

Development Strategy of Accessories Crafts in Jombang District Using Swot Analysis

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Abstract – This study aims to analyze the development of the bead accessories industry in Plumbon Gambang village, Gudo District, Jombang Regency. by identifies internal and external factor that will be used to formulate a strategy using SWOT analysis. Data collection techniques used were interviews, questionnaires, and observation and documentation.

The results of the study using SWOT analysis with the IFE and EFE matrices are known that the appropriate strategy for the industrial accessories of the village of Plumbon Gambang beads is market penetration and product development. This strategy can be implemented by utilizing support from the Jombang local government, especially for capital problems, improving the skills of the workforce, and equipment and market information through related agencies.

Key Words : Development Strategy, SWOT Analysis

I. INTRODUCTION

The development program implemented by the Government aims to establish the independence of individual communities which includes the independence of thinking and independence to act so that they have cognitive, affective, conative and psychomotor abilities.

Businesses in Indonesia, 90% dominated by micro, small and medium enterprises. SMEs is one of the business units are labor-intensive and can sustain a democratic economic development are being programmed current government. For that the government provides various facilities in licensing, tax relief as well as provide direction and guidance for small businesses (Taufiq, 2007).

However, in the ordinary course of business, SMEs are faced with many problems such as lack of capital, poor quality of human resources and lack of mastery of science and technology. It is generally caused by SMEs is a family owned business (home industry) that do not yet have access to capital and the lack of separation between private business capital needs.

It happens in SMEs Accessories beads Plumbon Gambang village, District Gudo, Jombang, is also the home industry which is currently experiencing rapid development. This effort resulted in products such as jewelry, accessories such as necklaces, bracelets, beads, brooches and belts. All of these are traditionally produced by using simple tools so it can not be

mass produced, although a lot of the availability of cheap labor in the area.

In go international, business operators beads accessories Plumbon Gambang village Gudo, also faces a number of obstacles such as free trade so we need the right marketing strategy in order to survive in a variety of increasingly fierce competition today.

From the background above, the problem in this research is How the development strategy conducted related to the existence of the craft industry accessories beads in Gambang Plumbon Gambang village, district Gudo, Jombang by using SWOT analysis.

II. LITERATURE REVIEW

Strategy is defined as long-term goals of the company as well as the utilization and allocation of resources necessary to achieve its objectives (Rangkuti, 2002). Besides Rangkuti (2006) also said that the strategy is a tool for creating a competitive advantage for the company so the strategic focus of deciding whether an attempt should be operated or to be closed. While, according Kuncoro (2005) strategy is the number of decisions aimed at achieving goals, which is to adjust the organization's resources with the opportunities and challenges facing companies in the environmental industry. From the second opinion that the strategy can be considered as a tool that companies use to achieve the goal of connecting the strength of the company's strategy and environments faced by allocating resources needed for the company's goal can be achieved.

The development strategy is the action of top management to develop and realize their business so it can affect the long-term organizational life, taking into account internal factors (strengths and weaknesses) and external (opportunities and threats) facing the company (David, 2004). Besides, it also sets long-term goals, makes alternative strategies and choose the strategy that can be used in carrying out their business activities. Medium business development strategies covers management strategies, investment strategies and business strategies.

To formulate a corporate strategy one of them is by using SWOT analysis to maximize the strengths and opportunities and minimize your weaknesses and threats, which includes

five steps: 1. Set up a SWOT session 2. Identify the strengths and weaknesses 3. Identify opportunities and threats 4. Determine the ranking of the strengths and weaknesses 5. Analyze strengths and weaknesses.

While the benefits of SWOT analysis is to increase knowledge and understanding of the organization (Rahardi, 2008), and finding strategic compatibility between opportunities and strengths besides the threats and weakness.

The SWOT matrix combines four cells into alternative strategies, namely S-O strategy requires companies able to take advantage of opportunities through its internal strength. W-O strategy in which companies can minimize weaknesses by taking advantage of opportunities. S-T strategy in which companies can optimize its strengths to avoid the threat and WT strategy requires companies to minimize weaknesses and avoid threats (Rangkuti, 2006).

III. RESEARCH METHODS

This type of research is descriptive research that is directed to provide symptom, facts, or events systematically and accurately, which is related to the population or a particular region. The study was conducted in the village of Plumbon Gambang, District Gudo, Jombang on accessories company in the form of beads.

Data collection techniques used in this research is observation, interviews, questionnaires and documentation. Interviews were conducted in depth with the use of informants as a source of data. While that is used as informants in this study were the owners of the beads companies in the village of Plumbon Gambang, Gudo District, Jombang.

Data analysis techniques used in this study is a SWOT matrix analysis to analyze the internal and external factors as follows:

Table 1 : Matrix SWOT

	Strength (S) Determine 1-10 internal strength factors	Weakness (W) Determine 1-10 internal weakness factors
Opportunities (O) Determine 1-10 external Opportunities factors	S-O Strategy Creating a strategies that uses strength to take of advantage opportunities	W-O Strategy Creating strategies that minimize weaknesses to take of advantage opportunities
Threats (T) Determine 1-10 external Threats (T) factors	S-T Strategy Creating strategies using strength to overcome threats	W-T Strategy Creating strategies that minimize weaknesses and avoid threats

IV. ANALYSIS AND DISCUSSION

General Description of Accessories Business the Plumbon Gambang Village

Industry craft accessories in this case the beads in the village of Plumbon Gambang become an icon for Micro, Small and Medium Enterprises are the mainstay of Jombang. The Plumbon Gambang village accessories industry produces craft jewelry bead and accessories such as necklaces, bracelets, brooches and belts beads.

Formulation Development Strategy Beads Accessories Industry in the Village of Plumbon Gambang, with a SWOT Analysis

1. Internal Factor Analysis

Internal factors will be distinguished strengths and weaknesses that are analyzed based on the results of interviews and questionnaires from the bead accessories business in the village of Plumbon Gambang. Each of these factors is given weight and rating as follows:

Table 2 : Internal Factor Evaluation (IFE)

Factor	Weight	Rating	Score
Strenght			
1. Initial business establishment of a business does not require a large capital	0,10	4	0,40
2. All goods produced are sold out	0,15	3	0,45
3. The equipment used for the production process is quite simple	0,15	3	0,45
4. There is support from the Regional Government.	0,10	4	0,40
Weakness:			
1. The quality of human resources of the business is still relatively low	0,20	2	0,40
2. Limited capital	0,15	3	0,45
3. Limited market information, so the order buyer is often not met properly.	0,15	2	0,30
	1		2,85

2. External Factor Analysis

In the external factors are distinguished on the opportunities and threats are determined based on the results

of interviews and questionnaires of businesses beads accessories in the village Plumbon Gambang by weight and rating as follows:

Table 3 : External Factor Evaluation (EFE)

Factor	Weight	Rating	Score
Opportunity			
1. Many labor and cheap available	0,10	3	0,30
2. Availability of raw materials are plentiful and easy to obtain	0,10	3	0,30
3. Accessories products are the mainstay products of Jombang Regency	0,15	4	0,60
4. Accessories from Plumbon Gambang Village are in great demand by foreign consumers	0,15	3	0,45
Threats:			
1. The price of raw materials is not stable	0,10	3	0,30
2. Number of competitors from outside Jombang Regency	0,20	2	0,40
3. The emergence of competitors from companies that produce modern bead accessories with more varied models.	0,20	2	0,40
	1		2,75

3. Internal and External Matrix Analysis (I-E)

Internal and External (I-E) matrix analysis is produced by combining information from tables 1 and 2 to determine the company's position making it easier to choose alternative strategies that can be used for the operations of the bead accessories industry in the village of Plumbon Gambang. Based on the results of the IFE and EFE matrix values it can be seen that the competitive position of the Plumbon Gambang village bead accessories industry is in quadrant 5. and in that position the appropriate strategy is market penetration and product development Penetration can

be done by increasing market promotion and communication so that the production results can be known to the wider public and thus sales turnover can be increased. Product development can be done by improving product quality and product innovation both in models and equipment so as to produce quality bead accessories products that are more attractive to a wider market and can reach a wider foreign market.

4. SWOT Analysis Matrix

Internal Factor	Strenght <ol style="list-style-type: none"> 1. Initial business establishment of a business does not require a large capital 2. All goods produced are sold out 3. The equipment used for the production process is quite simple 4. There is support from the Regional Government 	Weakness: <ol style="list-style-type: none"> 1. The quality of human resources of the business is still relatively low 2. Limited capital 3. Limited market information, so the order buyer is often not met properly.
External Factor	Opportunity <ol style="list-style-type: none"> 1. Many labor and cheap available 2. Availability of raw materials are plentiful and easy to obtain 3. Accessories products are the mainstay products of Jombang Regency 4. Accessories from Plumbon Gambang Village are in great demand by foreign consumers 	Strategy S-O <ol style="list-style-type: none"> 1. Utilizing available labor to increase the amount of production produced so as to meet market demand. 2. Optimizing business management with the support of the Regional Government to make the village of Plumbon Gambang a successful industrial center for bead Accessories 3. Utilizing the availability of raw materials that are easily obtained as well as the use of simple tools to always make more attractive and innovative models.
		Strategy W-O <ol style="list-style-type: none"> 1. Utilizing government support to overcome the limited capital used by businesses so that they can increase their production to meet foreign market demand. 2. Low quality human resources can be overcome with training and coaching conducted by the government. 3. Maximizing market information and using promotional media such as print and electronic media to reach wider consumers.

Threats:	Strategy S-T	Strategy W-T
<ol style="list-style-type: none"> 1. The price of raw materials is not stable 2. Number of competitors from outside Jombang Regency 3. The emergence of competitors from companies that produce modern bead accessories with more varied models 	<ol style="list-style-type: none"> 1. Increase promotional activities by participating in events carried out by the government so that the Plumbon Gambang village bead accessories industry is better known to the public and can reach a wider market. 2. Increasing and developing more varied and innovative products in order to remain able to compete with other similar industries 	<ol style="list-style-type: none"> 1. Develop market information so that it can better meet the expectations and desires of an ever-changing market. 2. Creating product innovation, adding variety to the product so that it can have high attractiveness. 3. Establish cooperation with other traders outside the Jombang area so that the distribution process can be wider.

Discussion

Based on the results of the SWOT analysis of the bead accessories industry in the village of Plumbon Gambang Gudo which is in quadrant 5 where the appropriate competition strategy is market penetration and product development. Penetration can be done by increasing market promotion and communication. While product development can be done by improving product quality and product innovation so that it can reproduce new forms and models in accordance with the development of wider market demand.

The limited capital experienced by business actors can be overcome by proposing KUR at a Bank appointed by the Government to assist MSMEs in carrying out their operational activities. In addition to low interest, the submission process through KUR is easier and faster. With sufficient capital, business actors can increase the number of sales by increasing product quality and looking for new models that are more varied and also increase promotion both by utilizing social and electronic media and can also utilize social media so that the accessories industry in Plumbon Gambang Gudo village can be wider known.

Develop cooperation with the bead accessories industry players through containers such as cooperatives that can coordinate the needs of business actors such as raw materials, market information, distribution and marketing so that businesses can increase their business and can meet wider market demands even to foreign markets countries such as Singapore, Malaysia, Thailand, Vietnam and Hong Kong.

V. CONCLUSION

1. Internal Factors that influence the development of the business of bead accessories in the village of Plumbon Gambang Gudo are the beginning of the establishment of businesses that do not require large capital, goods produced are sold out, equipment used is quite simple and there is support from the Regional Government and the quality of human resources of business actors is still classified low, limited capital owned by business actors and limited market information, so that buyers' orders often cannot be fulfilled properly.
2. External factors include a lot of available and cheap labor, raw materials are overflowing and easily obtainable, bead accessories are the mainstay

products of Jombang Regency and accessories produced by Plumbon Gambang Gudo Village are in great demand by foreign consumers and the price of raw materials is unstable, many competitors from outside the Jombang Regency and the emergence of competitors from companies that produce modern bead accessories with more varied models.

3. Strategies that can be used for the development of the bead accessories industry in the village of Plumbon Gambang Gudo are market penetration strategies and product development. Penetration can be done by increasing market promotion and communication so that the products can be sought by the wider community and even abroad so that the sales turnover can increase. While product development can be done by improving product quality and product innovation so that it can reproduce new forms and models in accordance with the development of wider market demand.

Suggestion

Jombang District Government's support for the empowerment of MSMEs is further enhanced by reducing existing barriers and participating in promoting MSME production in Jombang, particularly the Plumbon Gambang Gudo bead accessories industry, so that it is better known to the wider community and even abroad.

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