

BUSINESS DEVELOPMENT STRATEGY THROUGH SWOT ANALYSIS APPROACH IN UMIABI PEMPEK UMKM IN PALEMBANG CITY

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ABSTRACT

Pempek Umiabi is a culinary MSME that sells typical Palembang food products, namely Pempek. Pempek Umiabi consumers are currently starting to expand to various cities in Indonesia by selling online through e-commerce applications. The current problem is how to increase sales to various consumers in Palembang City while selling online to all cities in Indonesia. Pempek Umiabi needs to identify the company's environment both internally and externally using IE Matrix analysis to determine the business position and formulate strategies as alternative business strategies and their implications for marketing that can be used as recommendations in future policy making. The type of research used is descriptive qualitative. Data were collected using methods with in-depth interview techniques and field observations guided by questionnaires and observing supporting documents such as websites and social media accounts. Respondents in the study numbered 8 people consisting of employees and owners. The collected data were analyzed using the IFAS-EFAS matrix. Based on the results of the IE matrix analysis for the present and future, Pempek Umiabi is in Quadrant IV. In this condition, the company has potential with large market opportunities but faces obstacles originating from within the company. One strategy that can be used is to minimize internal problems in order to seize market opportunities. This strategy involves creating strategies that minimize weaknesses and avoid threats.

Keywords : SWOT Analysis, EFAS Matrix, and IFAS Matrix

INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) play a strategic role in the Indonesian economy. Contributing more than 60% to Gross Domestic Product (GDP) and employing nearly 97% of the workforce, this sector is the backbone of the national economy. However, MSMEs often face various challenges, such as limited capital, market access, and limited managerial skills. To address these challenges, the Indonesian government has initiated various programs, including the People's Business Credit (KUR) and special incentives for MSMEs. These measures aim to not only support the sustainability of small businesses but also encourage more inclusive and sustainable economic growth. (Supriyanto 2024)

MSMEs are a dominant sector in Indonesia's economic structure. According to data from the Ministry of Cooperatives and SMEs, the number of MSMEs in Indonesia reached more than 65 million in 2024. These businesses span various sectors, including trade, manufacturing, agriculture, and services, as well as culinary, fashion, handicrafts, and digital technology. The existence of MSMEs is crucial, especially in remote areas, as they create jobs, distribute income, and drive local economic growth.

The existence of MSMEs cannot be eliminated or avoided in today's society. MSME development in Indonesia, particularly in Palembang, is growing. MSMEs are considered to contribute to the economy due to their significant role in creating new jobs, resources, and services.



Pempek Umi Abi is an MSME located at Jl. AKBP H. Umar No. 598 RT. 22 RW. 01 Kemuning District, Ario Kemuning Village, Palembang City, South Sumatra. This business was established in 2011 and continues to operate today. Over time, thanks to the efforts and hard work that have been carried out, Pempek Umi Abi continues to experience growth in its business. In 2017, Pempek Umi Abi decided to open a kiosk in one of the...Mall in Palembang City called OpiMall. This has a positive impact on employment creation activities because Mrs. Eka Yunalia has added new employees to support the development of her business.

In the same year, the UMKM Pempek Umi Abi started producing pempek *frozen* with various types, namely Pempek Adaan, Pempek Lenjer Kecil, Pempek Lenjer Besar, Pempek Telur Kecil, Pempek Telur Besar, Pempek Kulit, Pempek Keriting, Model, Tekwan and various other heavy foods. UMKM Pempek Umi Abi also serves pempek delivery frozen to outside the area and receive resellers from outside the city of Palembang, namely Jakarta, which then spread throughout Jabodetabek and throughout Indonesia.

Pempek Umi Abi MSME has a Micro and Small Business License with Number: IUMK / 517 / PATEN / VII / 2019. Other trusted standards that Pempek Umi Abi MSME has are the Processed Food Distribution Permit from the Food and Drug Supervisory Agency (BPOM) with Number: BPOM RI MD 243206001107, Processing Eligibility Certificate with Number: 17793 / 16 / SKP / BK / IV / 2021 and has received a Halal certificate from the Indonesian Ulema Council (MUI) with Number: 22.03.000679.99.18.

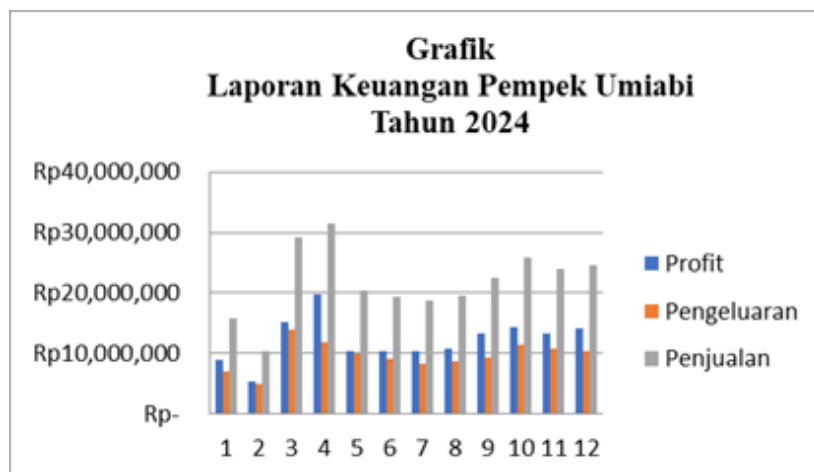


Figure 1. 2024 Sales Report Graph

Source: 2024 Sales Report

Based on the financial report data from Pempek Umiabi, sales data was relatively stable, even tending to stagnate, with high sales only occurring in February and March 2024. Meanwhile, sales remained relatively stable in subsequent months. This indicates that the current strategy implemented by the Pempek Umiabi MSME is not yet optimal, as evidenced by the relatively slow sales growth.

To determine a competitive strategy, business actors must pay attention to the company's environment, which includes two factors: internal factors and external factors. Internal factors are strength factors (*strengths*) and weaknesses (*weaknesses*) which includes all kinds of functional management sectors, marketing, accounting and finance, human resources, and production. By formulating internal company factors, business actors can identify their strengths and weaknesses. Meanwhile, external factors are opportunity factors (*opportunities*) and threats (*threats*) which includes the socio-economic sector, the technology sector, the government sector, the customer sector, the supplier sector, and so on. By

formulating the company's external factors, business actors can identify the opportunities and threats faced by the company. Both of these factors can be analyzed using SWOT analysis.

SWOT is an important matching tool that helps managers develop four types of strategies, namely: SO Strategy (*Strengths-Opportunities*), WO Strategy (*Weaknesses-Opportunities*), ST Strategy (*Strengths-Threats*), and WT Strategy (*Weaknesses-Threats*). (Afifah and Formen 2023)

A SWOT analysis is a widely recognized tool for analyzing a company's internal and external environment. This analysis relies on annual data, using the 3-1-5 pattern. This means the data should encompass the organization's development in the three years prior to the analysis, its desired outcomes for the year in which the analysis is conducted, and its trends for the next five years after the analysis. This ensures that the strategies adopted are based on reliable facts.

The results of a SWOT analysis can demonstrate the quality and quantification of an organization's position with a number of core capabilities. If the resulting strengths and weaknesses are positive, this can then provide strategic recommendations for corporate strategy and functional recommendations for resource needs or modifications. SWOT analysis has become a useful tool in the business world. This method is quite effective and efficient, discovering and identifying possibilities related to new innovations in business.

Similar research (Aulia and Widodasih 2023) found that the "Demak" Bookstore implemented effective strategies to maintain its business, including stocking up before items ran out, and supporting factors such as a strategic location. However, there were also inhibiting factors, such as competitors selling similar products.

Then the research (Salsabila et al. 2024) concluded that companies can implement SO strategies (*strengths-opportunities*) such as using complete permits and good production activities to enter larger industries, optimizing the use of technology to expand consumer reach as well as financial management.

The internal factors of the Pempek Umi Abi MSME, which include strengths and weaknesses, are as follows: its strengths are guaranteed product quality, readily available raw materials, diverse products, and affordable prices. Its weaknesses include suboptimal marketing.

Meanwhile, the external factors owned by the Pempek Umi Abi MSME, which include opportunity factors and threat factors are as follows: the opportunity factors are the level of availability of adequate labor, holding entrepreneurship seminars, holding events for promotional events, increasing demand during certain seasons, and high consumer interest. And the threat factors are increasingly fierce external competition, unstable raw material prices, and the emergence of similar, more innovative products.

LIBRARY STUDY

Business Development Strategy

Strategy is the means and tools used to achieve a final goal (target). But strategy is not just a plan. Strategy is a unifying plan: it ties all parts of the company together; it is broad: it encompasses all important aspects of the company.

Strategy is integrated: all parts of the plan are aligned and compatible. Strategy is the steps a company must take to achieve its goals. Sometimes the path is steep and winding, but others are relatively straightforward.

Strategy is the fundamental pattern of current and planned objectives, resource allocations, and interactions of an organization with markets, competitors, and other environmental factors. (Boyd, Walker, and Larreche 2020)

Strategy is the determination of a company's long-term goals and objectives, the direction of action, and the allocation of resources necessary to achieve those goals and

objectives (Craig and Grant 2020). Business development is the task and process of preparing and analyzing potential growth opportunities, supporting, and monitoring the implementation of these growth opportunities, but does not include strategic decisions and the implementation of these growth opportunities. (Rangkuti 2019)

Development is an effort to improve employees' technical, theoretical, conceptual, and moral abilities according to job/position requirements through education and training. Education improves employees' theoretical, conceptual, and moral skills, while training aims to improve employees' technical skills in carrying out their work.

A business development strategy is a set of company goals, policies, plans and activities aimed at identifying business opportunities in the market and maintaining business continuity or achieving business success.

In developing a business, strategic formulations are essential, including the importance of potential resource availability, the need to quickly understand market changes, build partnerships, standardize and sustain products, and develop efficiency principles for competitiveness. Most importantly, resource potential and rapid response to market demand. (Rayendra et al. 2023)

In addition, an important strategy is a strategy that focuses on market penetration, market development and product development. The role of improving human resources, utilizing technology, access to finance and capital, access to marketing, access to information, and management is very important in developing a business.

Business development can also be achieved through community empowerment, which involves community participation in areas such as skills development, knowledge sharing, mentoring, business actor task management, economic development, and development. Therefore, various strategic formulations can be implemented for business development, depending on the internal and external environmental conditions of each type of service business.

Definition of MSMEs

In Indonesia, before the enactment of Law Number 20 of 2008, various definitions of MSMEs were formulated by various agencies and served as references. These included those formulated by Bank Indonesia, the Central Bureau of Statistics, the Ministry of Cooperatives and SMEs, and various other definitions, each based on their own agency's interests. Generally, the definitions created by these agencies focused more on quantitative criteria measured by total asset turnover.

According to Law Number 9 of 1995, small businesses are defined as:

- 1) Productive businesses owned by Indonesian citizens in the form of individual business entities, business entities that are not legal entities, or business entities that are legal entities, including cooperatives.
- 2) Subsidiaries or branches of companies that are owned, controlled or affiliated, either directly or indirectly, with medium or large businesses are not included in the small business category.
- 3) Have a maximum net worth of IDR 200 million, excluding land and buildings where the business is located, or have sales results of a maximum of IDR 100 million per year.

After the enactment of Law Number 20 of 2008, the definition of MSMEs changed to:

- 1) Micro-enterprises are productive businesses owned by individuals and/or individual business entities that meet the criteria for micro-enterprises.
- 2) A small business is a productive economic enterprise that stands alone, carried out by an individual or business entity that is not a subsidiary or branch of a company that is

owned, controlled, or is a direct or indirect part of a medium-sized business or large business.

A medium-sized business is a productive economic enterprise that stands alone, carried out by an individual or business entity that is not a subsidiary or branch of a company that is owned, controlled, or is a part, either directly or indirectly, of a small business or large business with the amount of net assets or annual sales results as regulated in the law.

Strengths Weakness Opportunity Threat (SWOT)

The SWOT method is one method used to analyze a situation and identify factors that form the basis for formulating a company's strategy. The stages of using the SWOT method can begin with evaluating company performance, analyzing the internal and external environment, selecting strategic factors, and evaluating strategic objectives. After all stages have been completed, the best alternative strategies are created based on the results of the strategy formulation. The concept of strategy making based on a SWOT analysis can be seen in the figure.



Figure 2. SWOT diagram

Source: Fred 2014

SWOT Analysis (*Strengths, Weaknesses, Opportunities, dan Threats*) is the systematic identification of various factors to determine a company's strategy. This analysis is based on logic that can maximize strengths (*Strengths*) and opportunity (*Opportunities*), but at the same time can minimize weaknesses (*Weaknesses*) and threats (*Threats*).

SWOT analysis is an analysis used to systematically identify various factors to formulate a business strategy. This analysis is based on logic that can maximize strengths (*Strengths*) and opportunity (*Opportunities*), but at the same time can minimize weaknesses (*Weaknesses*) and threats (*Threats*). (Rangkuti 2019)

RESEARCH METHODS

This study uses a descriptive method with a qualitative approach. Descriptive research is conducted to determine the value of a variable, whether one or more (independent) variables, without comparing or connecting the variables with each other. It simply provides a snapshot without any intervention from the researcher.

This research was conducted at the Pempek Umi Abi UMKM located at Jl. AKBP H. Umar No. 598 Rt.22 RW.001 Kemuning District, Ario Kemuning Subdistrict, Palembang City, South Sumatra. The Pempek Umi Abi UMKM has several members. To conduct a more in-depth study, the researcher must also conduct research at the Pempek Umi Abi UMKM branch located in one of the *Mallin* Palembang City, namely *Opi Mall*.

This location was chosen because the Pempek Umi Abi MSME has produced a wide variety of superior products and has won awards in MSME activities in South Sumatra, especially in the city of Palembang.

Data collection techniques are methods that researchers can use to obtain the data needed for research. To obtain relevant data, researchers used several qualitative data collection methods, namely: (Sugiyono 2020). The number of respondents used was 8 employees and staff at Pempek Umiabi.

DISCUSSION

Analysis of the Development Strategy for the Pempek Umiabi Culinary Business

The Umiabi Pempek Culinary Business is said to be quite developed, this is indicated by its ability to maintain its business until now, which can be said to be long-standing, namely approximately 18 years. The survival of the Umiabi Pempek Culinary Business until now is certainly influenced by the strategy of the Umiabi Pempek Culinary Business in maintaining its printing business in order to be able to compete amidst economic and cultural developments. The strategy used by the Umiabi Pempek Culinary Business in maintaining its business can be illustrated based on the condition of the Umiabi Pempek Culinary Business, both from the aspect of strength (*strengths*), weakness (*weaknesses*), chance (*opportunities*) and threats (*threats*) faced by the Pempek Umiabi culinary business, namely as follows:

1) *Strenght (Strength)*

The strengths possessed here are the strengths that are generally possessed by the Pempek Umiabi Culinary Business actors in running their business and the strengths possessed have an influence on the development of the Pempek Umiabi Culinary Business amidst competition and progress in the business world, the strengths are as follows:

- a) Pempek is a typical food in Palembang and even in some locations is a staple food for residents and is a souvenir when visiting Palembang which is easily accepted by all groups and is a characteristic food of Palembang City.

We can target various market segments for selling Palembang pempek. Pempek Umiabi currently sells its pempek to the middle-market segment, offering prices that are neither too high nor too low. Pempek Umiabi uses the finest ingredients to ensure the taste is more in line with the price.

- b) Innovate by improving packaging and storage.

Pempek Umiabi produces pempek using good packaging so that it makes it easy for consumers to make online purchases with excellent shipping packaging.

- c) Strategic location in the center of Palembang city

The location of Pempek Umi Abi is on Jl. AKBP H. Umar No. 598 Rt.22 RW.001 Kemuning District, Ario Kemuning Subdistrict, Palembang City, South Sumatra. The UMKM Pempek Umi Abi has a branch located in one of the *Mall* in Palembang City, namely *Opi Mall*.

- d) Maintain good relationships with fellow customer and reseller networks.

Pempek Umiabi is currently also implementing a sales strategy to various regions in Indonesia by opening several resellers, in addition, Pempek Umiabi has also opened an online shop in the marketplace shopee and tokopedia as well as instagram so that customers can be reached easily.

- e). Pempek is made with good quality

The pempek production process is carried out by maintaining the high quality of raw materials such as fresh river fish, good flour and fresh spices so that the quality of the pempek produced is also very good and delicious to consume.

- f) Intensive promotion is carried out using social media

Promotion is carried out in various ways, such as actively participating in various activities carried out by the local government, carrying out promotional activities on Instagram and other social media.

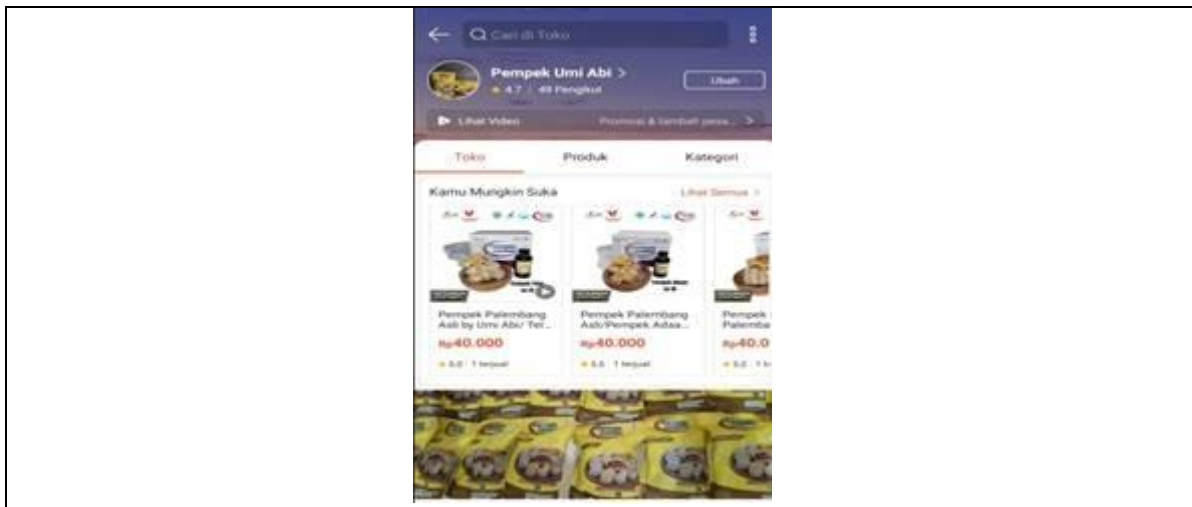


Figure 3. Active on Social Media

Source: Processed Data 2025

2) Weaknesses (*weaknesses*)

Weaknesses are obstacles faced by entrepreneurs in developing and implementing their activities, which affect the achievement of the desired profit for their pempek business. These weaknesses include:

a) Pempek cannot last long

The pempek produced does not use preservatives so that the taste and quality are guaranteed, for this reason, efforts are made to ensure that the pempek remains in good condition.*freezer*For sales made online and/or within the city of Palembang, they are sold in airtight packaging.



Figure 4. Pempek packaging and storage

Source: Processed Data 2025

b) Insufficient parking space

Because the location of this pempek shop is not on the main road of Palembang city but on Jl. AKBP H. Umar No. 598 Rt.22 RW.001 Kemuning District, Ario Kemuning Village, Palembang City, South Sumatra, which is a small road so that sometimes customers are not free to park, thus reducing the comfort of customers who want to shop at Umiabi pempek.



Picture 5. Location of the Umiabi Pempek Shop

Source: Processed Data 2025

- c) Promotional activities are not yet optimal
The promotion carried out by Umiabi Pempek was not carried out with good planning, there were no workers specifically carrying out promotions on social media or workers specifically receiving orders from various social media and whatsapp.
- d) Lack of discounts at certain times
The owner's policy of rarely offering promotions, including discounts, is also considered inadequate. This results in pempek prices remaining the same, regardless of whether or not purchases increase.

3) Chance (*opportunities*)

- a) Product innovation
With the development of innovation and creativity, Pempek Umiabi should be able to produce diversified Pempek products.
- b) Establish cooperation with *Grab Food, Gojek Food, Shopee Food, Tokopedia*.
Currently, to further market and reach consumers, Umiabi products have collaborated with various...*market place* like *shoppe, Tokopedia* to market their products. Furthermore, Instagram is also maximized to provide constant promotional updates.
- c) The Umiabi brand has begun to become widely known among pempek lovers in Palembang.
Pempek lovers in the city of Palembang have felt the difference between each pempek brand with the taste and price that is considered appropriate to their pocket conditions.
- d) Loyal customers with Umiabi pempek
Because Umiabi's pempek has been around for quite some time, loyal customers consistently order it. Loyal customers often buy it for their home needs, such as ceremonial occasions like social gatherings and other events.

4) Threat (*threats*)

- a) The level of competition is high with similar pempek in Palembang City.
Palembang is a city known for its pempek (a type of snack) production, so pempek is sold everywhere. It's no wonder each pempek vendor has its own unique specialty.
- b) The product is easily copied by competitors.

Pempek is generally made with the same basic ingredients, namely flour and fish, so almost everyone can make pempek and this of course makes all pempek products easy for anyone to imitate.

c) Price competition with competitors.

Pricing is a complex issue. Pempek Umiabi targets the middle class, so its prices are neither too high nor too low. Consumers also understand that the quality of the pempek is worth the taste and quality.

d) The increase in the price of pempek is due to the increase in the quality of pempek products.

It is generally known that fresh fish is more expensive than fish that is not fresh. Good quality pempek starts with fresh fish.

Implementation of SWOT Analysis in the Umiabi Pempek Business

Based on the strategies used by the Umiabi Pempek Business actors above, to find out the implementation of SWOT analysis in the Umiabi Pempek Business, researchers will create an Internal Factor Evaluation Matrix (*Internal Factor Evaluation - IFE matrix*) and External Factor Evaluation Matrix (*External Factor Evaluation-EFE Matrix*) in table form

Internal Factor Evaluation Matrix (*Internal Factor Evaluation- WEMatrix*)

Table 1. Matrix Internal Factor Evaluation (IFE Matrix)

no	Statement	weight	rating	skin
STRENGTH (<i>STRENGTH</i>)				
S1	Raw materials are easy to obtain and product quality is guaranteed	0.10	4.43	0.44
S2	Carrying out innovation in a way improve packaging and storage	0.11	4.86	0.53
S3	Strategic location in the center of Palembang city	0.10	4.43	0.44
S4	Maintain good relationships with fellow customer and reseller networks	0.11	4.86	0.53
S5	Pempek is made with good quality	0.11	5.00	0.56
S6	Communication with customers is well maintained	0.11	5.00	0.56
S7	Promotion is done on social media	0.11	4.86	0.53
Amount				3.57
WEAKNESS (<i>WEAKNESS</i>)				
W1	Pempek cannot last long	0.06	2.71	0.16
W2	Insufficient parking space	0.07	3.00	0.20
W3	promotional activities are not yet optimal, especially in the content sector	0.07	3.00	0.20
W4	Lack of discounts at certain times	0.06	2.71	0.16
Amount		1.00		0.73
Total number				2.84

Source: Processed Data 2025

Based on table 4.4, it is known that the internal factors in the analysis of Pempek Umiabi with strength (*strength*) obtained a weight of 3.57. While the internal weakness factor (*weakness*) obtained a weight of 0.73.

Matrix External Factor Evaluation (EFE Matrix)

Table 2. Matrix External Factor Evaluation (EFE Matrix)

No	Statement	Weight	rating	skin
CHANCE (OPPORTUNITY)				
O1	Product innovation	0.13	4.57	0.61
O2	Establishing cooperation with Grab Food, Gojek Food, Shopee Food, Tokopedia	0.12	4.29	0.53
O3	The Umiabi brand is trying to become widely known among pempek lovers in Palembang	0.12	4.29	0.53
O4	Loyal customers with Umiabi pempek	0.12	4.14	0.50
Amount				1.87
THREAT (THREATS)				
T1	High level of competition with similar pempek in Palembang City	0.13	4.43	0.57
T2	Products are easily copied by competitors	0.12	4.29	0.53
T3	Price competition with competitors	0.13	4.43	0.57
T4	The increase in the price of pempek is due to the increase in the quality of the pempek product.	0.12	4.00	0.46
Amount		1.00		2.14
Total number				- 0.27

Source: Processed Data 2025

Based on table 4.5, it is known that the external factors in the analysis of Pempek Umiabi with opportunity (*opportunity*) obtained a weight of 1.87. Meanwhile, the internal threat factor (*threats*) obtained a weight of 2.14.

After the rating and weight are determined through calculations based on the questionnaire results, the next step is to calculate the score, namely by multiplying the weight by the rating of each indicator.

The results of the score calculation are used to determine the company's current quadrant position based on internal and external factors. The following outlines the calculation framework for weighting, ratings, and assessment scores. The total score for both internal and external factors indicates that a total score closer to 1 indicates greater weaknesses and threats. A total score closer to 4 indicates greater strengths and opportunities, and vice versa.

The weights are multiplied by the ratings for each SWOT factor (opportunities, threats, strengths, and weaknesses) and then summed. The total of each factor is the final score used to determine the company's quadrant position. If the score for one indicator is higher than the scores for the others, the company requires more attention.

The following is a table that researchers will use to analyze and determine strategic decisions using the SWOT matrix approach.

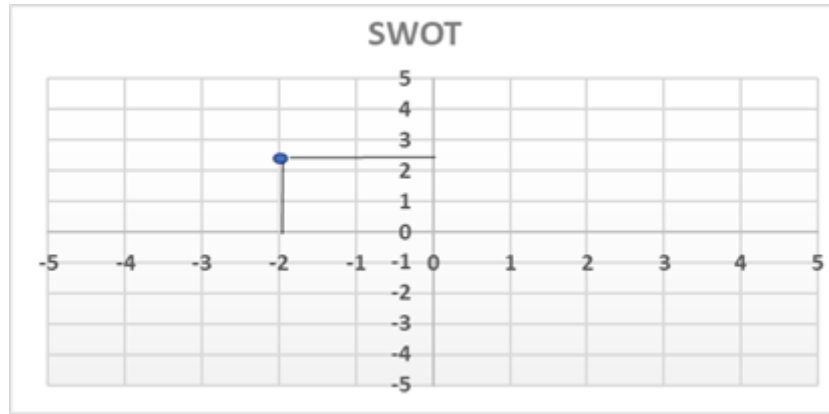


Figure 6. SWOT Quadrant
Source: Processed Data 2025

Determining a company's quadrant position is important to determine the best strategy for the company. The calculation of the company's Grand Strategy is as follows:

$$Posisi\ eksternal = \sum total\ score\ opportunity - \sum total\ score\ threat$$

And

$$Posisi\ internal = \sum total\ score\ strenght - \sum total\ score\ weaknes$$

Based on the calculations, the company is in quadrant IV. In this situation, the company has significant market potential but faces internal constraints. The strategy used is to minimize internal problems in order to seize market opportunities. The strategy implemented is to create strategies that minimize weaknesses and avoid threats.

Table 3. SWOT Matrix Combination

IFAS/EFAS	STRENGTHS (S) 1) Pempek is a food that is easily accepted by all groups and is a typical food of Palembang City. 2) "Carrying out innovation by modifying products 3) improve packaging and storage" 4) Strategic location in the center of Palembang city 5) Maintain good relations with fellow customer and reseller networks 6) Pempek is made with good quality 7) Communication with customers is well maintained 8) Intensive promotion is carried out using social media	WEAKNESSES (IN) 1) Pempek cannot last long 2) Insufficient parking space 3) promotional activities are not yet optimal 4) Lack of discounts at certain times
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OPPORTUNITIES(O) 1) Product innovation 2) Establishing cooperation with Grab Food, Gojek Food, Shopee Food, Tokopedia 3) The Umiabi brand has begun to become widely known among pempek lovers in Palembang. 4) Loyal customers with Umiabi pempek	SO STRATEGY Creating strategies that use strengths to take advantage of opportunities 1. Using the power of communication that has been established with customers so that customers remain loyal to Umiabi Pempek 2. Maintain good relationships with resellers including existing marketplaces such as Shopee, Tokopedia and Instagram 3. Pempek Umiabi carries out various product innovations such as improving packaging and delivery, and improving the size and shape of the pempek.	WO STRATEGY Creating strategies that minimize weaknesses to take advantage of opportunities 1. In the future, we will rent a location that has a parking area so that loyal customers will continue to come and eat at the location. 2. Holding promotions and discounts at certain moments so that the product becomes better known to new customers. 3. Carry out product innovation so that pempek can last longer by improving packaging such as airtight packaging.
TREASURE (T) 1) High level of competition with similar pempek in Palembang City 2) Products are easily copied by competitors 3) Price competition with competitors 4) The increase in the price of pempek is due to the increase in the quality of the pempek product.	ST STRATEGY Creating strategies that use strengths to overcome threats 1) Improve packaging and storage strategies 2) Improve and increase the quality of pempek so that it can compete with other pempek 3) Increase promotions to be able to compete with competitors	WT STRATEGY Creating strategies that minimize weaknesses and avoid threats 1) Looking for another location to have ample parking 2) Create various events or participate in promotional events at various activities 3) Create promotions on certain days and provide discounts to increase sales

Source: Processed Data 2025

The SWOT matrix in table 4.6 above produces four strategic alternatives that can be taken by the owner or manager of the Umiabi pempek business in facing increasingly competitive competition, namely as follows:

1) StrategyStrengths-Opportunities

This condition is usually the condition that a company hopes for, because the advantages or strengths that a company has are used to take advantage of all existing opportunities, so that a company can have a good competitive advantage.

when compared with similar companies. There are several

Umiabi's Pempek business strengths in utilizing existing opportunities: SO Strategy Creating a strategy that uses strengths to utilize opportunities.

- a) Using the power of communication that has been established with customers so that customers remain loyal to Umiabi pempek.
A strength that's still being utilized today is communication with resellers, customers, and consumers. Communication is achieved by providing information about pempek through Instagram posts, such as the production process, packaging, and education about pempek and the source of its ingredients.
- b) Maintain good relationships with resellers including existing marketplaces such as Shopee, Tokopedia and Instagram.
The existing partnerships with various marketplaces are maintained as they serve as a reliable distribution and sales channel. Sales to various regions are largely driven by these partnerships, including sales through Shopee and Instagram.
- c) Pempek Umiabi carries out various product innovations such as improving packaging and delivery, improving the size and shape of the pempek.
Improvement is always a priority in every process, such as always looking for sources of raw materials, improving packaging design, and storage procedures so that pempek can last longer.

2) **StrategyWeakness-Opportunities**

WO STRATEGY Creating strategies that minimize weaknesses to take advantage of opportunities.

- a) In the future, we will rent a location that has a parking lot so that loyal customers will continue to come and eat at the location.
Currently, Umiabi pempek has 2 sales locations, the first location is on Jl. AKBP H. Umar No. 598 Rt.22 RW.001 Kemuning District, Ario Kemuning Village, Palembang City, South Sumatra, then at Jakabaring Mall. The location on Jl. HKBP H Umar is less strategic because the parking area is not optimal, so customers who want to enjoy pempek are advised to go to OPI.Mall/Jakabaring. We hope to find a location with a representative parking area in the future.
- b) Holding promotions and discounts at certain moments so that the product becomes better known to new customers.
Try to hold pempek discounts at certain times to attract new customers and increase the loyalty of existing customers so that they continue to buy pempek products.
- c) Carry out product innovation so that pempek can last longer by improving packaging such as airtight packaging.
Pempek Umiabi is currently improving its packaging design and storage methods by creating airtight packaging so that the pempek can last longer during shipping.

3) **StrategyStrengths-Threat**

- a. Creating strategies that use strengths to overcome threats
- b. Improving packaging and storage strategies
- c. Improve and increase the quality of pempek so that it can compete with other pempek
- d. Increase promotions to be able to compete with competitors

4) **StrategyWeakness-Threat**

- a. Creating strategies that minimize weaknesses and avoid threats
- b. Looking for another location to have ample parking
- c. Create various events or participate in promotional events at various activities
- d. Create promotions on certain days and provide discounts to increase sales

Based on the SWOT analysis conducted using the Internal Factor Evaluation Matrix method (*Internal Factor Evaluation - IFE matrix*) and External Factor Evaluation Matrix (*External Factor Evaluation-EFE Matrix*) The researcher can analyze that the implementation of SWOT analysis in the Umiabi pempek business on the company's external factors is the Opportunities position which is greater when compared to the Threats position and the internal factors in the Strengths position have a greater score value when compared to the Weaknesses position, in the internal factors the Strengths value weight in Umiabi pempek is (3.57) and the Weaknesses value weight in Umiabi pempek is (0.73), while in the external factors Umiabi pempek has an Opportunities value weight of (1.87) while in the Threats position it has a value weight of (2.14).

Based on the weight of the values above, as explained in the theoretical basis chapter, a SWOT analysis based on internal and external factors states that a good company is one that...*Opportunities*(opportunity) is greater than *threats*(threat) and when *Strengths*(power) is greater than *Weaknesses*(weaknesses) and vice versa. So, based on the weighting of the SWOT analysis values above, the Umiabi pempek business is a good company, because the company's internal factors are in a good position. *Strengths*(strength) has a greater value weight when compared with *Weaknesses* (weakness) and on external factors of value weight *Opportunities*(opportunities) are also greater when compared to the weight of the value *Threats*(threats), so in this case, Pempek Umiabi has implemented a SWOT analysis, but not completely, so in this case, the Pempek Umiabi business must re-optimize the implementation of the SWOT analysis so that the Pempek Umiabi business can be more comprehensive in knowing the state of the business being run.

Analysis of Weaknesses and Threats Possible strategies can be proposed:

a. Potential Weaknesses

Parking Limitations: The strategy "Find another location to have ample parking" clearly indicates that the current availability or size of parking is a weakness. This could mean parking is cramped, difficult to access, or inadequate to accommodate the desired number of visitors.

Unstable/Suboptimal Sales: Strategies like "Creating various events or participating in promotional events" and "Creating promotions on certain days and offering discounts" indicate a need to increase sales or address sales fluctuations. This could be due to a weakness in product/service appeal, intense competition, or a lack of an effective marketing strategy.

b. Potential Threats

Lack of parking or low sales can leave a business vulnerable to competitors offering better amenities or more attractive prices. **Changes in Market Trends:** If sales are not optimal, there may be changes in consumer preferences or the emergence of new, unanticipated trends.

Declining Consumer Purchasing Power: Promotions and discounts can be a response to declining consumer purchasing power or price sensitivity.

Spatial Planning/Permitting Regulations: Parking space limitations may also be related to regulations or difficulties in obtaining expansion permits at the current location.

The WT analysis and strategies outlined are highly relevant for businesses facing challenges like those outlined. Addressing the crucial parking issue, which is a physical barrier to customers, is a top priority. This is followed by aggressive promotional efforts to drive sales and build customer loyalty.

Recommendation :

- a. Customer Surveys: Conduct surveys to better understand customer perceptions about parking and other factors that influence their purchasing decisions.
- b. Competitor Analysis: Learn how competitors address parking issues or their promotional strategies.
- c. Digital Optimization: In addition to physical events, leverage online promotions through social media, websites, or booking platforms to reach a wider audience, especially if relocation is not yet possible.
- d. Strategic Partnerships: Consider partnering with a nearby business that has more parking space, or even with a parking service provider.

CONCLUSION

Based on the analysis of the research findings above, it can be concluded that the Umiabi Pempek MSME has implemented a SWOT analysis using business strategies from both internal and external factors, but its implementation has not been optimal. This can be seen based on the value weighting through the Internal Factor Evaluation Matrix (*Internal Factor Evaluation-IFE matrix*) and External Factor Evaluation Matrix (*External Factor Evaluation-EFE Matrix*). Internal factors include *Strengths* And *Weaknesses* where in this internal factor the position *Strengths* has a greater value weight when compared with the value weight *Weaknesses*. Namely, internal factors in the position *Strengths* has a value weight of (3.57) and *Weaknesses* of (0.73).

External factors include *Opportunities* And *Threats* with weight value *Opportunities* of (1.87) and in position *Threats* has a value weight of (2.14), so the position of the Umiabi pempek business can be said to be quite good, because the position *Strengths* dan *Opportunities* has a higher value weight when compared to the value weight based on *Threats* and *Weaknesses*. The competitiveness strategy of Pempek Umiabi MSMEs uses the WT STRATEGY. (*Weaknesses-Threats*).

The WT strategies that can be implemented are:

- a. "Creating strategies that minimize weaknesses and avoid threats" emphasizes the importance of a proactive approach to addressing challenges arising from a combination of internal weaknesses and external threats. The goal is not only to survive but also to find ways to operate more efficiently despite these limitations.
- b. "Find another location with ample parking" to avoid losing potential customers who might be turned away by parking issues, or a negative business image caused by parking inconveniences. Conduct market research for a strategic new location, considering relocation costs, the impact on loyal customers, and ease of access for the target market. This is a major step that requires careful consideration.
- c. "Creating various events or participating in promotional events at various activities" to increase business visibility and appeal, and indirectly address possible sales weaknesses. The threats to be avoided are sales stagnation and loss of market share due to a lack of promotions or attractive activities. To increase brand awareness, attract new customers, and drive sales through unique experiences. Implementation: Hold internal events (e.g., live music, workshops, competitions) or participate in local exhibitions, bazaars, or festivals. It is important to choose events that are relevant to the target market and business image.
- d. "Creating promotions on certain days and offering discounts to increase sales" is less than optimal and faces the threat of price competition or declining consumer purchasing power. As well as encouraging impulse purchases, attracting price-sensitive customers, increasing sales volume during slow periods, and clearing inventory when necessary. Implementation: Identifying certain days that are typically quiet (for example,

weekdays outside of lunch/dinner hours) to offer discounts. The type of promotion can vary, such as percentage discounts, buy one get one free, or bundled packages. It is important to calculate profit margins to ensure the promotion remains profitable.

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