



## Article

# Development Strategy and Knowledge on UD. Jamhari Patrang Jember District Using the SWOT Analysis Method

M Agus Kurniawan<sup>1</sup>, Maheni ika Sari<sup>2</sup>, Bayu Wijayantini<sup>3</sup>

<sup>1,2,3</sup> Universitas Muhammadiyah Jember

\* Correspondence: : [wawandure85@gmail.com](mailto:wawandure85@gmail.com)

**Abstract:** The findings from the SWOT analysis provide the foundation for utilizing the SWOT matrix to identify the most effective strategic priorities for UD Jamhari. The analysis highlights several key strengths of the company, including consistent product quality, a well-trained production team, and strong consumer loyalty. Nevertheless, the company is also confronted with notable weaknesses, such as limited product innovation and reliance on raw material supplies that are subject to fluctuation. In terms of opportunities, UD Jamhari can benefit from the rising popularity of vegetarian diets and the availability of raw materials from a single, easily accessible producer. Conversely, the company faces significant threats, including intense competition within the industry and shifts in consumer preferences. The recommended development strategies focus on product diversification by introducing new flavor variants, developing organic product lines, enhancing promotional efforts through digital media, and incorporating modern technology into the production process. These strategies aim to strengthen UD Jamhari's competitive advantage while supporting sustainable growth in the tofu market.

**Keywords:** Development Strategy, SWOT Analysis

**Citation:** M Agus Kurniawan. Development Strategy and Knowledge on UD. Jamhari Patrang Jember District Using the SWOT Analysis Method. American Journal of Economics and Business Management 2024, 7(12), 1448-1453.

Received: 10<sup>th</sup> Sep 2024

Revised: 11<sup>th</sup> Okt 2024

Accepted: 24<sup>th</sup> Nov 2024

Published: 12<sup>th</sup> Des 2024



**Copyright:** © 2024 by the authors. Submitted for open access publication under the terms and conditions of the Creative Commons Attribution (CC BY) license (<https://creativecommons.org/licenses/by/4.0/>)

## 1. Introduction

Indonesia, as an agricultural nation, has significant potential in the agro-industry sector due to its abundant natural resources. Food security in the country is closely linked to the development of food crop production and agro-industry products, such as tofu. Tofu, made from soybeans, is one of Indonesia's staple food items, rich in vegetable protein and accessible to various economic classes [1].

The tofu industry is a vital component of Indonesia's agro-industrial sector, contributing significantly to food security, employment, and economic sustainability. Tofu, a highly nutritious and affordable protein source, is a staple in the Indonesian diet, making its production a critical area of focus for food manufacturers [2]. Among the key players in this sector is UD Jamhari, a tofu production company established in 2001 in Patrang District, Jember Regency. With its focus on producing high-quality raw and fried tofu, UD Jamhari has maintained a strong market presence. However, the company faces significant challenges such as unstable raw material supplies, limited product innovation, and shifting consumer preferences.

To overcome these challenges and capitalize on emerging opportunities, UD Jamhari requires a well-crafted development strategy. Development strategy theory emphasizes leveraging internal strengths, addressing weaknesses, utilizing external opportunities, and

mitigating threats to achieve sustainable growth. Base on Bara et al., (2023), SWOT analysis method aligns with this theoretical framework, providing a structured approach to assess the internal and external factors influencing business operations[1]–[4]. By systematically evaluating these elements, companies can formulate actionable strategies that align with their long-term objectives and market demands[5], [6].

This research applies the SWOT analysis method to UD Jamhari, aiming to identify and implement strategies that ensure the company's sustainability and competitiveness. By leveraging its well-trained production team, consistent product quality, and competitive pricing, UD Jamhari can strengthen its market position. According to Wijayantini (2019), strategic initiatives such as modernizing production processes, diversifying product offerings, and expanding digital marketing efforts are vital for addressing market competition and evolving consumer needs. Through the integration of development strategy theory and SWOT analysis, this study provides a comprehensive roadmap for UD Jamhari to achieve sustainable growth, enhance operational efficiency, and maintain its leadership in the dynamic tofu industry[7], [8].

2. Materials and Methods

This research employs a qualitative approach using interviews and questionnaires to gather data on internal and external factors affecting UD Jamhari. Open-ended questionnaires were utilized to explore respondents' perspectives, while closed-ended questionnaires targeted stakeholders familiar with the company's operations. Data collection methods included direct observation and structured interviews. Analytical tools, such as the Internal Factor Evaluation (IFE) and External Factor Evaluation (EFE) matrices, were employed to evaluate the company's internal strengths and weaknesses, as well as external opportunities and threats. The results were synthesized into a SWOT matrix to formulate actionable strategies [5], [6].

3. Results and Discussion

In this research, based on the calculation results of UD Jamhari's internal environmental analysis and UD Jamhari's external environment, there are several alternative development strategies, namely through SWOT matrix analysis. The results of the SWOT matrix analysis are as follows:

Table 1. SWOT matrix analysis for UD Jamhari

<div> <div>IFE</div> <div>EFE</div> </div>	<div>Streng (Strength)</div> <div>1. Well trained team</div> <div>2. Product quality is consistent and reliable</div> <div>3. WOM Promotion</div> <div>4. Affordable product prices</div> <div>5. Prices are competitive</div>	<div>Weaknes (weakness)</div> <div>Dependence on unsta- ble supplies of raw mate- rials or fluctuating prices</div> <div>Limited product inno- vation</div> <div>Promotion is less than optimal</div>

<p>Opportunity (Oppor- tunity)</p> <ol style="list-style-type: none"> <li>1. Easy availability of raw materials</li> <li>2. Vegetarian diet trend</li> <li>3. Using modern technology</li> </ol>	<p>(Strategi S-O)</p> <ol style="list-style-type: none"> <li>1. Leverage the power of a well-trained team and the opportunities of using modern technology (S1, O3)</li> <li>2. Utilize e-commerce platforms that highlight how vegetarian diets and tofu consumption can support individual health and environmental sustainability (S3, O2)</li> <li>3. Maintain product quality and</li> </ol>	<p>(Strategi W-O)</p> <ol style="list-style-type: none"> <li>1. Maintain buffer inventories for main raw materials to anticipate price fluctuations and supply disruptions (W1, O1)</li> <li>2. Creating tofu combination products both in terms of taste and shape variants to attract consumers who are looking for variety in their diet vegetarian they (W2, O2)</li> </ol>
<p>Threath (Threat)</p> <ol style="list-style-type: none"> <li>1. Many similar competitors</li> <li>2. Tight industry competition</li> <li>3. Economic conditions affect product prices</li> <li>4. Environmental and climate influences</li> <li>5. Changes in consumer preferences</li> </ol>	<p>(Strategi S-T)</p> <ol style="list-style-type: none"> <li>1. Maintain consistent product quality that can be a differentiator for similar competitors (S2, T1)</li> <li>2. Maintain the quality of product raw materials, and innovate products at affordable prices to maintain consumer preferences (S2, S4, T5)</li> </ol>	<p>(Strategi W-T)</p> <ol style="list-style-type: none"> <li>1. ensuring respon- sive customer service and meet- ing consumer ex- pectations can in- crease customer loyalty amidst in- tense competition (W3, T2)</li> </ol>

From the table above The SWOT analysis conducted for UD Jamhari revealed critical internal and external factors shaping its business operations and strategic direction.

1. **Internal Factors:**

**Strengths:** UD Jamhari's primary strengths include a well-trained production team, consistent and reliable product quality, competitive pricing, and effective word-of-mouth (WOM) promotion. The Internal Factor Evaluation (IFE) matrix score of 2.98 indicates that the company is in a strong internal position. The highest-rated strength, competitive pricing, scored 0.76, demonstrating its critical role in maintaining customer satisfaction and loyalty.

**Weaknesses:** Limited product innovation, dependency on fluctuating raw material supplies, and suboptimal promotional activities were identified as key weaknesses. Among these, limited product innovation scored the lowest at 0.05, highlighting an area that requires immediate attention.

2. **External Factors:**

**Opportunities:** The external factors analysis revealed opportunities such as the availability of raw materials, growing vegetarian diet trends, and the potential for using modern technology. These factors collectively scored 2.88 on the External Factor Evaluation (EFE) matrix, indicating that UD Jamhari is well-positioned to leverage these opportunities.

**Threats:** The main threats include intense competition, changing consumer preferences, and economic fluctuations. Changes in consumer preferences scored 0.05, emphasizing the need for adaptive strategies to align with evolving market demands.

3. **Strategic Position :**

Using the IE (Internal-External) matrix, the combined IFE (2.98) and EFE (2.88) scores position UD Jamhari in the "guard and maintain" category. This strategic position suggests

that the company should focus on preserving its product quality, strengthening its market position, and introducing gradual innovations to sustain growth.

#### 4. Discussion

The SWOT matrix provided actionable strategies to help UD Jamhari navigate its internal and external challenges while leveraging its strengths and opportunities.

##### 1. SO (Strengths–Opportunities) Strategies:

**Leveraging Expertise and Technology:** UD Jamhari can utilize its well-trained team and integrate modern technology to enhance production processes. For instance, modern machinery can improve tofu quality, optimize efficiency, and reduce production time. Its relate with Supeni et al., (2022), that need to adopt advanced technology to improve production efficiency.

**Digital Marketing and E-commerce:** Promoting tofu as a healthy and sustainable dietary choice through digital platforms can significantly expand market reach. Creative campaigns showcasing tofu recipes and its nutritional benefits can build consumer awareness and loyalty [8].

##### 2. WO (Weakness–Opportunities) Strategies:

**Product Innovation:** To address limited innovation, the company can develop tofu variants with unique flavors or shapes that cater to diverse consumer preferences. This aligns with the research by Izzuddin et al., (2024), which states that one of the key efforts to sustain a business is through product innovation.

**Raw Material Management:** Establishing buffer inventories for raw materials can reduce the risks associated with price fluctuations and supply disruptions, ensuring consistent production capacity.[10]

##### 3. ST (Strengths–Threats) Strategies:

**Maintaining Product Quality:** Consistently high product quality can differentiate UD Jamhari from competitors, boosting customer trust and brand loyalty. Implementing strict quality control measures throughout production ensures this standard.

**Affordable Innovation:** Introducing innovative yet affordable products can address shifting consumer preferences while maintaining the company's competitive edge.[11]

##### 4. WT (Weakness–Threats) Strategies:

**Enhanced Customer Service:** Responsive customer service can strengthen consumer relationships, foster loyalty, and counteract intense competition. Regular communication and engagement with customers can improve brand perception and retention. [12]

#### 5. Conclusion

The research highlights the key factors that influence the performance of UD Jamhari and offers strategic recommendations to ensure sustainable growth. The company's strengths include a skilled and well-trained production team, consistent product quality, effective word-of-mouth promotion, and competitive pricing. These strengths have enabled UD Jamhari to maintain a strong market presence. However, the research also identifies weaknesses, such as a reliance on unstable raw material supplies, limited product innovation, and suboptimal promotional efforts, which need to be addressed for the company to continue growing.

To overcome these challenges and leverage its strengths, the research proposes several strategies. First, it recommends capitalizing on the expertise of the production team while integrating modern technologies to enhance production efficiency. Additionally, utilizing e-commerce platforms to promote tofu's health benefits and environmental sustainability could help expand the company's reach. Another key strategy is to ensure the consistent quality of products and secure a steady supply of raw materials, which

would help expand the market, increase operational efficiency, and strengthen brand positioning.

Furthermore, UD Jamhari can differentiate itself from competitors by maintaining high product quality and offering affordable innovation to meet evolving consumer preferences. The research also suggests that the company establish buffer inventories for essential raw materials, reducing risks related to price fluctuations and supply disruptions. To better serve consumers, UD Jamhari should introduce product variations, such as tofu with different flavors and shapes, to appeal to a diverse customer base. Lastly, improving customer service responsiveness can help foster loyalty and enhance the company's competitiveness in an increasingly challenging market.

By implementing these strategies, UD Jamhari can not only solidify its position in the market but also adapt to changing market conditions, ensuring sustainable growth and long-term success in the competitive tofu industry. This research underscores the importance of aligning internal strengths with external opportunities while addressing weaknesses and mitigating potential threats.

## REFERENCES

- [1] S. Yadav, "Internet of things (IoT) based coordination system in Agri-food supply chain: development of an efficient framework using DEMATEL-ISM," *Oper. Manag. Res.*, vol. 15, no. 1, pp. 1–27, 2022, doi: 10.1007/s12063-020-00164-x.
- [2] R. M. Elavarasan, "Envisioning the UN Sustainable Development Goals (SDGs) through the lens of energy sustainability (SDG 7) in the post-COVID-19 world," *Appl. Energy*, vol. 292, 2021, doi: 10.1016/j.apenergy.2021.116665.
- [3] E. B. Ali, "Green economy implementation in Ghana as a road map for a sustainable development drive: A review," *Sci. African*, vol. 12, 2021, doi: 10.1016/j.sciaf.2021.e00756.
- [4] P. Loizia, "Measuring the level of environmental performance in insular areas, through key performed indicators, in the framework of waste strategy development," *Sci. Total Environ.*, vol. 753, 2021, doi: 10.1016/j.scitotenv.2020.141974.
- [5] P. Antwi-Afari, "A review of the circularity gap in the construction industry through scientometric analysis," *J. Clean. Prod.*, vol. 298, 2021, doi: 10.1016/j.jclepro.2021.126870.
- [6] A. A. Zorpas, "Strategy development in the framework of waste management," *Sci. Total Environ.*, vol. 716, 2020, doi: 10.1016/j.scitotenv.2020.137088.
- [7] F. Collins, "A critical review of waste resources, synthesis, and applications for Zeolite LTA," *Microporous Mesoporous Mater.*, vol. 291, 2020, doi: 10.1016/j.micromeso.2019.109667.
- [8] M. Razkenari, "Perceptions of offsite construction in the United States: An investigation of current practices," *J. Build. Eng.*, vol. 29, 2020, doi: 10.1016/j.jobe.2019.101138.
- [9] K. Otsuka, "Strategy for Transforming Indonesian Agriculture," *Bull Indones Econ Stud*, vol. 57, no. 3, pp. 321–341, Sep. 2021, doi: 10.1080/00074918.2021.2002387.
- [10] F. Nurdiana Widjayanti, "Analysis Of Agroindustry Tofu In Household Scale Rambipuji District Jember Regency," *PROCEEDING INTERNATIONAL CONFERENCE ON ECONOMICS, BUSINESS AND INFORMATION TECHNOLOGY (ICEBIT)*, vol. 4, pp. 16–25, Jul. 2023, doi: 10.31967/prmandala.v4i0.723.
- [11] Y. P. B. Bara, S. Sinulingga, and M. T. Sembiring, "Analisis Strategi Pemasaran dengan Pendekatan Generik Porter dan SWOT dalam Membentuk Retensi Pelanggan (Studi Kasus di PT Charoen Pokphand Indonesia, Poultry Integration)," *Al Qalam: Jurnal Ilmiah Keagamaan dan Kemasyarakatan*, vol. 17, no. 2, p. 311, Mar. 2023, doi: 10.35931/aq.v17i2.1990.
- [12] B. Wijayantini, "Productive Economy Through Marketing Innovation Development," *Jurnal Aplikasi IPTEK Indonesia*, vol. 3, no. 3, pp. 110–115, Feb. 2019, doi: 10.24036/4.1229.
- [13] F. Rangkuti, *Personal SWOT analysis*. Gramedia Pustaka Utama, 2015.

- [14] F. David, "Strategic Management, Konsep Manajemen Strategik," 2004.
- [15] R. E. Supeni, A. Yuliantin, and B. Wijayantini, "Pemberdayaan Ekonomi Sebagai Upaya Kesejahteraan Masyarakat di Era Pandemi Covid 2019," *National Multidisciplinary Sciences*, vol. 1, no. 1, pp. 11–19, Jan. 2022, doi: 10.32528/nms.v1i1.4.
- [16] A. D. Christina, Fenni, and D. Roselina, "Digital marketing strategy in promoting product," *Management and entrepreneurship: trends of development*, no. 4(10), pp. 58–66, 2019, doi: 10.26661/2522-1566/2019-4/10-05.
- [17] A. Izzuddin, Moh. Halim, and Y. G. Wibowo, "Peran Inovasi, Sumberdaya Dan Modal Sosial Terhadap Ketahanan UMKM Batik Di Kabupaten Jember," *Jurnal Manajemen dan Bisnis Indonesia*, vol. 10, no. 1, pp. 191–206, Jun. 2024, doi: 10.32528/jmbi.v10i1.1799.
- [18] V. Virda and B. Wijayantini, "Menaklukkan Hati Pelanggan: Strategi Pemasaran Penuh Pengalaman Dan Kepercayaan Untuk Memacu Niat Beli Ulang," *EKTASI: Jurnal Ekonomi, Akutansi dan Organisasi*, vol. 1, no. 2, pp. 128–138, 2023.
- [19] R. E. Supeni and B. Wijayantini, "Mushroom Cultivation Business Development Strategy with BMC Model During Pandemic Covid 19," *BASKARA : Journal of Business and Entrepreneurship*, vol. 5, no. 2, p. 165, Apr. 2023, doi: 10.54268/baskara.v5i2.12409.
- [20] E. W. Indarto, I. Suroso, S. Sudaryanto, and N. Qomariah, "the Effect of Brand Image and Product Attributes on Customer Satisfaction and Customer Loyalty," *Jurnal Aplikasi Manajemen*, vol. 16, no. 3, pp. 457–466, 2018, doi: 10.21776/ub.jam.2018.016.03.10.