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SWOT Analysis and Ansoff Matrix in Creative Food Industry Business Development: A Study on Creative Food Business “Komala”

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ABSTRACT

The number of entrepreneurs in the food and beverage industry is spread throughout Indonesia. Komala is a business engaged in the culinary or food and beverage industry headquartered in the city of Tangerang. Komala has a local food concept that is packaged in a modern and practical way. This research is qualitative research by conducting interviews with several resource persons who run competent and sustainable food and beverages business. In this study, interviews were conducted with representatives from several restaurant, namely, GB, DBJ, H, KC, SKS, and RR as benchmarks in the Komala food business. The author prepares a list of questions regarding the information needed to approach the SWOT analysis and Ansoff Matrix to the informants. Based on results, it can be concluded that the strategies that Komala's business must implement to develop are strengths (having a structured SOP and competitive prices), weakness (limited human resources and the absence of a physical store), opportunities (starting to collaborate with online food delivery modes), threats (anticipating the increase in raw materials and making new innovative products)

1. Introduction

The food and beverage industry is a fast-growing industry in Indonesia and the world. Every country has its uniqueness in every food and drinks served. This uniqueness is an added value both in terms of aesthetics, the process of serving and taste to attract consumer interest. Food and drink are also basic human needs. So it will always be needed in any condition. The food and beverage industry in Indonesia has contributed to improving the country's economy. At the Coca-Cola Amatil Investor Day event in Jakarta, the minister of industry Airlangga Hartarto stated that the food and beverage industry is a mainstay of the government (Indonesian Ministry of Industry, 2017). This can be seen from the proportion of the food industry business, which is 43 per cent and the beverage industry is 1 (one) per cent to other industries. So the food and beverage industry is one

of the major industries that contribute to economic growth in Indonesia (Amelia & Purbolaksono, 2017).

The food and beverage industry in Indonesia has also succeeded in absorbing labour to reduce unemployment Utami (2017) reported in the JPP article, General Secretary of the Ministry of Industry Haris Munandar stated that the food and beverage industry had contributed 3.316.186 people in the workforce or 21.34 per cent of 16 million industrial workers in Indonesia. So it can be concluded that the food and beverage industry is the most extensive and contributes to the Indonesian economy and absorbs labour effectively. This makes the Ministry of Industry will continue to guarantee the production process in the food and beverage industry with raw materials that are always available so that the food and beverage



industry in Indonesia can compete with the global food and beverage industry (Indonesian Ministry of Industry, 2017).

The number of entrepreneurs in the food and beverage industry is spread throughout Indonesia, one of the cities that is developing in the tourism and culinary sector is the city of Tangerang. Tangerang has many specialities, one of which is the famous Laksa. Tangerang also has tourist destinations such as beaches and parks. The city government of Tangerang is making efforts to make the city of Tangerang, a tourist city worthy of being visited by tourists. One of the efforts that have been made is to create a laksa culinary area and the Old Market culinary area (Kusmaya, 2018).

Along with the development and growth of tourists, the current Mayor of Tangerang, Mr Arief R Wismansyah, said that currently, the government in the city of Tangerang is trying to increase tourist destinations by creating large parks and unique bridges, and each tourist destination will be equipped with a culinary micro-business so that the Tangerang government hopes that tourist and culinary destinations can develop together by contributing to a good economy for the city of Tangerang (2018). The number of tourists who came to Tangerang city in 2014 was 398.679 people, in 2015 it increased to 482.903 people, in 2016 it increased to 554,299 people, and in 2017 it reached 1.008.747 people (Tangerangkota.go.id, 2018). So to support the government's efforts in developing the tourism and culinary destination sector in the city of Tangerang. The author makes traditional Indonesian food which will be sold in the culinary area of the Old Market, Tangerang city.

Komala is a business engaged in the culinary or food and beverage industry headquartered in the city of Tangerang. Komala was founded on April 15, 2019. Komala's operating hours are every day except Monday with operating hours from 06:00 WIB to 14:00 WIB. Tri Ratna Suciati manages Komala as owner and Steven Andrea Lukita as coowner. Komala has a local food concept that is packaged in a modern and practical way. Modern

packaging is regional food packaged in a paper bowl or paper bowl so that it has a more uncomplicated impression compared to boxed rice packaging. The owner also carries a practical concept. So with a smaller packaging, it can be easier to carry and eat at various events. The food is also a fast food dish, where the chef will process the spices every week, which are frozen and heated during the production process.

The cuisine that the author makes is typical of Padang, West Sumatra. This food certainly has a very authentic taste. Komala was chosen because of the owner's interest in Padang food and had a family lineage from Padang. So that when Komala's design process, the recipe and taste was beyond doubt. Komala is also here with the belief to be the best Padang food at an affordable price. At the Grand opening, Komala distributed 50 bowls of free Padang rice to orphans. The goal is a form of gratitude for Komala to be present and hopes to become a place to preserve regional food. Until now, Komala only has one employee who helps the cooking process. Komala also continues to be consistent in carrying out its vision and mission in transforming regional food into modern and practical food.

Komala is present in a high-speed technology era. Of course, Komala uses technology for the marketing and sales process. When present, Komala conventionally did marketing. Brochures were the author's marketing strategy in Komala's early days. The author distributes flyers in residential areas and schools in the city of Tangerang.

2. Literature Review

According to Nasution, Noer, & Suf (2007), an entrepreneur is someone who innovates, has a leadership spirit, and can produce new products or services in business concepts that aim to gain profit, develop strategies, and can implement their ideas. Meanwhile, according to Cantillon (2010), the word 'entrepreneurship' comes from French



entrepreneur' which means to undertake (to do) which is known from Richard Cantillon's *Essai Sur la Nature du Commerce en General* in 1755.

Meanwhile, according to Suryana (2013) in his book entitled "Entrepreneurship: Tips and Processes for Success", entrepreneurship is a person's fundamental ability to do creative and innovative things in utilizing resources to create opportunities for business success. Hasanah (2015) states that the term entrepreneurship has the same meaning as entrepreneur, where entrepreneurship is the central controller of the economy and actions in finding new ways that have specific business standards and aim to make a profit. Therefore, entrepreneurship is a value that a person has in developing creative and innovative abilities to achieve added value in life. In other words, entrepreneurship is oriented towards self-ownership and abilities.

This entrepreneurial value is not only for development in itself, but can affect around and even the whole world. Schumpeter (2011) in his book entitled "Stanford Business Books" which explains that an entrepreneur is someone capable of making significant changes in the economic system, giving birth to inventions, and changing ideas that make a great innovation, such as new products, new management, systems new production, and new primary material. Based on the Decree of the Minister of Cooperatives and Small Entrepreneur Development Number 961/KEP/M/XI/1995, "Entrepreneurship is the spirit, attitude, behaviour and ability of a person in handling a business or activity that leads to an effort to find, create, and implement ways of working. Technology and new products by increasing efficiency in order to provide better services and gain greater fortune" (Indonesian Ministry of Law and Human Rights, 2012).

Soegoto (2010) in his book entitled

"Entrepreneurship to Become an Outstanding Businessman" states that entrepreneurs are essentially people who can see opportunities, business opportunities, and resources needed to take action, and have the will to realize innovative ideas aim to make a profit. The book shows that an entrepreneur must be able to have 7 (seven) new and different abilities to start a business, including:

Self-knowledge is the ability to understand the business that will be done or carried out.

Imagination is the ability to have creative, imaginative, and perspective ideas.

Practical knowledge, is the ability to understand the practitioner's knowledge, for example, accounting, design, marketing and operations.

Search skills are the ability to seek creative and creative ideas.

Foresight is the ability to plan well and have far-sightedness.

Computation skill is the ability to calculate and predict future events.

Communication skills, namely the ability to communicate and relate to other people.

The creative role of an entrepreneur is needed to have a stable business, and the capital is used for economic activities. In connection with this statement, Ishadi (2019) reports from the Detiknews website, a world marketing expert named Llisian (2011) states that entrepreneurs can bring significant changes that have a global impact, where entering the 21st-century entrepreneurs can innovate to become creative entrepreneurs. Quoted from the same source, business models now rely on the ideas and creativity of millions of young people whose intentions to act and learn from the success stories of entrepreneurs. Saputri (2018) through a website entitled *Creative Economy, New Machines for Economic Prosperity*, states that in fact, the backbone of Indonesia's most



developing economy is now the creative industry which has contributed IDR

922.59 trillion (or USD 66.61 billion) which contributed 7.44% of Indonesia's Gross Domestic Product (GDP) in 2016.

SWOT Analysis

SWOT analysis is one way to find out internal and external conditions regarding the business being carried out (Utami, 2017). With this analysis, it can be seen the efforts to identify Strength, Weakness, Opportunity, and Threat. Internal conditions can be seen from Strength and Weakness points, to find out external conditions can be seen from Opportunity, and Threat points. Based on the above discussion, according to Fahmi (2014), about knowing SWOT, it is necessary to divide the analysis of internal and external factors, namely:

Internal factors: factors that affect business performance from within, such as strength (strength) and weakness (weakness). This is known as a condition that occurs within the company which is useful for making decisions, such as; marketing, financial, operations, resources, research and development, management, and corporate culture.

External factors: factors that affect business performance from outside, such as opportunities and threats. This is related to conditions that occur outside the company but can affect company decision-making, such as industrial environment, macro business environment, economy, politics, law, technology, demography, and socio-culture.

SWOT analysis is an analysis used in knowing marketing strategies to identify the condition of the company, minimize weaknesses, and take advantage of every strength that is owned. Knowing and conducting a SWOT analysis provides a future paradigm for adjusting the company's internal

and external conditions by assessing all possible threats and opportunities before assessing the company's weaknesses and strengths (Taufik & Suprajang, 2015).

The method for maximizing the SWOT analysis is by compiling the company's strategic factors by using a SWOT matrix that produces a SWOT analysis. There are four types of strategies used in conducting a SWOT analysis, namely:

SO Strategy (Strengths - Opportunities)

The strategy is used by looking at the right side

that is carried out by the company, to be able to take advantage of the power or strength of the company in using the maximum opportunity.

ST Strategy (Strengths - Threats)

The strategy used is to take advantage of strength in the face of threats.

WO Strategy (Weaknesses - Opportunities)

This strategy is used when the company realizes a weakness in the company. Therefore, companies implement ways to take advantage of opportunities owned by the company to reduce weaknesses or shortcomings.

WT (Weaknesses - Threats) strategy

A defensive strategy, because the company is aware of its weaknesses; therefore, the company minimizes existing weaknesses and avoids threats (Fahmi, 2014).

Ansoff's Matrix

Ansoff Matrix is a table that shows the four strategies used to analyze business risks and opportunities for growth. Igor Ansoff initiated it in 1957 who was a mathematician and business manager who was looking for ways to be able to describe a business development strategy that focuses on targeted products and markets, both in current and future conditions. The matrix introduced by Ansoff is useful as a source theory for growth that



occurs both internally and externally. (Robinson, Edwards, & Bishop, 2019).

Based on this table, Ansoff Matrix has four strategies that help position the business according to the approach being carried out. The following is an explanation of the four strategies in the Ansoff Matrix.

Product Development

This product development strategy has a new concept or product that is offered to existing market segments. This step is taken to develop products in the production section, variants, and to enable potential buyers to have a better experience. This product development is essential to do to provide refreshment to existing potential customers. Example: Coca Cola releases Sakura / Cherry Blossom variants (Robinson, Edwards, & Bishop, 2019).

Diversification

In making this difference/diversification, it can be said that it is quite tricky because it must be able to introduce the product to the market properly so that the intended value or goal can be achieved. In diversifying, the market share offered does not know about the product, and also the product being offered has never been marketed, so it is necessary to educate prospective buyers to find out about the product. Usually, this method is used to

obtain large profits, even though the risks involved are also large (Robinson, Edwards, & Bishop, 2019).

Market Development

This market development indicates that there is a new market share for existing products and is offered back to potential buyers who have different characteristics or habits from the previous market share. In carrying out market development, it is better to carry out Market Segmentation because the intended target is more focused and has a classification so that it is easy to find out the characteristics of potential consumers, such as age, gender, economy, and culture. This market development has an ample enough opportunity to grow due to the broader market share (Robinson, Edwards, & Bishop, 2019).

Market Penetration

This market penetration strategy has the lowest risk because the product is already on the market, and the market share offered is the same. Therefore, there is no need for market share education about these products. Usually, this strategy is carried out to increase the current customer base and increase purchases from consumers. Example: Yakult informs consumers that it is taken twice a day to help digestion in the intestines (Robinson, Edwards, & Bishop, 2019).



Figure 1. Ansoff Matrix Diagram

Source: Robinson, Edwards, & Bishop, 2019



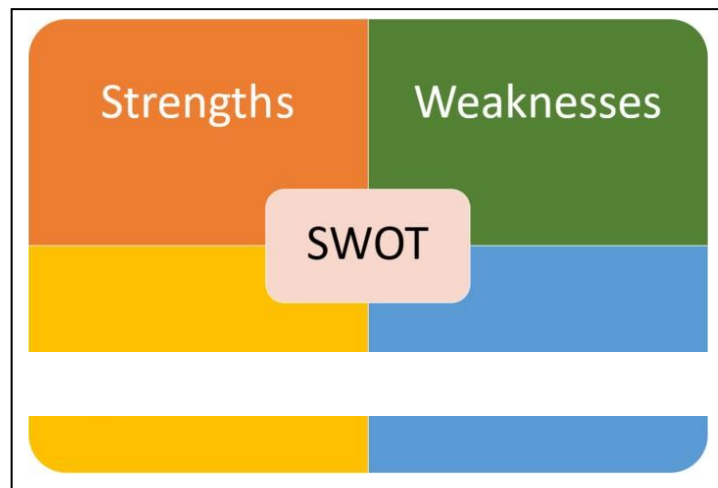


Figure 2. SWOT Analysis

3. Methods

This research is qualitative research by conducting interviews with several resource persons who run competent and sustainable food and beverages business. In this study, interviews were conducted with representatives from several restaurant, namely, GB, DBJ, H, KC, SKS, and RR as benchmarks in the Koomala food business. All interview results in the form of transcripts will be explained in the attachment section.

In conducting interviews, the writer has 4 (four) steps taken to get the final result before it is processed using qualitative methods—the first step taken by the author, namely interview preparation. Interview preparation includes selecting the topic to be discussed, determining the intended subject or source, making a list of questions, and preparing the main issues to be highlighted. In preparing this interview, the author had ten core questions for representatives from GB, DBJ, H, KC, SKS, and RR as benchmarks related to aspects of the SWOT analysis and Ansoff Matrix. In the next stage, the authors conducted interviews with representatives of the previously agreed benchmarks. After conducting interviews, the authors obtained and analyzed benchmark data related to aspects of the SWOT analysis and Ansoff

Matrix, which could be processed qualitatively into transcripts. In qualitative research, the author has taken several steps to obtain the results used to analyze the required data. This study uses a qualitative method. In obtaining the required data or information, the authors conducted interviews with informants as a representative of the brand that was the benchmark in this study. The author prepares a list of questions regarding the information needed to approach the SWOT analysis and Ansoff Matrix to the informants.

4. Results and Discussion

Based on interviews, it can be seen that Komala's strengths are as follows: first strength, having a structured, standard operational procedure (SOP), Komala has a structured SOP document to ensure the certainty of every activity carried out. Includes activities to obtain raw materials, production, presentation and sales processes. Second strength, affordable prices, the price of each menu Komala is only IDR 15.000 so this price is a strength for Komala because the quality of the product served is following the price the author offers. Third strength, product variants, Komala has three product variants, namely fried chicken rice, grilled chicken rice and beef rendang rice. In making product



variants, the author is very consistent so that the author believes that the product variants that make are the right combination and become Komala's strength.

Next is the analysis of the weaknesses that become Komala's weaknesses, which are as follows: first weakness, incompetent human resources, Komala has one HR, but the lack of competence in carrying out its duties makes the process slow. Second weakness, having no physical shop, Komala currently only uses conventional marketing. However, Komala will soon be marketing in social media, collaborating with online transportation and opening a physical shop by the end of 2019.

Next is an analysis of opportunities that become opportunities from Komala, which are as follows: first opportunities, working with online transportation, Komala is currently still using conventional marketing strategies by not using social media and not collaborating with online transportation. This made Komala slow in developing and being recognized by the public. Second opportunity, the high trend of rice-bowl, rice-bowl is a practical and popular food today. Create opportunities to enter these markets. However, nowadays, the author sees more modern food rice-bowl, so the author presents a different one, namely the rice- bowl Padang meal.

Next is an analysis of the threats that pose a threat from Komala, which are as follows: first threat, number of competitors, with many competitors in the same business sector, entrepreneurs will further improve their skills. Second threat, unstable ingredients prices, with the unstable economy in Indonesia, the price of raw materials used by Komala is unstable. For example, the price of beef and chicken, which are Komala's main ingredients. Uncertainty in raw material prices can be detrimental because it can cause an increase in prices for the company's raw materials while decreasing income so that the company will

reset the selling price of the product without reducing product quality.

After conducting a SWOT analysis, the authors conducted an Ansoff Matrix analysis to identify strategies Komala's reference for development. The author chooses a strategy based on the results of a SWOT analysis. The author makes a strategy by combining advantages and opportunities. Komala's advantage is selling Padang meal with three product variations and at an affordable price, while Komala's opportunity is the rice bowl trend which is currently very popular. The result of the combination of advantages and opportunities in product development by adding product variations, market penetration through collaboration with online transportation to serve and respond to consumer desires.

Following are the results of strategy identification using the Ansoff Matrix approach. Market penetrations (ongoing); discounts, giving discounts on every purchase, for example, a 50 per cent discount for the second bowl, or discounts according to the unique quantity purchased for large events. Promotion, the promotion that is carried out is a collaboration with a wallet or digital money application, to provide a discount or cashback for every purchase in a store that the author will make. Branding on social media, branding on social media in collaboration with food bloggers to attract the attention and interest of each of the influencers' followers. So that Komala can be better known.

Market development; creating an offline store for Komala express, to reach a wider market share, Komala set up a physical store So that consumers can get Komala products. Komala is accepting orders without a minimum purchase. After joining Grab, Gojek and creating an offline store, Komala wants product purchases without a minimum purchase to increase. Previously, what was



only for events can now be enjoyed anytime and anywhere. Collaboration with Grab and Gojek; collaborating with Grab and Gojek to reach consumers even further. Because the author only focuses on the North Tangerang area, The owner wants food to be enjoyed throughout the city of Tangerang.

Product development; make the packaging more attractive (currently in progress) by adding coloured stickers so that the product and packaging have the right combination to attract consumer interest. Innovations to add product variants (ongoing); conducting research and development to add new product variants. If the author's three menus get a positive response, the writer will add to the author's menu. The author will also ask consumers what menu they want in Komala.

Diversification; make a local snack, the author will make a dry egg rendang product. This snack is shaped like chips and tastes like eating beef rendang. The author created this product to complement Komala. In this way, Komala will sell not only ready-to-eat food products, but also snacks.

5. Conclusion

Based on the research results, it can be concluded that the strategies that Komala's business must implement to develop are strengths (having a structured SOP and competitive prices), weakness (limited human resources and the absence of a physical store), opportunities (starting to collaborate with online food delivery modes), threats (anticipating the increase in raw materials and making new innovative products).

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