

SWOT Analysis on the Marketing Strategy of Micro, Small, and Medium Enterprises (MSMEs) in Cibinong District, Bogor Regency

Dini Ayuning Ratri Sukimin¹, Rodiana Listiawati², Lia Ekowati³

^{1,2,3}Department of Accounting, State Polytechnic of Jakarta

ABSTRACT: This study aims to analyze appropriate marketing strategies for Micro, Small, and Medium Enterprises (MSMEs) in Kampung Batik Cibuluh, Cibinong District, Bogor Regency using a SWOT analysis approach. Data was collected through questionnaires distributed to MSME actors and analyzed using IFAS and EFAS matrices to identify internal and external factors influencing the business. The results show that MSMEs are positioned in Quadrant I, indicating that internal strengths outweigh weaknesses, and external opportunities are greater than threats. Therefore, the most appropriate strategy is the SO (Strength–Opportunity) strategy, which focuses on maximizing strengths to seize available opportunities, such as human resource skills, product quality, and strategic business locations. This study illustrates that strengthening marketing strategies based on local potential and supportive external conditions can encourage sustainable growth for MSMEs.

KEYWORDS: SWOT Analysis, EFAS, IFAS, Marketing Strategy, MSMEs.

I. INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) are a sector that plays a significant role in the national economy. In Indonesia, MSMEs account for more than 99% of all business entities and absorb over 97% of the workforce. Beyond being a source of livelihood for millions of people, MSMEs also contribute significantly to regional economic growth, reduce unemployment rates, and expand entrepreneurial opportunities across various social groups.

MSMEs play a key role in reducing poverty and unemployment. This is reflected in their inclusion as one of the government's priority programs to improve public welfare. The government recognizes that policy support can foster favorable conditions for MSME development in Indonesia. As a result, MSMEs are positioned as the driving force of national economic development. The growth of MSMEs demonstrates their vast potential for economic development, though they also face numerous challenges in competing and expanding their businesses.[1]

However, MSMEs still encounter a range of obstacles, such as limited access to capital, technology, marketing, and managerial capacity. In facing the digital era and global competition, MSMEs require strong support from various stakeholders, including government institutions, financial bodies, and academia. Strengthening marketing strategies, fostering product innovation, and embracing business digitalization are expected to enhance the competitiveness and sustainability of MSMEs as the backbone of Indonesia's people's economy.

Kampung Batik Cibuluh, located in Cibuluh Urban Village, North Bogor District, is one of the batik centers that emerged from a local economic empowerment initiative, officially established in 2019. Around 40 to 45 batik-producing MSMEs are organized into nine business groups, each with its own brand. The batik products reflect local cultural identity specific to the City of Bogor, with motifs such as the kujang (traditional weapon), deer, and pine tree. Although there has been progress in terms of production quantity and design variety, the main challenge faced by MSMEs in Kampung Batik Cibuluh lies in marketing strategy. Most artisan groups still rely on conventional, direct marketing at the production site, bazaars, or visitor events, and lack a well-established distribution system. The use of digital media and e-commerce remains limited to a few groups, resulting in suboptimal impact on sales and market expansion.



Table 1. Development of Batik Cibuluh Artisans

Period	Number of Artisans	Key Transformations
Before 2014	1 artisan	Batik Pancawati was established as the pioneer
2014–2019	Several women batik makers	Formation of small business groups began
2019 (officially)	40–45 artisans	Officially designated as Kampung Batik Bogor
2022	Approximately 45 artisans	National recognition and product expansion

Source: Processed Data (2025)

This marketing issue has the potential to hinder the growth of MSMEs, especially in facing competition from batik products originating from other regions that have already developed integrated digital marketing strategies. Additionally, limitations in understanding consumer behavior, market segmentation, and selecting the right promotional channels have caused the Cibuluh batik brand to lack strong competitiveness in both regional and national markets.

Modern marketing management is a strategic approach in marketing activities that focuses on creating long-term value, utilizing digital technology, and developing sustainable relationships with customers. [2] According to Kotler and Keller, modern marketing management encompasses the planning and execution of marketing activities that go beyond product, pricing, promotion, and distribution aspects, emphasizing instead the development of valuable customer relationships and the involvement of various stakeholders within a constantly changing business environment. [3]

An appropriate marketing strategy is crucial to address these problems. The strategy must be able to integrate local potential with a modern, digital-based marketing approach, covering market segmentation, competitive pricing, broader distribution, creative promotion, and strengthened branding. Situation analysis must be conducted to identify the potentials of MSMEs in Kampung Batik Cibuluh by examining internal strengths and weaknesses as well as external opportunities and threats. SWOT analysis aims to assess internal factors that contribute to customer satisfaction, while also considering external factors. Thus, strategic decision-making can align with the company's objectives. [4]

According to Caroline, a marketing strategy may consist of one or more marketing programs, each comprising two main components: target market and marketing mix. The marketing mix, also known as the 4Ps concept, includes product, price, place (distribution), and promotion. [5]

1. A product is any good or service offered to the market with the aim of attracting attention, being owned, used, or consumed to satisfy consumer needs and wants. [6]
2. Price represents the value of a product that consumers must pay in order to acquire it. [7]
3. Place (distribution) includes all company activities designed to ensure the product reaches its target customers. [8]
4. Promotion is a form of communication aimed at informing and persuading potential customers about the offered product or service. [9]

The marketing environment is divided into two types: internal and external environments, both of which influence a company's marketing activities. [10] The relevant factors are as follows: [11]

1. External environmental factors include demographics, economy, politics-law, technology, socio-culture, suppliers, customers, competitors, distributors, government institutions, availability of labor, and creditors.
2. Internal environmental factors include marketing, production, human resources, finance, research and development, information systems, and corporate culture.

Therefore, this research is important to identify the most effective and relevant marketing strategy for MSMEs in Kampung Batik Cibuluh so they can enhance product visibility, expand market reach, and strengthen their position in the national batik industry.



II. RESEARCH METHOD

The data collection method in this study was conducted through the distribution of questionnaires to batik MSME administrators located in the Cibinong District, Bogor Regency. The primary instrument used by the researcher to obtain primary data was a questionnaire. The questionnaire was designed using a Likert scale, consisting of five response options based on respondent preferences.

Meanwhile, the data analysis technique applied in this research is SWOT analysis. This analysis is supported by the development of IFAS (Internal Factors Analysis Summary) and EFAS (External Factors Analysis Summary) tables. To identify strategic factors influencing the enterprise, a SWOT matrix is employed. The SWOT matrix serves as a tool to visualize the results of the SWOT analysis previously conducted. This matrix is designed to comprehensively describe the internal and external conditions of the organization. In its implementation, the SWOT matrix generates four fundamental strategic alternatives, namely: [12]

1. Strength–Opportunity (SO) Strategy: A strategy aimed at fully utilizing the organization's internal strengths to seize available external opportunities.
2. Strength–Threat (ST) Strategy: A strategy that focuses on using internal strengths to confront and mitigate threats from the external environment.
3. Weakness–Opportunity (WO) Strategy: A strategy that leverages existing opportunities to address or reduce the organization’s internal weaknesses.
4. Weakness–Threat (WT) Strategy: A defensive strategy primarily focused on minimizing weaknesses and avoiding external threats that could hinder the sustainability of the organization.

III. DISCUSSION

The evaluation matrices of internal and external factors are utilized to examine the extent to which the internal environment influences strengths and weaknesses, as well as how the external environment creates opportunities and threats for the business. The following presents the internal and external factor evaluation matrices that describe the current condition of MSME actors in Kampung Batik Cibuluh.

Table 2. Internal Factor Matrix of MSMEs in Kampung Cibuluh

Internal Strategic Factors	Weight	Rating	Score	Rank
Strengths				
Friendly human resources towards customers	0,078	3,430	0,268	2
Possession of excellent work skills	0,070	3,410	0,239	5
Business location is strategically positioned	0,075	3,350	0,251	3
Product prices aligned with product value	0,070	3,390	0,237	6
High quality and competitive products	0,085	3,410	0,290	1
Flexible service based on customer needs	0,071	3,400	0,241	4
Active product promotion	0,070	3,200	0,224	7
Subtotal	0,519		1,750	
Weaknesses				
Inefficient operational management	0,071	2,200	0,156	3
High capital requirement at business startup	0,074	2,870	0,212	1
Employees lack competence in financial management	0,073	2,200	0,161	2
Absence of standardized operational procedures	0,062	2,350	0,146	6
Frequent production delays	0,060	2,240	0,134	7



Suboptimal compensation procedures	0,071	2,170	0,154	4
Lack of employee performance evaluation system	0,070	2,170	0,152	5
Subtotal	0,481		1,115	
TOTAL	1,000			

Table 3. External Strategic Factors Matrix of MSMEs in Kampung Cibuluh

External Strategic Factors	Weight	Rating	Score	Rank
Opportunities				
Broad and continuously growing market potential	0,078	3,130	0,244	2
Few direct competitors in the industry	0,084	2,310	0,194	5
Opportunity to expand business locations	0,053	2,440	0,129	7
Suppliers do not compete with similar products	0,067	2,680	0,180	6
Customers have bargaining power over pricing	0,078	3,100	0,242	3
Customers encourage improvements in service quality	0,069	3,400	0,235	4
Consumers actively seek product-related information	0,078	3,250	0,254	1
Subtotal	0,507		1,477	
Threats				
Rapid and continuously changing technological advancements	0,081	2,350	0,190	1
Emergence of new competitors in the market	0,072	2,290	0,165	5
Relatively high cost of raw materials	0,080	2,170	0,174	3
Increasing demand for product differentiation	0,060	2,240	0,134	6
High fixed costs and distinctive product characteristics	0,070	2,680	0,188	2
Presence of substitute products with similar quality but lower price	0,070	2,390	0,167	4
Barriers to accessing efficient distribution channels	0,060	2,050	0,123	7
Subtotal	0,493		1,141	
TOTAL	1,000			

3.1 Analysis Coordinates.

The coordinate analysis is divided into two categories: internal factor coordinates and external factor coordinates. These coordinates are calculated to determine the placement within the grand strategy matrix diagram. The position of the coordinates helps identify the appropriate strategic quadrant and allows for further analysis based on predefined categories. The resulting data will be used to develop suitable strategies for MSMEs in Kampung Batik Cibuluh. The values obtained from the calculations are as follows:

1. Internal Factor Analysis Coordinate

The internal factor coordinate is obtained by calculating the average of the difference between the total strength score and the total weakness score.

$$= \frac{(1,750-1,115)}{2} = 0,317$$

2. External Factor Analysis Coordinate

The external factor coordinate is calculated by taking the average of the difference between the total opportunity score and the total threat score.

$$= \frac{(1,477-1,141)}{2} = 0,168$$

3.2 Grand Strategy (GS) Matrix Diagram.

These coordinates are then plotted onto the Grand Strategy (GS) matrix diagram, which consists of four quadrants (I, II, III, and IV). The resulting coordinate position (0.317; 0.168) is located in Quadrant I, indicating the most suitable strategic area to be implemented by MSMEs in Kampung Batik Cibuluh.

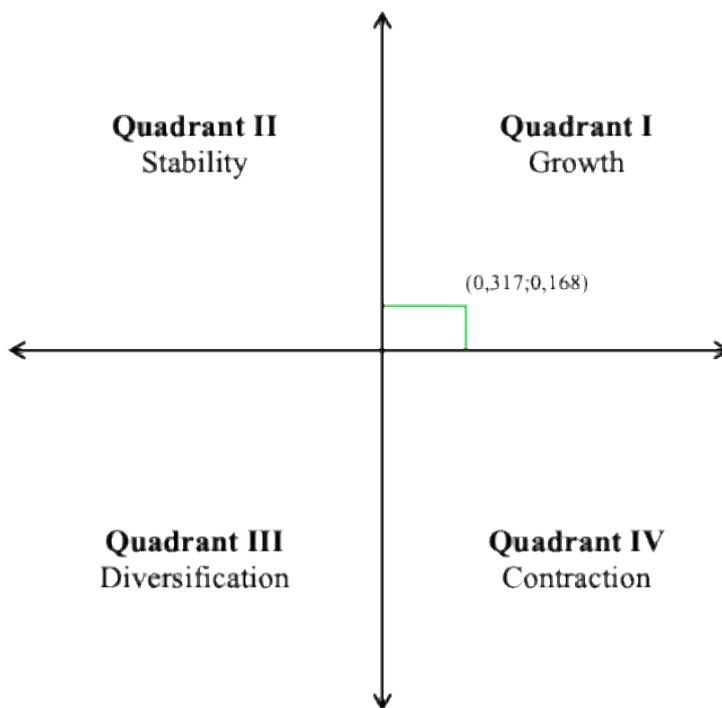


Figure 1. Grand Strategy (GS) Matrix of MSMEs in Kampung Batik Cibuluh

Source: Processed Data (2025)

In this study, MSMEs in Kampung Batik Cibuluh are positioned in **Quadrant I (Growth Strategy)**, indicating that the businesses are internally strong and face significant external opportunities. The recommended strategy is **aggressive**, focusing on leveraging internal strengths to fully seize external opportunities.



Table 4. SWOT Matrix of MSMEs in Kampung Batik Cibuluh

<p>IFAS</p> <p>EFAS</p>	<p>Strengths</p> <ol style="list-style-type: none"> Human resources are friendly and customer-oriented. Possess excellent work skills. Business location is strategically situated. Product prices are aligned with product value. Product quality is guaranteed and competitive. Services are flexible to meet customer needs. Product promotions are conducted actively. <p>Score (1,75)</p>	<p>Weakness</p> <ol style="list-style-type: none"> Work management is not yet running optimally. Requires large capital at the time of business establishment. Employees have limited competence in managing funds. Standard operating procedures for products are not yet well-established. Production frequently experiences delays. Compensation procedures are not yet optimal. Performance evaluation system for employees is not yet available. <p>Score (1,12)</p>
<p>Opportunity</p> <ol style="list-style-type: none"> A large and continuously growing market potential. Few direct competitors in the industry. Opportunities to expand business locations. Suppliers do not compete with similar products. Customers have bargaining power over pricing. Customers encourage improvements in service quality. Consumers are actively seeking product-related information. <p>Score (1,48)</p>	<p>S-O Strategy</p> <ol style="list-style-type: none"> Utilize superior skills and flexible services to reach a broader market through online platforms. Expand business locations into potential areas to attract more consumers. Offer top-quality products as a competitive advantage amid limited competition. Customize services based on customer needs, especially for consumers actively seeking product information. <p>Score (3,23)</p>	<p>W-O Strategy</p> <ol style="list-style-type: none"> Establish partnerships or gain access to financing to overcome capital constraints. Enhance competencies in business fund management. Standardize operational processes to maintain quality as the business grows. Implement digital systems to improve work efficiency. <p>Score (2,6)</p>
<p>Threats</p> <ol style="list-style-type: none"> Rapid and constantly evolving technological advancements. Emergence of new competitors in the market. 	<p>S-T Strategy</p> <ol style="list-style-type: none"> Rely on product quality and strategic business locations to compete with substitute products. 	<p>W-T Strategy</p> <ol style="list-style-type: none"> Prevent production delays to remain competitive in the market.



<ol style="list-style-type: none"> 3. Relatively high raw material costs. 4. Increasing need for product differentiation. 5. Products have high fixed costs and specific characteristics. 6. Presence of substitute products with comparable quality at lower prices. 7. Barriers in accessing efficient distribution channels. <p>Score (1,14)</p>	<ol style="list-style-type: none"> 2. Offer flexible services as a competitive advantage over cheaper competing products. 3. Leverage high-level skills to develop unique and differentiated products. 4. Establish partnerships with distributors to improve product accessibility in the market. <p>Score (2,89)</p>	<ol style="list-style-type: none"> 2. Develop a fair reward system to enhance employee performance. 3. Minimize the risk of expensive raw materials by seeking alternative sources. 4. Reduce operational expenses to better cope with competition and market uncertainty. <p>Score (2,26)</p>
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The analysis of internal and external factors indicates that MSME actors in Kampung Batik Cibuluh are in a strong position to achieve business growth. This is demonstrated by the internal strength score being higher than the weakness score ($1.75 > 1.12$), and external opportunities outweighing threats ($1.48 > 1.14$). These conditions reflect the MSMEs' sufficient internal capacity and favorable external support to drive sustainable development.

The most appropriate strategy to apply is the SO (Strength–Opportunity) strategy, which received the highest score of 3.23. This strategy focuses on leveraging internal strengths to capitalize on external opportunities optimally. Nevertheless, alternative strategies such as WO, ST, and WT should also be considered in order to address potential weaknesses and anticipate external threats, thus ensuring the sustainability and competitiveness of the business in the long term.

IV. CONCLUSION

Based on the results of the SWOT analysis, it can be concluded that MSME actors in Kampung Batik Cibuluh are in a strategic position to pursue business growth. The coordinate position located in Quadrant I indicates that internal strengths can be optimally utilized to respond to external opportunities, such as a broad market, limited competition, and increasing demand for local products.

The advantage of this analysis is the formulation of a more focused strategy—by optimizing human resource skills, product quality, strategic business locations, and flexible services to expand market reach. This growth strategy has the potential to strengthen the competitiveness of MSMEs in the long term. However, limitations still exist, such as irregular management, limited capital availability, and the absence of comprehensive standard operating procedures. These are crucial notes for further development to ensure that internal weaknesses do not hinder sustainable progress.

The results of this study can serve as a foundation for strategic planning by MSME actors and local policymakers in developing empowerment programs based on local potential. In the future, further development may include digital marketing adoption, managerial training, and strengthening stakeholder collaboration to build an adaptive and competitive MSME ecosystem.

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