



SWOT Analysis in Determining Marketing Strategy for Lhewy's Kitchen Business

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Abstract

This study aims to analyze marketing strategies at Lhewy's Kitchen, a micro, small, and medium enterprise (MSME) engaged in the culinary sector, using the SWOT analysis framework. Data were collected through interviews with the business owner, direct observation, and supporting documentation. The research employed a qualitative descriptive method, focusing on the identification of internal and external factors that affect the business. Internal factors (strengths and weaknesses) and external factors (opportunities and threats) were assessed through the Internal Factor Analysis Summary (IFAS) and External Factor Analysis Summary (EFAS) matrices. The results show that Lhewy's Kitchen has a strong internal position with a total IFAS score of 2.42 and effectively responds to external factors with an EFAS score of 2.65. Based on the SWOT matrix, the recommended strategies include expanding distribution through consignment with local stores and cooperatives, optimizing online sales channels, increasing the workforce by implementing commission-based incentives, and enhancing promotional activities on social media. These strategies are expected to strengthen competitiveness, improve sales performance, and support the sustainability of Lhewy's Kitchen in a highly competitive food industry.

Keywords: SWOT Analysis, Marketing Strategy, MSMEs, Competitiveness, Food Industry

Introduction

Micro, Small, and Medium Enterprises (MSMEs) play a crucial role in the Indonesian economy because they absorb labor, leverage local potential, and drive national economic growth (Aaker & Smith, 2010). MSMEs not only contribute to employment but also provide a platform for community creativity in developing innovative products. However, increasingly fierce business competition demands that MSMEs employ appropriate marketing strategies to survive and thrive.

A marketing strategy is a set of integrated plans designed to meet consumer needs and achieve business goals through product management, pricing, distribution, and promotion (Armstrong & Cunningham, 2012). For MSMEs, marketing strategies often face limitations in capital, human resources, and market access. Therefore, an analytical approach is needed to help business owners determine the most appropriate and effective strategy.

One method that can be used is a SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis. A SWOT analysis allows companies to identify internal and external factors that impact business sustainability and formulate appropriate marketing strategies (Bakhri, 2023). Internal factors consist of a company's strengths and weaknesses, while external factors encompass opportunities and threats. The combination of these factors will produce a strategy that can strengthen the company's competitive position (Bilung, 2016).



In the context of MSMEs, SWOT analysis is an important tool because it can provide a comprehensive picture of the business conditions. The resulting strategies can be SO (Strength-Opportunities) strategies , which utilize strengths to seize opportunities; WO (Weakness-Opportunities) strategies , which minimize weaknesses by utilizing opportunities; ST (Strength-Threats) strategies, which use strengths to overcome threats; and WT (Weakness-Threats) strategies , which are defensive strategies to reduce weaknesses and avoid threats (David, 2017).

One MSME facing marketing challenges is Lhewy's Kitchen , a culinary business that produces various snacks such as cassava chips, cheese sticks, coconut roots, kembang goyang, and potato chips. This business has official permits, including halal certification and a Home Industry Food Production Certificate (SP-PIRT), giving it a legal advantage. However, Lhewy's Kitchen still faces several obstacles, such as limited capital and labor, and intense competition from similar products in the market.

This study was conducted to analyze Lhewy's Kitchen's internal and external factors using a SWOT approach, allowing for the formulation of a marketing strategy appropriate to the business's circumstances. This research is relevant because an appropriate marketing strategy will help MSMEs increase competitiveness, expand market reach, and achieve business sustainability (Fauzani, 2018).

The problem formulation in this research is: (1) what marketing strategy is implemented by Lhewy's Kitchen? and (2) how are the results of the SWOT analysis in determining the right marketing strategy for the business? The purpose of this research is to find out the marketing strategy of Lhewy's Kitchen and formulate an appropriate strategy through a SWOT analysis.

The benefits of this research include: (a) for the author, this research broadens insight regarding the application of SWOT analysis in MSMEs; (b) for Lhewy's Kitchen, the research results can be input in strategic decision making; and (c) for readers, this research can be an academic and practical reference in the field of MSME marketing management.

Thus, this research is expected to provide both theoretical and practical contributions in strengthening the position of MSMEs, especially culinary businesses, in facing increasingly dynamic market competition.

Method

This study uses a qualitative descriptive method with a focus on SWOT analysis to determine Lhewy's Kitchen's marketing strategy. This method was chosen because it can provide an in-depth overview of the internal and external conditions of the business, as well as formulate relevant strategies (Haerawan, & Magang, 2019). The object of the study is Lhewy's Kitchen , a culinary MSME located in Central Jakarta that produces various types of snacks. This business was established in 2019 and has official permits, including SP-PIRT and halal certification from the MUI. Lhewy's Kitchen products are marketed offline and online through e-commerce platforms such as Shopee and Tokopedia. This study uses two types of data:

- Primary data was obtained through direct interviews with the owner of Lhewy's Kitchen and observations of business activities.
- Secondary data was obtained from company documents, sales records, archives, and literature related to marketing strategies and SWOT analysis.



Data is collected through:

1. Direct observation , namely observing the production, distribution and marketing activities of Lhewy's Kitchen.
2. Interviews , conducted with business owners to gather information related to marketing strategies, obstacles, and business prospects.
3. Documentation , in the form of sales records, legal archives, and photos of business activities.
4. Literature study , with reference to previous literature and research related to MSMEs and SWOT analysis.

Data analysis was carried out using the SWOT method which consists of three stages (Juwita, 2019):

1. Data collection stage , namely identification of internal factors (strengths and weaknesses) and external factors (opportunities and threats).
2. The analysis stage , namely the preparation of the IFAS (Internal Factor Analysis Summary) and EFAS (External Factor Analysis Summary) matrices to assess the weight and rating of each factor.
3. The decision-making stage , namely formulating a marketing strategy using a SWOT matrix that combines internal and external factors.

In this study, IFAS was used to analyze Lhewy's Kitchen's internal strengths and weaknesses, while EFAS was used to analyze external opportunities and threats. The results of both matrices were combined into a SWOT matrix to generate alternative marketing strategies. Thus, this research method allows researchers to comprehensively understand the business situation and provide strategic recommendations relevant to Lhewy's Kitchen's situation.

Results and Discussion

General Description of Research Object

Lhewy's Kitchen is a culinary MSME that produces various snacks such as cheese sticks, coconut roots, potato chips, peyek (rice crackers), and kembang goyang (a type of sticky rice cake). The business employs 5–7 people, uses local ingredients, and markets its products through both offline and online sales. Prices range from Rp 16,000 to Rp 190,000, targeting households and general customers throughout Indonesia.

Identification of Internal Factors (Strengths and Weaknesses)

Lhewy's Kitchen's main strengths are:

- Has an official business permit, SP-PIRT, and halal certificate.
- Sales are conducted online so that they reach the national market.
- Good reputation through positive consumer reviews in the marketplace.
- Able to send products throughout Indonesia.

The main weaknesses are:

- The number of workers is limited so production capacity is low when demand increases.
- The online sales portfolio is still small.
- Limited capital for business expansion.
- Limited supporting materials (plastic, jars) which often run out during peak season.

The results of the IFAS matrix calculation show a total score of 2.42 , which indicates that the business's internal position is relatively strong even though there are still capital and labor constraints.

Identification of External Factors (Opportunities and Threats)

Lhewy's Kitchen opportunities include:

- Positive public response to products without preservatives.
- Support for consignment sales through stalls and cooperatives.
- Promotion through increasingly widespread social media.
- Possibility of commission optimization for business development.

Threats faced:

- Tight competition with similar products in the market.
- The dominance of paid content creators who dominate online promotion.
- Risk of loss due to products that are nearly expired.
- Consumer preferences for taste and price over brand.

The results of the EFAS matrix calculation show a total score of **2.65** , which indicates that the business is able to respond to opportunities quite well despite facing stiff competition.

SWOT Strategy Formulation

Based on a combination of internal and external factors, several strategies were formulated:

SO Strategy (Strength–Opportunities):

- Expanding distribution by involving cooperatives and stalls through a consignment system.
- Optimize online sales by leveraging positive consumer reviews.

ST Strategy (Strength–Threats):

- Maintaining the excellence of halal certification and SP-PIRT to increase consumer confidence.
- Leverage online sales to compete with aggressive competitors on social media.

WO Strategy (Weakness–Opportunities):

- Adding workforce through commission system to increase production capacity.
- Increase promotions on social media to expand your online sales portfolio.

WT Strategy (Weakness–Threats):

- Controlling raw material and packaging supplies to avoid shortages when demand increases.
- Manage capital efficiently to avoid losses due to unsold products.

Discussion

The research results show that Lhewy's Kitchen's greatest strengths are its good reputation and market access through online sales. This aligns with research by Malonda et al. (2019), which emphasized the importance of digital marketing innovation for snack food MSMEs. However, limited capital and labor are key challenges that must be addressed immediately.



Externally, the greatest opportunities lie in consignment support and social media as promotional tools. However, the threat of competition from similar products requires Lhewy's Kitchen to strengthen product differentiation and maintain quality. This aligns with Mashuri & Nurjannah's (2020) findings that product quality, attractive packaging, and affordable prices are key factors in winning the competition among snack food MSMEs.

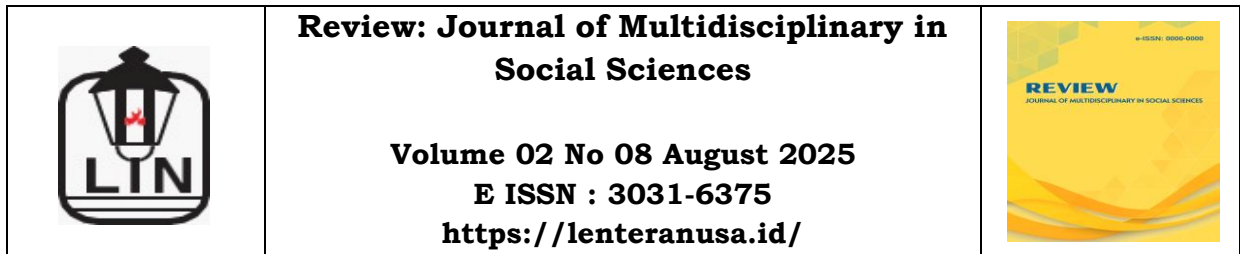
Therefore, Lhewy's Kitchen's priority strategy is to increase production capacity by adding employees, strengthening digital marketing, and optimizing its distribution network. Implementing this strategy is expected to expand market share, boost sales, and strengthen the business's long-term competitiveness.

Conclusion

This study concludes that Lhewy's Kitchen has a relatively strong internal position with an IFAS score of 2.42 and is able to respond well to external opportunities based on an EFAS score of 2.65. The appropriate marketing strategies for this business include optimizing online sales, expanding distribution through consignment, adding commission-based workers, and increasing promotions on social media. The results of this study confirm that SWOT analysis is an effective tool for MSMEs in formulating marketing strategies that are appropriate to internal and external conditions. The implementation of the resulting strategy is expected to increase the competitiveness of Lhewy's Kitchen and become a reference for other MSMEs in facing increasingly dynamic market competition.

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