



## Competitive Strategy Through SWOT Approaches at MSME Thasya Ethnic Lampung in Bandar Lampung

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### ABSTRACT

*Thasya Ethnic Lampung is a tapis cloth craft business that is innovated into several products ranging from clothes, bags, peci, pillow cases, tablecloths, and others. This study took the object of the Thasya Ethnic Lampung tapis craft MSME to find out how the competitive strategy of MSME is, and what can be an alternative strategy for Thasya Ethnic Lampung in facing the large number of competitors of the same type that cannot be controlled. Qualitative methods were used in the study by using an analysis tool in the form of SWOT. The results of the study showed that the condition of Thasya Ethnic Lampung was already in a condition where MSME only needed to carry out a strategy that was grow and build. The implementation of the strategy was in the form of developing a strategy from a strategy that had been used previously. Starting from the production aspect by continuing to improve, develop and always innovate related to products so that they survive and are not easily imitated by similar MSME. Furthermore, Thasya Ethnic Lampung can improve the service and marketing system with creative forms and in accordance with the development of the times and the needs of target consumers, so that it can reach a wider market. In the financial aspect, it can be complemented by improving the use of digital media as a tool for recording, calculating and storing transaction data.*

### **INTRODUCTION**

The rapid growth of Indonesia's economy has encouraged the government to implement development strategies to improve economic conditions and the welfare of its citizens (Hariyono, 2010). Such planning is more effective when it involves the local community, as they have a deeper understanding of their environment. In this context, entrepreneurship, particularly through micro, small, and medium enterprises, plays a critical role in promoting sustainable development and supporting the government's capacity limitations. MSMEs contributes significantly to Indonesia's economic development by creating job opportunities and driving growth, as evidenced by their 61% contribution to the national GDP (Kementerian Koordinator Bidang Perekonomian, 2023). MSME are essential in various sectors, especially in regions like Bandar Lampung, where many MSME focus on local cultural products such as Tapis, a traditional fabric. Thasya Ethnic Lampung, established in 2016, is one such enterprise that produces a wide range of innovative products





based on Tapis. Despite its growth, Thasya Ethnic Lampung faces challenges like limited production capacity and higher product prices compared to competitors due to its commitment to quality. It also struggles with marketing strategies, particularly in optimizing social media and e-commerce platforms.

The competitive environment for Tapis producers in Bandar Lampung is intense, with multiple enterprises vying for market share. Thasya Ethnic Lampung, with a market share of 28.07%, leads the creative industry in this region (IKM Tapis Kota Bandar Lampung, 2023). However, it faces competition from other local businesses, such as Mutiara Sikep and Griya Aisyah Tapis Lampung. The enterprise's strengths include strong brand awareness, high-quality products, and skilled artisans, while its weaknesses center on production limitations and marketing inefficiencies. Thasya Ethnic Lampung also benefits from opportunities, such as increasing demand for innovative products and support from local government and Bank Indonesia. Nonetheless, it faces threats from new entrants, rising competition, and challenges in raw material availability. To address these challenges and capitalize on opportunities, a competitive strategy based on SWOT analysis is necessary.

The SWOT framework is a widely recognized tool for analyzing internal strengths and weaknesses, along with external opportunities and threats. It helps enterprises like Thasya Ethnic Lampung to identify areas where they can leverage their strengths and minimize the impact of their weaknesses while taking advantage of market opportunities. A robust competitive strategy requires formulating, implementing, and evaluating these strategies effectively to ensure sustained growth and market competitiveness (David, 2012). Previous studies, such as those by Foris et al. (2015) and Birru et al. (2022), have demonstrated the effectiveness of combining models like Porter's Five Forces with SWOT analysis to develop targeted competitive strategies. Similarly, Thasya Ethnic Lampung can utilize SWOT analysis to formulate strategies that enhance its competitive position, such as differentiating its products and expanding its market reach through improved marketing initiatives. In conclusion, this research aims to explore the appropriate competitive strategies for Thasya Ethnic Lampung based on SWOT analysis to enhance its competitiveness and maintain its market position amidst the growing competition in the Tapis industry in Bandar Lampung. The findings are expected to contribute both theoretically and practically to the field of entrepreneurship, offering insights for future researchers and actionable recommendations for MSME like Thasya Ethnic Lampung.

## LITERATURE RESEARCH

### A. Strategic Management

Strategic management involves formulating, implementing, and evaluating cross-functional decisions to achieve organizational objectives (David, 2010). It integrates various functions such as marketing, finance, and operations. The strategy formulation process begins with setting the vision and mission, followed by external and internal analysis to identify opportunities, threats, strengths, and weaknesses. Afterward, strategy implementation includes setting annual objectives, motivating employees, and allocating resources, while the final stage involves evaluating the strategy's effectiveness and taking corrective measures (David, 2012).

### B. Business Strategy and Competitive Strategy

Business strategy, according to David and David (2017), involves formulating, implementing, and evaluating cross-functional decisions to achieve organizational goals. The three stages include strategy formulation, implementation, and evaluation. As conditions evolve, corporate strategies also adapt (Dwi Sulistiani, 2014). Hubeis and Najib (2014) define corporate strategy as transforming distinctive competitiveness into competitive advantage. A business strategy coordinates commitments and actions to gain a competitive edge, while functional strategies implement short-term activities within departments (Slater & Olson, 2001). Competitive strategies integrate goals with company policies to enhance competitiveness in the industry (Kusumah, 2020), including cost leadership, differentiation, and focus (Porter, 2007).

### C. Competitive Advantage

Competitive advantage is achieved by delivering superior value and satisfaction compared to competitors through high-quality products or services at competitive prices (David, 2006). This differentiation fosters customer loyalty and retention (Dubé & Renaghan in Petzer, 2008). The main goals include positioning,





retaining customers, gaining market share, maximizing sales, and enhancing business performance (Kotler & Armstrong, 2008).

#### **D. SWOT Analysis**

SWOT analysis provides a foundational approach for identifying strategies necessary to achieve specific objectives (Vlados, 2019). It involves assessing alternative solutions for strategy management and development (Namugenyi et al., 2017). The analysis combines internal and external factors, influencing organizational performance (Abdel-Basset et al., 2018). Internal factors include strengths and weaknesses, while external factors involve opportunities and threats. These are assessed through IFAS (Internal Strategic Factors Analysis Summary) and EFAS (External Strategic Factors Analysis Summary). The analysis begins by assigning weights to these factors, with important factors receiving a score of 1, while less critical ones are scored 0. These weights are calculated based on the proportion of important factors (David, 2010).

The SWOT diagram then illustrates the firm's strategic position across four quadrants. For example, Quadrant I signifies the ideal position, with strengths and opportunities to exploit. In Quadrant II, the firm focuses on using internal strengths to mitigate external threats. Quadrant III indicates weaknesses but opportunities to leverage, while Quadrant IV is the least advantageous, characterized by internal weaknesses and external threats. The SWOT matrix further provides strategic alternatives to address both internal and external challenges (Memah, 2019). By implementing strategies based on SWOT analysis, organizations can minimize weaknesses, capitalize on opportunities, and reduce potential risks (Gürel & Tat, 2017).

## **METHOD**

### **A. Type of Research**

The research conducted by the author employs a qualitative research method, which is useful for obtaining a comprehensive understanding of an ongoing phenomenon (Aditya et al., 2019). Qualitative research can take three forms: descriptive, verification, and grounded research (Sugiyono, 2008). For this thesis, the author utilizes a descriptive qualitative approach. The study focuses on Thasya Ethnic Lampung MSME, located at Jl. Purnawirawan GG Purnawirawan 9 No.30, Kelurahan Gunung Terang, Kecamatan Langkapura, Bandar Lampung, examining the business strategies used to achieve competitive advantage and exploring alternative strategies. The research will be conducted over approximately three months, with data collection arranged according to the availability of the informants.

### **B. Data Source and Data Collection Technique**

The sources of data used in this research are divided into two categories: primary and secondary data. Primary data refers to qualitative information gathered directly from the research object, in this case, through interviews with key informants, such as the owner, production manager, and marketing manager of Thasya Ethnic Lampung MSME. These interviews followed a structured set of questions, which are detailed in the appendix. Secondary data, on the other hand, includes information indirectly obtained from documents, literature reviews, previous research, and other relevant sources. The data collection methods involved interviews with the aforementioned managers and owners as well as a literature review of books, reports, and related documents (Sugiyono, 2008).

### **C. Data Processing Method**

In this study, the author employs several data processing methods, including descriptive analysis, internal company analysis, and external company analysis using SWOT analysis along with the IFAS and EFAS matrices as supporting tools. Descriptive analysis aims to gather information regarding the company's vision and mission, objectives, and product characteristics, while also providing an overall picture of the company's condition. The internal analysis focuses on obtaining information related to four internal aspects of the company: production, marketing, service, and finance (David, 2010), enabling the researcher to identify the company's strengths and weaknesses for subsequent processing in the SWOT matrix. The external analysis examines five aspects of opportunities and threats facing the company, including economic, socio-cultural, political-legal, technological, and environmental aspects.

Following the collection of internal and external factors, the data is processed within the SWOT matrix, which is utilized to formulate company strategies. This matrix clearly illustrates how the company's strengths





and weaknesses align with the identified opportunities and threats, resulting in four potential strategic alternatives: SO strategies, WO strategies, WT strategies, and ST strategies. The steps for constructing the SWOT matrix include: listing determining external opportunities, listing determining external threats, documenting determining internal strengths, and noting determining internal weaknesses. The analysis continues by matching internal strengths with external opportunities to record the resultant SO strategies, internal weaknesses with external opportunities for WO strategies, internal strengths with external threats for ST strategies, and internal weaknesses with external threats for WT strategies. A weighting system is then applied to each factor, where values range from 1 to 4—1 for major weaknesses, 2 for minor weaknesses, 3 for minor strengths, and 4 for major strengths. The weights and ratings are multiplied to derive weighted scores, and all scores are summed, where a score of 1 indicates a very good condition based on the IFAS and EFAS matrices.

## RESULTS AND DISCUSSION

### A. Overview of MSMEs and Respondents

Thasya Ethnic Lampung is a micro, small, and medium enterprise (MSME) operating in the fashion and home décor industry. Established in 2016, the company has produced a diverse array of original handcrafted products, including clothing, bags, wallets, jewelry, tablecloths, pillow covers, and more. Thasya Ethnic Lampung believes that handmade products serve as a means to honor and preserve Lampung's cultural heritage. All products are crafted from woven fabric adorned with gold or cotton threads, showcasing Lampung's rich culture. The materials used are environmentally friendly, featuring unique embroidery that reflects significant cultural patterns, thus providing consumers with a sense of pride in their use. The company offers purchasing options through both business-to-business (B2B) and business-to-customer (B2C) channels. Thasya Ethnic Lampung prioritizes quality to maintain customer trust, aiming to continue emphasizing quality, quantity, and continuity, while ensuring strong partnerships and product quality to foster enduring customer relationships.

The research employed interviews as the data collection method, focusing on top management at Thasya Ethnic Lampung to obtain relevant information for further analysis. A total of three respondents were sampled for the interviews, consisting of the owner, the production manager, and the marketing manager. The details of the respondents are as follows: Respondent 1, the owner of Thasya Ethnic Lampung, holds a diploma (D3) and is 48 years old, with eight years of work experience. Respondent 2, the production manager, has a D1 in Hospitality, is 36 years old, and has four years of experience in the company. Respondent 3, the marketing manager, is 20 years old, has completed high school, and has been working for 1.5 years. The respondents represent various management levels within the MSME, with Nur'aini offering a comprehensive understanding of business operations, Dewi Putri providing insights into the production processes, and Faiz Muttaqin H. overseeing the company's marketing strategies. Notably, the average tenure of the respondents exceeds three years, although the third respondent is relatively new, balancing work with ongoing studies after graduating from high school.

### B. Internal Factor Analysis

The analysis of internal factors at Thasya Ethnic Lampung reveals significant strengths and weaknesses across various operational dimensions, as derived from interviews with the owner, production manager, and marketing manager. In terms of production, the enterprise boasts a systematic and efficient production process characterized by effective division of labor, which enhances operational fluidity and minimizes errors. This structured approach enables Thasya Ethnic Lampung to respond flexibly to market demands, allowing for the rapid scaling of production to accommodate unexpected orders. However, a notable weakness lies in the challenges associated with utilizing delicate raw materials, such as woven fabric, which require careful handling during production. This difficulty can lead to diminished product quality and increased production costs, ultimately hindering the company's ability to meet fluctuating market demands effectively.

In the marketing domain, the firm benefits from a loyal customer base, reflecting strong consumer trust developed over the years, which underpins the company's growth. Nevertheless, Thasya Ethnic Lampung falls behind its competitors in leveraging digital media for promotion, primarily due to a shortage of personnel specialized in digital marketing and a reliance on limited sales channels. This lack of digital marketing





engagement restricts market reach and diminishes brand visibility, resulting in missed opportunities for broader consumer engagement. Regarding service, the company is known for its prompt responsiveness to customer inquiries and complaints, fostering a positive reputation for customer service. However, the absence of dedicated staff for service operations, with the owner personally handling customer interactions, may pose challenges in maintaining service quality due to potential time constraints. Finally, while the adoption of an accrual accounting system strengthens the financial management of Thasya Ethnic Lampung, the reliance on conventional bookkeeping methods without software support presents a significant weakness, increasing the likelihood of human error and prolonging the time required for financial reporting and decision-making processes.

**C. External Factor Analysis**

The external factors analysis reveals key insights regarding Thasya Ethnic Lampung’s competitive landscape and market dynamics. The company has established a strong brand image, which presents significant opportunities for market expansion and customer loyalty enhancement. However, this strength also attracts competitors, posing a serious threat due to the ease of imitation of Thasya's unique products. The emergence of new competitors can foster market growth for tapis crafts, expanding market share, yet these rivals may introduce innovative products that could divert consumer interest, particularly among younger demographics seeking modern and unique designs.

Furthermore, various external elements impact the business environment for Thasya Ethnic Lampung. A strong bargaining power among customers offers an opportunity for the company to create customized and unique products, enhancing profitability. Nonetheless, customer tendencies to negotiate for lower prices, especially in bulk purchases, pose a challenge. The presence of reliable suppliers ensures stable raw material availability, but risks like delivery delays and price increases remain concerning. Market demand for unique tapis products signifies substantial growth potential; however, rapid shifts in consumer preferences present a threat. Political support for local product utilization and training programs bolsters opportunities, although complex legal requirements can hinder new MSMEs. Economic growth among the middle class expands the premium product market, yet competition from cheaper alternatives remains a pressing threat. Social awareness regarding cultural values provides opportunities, while Western influences create challenges for traditional products. Lastly, technological advancements offer efficiency improvements in production but also necessitate adaptation to digital trends. Environmental considerations further complicate operations, as reliance on eco-friendly materials can be threatened by adverse weather conditions impacting production and resources .

**D. IFAS Matrix and EFAS Matrix**

Based on Table below, the most influential strength identified is the systematic and efficient production system, characterized by proper division of labor, which carries a weight of 0.11, a total rating of 4, and an overall score of 0.44. This aspect is a significant consideration for determining the strategies of the MSME. Conversely, among the weaknesses, it was noted that the production process is not yet accustomed to handling certain easily perishable raw materials, such as weaving materials. This is reflected in a weight of 0.08, a total rating of 2, and a score of 0.16.

**Table 1. IFAS matrix based on internal company factors**

Internal Factors	Amount	Rating	Score
Strengths			(BxR)
A systematic and efficient production system with proper division of labor	0.11	4	0.44
Ready to produce unexpected orders even on a large scale	0.92	3.3	0.30
Already has regular customers because of the consumer trust that has been built	0.10	4	0.42
Responsive in serving consumers	0.07	4	0.31
Accepting criticism and fixing what customers complain about	0.08	4	0.32
The accounting system is already accrual based	0.10	2.6	0.27
Already breaks down financial accounts according to their functions	0.09	2.3	0.22





Weaknesses			
Not yet accustomed to producing with several raw materials that are easily damaged, for example woven materials	0.08	2	0.16
Lack of promotion through social media and e-commerce	0.07	1.6	0.11
No definite employees to carry out online media services and marketing	0.06	2	0.13
The bookkeeping system is still conventional, not using Ms. Excel	0.10	1	0.10
<b>Total</b>	<b>1</b>	<b>31</b>	<b>2.84</b>

According to Table above, the most significant opportunity identified is the increasing purchasing power of the upper-middle-class segment, which has a weight of 0.048, supported by a rating of 3.6 and a final score of 0.178. This factor is crucial for consideration in formulating strategies for MSMEs based on external influences. In contrast, a notable threat arises from the entry of new MSMEs that bring innovative products to the market. This threat is reflected in a weight of 0.052 and a total rating of 3, resulting in a score of 0.156.

**Table 2. EFAS matrix based on external company factors**

External Factors	Amount	Rating	Score (BxR)
<b>Opportunities</b>			
Thasya Ethnic Lampung already has a well-established brand image.	0.020	4	0.080
Despite the entry of new competing MSMEs into the industry, Thasya Ethnic already has loyal customers.	0.024	4	0.096
With the existing level of bargaining power, Thasya Ethnic can easily customize products.	0.037	3.6	0.137
Guaranteed stability and reliability of raw materials, because it already has many trusted suppliers.	0.040	4	0.162
Large market opportunities due to unique tapis products.	0.043	3.3	0.144
Government support in providing training	0.049	3	0.147
Policy for the use of local Tapis Lampung products	0.051	3.3	0.170
Increased purchasing power of the middle to upper class.	0.048	3.6	0.178
Increasing public awareness of the value of wisdom and culture.	0.047	3.3	0.156
The development of industrial equipment that increasingly supports production with the latest technology.	0.049	3	0.149
As a form of environmental concern, now more and more environmentally friendly raw materials are available.	0.043	4	0.175
Bandar Lampung City Regulation No. 5 of 2023.	0.050	3	0.150
<b>Threats</b>			
Products produced by Thasya Ethnic Lampung are easy to imitate and publish	0.059	2	0.118
The entry of new MSMEs is certainly with new product innovations	0.052	3	0.156
Buyers tend to ask for and reduce prices as cheaply as possible, especially for large-scale purchases	0.042	3.6	0.155
Possibility of delays, price increases, or changes in raw material conditions from suppliers	0.055	2.6	0.147
Possibility of changes in market needs and preferences	0.055	3.3	0.185
Possibility of policy changes if there are bureaucratic changes	0.031	3	0.093
Product competition with cheaper prices	0.050	1.6	0.084
Entry of western culture and modernization	0.024	3	0.074
Inability to keep up with developments in the use of digital media (eg live shopping)	0.055	1.3	0.074
If the weather is bad, there is a possibility of flooding because the location of the production house is prone to flooding	0.041	2.6	0.115
Business legality regulations	0.026	2.6	0.069
<b>Total</b>	<b>1</b>	<b>71.3</b>	<b>3.019</b>

### E. IE Matrix (Internal – External)

The Internal-External (IE) Matrix Analysis is a crucial stage in formulating business strategies, serving as a diagnostic tool that integrates the results of internal (IFAS) and external (EFAS) factor evaluations for the company. This matrix provides a comprehensive overview of the strategic position of the business at a specific point in time. Based on the IFAS analysis, UMKM Thasya Ethnic Lampung achieved a score of 2.84, indicating





satisfactory internal performance, while the EFAS score of 3.01 reflects the company's responsiveness to external environmental changes.

		Total Strategy Factor Score			
		Internal			
		Strong	Medium	Weak	
		3	2	1	
Total External Strategy Factor	High	3	I	II	III
	Moderate	2	IV	V	VI
	Low	1	VII	VIII	IX

Figure 1. Matrix IE Thasya Ethnic Lampung

The IE Matrix analysis will further clarify the current strategic position of UMKM and its implications for future business strategy formulation. According to the IE matrix, as illustrated in Figure 1, UMKM Thasya Ethnic Lampung is positioned in quadrant II, which signifies a significant competitive advantage in terms of brand image, product quality, and service delivery. As outlined by David (2016), businesses in quadrant II are advised to adopt a "grow and build" strategy, which may involve product development, diversification, branding and promotion, quality improvement, and enhancing distribution networks without aggressive expansion efforts.

F. SWOT Matrix Analysis

The information presented in the table reflects the outcomes of strategic analyses based on the final phase of determining alternative strategies recommended for UMKM Thasya Ethnic Lampung. This information serves as an extension of the analysis obtained from the Internal-External (IE) Matrix, which compares various aspects to identify suitable new strategies through the application of the "grow and build" approach. The first strategy, S-O (Strengths-Opportunities), involves leveraging the internal strengths of UMKM Thasya Ethnic Lampung alongside external opportunities to formulate a more robust strategy. With a well-established brand reputation and customer loyalty, Thasya Ethnic Lampung aims to maintain consumer trust by harnessing technology and an effective supplier network to enhance product quality significantly. By employing advanced weaving tools and digital design software, the company can improve production efficiency and achieve high precision in its products. Furthermore, a strong supplier network can ensure the availability of high-quality raw materials at competitive prices. By integrating these factors, Thasya Ethnic Lampung can develop innovative tapis products that boast superior quality and competitiveness in the global market. In response to the increasing demand for unique, high-quality tapis Lampung, the company can capitalize on its production capacity and customization capabilities to better meet consumer preferences and differentiate itself from competitors.

The second strategy, W-O (Weaknesses-Opportunities), emphasizes minimizing the internal weaknesses of UMKM Thasya Ethnic Lampung by capitalizing on available external opportunities. One approach involves implementing training programs for artisans to enhance product quality and service delivery. Given the production challenges associated with certain raw materials, the company can focus on improving artisans' skills through specialized training in tapis production techniques and modern design. This training will not only enhance product quality but also motivate artisans, thereby increasing productivity. Additionally, recognizing the limited promotion through social media and e-commerce, Thasya Ethnic Lampung has a significant opportunity to boost sales by establishing a strong online presence. By creating engaging social media profiles and launching an online store on popular e-commerce platforms, the company can reach a broader audience, particularly among the digitally active younger generation. Furthermore, the integration of a digital accounting system linked to production processes can address the risks of human error associated with conventional bookkeeping. By adopting a digital approach, the company can enhance data accuracy, streamline decision-





making, and facilitate comprehensive financial analysis, ultimately addressing internal weaknesses while optimizing the advantages of advanced production technologies.

**Table 3. SWOT Analysis**

SWOT	Strenghts (S)	Weaknesses (W)
		1. A systematic and efficient production system with appropriate division of labor. 2. Prepared to carry out production on short notice in large scale. 3. Already has established regular customers (Consumer Trust). 4. Quick to respond to customer service inquiries. 5. Responds to and addresses feedback and suggestions from customers.
Opportunities (O)	S-O strategy	W-O strategy
1. Established brand image 2. Market growth and extensive market share 3. Focus on product customization 4. Stability and reliability of products ensured by a strong supplier network 5. Significant market opportunities due to unique tapis products 6. Government support through various training programs 7. Government policies promoting the use of local Tapis Lampung products 8. Increasing purchasing power of the middle and upper classes 9. Growing public awareness of cultural values and local wisdom 10. Improvement in industrial tools and equipment 11. Suppliers using environmentally friendly materials 12. Implementation of Regional Regulation No. 5 of 2023 in Bandar Lampung	1. Utilization of technology and a robust supplier network to enhance product quality (S5, O4, O11, O12) 2. Improvement of production capacity and customization to meet significant market demand (S1, S2, O3, O5, O8) 3. Development of new products by integrating cultural values and current market trends (S1, S2, O5, O9)	1. Training programs for workers to enhance the quality of products and services (W1, O6) 2. Utilization of social media and e-commerce to expand market reach (W2, O5, O8) 3. Implementation of a digital bookkeeping system (W4, O11) )
Threats (T)	S-T strategy	O-T strategy
1. The products produced by Thasya Ethnic Lampung are easily imitated and duplicated by new MSMEs. 2. The emergence of new MSMEs with innovative offerings. 3. Buyers tend to demand lower prices when purchasing products in bulk.	Continue to innovate and diversify products while maintaining product quality (S1, S2, S3, T1, T2, T7).	Monitoring trends and developing the use of social media and e-commerce, which are currently popular (W2, T2, T5, T9).







<p>4. The possibility of delays, price increases, or changes in the condition of raw materials from suppliers.</p> <p>5. Market preferences may change at any time.</p> <p>6. Threats arising from various political factors.</p> <p>7. Competition from imitation products offered at lower prices.</p> <p>8. The influx of foreign cultures and modernization.</p> <p>9. Inability to keep up with direct shopping trends (Live Shopping).</p> <p>10. The production facility is located in an area prone to flooding.</p> <p>11. Regulations related to business legality.</p>		
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Therefore, the strategies identified as derived from a SWOT matrix analysis include leveraging technology and a robust supplier network to enhance product quality, increasing production capacity and customization to meet growing market demands, and developing new products that combine cultural value with contemporary market trends (S-O). Additionally, the strategies suggest implementing workforce training to improve product quality and service delivery, utilizing social media and e-commerce to expand market reach, and adopting a digital financial bookkeeping system (W-O). To counter external threats, the emphasis is placed on continuous innovation and product diversification while maintaining high product quality (S-T). Furthermore, the approach recommends ongoing monitoring of trends and the development of social media and e-commerce capabilities to address potential weaknesses and external threats (W-T). By understanding the interplay of strengths, weaknesses, opportunities, and threats, and formulating appropriate strategies, Thasya Ethnic Lampung can enhance its business performance and achieve success in competing with similar UMKM entities. The implementation of these strategies will enable the company to adapt more effectively to market changes while bolstering its competitive advantage (Sumber: Hasil analisis data diolah, 2024).

**CONCLUSION**

Thasya Ethnic Lampung, a micro, small, and medium enterprise (MSME) specializing in Lampung Tapis craftsmanship, has established a reputable image, high customer loyalty, and a satisfactory market fulfillment rate. However, like any business, it is susceptible to external influences, ranging from opportunities to threats that could impact its operations. Consequently, the application of SWOT analysis serves as a valuable alternative for determining and implementing strategic approaches. By integrating internal and external factors, Thasya Ethnic Lampung can effectively identify sustainable strategies that align with its needs. The findings indicate that the MSME is in a position that necessitates strategies focused on growth and development. This entails evolving existing strategies by incorporating external factors based on Porter’s Five Forces analysis and the PESTEL framework. For instance, in the production aspect, Thasya Ethnic Lampung should continuously refine, develop, and innovate its products to maintain competitiveness against similar MSMEs while ensuring product quality through diversification. Additionally, enhancements in service and marketing systems should adopt creative approaches aligned with contemporary trends and consumer demands to broaden market reach. Financially, the enterprise should leverage digital media to improve transaction recording, calculation, and data storage. To further enhance this study, it is recommended that Thasya Ethnic Lampung establish concrete action plans regarding the formulated strategies, outlining specific steps for implementation as necessary. Moreover, it is essential to define performance indicators and establish metrics for evaluating the success of the strategic alternatives. Lastly, resource allocation should be pursued





with transparency, clearly articulating the required resources—such as budget, workforce, and technology—necessary for executing the action plans.

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