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## Service Quality Strategy with SWOT Analysis to Improve Company Progress

Yuyun Indah Cahyani<sup>1</sup>

<sup>1</sup>Faculty of Economics and Business, Bhayangkara Jakarta Raya University, email: [yuyunindahcahyani6@gmail.com](mailto:yuyunindahcahyani6@gmail.com)

Corresponding Author: [yuyunindahcahyani6@gmail.com](mailto:yuyunindahcahyani6@gmail.com)<sup>1</sup>

**Abstract:** Service quality strategy with SWOT analysis to increase progress in a company which aims to find out how the influence of using strategy, service quality and SWOT analysis as a way to increase progress in a company. The method used in this research is qualitative, with the method used being a literature study. Strategy is defined as a way to determine the company's main objectives with appropriate actions, which can be used as a guideline for the company's vision and mission. Service quality is closely related to customer experience, which helps them develop a strong relationship with the company's mission. SWOT provides an overview of the weaknesses, strengths, opportunities and threats that each company or activity has in carrying out its operations or business activities. Companies need to have a coherent and responsive strategy to overcome challenges and exploit new opportunities. Business strategy is also important in setting a clear direction for the company. The company's goal can be to improve quality to be able to differentiate between the company's positioning and its competitors in terms of what might be of value to customers.

**Keyword:** Strategy, Service Quality, SWOT Analysis, Company Progress.

### INTRODUCTION

The development of the service sector business in Indonesia is increasing due to complex, competitive, changing and uncertain business conditions. This situation gives rise to intense competition between companies due to the increase in competitors, the increase in the number of service users and the rapid development of technology. Looking at the current situation, the business world needs a strategy to survive and win the competition. The strategy developed by the company has a significant influence on the success or failure of the company, as well as whether the company goes bankrupt or survives in the market.

Ongoing competition in the business world is something that cannot be avoided in order to maintain the business structure. Intense competition between companies is not always about threats, but is something that can directly or indirectly affect company performance. Every company must have new ways to improve its business by reducing the company's weaknesses and increasing its strengths.

Every company must have new ways to improve its business by reducing the company's weaknesses and increasing its strengths. Strategy in business planning and development has traditionally been very important in the ongoing transformation of business operations. In the midst of intense competition and rapid technological developments, companies need to develop effective strategies to conquer the market and achieve sustainable growth. For example, technological changes can dramatically change the way a company operates in a short period of time. Therefore, companies need to have a coherent and responsive strategy to overcome challenges and take advantage of new opportunities. Business strategy is also important in setting a clear direction for the company. Without a good strategy, the risk of confusion and uncertainty in decision making will increase, which can hinder business growth and development.

Having a well-defined strategy, a company can focus its efforts and endeavors on activities that are important and related to its long-term goals. Lastly, strategy in business planning also has a strong history. Many of the most significant business successes in history were the result of innovative strategies. This kind of research encourages modern companies to study the principles behind this success and apply them to their own operations. (Khumaira et al., 2020)

Good company service quality will bring happiness to its users. When consumers are satisfied with the products or services they receive, consumers will compare the services offered. When customers are completely satisfied, they will buy again and recommend other people to buy from the same place. Therefore, companies need to start thinking about the importance of customer service through good service, because now it is common knowledge that service (customer satisfaction) is an important factor for surviving and winning competition in the business world. (Hermanto et al., 2019)

SWOT analysis is a study that can be carried out to identify threats, risks, weaknesses and strengths that can affect performance. External information about opportunities and risks is available in many places. examples include customers, government documents, suppliers, the banking industry and other stakeholders. This logical analysis allows each individual to maximize opportunities and opportunities while minimizing weaknesses and threats. There is a need for a decision-making process that will meet all business needs. Issues related to the company's mission, objectives, strategy and policy development and decision making. Therefore, various factors such as threats, strengths, weaknesses and opportunities need to be analyzed to arrive at important decisions. Two factors that influence a company's business decisions are external factors and internal factors. External factors can change probability and probability or O and T. If this happens outside the company and is related to this problem, it will influence the company's decisions. These factors may include environmental and industrial, economic, political, legal, technological, societal and cultural factors. Internal factors can contribute to strengths and weaknesses, or S and W. If these factors are related to the way the company deals with them, they will influence the company's decision-making process.

This research aims to find out how SWOT analysis is a strategy to increase progress in a company. Then to find out what obstacles SWOT analysis has in the company's progress

## **METHOD**

The method in this research uses qualitative with the method used is literature study. By studying and understanding the concepts and relationships of each variable used based on various previous articles that have been published on the Internet such as via Google Scholar and other internet media, as well as reviewing various relevant sources of information such as journal articles, books, reports and other documents to gain understanding, which is comprehensive about the topic being researched and then processed using the Mendeley application

## **RESULTS AND DISCUSSION**

### **Strategy to increase progress in the company**

Strategy begins with the effective use and application of company resources in a period of frequent environmental and environmental changes. A business is a management unit that usually consists of managers with different business strategies and sales and profit responsibilities, Aaker (2005: 4) in Maryani & Chaniago, (2019). Apart from that, the strategy is integrated, meaning that all parts of the plot are harmonious and consistent. Strategies are implemented to achieve the company's short-term and long-term goals. Meanwhile, according to Wheelen and David (2010: 120), the strategies and goals determined before taking action reflect a common understanding of the company's vision and mission. A company's business strategy is a conscious decision about how the company will carry out its core activities and support its value chain to create unique value. The aim of company-level strategy is to differentiate between the company's positioning and its competitors in terms of what might be of value to customers, Wheelen, and David (2010: 121) in Maryani & Chaniago, (2019)

The result of the opinions of the experts mentioned above is a business plan, in which a strategy is determined as a way to determine the company's main goals with appropriate actions, which can be used as a guide for the company's vision and mission. senior managers plan to focus on the long-term goals of the organization. together with planning methods or means to achieve these goals. Among the many factors companies must consider when determining their business strategy are who they will serve, what customer needs they hope to meet, and how those needs will be met. The reason is that competition between companies creates many attractive choices for customers, making it difficult to find the best service for them. Therefore, companies can determine business strategies that can be integrated into business processes. (Aaker, 2005: 4; Wheelen and David, 2010) in Maryani & Chaniago, (2019) Each business strategy helps a company create and exploit competitive advantages in a specific competitive environment. The way integrated companies operate at each different level of the business model represents a different approach. The performance of a business strategy depends on the strengths and weaknesses of a company's resources, as well as opportunities and threats in the external environment. It is therefore important for companies to choose business strategies based on the combination of opportunities and threats in the environment and internal operations, as indicated by core competencies. Once a company determines its strategy, it must continue to focus on the actions necessary for its success. Quality of service to improve progress in the company.

### **Quality of service to improve progress in the company**

Service quality is related to the accuracy of delivery to meet the needs of service users (customers) as well as efforts to meet the needs of service users (customers). Service quality is said to be good and satisfactory if the service received or felt is in accordance with the expected service. Service quality is said to be good if the service received exceeds customer expectations. Conversely, if the service received is lower than the expected service, then the quality of the service is considered poor. Whether the quality of service is good or not depends on the service provider's ability to meet consumer needs. Therefore, service quality can be interpreted as a measure of how well the level of service can satisfy service users, Halimah & Murniawaty, (2019). The results of Sari & Subiyantoro, (2020)research and Ariyanto & Setiawan, (2021)research show that service quality has a significant positive effect on business success, meaning that the higher the quality of service provided, the higher the business success in cooperatives.

According to Parasuraman et al. (1985) in Sigit & Soliha, (2017) there are two main factors that can influence service quality: expected service and perceived service. A service is considered good and of high quality when it is received or felt as expected (perceived service). Good service is considered service quality if the service received exceeds customer

expectations. On the other hand, if the service received is below expectations, the quality of service is perceived negatively.

In Parasuraman in have different ideas about 5 dimensions of service quality. First, Tangible Information is a measure of good service delivery, highlighting tangible aspects of service delivery, including service providers, availability of modern equipment, and employee visibility. Second, reliability is a measure of service quality based on the service provider's ability to provide consistent and effective services. The third level is responsiveness, especially if the service provider shows a willingness to help customers and respond quickly to their needs. The fourth level is Assurance, which relates to the knowledge, courtesy and reliability of the service provider. Meanwhile, the fifth dimension is Compassion which describes the level of attention and service provided to each customer. Service quality contributes to a company's success. This trend shows how important good service is to a business; conversely, business success is also considered good if good service is considered good. If the company provides satisfactory service, they will likely be more satisfied. Maintain customer loyalty to the products or services offered. On the other hand, if the company cannot provide satisfactory service, then customers will not be satisfied with the quality of the products or services offered, and this can cause a decrease in company satisfaction. Now, by checking other people's opinions, customers will know their level of dissatisfaction, which can motivate them to continue doing business with the company.

Service quality is closely linked to customer experience, which helps them develop a strong connection to the company's mission. Companies can increase customer satisfaction in the long term by ensuring that the majority of people have a good experience and only a small percentage have a bad experience of the quality of service that the Company has provided to customers.

### **SWOT analysis to improve company progress**

SWOT analysis is a strengths-based policy analysis that identifies strengths as assets and weaknesses. Opportunities themselves are anything that can be achieved to overcome weaknesses and take advantage of strengths, challenges, or threats. Use SWOT as a tool to examine strengths, weaknesses, opportunities and threats. Logical analysis can exploit strengths and opportunities while minimizing weaknesses and threats. The decision-making process is always related to the development of the company's mission, goals, strategies and policies. Therefore, strategic planners need to analyze the company's key factors (strengths, weaknesses, opportunities and threats) in the current environment. This is called situation analysis. The most popular model for situation analysis is SWOT analysis Rangkuti, (2005: 18) in Fauzani et al., (2018)

The definition of the SWOT matrix is a matrix that functions to identify, explain or present opportunities and threats that come from outside the company clearly and thoroughly and connect them to the company's strengths and weaknesses. The results of the SWOT matrix are important for gathering factors that influence a company's business decisions. The SWOT matrix is used to analyze strengths, weaknesses, opportunities and threats. This will lighten the company's burden and work because it will make it easier to develop the strategy needed to integrate SWOT questions into the matrix table. Samsudin et al., (2023)

At this stage, the SWOT analysis provides an overview of the weaknesses, strengths, opportunities and threats that each company or activity has in carrying out its operations or business activities. In running a business, of course there are environmental threats to business actors originating from within or outside the company. These environmental factors can be classified into strengths and weaknesses.

Based on the identification of internal and external factors, several company strategy factors can then be compiled using SWOT analysis.

**Table: SWOT Matrix Analysis Results**

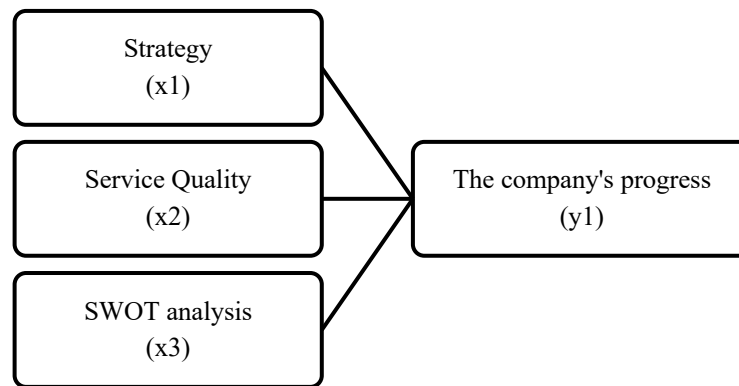
<p style="text-align: center;"><b>INTERNAL</b></p> <p style="text-align: center;"><b>EXTERNAL</b></p>	<p style="text-align: center;"><b>Strength</b></p> <ol style="list-style-type: none"> <li>1. High quality service to customers</li> <li>2. Competent and motivated workforce</li> <li>3. uses sophisticated technology to support its services</li> </ol>	<p style="text-align: center;"><b>Weakness</b></p> <ol style="list-style-type: none"> <li>1. The price of the company's services is relatively high compared to competitors.</li> <li>2. The company lacks innovation in its services</li> <li>3. The company's service process is sometimes complicated and convoluted</li> </ol>
	<p style="text-align: center;"><b>Opportunity</b></p> <ol style="list-style-type: none"> <li>1. Technological developments open up new opportunities to improve service quality and operational efficiency.</li> <li>2. The company has the opportunity to expand into new markets</li> <li>3. Companies can collaborate with other parties</li> </ol>	<p style="text-align: center;"><b>Market Development Strategy</b></p> <ol style="list-style-type: none"> <li>1. Companies can determine new target markets by analyzing demographic, psychographic and consumer behavior data</li> <li>2. Effective promotion and marketing can help companies increase brand awareness and attract new customers.</li> </ol>
<p style="text-align: center;"><b>Threat</b></p> <ol style="list-style-type: none"> <li>1. Competition in the service market is getting tougher</li> <li>2. Economic instability can reduce people's purchasing power</li> <li>3. Regulatory changes can have a negative impact on company operations</li> </ol>	<p style="text-align: center;"><b>Product Development Strategy</b></p> <ol style="list-style-type: none"> <li>1. Understand customer needs and desires by conducting market research, customer surveys, and sales data analysis.</li> <li>2. Develop new and previously unknown products and improve existing products to make them more attractive</li> </ol>	<p style="text-align: center;"><b>Horizontal Integration Strategy</b></p> <ol style="list-style-type: none"> <li>1. Exercise Deep Due Diligence</li> <li>2. Planning the Integration in Detail</li> </ol>

Based on the results of the SWOT matrix analysis, the company can develop if it is appropriate to carry out a Growth Strategy using the SO (strength opportunity strategy) strategy approach. This is in contrast to previous research conducted by Tamara, (2016) which carried out an SO strategy in determining its competitive strategy to advance a company. This strategy is carried out by the company maximizing existing strengths by taking advantage of opportunities to gain profits, market share, sales and so on in order to achieve sustainable company growth.

**Conceptual Framework of research**

Based on the problem formulation, discussion, and relevant research, a conceptual framework has been prepared in this article, as shown in the following figure.





**Figure: Conceptual Framework**

## CONCLUSION

The current situation can give rise to intense competition between companies due to the increase in competitors, the increase in the number of service users and the rapid development of technology. Ongoing competition in the business world is something that cannot be avoided in order to maintain the business structure. Therefore, companies need to have a coherent and responsive strategy to overcome challenges and take advantage of new opportunities. Business strategy is also important in setting a clear direction for the company. The goal of corporate-level strategy is to differentiate between the company's positioning and its competitors in terms of what might be of value to customers. It also needs to prioritize service quality because service quality is closely linked to customer experience, which helps them develop a strong connection to the company's mission. Companies can increase customer satisfaction in the long term by ensuring that the majority of people have a good experience and only a small percentage have a bad experience of the quality of service the Company has provided to customers, and carrying out a SWOT analysis to provide an overview of weaknesses, strengths, opportunities and threats owned by each company or activity in carrying out its operations or business activities. In running a business, of course there are environmental threats to business actors originating from within or outside the company.

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