

## Quantitative Strategic Planning Matrix Analytics on Small-Scale Shoemaker Business and Finance

Martino Wibowo<sup>1</sup>, Wakhid Kurniawan<sup>2</sup> Endi Rekarti<sup>3</sup> Anton Kurniawan<sup>4</sup>  
Sompong Chuaynugul<sup>5</sup>

<sup>1,3</sup>Universitas Terbuka, Indonesia, <sup>2</sup>STIE GICI, Indonesia, <sup>4</sup>Universitas Bina Nusantara, Indonesia

<sup>5</sup>National Institute Development Administration, Thailand

tino@ecampus.ut.ac.id, idangjun16@gmail.com, endirekarti@ecampus.ut.ac.id,  
anton.kurniawan003@binus.ac.id bobby\_thaiguide@hotmail.com

Received: 15 November 2022 Revised: 15 January 2023 Accepted: 12 April 2023

DOI: <https://doi.org/10.54099/hbr.v3i1.537>

### Abstract

This study is intended to help craftsmen as well as small micro-scale shoe producers to comprehend the external and internal conditions of their business, the strengths and weaknesses of the business unit, and opportunities and threats to the business unit. As part of that, it provides alternative strategy options to be recommended to the small company holders to assist them to overcome their problems. Thus, the businesses owned by MSMEs who are members of joint business groups in Sukaresmi Village, Tamansari District, Bogor can survive and maintain their sustainability amid increasingly fierce-forcing competition among shoe entrepreneurs. The data analysis method used to evaluate the appropriate competitive strategy are using three stages coaxial of analysis. First, using the IFE and EFE matrix; Second, using IE and SWOT analysis and third using QPSM analysis. To sum up, it is concluded that the KUBE- Junashoe joint business group, at Sukasari Village, Tamansari District, Bogor, should be able to upscale their firm, by increasing promotion and product quality and upskilling the employee. Additionally, develop product and sales innovation, implement branding strategies and other strategies increasing support sales profitability.

**Keywords:** SWOT, Small Enterprises, Business Competition, Strategy, QPSM analysis.

### INTRODUCTION

The shoe industry is one of the leading manufacturing industries in Indonesia. Throughout 2018-2021, the footwear industry in Indonesia recorded a total production of 1.41 billion pairs of shoes or contributed 4.6 percent of the total world shoe production. This labor-intensive industry can absorb a workforce of 795 thousand of people. The shoe industry is able to become the 4<sup>th</sup> largest shoe producer in the world after China, India and Vietnam. In addition, Indonesia is also the 4<sup>th</sup> largest shoe consumer with a consumption of 886 million pairs of footwear. Currently, the number of footwear industries in Indonesia is recorded at 18,687 business units which include 18,091 small-scale business units, then 441 medium-scale business units and 155 large businesses (kemenperin.go.id, 2022).

Over time, the business world often faces competition, therefore the right strategy is needed to deal with it, including competing with similar business actors. Changes and developments in the world economy are very fast. So that a strategy is needed is a very broad formulation of how a company is made to compete to achieve a goal.

---

According to Kotler and Keller (2009), strategy can be defined as a management process that develops and maintains momentum among ever-changing corporate goals, corporate resources, and market opportunities, to shape and adapt the company's business operations and products. It produces to achieve profitability and profitable growth speed. The selection of a good strategy will certainly have a positive impact on the company in the prevailing competitive conditions. The selection of a good strategy will certainly have a positive impact on the company in the prevailing competitive conditions. "Junashoe", the micro small business group, as a part of a cluster of home industry-scale shoe manufacturers, located in Sukaresmi Village, Tamansari District, Bogor, West Java produces sneakers and casual footwear for adults and children, as well as formal shoes for adults. The "Junashoe" Joint Business Group (KUBE), which consists of 31 craftsmen, supplies shoes to fulfill the demand of several wholesale stores in the market of Pasar Anyar Bogor and also to several wholesale stores outside the city and regions in Indonesia. The Junashoe joint venture group has a B2B business-to-business and B2C business-to-customer sales model. Junashoe's B2B sales are offline sales to wholesale and retail stores with units of orders per kodi<sup>1</sup>, while Junashoe's B2C is online sales directly to consumers with units of orders per pair. Currently, Junashoe also become a seller on the Shopee marketplace. The largest sales are currently absorbed by offline sales with a wholesale system of unit orders per kodi. Therefore, Junashoe needs the right marketing strategy in order to increase its sales and have a competitive advantage and be able to gain a wider market share. This research was conducted to help micro, small and medium enterprises (MSEs) to create a marketing strategy for their products in order to compete in the market.

The increasing number of local and imported shoe brands makes the shoe business competition harshed and tighter. This makes Junashoe as a manufacturer with a home industry scale must start scaling up in order to continue to exist and still be glimpsed by customers so that they can compete with big brands and newcomer brands. The availability of product raw materials is vital for the continuity of shoe production as much as Junashoe does not have a good stock of raw materials. Moreover, several types of raw materials are not available in Indonesia so they must be imported from abroad. This happened at the beginning of the pandemic due to import restrictions, resulting in a shortage of raw materials and the doubled price. This had become a serious problem for Junashoe as shoe production was disrupted due to the replacement materials were not available, affecting the quality of the shoes.

In concomitantly, the issues that are generally faced by home-scale shoe makers such as the joint business group "Junashoe" are more in the aspect of capital because the investment capital purely coming from business owner. Moreover, the quality of human resources, such as the expertise and skills possessed by craftsmen and rising raw material prices are not directly proportional to the selling price of the product. Dependably, the use of traditional or manual production scales, in which only machines are employed to sew uppers, has an impact on the quality of the goods produced. Since the process of cutting, stitching, and gluing shoes determines the quality element of shoes and improves their appearance, it is essential to have qualified human resources when producing excellent footwear.

Shoe manufacturers compete to create various innovations in marketing shoe products. Nowadays, shoe manufacturers must be able to find opportunities where they can enter and understand consumer desires to succeed in a very tight industry competition. To compete in the market for similar products, Junashoe needs develop a tailored marketing strategy. This will enable it to identify the best approach to use for its shoe business and bring benefits to the company. Some of the problems that have arisen can be identified as follows: (i) There is a lot of competition with sellers of similar products; (ii) Product quality; (iii) Availability of production raw materials; (iv) Availability of production machines; (v) Reliability of human resources involved in production; (vi) Capital factor, and (vii) Sales revenue are still fluctuating.

---

<sup>1</sup> Kodi means 20 pieces (Indonesia standard measurement)

## LITERATURE REVIEW

Based on David (2012), it is necessary to expand geographically, diversify products, make acquisitions, penetrate markets, carry out merger strategies or reduce business structures such as divestment, joint ventures or liquidation to formulate a long-term strategy to be achieved. This strategy requires significant firm resources that have a long-term impact on the company's development and are future-oriented. On the one hand, Assauri (2011) explains it in terms of organizational behavior, where the strategy specifies how each member of the organization might cooperate to accomplish the predetermined aims and objectives of the business. In contrast, William in Amirullah (2020) defines strategy as a unified, comprehensive, and integrated business plan that connects the company's strategic advantages with environmental challenges and is intended to ensure that the company's primary objectives can be accomplished through proper implementation by the organization. From the above understanding, it can be ascertained that strategy is a plan or provision used to achieve large or overall goals in the long term.

Following this, according to David (2012) a strategy must be able to formulate, implement, and evaluate organizational inter-functional decisions to achieve its goals. Correspondingly, it must be able to focus on efforts to integrate management functions, research and development, and information systems to support organizational success. For this strategy, it must be able to explore new opportunities and create innovations as planned. It is also necessary to optimize current trends for the future.

Hubeis and Najib (2014) also interpret strategic management as a series of management decisions and actions that determine organizational performance, which is the development, implementation of plans and evaluation to achieve company goals. Jauch and Glueck in Amirullah (2020) say that strategic management is several decisions and actions that lead to the preparation of effective strategies to help achieve company goals.

David (2012) also comments that to help organizations formulate better strategies by using an approach to strategic choices that is more systematic, logical, and rational, various strategic management concepts must be utilized to increase sales, profitability, and productivity. Organizations that implement strategies are more systematic, effective and efficient than companies without strategic planning activities. Greenly (1986), as cited by David (2012: 26) exposes that strategic management offers even more advantages such as: (i) the ability to identify opportunities that arise suddenly; (ii) providing an objective view of management issues; (iii) showing control and framework for coordination activities; (iv) minimizing the impact of conditions and changes in the business environment; (v) allowing better decision making from the alternatives provided; (vi) allowing to allocate time and resources effectively to make decisions and correct mistakes; (viii) creating strategic communication between individuals in the organization; (ix) encouraging the development of innovation; (x) encouraging positive behavior in performance; (xiv) creating discipline in business management.

In addition, Pearch and Robinson in Amirullah (2020) mention a strategic management model which consists of several stages, linking the mission and goals of the organization, to determine important decision assessments in order to anticipate threats and opportunities when the company's environment changes in the long term. Besides considering alternative strategies in accordance with the current and future conditions of the company.

Corresponding to David (2012), the types of strategies include Integration, Intensive, Diversification, and Defensive and divide into several special categories. Rahayu (2015) also noted that, the strategy formulation process includes three stages, consisting of: the input stage, the matching stage, and the decision stage.

In previous research on business strategy planning, Hakim (2018) used SWOT method analysis, BCG matrix, IFAS EFAS matrix, and QSPM (Quantitative Strategic Planning Matrix) analysis. The research

---

results with the SWOT method elucidate the difference between internal and external conditions showing that the company is in the weakness-Threats quadrant position or the fourth quadrant. The results of the BCG matrix analysis obtained are in the position of the dogs' quadrant, with a moderate market share and negative market growth value. So, it is expected that five alternative strategies through QSPM analysis will select the Weakness-Threats strategy as the best strategy.

Instead of that, Nathanael (2018) also formulated a competitive strategy for a tire company, namely PT.MASA with a product portfolio analysis method using PESTEL industry analysis and Porter's Five Forces, the results obtained that the internal and external environmental factors of PT MASA are in quadrant I because they have IFE and EFE coordinates. Meanwhile, from the results of the IE matrix analysis, it is recommended to use the grow and build strategy. The BCG matrix results show that Achilles is in the dog's quadrant, while Corsa is in the question marks quadrant. There are thirteen alternative strategies from the results of strategy formulation using the TOWS matrix. Highlighting from the QSPM analysis, the seven best alternative strategies and several action plans are recommended.

Apart from that, Febri (2018) investigated the marketing of processed lemon products (DEGOMON) in Sawahlunto, West Sumatra using the QSPM method. The company's position based on the IE matrix is in quadrant V (five) or is in a hold and maintain position. The results of the SWOT matrix measured using QSPM produce ten alternative marketing strategies. The strategies that have been ranked will be adjusted again with the ability of the corporation to immediately implement the selected strategy. The grouping of business group strategies is divided into four best strategies with the highest TAS score, for instance issuing an SNI (Indonesia National Standard Product) license. This standard is useful to ensure the quality of the tested results, to compete with similar products and collaborate with residents to maintain the supply of local lemon raw materials in line with the increasing production targets. To introduce and sell DeGoMon products to the wider community in addition to utilizing social media content, DeGoMon products also maximize promotion, by registering their products in marketplaces and social media.

By the same token, Jamaludin (2018) conducted research with the title Strategy Analysis in Business Development at Astra Hijab Store, the number of respondents was 7 people, the total score of the IFE matrix was 3.156. This identifies that Asra Hijab Cimanggis has a strong internal position. Thus it can be interpreted that Astra Hijab Store Cimanggis is able to take advantage of the company's internal strength factors and is also able to overcome all existing weaknesses. The total score of the EFE matrix is 2.803. Therefore it can be interpreted that Astra Hijab Store Cimanggis responds well to the opportunities that exist and annuls the threats that occur. The results of the IE matrix analysis show that the position of Astra Hijab Store Cimanggis is in Quadrant IV, namely growing and building. Intensive strategy. The results of the QSPM analysis in determining the priority strategy used in business development at Astra Hijab Store Cimanggis is market development.

Subsequently, Halimah Tusa'adah (2018) carried out research with the title Marketing Strategy Analysis to Increase Sales at PT Adira Dinamika Multi Finance. This research is to determine the marketing strategy carried out to increase sales. Based on the IFAS and EFAS matrix, the total score is 2.33 and 0.89. The results of the SWOT analysis resulted in 8 strategies which were then prioritized by the QSPM Method, namely increasing market share through intensive promotional programs with the highest attractiveness value (TAS) of 7.1. Then followed by the strategy of

expanding cooperation with dealer partners, improving the needs and desires of the community in each region with the need for cash and private vehicles, and developing the quality of employee human resources. Establish good relationships with customers so that bad credit does not occur. conduct effective and efficient promotions.

## METHODS

This study was conducted at the joint business group of shoe manufacturers "Junashoe" in Sukaresmi Village, Tamansari District, Bogor Regency from March to December 2022. The data analysis method used to evaluate the appropriate competitive strategy used by the Joint Business Group, through three stages of analysis, the first using the IFE and EFE matrix, the second using IE and SWOT analysis and the third using QPSM analysis.

1. **IFE Matrix Analysis.** The IFE matrix illustrated in Table 1 evaluates aspects of the business's internal environment related to strengths and weaknesses. Internal aspect information data can be extracted from human resources, marketing, and finance, and formulated into the IFE matrix. The IFE matrix work stage is developed through the following steps: The identification stage of internal factors, by registering all the strengths and weaknesses of the company or research object. Presentation of data with positive factors (strengths) written before negative factors (weaknesses) as well as external factors of the company, giving weight to each factor.

Determining the weight of the internal and external analysis of the company could be accomplished by asking questions to respondents and giving a rating/ ranking. Rating or ranking illustrates how effective the company's current strategy is in responding to existing strategic factors. The rating value is based on the following information: Rated 4 (four) if the company has a very good ability to seize the opportunity factor and the threat factor has a very weak influence on the company; Rated 3 (three) if the company has a good ability to seize the opportunity factor and the threat factor has a weak influence on the company; Rated 2 (two) if it has a fairly good ability to seize the opportunity factor and the threat factor has a strong influence on the company; Rated 1 (one) if the company has a poor ability to seize the opportunity factor and the threat factor has a strong influence on the company.

Multiplication of weight and rating. Determining the weighted value of each factor is obtained by multiplying the weight with the rating (rating of each factor). Weighted value of each factor. Then add up all the scores to get a total score for the business being assessed. A score below 2.5 indicates that the business is internally weak, while a score above 2.5 indicates a strong internal position. The number of factors has no impact on the number of weights as they always add up to 1.0 (see form in Table 1).

Table 1. IFE Matrix

Internal Factors	Weight	Rating	Score
Strengths			
Strength 1			
Strength 2			
Weaknesses			
Weaknes 1			
Weaknes 2			
Total			

2. **EFE Matrix.** The EFE matrix illustrated by Table 2 analyzes aspects of the business's external environment such as economic, social and cultural information, demographics, government political environment, laws, technology, and competition in the industrial market and formulates them into an EFE matrix. The EFE matrix work stage can be developed through the following five steps:
- 1) List the factors that have a significant impact on the success or failure of the business. For internal aspects, this includes opportunities and threats that have an impact on business sustainability.
  - 2) **Assign weights and identify a higher scale or from low to higher values.** The sum of all weights must equal 1.0. The weight values are sought and calculated based on industry averages.
  - 3) Determine the rating of each list of factors between 1 and 4, where: 1= no response; 2 = little response; 3 = fairly responsive; 4 = very responsive. The rating is determined based on the effectiveness of the strategy. Thus, the value is based on business conditions. Next, multiply the weight value by the rating value to get the weight score for each variable. Then add up all the scores to get a total score for the business assessed. A total score of 4.0 indicates that the business responds very well to opportunities and threats. Meanwhile, a score of 1.0 indicates that the business does not take advantage of existing opportunities or does not avoid external threats.

Table 2. EFE Matrix

External Factors	Weights	Rating	Score
Opportunities			
Opportunity 1			
Opportunity 2			
Threats			
Threat 1			
Threat 2			
Total			

3. **IE and SWOT Matrix Analysis.** The second stage is to analyze the IE and SWOT matrices, both of which are the second stage or matching stage in the implementation of data analysis using the IE Matrix (see Table 3). This matrix is useful for positioning the company into a matrix consisting of 9 cells, this matrix is grouped into three main strategies, namely: (i) Grow and Build (grow and build) is in the cell I, II, or VI. Suitable strategies are intensive strategies (market penetration, market development and product development) or integration (backward integration, forward integration and horizontal integration); (ii) Hold and Maintain (maintain and nurture) covers cells III, V or VII, the general strategies used are market penetration, product development and market development; (iii) Harvest and Direct (harvest or divest) covers cells VI, VIII, and XI, the strategies used are divestment, conglomerate diversification strategy and liquidation strategy (see Table 3). Again referring to David (2012:345) the IE matrix rests on two key dimensions, the total IFE weighting on the abscissa (X) axis and the total EFE weighting scoring on the ordinate (Y) axis. The total weighting score obtained from the division allows the construction of the IE matrix. On the horizontal axis of the IE matrix, a total IFE weighting score of 1.0 to 1.99 indicates a weak internal position, a score of 2.0 to 2.99 is considered moderate, and a score of 3.0 to 4.00 is strong. Similar to the vertical axis, the EFE weighting score is also indicated by a score of 1.0 to 4.0.

Table 3. IE Matrix

	Strong 3.0-4.0	Fair 2.0-2.99	Weak 1-1.99
High 3.0-4.0	I	II	III
Medium 2.0-2.99	IV	V	VI
Low 1-1.99	VII	VIII	IX

4. **SWOT Matrix.** The SWOT matrix in Table 4 is an important matching tool that helps managers develop four types of strategies. Here are the steps in compiling the SWOT matrix:

- 1) List the company's external opportunities and threats as well as its internal strengths and weaknesses.
- 2) Develop a SO (strength-opportunity) strategy by matching internal strengths and external opportunities.
- 3) Develop a WO (weakness-opportunity) strategy by matching internal weaknesses with external opportunities.
- 4) Develop an ST (strength-Threat) strategy by matching the company's internal strengths with the company's external threats.
- 5) Develop a WT (weakness-Threat) strategy by matching the company's internal weaknesses with the company's external threats.

Table 4. Matriks EFE

	IFE	<i>Strength (S)</i>	<i>Weakness (W)</i>
EFE			
	<i>Opportunities (O)</i>	SO	WO
	<i>Threat (T)</i>	ST	WT

5. **QSPM Analysis.** The steps for compiling the QSPM matrix as attached in Table 5 are as follows:

- 1) Compile a list of external keys (opportunities and threats) and a list of internal keys (strengths and weaknesses) of the company in the left column of the QSPM. The information is obtained from the IFE and EFE matrix.
- 2) Give weight to each critical success factor internal and external this value is the same as the weight of the IFE and EFE matrix.
- 3) Determine and identify alternative strategies that can be implemented, and write them down on the first line of the QSPM.
- 4) Determine attractiveness scores (AS) as numeric values that indicate the relative attractiveness of alternative strategies. AS is determined by calculating each internal and external key factor at one time.
- 5) Calculate the total AS (TAS) by multiplying each weight by its respective AS. TAS shows the relative attractiveness of each alternative strategy
- 6) Analyze the average total attractiveness scores, and enter the TAS in each strategy column, the average TAS value indicates the most attractive strategy.

Table 5. QSPM

# Husnayain Business Review

Vol.3, No.1, (2023): 2477-1368

Main Factors	Weight	Strategy 1		Strategy 2		Strategy 3	
		AS	TAS	AS	TAS	AS	TAS
<b>Opportunity</b>							
1							
2							
<b>Threat</b>							
1							
2							
<b>Strength</b>							
1							
2							
<b>Weakness</b>							
1							
2							

In determining the priority of strategies with the stages of weighting using the QSPM matrix for each internal and external factor (the weight given is the same as the weight in the IFE and EFE matrix). Furthermore, setting the value of attractiveness (Attractive Scores-AS) could be implemented by identifying a number of the relative attractiveness of each strategy in each specific alternative with the range for the attractiveness value is 1 = not attractive, 2 = somewhat attractive, 3 = quite attractive, 4 = very attractive. Then, the total attractiveness (Total Attractive Score-TAS) is gathered by multiplying the weights with attractive scores. The highest TAS value indicates that the strategy is the best strategy to prioritize.

## RESULT AND DISCUSSION

Internal environmental conditions are used to determine the right strategy that can be applied to the Junashoe shoe business including human resources, production, raw materials, finance and marketing of Junashoe shoes.

In terms of human resources (HR), currently, the Junashoe joint business group has an average of 11 employees consisting of 10 production people and one marketing person to market shoe products. The production section is divided into several parts starting from the pattern maker in charge of making drawings according to the model to be made, the pattern process is carried out by drawing the material according to the shoe model to be made. After being patterned, the next process is done by the sewer, the sewer is in charge of starting from cutting the material that has been patterned to sewing it into the upper skin/surface. The next stage is carried out by the bottom worker in charge of forming the upper skin/surface that has been made into shoes. Afterward, the process of cleaning and packing shoes until the shoes are ready to be sent. In recruiting employees, there are no educational requirements or courses, employees are selected based on similar work experience that has been done.

The wages earned by each employee who works in the Junashoe shoe business are based on units of results where the more units produced, the greater the wages that will be obtained. Employee wages in this business are given every week and employees work from Monday to Saturday, Sunday is a holiday for employees and there are no production activities. Internal environmental conditions are used to determine the right strategy that can be applied to the Junashoe shoe business including human resources, production, raw materials, finance, and marketing of Junashoe shoes.

Shoe production is inseparable from the influence of raw materials. If raw material is added, the amount of products produced by the company also increases. If the price of raw materials increases, the company will increase the selling price of the product to reduce production costs so that profits can be maintained. The supply of raw materials in this business is obtained from several shops around the production site with a cash payment system. Due to the diverse raw materials for producing a shoe, the owner does not stick to one raw material supplier because the price and availability of raw materials vary in each seller's shop, so the owner buys each item of raw material

at a store that provides the lowest price but also of equal quality. The main materials for making Junashoe shoes include the mesh, buckle, velvet/Gemini, sponge, outsole, adhesive glue, etc. In general, the availability of raw materials is very controllable, it's just that the availability of outsole often delays delivery within a few days so it slightly disrupts the production process. To maintain the supply of shoemaking materials, Junashoe tries to maintain good relations with suppliers of the outsole and other materials so that raw material suppliers give priority supply to Junashoe.

Production is the process by which inputs are converted into outputs. Production is also the result of a process or economic activity by utilizing several inputs. Junashoe's production method is still done by hand made so that the quality of shoes is determined by the expertise and accuracy of employees in the production process. To produce shoes, Junashoe uses simple sewing machines totaling five units operated by five people. The average production capacity of Junashoe shoes is 50 kodi or 1000 pairs of shoes per week. Shoe orders often experience a very significant increase ahead of Ramadan and Eid holidays, thus, additional employees are needed to meet the demand for shoes.

In addition to opening a stall at the Bogor Anyar Market, Junashoe also conducts marketing using social media such as Whatsapp, Instagram and Facebook. Buyers can also come to the Junashoe shoe production house directly. For buyers who come directly to the stall or production house, transactions are made in cash or by bank transfer. Buyers who make transactions online usually contact buyers via Whatsapp to place an order or pre-order if the product is not yet available. If the ordered product is ready, it can be sent directly through the expedition service. For new buyers who have never met in person, to convince both parties, the transaction is carried out after the goods have entered the expedition service until there is a receipt from the shipping service so that the buyer can check the position of the goods that the goods have been sent. Furthermore, the buyer makes payment via bank transfer, and if the transfer has been confirmed to enter, the shoe seller gives directions to the expedition service to immediately send the goods.

The marketing mix consisting of product, price, place and promotion is as follows:

a. Product

Junashoe sells sneakers and casual shoes. Finished products are made by paying attention to consumer demand trends. In producing each product, Junashoe makes efficiency in the process of making shoes to reduce production costs such as maximizing materials so that not too much material is wasted. Currently, the company can produce 3000-5000 pairs of shoes every month. Generally, purchases of Junashoe shoes are made by traders or wholesalers with a minimum order per kodi, but for buyers who want to buy Junashoe shoes for personal use or resale with a minimum order of one pair, Junashoe can also serve them. To maintain consumer confidence, Junashoe provides a guarantee if the goods sent do not match the product ordered or if the goods are defective compensation for exchanging the goods back.

b. Price

One of the important decisions in company management decision-making is pricing. The selling price of the company's products is based on production costs plus a price competition markup. The level of difficulty in the production process and the quality of the materials determines the final value of the product and are taken into consideration by the company in determining the price of the products produced. Below is the selling price of shoe products produced by KUBE Junashoe with a variety of shoe models, as shown in Table 6.

Table 6. Junashoe Product Price Lists

No.	Shoes Types	Harga (kodi)
1	Men's Sneakers	Rp.580.000
2	Women's Sneakers	Rp.530.000
3	Typical Casual Shoes	Rp.450.000

# Husnayain Business Review

Vol.3, No.1, (2023): 2477-1368

No.	Shoes Types	Harga (kodi)
4	Wedges	Rp.400.000
5	Men's Formal Shoes (leather)	Rp.550.000
6	Men's Formal Shoes (Imitation)	Rp.100.000
7	Women's Formal Shoes (leather)	Rp.500.000
9	Women's Formal (Imitation)	Rp.100.000

Source : Pricelist KUBE Junashoe, 2022

The above price is the general price given by shoe craftsmen in the tamansari and ciomas areas so the above price is considered competitive for craftsmen in this region. However, when compared to shoe craftsmen outside the city such as Tangerang, Bandung and Purwokerto who give prices between Rp.800,000-Rp.1,500,000 per kodi. So that the price of Junashoe shoes is considered the cheapest.

a. Place/distribution

Junashoe's product distribution channel places to several wholesalers in Pasar Anyar Bogor and to various shoe stores in Purwokerto, Cirebon, Ambon, and Padang. To send shoe orders with the aim of the Bogor area, Junashoe can directly send them by private transportation, but for orders outside the city or area Junashoe uses expedition services. One of the geographical advantages of Junashoe's shoe business is that the production location is in the center of a shoe-making area that is well known to wholesalers and traders of footwear products in and outside the city.

b. Promotion

In marketing its products, Junashoe conducts sales promotion through business activities such as direct product offerings through product presentations targeted at potential customers who already have a shoe sales business, in this case agents, distributors and shoe stores. Utilizing social media as a means of promotion and utilizing marketplace facilities to sell directly. Currently, Junashoe has regular customers to market its products and there has been no further promotion because there are no special costs for advertising promotions and so on.

Specifically related to financial management, Junashoe was identified as lacking discipline in recording financial reports, often ignored and recording is still manual and less integrated. Junashoe has not recorded its finances in the form of reports and computer systems. Recording is only done on overall cash receipts from sales transactions then in total minus total costs to determine profit. How it is obtained in business activities cannot be traced because there is no system for recording transactions such as notes/invoices and the use of cash for the purchase of raw materials or equipment used.

Likewise, the recording of sales has not followed the accounting process that must present proof of transactions. Therefore, the research also conducted financial management training for this cluster area. Some aspects of finance can be described as follows: (i) Source of funds. The first capital to run the business was the owner's capital. After the business is running and growing, the capital increases through sales proceeds or profits that are set aside to increase production capacity. This can certainly happen in the course of the business to develop the business. In addition to personal capital, the business has obtained additional loans from bank credit but some of the capital is allocated to other businesses; (ii) Use of funds. Initial capital is used for the purchase of equipment and raw materials, then for other needs such as the purchase of raw materials obtained from the receipt of sales transactions. The profit earned is to meet the daily needs of the owner and the fulfillment of employee rights such as salaries. (iii) The income that can be obtained by Junashoe tends to fluctuate every month, but before Ramadan and Eid usually boost revenue due to high demand for shoes so that the profit earned can increase up to three times, this condition only lasts for approximately one month.

The external environment such as government policy, economics, socio-culture, and technology also affects the business carried out by this group of craftsmen, including (i) The Junashoe

joint business group also utilizes the policy to increase business capital, but the credit has not been able to change the business significantly due to the limited amount of credit and poor financial management. In addition, the government's policy to tackle the covid-19 pandemic by imposing PSBB (large-scale social restrictions) and also PPKM (imposing restrictions on community activities) had an impact on shoe sales, namely a decrease in demand; (ii) With the increase in people's income and purchasing power, the sales and profits of Junashoe's shoe business increased. Indonesia's economic growth over the past ten years has fluctuated. and the impact of the global pandemic since 2020 has resulted in the demand for Junashoe shoes also being disrupted and experiencing a decline in sales because most of Junashoe's shoe products are distributed to shoe wholesalers where there are rules limiting store operating hours even to temporary closures, this condition greatly disrupts Junashoe's shoe business because all customers cannot sell so that their shoe stock has not been sold; (iii) Junashoe has received a people's business credit (KUR) capital loan to increase business capital with an interest rate of 7% per year, with the interest rate considered very supportive and not burdensome when viewed from the benefits of the credit and Junashoe is able to pay on time; (iv) Exchange rate volatility that changes every time does not really affect Junashoe's shoe business because 99 percent of Junashoe's shoe production uses local product raw materials. Junashoe also does not export goods abroad so that the increase and decrease in the exchange rate has no effect; (v) The level of inflation that takes place continuously causes the price of raw materials to increase so that Junashoe needs to pay for raw materials at a more expensive price, this condition is very disturbing because the increase in the price of raw materials cannot be accompanied by the selling price of shoes, because every shoe manufacturer competes with each other by providing low prices to attract consumers; (vi) In the recruitment of employees in the Junashoe business there are no educational requirements so that the work awareness and work ethic of employees is not good, this will affect when the demand for shoes increases but the morale of employees is not good. The rate of population growth greatly affects the demand for shoes because with the increase in population, the need for shoes will increase; (vii) Technological developments such as social media can help business people like Junashoe get faster and up to date information, save marketing costs, facilitate work operations, and reach a wider market. In addition, the application of digital technology in marketing activities can have a more effective impact such as cutting operational costs, accelerating performance and reducing the overall burden on the company. So that Junashoe can reach a wider market by utilizing Social Media such as Facebook and Instagram, furthermore Junashoe can do promotions with a low budget by utilizing Facebook ads, Instagram ads or Google ads. Junashoe can also take advantage of the presence of marketplace online shopping sites to market shoe products.

Further, IFE and EFE matrix analysis is used to map the strengths, weaknesses, opportunities and threats of Junashoe shoe manufacturers, through the weights and ratings given by respondents. The IFE matrix is the result of analyzing internal conditions that can bring out the strengths and weaknesses of the business. Of course, the results of the analysis in the IFE Matrix are carried out after identifying aspects of the internal environment of Junashoe shoe manufacturers that are considered as determinants of business success and need to be analyzed.

Table 7. IFE Matrix Junashoe

NO	Faktor internal	Weight (a)	Rating (b)	Scores (a x b)
<b>Strength</b>				
1	Affordable Price	0.114	4	0.457
2	Buying Process Flexibility	0.074	4	0.295
3	Good relation with the raw material supplier	0.064	4	0.255
4	Product Warranty	0.100	4	0.400
5	A good relationship with the staff	0.065	4	0.259
<b>Weakness</b>				
1	Low-quality product	0.095	1	0.095
2	Messy financial record management	0.062	1	0.062
3	Messy Inventory Management	0.062	1	0.062

# Husnayain Business Review

Vol.3, No.1, (2023): 2477-1368

4	Less Product Quality Control	0.053	2	0.105
5	Less technology utilization	0.071	1	0.071
6	Inaccurate Cost of Goods Sold (COGS)	0.044	1	0.044
7	Less working capital	0.101	1	0.101
8	Rebranding Failures	0.065	1	0.065
9	Ineffective Promotion Activity	0.032	2	0.064
Total internal		1		2.334

Source: Author's estimation, 2022

In the IFE Matrix Table 7., it is obtained a total score of 2.334 which means it shows that internally the business is weak. The level of importance for internal conditions is affordable prices with a weighted score of 0.114. Based on the rating, it can be seen that the main strengths that Junashoe has are affordable prices and a purchase guarantee. The main weaknesses owned by Junashoe are limited capital, lack of supervision of the production process and the quality of the products produced is not good. Meanwhile, the EFE Matrix is the result of an analysis of external aspects that influence the course of business in the form of opportunities and threats. This EFE matrix begins by identifying aspects of the external environment of Junashoe's business to then analyze and conclude whether it is a threat or an opportunity.

Table 8. EFE Matrix "Junashoe"

NO		Weight (a)	Rating (b)	Score (a x b)
<b>Opportunities</b>				
1	Development of iformation technology	0.085	4	0.338
2	Recognized Industrial Center	0.064	3	0.191
3	Human Resources availability	0.071	4	0.286
4	Supplier location closedness	0.068	4	0.273
5	Increasing of population	0.092	4	0.369
6	The needs of <i>fashion and style</i>	0.087	4	0.347
<b>Threats</b>				
1	Rising of competition	0.110	4	0.440
2	Currency exchange depreciation	0.035	4	0.141
3	High inflation grip	0.059	4	0.237
4	Flourishes of Imported Product	0.090	4	0.360
5	Season and event factors	0.116	4	0.466
6	Buyer bargaining power	0.036	4	0.145
7	Supplier bargaining power	0.026	3	0.079
8	Product substitution	0.059	3	0.178
Total Externalities		1		3.851

Sumber : Author's results estimation, 2022

In the EFE Matrix Table 8, a total weighted score of 3.851 is obtained, which means that Junashoe is able to respond to various threats by using existing opportunities. The results of the EFE Matrix calculation exhibit a strong external key factor score because the external key factor score is above 2.5. This indicates that Junashoe is above average in utilizing existing opportunities and overcoming threats that occur. Strategic factors that Junashoe responds strongly to are the increase in population and seasonal and event factors.

Based on the data from the results of the IFE and EFE analysis, it is then entered into the Internal-External (IE) Matrix to obtain alternative strategies generated into three main strategies. Based on Figure 1. shows that Junashoe is in cell II which can be described as Grow and Build or grow and build, namely by making several strategic choices as follows:

1. Market penetration strategy

# Husnayain Business Review

Vol.3, No.1, (2023): 2477-1368

Market penetration is an effort to find ways to increase market share with current products and markets. This strive can be done by attracting those who have not used the product to seize competitors' consumers. This strategy can be carried out with marketing activities alone or requires the support of policies and strategies in other fields, such as increasing production capacity, human resources development, financing decisions for business network activities, promotions, and other marketing activities.

2. Market development strategy

Market development is a continuation of the market penetration strategy if it has been carried out optimally so that enlarging the business requires finding new market segments. Market development can be done by adding market segments based on geographic and demographic areas as well as targeting segments on certain characteristics of buying and consumption behavior. Junashoe can find more shoe wholesalers who can accept the products produced by Junashoe and attract more customers by utilizing the presence of information technology through social media and marketplaces so that there will be more and wider market reach that can be reached.

3. Product development strategy

Product development in advanced stages needs to be carried out when facing competitive conditions and there is a tendency for market saturation of existing product offerings. This effort is made to encourage more purchases from consumers as a result of improvements or modifications to existing products or services. Junashoe can continue to present variations of its latest products to follow or create trends in the market, through product innovation and present products with a personal brand/trademark by displaying the identity of the name, logo and appearance of a distinctive packaging box so that it can be well received in the community.

4. Forward integration strategy

The forward integration strategy involves acquiring ownership or increasing control over distributors. Increasing the number of manufacturers (suppliers) requires a forward integration strategy by creating a website to directly sell products to consumers. This strategy can be done by increasing or adding resellers and creating a drop-ship system so that more people will be involved in promoting the products produced by Junashoe.

High	Medium	Low
------	--------	-----

**Skor IFE 2,334**

High 3,0-4,0  Medium 2,0-2,99  Low 1,0-1,99	Cell I	Cell II	Cell III
	Cell IV	Cell V	Cell VI

**Skor EFE 3,851**

Cell VII	Cell VIII	Cell X
----------	-----------	--------

Figure 1. IE Matrix Junashoe  
Source: Author's estimation, 2022

The SWOT matrix for the Junashoe Joint Business Group produces alternative strategies that can be carried out by Junashoe which are presented in Figure 2.

Internal	<b>Strength (S)</b> 1. Competitive product price 2. Flexible product purchase 3. A good relationship with suppliers 4. Purchase warranty 5. A good relationship with employees	<b>Weakness (W)</b> 1. Poor product quality 2. Financial management is not organized 3. Inventory management is not organized 4. Lack of production process supervision 5. Minimal technology hand-made production 6. Inaccurate COGS calculation 7. Limited source of capital 8. Do not have their own brand/trademark 9. Don't have a personal website
<b>Opportunities (O)</b> 1. The development of information technology 2. The product is well-known to the public 3. Availability of human resources 4. Location close to suppliers 5. Increase in population 6. Need for fashion and style	<b>Strategy SO</b> 1. Maintain prices and increase wider marketing by utilizing information technology (S1, S2, S4, O1, O5, O6)	<b>Strategy WO</b> 1. Maintain the stability of production raw material stocks so that the production process runs well and selectively recruit employees and supervise the production process (S1, S2, S3, S4, S5, S6 S7, T4, T5, T6, T7, T8).
<b>Threat (T)</b> 1. Very high level of competition 2. Weak exchange rate 3. High Inflation 4. Many imported products 5. Seasonal and event factors 6. Bargaining power of buyers 7. Bargaining power of suppliers 8. Products Substitution	<b>Strategy ST</b> 1. Improve service quality and increase product variety so that consumers do not feel bored with the products offered (W1, W3, W4, W5, W6, W7, T1, T2, T3, T4, T5, T6, T8).	<b>Strategy WT</b> 1. Improve product quality to increase sales and consumer confidence and start building our own brand (W1, W3, W4, W7, W8, W9, T1, T3, T4, T5, T6, T7).

Figure 2. SWOT KUBE Junashoe Matrix  
Source: Author's estimation (2022)

Based on Figure 2, the following combinations are deployed:

1. SO (Strength-Opportunities) strategy, namely maintaining prices and increasing wider marketing by utilizing information technology.
2. WO (Weakness-Opportunity) strategy, namely maintaining the stability of the stock of production raw materials so that the production process runs well and recruiting employees selectively and supervising the production process.
3. ST (Strength-Threat) strategy, namely improving service quality and adding product variations so that consumers do not feel bored with the products offered.
4. WT's (Weakness-Threat) strategy is to improve product quality to increase sales and consumer confidence and start building your trademark.

Through the matching stage using the IE matrix and SWOT matrix, the final stage of the strategy formulation analysis is the selection of the best strategy for Junashoe to use. In the QSP matrix, the strategy that has the highest STAS (Sum Total Attractiveness Score) or total attractiveness score

indicates that the strategy is the most attractive compared to other strategies. Based on the QSP matrix analysis, the strategy prioritization is obtained from the highest, namely market penetration to the lowest, namely maintaining stock stability, which is shown in table 9 below:

Table 9. QSP results in recapitulation

Alternatives of strategies		STAS	Peringkat
E	Market penetration	6.55	I
F	Market development	6.49	II
A	Maintain prices and increase wider marketing by utilizing information technology	6.31	III
H	Forward integration	6.31	IV
D	Improve product quality to increase sales and consumer confidence and start building its own brand.	6.26	V
G	Product development	6.26	VI
C	Improve service quality and increase product variety so that consumers do not feel bored with the products offered.	6.01	VII
B	Maintain the stability of production raw material stocks so that the production process runs well and selectively recruit employees and supervise the production process	5.7	VIII

Sumber : Source: Author's estimation (2022)

The estimation results indicate that the largest total attractive score (TAS) value in a row is to penetrate the market with a STAS value of 6.55, develop the market with a STAS value of 6.49, maintain prices and increase wider marketing by utilizing information technology with a STAS value of 6.31, integrate forward with a value of 6.31, improve product quality to increase sales and consumer confidence and start building your own trademark with a STAS value of 6, 26, conducting product development with a STAS value of 6.26, improving service quality and adding product variations so that consumers do not feel saturated with the types of products offered or produced with a STAS value of 6.01, maintaining the stability of production raw material stocks so that the production process runs well by recruiting employees selectively and supervising the production process with a STAS value of 5.7.

#### 4. CONCLUSION

Appertaining to the results and discussion, it can be summed up as follows:

1. Junashoe's internal factors based on several strength factors consist of five factors: (1) Competitive product prices, (2) Flexible product purchases, (3) Good relationships with suppliers, (4) Purchase guarantees. (5) Relationships with employees are well established. Meanwhile, weaknesses consist of nine factors, namely (1) Poor product quality. (2) Financial management is not yet organized. (3) Inventory management is not yet organized. (4) Lack of supervision of the production process. (5) Minimal technology handmade production. (6) Inaccurate COGS calculation. (7) Limited capital resources. (8) Do not have their own brand/trademark. (9) Promotion is not yet optimal
2. The external factors faced by Junashoe seen from the opportunity factor consist of six factors, constituting: (1) The development of information technology. (2) The industrial center is well known (3) the Availability of human resources. (4) Location close to suppliers. (5) Increase in population. (6) The need for fashion and style. Threat factors consist of eight factors (1) Very high level of competition. (2) Weakening exchange rate. (3) Inflation (4) Many imported products. (5) Seasonal and event factors (6) Bargaining power of buyers. (7) Bargaining power of suppliers. (8) Substitute products.
3. Junashoe based on Internal-External (IE) analysis shows that it is in cell II which is described as "Grow" and "Build". Alternative strategies suitable for companies in these cells are intensive

strategies (market penetration, market development, and product development) or forward integration. Based on the SWOT Matrix, alternative strategies are produced, namely the SO (Strength-Opportunities) strategy, namely maintaining prices and increasing wider marketing by utilizing information technology, the WO (Weakness-Opportunity) strategy, namely maintaining a stable stock of production raw materials so that the production process runs well and recruiting employees selectively and supervising the production process, ST (Strength-Threat) strategy, namely improving service quality and adding product variations so that consumers do not feel bored with the products offered, WT (Weakness-Threat) strategy, namely improving product quality to increase sales and consumer confidence and starting to build their trademarks.

4. The total attractive score (TAS) value shows from the largest to the lowest is to penetrate the market, develop the market, maintain prices and increase wider marketing by utilizing information technology, integrating forward, improve product quality to increase sales and consumer confidence and start building your own trademark, develop, improve service quality and add product variations so that consumers do not feel bored with the products offered, maintain a stable stock of production raw materials so that the production process runs well by recruiting employees selectively and supervising the production process.

The suggestions given in the study to the craftsmen who are members of the Junashoe Joint business group are:

1. Ought to improve product quality and increase product variety while still paying attention to price competition in the market.
2. Conduct a broader marketing strategy by utilizing information technology such as social media and the marketplace.
3. Build good relationships with existing customers and increase the marketing network by opening resellers and drop shippers so that more people will be involved in promoting the products produced by Junashoe.
4. Building a trademark and branding the products produced to gain more trust in the community so that customers are loyal to the shoe brand produced by Junashoe.
5. Maintain good relationships with employees and suppliers so that production runs smoothly.
6. Maintain the concept of product design according to consumer desires.
7. Expanding market share by selling products through online shops.
8. Cooperate with wholesalers and shops to facilitate marketing.
9. Seeking additional funds from investors for business development

## ACKNOWLEDGEMENT

The authors would like to thank the parties who have actively assisted in this community service, especially the Village Head and Village Officials, and the Junashoe Joint Business Group, in Sukaresmi Village in Tamansari, Bogor, West Java who have supported the implementation of this research.

## REFERENCE

- Amirullah. (2020). *Manajemen Strategi Teori-Konsep-Kinerja*. Jakarta: Mitra Wacana Media
- Azhari, R., M., A. (2018). *Analisis Strategi Guna Meningkatkan Penjualan Pada Toko Online Mr Kemeja*. Skripsi. Sekolah Tinggi Ilmu Ekonomi Gici Bogor .
- Claresta, V., & Cahrly, H. (2018) *Perancangan Strategi Marketing Melalui Sosial Media Menggunakan Metode QSPM Pada Perusahaan Prismatic*. *Jurnal Manajemen Dan Start-Up Bisnis*. Fakultas Ekonomi Universitas Ciputra
- David, F., R.(2012). *Manajemen Strategis Konsep*. Edisi Xii.(Terjemahan) Jakarta: Salemba Empat.
- Harlen, F. (2019). *Strategi Pemasaran Produksi Olahan Jeruk Lemon (DEGOMON) Di Sawah Lunto Sumatera Barat Menggunakan Metode Matrikx QSPM*. *Jurnal e-proceeding of engineering*. ISSN : 2355-9365. Volume 6. No.2, Agustus 2019. Telkom university

- [http://library.binus.ac.id/eColls/eThesisdoc/Bab2/RS1\\_2017\\_1\\_936\\_Bab2.pdf](http://library.binus.ac.id/eColls/eThesisdoc/Bab2/RS1_2017_1_936_Bab2.pdf). Diakses pada 27 Mei 2022.
- <https://cerdasco.com/lingkungan-sosial-budaya/>. Diakses pada 15 Agustus 2021.
- <https://kemenperin.go.id/artikel/20538/Produksi-Industri-Alas-Kaki-RI-Pijak-Posisi-4-Dunia>. Diakses pada 28 Agustus 2022.
- <https://www.folderbisnis.com/kelebihan-kekurangan-bisnis-online>. Diakses pada 27 Mei 2021.
- <https://www.jogloabang.com/pustaka/uu-20-2008-usaha-mikro-kecil-menengah>. Diakses pada 28 Agustus 2022.
- Niswa, N., L. (2020). Strategi Pemasaran Dalam Meningkatkan Penjualan Produk Fashion Muslim Pada Toko Antaradinhijabs Di Shopee. Skripsi. Universitas Islam Negeri Sunan Ampel Surabaya.
- Shopee, "Profil Toko Junashoe", Dalam. <http://shopee.co.id/junashoe>. Diakses Pada 10 Mei 2022.
- Suci, R., P. (2015). Esensi Manajemen Strategi. Sidoarjo: Zifatama Publisher
- Tusa'adah Halimah (2018) Analisis Strategi Pemasaran Untuk Meningkatkan Penjualan Pada PT. Adira Dinamika Finance TBK
- Wahyuningrum, R. (2018). Analisis Strategi *E-Marketing* Untuk Meningkatkan Minat Beli *Online*. Jurnal Manajemen Bisnis.
- Zefanya, N., A. (2016). Perumusan Strategi Bersaing Pada Perusahaan Ban Dengan Metode Analisis Portofolio Produk. Skripsi. Institut Teknologi 10 November Surabaya