

DOI: <https://doi.org/10.38035/sjtl.v1i4>Received: March 10th, 2024, Revised: March 27th, 2024, Publish: March 24th, 2024<https://creativecommons.org/licenses/by/4.0/>

SWOT Analysis as a Company Strategy for Business Competition

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Abstract: SWOT analysis is an important strategic tool for companies to understand their position in the market through identifying strengths, weaknesses, opportunities and threats. Using this analysis, companies can develop strategies that capitalize on strengths and opportunities while addressing weaknesses and threats. This helps increase the company's competitiveness and performance in facing ever-changing business dynamics.

Keywords: SWOT Analysis, Company, Company Strategy

INTRODUCTION

In the era of globalization, companies have greater access to international markets. However, competing in global markets requires a well-thought-out strategy to adapt products and services to local preferences and manage the risks associated with global market volatility. Technological developments have enabled companies to operate globally more efficiently. A strong innovation strategy can help companies maintain a competitive advantage by presenting products or services that are more sophisticated and relevant in the global market (Anastasia, 2021).

Additionally, globalization has increased the intensity of competition, with companies from all over the world competing for the same market share. The right strategy allows a company to differentiate itself from competitors, whether through product quality, competitive pricing, or unique customer experiences. Changing international trade policies can affect access to global markets. Company strategies must be able to adapt to changes in regulations and policies to maximize opportunities and minimize risks (Kusumah, 2021). Many companies rely on global supply chains to manufacture and distribute their products. Effective strategies in supply chain management can reduce costs, increase efficiency and reduce the risk of supply disruptions. Companies operating in global markets must face the risks of volatile currencies and geopolitical uncertainty. A good corporate strategy must include comprehensive risk management to protect value and operational stability. By recognizing the complexity and challenges that exist in the era of globalization, an effective company strategy not only helps in winning business competition, but also allows companies to grow and adapt in the dynamic global market (Nursalam, 2023).

So in this case, the company's success in exploiting market opportunities depends on in-depth market analysis, product innovation, flexibility, effective risk management, efficient supply chain, effective marketing, and commitment to quality and customer service. Through a strong understanding of the market, innovation, responsiveness to change, and a focus on quality and service, companies can create sustainable competitive advantages and obtain stable growth in the long term. Thus, exploiting market opportunities successfully is not only about achieving short-term profits, but also about building a solid foundation for sustainable growth (Jannah, 2024).

Companies that are unresponsive to these changes risk being left behind or even eliminated from the market. In contrast, flexible companies can adapt their strategies, identify new opportunities, and better address emerging challenges. Thus, flexibility and responsiveness enable companies to remain relevant and competitive in a dynamic business environment. When companies remain responsive to change, they can also gain significant competitive advantages (Kusumah, 2020). So in this case, it is necessary to use a SWOT analysis approach (Strengths, Weaknesses, Opportunities, Threats), companies can gain in-depth insight into the internal and external factors that influence their strategy. By identifying internal strengths and weaknesses, companies can take advantage of the advantages they have and overcome the challenges they face. On the other hand, by understanding the opportunities and threats in the external environment, companies can adjust their strategies to take advantage of market opportunities and overcome risks that may arise (Siregar, 2020).

So based on the background above, companies that have become one of Indonesia's most popular are exploited by business people to start companies 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 as a Company Strategy for Business Competition" with the aim of identifying the strengths, weaknesses, opportunities and threats of an organization. By understanding these factors, startup entrepreneurs 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

Corporate Strategy

Strategy is the process of designing a directed plan to achieve a company's marketing goals. This involves market analysis, identifying opportunities and challenges, selecting target markets, developing promotional messages and tactics, setting prices, and determining distribution channels. An effective company strategy takes into account customer needs and preferences, as well as keeping up with industry trends and changes in the business environment. The goal is to create value for customers, strengthen the company's position in the market, and improve overall marketing performance. By developing a solid and continuously updated strategy, companies can build competitive advantages and achieve long-term success in the market.

Apart from that, company strategy analysis involves several steps as follows (Aleron, 2022):

- **Situational Analysis:** Understand the overall market and industry situation, including trends, competitors, and environmental factors that influence marketing strategies.
- **Market Segmentation:** Analyzing a market to identify distinct segments based on demographic, behavioral, or geographic characteristics, and determining which segments to target for marketing strategies.
- **Target Market Selection:** Selecting the most promising market segments to target for marketing strategies, based on potential profitability and suitability with the company's strengths.
- **SWOT Analysis:** Evaluating the company's strengths, weaknesses, opportunities and threats in the context of marketing strategy development.
- **Measurement and Evaluation:** Establish performance metrics and monitoring systems to measure the success of marketing strategy implementation and conduct regular evaluations of the results achieved.

By carrying out this analysis thoroughly, companies can develop corporate strategies for effective business competition and minimize risks in achieving their vision and mission goals. Additionally, strategic analysis of market opportunities involves a deep understanding of the

market, competitors, and customers, as well as the use of data to make informed decisions. By combining this information, companies can identify opportunities, overcome challenges, and develop effective marketing strategies to achieve their goals in the marketplace.

External and Internal Analysis of the Company's Environment

Table 1. Analysis of External and Internal Factors in the Company's Environment

No	Internal factors	External Factors
	Strength	Opportunity
1	1. Brand and Reputation 2. Production continues to increase 3. Can have exports that are easily achieved both internationally and nationally 4. Price the product according to the price 5. Availability of sufficient raw materials	1. Renewal innovation in marketing 2. Strategic location 3. There are no problems with the company's debts and receivables 4. Have good relationships with customers 5. Expand your pipeline of marketing opportunities
	Weakness	Threat
2	1. Low human resources 2. Insufficient worker skills 3. Weak in capital 4. Lack of competitor cooperation due to competition 5. Products that cannot be developed	1. Tight competition between competitors who continue to develop advanced and sophisticated 2. Difficult to obtain initial or additional capital from investors 3. There are more and more businesses in similar fields 4. Raw material prices continue to increase 5. Many competitors offer products at low prices

Quadrants and Sowl Matrices

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).

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

Table 2. IFAS (Internal Factor Analysis Summary Matrix)

No	Strength (Strength)	Weight	Ratings	Score
1	Brand and Reputation	0.09	3	0.27
2	Production continues to increase	0.20	4	0.80
3	Can have exports that are easily achieved both internationally and nationally	0.10	4	0.40
4	The product is priced according to the price	0.15	4	0.60
5	Availability of sufficient raw materials	0.10	3	0.30
Amount		0.64	18	2.37

No	Weakness (weakness)	Weight	Ratings	Score
1	Low human resources	0.10	3	0.30
2	Insufficient worker skills	0.06	4	0.24
3	Weak in capital	0.06	2	0.12
4	Lack of competitor cooperation due to competition	0.05	2	0.10
5	Products that cannot be developed	0.09	3	0.27
Amount		0.36	14	1.03
Total		1.00	32	3.40

Based on the table above, it shows that the total results of the Company's IFAS matrix by showing the total value in the results of internal factor analysis with a total score of 1.00, this figure is in the above average category, which indicates that the internal conditions of the Company are in a good position.

Table 3. EFAS (External Factor Analysis Summary Matrix)

No	Opportunities (Opportunities)	Weight	Ratings	X Rating Weight Score
1	Renewal innovation in marketing	0.20	4	0.80
2	Strategic Location	0.15	3	0.45
3	There are no problems with the company's debts and receivables	0.10	3	0.30
4	Have good relationships with customers	0.08	4	0.32
5	Expand your pipeline of marketing opportunities	0.07	2	0.14
Amount		0.60	16	2.01

No	Treatth (Threat)	Weight	Ratings	X Rating Weight Score
1	Tight competition between competitors who continue to develop advanced and sophisticated	0.12	3	0.36

2	It is difficult to obtain initial or additional capital from investors	0.07	2	0.14
3	There are more and more businesses in similar fields	0.05	2	0.10
4	Raw material prices continue to increase	0.08	3	0.24
5	Many competitors offer products at low prices	0.08	2	0.16
Amount		0.40	12	1.00
Total		1.00	28	3.01

Based on the table above, it shows that the total results of the Company's EFAS matrix with a total value of 1.00 are above average. Thus, the score obtained indicates that the Company is taking advantage of the opportunities it has and avoiding external threats. Next, the SWOT matrix table is as follows:

Table 4. Company SWOT Matrix

SO Strategy	WO Strategy	ST Strategy	WT Strategy
Identify new opportunities in the market that are relevant to existing product strengths. This could mean expanding product lines or adapting existing products to meet new market needs. By leveraging competitive strengths (such as operational excellence or efficient distribution), companies can strengthen their market position amidst intense competition.	Identify internal weaknesses such as less efficient production processes or suboptimal management systems. Then, take advantage of external opportunities such as new technology or new approaches to operational management to increase efficiency and productivity. If the internal weakness lies in a lack of product innovation, the company can take advantage of new market opportunities or changes in consumer trends to develop new products or improve existing products.	Optimize existing strengths, such as a strong brand or high customer loyalty, to differentiate yourself from competitors in the face of similar threats. Build flexibility and responsiveness within the organization to be able to quickly adapt strategies or operations to changing market conditions or emerging threats.	Build capabilities in risk management to better identify, evaluate and manage threats that may affect the company, including from intense competition or regulatory changes.

Based on the above, SWOT Analysis is an invaluable tool for companies to understand their position in the market. By identifying strengths, weaknesses, opportunities, and threats, companies can develop strategies that leverage their internal strengths to meet external challenges and take advantage of market opportunities. This helps increase the company's competitiveness and overall performance amidst intense business competition.

So in this case, companies need to utilize their internal strengths to take advantage of external opportunities, while overcoming or improving their weaknesses to face existing threats. With the right approach, companies can increase their competitiveness, respond quickly to market changes, and create long-term value for shareholders and customers. It is important for companies to continuously monitor their business environment and adapt their strategies according to developments, so that they can remain relevant and successful in an ever-changing market. Using SWOT Analysis helps companies identify competitive advantages, respond quickly to market changes, make better decisions, and develop clear action plans. By leveraging internal strengths to exploit external opportunities, while overcoming or improving their weaknesses to deal with existing threats, companies can achieve sustainable growth and strengthen their position in the competitive market.

CONCLUSION

SWOT analysis provides a holistic view of a company's position in the market by focusing on internal strengths, weaknesses, opportunities and external threats. By utilizing the results of this analysis, companies can formulate strategies that are more effective and responsive to changes in the business environment. It helps companies to increase their competitive advantage, overcome existing challenges, and exploit available opportunities to achieve their long-term business goals. Thus, SWOT analysis is not only an evaluation tool, but also a crucial strategic guide for companies in facing changing market dynamics.

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