

STRATEGIC DEVELOPMENT OF TOP BUAH SEGAR : SWOT AND TOWS MATRIX ANALYSIS

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Abstract

Nowadays, People's paradigm has shifted from not only concern with low prices, but also concern with the pleasantness of a store or market. Modern people tend to go to modern market which is more comfortable compared to traditional market. Top Buah Segar is one example of the modern market. The tools used in this research were SWOT and TOWS Analysis, and questionnaire. SWOT Analysis was used to identify the internal and external factors affected Top Buah Segar in the industry from the perception of the company itself. On the other hand, questionnaire which based on Marketing Mix 7P strategy identified the internal factors of firm from customers' perception. The researcher found strength, weaknesses, opportunities and threats of Top Buah Segar Bekasi. Top Buah Segar in Bekasi lack in almost every aspect of the Marketing Mix 7p, while Top Buah Segar in Cibubur excel at every aspect. In order to increase its performance the researcher recommend that Top Buah Segar Bekasi need to hire more employees to better manage the stores, create a marketing team to search and maintain customers, and they need to fix the physical evidence.

Keywords : SWOT Analysis, Marketing Mix

Category : Performance management, Marketing

Introduction

Nowadays, people's need of comfort is increasing. Modern people tend to go to modern market which is more comfortable compared to the traditional market. People's paradigm has shifted from not only concern with low prices, but also concern with the pleasantness of a store or market.

Traditional markets in Indonesia are usually dirty, the buyers have to bargain with the sellers in order to get cheaper price, and even though the price tends to be cheaper than modern market, the quality of the products not as good as the modern market. The positive side of traditional market beside the price is the variety of products. Modern markets have many advantages compared to the traditional market. Modern markets are usually have more facilities to make it more comfortable such as air conditioner, machinery cashier and other facilities to keep the quality of the products. Besides, in modern market, self service are implemented which make customer choose the products freely, customers do not need to bargain

because fixed price is used, better quality control and good services from their employee.

The competition in modern markets is tight because competitor exist in this business such as Total Buah Segar, giant and Carrefour. And since those market usually sell daily needs which have expired time, they should be able to compete with others to gain the customers. Various way in which modern markets do to gain and maintain their customer such as excellent service, keep the product's quality and do some promotions.

TOP Buah Segar Bekasi is one example of modern market that specializing in selling fruit and some imported foods and beverages. As the only fruits store in the area, Top Buah Segar should be able to gain a lot of profits. Top Buah Bekasi compared to the other branches has the lowest sales. Although they have the same brand and same advantages over the area. TOP Buah Segar in Bekasi should be able to gain more revenues and customers as the same as it branch in Cibubur.

Problem Identification

Top Buah Segar is a retail store specializing in selling high quality and unique variety of fruits and currently the only fruits store in the area. At the first years Top Buah Segar was established in Bekasi, they gain a lot of profit. But that didn't last long, early on the third year, their sale is going down rapidly. And until now, they only gain revenue enough for operational purpose, sometimes they even need to loan money to pay their employee. How can this be happening? . This final project will analyze all the factors that can affect the performance of Top Buah Segar.

Research Objective

The main objective of this research is to determine which factors that affect performances and need some improvement in order to increase its revenue and to determine what action that must be taken by the management to increase their performances.

Research Limitation

Researcher will only analyze 5 variables from Marketing Mix which are People, Price, Physical Evidence, Process and Products.

Theoretical Foundation

Marketing Mix 7p

One of strategies that related with marketing activities of a company is marketing mix strategy. Kotler and Armstrong defined marketing mix as follow: "marketing mix as the set of controllable marketing variables that the firm bleads to produce the respond it wants in the target market" (2007). From the previous definition, marketing mix is a set of controllable variables which combined to result in expected responds from the target market. For service firm, there are 7 elements of marketing mix which are *product, price, place* and *promotion, people, physical evidence, and process*.

SWOT and TOWS Matrix

A scan of the internal and external improvements is an important part of strategic planning process. Environmental factors internal to the firm can be classified as strength or weaknesses, and those external to the firm can be classified as opportunities or threats.

The SWOT analysis provides information that is helpful in matching the Top buah Segar resources and capabilities to the competitive environment in which it operates. As such, it is instrumental in

strategy formulation and selection (see Figure 1.1).



Figure 1.1 SWOT Matrix Table

Methodology

The source of primary data is from spread the questionnaire especially to the customer of Top Buah Segar, interview with the management of Top Buah Segar, and direct observation in the field. Sampling method is by simple random sampling method with amprobability sampling approach, which is when respondents were sampled at the study site. Determination of the number of respondents is determined by the Slovin's formula. The number of respondent is 100 persons. Source of the question in the questionnaire is from book *Marketing Scales* by authors FandiTjiptono, YantoChandra, and Anastasia Diana). Each respondent were asked to rate the importance of each statement by likert scale with scale from 1 (not important) to 5 (very important).

Finding and Analysis

The questionnaire also designed to use Likert scale, 1 to 5, and so the researcher decided that any factors that scored more than 3,5 will become the strength of Top Buah Segar , while factors that scored less than 3,5 will become the weakness of Top Buah Segar

Top Buah Segar Cibubur

The products variables of Marketing Mix 7p of Top Buah Segar Cibubur are all scored over 3,5 which means Top Buah Segar Cibubur are able to deliver a high quality products to its customer. Its because Top Buah Segar has it owns fruits supplier, guarantee only to deliver the best quality fruits for its customer. Unlike when we must buy our fruits from other wholesaler or even traditional market, while the quality of the products might be questionable, the price are relatively higher since they also aim to make some profits.

The Price Variables of Marketing Mix 7p is also scored above the 3,5 which means that the customer doesn't concern about the price that given by Top Buah Segar Cibubur. *"Price said to be expensive, cheap or mediocre than any individual does not have to same, because it depends on the individual's perception of the environmental background life and condition of the individual"* (Schifman and Kanuk, 2001). Because it is located on the main road of Cibubur, and Cibubur itself has a lot of elite housing complex such as Kota Wisata, Citragrand, Raffles Hills, etc, the level of customer buying power also above average, making the prices in Top Buah Segar is not a problem for them.

The People Variables of Marketing Mix 7 is also score above 3,5 which means the customer are satisfied with the employees in the Top Buah Segar Cibubur. Based on the researcher observation, there's plenty of employees on Top Buah Segar Cibubur, they are polite, kind, and has a very good knowledge about the products. The researcher think that those aspect might be the one that affect the customer satisfaction of the employees in Top Buah Segar Cibubur.

The Physical Evidence of Marketing Mix 7p is also scored more than 3,5 can only be mean that the customer feels comfortable inside the stores. Based on the researcher observation, the design interior of Top Buah Segar has a cozy look and tidy. All the products were arranged neatly, the ambience and the atmosphere is comforting.

The Process Variable of Marketing Mix 7p is also scored more than 3,5, which means that the customer are satisfied with the process of Top Buah Segar Cibubur.

Top Buah Segar Bekasi

The product variables of Marketing Mix 7p of Top Buah Segar Bekasi is the only one that become the strength of Top Buah Segar Bekasi. the same thing apply when we compare the products variables of both Top Buah Segar, both of the Product variables of Marketing Mix 7p are relatively high scored over 3,5. Based on the interview with the store manager, researcher thinks this is because of Top Buah Segar has its own suppliers that they shared to both branch in Bekasi and Cibubur. So Top Buah Segar can better maintain their quality of products since they shared same supplier rather than if they have to supply their own fruits by going to different wholesaler or traditional markets.

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The People variables of the Marketing Mix 7P also become one of the weakness in Top Buah Segar, because most of the factors scored less than 3,5. The customer that came to Top Buah Segar Bekasi is unsatisfied with the employees performances, they feel a little discomfort and being neglected. The problem is, Top Buah Segar in Bekasi didn't gain enough revenue to hire a new employees, so they don't have enough employees in the stores to serve the customer and organizing products at the same time.

The process variable of Marketing Mix 7P also become one of the weakness of Top Buah Segar in Bekasi. The questionnaire results says that the customer believe the Process variables of Marketing Mix 7P on Top Buah Segar in Bekasi are not satisfactory enough. This could be related to the People variables of Marketing Mix 7p. Because one of the way to deliver the Process variable of Marketing Mix 7p is through the People variables. Meanwhile, the People variables itself become a weakness of Top Buah Segar because of the lack of human resources.

The last and the main weakness of Top Buah Segar in Bekasi is the physical evidence factors. All the factors scored less than 3,5 and it has the lowest score compared to other weakness variables of Marketing Mix 7P. Based on the researcher surveys, there's many things that gives uncomfortable feeling inside the stores, such as The broken ceilings, the stain on the floor, the empty shelves may effect the customer when filling this questionnaire. The choice of gloomy colors of light brown for the curtain can cause uncomfortable feeling for the customer. There's even an empty cardboard lying on the floor even on the chiller next to beverages product.

SWOT Matrix Analysis

The researcher gathered SWOT of Top Buah Segar in Bekasi through discussion between the researcher and the store manager of Top Buah Segar in Bekasi. Strength and weaknesses are

internal factors that owned by Top Buah Segar in Bekasi, while opportunities and threats are external factors that affects business activities of Top Buah Segar in Bekasi.

Strength

The first factor that becomes strength of Top Buah Segar in Bekasi is the high quality of its products. There are many imported fruits such as autumn seedless grape from peru that cannot be found on ordinary stores, the questionnaire also shows that the product variable in Top Buah Segar in Bekasi is above the average. Top Buah Segar brand also have they own logistic supplier, so they not need to buy fruits from the wholesaler or traditional market as the price are subject to change without prior notice and they didnt have to be afraid running out of stock. The store manager of Top Buah Segar in Bekasi is really concerned about the costumer satisfaction, he love and always listen to customer critics and complaints, and he trained the employees to do that also.

Weakness

Besides of those strength which affect the internal organization, weaknesses of a company also involve in internal factors. The lack of human resources become the most concerning matter for the store manager, many times the customer feel neglected because all of the employees busy doing their jobs. It also lead to the uncomfortable public spaces, theres a lot of things lying around such as empty cardboard or empty baskets. The building also not maintained very well, theres a lot of broken ceilings and cracks on the wall. Others problem are the lack of storage spaces, the stores has to cut down electricity cost so they need to shut down some chiller in the storage room, and by that, they have to move the products inside the stores and put them next to products they wanted to sell. The store manager also said that the prices here are relatively high compared to the competitors, the questionnaire also said that the price variables are one of the weakness of Top Buah Segar in Bekasi. And on top of all that weakness, the store manager also admit that theres no marketing strategy applied on the store.

Opportunity

On top of all those strength and weaknesses, there are also the opportunity arises to minimize the effect of the weakness. The increasing of economic development in indonesia affect the consumer behaviour, the costumer tend to be picky about what they will consume, it makes them search for a better and more prestigious facility. Modern people nowadays prefer to shop

at departement stores instead of traditional markets, these people certainly will be our target market. Top Buah Segar in Bekasi is located on Jl. Caman, and there are 3 housing estates on Jl.Caman which means many target market opportunity, while Top Buah Segar in Bekasi is close to highway access, those target market will definitely notice the Top Buah Segar stores. And the last opportunity is, there will be a school build right next to Top Buah Segar, that can only be mean more target market.

Threats

There are also some threats that affect the performance of Top Buah Segar in Bekasi. The main threat is that the new competitors that has been running for about 2 years, the Giant hypermarket. Located also on Jl. Caman and not to far away from the Top Buah Segar, Giant provide a lot wider variety of products and at slightly cheaper prices it is certain to steal some of our costumers. Once, Jl.Caman was the main road for people to go to their workplace and to go home, that was the joyful day of Top Buah Segar because they gain a lot of profit from it. But it only last untill the Cikunir Highway is established, Jl. Caman is no longer become a main road.

TOWS Matrix Analysis

In continuation of the SWOT Matrix analysis, the researcher now continue the research using the TOWS Matrix. TOWS Matrix basically is a tool to make analyst or researcher easier to generate some strategies for particular company or organization in order to use strength for gaining opportunities, minimizing weaknesses and avoiding threats.

S-O Strategy

This quadrant generated some strategies for attic jeans by taking advantages of strengths to catch some opportunities in the external factors. The first strategy is to use the strength of being the only fruit store in the area. As mentioned above before, there are 3 housing estate on Jl. Caman, and this could become a great opportunity since Top Buah Segar is the only fruis store in the area. Combined with the customer oriented services, it will be easier to gain more customer from the housing estate.

S-T Strategy

S-T strategy quadrant is used to develop a strategy based on company's strength to avoid possible threats. Since the threats are mostly come from the competitors, Top Buah Segar in Bekasi

should find a way to manage their customer, otherwise they will be stealed by the competitors. The strength of the Top Buah Segar in Bekasi is the high quality products and being the only store specializing in fruits on the area, and so there are some fruits that can only be found in Top Buah Segar, therefore it will force the customer to come to Top Buah Segar. And when the customer come, they services that based on the customer will be able to give satisfaction to the customer, helping them to gain a new customer and to maintain their loyal cutomer.

W-O Strategy

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W-T Strategy

The last quadrant the W-T strategy, is also used to result in strategies to minimize the weaknesses and avoid possible threats that affect Top Buah Segar in Bekasi. The first strategy is to create a marketing strategy to gain a new customer and to maintain the loyal customer. And then to create a comfortable public spaces to avoid losing customer.

Conclusion and Recommendation

As a result of dat analysis in the previous chapter, researcher conclude that Top Buah Segar in Bekasi are affected by both internal and external factors of the company. The researcher indentified those factors through SWOT Analysis and spreading questionnaire. The questionnaire shows strengths and weakness of Top Buah Segar in Bekasi based on customer's preception, while SWOT analysis is not only analyze internal factors, but also external factors through opportunities and threats. And finally, the researcher underlines problems that affect Top Buah Segar in Bekasi performance which are :

1. Worse physical evidence variable

From the questionnaire result, Top Buah Segar in Bekasi got bad scores in all physical evidence which caused dillema for Top Buah Segar in Bekasi because as the only fruit store in the area, Top Buah Segar in Bekasi also established in a very strategic location. All physical evidence factor such as broken ceilings, staint on the floor, empty shelves, the gloomy color of the curtains need serious attention from the company itself because all of those factors dissatisfy the customer.

2. Lack of employees

People variable in questionnaire result also shows tha Top Buah Segar in Bekasi's employees are not good enough in providing good service for customers. Most likely its because the lack of employees. they dont have enough employees in the stores to serve the customer and organizing products at the same time it makes some customer feel being neglected.

3. Overpriced

The questionnaire results also says that the price is to high. It is because the recently opened Giant and Indomaret in the area nearby who sells fruits at slightly lower prices.

4. Lack of Marketing effort

Top Buah Segar in Bekasi lack of marketing effort, they rarely make any program that could maintain the existing customer.

From that conclison, I as the researcher, based on the questionnaire and the SWOT Matrix analysis recommend a few things that Top Buah Segar Bekasi should take to increase it performances, which are:

1. Hire more employees

The lack of employess has proven to be a disaster for Top Buah Segar in Bekasi. From the customer that feels being neglected and become the cause of the low score that the People Variables got, and some lying cardboard boxes from unfinished job that will ruins the physical evidence variables of the marketing mix and certainly making customer uncomfortable. And based on the data analysis, it is proven that the Process variable also depends on the employees. Which means, hiring more employees everything can be more organized and surely we can afford to deliver better services to the customer.

Susan M. Heathfield is a Human Resources expert. She is a management and organization development consultant who specialize in human resources issues and in management developmment. She has worked in Human Resources since 1987, Susan has managed her own consulting company : she has counsulted with over 100 clients and facilitated over 2000 training and planning sessions.

Based on an article that she writes *Nine recruiting and Selection Tips to Ensure successful Hiring*(2012), there are several things to think about when hiring a new employees, which are :

- Hire for today,s need and tomorrow’s vision. Remember that youre hiring for the future, while new employee has to make economic sense for today’s task, the bset hires are people who position you to [rofit as your business moves into the future. New people should provide the skills you need in the future, not just match the job demands you see today.
- Understand the job. Finding the right people to hire is much easier when you first analyze the job you want to fill. Ask yourself what kinds of people do th ebest in this job, observe their behaviour, ask them questions and talk with their peers to get a clear understanding what characteristics make them effective in their jobs.
- Build a stardized hiring process. Dont count on your conversational skills to choose between candidates. At a basic level, your standardized hiring process should include criteria-based screening of an adequate number of candidates, background check, standardized assessments and structured interviews. The more important the position, the more rigorous the hiring process should be.
- Hiring top talent means more profit. The right person will make contributions to your companys productivity and profitability that far exceed salary cost while the wrong person can cost you plenty.
- Job analysis. Job analysis is the most neglected aspect of hiring. Performed correctly, job analysis provides a list of the personal attributes required to work effectively in the role. This list of attributes is identified first by breaking down a person’s job into logical parts. Next, each job task is analyzed according to knowledge, skill, abilities and attitudes required to perform the job correctly. Once a business knows what the position requires, the hiring process is faster and more effective because the job candidates are evaluated on a common set of criteria.
- Matching people to jobs. Once a business understands what the job demands, there are several tools that help identify the right people for the job. Candidate screening, personality and skill assessments, performance-based

interviews and behavioral based interviews all help identify top candidates.

2. Create a marketing programs

Marketing is the tip of the spear, business wont work if we dont sell. It is important to have a marketing strategy, create marketing programs, events, packages or discounts to gain more customer and to maintain them. Seek for a new potential target market and exploit them. Here are some suggestions of the programs :

- Based on the data analysis of the Price Variables of Marketing Mix 7p, the customer think that the prices are too high, although the price that the competitors give are not that cheap either. Maybe we could do something to change the minds of customers, for example :
 - Create a sign board fill with the product’s knowledge such as its benefits. it will make the customers realize about the product’s benefits and they may forget or feel that the prices are just right.
 - Top Buah Segar also needs to make a packages or giftbox, to ofer a variety of products all in one package and for a discounted price.
 - Creating happy hour where theres a special discount available. The happy hours time should be based on the the fruits life span, in order to prevent the fruit from being spoiled and increases sales. This method is already being use by some bread stores such as Bread Talk and in the supermarket “Papaya” on Jl. Sukajadi. They give a 50% discount on their bread and fast food from 8.pm till the store is closed to avoid their product to become expired.

3. Fix the physical evidence

Top Buah Segar also need to fix and improve their physical evidences. Based on the questionnaire results and data analysis, the physical evidence in Top Buah Segar Bekasi scored the lowest and become the main issue of Top Buah Segar Bekasi.

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