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SWOT-TOWS ANALYSIS OF COMMERCIALIZATION PRODUCTS IN CLUSTERS: A PRELIMINARY CASE STUDY

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Abstract. The development of SMEs in commercializing their products not only affects SMEs independently, but also has an impact on the surrounding environment. Pojok Cimahi appeals to the research team's attractiveness to further explore the potentials and factors affecting the commercialization of chips products in this cluster. The commercialization stage includes the stages of market launch, product training and introduction, and sales support. Respondents from this study are the SMEs in this cluster. Hopefully, from this study can be useful for the development of clusters in Pojok Cimahi itself or similar clusters in other areas, and useful as well as a policy matter for the government and as a reference for further research. From early studies concluded that the process of commercialization in clusters of chips in Pojok Cimahi is on the production side where they want to innovate on the advice of the customer, as well as each SME has a pattern of product commercialization of its own, especially each SME has a raw material supplier of fixed and customers fixed, and they foster good relations with their own way, so that the process of commercialization of the product can continue to grow even without doing other promotions process.

Keywords: commercialization; swot analysis; cluster chips; Pojok Cimahi

INTRODUCTION

The development of SMEs in commercializing their products not only affects SMEs independently, but also has an impact on the surrounding environment. Indirectly the environment also feels the benefits in the success of SMEs in the environment and invites the surrounding community to create business in the same field and gradually the environment formed a cluster. McCoy, Thabet, and Badinelli (2009), explained that commercialization is a step or a decision to bring products to market. Commercialization is not just about Research and Development, it also touches on the skills, knowledge, and routines that have an impact on the success of commercialization itself that can build loyal or superior customers. The success of commercialization also depends on how SMEs or innovators face a critical period and learn from mistakes in the commercialization process (Aarikka-Stenroos & Lehtimäki, 2012). Pojok Cimahi is an area in Cimahi City, which is famous for chips industry, especially spicy cassava chips product. In its development, this area developed into chips clusters with various types of materials, taste innovation, and the price offered. Pojok Cimahi belongs to the cluster category, business activities that exist in this area meet three dimensions, and they are geographical dimension, inter-company network, and inter-organizational network, where these three dimensions are interconnected and complementary to one another, as has been explained by Rocha and Sternberg (2005) on the notion of clusters. Pojok Cimahi appeals to the research team's attractiveness to further explore the potentials and factors affecting the commercialization of chips products in this cluster. Selling the same products with the same or varied raw materials, innovation of taste and competitive prices attracted the research team about the commercialization process in this cluster, so this cluster became a cluster known as chips cluster in Cimahi that innovate and bring in many old and new customers, which creates positive business and economic activities. Researchers use SWOT analysis approach, which consists of strengths, weaknesses, opportunities, and threats, to map each of the SWOT points so that the researcher can further review. Respondents from this study are the SMEs in this cluster. Hopefully, from this study can be useful for the development of clusters in Pojok Cimahi itself or similar clusters in other areas, and useful as well as a policy matter for the government and as a reference for further research.

LITERATURE REVIEW

a. Commercialization

The result of product development or new product development is a product that is physically ready to be introduced to the market. The commercialization stage includes the stages of market launch, product training and introduction, and sales support. All that is done to reduce the possibility of customer barriers to new products offered. Each company has different organizational skills and routines that influence the success of commercialization in the marketplace (Rubera, Chandrasekaran, & Ordanini, 2016). The results of previous studies also examining that commercialization is closely related to the ability of marketing, so that market orientation, market segmentation, marketing approach is important to consider in adopting innovations that can be commercialized. Maintaining good relations vertically between companies, suppliers, and customers supports the success of commercialization as the majority of innovators do in terms of commercialization (Do, Mazzarol, Volery, & Reboud, 2012).

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Nevertheless, the majority of SMEs rarely have facilities adequate resources to commercialize their products in the market, even some feel it difficult to benefit with the new products being sold. But, behind the shortcomings encountered, SMEs have a competitive advantage as in the case of innovation activity, SMEs have an effective internal communication capabilities and quick response to any market. Thus, in the national innovation system SMEs are recognized as a source of innovative products and processes (HanGyeol, Yanghon, Dongphil, & Chungwon, 2015).

b. SWOT ANALYSIS

One tool that can analyze internal key factors and external key factors is SWOT Analysis; SWOT analysis is an acronym of strengths, weaknesses, opportunities, and threats. Four points can be divided into two broad lines, namely internal factors (strengths and weaknesses) and external factors (opportunities and threats) (Estrada, Sandu, Zrncic, & McN, 2015). Internal factors such as, strength is the ability to compete and grow strong while weakness is a deficiency that can paralyze growth and survival. On external factors such as, the opportunity is positive or better opportunities for growth, while the threat is a challenge that may arise with the inherent power to accelerate weakness and block opportunities (Gupta & Mishra, 2016). SWOT creates an awareness of strategic plans in the business that certainly has a good impact on SMEs to identify areas that need to be improved or modified (Tenney & Marquis, 2017). As explained by Reid, Carroll, and Smith (2007), SWOT analysis is useful for developing priority actions for clusters, since SWOT analysis as a strategic planning tool has a long history.

METHODOLOGY

This research uses single case study research method (Aberdeen, 2013) with approach based on qualitative data (Creswell, 2007) obtained from in-depth interviews (unstructured questions and answered) to the SMEs in the chips cluster at Pojok Cimahi, observation, and literature data. Single case study research is used to find out the potentials and factors affecting SMEs in this cluster for the commercialization of their chips products. Analysis of this research is using SWOT Analysis approach, with the aim to map internal factors (strengths and weaknesses) and external factors (opportunities and threats) commercialization of products in this cluster.

FINDINGS AND ARGUMENT

Pojok Cimahi

Pojok Cimahi is located in Setiamanah Village, Central Cimahi District, Cimahi City. This area is famous for the industrial centers of chips. The variety of chips products, from various types of raw materials, flavors, to the prices offered from many SMEs in this cluster, certainly lure buyers to buy chips directly at the center of production. The famous chip product in this cluster and become the main product sold by SMEs is spicy cassava chips. Although there are other types of chips being sold, it is a supporting or complementary product sold by SMEs. Despite selling the same product that is the product of spicy cassava chips, each SME has the characteristic of each of the products manufactured. Generally, they have their own production house in this area and as well as a store that directly sells chips products produced in this place. No doubt, many buyers who come from various regions buy chips from this cluster to be sold back to their respective regions. The SMEs gain the expertise to make chips based on the test results of each SME, there is no formal lessons; they are self-taught. The thing that motivates why the Pojok Cimahi can be famous as a chips cluster is due to low production costs and promising benefits. Previously, there has been an advanced SME from the chips business. This effect is transmitted to the neighbors around and gradually, neighbors in this environment make the same business to feel the success and at the same time meet the market demand, as shown below on SWOT-TOWS table analyses;

Table 1. SWOT Analysis of Chips cluster

Strength	Weakness
1. Raw materials are easy to get and cheap	1. The majority rely on buyers who come directly to the Pojok Cimahi chips cluster
2. Always innovate based on customer suggestions	2. SMEs are individualized
3. Cluster location is well known as chips cluster	3. Rarely do SMEs keep up with existing marketing developments (such as official social media accounts and digital ads)
4. Broad marketing area	4. Simple product packaging (less likely to innovate)
5. Quality of products and taste are maintained	5. Competitive product sale price
6. Each SME has fixed material suppliers and regular customers	6. Lack of promotion by SMEs themselves
	7. No written product quality standards (majority use feelings)

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Opportunity	Threat
1. Broad chips market	1. High business competition among fellow SMEs in the Pojok Cimahi chips cluster
2. Business development assistance program from government or other agencies	2. The development of machine technology
3. Shopping tourism destination chips	3. Business competition with SMEs that innovate in products and marketing that have strong brand awareness
4. The development of machine technology	4. When customers are coming down, turnover will also come down
5. Product innovation can be further developed	5. The product is easily imitated
	6. Products vulnerable to damage during shipping

Table 2. TOWS Analysis of Chips cluster

S-O	W-O
S1, S4, S6, O1: Build a brand to raise the sale value	W1, W3, W6, O1: Create a broader marketing strategy through online
S2, S3, O3: Develop chips tourism destination	W2, O2: Reactivate the association of chips entrepreneurs with a clear program
S5, O5: Standardize products and follow existing regulations	W4, O1: Create attractive packaging to increase the sale value
	W6, O2: Actively participate in entrepreneurship programs from government or other agencies
S-T	**W-T**
S2, T1, T5: Continue to innovate for healthy competition	W1, T4: Develop a loyal customer relationship strategy
S3, T3: Marketing the location name of Pojok Cimahi, to become more famous as a center of chips cooperate with local government	W4, T3: Following the marketing strategy undertaken by a well-known brand is then implemented
S4, T6: Creating a resilient packaging that preserved products during shipping.	W5, T5: Continue to innovate to create unique selling product
S2, T5: Create unique product features	

The potential of the strength of the cluster of chips in Pojok Cimahi in the commercialization of its products is situated on the side of production, location, marketing network, and good relationships between raw material suppliers and customers. Moving in the chips-based business, making the commercialization process in terms of raw materials is very easy to obtain and of course in terms of price is also very cheap, one of these potentials that make SMEs focus on making various processed chips products that gradually form a cluster. Customers usually buy chips products for resale in their respective areas. The continuity of commercialization of chips products in this cluster, supported also by good relations of SMEs with fixed suppliers of raw materials to ensure production and also good cooperation with regular customers, this is as expressed Do, Mazzarol, Volery, and Reboud (2012). Quality products and guarded flavors also contribute to the successful commercialization of products in this cluster. However, the researchers found that the disadvantages that occur in this cluster in the commercialization side, that the majority of SMEs in this cluster embrace the marketing system 'wait for the ball', they wait more customers who come directly to this cluster compared to doing other promotions. They are not accustomed to follow the development of existing marketing because it already feel quite with the marketing experienced by the SMEs. In fact, marketing innovation is no less important with innovation on the product side; marketing becomes the main goal of commercialization done. Therefore, from this preliminary study the researchers observed that commercialization from the marketing side, the SMEs rely more on old customers who sell their products back in their respective areas. Thus, the pattern of commercialization process has been established. This will backfire, if the customer switches to another SME or other more profitable chips cluster. This weakness can be overcome by developed cluster development. Cluster development is also in line with various government programs or other agencies for business development in the hope of economic progress independently, which can create jobs with growing businesses. From clusters can also be developed into a shopping area chips that attract more visitors to come to this cluster, so that will encourage positive business activity and open opportunities for the creation of new business. Technology development also needs to be utilized properly for business effectiveness in this cluster, so that SMEs continue to follow developments and utilize it in accordance with the needs of SMEs themselves. From the cluster can also be developed into a shopping destination of chips, which attract more visitors to come to this cluster, which will encourage positive business activity and open opportunities for the creation of new business. Technology development also needs to be utilized properly for business effectiveness in this cluster, so that SMEs continue to follow developments and utilize it in accordance with the needs of SMEs themselves. In terms of external factors precisely on the side of the threat, researchers analyze that, the threats that exist in this cluster is the business

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competition between SMEs in clusters and with SMEs that have high brand awareness outside the cluster. Business competition is common in every cluster, but individual attitudes among SMEs in this cluster can lead to price wars because there is no standard price or gap between SMEs. Another threat also comes from fellow SMEs who have a high brand awareness outside SMEs, of course, although the products offered the same, but SMEs that have brand awareness has a product selling value is very high compared with SMEs in this cluster. The development of machine technology used can be one of the threats, the use of machine technology would be more cut time and labor which can benefit SMEs, but on the one hand can also be a threat, if SMEs prefer to use the traditional way, so the fulfillment of production demand is not can be met quickly.

CONCLUSION

The commercialization of products in the chips cluster at Pojok Cimahi, has its own strengths, weaknesses, opportunities and threats. Broadly speaking, the strength of commercialization of products in this cluster is in terms of product production, namely Research and Development which is done in addition to the support of cheap production costs. Weakness owned by this cluster in the commercialization of the product is less doing other promotions, but to wait for the old customers or new customers come into clusters. Although, still considered sufficient with existing sales, in the absence of efort other promotions, but if carelessly will affect the productivity of the company that correlates with the decrease in turnover. Of the business opportunities of the chips in this cluster of many, the most prominent is its vast market. With the strength of production owned and the existence of a broad market, of course the product commercialization process can synergize with each other. Threats experienced and will be faced by SMEs in this cluster in commercialization is the threat of competition among fellow business SMEs in clusters and SMEs to have a strong brand awareness outside of the cluster. Another threat is that if customers come quiet, then it will also have a direct impact on the decline in turnover correlated with decreased productivity. From early studies concluded that the process of commercialization in clusters of chips in Pojok Cimahi is on the production side where they want to innovate on the advice of the customer, as well as each SME has a pattern of product commercialization of its own, especially each SME has a raw material supplier of fixed and customers fixed, and they foster good relations with their own way, so that the process of commercialization of the product can continue to grow even without doing other promotions process.

Recommendation

As has been analyzed and discussed, this recommendation comes from TOWS analysis and discussion. The results of the analysis and discussion of the researchers summarized into 5 points as below;

1. Business marketing training

Business marketing training needs to be given to give SME new insight into the current business atmosphere and effective business marketing for the ongoing business activity atmosphere tailored to the needs and circumstances of SMEs in this cluster. The training includes developing brands, attractive packaging training, and training on marketing strategies through online and offline, and how to create products that are unique and different from others.

2. Join and follow entrepreneurship program from government and other agencies

Following the entrepreneurship program can have a positive impact on business, both internally and externally. One of the advantages is to expand the market, to reach the market in various regions, one of them can be done by attending business exhibitions in various regions. Facilities to exhibitions can alleviate and help SMEs to market their products in other areas directly, and open opportunities for cooperation with prospective resellers or distributors from other regions.

3. Reactivate the community of chips in chips cluster in Pojok Cimahi

The existence of clusters can be a positive benefit for stakeholders in it, with good coordination and mutual positive role between SMEs can encourage the creation of positive business in this cluster. A container that can shelter the aspirations of SMEs is a community. Because that can solve all the problems and suggestions for something in the cluster is the SME itself.

4. Training and counseling of regulation of food standardization from related institutions

Chips cluster is a food-related cluster. Therefore, it is important for SMEs to pay attention to food standards produced and sold according to government regulations, to make it easier to develop and provide security and convenience for buyers who purchase chips in this cluster.

5. Develop chips tourism destination at Pojok Cimahi

The strengths and opportunities that these clusters have create new opportunities for bringing in larger visitors and customers. Developing chips tourism destination can be the main attraction in marketing this cluster.

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