

Strategic Analysis of e-Business and Marketing and Sales Strategies in MSMEs

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Abstract

Electronic business (e-business) is a business activity that utilizes information technology approaches. With e-business, companies can understand all processes and developments within the organization. Additionally, business owners can make decisions based on the studies and analyses of the company's e-business. This research conducts a strategic analysis of e-business for the home industry of UMKM Wajit Pusaka Utama. The study employs SWOT analysis, Porter's five forces model, Value chain, and critical success factors (CSF). The results of this research identify several recommended information systems for UMKM Wajit Pusaka Utama, with the hope of enhancing e-business strategies for marketing and sales processes. These information systems include a CRM (Customer Relationship Management) based Sales Information System, Financial Management Information System, Human Resource Information System, Warehouse Management System, and Geographic Information System (GIS).

Kata kunci: E-Business Strategy, CSF Analysis, Porter's Five Force, Model Analysis, SWOT Analysis, Value Chain Analysis

1. Introduction

A business requires effective Information Technology (IT) to reduce operational costs, streamline business processes, manage risks, enhance customer relationships, and improve productivity. The role of Information Technology (IT) is not only vital for the development of e-business (enabling function) but has also become a driving force behind the development of new business models that were previously unimagined. E-business can be defined as the process of using IT and communication by groups, individuals, or related parties to carry out and manage a business process. By connecting to the internet, a company indirectly connects itself to the global market, reaching hundreds of millions of potential customers spread across various parts of the world. Large, medium, and small-scale companies can easily collaborate and work together to create better products and services without having to consider geographical limitations or providing substantial financial resources.

The benefits obtained include flexibility, integration, security, optimization, efficiency, increased production, and profit. E-business is also a technology-based strategy that can help entrepreneurs establish communication and distribute goods and services to customers. In e-business, the emphasis is usually on the processes of selling and purchasing products and services through websites that involve consumers, business owners, system owners, and buyers. One example of e-business is purchasing goods online through platforms such as lazada.com, bukalapak.com, shopee.id, tokopedia.com, blibli.com, and amazon.com.

All business processes are conducted electronically, from ordering, payment, shipping, to receiving goods. E-business has characteristics and benefits similar to all business processes conducted manually. The only difference is that e-business relies on the internet as a medium to carry out all activities, while traditional businesses conduct the entire process without needing an internet connection, but require a large space or building.

The utilization of e-business strategies not only assists large-scale entrepreneurs but is also expected to help develop the businesses of micro, small, and medium enterprises (MSMEs). MSME actors can use e-business for marketing processes to reach the global market. This is because information technology has been employed to support business processes within companies with the aim of increasing efficiency in time and costs, thereby enhancing profits and gains.

Home Industry or Home-Based Industry (home business) refers to a business run by the owner, where the production takes place in their own home. Many types of home businesses are rapidly developing today, one of which is in the culinary field. Culinary arts are currently part of the creative industry that has a wide market in Indonesia. Many culinary enthusiasts set aside time to try various types of food and beverages, especially now that many culinary trends are going viral on social media, which makes food lovers curious to try them. To develop a business, the main focus is on how to design the product so that it attracts many consumers. Marketing strategies through digital media or E-Business can be implemented across various social media platforms, so there is no need to establish a retail outlet to sell the products. Therefore, with the presence of E-Business, it can reduce costs that would otherwise be incurred by entrepreneurs. The design of the products to be sold must be creative, such as promoting the culinary offerings attractively, for example, by creating videos or photo catalogs. This way, consumers will trust and be interested in purchasing the marketed products or culinary items. Such marketing strategies aim to increase the number of buyers, and it is important to pay attention to the 4Ps (product, price, place, and promotion), which play a crucial role in Home Industry and can create effective and efficient strategies.

UMKM Wajit Pusaka Utama is a home industry company located in Cililin District, West Bandung Regency. This small and medium-sized enterprise (SME) specializes in the production of wajit, a traditional food that is widely recognized in various circles. UMKM Wajit Pusaka Utama, which focuses on the production and sale of wajit, a regional specialty, is currently facing similar challenges. Wajit, which is a typical souvenir from West Bandung Regency, is an important part of Indonesia's culinary heritage. This food has a sweet and distinctive taste, made from glutinous rice, coconut, and palm sugar, and is highly favored by many people from various walks of life. The popularity of UMKM Wajit Pusaka Utama is beyond doubt; this business has been a family legacy that started in 1952 by Mrs. Hj. Erum and continues to this day.

2. Method

The research uses a descriptive research method, where data collection is carried out using several techniques as follows:

1. Observation.

At this stage, direct observation is conducted in the field by visiting the Wajit Pusaka Utama MSME to see and observe the entire business process that occurs in the store, starting from sourcing, ordering, storing raw materials, processing, packaging, drying, to the final stage of product packaging.

2. Interviews.

In addition to conducting observations, the researcher also conducts interviews to obtain data and information that are not known. The interviews are conducted with the owner of Wajit Pusaka Utama MSME, several consumers, and employees, so that this can later serve as a reference basis for this research.

3. Analysis.

At this stage, the results from observations and interviews will undergo an analysis process. This analysis will utilize tools such as SWOT analysis, value chain analysis, Porter's five forces analysis, and will be grouped into Critical Success Factors (CSF) analysis. Through SWOT analysis, factors that may become opportunities, strengths, weaknesses, and threats for UMKM Wajit Pusaka Utama can be identified. UMKM Wajit Pusaka Utama employs Porter's Five Forces analysis to understand threats such as store competition, the threat of new entrants, the threat of substitute products, buyer bargaining power, and supplier bargaining power. Using the Value Chain approach, an analysis will be conducted on UMKM Wajit Pusaka Utama to identify the primary and additional needs required. In relation to the CSF (Critical Success Factors) analysis, UMKM Wajit Pusaka Utama can identify the strategic objectives it aims to achieve for measurement purposes.

3. Result and Discussion

After conducting observations and interviews in the field with the owner of the Wajit Pusaka Utama MSME, as well as with employees and several consumers, it was found that Wajit Pusaka Utama is a store that specializes in selling traditional regional food, specifically wajit. In running the business, the store owner has implemented e-business processes, but it is not yet optimal due to limitations in information technology facilities and resource constraints in managing the company. Employees still work in a traditional manner, and there has been no innovation from the company in terms of adding new flavor variants, the packaging remains simple, and expiration

dates are not indicated on the packaging. For consumers, this is concerning because the wajit product can only last two weeks at room temperature, which could minimize complaints from consumers regarding the products purchased until they are consumed.

The results of the observations and direct interviews related to all business processes at the Wajit Pusaka Utama MSME led to the creation of an analysis using SWOT analysis. The SWOT analysis is used to identify the strengths, weaknesses, opportunities, and threats of the Wajit Pusaka Utama MSME. Following this identification, the analysis will continue with several methods:

Table 1 Wajit Pusaka Utama UMKM SWOT Matrix

Internal		Weaknesses	
Eksternal	Strength		
Opportunities	S - O	W - O	
<ul style="list-style-type: none">Market demand for products owned by MSME Wajit Pusaka Utama is always increasingThe products owned by UMKM Wajit Pusaka Utama are popular with consumersThe development of IT can be beneficial for business development.	<ul style="list-style-type: none">Providing digital workshops/training to company admin employeesCreation of an e-marketing system to reach many customers.Creation of a geographic information system to make it easier for people to find shops.	<ul style="list-style-type: none">Use of e-business in the marketing system so that the company network is widerCreation of a financial information system.Creation of a company profile information system.	
Threats	S - T	W - T	
<ul style="list-style-type: none">The emergence of various competitors that are similar, even more attractive in terms of flavor variants, new packaging and other application media.	<ul style="list-style-type: none">Create innovative wajit products with various flavor variants.Create attractive new packagingInclude expiration dateFinancial applications and digital promotional media	<ul style="list-style-type: none">Maintain product qualityMaximize promotions through social media such as: IG, Facebook, Tiktok and e-commerce: Lazada, Bukalapak, Shopee, Tokopedia	

From the results of the analysis, it was found that the main strength of the Wajit Pusaka Utama UMKM lies in the long-standing and well-known wajit brand, as well as relatively cheap and affordable prices. The strategic location of the store, this factor is very profitable for the sales process and is maintained in relation to costs and the provision of easily available raw materials. Meanwhile, seeing the weaknesses of this shop, an information system is needed to carry out all business activities so that the profits to be achieved can be met and the shop management can run well. For MSME opportunities, Wajit Pusaka Utama is an old and well-known shop that sells wajit products in Cililin District, West Bandung Regency. With technological developments, there will be greater opportunities for Wajit Pusaka Utama MSMEs. For the threats faced by Wajit Pusaka Utama MSMEs, it is best to

create innovative wajit products with various flavor variants, create attractive new packaging, include expiration dates, and create financial applications and digital promotional media to increase sales. The results of the SWOT analysis can be seen in Table 1. From the SWOT matrix table as seen in Table 1, there are several strategies that must be carried out to answer existing problems, namely:

a. S-O Strategy.

The strengths and opportunities of MSME Wajit Pusaka Utama can be a reference for shop owners to be able to build an e-marketing information system. This information system is useful for reaching many customers, which is also equipped with geographic information (maps) to make it easier for customers to access the location of Wajit Pusaka Utama MSMEs. The expected result is to improve the sales process and add more customers.

b. W-O Strategy.

The implementation of e-business in Wajit Pusaka Utama MSMEs has not been optimal, so the strategy taken from weaknesses and opportunities is to increase business promotion through marketing information systems both through e-commerce and on social media. For financial transaction problems, a financial information system also needs to be implemented. Apart from that, to find out the profile of the Wajit Pusaka Utama UMKM, it is necessary to develop an information system for the company profile.

c. S-T Strategy.

The strategy in the SWOT analysis for strength against threats to Wajit Pusaka Utama MSMEs is to create innovative Wajit products with various flavor variants, create attractive new packaging, include expiration dates, create financial applications and digital promotional media.

d. W-T Strategy.

Weaknesses and threats in Wajit Pusaka Utama MSMEs can become a new strategy implemented at Wajit Pusaka Utama MSMEs, namely being able to increase human resources through workshops/training on digital promotion through e-business and social media.

Value Chain Analysis

Value chain analysis can be used to see a picture of what is happening at Wajit Pusaka Utama MSMEs, so that it can provide benefits for Wajit Pusaka Utama MSMEs and reduce production costs at the shop. Analysis of the Wajit Pusaka Utama MSME value chain diagram can be seen in Figure 1.



In Figure 1 there are two activities carried out, consisting of primary activities and support activities. In primary activities there is inbound logistics which functions to order raw materials, receive and store raw materials. The operations carried out are processing, wrapping, drying, packaging, labeling and pricing. In outbound logistics, orders for goods and packaging of goods are carried out, while the task of marketing & sales is to deliver goods

and offer products. For the service process, shop owners can replace damaged or expired goods and manage customer complaints services.

To support activities, firm infrastructure manages financial system services well. In human resource management, human resource training or employee training occurs. In technology, information systems will be developed, for example sales information system applications, payroll information systems and warehousing information systems. Here it is also necessary to procure supporting infrastructure such as computers and internet networks, and to procure logistics cars for the delivery and delivery process of goods.

UMKM Wajit Pusaka Utama is a shop that has been around for a long time, so it is necessary to create an information system for sales, finance, employee, warehousing or logistics applications, so that it can reduce budget expenditure. Apart from that, in order to continue to increase consumer satisfaction, it is necessary to have a geographic information system (maps) to find out the location and complete profile of the shop. Financial application information systems and digital promotional media to increase sales, so that the results achieved from this analysis are able to increase income and reduce production costs.

Analysis of Porter's Five Forces

a. Competition between similar companies.

Until now, competitors from other home industries that operate in the field of wajit production exist and compete with the same business, MSME Wajit Pusaka Utama stands among other wajit producers although not too many, therefore the threat tends to be moderate.

b. Threat of new entrants.

This is the same as competition between similar companies, so there is a threat from other companies entering. Therefore, the threat tends to be moderate.

c. Threat of substitute products.

The level of need for replacement products exists because Wajit Pusaka Utama MSMEs prepare quite a large supply of goods. Thus the threat related to this point is still moderate.

d. Bargaining power of buyers.

All products sold have standard prices and some products are given product bonuses so there is no haggling from buyers. Because this has become a habit, it is said that the threat is still very low

e. Bargaining power of suppliers.

For suppliers of raw materials and finished goods, Wajit Pusaka Utama MSMEs are still located in areas that are still in West Bandung Regency. And the raw materials for making wajit are supplied from local entrepreneurs. Thus, this threat can be said to be a low threat.

Based on Porter's Five Forces analysis, the threat is still relatively low. This is because there is moderate competition in terms of sales specifically for the production of wajit and other traditional foods sold at the Wajit Pusaka Utama UMKM, Cililin District, West Bandung Regency. The threat comes from the marketing technology side which reduces the increase in sales, because customers who buy Wajit products only rely on those who come directly to the store and few buyers via e-commerce applications or from social media.

Critical Success Factor (CSF) Analysis

- a. There is already e-business technology applied to Wajit Pusaka Utama MSMEs, although it is only limited to sales at the Shopee market place, Lazada, but there is no information technology or integrated business applications.
- b. Maximizing promotions through social media such as: IG, Facebook and in market places so that customers at Wajit Pusaka MSMEs can increase.

- c. There needs to be a financial management system for the financial entry and exit process to run well.
- d. There needs to be an information system for employees so that they can control the performance of working employees.
- e. There is a need for a warehousing information system so that the owner can control all stock of goods coming in and out of the warehouse.
- f. To increase the number of customers, it is necessary to create a geographic information system that is synchronized with the sales website so that potential customers outside can know the location and position of the Wajit Pusaka Utama UMKM to make shopping easier.

From the results of the CSF analysis, it was found that there has been an application of e-business in the sales process through the market place and there is already a relationship between consumers and sellers through the WhatsApp application and social media. The strategy that must be created is to design an information system for Wajit Pusaka Utama MSMEs, so that all processes can be carried out well. Apart from that, a system needs to be created to control employee performance and warehousing and financial systems.

No	Applikasi	Manfaat
1.	CRM (<i>Customer Relationship Management</i>)	<p>Well Managed Customer Data</p> <ul style="list-style-type: none">a. Improve Communication between Teamsb. Make Sales Reports Easierc. Able to Predict Sales Performanced. Increase Customer Loyalty
2.	Financial Management Information System	Manage the financial aspects of the company. This includes managing financial reports such as balance sheets, profit and loss statements, and cash flow. Apart from that, financial SIM also includes accounting, payment, payroll and tax management.
3.	Personnel Information System	<ul style="list-style-type: none">1. Can compare planned performance results and can analyze weaknesses and strengths in performance and business plans.2. Can have the ability to receive feedback on the performance of the business being run.3. Management gets a general overview of each operation carried out.4. Many decisions are transferred from upper management to more efficient organizational levels, taking into account factors of experience and knowledge.5. Organizations can maximize the benefits of investment by seeing and identifying whether systems and information are functioning properly or not.6. Companies can encourage workflow improvement processes, resulting in better alignment of business processes with the needs of each customer.7. Improving the quality of human resources, so that the work unit system can be more systematic and organized.

4. Conclusion

From the results of the analysis made, it can be seen that up to now the external factors that occur are still relatively low, because Wajit Pusaka Utama UMKM has been around for quite a long time and is well known even though there are several competitors in the same business field. The issue of product promotion and technology is a top priority in terms of external factors. Internal factors include a lack of innovation in providing product flavor variants, packaging that is still too simple, expiration dates not included, financial transactions and customer satisfaction. From the analysis that has been carried out, it is necessary to use an IT approach through the creation

of an information system. Analysis of the e-business strategy that must be implemented is through several potential applications that have been built, such as sales information systems, company profile information systems, financial information systems, employees and warehousing. This must be a priority for Wajit Pusaka Utama UMKM in order to carry out the e-business process, so that the goals that Wajit Pusaka Utama UMKM wants to achieve, namely from the request process, sales to marketing can run well. In the end, Wajit Pusaka Utama UMKM can increase the number of customers and income can also increase. This research is still at the analysis stage, so an information system needs to be built. Further research can be developed for the application creation process in accordance with the application potential and existing application development stages. Wajit Pusaka Utama UMKM is expected to become a shop that implements the e-business strategy process in the field of producing wajit, a traditional food located in Cililin District, West Bandung Regency.

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