilities	0.09	3	0.27
5	There is still <i>human error</i> in product processing	0.05	2	0.10
	<b>Sub-Total</b>	<b>0.38</b>		<b>1.02</b>
<b>Total Strengths and Weaknesses</b>		<b>1</b>		<b>2.77</b>

Source: Processed Primary Data, 2025

**Table 2 EFAS Matrix ( *External Factor Analysis Summary* ) CV. Delta Raya MSMEs**

No.	External Factors	Weight	Rating	Score
<b>Opportunity</b>				
1	The use of information technology continues to develop	0.13	3	0.39
2	The local market segment is large enough to be further expanded.	0.15	4	0.60
3	Have the opportunity to add product variety based on customer satisfaction	0.11	2	0.22
4	The export market demand is high, especially in Japan, because one of the reasons Japanese customers are replacing their furniture every 2 years.	0.17	4	0.68

5	Have several consumers who have the potential to become partners	0.08	1	0.08
	<b>Sub-Total</b>	<b>0.64</b>		<b>1.97</b>
<b>Threats</b>				
1	Local competitors include the better-known IKEA and OLYMPIC.	0.09	3	0.27
2	Competitors use production with higher production capacity	0.04	4	0.16
3	Competitors use the web and social media to promote their products	0.10	3	0.30
4	Many local furniture products are cheaper	0.07	2	0.14
5	The existence of the ASEAN free market means that more and more foreign products are entering Indonesia.	0.06	2	0.12
	<b>Sub-Total</b>	<b>0.36</b>		<b>0.99</b>
<b>Total Opportunities and Threats</b>		<b>1</b>		<b>2.96</b>

Source: Processed Primary Data, 2025

### Grand Strategy Matrix

The grand strategy matrix is used to determine the right marketing strategy. Then, the results obtained from calculating IFAS (X-axis) and EFAS (Y-axis) will be applied as a development strategy for CV Delta Raya, Sidoarjo's MSMEs.

It is known:

S = Strengths

W = Weakness

O = Opportunities, and

T = Threats

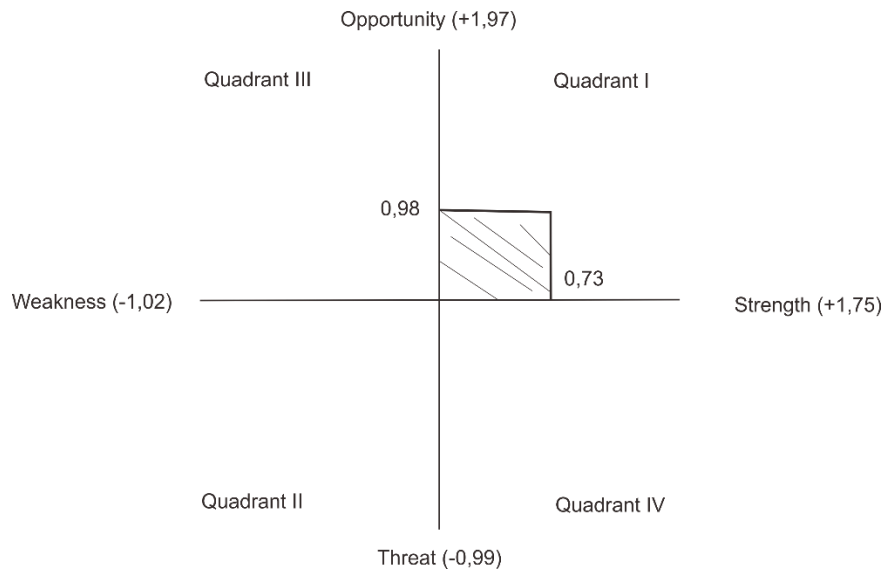
Asked:

- X-axis value
- Y-axis value

Answer:

- $$\begin{aligned} \text{X axis} &= S - W \\ &= 1.75 - 1.02 \\ &= 0.73 \end{aligned}$$

b. Y axis = O - T  
 $= 1.97 - 0.99$   
 $= 0.98$



**Figure 1. SWOT Calculation Quadrant Results**

The diagram above shows that CV. Delta Raya is in quadrant I, which indicates a very profitable situation for UMKM, CV. Delta Raya has strengths that can be utilized as opportunities to increase sales results.

### Decision-Making Stage

**Table 3. SWOT Matrix for CV Delta Raya furniture industry**

IFAS	Strength	Weakness
Opportunity	<ul style="list-style-type: none"> <li>Utilizing information technology</li> <li>Market expansion and product diversification</li> <li>Strengthening partnerships and collaboration</li> <li>Optimization of production and delivery processes</li> <li>Sustainability-based approach</li> </ul>	<ul style="list-style-type: none"> <li>Developing a comprehensive marketing strategy through training and developing employee skills in digital marketing.</li> <li>A good <i>e-commerce</i> system will support increased online sales.</li> <li><i>The brand</i> must be built to improve the</li> </ul>

		company's position in the market.
Threat	<ul style="list-style-type: none"> <li>• Increasing innovation and design of environmentally friendly products to attract certain consumer segments.</li> <li>• Invest in digital marketing and online platforms to reach more potential customers.</li> <li>• Develop training programs for employees to remain competitive in a rapidly changing market.</li> <li>• Creating added value for products</li> </ul>	<ul style="list-style-type: none"> <li>• Product development strategy by creating your <i>brand</i></li> <li>• Leveraging social media and optimizing websites</li> <li>• Increase operational efficiency by considering collaboration with local suppliers to optimize the supply chain and lower production costs.</li> <li>• The use of <i>influencers</i> and digital advertising is an effective strategy in the digital era.</li> </ul>

Source: Primary Data Collected, 2025

### Product Development

Product development has proven to be one of the effective ways to differentiate a company from competitors in other markets, including (1) Product development strategy by creating its *brand*, to increase competitiveness in the market, especially when facing better-known companies such as IKEA and OLYMPIC. (2) Creating added value to the product, for example, through good after-sales service, to differentiate it from cheaper competitor products.

### Market Penetration Strategy

Given the existence of a broad market segment, market penetration strategies must be a priority, including (1) increasing innovation and environmentally friendly product design to attract certain consumer segments. (2) Sustainability-based approach, the use of natural materials in furniture products illustrates the company's commitment to sustainability, which is an important selling point in the modern market. Today's customers are more inclined to choose products that consider sustainability aspects in their manufacturing process.



### **Use of Information Technology**

Things that can be used as strategies related to information technology include: (1) Implementing good e-commerce systems will support increasing online sales. (2) Investing in digital marketing and online platforms to reach more potential customers. (3) Utilizing social media and optimizing websites.

### **Strategic Partnership**

Building partnerships can be done in the following ways: (1) Strengthening strategic partnerships with customers and consumers, which can create new opportunities in business development, especially in the high demand for export markets; besides this, collaboration also encourages innovation and continuous product development in the face of the challenges of tight competition.

### **International Marketing**

MSMEs can explore international markets by: (1) companies carry out product expansion and diversification, and companies must explore product diversification based on different customer tastes, especially in the context of e-commerce, which continues to grow, to meet diverse market demands. (2) Implementation

### **Continuing Education and Training**

MSMEs can improve their continuing education and training by: (1) developing a comprehensive marketing strategy through employee training and development in digital marketing (2) developing training programs for employees to remain competitive in a rapidly changing market.

### **Closing**

Based on the explanation that has been presented in the discussion above, it explains that the evaluation of internal factors that are strengths consists of strengths consisting of 6 points and weaknesses of 5 points that have been described in the IFAS table. At the same time, the results of the evaluation of external factors that are opportunities and threats both consist of 5 points described in the EFAS table. Based on the SWOT matrix, CV. Delta Raya, Sidoarjo, is in quadrant I, which shows a very good condition for UMKM CV. Delta Raya, because it has strengths that can be utilized as opportunities to increase sales results, it is hoped that UMKM CV. Delta Raya is able to improve quality by maximizing technological developments in order to expand its market share.

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