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SWOT Analysis to Determine Competitive Strategy at PT. Oceanias Timber Products

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Abstract: This research aims to determine a competitive strategy for PT. Oceania Wood Products through SWOT analysis. This analysis identifies company strengths such as high product quality and an extensive distribution network, as well as weaknesses such as dependence on imported raw materials and high production costs. Based on the results of the SWOT analysis, the recommended competitive strategies include: environmentally friendly product diversification, optimizing production cost efficiency, expanding into international markets, and partnership building strategies. Implementation of this strategy is expected to strengthen PT's market position. Oceania Wood Products, increase competitiveness, and achieve sustainable growth.

Keywords: SWOT Analysis, Competitive Strategy, PT. Oceanias Timber Products

INTRODUCTION

Competition between companies today is greatly influenced by globalization, technology and rapid market changes. Companies are competing to maintain and increase market share, product innovation, customer service, and operational efficiency in order to remain relevant and sustainable in this ever-evolving era. Additionally, competitive trends also include a focus on sustainability, corporate social responsibility, and adaptation to changing global regulations and policies. Additionally, competition is intensifying with the emergence of startups and new technology companies that are disrupting traditional industries with innovation and new business models. Companies must continue to adapt and develop effective strategies to remain competitive in this dynamic market (Nursalam, 2023).

In facing increasingly fierce competition, companies must also pay attention to strong marketing and branding strategies to differentiate themselves from competitors, as well as maintain customer satisfaction so they remain loyal. In addition, collaboration between companies is also becoming increasingly important, whether through strategic partnerships, joint investments, or developing mutually beneficial business ecosystems. By continuously observing market trends and adjusting business strategies, companies can remain competitive and develop amidst ever-changing competitive dynamics. Apart from that, companies must also anticipate changes in technology and rapidly changing consumer trends. This includes

investing in research and development to create innovative products and services, as well as using data analytics to better understand customer needs and preferences. Flexibility and the ability to adapt are the keys to winning competition in today's rapidly changing market (Mursalina, 2024).

To overcome this competition, each company will carry out competitive strategies to maintain company management. In terms of competitive strategy, companies can adopt several effective approaches. One of them is product or service differentiation, namely by creating unique added value for customers so that the company can differentiate itself from competitors. Additionally, a focus on operational efficiency is also important, including the use of technology to increase productivity and reduce costs. Developing competitive advantages through strategic partnerships or acquisitions can also be an effective strategy for expanding market share or gaining access to new technologies and resources. Furthermore, adapting to market trends and customer needs quickly is also crucial, as well as maintaining high product and service quality to build customer trust. By implementing these strategies holistically, companies can strengthen their position in today's intensive competition.

The discussion of competitive strategy in this paper is very broad and includes competitive strategy in international markets, considering that PT. Oceanias Timber Products is a company that operates in the export sector. In the international market, business transactions between countries are connected, namely one country with another country. PT. Oceanias Timber Products is a company that operates in the wood processing industry in the Southeast Asia region (Tirtayasa, 2019). In determining a competitive strategy, companies need to consider several factors. First, is the global and regional market situation for wood products. This includes demand, prices, competition and international trade regulations regarding wood. Second, are consumer trends related to wood products, such as the tendency for environmentally friendly products and sustainability certification. Apart from that, PT. Oceanias Timber Products also needs to consider its internal strengths and weaknesses, such as production technology, access to raw materials, and distribution capacity. From here companies can formulate effective competitive strategies, such as product differentiation, focus on innovation and sustainability, new market expansion, or collaboration with strategic partners (Jakiyudin, 2023). By paying attention to the market context and internal strengths, PT. Oceanias Timber Products can direct its efforts to remain competitive and thrive in this dynamic industry.

So in this case, based on the above background, wood production has become one of the most popular among Indonesian people and is utilized by businesses to produce wood both nationally and internationally, so there is a need for Swot Analysis strategies that can help realize competitiveness both nationally and internationally. Therefore, this scientific paper is entitled "Swot Analysis to Determine Competitive Strategies at PT. Oceanias Timber Products" with the aim of being able to identify the strengths, weaknesses, opportunities and threats of an organization in manufacturing production. By understanding these factors, timber businesses can develop more effective strategies to increase competitiveness in the market.

METHOD

The methodology in this research is to use qualitative research. Moleong (2017, p. 8) stated that qualitative research is used to understand the naturalistic phenomenon or condition of an object and the presentation of data is not done by expressing it numerically because the data presentation is quantitative. Qualitative research findings also go deeper to understand phenomena from a complex and contextual perspective. Findings from qualitative research are often descriptive and interpretive, providing in-depth understanding of various aspects of the phenomenon under study. As well as identifying the main themes that emerge from the data

and patterns that may exist in it. This can help in understanding relevant issues and relationships between various variables.

Data collection for this research uses literature studies. The use of this data is to support relevance data in scientific papers without direct field research. This is in accordance with the aim of literature study techniques which can help researchers to develop critical analyzes of existing studies, identify weaknesses or strengths in previous research, and understand how their research can contribute to the same topic.

Apart from that, the explanation of the Swot Analysis that will be used in this research is as follows (Kamaluddin, 2020):

1. Strengths
Strengths are internal resources that provide a company with a competitive advantage. These can be physical assets (e.g. the latest technology, strategic location), operational advantages (efficient production processes, low costs), or other factors such as a strong brand or a high-quality management team.
2. Weaknesses
Weaknesses are internal factors that hinder a company's performance or reduce its competitiveness. This could be resource limitations (e.g. financial constraints or outdated infrastructure), lack of innovation, lack of expertise or experience in a particular area, or other internal problems.
3. Opportunities
Opportunities are external factors that a company can exploit to achieve growth or competitive advantage. This could be a positive market trend, a regulatory change that supports a company's business, the expansion of a new market, or a new technology that enables product or process innovation.
4. Threats
Threats are external factors that can hinder or threaten the continuity of a company's business. This could take the form of intensified competition, adverse changes in government policy, changes in consumer trends, or other risks such as rising raw material prices or an economic crisis.

By conducting a SWOT analysis, a company can identify its relative position in the market, identify areas where the company has advantages and areas where the company needs to improve its performance, as well as identify opportunities and threats that may affect its business in the future. This analysis can be the basis for formulating effective competitive strategies and making the right strategic decisions.

RESULTS AND DISCUSSION

Competitive Strategy Analysis

Competitive strategy is a plan or approach used by a company to win competition with its competitors in a market or industry, with the aim of achieving competitive advantage and achieving set business goals. Competitive strategy is the steps taken by a company to position itself optimally in a competitive market. This involves using the competitive advantages a company has, whether in terms of products, services, costs, or market focus, to overcome competitors and win the competition. By implementing appropriate competitive strategies, companies can achieve sustainable advantages and gain a strong market share. There are several types of competitive strategies that are commonly used:

- Differentiation: This strategy involves creating a product or service that is unique or has added value that is different from competitors. By doing this, companies can attract customers by offering something unique or special that cannot be found anywhere else.
- Low Cost: A low cost strategy involves producing or providing a product or service at a lower cost than competitors. This allows companies to offer lower prices to customers, which can be an important factor in attracting customers and winning market share.

- A focus strategy involves selecting a particular market segment or particular product segment and focusing the company's efforts on meeting the needs of customers in that segment. By focusing on specific market segments, companies can more effectively meet customer needs and build strong relationships with them.
- Innovation strategies involve creating new products or services or significantly improving existing products or services. By doing this, a company can differentiate itself from competitors and attract customers by offering something new or better.
- This strategy involves collaborating with other companies to achieve common goals or expand market reach. Through strategic partnerships, companies can access new resources, technologies, or markets that they might not be able to reach on their own.

Each company must choose a competitive strategy that suits the strengths, weaknesses, opportunities and threats it faces, as well as the market and industry conditions in which it operates. By implementing the right competitive strategy, a company can increase its competitiveness, win market share, and achieve long-term success.

External and Internal Analysis of the Business Environment of PT. Oceanias Timber Products

Table 1. Analysis of External and Internal Environmental Factors at PT. Oceanias Timber Products

No	Internal factors	External Factors
	Strength	Opportunity
1	1. Provide the best quality 2. Guarantee by providing cheap and good prices 3. Provide products according to customer wishes	1. Banking as an alternative source company capital 2. Purchases can be made via the internet in industrial markets
	Weakness	Threat
2	1. Limitations in obtaining capital sources 2. Lack of promotion 3. Limited low quality resources	1. The supply of raw materials is increasingly limited 2. Many competitors sell cheap prices 3. Licensing problems which increase costs

SWOT Quadrants and Matrix

The SWOT matrix quadrant is a strategic analysis tool used to identify and evaluate internal factors (Strengths and Weaknesses) and external factors (Opportunities and Threats) that influence an organization, project, or business. This matrix consists of four quadrants, each of which helps in the formulation of effective strategies. In addition, through a deep understanding of the SWOT matrix quadrants, organizations can identify key areas that need to be improved or exploited. This enables them to formulate more focused and effective action plans to improve performance, overcome challenges and take advantage of opportunities that exist in their business environment.

In addition, the SWOT matrix can also help in making better strategic decisions, as it strengthens the understanding of the organization's relative position in the market and the factors that influence it. Thus, the SWOT matrix is not only an analysis tool, but also a very valuable tool in strategy development and business planning (Carina, 2022). Additionally, with Quadrants, companies can visualize their relative position in the industry based on two dimensions: market growth and market share. Meanwhile, the SWOT Matrix helps companies identify internal (strengths and weaknesses) and external (opportunities and threats) factors that can influence their performance. By better understanding its business position and

conditions, companies can take more informed and effective strategic steps to improve their performance and competitiveness (Assyla, 2022).

In this case, before creating a SWOT quadrant, it is best to calculate the weights and ratings of internal and external factors using IFAS (Internal Factor Analysis Summary Matrix) and EFAS (External Factor Analysis Summary Matrix). The following table is below:

Table 2. Internal Factor Analysis Summary (IFAS) Matrix

No	Strengths (S)	Weight	Ratings	Score
1	Provide the best quality	0.30	2	0.60
2	Guarantee by providing cheap and good prices	0.25	3	0.75
3	Provide products according to customer wishes	0.20	3	0.60
Amount		0.75	8	1.95

No	Weaknesses (W)	Weight	Ratings	Score
1	Limitations in obtaining capital sources	0.11	3	0.33
2	Lack of promotion	0.06	2	0.12
3	Limited natural resources of poor quality	0.08	3	0.24
Amount		0.25	8	0.69
Total		1.00	16	2.64

Based on the table above, it shows that the total IFAS matrix results of PT. Oceanias Timber Products by showing the total score in the results of internal factor analysis with a total score of 2.64, this figure is in the above average category, which indicates that the internal conditions in the PT business. Oceanias Timber Products is well positioned. Furthermore, for the internal strategy factor (weaknesses), the highest weight is based on the weakness table with a value of 0.11, namely "Limitations in obtaining capital sources" followed by a value of 0.08, namely "Limitations of low-quality natural resources" and a value of 0.06 "Lack of promotion".

Table 3. External Factor Analysis Summary (EFAS) Matrix

No	Opportunities (O)	Weight	Ratings	Score
1	Banking as an alternative source company capital	0.40	3	1.20
2	Purchases can be made via the internet in industrial markets	0.35	3	1.05
Amount		0.75	6	2.25

No	Threats (T)	Weight	Ratings	Score
1	Limitations in obtaining capital sources	0.11	3	0.33
2	Lack of promotion	0.06	2	0.12
3	Limited natural resources of poor quality	0.08	3	0.24
Amount		0.25	8	0.69
Total		1.00	14	2.94

Based on the table above, it shows that the total results of PT. EFAS matrix. Oceanias Timber Products with a total score of 2.94, this result shows above average. Thus, the score obtained indicates that PT Oceanias Timber Products can take advantage of the opportunities it has and avoid external threats.

Table 4. PT SWOT Matrix. Oceanias Timber Products

SO Strategy	WO Strategy	ST Strategy	WT Strategy
PT. Oceanias Timber Products can utilize its advanced production technology to meet market demand for environmentally friendly wood products. By focusing on innovation in more efficient and sustainable wood processing, companies can attract customers who care about the environment. As well as a competent management team at PT. Oceanias Timber Products can lead initiatives to improve digital marketing. With an effective digital marketing strategy, companies can reach more customers, increase brand awareness, and take advantage of e-commerce trends to increase sales.	The company lacks expertise in research and development (R&D), PT. Oceanias Timber Products may seek collaboration opportunities with universities or research centers. This will help the company develop innovative new products and increase its competitiveness in the market.	PT. Oceanias Timber Products can utilize its advanced production technology to increase efficiency and product quality. This can help a company compete with other manufacturers who may offer similar products at lower prices or the same quality. Strong operational capabilities enable PT. Oceanias Timber Products to manage supply chains more effectively. This includes diversifying suppliers and using technology to monitor and optimize supply chains, so companies can weather possible disruptions.	PT. Oceanias Timber Products can invest in improving production technology through the purchase of new equipment or upgrading existing systems to reduce costs and increase efficiency. Additionally, companies can offer training to improve employees' skills so they can maximize the use of the technology.

By using these strategies effectively, Oceanias Timber Products can increase their competitiveness, overcome complex market challenges, and achieve long-term success. Thus, implementing these strategies is a key step in the growth and sustainability of PT. Oceanias Timber Products in a competitive industry. Apart from that, SWOT analysis for PT. Oceanias Timber Products shows that companies can leverage strengths such as high quality products, modern production technology, and good reputation to capture growing market opportunities and increasing demand for environmentally friendly products. Meanwhile, companies need to overcome weaknesses such as limited human resources and capital, as well as a lack of product diversification, with strategies such as increasing training, product diversification, and tight financial management. Facing threats such as intense competition and fluctuations in raw material prices, companies can strengthen their position with product innovation and increasing brand awareness through effective marketing campaigns.

CONCLUSION

Based on SWOT analysis, PT. Oceanias Timber Products has strengths such as high product quality and a wide distribution network, but also faces weaknesses such as dependence on imported raw materials and high production costs. Key opportunities include demand for environmentally friendly wood products and international market expansion, while threats include fluctuations in raw material prices and intense competition. Such as diversifying environmentally friendly products, optimizing production cost efficiency, expanding into international markets, and building strategic partnerships. This strategy aims to strengthen market position, increase competitiveness, and achieve sustainable growth.

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