# Analysis of Competitiveness SMIs Batik In Bogor City

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Article Info

Abstract

This study aims to identify and analyze the competitiveness of batik SMEs in Bogor City. Data were obtained from interviews with 3 batik SMEs in Bogor City using descriptive qualitative methods using SWOT analysis. The results of this study indicate that if you carry out a strategy carried out by each SMI using the SO strategy, that is a strategy that uses strength to take advantage of the opportunities that exist in each IKM in the city of Bogor.

Abstrak

Penelitian ini bertujuan untuk untuk mengidentifikasi dan menganalisa daya saing pada IKM batik di Kota Bogor. Data diperoleh dari hasil wawancara dengan 3 IKM batik Di Kota Bogor dengan menggunakan metode kualitatif deskriptif dengan menggunakan analisis SWOT. Hasil penelitian ini menunjukkan jika melakukan strategi yang dilakukan oleh setiap IKM dengan menggunakan strategi SO yaitu strategi yang menggunakan kekuatan untuk memanfaatkan peluang yang ada pada setiap IKM yang berada di Kota Bogor.

# INTRODUCTION

Indonesia has experienced an economic crisis that caused the country's economy to collapse. Many large and small-scale businesses in various sectors have experienced the impact, including in industry, services, trade, and other fields. However, Micro, Small, and Medium Enterprises (MSMEs) can survive and become economic restorers in their time. According to a CNN Indonesia article, since 2016 state revenues have been contributed by several percent by MSMEs. As many as 98.7 percent of businesses in Indonesia are micro-enterprises and with such a large number, 89.17 percent of the domestic workforce can be absorbed. The results of research (Soebagiyo & Wahyudi, 2008) shows that ideally small and medium enterprises do require intervention from the government in increasing competitiveness, as well as issuing policies or regulations that favor small industries in providing credit, increasing the advantages of batik SMI human resources and product quality. Batik with the openness of the global market must have the main core competencies in the power of innovation and competence in price management. The development of industry 4.0 has a big influence on the industrial world, including the batik Small and Medium Industry (SMI) in certain cities, one of which is Bogor City. SMI Batik in Bogor City is an industry that produces products made from batik. SME in Indonesia is a business that absorbs a lot of labor and becomes the foundation of the community's economy. The growth of SMEs according to the Ministry of Industry until 2013 was recorded at 3.9 million business units with a workforce absorption capacity of 9.14 million people, but 75% of the growth was concentrated in Java and the rest outside Java. In eastern Indonesia, the growth of SMEs is still relatively low because it is still around 5%. The magnitude of the growth of SMEs in Java has made it a business field for investors to invest in. IKM actors can empower the people of the Bogor area to build a better economy.

Number of Small, Medium and Large Industrial Business Units by Regency/City of West Java

| No | City | Unit | Year |
|----|------|------|------|
| 1 | Bogor | 8829 | 201 |
| 2 | Bogor | 9446 | 201 |
| 3 | Bogor | 8875 | 201 |
| 4 | Bogor | 8875 | 201 |

When facing the domestic market, SMEs actors must make effective employment and product marketing developments. This is necessary so that SMEs can compete in a competitive business environment. The batik SMEs in conducting business activities clearly need a strategy in marketing their products. The marketing

strategy is used as a form of business confidence, if the producers believe that the current economic situation is improving. Then the strategy in marketing the product will continue to be carried out in order to gain profits and achieve the goals that have been set. competitiveness in Indonesia has declined due to low productivity (CNN Indonesia, 2019). Competitiveness (Ristek-BRIN, 2020) is one of the criteria to determine the success and achievement of a better goal by a country in increasing income and economic growth. Competitiveness can measure how productive a region's industry competes in similar industries. According to the records of the Institute for Management Development (IMD) in the journal (Ristek-BRIN, 2020) that the low condition of competitiveness in Indonesia is caused by the poor performance of the national economy in 4 main respects, namely:

a) The poor performance of the national economy as reflected in its performance in international trade, investment, employment and price stability.

b) Poor efficiency of government institutions in developing state financial management policies and fiscal policies, development of various regulations and laws for a conducive business climate, weak coordination due to overlapping public institutional frameworks and complex social structures.

c) Weak business efficiency in promoting responsible production and innovation as reflected in low productivity, suboptimal labor market, low access to financial resources and relatively unprofessional managerial practices and values.

d) Limitations in infrastructure, both physical infrastructure, technology and basic infrastructure related to the community's need for education and health have time.

Increasing regional competitiveness is one of the important components in strengthening the domestic economy. The improvement of the domestic economy, both regionally and nationally, will become one of the main assets in development and accelerate and expand economic development in order to transform the economy into a developed and competitive country.

Competitiveness analysis can be seen from the basic conditions of the supply side and the demand side. The supply side can be seen from raw materials, technology, product durability, value, business behavior and cooperation. In this study, the researcher wanted to see the level of competitiveness by using the marketing mix in the Small and Medium Industry by conducting a case study in the Batik Small and Medium Industry in the city of Bogor. This study uses the SWOT analysis method ((Strength, Weakness, Opportunities and Threats).

**THEORETICAL BASIS**

In carrying out their activities, entrepreneurs need to implement appropriate strategic planning in increasing market share and company revenues and to anticipate competition from other competitors who offer similar product offerings. Therefore the company needs the right strategic planning and know the

competitiveness of the opponent in order to compete with its competitors. The existence of a competitiveness analysis can be a guideline or reference for entrepreneurs in increasing sales by looking at the aspects of the marketing mix, namely: product (product), price (price), place (place), and promotion (promotion). With this marketing strategy, it can be a benchmark in making the right strategic planning, in accordance with the goals of the company. Because according to Payne (2011) strategic is a tool used to achieve marketing goals. Strategic planning can help see risky opportunities, safe opportunities and choose between the opportunities that exist.



## METHOD

This research is a descriptive qualitative research using a combination method (Mix Methods) according to Sugiono (2011) the combination research method is a method that combines or combines quantitative and qualitative methods to be used together in a research activity in order to obtain comprehensive, valid data. , reliable and objective. This method describes or describes a situation and interactions that occur in SMI batik. Based on this method, an analysis of the current condition of SMI is carried out using a SWOT analysis.

After describing the description or condition of SMI batik products in Bogor City, researchers can contribute in the form of strategic planning that will be seen from the current weaknesses and threats in ISMI batik products in Bogor City. The population of this research is all SMI products made from Batik in the city of Bogor which according to the Department of Industry of Bogor City there are a total of 7 SMIs.

The sampling technique in this study is non-probability sampling with purposive sampling type. Purposive sampling is a sampling technique from data sources with certain considerations (Winarni, 2018:153). Judging from the existing population, the

researchers decided to take 3 samples from 7 populations, namely the area representing the North Bogor District, and the Tanah Sareal District. Because not all areas of Bogor City have SMI Products Made of Batik, the researchers did not take samples from other areas. In this study, the data sources were obtained from: interview method and documentation method.

## RESULT AND DISCUSSION

Characteristics of Mapping SMI Areas for Batik Products in Bogor

| No. | SMI Name's | SMI Type | Location | Total | Percentage |
|---|---|---|---|---|---|
| 1. | Batik Tradisiku | SMI Batik | Tanah Sareal | 1 | 33% |
| 2. | Batik Pancawati | SMI Batik | Bogor Utara | 2 | 67% |
| 3. | Batik Melinda | SMI Batik | Bogor Utara | | |
| Total | | | | 3 | 100% |

Based on the regional mapping of IKM batik products in Bogor City, 2 SMI products made from batik are located in the North Bogor area (67%) and 1 SMI product made from batik is in the Tanah Sareal area (33%). The selection of the research location was based on the criteria mentioned above.

Internal Factor Evaluation Matrix (IFE Matrix) SMI BATIK BOGOR TRADISIKU

| Strategic Internal Factors | | Weight | Rating | Weight Score |
|---|---|---|---|---|
| **Strength** | | | | |
| 1. | Has a known batik brand name | 0,13 | 4 | 0,52 |
| 2. | Have quality raw materials | 0,10 | 4 | 0.40 |
| 3. | Have a clear market segmentation | 0,10 | 3 | 0.30 |
| 4. | Making batik products that have characteristics, unique and distinctive characteristics | 0,13 | 4 | 0,52 |
| 5. | Opening of domestic and foreign markets | 0,09 | 4 | 0,36 |
| **Total** | | **0,55** | | **2,1** |
| **Opportunity** | | | | |
| 1. | The amount of operational costs because it has a manufacturer's location in two different places | 0,09 | 3 | 0,27 |
| 2. | Lack of HR's ability to carry out financial management | 0,10 | 3 | 0.30 |

| | | Weight | Rating | Weight Score |
|---|---|---|---|---|
| 3. | Suboptimal marketing personnel | 0,10 | 3 | 0.30 |
| 4. | Limited  workspace layouts | 0,08 | 3 | 0,24 |
| 5. | The decisions and policies taken are still based on personal decisions because IKM is still a type of family business | 0,08 | 3 | 0,24 |
| | **Total** | **0,45** | | **1,35** |
| | **Total IFE** | **1,00** | | **3,45** |

External Factor Evaluation Matrix (EFE Matrix) SMI BATIK BOGOR TRADISIKU

| **Strategic External Factors** | | **Weight** | **Rating** | **Weight Score** |
|---|---|---|---|---|
| **Chance** | | | | |
| 1. | Local government support, namely becoming a Bogor City Tourism Edu | 0,12 | 4 | 0,48 |
| 2. | Batik products that are currently a trend are able to increase people's purchasing power for batik products | 0,10 | 4 | 0,40 |
| 3. | Using discount promotions to attract consumers | 0.10 | 3 | 0.30 |
| 4. | New, more accessible locations | 0.12 | 4 | 0.48 |
| 5. | Consumer loyalty to My Tradition batik | 0,08 | 4 | 0,32 |
| | **Total** | **0,52** | | **1.98** |
| | **Threat** | | | |
| 1. | There is consumer saturation of batik in the long term | 0,10 | 3 | 0.30 |
| 2. | There is plagiarism of batik motifs carried out by other competitors | 0,10 | 2 | 0.20 |
| 3. | Competition between batik industry originating from domestic competitors in the country | 0,12 | 2 | 0,24 |
| 4. | Beragam types of batik circulating in the market | 0,08 | 2 | 0,16 |
| 5. | The price of batik kompetitor other domestic is cheaper | 0,08 | 2 | 0,16 |
| | **Total** | **0,48** | | **1,06** |
| | **Total EFE** | **1,00** | | **3.04** |

MATRIX SWOT SMI BATIK BOGOR TRADISIKU

| | **Strength ( Strength - S)** | **Weakness (Weakness-W)** |
|---|---|---|
| | 1. The material used uses 100% original cotton no mixture of synthetic fibers. | 1. The location of the gallery in two places affects the greater operational costs because it has to distribute raw materials from the old gallery to the new gallery |
| | 2. Has a special dye imported from | 2. The separation between IKM assets and personal assets has not been carried |

| | | |
|---|---|---|
| | Germany which is eco friendly | out so that IKM capital is often used for personal purposes |
| | 3. Has a characteristic kujang kijang batik motif and drizzling rain | 3. The marketing strategy carried out by My Tradition is still not optimal so that those who know about my Tradition batik are only part of the people in Bogor City |
| | 4. Providing education to consumers about batik | 4. There is no separation of work layouts in production units so that production activities are still mixed in one room |
| | 5. Location of the new gallery located in the city center | 5. The decisions and policies taken are still based on personal decisions because IKM is still a type of family business |
| **Opportunities (Oppurtunities-O)** | **SO Strategy** | **WO Strategy** |
| 1. Appointed as Edu Wisata by the Mayor of Bogor | 1. Develop in designing batik motifs in accordance with the growing trends in society | 1. Improve the production process and efficiency of SMEs |
| 2. Prices that never change even though economic conditions are deteriorating | 2. The government facilitates the regulatory process in terms of investment in the batik industry sector | 2. Improving human resources in the field of management so that capital turnover and profits are appropriate |
| 3. Expanding market share of the batik industry in the domestic market | 3. Expand market share by increasing promotion and marketing through digital media and exhibitions domestically and abroad. | 3. Provide hard skills training in innovating and creativity to human resources. |
| 4. The government supports the policy of batik IKM business actors in exporting | 4. Improve and maintain the quality of batik products in order to compete with competitors | 4. Opening an exhibition in a strategic location as a forum for product promotion |
| 5. Support from the local community to preserve my Tradition batik | | |
| **Threats (Threats-T)** | **ST Strategy** | **WT Strategy** |
| 1. There is consumer saturation towards batik in the long term if there is no innovation in My Tradition batik products | 1. Improving the ability in human resources in the fields of product design, quality, and trade. | 1. Conduct partnerships with manufacturers of other countries as a form of promotion. |
| 2. Batik motifs from My Tradition are often imitated by textile merchants, making products from My Tradition lose their uniqueness | 2. Segmenting and marketing mix periodically. | 2. Improve quality management at the level of batik craftsmen |

| 3. Competition between batik industry originating from domestic competitors | 3. Consistency in conducting "service education" to consumers. | 3. Using the latest equipment in the IKM production process |
|---|---|---|
| 4. The emergence of various types of batik circulating in the market so that My Tradition batik must innovate so that its products can still compete | 4. Apply for the protection of batik motifs through Intellectual Property Rights (HAKI) | 4. There is support from public figures or public figures in branding batik products |
| 5. The price of other batik is cheaper than the price of My Tradition batik | | |

Based on the IFE Matrix table from the SMI Batik Bogor Tradisiku, the results are obtained that the score for the strength factor is 2.10 and the score for the weakness factor is 1.33. Meanwhile, the EFE Matrix table from my traditional Bogor batik shows that the score for the opportunity factor is 1.98 and the score for the threat factor is 1.06. The strength score was above the weakness score with a difference of (+) 0.77, while the opportunity score was above the threat score with a difference of (+) 0.92. From the results of the identification of all internal and external factors and the determination of the difference in score scores, then it is described in a SWOT Cartesian diagram, where the strength and opportunity factors are given a positive value (+), in addition to the weakness and threat factors are given a negative value (-). Cartesian SWOT diagram can be seen in the picture.

Cartesian SWOT chart SMI Batik Bogor Tradisiku
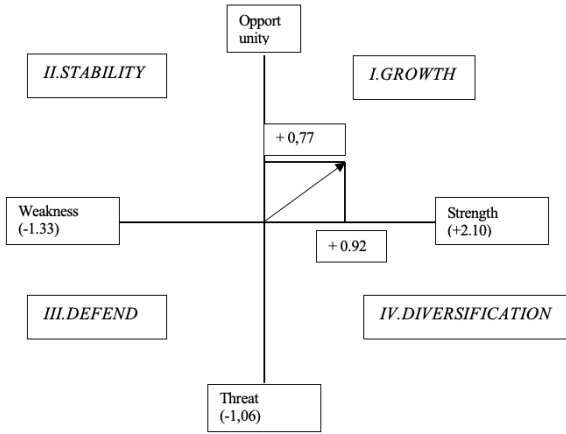
Combination of Quantitative Strategies in SMI Batik Bogor Tradisiku

| EFE/IFE | (Strengths-S) | (Weaknesses-W) |
|---|---|---|
| (Opportunity-O) | SO strategy: =2.10+1.95 =4.05 | WO strategy: =1.33+1.95 =3.28 |
| (Threats-T) | ST strategy: =2.10+1.06 =3.16 | WT Strategy =1.33+1.06 =2.39 |

Based on the Cartesian SWOT diagram in Figure 1, it can be seen that the Batik Bogor traditional IKM is in quadrant I, which means that the strategy used is the Strength-Opportunities (SO) strategy which is also known as the Growth strategy. Table 1 also shows that the largest number of scores obtained in the SO strategy is 4.05.

If refer to the results of the analysis of the IKM Batik, my traditional Bogor, it is better to carry out the SO strategy, which is a strategy that uses strength to take advantage of the opportunities that exist in the IKM Batik Bogor, my tradition is as follows:

1. Develop in designing batik motifs in accordance with the trends that develop in the community. By utilizing technology to improve the quality of offline or online services so as to increase the number of purchases.

2. The government facilitates the regulatory process in terms of investment in the batik industry sector.

3. Expanding market share by increasing promotion and marketing through digital media and exhibitions at home or abroad. If IKM Batik Bogor, my tradition to do this, can increase consumer demand.

4. Improving and maintaining the quality of batik products in order to compete with competitors.

Internal Factor Evaluation Matrix (IFE Matrix) SMI BATIK PANCAWATI

| Strategic Internal Factors | | Weight | Rating | Weight Score |
|---|---|---|---|---|
| **Strength** | | | | |
| 1. | Has a distinctive batik motif, namely the lawang salapan batik motif | 0,09 | 3 | 0,27 |
| 2. | Availability of local workers who master batik making techniques | 0,11 | 4 | 0,44 |

| | | Weight | Rating | Weight Score |
|---|---|---|---|---|
| 3. | The location of the gallery is in the tourist attractions of kampung batik which has an attraction | 0,11 | 4 | 0,44 |
| 4. | Often conduct workshops to hr and consumers | 0,11 | 4 | 0,44 |
| 5. | Have a wider market share | 0,09 | 4 | 0,36 |
| | **Total** | **0,51** | | **1,95** |
| | **Opportunity** | | | |
| 1. | Limitations on the quantity of goods of production with the demand for goods | 0,11 | 2 | 0,22 |
| 2. | Less strategic location | 0,09 | 2 | 0,18 |
| 3. | Limited suboptimal marketing personnel | 0,11 | 3 | 0,33 |
| 4. | Limited workspace and batik gallery | 0.10 | 3 | 0.30 |
| 5. | Inadequate production sites | 0,08 | 3 | 0,24 |
| | **Total** | **0,49** | | **1,27** |
| | **Total IFE** | **1,00** | **3,22** | |

External Factor Evaluation Matrix (EFE Matrix) SMI BATIK PANCAWATI

| **Strategic External Factors** | | **Weight** | **Rating** | **Weight Score** |
|---|---|---|---|---|
| **Chance** | | | | |
| 1. | The product of the service has been well known in the domestic community | 0,08 | 3 | 0,24 |
| 2. | The existence of cooperation with the government, institutions, and shopping centers (DEKRANASDA, BAZNAS, Bosies Mall and Botani Mall) so that it has the opportunity to expand market share | 0,13 | 4 | 0,52 |
| 3. | It is easy to recruit intellectual human resources because they are in the Kampung Batik environment | 0,10 | 4 | 0,4 |
| 4. | Use of websites and social media as product promotional media | 0,10 | 3 | 0,30 |
| 5. | The world's interest in education in batik is high so that it opens up opportunities in holding workshops | 0,13 | 3 | 0,39 |
| | **Total** | **0,54** | | **1,85** |
| | **Threat** | | | |
| 1. | Competition between batik industry originating from domestic competitors in the country | 0,10 | 2 | 0.20 |
| 2. | Affected by COVID-19 which caused a decrease in turnover and made visiting activities decrease due to restrictions by the government | 0,10 | 3 | 0.30 |
| 3. | Lack of use of technology and HR capabilities in managing digital media | 0,10 | 3 | 0.30 |
| 4. | Unstable business climate | 0,08 | 2 | 0,16 |
| 5. | The existence of saturation of long-term natural batik products | 0,08 | 3 | 0,24 |

| | | |
|---|---|---|
| **Total** | **0,46** | **1,2** |
| **Total EFE** | **1,00** | **3,05** |

MATRIX SWOT SMI Batik Pancawati

| | Strength ( Strength - S) | Weakness (Weakness-W) |
|---|---|---|
| | 1. Has a distinctive batik motif, namely the lawang salapan batik motif | 1. Imbalance between the available products and the number of requests from ecommerce |
| | 2. Have quality human resources because the production location is in a batik village with people who have skills in making batik so that it has an impact on improving the quality of Pancawati's production | 2. The location of the batik village which is on the edge of the river so that there are often floods and is not located in the middle of the city so that it is difficult to reach by individual consumers |
| | 3. The location of the batik gallery located in the tourist attractions of the batik village has its own charm for consumers, making it easier for Batik Pancawati to market its products | 3. Product marketing is still not running optimally because the website and social media are still being done independently so it needs an expert website development |
| | 4. Providing education to the public about the difference between real batik and textile batik through workshop activities | 4. Batik galleries that are still one with the house of the owner of the IKM so that consumers have limited space in choosing products |
| | 5. Have a wider market share because they often hold workshops | 5. Inadequate production sites |
| **Opportunities (Oppurtunities-O)** | **SO Strategy** | **WO Strategy** |
| 1. Family members have a passion for art so that it helps in floating batik SMEs | 1. Optimization of production capacity in batik SMEs | 1. Improving the production process and efficiency of SMEs |
| 2. Cooperation with the government, institutions, and shopping centers (DEKRANASDA, BAZNAS, Bosies Mall and Botani Mall) so that it has the opportunity to expand market share | 2. Increased activities in holding workshops to attract consumer purchasing power | 2. Providing softkill training for human resources and increasing product innovation |
| 3. It is easy to recruit human resources who are of good quality because they are in the Kampung Batik environment where the community is used to making batik | 3. Developand expand market share by promoting through digital media and holding exhibitions outside the area | 3. Provide a separate workspace to maximize the production process |
| 4. The use of websites and social media as product promotional media can reach a wider market share | 4. Maintain all forms of cooperation that have been carried out | 4. Increase promotion by utilizing information technology |
| 5. The interest in the world of education in batik is high so that it opens up opportunities in holding workshops | | |
| **Threats (Threats-T)** | **ST Strategy** | **WT Strategy** |
| 1. Competition between the batik industry originating from domestic competitors in the country | 1. Implementing coaching and development programs from the government to develop businesses | 1. Improve the quality management of batik craftsmen in order to achieve every production target |
| 2. Less able to compete with other batik industries in attracting consumers during the Covid-19 | 2. Improving product quality so that it can compete between batik SMEs | 2. Expand distribution channels to increase product sales |

| | | |
|---|---|---|
| pandemic because they do not maximize the use of technology | | |
| 3. The Covid-19 pandemic caused a decrease in turnover and made visiting activities decrease due to restrictions by the government | 3. Increaseconsumer safety and do the right marketing mix | 3. Developing modern technology in an effort to improve the quality of batik products |
| 4. The batik industry is developing faster because it uses more sophisticated technology in producing batik | 4. Innovation of attractive designs, motifs and patterns | 4. Provide work comfort between fellow batik craftsmen and increase the number of experienced workers |
| 5. There is saturation of long-term natural batik products | | |

Based on the IFE Matrix table from SMI Batik Pancawati, it was found that the score for the strength factor was 1.95 and the score for the weakness factor was 1.27. Meanwhile, the EFE Matrix table from Pancawati batik shows that the score for the opportunity factor is 1.85 and the score for the threat factor is 1.20. The strength score was above the weakness score with a difference of (+) 0.68, while the opportunity score was above the threat score with a difference of (+) 0.65.

Cartesian SWOT chart SMI Pancawati
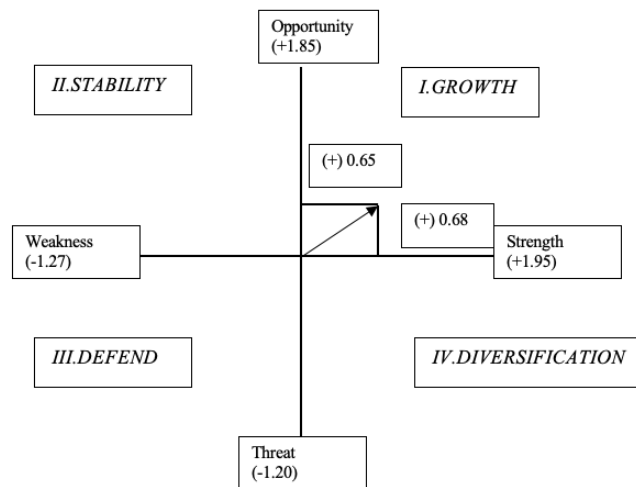


Combination of Quantitative Strategies in SMI Pancawati

| EFE/IFE | (Strengths-S) | (Weaknesses-W) |
|---|---|---|
| (Opportunity-O) | SO strategy: =1.95+1.85 =3.80 | WO strategy: =1.27+1.85 =3.12 |
| (Threats-T) | ST strategy: =1.95+1.20 =3.15 | WT Strategy =1.27+1.20 =2.47 |

Based on the SWOT cartesian diagram in figure 2, it can be seen that the SMI Batik pancawati is in quadrant I which means that the strategy used uses the *Strength-Opportunities (SO)* strategy which is also known as the strategy *Growth*. Table 11 also shows that the largest number of score values in the SO strategy is 3.80.

If referring to the results of the analysis of SMI Batik Pancawati, you should carry out the SO strategy, which is a strategy that uses strength to take advantage of the opportunities that exist in the SMI Batik Pancawati as follows:

i. Optimization of production capacity in batik SMEs. It can be done by maintaining the availability of production raw materials, making a good cooperative relationship between batik craftsmen and batik SMI owners.
ii. Increase activities in holding workshops to attract consumer purchasing power. The existence of workshop activities makes people more familiar with batik in Bogor City. That way it will increase the purchasing power of batik products.
iii. Develop and expand market share by promoting through digital media and holding exhibitions outside the region
iv. Developing networking with other batik industries. Following the development of fashion trends in Indonesia and looking for good cooperation between other batik SMI owners.

Internal Factor Evaluation Matrix (IFE Matrix) SMI BATIK MELINDA

| Strategic Internal Factors | | Weight | Rating | Weight Score |
|---|---|---|---|---|
| **Strength** | | | | |
| 1. | Has batik motifs and colors that follow market trends | 0,10 | 3 | 0,3 |
| 2. | Has a characteristic nutmeg fruit batik motif | 0,10 | 3 | 0,3 |
| 3. | Using good materials in producing batik fabrics | 0,07 | 3 | 0,21 |
| 4. | Has a more affordable price | 0,10 | 4 | 0.40 |
| 5. | Have human resources in the field of marketing so that it helps in developing SMEs | 0,07 | 3 | 0,21 |
| **Total** | | **0,44** | | **1,42** |
| **Debilitation** | | | | |
| 1. | The location is located in a small alley even though it is in the area of a batik village | 0,11 | 2 | 0,22 |
| 2. | The number of workers is only 2 people | 0,11 | 1 | 0,11 |
| 3. | Difficulties in shipping goods because they are not used to working on large quantities of production | 0,11 | 3 | 0,33 |

| 4. | There has been no separation of work layouts in production units | 0,13 | 3 | 0,39 |
| 5. | The use of production tools that are still simple | 0.10 | 2 | 0,2 |
| | **Total** | **0,56** | | **1,25** |
| | **Total IFE** | **1,00** | **2,67** | |

## External Factor Evaluation Matrix (EFE Matrix) SMI BATIK MELINDA

| **Strategic External Factors** **Chance** | | **Weight** | **Rating** | **Weight Score** |
|---|---|---|---|---|
| 1. | Cooperation with the government, institutions, and shopping centers (DEKRANASDA, BAZNAS, Bosies Mall and Botani Mall) | 0,13 | 4 | 0,52 |
| 2. | Tourism development has an impact on visits in batik villages | 0,13 | 3 | 0,39 |
| 3. | Consumers are more interested in batik at affordable prices | 0,10 | 3 | 0,3 |
| 4. | The interest of young people and teenagers in Melinda batik products continues to increase | 0,10 | 3 | 0,30 |
| 5. | It is easy to get labor because it can help the production process to be faster | 0,08 | 3 | 0,24 |
| | **Total** | **0,54** | | **1,75** |
| | **Threat** | | | |
| 1. | Lack of ability to scramble for market share between competitors | 0,10 | 1 | 0.10 |
| 2. | Business competition by other domestic competitors is more intense | 0,10 | 1 | 0.10 |
| 3. | Limited means of production used | 0,10 | 1 | 0.10 |
| 4. | The variety of similar batik motifs in the market | 0,08 | 3 | 0,24 |
| 5. | The existence of a plagiarism culture makes the product life cycle short | 0,08 | 3 | 0,24 |
| | **Total** | **0,46** | | **0,78** |
| | **Total EFE** | **1,00** | | **2,53** |

## MATRIX SWOT SMI Batik Melinda

| | | Strength (rength - S) | Weakness (Weakness-W) |
|---|---|---|---|
| | | 1. Have batik motifs nd colors that follow market trends | 1. Location located in a small alley even though it is in the area of a batik village |
| | | 2. Has a haracteristic Nutmeg batik motif | 2. The number of workers is only 2 people |
| | | 3. Using good aterials in producing batik fabrics | 3. Difficulties in shipping goods because they are not used to working on large quantities of production |

| | | |
|---|---|---|
| | 4. Has a cheaper price with the same quality as more expensive batiks | 4. There is no separation of work layouts in production units so that production activities are still mixed in one room |
| | 5. Have family members who are in the field of marketing so that they help in developing SMEs | 5. The gallery mixes into one with the private house of the owner of the IKM |
| **Opportunities (Oppurtunities-O)** | **SO Strategy** | **WO Strategy** |
| 1. Cooperation with governments, institutions, and shopping centers (DEKRANASDA, BAZNAS, Bosies Mall and Botani Mall) so that it has the opportunity to expand market share | 1. Enlarge and expand market share by increasing promotion using information technology and holding exhibitions outside the region | 1. Opening outlets or exhibitions in strategic locations as a form of product promotion |
| 2. Tourism development has an impact on visits in batik villages | 2. Develop more attractive batik product design motifs | 2. Increase the number of batik craftsmen in order to increase the scale of production |
| 3. Consumers are more interested in batik at an affordable price | 3. Expanding networking to fellow batik industries to introduce andimprove the performance of SMEs | 3. Improve and improve production technology |
| 4. The interest of young people and teenagers in Melinda batik products continues to increase | 4. Utilizing quality human resources to optimize production capacity at batik SMEs | 4. Maintain product quality to remain competitive |
| 5. Easy to get labor because it can help the production process to be faster | | |
| **Threats (Threats-T)** | **ST Strategy** | **WT Strategy** |
| 1. Other Batik SMEs have more batik innovations | 1. Improving the ability of human resources in the fields of quality, desai, products and trade | 1. Improving product quality so that consumers remain loyal to SMEs |
| 2. Other batik SMEs have been known by consumers first | 2. Segmenting and marketing mix periodically | 2. Maintain work comfort for batik craftsmen in order to increase production quality |
| 3. Other batik SMEs already use more sophisticated technology than Melinda batik | 3. Increase cooperation with large consumers | 3. Improving quality management for batik craftsmen in producing batik products |
| 4. Competition between the batik industry originating from domestic competitors in the country | 4. Improve product innovation so that it still has its own characteristics | 4. Start using modern technology to maximize IKM performance and increase product yields |
| 5. Difficulty in pursuing large quantities of production because the workmanship cannot be replaced by machinery | | |

Based on the IFE Matrix of the SMI melinda batik, the results were obtained that the strength factor score value was 1.42 and the score value for the weakness factor was 1.25. Meanwhile, EFE matrix of batik melinda obtained the result that the score value for the opportunity factor is 1.75 and the score value for faktor threat is 0.78. The strength score value turned out to be above the weakness score value with a

difference in value (+) 0.17, while the opportunity score value turned out to be above the threat score value with a difference in value (+) 0, 97.

Cartesian SWOT chart SMI Melinda
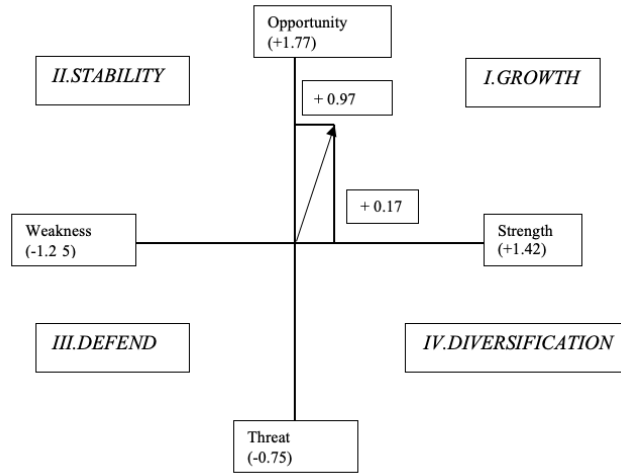


Combination of Quantitative Strategies in SMI Melinda

| EFE/IFE | (Strengths-S) | (Weaknesses-W) |
|---|---|---|
| (Opportunity-O) | SO strategy:<br>=1.42+1.77<br>=3.19 | WO strategy:<br>=1.25+1.77<br>=3.02 |
| (Threats-T) | ST strategy:<br>=1.42+0.75<br>=2.17 | WT Strategy<br>=1.25+0.75<br>=2 |

Based on the SWOT cartesian diagram in figure 3 it can be seen that SMI Batik melinda is in quadrant I which means that the strategy used uses the *Strength-Opportunities (SO)* strategy which is also known as the Strategy *Growth*. Table 3 also shows that the largest number of score values in the SO strategy is 3.19.

If referring to the results of the analysis of SMI Batik Melinda, you should carry out an SO strategy, namely a strategy that uses the strength to take advantage of the opportunities that exist in SMI Batik Melinda is as follows:

1. Enlarging and expanding market share by increasing promotion using information technology and holding exhibitions outside the city of Bogor.
2. Developing more attractive batik product design motifs.
3. Expanding networking with sesama batik industry to improve the performance of SMEs.

4. Utilizing quality human resources to maximize production capacity at the Batik Melinda.


## CONCLUSIONS AND SUGGESTION

### A. CONCLUSIONS

Competitiveness in SMI Batik Tradisiku , based on SWOT analysis is influenced by strength factors having a well-known brand, having quality raw materials, having a precise market segmentation, making batik products with characteristics, and opening up the domestic market. The weakness factors are in the form of the size of operations because they have producer locations in two different places. Opportunity factors in the form of local government support, namely becoming Bogor City Tourism Education, batik products that are becoming a trend are able to increase people's purchasing power for batik products, the last factor is the threat factor, namely the saturation of consumers towards batik in the long term. Furthermore, the competitiveness of SMI batik pancawati based on SWOT analysis is influenced by strength factors including, having a distinctive batik motif, namely the lawang salapan batik motif. The weakness factors are The limited number of production goods with demand for goods, less strategic locations, limited marketing personnel that are less than optimal, limited workspaces and batik galleries, and inadequate production sites. Then, the opportunity factors are handicraft products are well-known in the domestic community, and there are collaborations with the government, institutions, and shopping centers so that they have the opportunity to expand their market share. There are threat factors it is easy to recruit quality human resources because they are in the Batik Village environment, use websites and social media as media for product promotion, and interest in the world of education towards Batik is high; it opens up opportunities in holding workshops. competition between the batik industry originating from domestic competitors, affected by COVID-19, which caused a decrease in turnover and made visiting activities decreased due to restrictions by the government, lack of utilization of technology and human resource capabilities in managing digital media, unstable business climate, a saturation of batik products in the long term. Then the competitiveness of SMI Batik Melindabased on SWOT analysis has a strength factor in the form of having batik motifs and colors that follow market trends, has the characteristics batik buah pala motif. Then the weakness factors include the location located in a small alley even though it is in the batik village area difficulties in shipping goods because they are not used to working on a large amount of production, there is no separation of work layouts in production units, the use of production tools is still simple. Furthermore, the opportunity factor is the cooperation with the government, institutions, and shopping centers (DEKRANASDA, BAZNAS, Bosies Mall and Botani Mall), tourism development has an impact on visits in batik villages. And the threat factors are in the form of the lack of ability to fight for market share between competitors, business competition carried out by other domestic competitors that are tighter, limited production tools used.

### B. SUGGESTION

Lack of ability to compete for market share between competitors, tougher business competition by other domestic competitors, limited production equipment used, variety of similar batik motifs in the market, and plagiarism culture shortens product life cycles. Suggestions for the government to increase competitiveness by supporting the MSME economy, including IKM and other small businesses, to encourage domestic and national growth. Conduct job training for batik artisans to support employee performance in producing SMI.

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