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# TRAINING ON MARKETING STRATEGY DESIGN FOR MSMe PRODUCTS (A CASE STUDY ON VIVAN SHOES IN CIOMAS DISTRICT BOGOR CITY)

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#### Abstract

Empowering UMKM becomes a strategic choice to increase the income of low income groups, in order to reduce income inequality and poverty through increasing business capacity and business management skills. One of the manufacturing industry sectors that will continue to grow and develop is the footwear industry. Footwear UMKM in Ciomas Regency, Bogor is one area of home industry craftsmen that has the potential to produce products engaged in footwear. The purpose of this study was to determine the factors that influence the improvement of product competitiveness, analyze internal and external factors, develop strategies and prioritize strategies to improve the competitiveness of footwear UMKM in Ciomas. The results of the analysis method of marketing strategy Vivan Shoes based on the results of the EFE matrix found that the strategic factor which is the main strength is the product designed using hand or handmade is the main strength with a score of 0.5694 and the weakness of Vivan Shoes is the dependence of capital on the customer with a score of 0.3596. While the analysis of the main opportunities for the main opportunities of UMKM footwear in Ciomas is the increased purchasing power of footwear in e-commerce so that footwear becomes the main or primary consumer item with a score of 0.663 and the threat to Vivan Shoes is that competitors have a well-known brand with a score of 0.874. Based on the IE matrix, Vivan Shoes is in quadrant 1, namely Growth and Build. With these conditions Vivan Shoes can use intensive or integrative strategies. Based on the SWOT matrix, the SO strategy is to penetrate the market by expanding market share and focus on improving the quality of raw materials and increasing the quantity of products. The WO strategy is to conduct motivational, entrepreneurial training and improve (supervise) quality management performance for craftsmen. The WT strategy is to use modern technology (design) to produce high quality and innovative products that are supported by an effective promotion strategy. The ST strategy is to build cooperation with stakeholders (suppliers and competitors) to maintain quality and bring out product characteristics to anticipate business competitors.

Keywords: Marketing Strategy, IE, SWOT, SPACE.

#### I. INTRODUCTION

Micro, Small and Medium Enterprises or abbreviated as MSMEs are the basis of the people's economy and do not require certain requirements such as the level of education and technology. Therefore, its role in national economic development is very important because it can expand employment opportunities and provide broad economic services. Other roles are in the process of equitable distribution and increase in people's income, encourage economic growth, and play a role in realizing state stability. Empowerment of MSMEs is a strategic choice to increase the income of low-income groups, in order to reduce income inequality and poverty through increasing business capacity and business management skills.

The development of the country's economy, MSMEs will be one of the important factors that make the biggest contribution to economic growth in a country, one of which is Indonesia. As for Figure 1.1 shows the number of MSME growth in Indonesia is increasing every year, in 2014 MSMEs in Indonesia showed a number of 57,895,721 and in 2015 increased to 59,262,772 units with a percentage increase of 2.36% and in 2016 the number of MSMEs in Indonesia increased to 61,651,177 with a percentage increase of 4.03%, and in 2017 the number was 62,992,617 with a percentage of 2.06%.



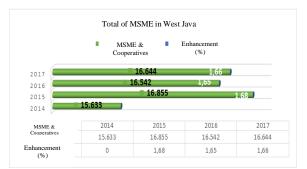


Fig. 1 of the Number of MSMEs in West Java Source: Secondary, ODS (Online Data System), 2018

The development of the number of MSMEs in West Java in the figure above shows that having a slightly increasing number of growth every year this does not affect economic growth in West Java. This actually encourages people in West Java to continue to contribute in carrying out their business, of course in the field of MSMEs so that they can make the economy even in West Java and the graph above shows that economic equity is still in the process of growing every year.

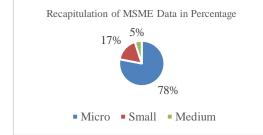


Fig.2 of the Number of SMEs in Bogor City Source: Secondary, Department of Cooperatives and SMEs, 2018.

MSMEs also have an important role, namely as an effort to eradicate poverty. With MSMEs, it is hoped that the wheels of the economy of each region will be able to spin equally. This means that MSMEs have an important role in overcoming the inequality of welfare between regions which can also overcome the income gap between their communities. However, if viewed from the distribution of the area, in Bogor City, it turns out that the most business actors carried out by the community are Micro Enterprises where these business actors can develop their business properly in accordance with the assets owned by the community so that the people in Bogor City have many actors. Its business is in Micro Enterprises with a percentage of 78% and Small Enterprises by 17% and Medium Enterprises by 5% of the percentage results in the 100% recapitalization of General MSME data in Bogor City.

In terms of quality, MSME footwear products in Ciomas Village have good quality at affordable prices. The craftsmen never design their own footwear product models, but they only duplicate the footwear products that are trending in the market. Footwear products that are marketed are branded according to the brand of the marketer or orderer.

The marketer's brand used has not been patented by the order giver, which is used to be known so that the buyer can remember it. Generally, several branded brands for the upper middle segment that are sold in large malls are footwear MSME customers in Ciomas with patented brands such as Yongki Komaladi and Bata. This proves that MSME footwear in Ciomas already has experience in producing quality shoes with a variety of models that are tailored to market demand.

One of them is a footwear craftsman in Ciomas village, namely VIVAN SHOES, an MSME located in Ciomas, Bogor Regency. This is an MSME footwear craftsman who is able to fulfill consumer desires because Vivan Shoes is an MSME footwear craftsman who makes products according to the designs of their respective desires. -each consumer.

In addition to determining the marketing strategy, the obstacles faced by MSMEs are limitations in accessing market information and limitations in accessing strategic business locations so that the level of competitiveness of footwear craftsmen in Ciomas Village does not meet the best criteria. Vivan Shoes is an SME craftsman who provides services in making footwear and sandals, so that customers who already have a brand image can order shoes and sandals from these craftsmen, using the brand of each customer.

The Vivan Shoes company to increase sales must carry out the right marketing strategy in order to compete with similar business actors. According to Sofyan Assauri (2013), marketing strategy is a set of



goals and objectives, policies and rules that give direction to the company's marketing efforts from time to time, at each level and the references and allocations, especially as the company's response to the environment and changing competitive conditions. Therefore, the determination of the marketing strategy must be based on an analysis of the company's external and internal environment through an analysis of the company's strengths and weaknesses, as well as an analysis of opportunities and threats faced from its environment. One of the company's marketing strategies must be able to use SWOT analysis to solve a problem that exists within the company, not only that in using SWOT analysis the company can find out what are the strengths, weaknesses, opportunities and threats. From the SWOT analysis, a strategy will emerge which is expected to improve what is happening at the Vivan Shoes company.

According to Rangkuti (2013), SWOT analysis is the identification of various factors systematically to formulate company strategy. This analysis is based on logic that can maximize strengths and opportunities, but at the same time minimize weaknesses and threats.

Based on the background described above, the authors are interested in conducting research that discusses marketing strategies, as for the title "Marketing Strategy Analysis on Umkm Products (Case Study on Vivan Shoes in Ciomas Sub-District, Bogor City)".

#### II. METHODOLOGHY

#### **Types of research**

The type of research used in this study is classified as a descriptive research model with a qualitative exploratory descriptive research method, which is a method that aims to carry out analysis only to the level of description, namely analyzing and presenting data systemically, so that it can be more easily understood and concluded, while exploratory research is a type of research that aims to find something new in the form of grouping certain symptoms, facts and diseases. Exploratory Descriptive Research aims to describe the condition of a phenomenon, in this study it is not intended to test certain hypotheses but only describes what a variable, symptom or situation is (Arikunto, 2013).

#### **Types and Sources of Research Data**

1. Types of Research Data

The types of data used in this study are:

- a. Qualitative data is data in the form of words, schemes, and pictures. The qualitative data of this research are the names and addresses of the research objects.
- b. Quantitative data is data in the form of numbers or qualitative data that is numbered. The quantitative data of this research is in the form of a questionnaire to the customers of MSME Alaskaki Vivan Shoes who are willing to be respondents and fill out the questionnaire.
- 2. Research Data Sources

Sources of data used in this study are:

- a. Primary data is data obtained directly from the research subject, in this case the research obtains data or information directly by using the instruments that have been determined. Primary data were collected by the researcher to answer the research questions. Primary data were collected by the research questions. Primary data collection is an internal part of the research process and is often required for decision-making purposes. Primary data is considered more accurate, because this data is presented in detail.
- b. Secondary data is data that is already available in various forms. Usually this data source is mostly statistical data or data that has been processed in such a way that comes from library materials in the form of report documents, books, literature, and other regulations related to research.

# Variable Operations

TABLE I Table of Operational Variables Analysis of Marketing Strategy using SWOT Analysis



| No. | Variable              | Indicator        | Statement  | Scale   |
|-----|-----------------------|------------------|--|---|
| 1   | Marketing<br>Strategy | External Factors | Macro Social Demographics Technology Economic Environment Political Legal Micro Threat of new entrants Level of rivalry among competitors Substitute product pressure Bargaining power of buyers Bargaining power of suppliers | Ordinal<br>Ordinal<br>Ordinal<br>Ordinal<br>Ordinal<br>Ordinal<br>Ordinal<br>Ordinal<br>Ordinal |
|     |                       | Internal Factors | Management     Marketing     Finance or accountancy     Production and operation     Research and development     Management Information System  | Ordinal<br>Ordinal<br>Ordinal<br>Ordinal<br>Ordinal<br>Ordinal                                  |

Source: Primer, Using SWOT analysis, 2018

#### **Sampling Method**

In this study, the authors used a purposive sampling method, namely by deliberately determining or selecting respondents to be studied. The total number of samples is 7 people, the selected samples are representatives in each section or leaders in each division of the company. Among them are the owner of the company, 1 person, 1 employee, and the five loyal customers of Vivan Shoes.

#### Method of collecting data

The data collection method explains that the data collection method is "in what way and how the necessary data can be collected so that the final results of the study are able to present valid and reliable information". Data collection methods used in this study include:

- 1. Interview method, directly with Ivan as the owner who manages the marketing strategy at Vivan Shoes.
- 2. Observation, conducting direct observation of the marketing strategy carried out by Vivan Shoes.
- 3. Literature study, collecting data or information by using books related to research and aiming to find theories, concepts, and other variables that can support researchers. In this literature study method, researchers look for data through references, journals and articles on the internet.

#### **Data Processing and Analysis Method**

- Descriptive analysis aims to obtain an in-depth and objective picture to describe the vision, mission of the research object.
- 2. External factor Evaluation (EFE) Matrix the EFE matrix is used to evaluate the company's external factors. External data is collected to analyze matters relating to demographic, technological, economic, environmental, political, legal and competitive issues in the industrial market where the company is located, as well as other external data. The analysis produces several factors that become opportunities and threats. External factors were analyzed using the External Factor Evaluation Matrix (EFE).
- 3. Internal Factor Evaluation (IFE) Matrix the IFE matrix is used to determine the analysis of the internal environmental conditions of footwear SMEs in Ciomas through functional aspects which include financial, marketing, operational, and human resources aspects so as to produce several factors that are strengths and weaknesses. Internal factors were analyzed using the Internal Factor Evaluation Matrix (IFE).
- 4. SWOT Matrix After identifying the internal factors by using the IFE matrix and the EFE matrix, a SWOT matrix can be made. The strategies in the SWOT matrix must be in accordance with the strategies recommended in the IE matrix. By using the SWOT matrix, the resulting strategies consist of SO strategy (using strengths by taking advantage of existing opportunities), WO strategies (overcoming weaknesses by taking advantage of existing opportunities), ST strategies (using strengths to avoid threats), and WT strategies (minimizing weaknesses) and avoid threats.

# 5. SWOT Analysis

SWOT analysis is a matching tool that can help managers develop four types of strategies, namely:

a. SO Strategy (strength-opportunity)



This strategy uses the company's internal strengths to seize opportunities that exist outside the company. In general, companies try to implement WO, ST, or WT strategies to implement the SO strategy.

b. WO Strategy (weakness-opportunities)

This strategy aims to minimize the company's internal weaknesses by taking advantage of external opportunities.

c. ST strategy (strength-threat)

Through this strategy the company tries to avoid or reduce the impact of external threats.

d. WT Strategy (weakness-threats)

This strategy is a defensive strategy by reducing internal weaknesses and avoiding threats.

1. Matrix Space

Matrix Space (Strategic Position and Action Evaluation) is used to map the condition of the company using a model presented using a Cartesian diagram consisting of 4 quadrants with the same size scale. The framework of the four quadrants indicates whether to indicate an aggressive, conservative, defensive, or competitive strategy for the company being analyzed. These four factors are the most determining factors for determining the company's strategic position.

The intersection of the SPACE Matrix represents two internal dimensions of Financial Strength-FS and competitive advantage (CA) and two external dimensions, namely environmental stability-ES and industrial strength-IS. These factors are perhaps the most important determinants of the overall strategic position of the organization.

The steps for developing a SPACE Matrix are:

- 1. Select a number of variables to measure financial strength (FS), competitive advantage (CA), environmental stability (ES) and industry strength (IS).
- 2. Mark with consecutive numbers from +1 (worst) to
  +6 (best) for the variables of the FS and IS dimensions. Mark with consecutive numbers from -

1 (best) to -6 (worst) for the variables in the ES and CA dimensions.

- Calculate the average value of the variables for each dimension of FS, CA, IS and ES by adding up the values assigned to each variable in each dimension, then by dividing the number of variables included in each dimension.
- 4. Place the mean scores for FS, CA, IS and ES at the appropriate intersections in the Space Matrix.
- 5. Add the two x-axis values and map the results on the x-axis. Add both values on the y-axis and map the results on the y-axis. Map the intersection of the two points x and y.
- 6. Draw a vector direction from the 0.0 coordinates through the new point of intersection. These arrows indicate the type of strategy suggested for the company: aggressive, competitive, defensive, or conservative.

#### III. RESULTS AND DISCUSSION

# Analysis of External Environmental Conditions on Vivan Shoes

The external environment consists of elements outside the company's organization that are not directly related to the company. The micro and macro environment are included in the environment that does not directly affect the internal conditions of the Vivan Shoes Footwear SMEs.

#### Industrial environmental analysis on Vivan Shoes

The purpose of Porter's five competitive forces model (Porter's Five-Force Model) in micro-analysis is to determine the level of competition between industries which is very tight from the supply side of the industry, where an increase in supply in the industry will create a threat, and vice versa if there is a decrease in supply in the industry will create opportunities. This analysis is divided into several, namely:

1. Entry of New or Potential Competitors

The entry of new entrants is a threat to companies that already exist in the industry. This also affects the profits of existing companies. The level of competition



arises because each company fights for market share and positioning in the market. To seize market share and maintain position in the market in order to carry out price competition, advertising, product introduction, product innovation, service improvement, and product sales guarantee.

The entry of new competitors can affect the level of sales so that business actors are vying to win the hearts of customers. It can be seen that competitor data in the footwear sector in Ciomas Village, Bogor, are as follows:

TABLE II

|         |   | es' Competitor Name Table<br>iomas Village, Bogor |            |
|---------|---|---|------------|
| No.     | No. Competitors Address I               |   | Industrial |
|         |   |   | Year       |
| 1       | Jaya Wijaya Jl. Raya Laladon 1995       |   | 1995       |
|         |   | (Ciomas), Bogor 16610                             |            |
| 2       | Rona-Rona                               | Jl. Raya Rahayu                                   | 1990       |
|         |   | (Ciomas), Bogor 16610                             |            |
| 3       | Sinarjaya Jl. Papaya (Ciomas), 2000     |   | 2000       |
|         | Mulya                                   | Bogor 16610                                       |            |
| 4       | 4 Saswana Jl. Sinar Galih (Ciomas), 200 |   | 2006       |
|         |   | Bogor 16610                                       |            |
| Source: | Data processed by                       | the author. 2019                                  | 1          |

Source: Data processed by the author, 2019

#### 1. Pressure Replacement Product

Setting the ceiling price, substitute products limit the potential of an industry. If the footwear industry is unable to improve product quality or differentiate it, the industry's profits and growth can be threatened. The more attractive the price-performance exchange promised by substitute products, the heavier the pressure on the industry's profit potential. In the midst of rampant brands in the market with increasingly fierce price competition.

#### 2. Bargaining Power of Buyers

The bargaining power of buyers applies to products whose market is dominated by a few buyers. This is because the bargaining position of buyers is greater than that of the company. The bargaining power of buyers will make the company experience pressure because buyers have more power to switch to other companies if they are not satisfied. A strong buyer position can suppress selling prices, payment methods, shipping methods, and so on. This reduces the company's ability to create better profits.

#### 3. Bargaining power of suppliers

Bargaining power of suppliers occurs when the company is dependent on certain suppliers, so that the bargaining position of suppliers is higher than that of the company. Suppliers can influence companies to lower product prices, improve quality, and service.

4. Competition among Similar Companies

Pressure from the level of rivalry is a threat from similar products or those with similar functions and services, as well as having the same market segmentation. The things that most influence the pressure on the level of rivalry are price and quality factors. In a perfectly competitive market, a slight change in price will cause customers to switch to substitute products, as will a change in quality.

TABLE III The results of the analysis using the EFE Matrix Table of External Factor Evaluation (EFE) Matrix Analysis Results

| External Factors |                      | Weight | Rating | Weight<br>Score |
|------------------|----------------------|--------|--------|-----------------|
|                  | Opportunity          |        |        |                 |
| 1                | Big market potential | 0.179  | 3.1    | 0.555           |

| 2 | People's lifestyle<br>trends towards  |       |     |       |
|---|---|-------|-----|-------|
|   | footwear  | 0.190 | 3.3 | 0.627 |
| 3 | Increasing purchasing power of footwear in  |       |     |       |
|   | e-commerce  | 0.195 | 3.4 | 0.663 |
|   | Threat  |       |     |       |
| 1 | More complete and<br>innovative design of<br>competitors product<br>features supported by |       |     |       |
|   | advanced technology   | 0.212 | 3.7 | 0.784 |
| 2 | Competitors have well-  |       |     |       |
|   | known brands  | 0.224 | 3.9 | 0.874 |
|   | Total   | 1.00  |     | 3.503 |

Source: Data processed by the author, 2019

Based on the results of the EFE matrix of footwear SMEs in Ciomas District, it can be seen in Table 4.4. From the results of the above analysis calculations, it is 3.503. It can be seen that the opportunity factor for footwear SMEs in Ciomas District is the increasing purchasing power of footwear in ecommerce so that footwear becomes the main or primary consumer goods by 0.663. While on the threat factor the highest value is that competitors have a well-known brand with a weight of 0.874. Therefore, Vivan Shoes must produce more footwear and must be able to issue innovative products and must be able to compete with well-known brands.

# Analysis of Internal Environmental Conditions on Vivan Shoes

Internal aspects of Vivan Shoes in activities that are in the company's internal environment which include production activities and company operations. The marketing strategy produced by the company will have an impact on the company's internal environmental conditions, the following is an explanation of the internal factors in Vivan Shoes, which consist of:

## 1. Management

Management has 5 functions in carrying out its activities which consist of planning, organizing, motivating, staffing and controlling. Of the five functions, Vivan Shoes has not fully implemented it into its business activities, so Vivan Shoes needs to understand the management functions of the company well.

According to M. Irvan Rivai (2019), stated that the management of Vivan Shoes is still simple, starting from planning carried out in accordance with the company's vision and mission, not organizing and motivating employees and Vivan Shoes carrying out personal control by craftsmen in order to prevent products from being damaged failed before the sales process.

#### 2. Marketing

The footwear craftsmen in Ciomas Village already have a market segment to sell their products, one of which is Vivan Shoes which has been determined by the owner, namely at Pasar Anyar, Boutique, Online Shop and Mall, and through the website so that it can be easily purchased by shoppers consumer. For the marketing of Vivan Shoes in general, the owner focuses more on offline sales and for the development carried out by Vivan Shoes the owner has collaborated with customers who have social media accounts that have many followers.

#### 3. Finance

Finance is related to the company's ability to manage its assets. Vivan Shoes has a fairly high gross margin, this shows that this business has the ability to generate high financial returns. Because the price of the product sold by Vivan Shoes has a relatively lower cost of goods sold compared to its sales, Vivan Shoes will get a high profit. However, the fact is that sales in pairs are fluctuating so that it affects the company's finances in carrying out its operations. So it can be concluded that the financial management of Vivan Shoes has not been implemented properly.

#### 4. Production or Operation

Operations in this case relate to all activities that convert inputs into outputs, which involve inventory, manufacturing processes and services provided by employees directly so that customer satisfaction can be achieved.



In carrying out production or operations at Vivan Shoes, it is divided into two, namely the inventory section which looks for raw materials to make footwear such as (Glue, Materials, Shoe Soles, Yarn, Fiber and so on) and ensures the amount of inventory needed is always fulfilled and the production department in charge ensure quality products (outputs) that are accepted by consumers.

#### The results of the analysis using the IFE Matrix

Analysis of the internal environmental conditions of footwear SMEs in Ciomas through functional aspects which include aspects of finance, marketing, operations, and human resources so as to produce several factors that become strengths and weaknesses. Internal factors were analyzed using the Internal Factor Evaluation Matrix (IFE) analysis method. The results of the IFE matrix of footwear SMEs in Ciomas can be seen in the table below.

TABLE IV Table of Internal Factor Evaluation (IFE) Matrix Analysis Results

| 14 | ole of Internal Factor Evaluat<br>Internal Factors | Weight | Rating | Weight |
|----|--|--------|--------|--------|
|    |  |        |        | Score  |
|    | Strength   |        |        |        |
| 1  | Product are designed                               |        |        |        |
|    | by hand or handmade                                | 0.146  | 3.9    | 0.5694 |
| 2  | Have a close                                       |        |        |        |
|    | relationship between                               |        |        |        |
|    | business owners and                                |        |        |        |
|    | workers  | 0.135  | 3.6    | 0.486  |
| 3  | Supported by                                       |        |        |        |
|    | experienced craftsmen                              |        |        |        |
|    |  | 0.124  | 3.3    | 0.4092 |
| 4  | Competitive and                                    |        |        |        |
|    | affordable product                                 |        |        |        |
|    | prices   | 0.138  | 3.7    | 0.5106 |
|    | Weakness   |        |        |        |
| 1  | The existence of                                   |        |        |        |
|    | capital dependence on                              |        |        |        |
|    | the customer                                       | 0.116  | 3.1    | 0.3596 |
| 2  | Promotion that has not                             |        |        |        |
|    | been effective and                                 |        |        |        |
|    | sustainable  | 0.105  | 2.8    | 0.294  |
| 3  | The attitude of the                                |        |        |        |
|    | owner who does not                                 |        |        |        |
|    | dare to take risk                                  | 0.082  | 2.2    | 0.1804 |
| 4  | Shoe production to                                 |        |        |        |
|    | order  | 0.075  | 2      | 0.15   |
| 5  | Lack of supporting                                 |        |        |        |
|    | equipment and                                      |        |        |        |
|    | technology facilities                              | 0.079  | 2.1    | 0.1659 |
|    | Total  | 1.00   |        | 3.503  |

Source: Data processed by the author, 2019

Analysis of the internal environmental conditions of Vivan Shoes footwear SMEs in Ciomas District is based on Table 4. IFE matrix, the weight score from the analysis results is 3.1251. From the total score, it can be seen that the highest value strength factor is the product designed by hand or handmade with a score of 0.5694. Meanwhile, from the weakness factor, the highest value is the dependence of capital on the customer with a score of 0.3596. Therefore, Vivan Shoes must be able to make maximum use of hand or handmade designs and invite more collaborations with third parties in order to help capital to make more shoes.

#### Application of Marketing Strategy for Vivan Shoes

#### **IE Matrix**

The IE matrix is a combination of the EFE and IFE matrices. The purpose of using this model is to obtain a more detailed corporate-level business strategy. Based on the EFE and IFE Vivan Shoes matrix, it can be described in the IE matrix which can be seen in the image below.

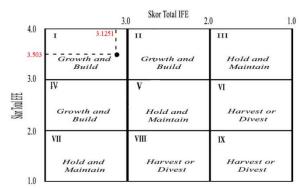


Fig.3 IE Vivan Shoes Matrix

Source: Data processed by the author, 2018

After the IFE and EFE matrix scores are matched with the IE matrix, it can be seen that the position of the Vivan Shoes footwear SMEs is in quadrant I, which illustrates that the footwear SMEs are in the Growth and Build area. In this quadrant, a business entity must carry out an intensive strategy or an integrative strategy. Intensive strategies can be in the form of market penetration strategies, market development, and product development. Integrative strategies can be in the form of backward integration strategy (acquisition of suppliers),



forward integration (acquisition of distributors), and horizontal integration (acquisition of similar competitor companies). The company's position must match the type of strategy generated in the SWOT matrix, namely strategies that are market penetration, market development or product development.

#### SWOT Matrix

The analysis uses a SWOT matrix to determine the strategic planning that will result from the analysis. The internal factors at Vivan Shoes Berkat include management, marketing, finance, production, research and development and management information systems. Macro external factors consist of socio-demographic, technology, economic, environmental, political, and legal. While the external macro environmental factors include the threat of new entrants, the level of rivalry of competitors, the pressure of substitute products, the bargaining power of buyers and the bargaining power of suppliers.

#### **Space Matrix**

Space Matrix (Strategic Position and Action Evaluation) is used to map the condition of the company using a model presented using a Cartesian diagram consisting of 4 quadrants with the same size scale. The framework of the four quadrants indicates whether to indicate an aggressive, conservative, defensive, or competitive strategy.

The following is the result of the calculation of the space matrix using EFE and IFE analysis.

| TABLE V |                                  |          |  |
|---------|----------------------------------|----------|--|
| 0       | pportunity Calculating with Spac | e Matrix |  |
| No.     | Opportunity (O)                  | Weight   |  |
|         |                                  | Score    |  |
| 1       | Big market potential             | 0.179    |  |
| 2       | People's lifestyle trends        |          |  |
|         | towards footwear                 | 0.190    |  |
| 3       | Increasing purchasing            |          |  |
|         | power of footwear in e-          |          |  |
|         | commerce                         | 0.195    |  |

Source: Data processed by the author, 2019

| No.         | Threat (T)             | Weight |
|-------------|------------------------|--------|
|             |                        | Score  |
| 1           | More complete and      |        |
|             | innovative design of   |        |
|             | competitors product    |        |
|             | features supported by  |        |
|             | advanced technology    | 0.212  |
| 2           | Competitors have well- |        |
|             | known brands           | 0.224  |
| Total 0.436 |                        |        |

Source: Data processed by the author, 2019

| TABLE VII |
|-----------|
|           |

|     | Strength Calculating with Space | Matrix     |
|-----|---------------------------------|------------|
| No. | Strength(S)                     | Weight     |
|     |                                 | Score      |
| 1   | Product are designed by         |            |
|     | hand or handmade                | 0.146      |
| 2   | Have a close relationship       |            |
|     | between business owners         |            |
|     | and workers                     | 0.135      |
| 3   | Supported by experienced        |            |
|     | craftsmen                       | 0.124      |
| 4   | Competitive and                 |            |
|     | affordable product prices       | 0.138      |
|     | Total                           | 0.543      |
|     | Source: Data processed by the   | uthor 2010 |

Source: Data processed by the author, 2019

|     | TABLE VIII                             |        |  |  |  |
|-----|--|--------|--|--|--|
| 1   | Weakness Calculating with Space Matrix |        |  |  |  |
| No. | Weakness (W)                           | Weight |  |  |  |
|     |  | Score  |  |  |  |
| 1   | The existence of capital               |        |  |  |  |
|     | dependence on the                      |        |  |  |  |
|     | customer                               | 0.116  |  |  |  |
| 2   | Promotion that has not                 |        |  |  |  |
|     | been effective and                     |        |  |  |  |
|     | sustainable                            | 0.105  |  |  |  |
| 3   | The attitude of the owner              |        |  |  |  |
|     | who does not dare to take              |        |  |  |  |
|     | risk                                   | 0.082  |  |  |  |
| 4   | Shoe production to order               | 0.075  |  |  |  |
| 5   | Lack of supporting                     |        |  |  |  |
|     | equipment and technology               |        |  |  |  |
|     | facilities                             | 0.079  |  |  |  |
|     | Total 0.457                            |        |  |  |  |
|     | D ( 11 d d                             | 2010   |  |  |  |

Source: Data processed by the author, 2019

Calculation with the Space Matrix is as follows:

| i      | Threat (T) average<br>Opportunity (O) average<br>X axis | $\begin{array}{rrr} : -0.436/2 &= -0.218 \\ : 0.564/3 &= 0.188 + \\ &- 0.03 \end{array}$ |
|--------|---|--|
| 1<br>1 | Weakness (W) average<br>Strength (S) average<br>Y axis  | : -0.457/5 = -0.914<br>: 0.543/4 = 0.136 + -0.778  |



TABLE VI Threat Calculating with Space Matrix

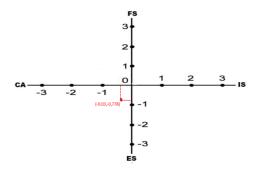


Fig.3 *Matrix Space* Vivan Shoes Source: Data processed by the author, 2019

Based on the results of calculations using the SPACE matrix, the position of Vivan Shoes is in a conservative position. Where the company is in the CA (Competitive Advantage) quadrant and ES (Environmental Stability) quadrant. From the Economic Stability quadrant, the company grew due to improving economic conditions, which affected purchasing power and access to business in the material and leather sector, one of which was footwear.

In terms of industrial stability, the footwear industry is very competitive because the industry is easy for anyone to enter because the requirements for entering the industry are very easy. In terms of the company's competitive advantage is weak compared to the company's weaknesses. Where the biggest threat is where the quality of footwear and consumer tastes are always changing rapidly following the latest trends.

The company's defensive advantage should focus on improving internal weaknesses and avoiding external threats. Under these conditions, companies can implement strategies for market penetration, market development, product development and concentric diversification.

## IV. CONCLUSION AND SUGGESTION

The results of the analysis that has been carried out on Vivan Shoes, then obtained several conclusions, namely:

1. From the external analysis of Vivan Shoes, it can be concluded that footwear is a primary need, not only for stylish footwear, it is also the main need for living things in various activities carried out indoors and outdoors. In this external analysis, it can be divided into several factors that become opportunities and threats by using a matrix. It can be seen that the results of external analysis calculations with the main opportunity of footwear SMEs in Ciomas is the increasing purchasing power of footwear in ecommerce so that footwear becomes the main consumer goods or primary with a score of 0.663 and a threat for Vivan Shoes is a competitor with a wellknown brand with a score of 0.874. If you look at the threat, Vivan Shoes does not have a well-known brand and very few people know about Vivan Shoes' products, so that with the existence of a well-known brand, this footwear will be threatened.

- 2. From the internal analysis of Vivan Shoes footwear, which shows that the internal conditions are quite strong, the product designed by hand or handmade is the main strength with a score of 0.5694 and the weakness of Vivan Shoes is the dependence of capital on the customer with a score of 0.3596. When viewed from the strength of Vivan Shoes, the product is designed by hand so that the products made by Vivan Shoes have an advantage because craftsmen make footwear carefully and uniquely so that the product has the best quality. The weakness of Vivan Shoes is that it does not have a lot of capital so that the products are made only according to customer requests.
- 3. From the results of the analysis of the IE matrix and the space matrix, as follows:
  - a. The IE matrix, Vivan Shoes is in quadrant I, namely Growth and Build. With this condition, Vivan Shoes can use an intensive strategy or an integrative strategy. Based on the SWOT matrix, SO's strategy is to penetrate the market by expanding market share and focusing on improving the quality of raw materials and increasing product quantity. The WO strategy is to conduct motivational, entrepreneurship training, and improve (supervision) quality management performance for craftsmen. The



WT strategy is to use modern technology (design) to produce quality innovative products supported by an effective ratio strategy. ST's strategy is to build cooperation with stakeholders (suppliers and competitors) to maintain quality and bring up product characteristics to anticipate business competitors.

b. Based on the space matrix, Vivan Shoes' position is in a conservative position. Where the company is in the CA (Competitive Advantage) quadrant where the weight score for opportunities is smaller than the threat weight score and in the ES (Environmental Stability) quadrant where the weight score for strengths is greater than the weakness weight score. Under these conditions, companies can implement strategies for market penetration, market development, product development, and concentric diversification.

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