



Analysis of MSME Marketing Challenges in Showing Its Existence Towards Export Scale Case Study on AMMIC (Association of Independent IKM Creative Partners)

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ABSTRACT

The challenge of export-scale marketing carried out by MSMEs that can increase sales and increase competitiveness with the SWOT analysis method in the AMMIC business (Association of Creative Mandiri Partners). The selection of the location of this research was carried out by looking at the development of MSMEs in the current era, the growing development of MSMEs in Indonesia, the business actors dared to take opportunities and decisions by exporting their products abroad aimed at developing the economy and introducing local products. The analysis used to determine the marketing challenges of MSMEs on an export scale in the AMMIC business (Association of Independent IKM Creative Partners) includes evaluation of internal factors, evaluation of external factors, IFAS matrix, EFAS matrix, SWOT matrix and Grand Strategy matrix.

Keywords: *SWOT analysis, IFAS, EFAS, Grand Strategy.*

INTRODUCTION

Looking at the experience of developed countries, it shows that MSMEs are a source of production and technological innovation, the growth of creative and innovative entrepreneurs and the creation of skilled workers in the production process to deal with rapid changes in market demand. The existence of MSMEs in terms of the level of education, management and ability is still low (Rahmawati et al., 2020).

Business actors are required to continue to think critically in facing increasingly high and competitive challenges and competition, because more and more business actors have creative and latest ideas (Sari et al., 2021). And on the other hand, competition does not only come from local business competition, but has added to online and global-scale clean businesses that can influence and make it easier for consumers (Qomariyah, 2021).

In this era, business actors are required to be able to develop and create the latest products, which can compete in the current era and are required to open their eyes in technology, so that they will revive the business they founded. SWOT analysis is to identify various factors systematically to formulate company strategy. Analysis is based on the logic of maximizing strengths and opportunities while minimizing weaknesses and threats. SWOT analysis is a strategic planning method used to evaluate strengths or strengths, weaknesses or weaknesses, opportunities or opportunities, and threats threats in a project or a business speculation (Saraswati et al., 2020).

This study aims to find out what kind of challenges are experienced by AMMIC Enterprises (Association of Independent IKM Creative Partners) in conducting export-scale marketing using a SWOT analysis approach. The results of this study are expected that this research as a means of self-actualization, increase knowledge and insight and be able to apply the theory obtained during lectures, especially in the field of marketing.

METHOD

To formulate the marketing challenges of MSMEs in demonstrating their existence towards the export scale of case studies in AMMIC Enterprises (Association of Creative IKM Mandiri Partners), the researchers used SWOT analysis using data obtained from the IFAS Matrix, EFAS Matrix and Grand Strategy.

- **EFAS Matrix**
Before making a matrix of external strategic factors, it is necessary to first know the external strategic factors (EFAS).
- **IFAS Matrix**
After identifying the internal strategic factors of a company, an IFAS (Internal Strategic Factor Analysis Summary) table is prepared to formulate these internal strategic factors within the framework of the company's Strengths and Weaknesses.
- **TOWS or SWOT matrix**
The tool used to compile strategic factors is the SWOT matrix. This matrix can clearly describe how the external opportunities and threats faced by the company can be adjusted to the strengths and weaknesses it has.
- **SO Strategy (Strengths – Opportunities)**
This strategy is based on the company's way of thinking, which is to use all advantages to seize and take advantage of the greatest opportunities possible.
- **ST Strategy (Strengths – Threats)**
It is a strategy to use the company's strengths to overcome threats.
- **WO Strategy (Weakness – Opportunities)**
This strategy is implemented based on the utilization of existing opportunities by minimizing existing weaknesses.
- **WT Strategy (Weakness – Threats)**
This strategy is based on activities that are defensive in nature and tries to minimize existing weaknesses while avoiding threats (Asro et al., 2021).

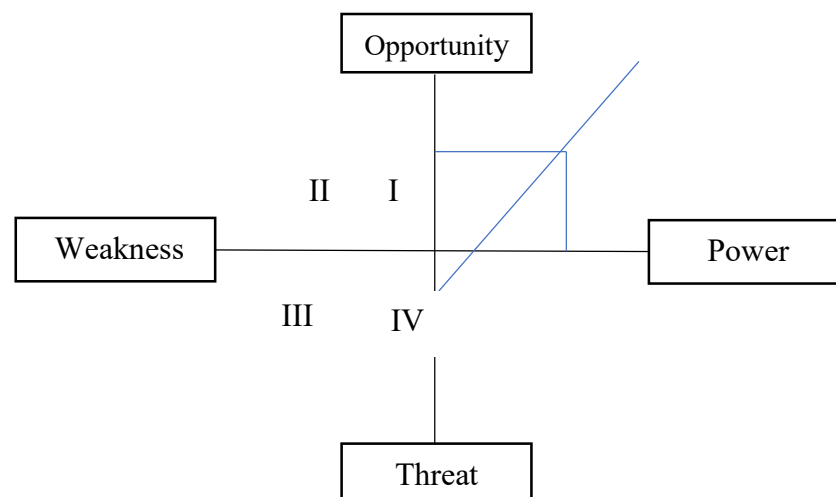


Figure1. Grand Strategy Matrix

RESULT AND DISCUSSION

Analysis MSME marketing challenges in showing their existence towards export scale case studies in AMMIC Enterprises (Association of Mitra Mandiri IKM Creative) can be viewed in terms of evaluation of internal factors, evaluation of external factors, IFAS matrix, EFAS matrix, SWOT matrix and Grand Strategy matrix.

- **External Factors**
Opportunity: Good relations between countries, the use of information technology by creating E-Commerce to carry out online marketing and export-scale marketing, increasing consumer purchasing power, broad market share, changing public tastes, consumer loyalty, very fast population growth, changing styles people's lives, and compete with big companies.
Threat: Low prices for competitors' products without calculating profits, unstable economic conditions, switching customers to similar competitors, entry of new competitors, increasingly rapid

information technology, changes in government policies, damaged or expired products, higher dollar currency, and poor product quality. still far from competing products.

- **Internal factors**

Strengths: There is a place to stock exported products, feasibility tests or Lab tests, various variants, types and shapes, a place to market products, natural products, export-scale local products, competitive product quality, good service, the existence of coaching and training, the existence of cash and non-cash payments, support and facilities from the Customs, the selling price is quite high, the exchange rate is adjusted to the destination country.

Weaknesses: Lack of financing in exporting, products cannot reach 1 year or more expiration period, promotions and discount offers are not carried out regularly, equipment used is semi-traditional, still categorized as beginners in exporting MSME products, lack of human resources.

- **SWOT Matrix**

Table 1. EFAS AMMIC Matrix (Association of Independent IKM Creative Partners)

External Strategic Factors	Weight	Rating	Score
Opportunity (O)			
1. Good relations between countries.	0.06	2	0.12
2. Utilization of information technology by creating E-Commerce to conduct online marketing and export scale marketing.	0.05	3	0.15
3. Increased consumer purchasing power.	0.06	2	0.12
4. Wide market share.	0.06	2	0.12
5. People's tastes change.	0.05	3	0.15
6. Consumer loyalty.	0.05	3	0.15
7. Rapid population growth.	0.06	2	0.12
8. Changes in people's lifestyles.	0.06	2	0.12
9. Compete with big companies.	0.05	3	0.15
AMOUNT	0.5		1.2
Threat (T)			
1. The low price of competitors' products without calculating profit.	0.06	2	0.12
2. The state of the economy is unstable.	0.06	2	0.12
3. Switching customers to similar competitors.	0.05	3	0.15
4. Entry of new competitors.	0.05	3	0.15
5. Information technology is growing rapidly.	0.06	2	0.12
6. Changes in government policy.	0.05	3	0.15
7. Product is damaged or expired.	0.05	3	0.15
8. The dollar is getting higher.	0.06	2	0.12
9. Product quality is still far from competing products.	0.05	3	0.15
AMOUNT	0.5		1.23
TOTAL	1		2.43

Table 2. IFAS AMMIC Matrix (Association of Independent IKM Creative Partners)

Internal Strategy Factors	Weight	Rating	Score
Strength (S)			
1. There is a place to stock products that are exported.	0.05	3	0.15
2. Feasibility test or Lab test.	0.05	3	0.15
3. Various variants, types and shapes.	0.06	4	0.24
4. There is a container in marketing the product.	0.06	4	0.24
5. Products made from natural ingredients.	0.06	4	0.24
6. Export scale local products.	0.06	4	0.24
7. Competitive product quality.	0.05	3	0.15
8. Good service.	0.05	3	0.15
9. There is coaching and training.	0.05	3	0.14
10. Payments can be cash or non-cash.	0.06	4	0.24
11. Support and facilities from Customs.	0.06	4	0.24
12. The selling price is quite high.	0.06	4	0.24

13. The exchange rate is adjusted to the destination country.	0.05	3	0.15
AMOUNT	0.76		2.68
Weakness (W)			
1. Lack of financing in exporting.	0.02	3	0.06
2. Products can not reach 1 year or more expiration period.	0.05	2	0.10
3. There are no regular promotions and discount offers.	0.02	3	0.06
4. The equipment used is semi-traditional.	0.05	2	0.06
5. Still categorized as a beginner in exporting MSME products.	0.05	2	0.06
6. Lack of Human Resources.	0.05	2	0.06
AMOUNT	0.24		0.56
TOTAL	1		3.24

Table 3. SWOT Matrix on AMMIC Enterprises (Association of Independent IKM Creative Partners)

<i>ifas</i>	Power	Weakness
EFAS		
Opportunity	SO Strategy 1) Strengthening cooperation between destination countries. 2) Hold discounts at certain events.	WO Strategy 1) Improving product quality with various variants and quality. 2) Expand the promotional network so that it can be known more widely.
Threat	ST strategy 1) Improving product quality and promotion to be able to compete with outside products. 2) Maintain the quality of materials in order to get a good product. 3) Controlling prices to keep them stable.	WT Strategy 1) Improving the quality of Human Resources by providing adequate training, guidance and facilities.

• **Grand Strategy Matrix**

Is known:

S = strength (strength)

W = weakness

O = opportunities

T = threats

Asked:

a. X-axis value?

b. Y axis value?

Answer:

$$\begin{array}{ll} \text{X axis} = \text{S} + \text{W} & \text{Axis Y} = \text{O} + \text{T} \\ \text{X} = 2.68 + 0.56 & \text{Y} = 1,2 + 1.23 \\ \text{X} = \mathbf{3.24} & \text{Y} = \mathbf{- 2.43} \end{array}$$

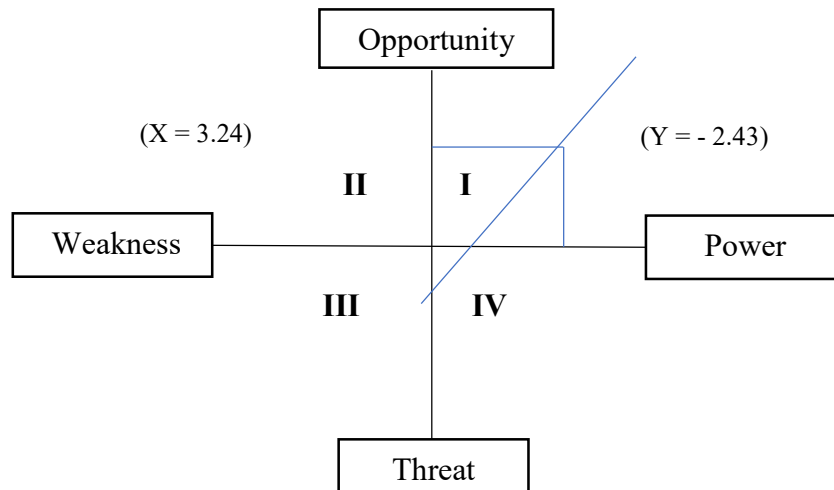


Figure 2. AMMIC Grand Strategy Matrix (Association of Independent IKM Creative Partners)

CONCLUSION

Based on the grand strategy matrix, the position of AMMIC Business in exporting scale marketing is in quadrant I, this indicates a very profitable situation. AMMIC's efforts in exporting scale marketing have opportunities and strengths so they can take advantage of existing opportunities. The strategy that must be applied in this condition is to support an aggressive growth policy (Growth Oriented Strategy).

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