

# BUSINESS DEVELOPMENT STRATEGY USING SWOT METHOD (STUDY ON WHITE WOOD OIL REFINING UD. TEGAL ARUM)

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## ABSTRACT

*This study aims to find out which marketing strategy is the best that can be applied by UD Eucalyptus Oil Refinery. Tegal Arum in providing good quality, so that it can increase its sales and find out whether the right marketing strategy is by using SWOT analysis at UD Eucalyptus Oil Refinery. Tegal Arum. This research is a research with a qualitative approach with the type of case study research on the object using SWOT analysis, IFAS, EFAS, and SWOT matrix. From the results of the SWOT, IFAS, and EFAS analysis shows that the IFAS table shows a difference in score of -0.09 and the EFAS table shows a difference in score of 0.24 so that it is in quadrant III, which supports the turnaround strategy. Based on the results above, the marketing strategy using SWOT, IFAS, and EFAS at UD Eucalyptus Oil Refinery. Tegal Arum is already in quadrant III, which is supporting the turnaround strategy, which means UD Eucalyptus Oil Refining. Tegal Arum has enormous opportunities, but also has various internal constraints or weaknesses.*

**Keywords:** Marketing Strategy, SWOT Analysis, IFAS, EFAS, SWOT Matrix

## INTRODUCTION

Eucalyptus (*Melalauca cajuputi*) is one of the plants that produce essential oils which are important for the essential oil industry in Indonesia. This plant is one of the plants that produce non-timber forest products, so eucalyptus plants have good prospects for development. The potential of this eucalyptus plant is quite large, starting from the areas of Maluku, East Nusa Tenggara, Southeast Sulawesi, Bali and Papua which are natural eucalyptus forests. While those in East Java, Central Java, West Java are eucalyptus plantation forests. Mulyadi (2005) in Sari, Erni Purnama (2019:1).

Eucalyptus oil is a non-timber forest product (NTFP). Eucalyptus oil is also one type of essential oil that is widely used as an ingredient in health products, as well as pharmaceuticals so that eucalyptus oil is a product that is sought after by the public. Eucalyptus oil is one source of income from non-timber forest products that have a large potential for the national economy.

Indonesia has produced 40 of the 80 types of essential oils that have been marketed in the world market. Of these, 13 types have entered the world's essentials market, including: patchouli, cloves, ginger, citronella, nutmeg, pepper, sandalwood, cinnamon, jasmine, vetiver, ylang, cubeb, and eucalyptus. For the most part, essential oils that have been produced by farmers are exported with their market share. A good business development can be started from ourselves even though we ourselves also face many obstacles and obstacles in the business world. The development of this business is through marketing strategies which by using a SWOT analysis are expected to get the right alternative strategy in developing a business at UD eucalyptus oil refining. Tegal Arum.

## THEORETICAL BASIS

### a. Strategy Management

According to Susanto (2014) in Yoman, Chelia (2021) states strategic management is a process to determine long-term direction and goals and

choose methods to achieve them through the development of strategic formulations and planned implementation in a systematic manner.

b. Marketing Management

Marketing management is an effort to plan, implement, and control marketing activities within an organization or company so that they can be carried out according to their objectives.

c. Marketing Mix Strategy

For the concept of developing a marketing strategy, this relates to how we can determine offers in certain market segments. This marketing activity involves four types of actions, including:

1. Product
2. Price
3. The place
4. Promotion

d. SWOT analysis

SWOT analysis is a method of strategic planning to evaluate a business venture. The explanation of SWOT (Strength, Weakness, Opportunity, Threat) according to David (2015: 47) in Fadliyah, Kholifatul (2020: 27) includes:

a. **Strength(strength)**

Strengths are resources, skills, or other advantages related to the company's competitors and also the market needs that the company is expected to be able to serve.

b. **Weakness(weakness)**

Weaknesses are deficiencies or limitations in resources, skills, and capabilities that can effectively hinder the company's performance.

c. **Opportunities(opportunity)**

Opportunity is an important condition that can be profitable in the corporate environment.

d. **Threats(threat)**

Threats are important conditions that can not be profitable in the corporate environment.

## RESEARCH METHODS

The research used is descriptive qualitative research method. Sugiyono (2016: 09) states that the qualitative descriptive method is a research method based on the philosophy of postpositivism, which is used to examine a natural object that makes research a key instrument. In this research technique, the researcher uses data collection which includes 3 ways, including:

1. Observation (observation)

Is a data collection technique in which a researcher records all the information that has been obtained.

2. Interview (interview)

An interview is a meeting between two or more people to exchange information or ideas through question and answer.

3. Documentation.

Is information that comes from records of past events.

## RESULTS AND DISCUSSION

### 1. Identify the 4P Marketing Mix Marketing Strategy

To analyze the Marketing of Eucalyptus Oil Refining UD. Tegal Arum Candisari Sambeng Lamongan this time the concept that is considered effective is to use the 4P Marketing Mix concept, including:

a. *Product*

Eucalyptus Oil Refining UD. Tegal Arum serves or only provides pure Eucalyptus Oil which is directly distilled from the tree without being mixed with other ingredients.

b. *Price*

White Wood Oil Refinery UD. In Tegal Arum, they have set a standard price that has been regulated or designed by the company. They also have agreed limits so that this price is considered good enough for

companies who want to take Eucalyptus Oil.

c. *Place*

This place can be seen that the location of the Eucalyptus Oil Refinery is directly close to the fields/rice fields/fields where many local people also plant eucalyptus trees.

d. *Promotion*

marketing promotion on this Eucalyptus Oil Distillery directly and through social media (WhatsApp).

**2. Eucalyptus Oil Sales Data**

**Table 5.1 Data on Sales of Eucalyptus Oil UD. Tegal Arum**

No.	Year	Sale
1.	2017	$\frac{1}{2}$ ton
2.	2018	$1 \text{ ton} \frac{1}{2}$
3.	2019	3 tons
4.	2020	4 tons
5.	2021	6 tons

**3. SWOT analysis**

This SWOT analysis is an identification of various factors that are systematically used to formulate a marketing strategy. So then below are some identifications from the internal environment and also the external environment, including:

<p><b>Strength:</b></p> <ol style="list-style-type: none"> <li>Quality raw materials</li> <li>Relatively affordable price</li> <li>Place of sale directly from the place of production.</li> </ol>	<p><b>Weakness:</b></p> <ol style="list-style-type: none"> <li>Only have one product.</li> <li>Expensive shipping costs</li> <li>Less strategic location</li> <li>Promotion is only done through direct promotion</li> </ol>
<p><b>Opportunity:</b></p> <ol style="list-style-type: none"> <li>Improving the community's economy</li> <li>Extensive and attractive promotional media</li> <li>Farmers' land use</li> </ol>	<p><b>Threat:</b></p> <ol style="list-style-type: none"> <li>Many other wood oil product distillers</li> <li>Other refiners will choose a more strategic place</li> </ol>

**4. IFAS Matrix**

**Table 5.2 IFAS Matrix**

No.	Internal factors	Rating	Weight	Total
<b>Strength</b>				
1	Quality raw materials	4.28	0.15	0.642
2	Relatively affordable price	4.24	0.25	0.636
3	Where to sell quail wood oil directly from the place of production	4.22	0.15	0.633
<b>Sub-Total</b>			<b>0.45</b>	
<b>Weakness</b>				
1	Only have one product	3.94	0.14	0.5516
2	Expensive shipping costs	3.92	0.14	0.5488
3	Location is not strategic	3.74	0.13	0.4862
4	Promotion is only done through direct promotion	3.6	0.13	0.468
<b>Sub-Total</b>			<b>0.54</b>	
<b>Total</b>		<b>27.94</b>	<b>0.99</b>	<b>3.9656</b>

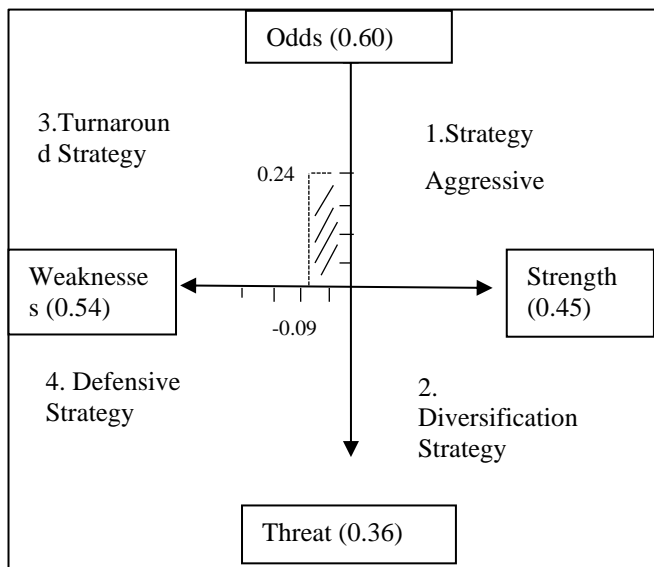
**5. EFAS Matrix**

**Table 5.3 EFAS Matrix**

No.	External Factors	Rating	Weight	Total
<b>Opportunity</b>				
1	Improve the labor economy	4.14	0.20	0.828
2	Extensive and attractive promotional media	4.02	0.20	0.804
3	Farmers' land use	4.18	0.20	0.836
<b>Sub-Total</b>			<b>0.60</b>	
<b>Threat</b>				
1	Many other eucalyptus oil product distillers	3.62	0.18	0.6516
2	Other refiners will choose more strategic places in producing eucalyptus oil	3.64	0.18	0.6552
<b>Sub-Total</b>			<b>0.36</b>	
<b>Total</b>		<b>19.6</b>	<b>0.96</b>	<b>3.7748</b>

On the strength (Strength) is 0.45 while the weakness (Weakness) is 0.54, then the internal factor quadrant is:  $0.45 - 0.54 = -0.09$ , on the Opportunity (Opportunity) owned by Oil Refining Eucalyptus is 0.60 while for threats (Threats) it is 0.36 so that the external

factors are:  $0.60-0.36=0.24$  which is located in quadrant III.



**Figure 5.1**  
**SWOT Analysis Diagram**

Based on the diagram above, the point is in quadrant III, which is supporting the turnaround strategy, which means UD Eucalyptus Oil Refinery. Tegal Arum has a very large market opportunity, but also to minimize internal problems in the company.

## 6. SWOT Matrix

**Table 5.4 SWOT Matrix**

Internal factors	<i>Strength(S)</i> 1. Quality raw materials 2. relatively affordable price 3. Place of sale directly from the place of production	<i>Weakness(W)</i> 1. have only one product 2. the high cost of shipping out 3. less strategic location 4. promotion is only done through direct promotion
External factors	<i>Opportunity(O)</i> 1. improve labor economy 2. Extensive and attractive promotional media 3. land use of this map	<i>Threats(T)</i> 1. many other eucalyptus oil product distillers 2. Other refiners will choose strategic places in producing eucalyptus oil
	Strategy (SO) 1. the selection of raw materials will give good quality to the product 2. Increase activities in promoting eucalyptus oil refining	Strategy (WO) 1. to encourage the improvement of the community's economy 2. can minimize the unemployment rate
	Strategy (ST) 1. provide good service to consumers 2. provide a strategic place to refine eucalyptus oil	Strategy (WT) 1. Cooperating between farmers and the owner of the eucalyptus oil refinery 2. increase the yield capacity of eucalyptus oil refining

In this SWOT matrix or in the SWOT diagram it states quadrant III, in quadrant III the SWOT matrix is the WO Strategy, namely: Encouraging the improvement of the community's economy, which means that empty land/rice fields owned by the community can be used for planting Eucalyptus trees, so that they can become additional source of income. Can minimize the unemployment rate, which means that the existence of eucalyptus oil refining business can provide job vacancies to the community in order to reduce the existing unemployment rate.

## CONCLUSION

1. Eucalyptus Oil Refining UD. Tegal Arum is in a good position to increase its sales by using the 4p strategy, namely product, price, place, and promotion.
2. The result of this sum is the strength (Strength) of the UD Eucalyptus Oil Refinery. Tegal Arum is 0.45 then for weakness (Weakness) is 0.54 then the internal factor is divided into  $0.45-0.54 = -0.09$ , on the opportunity (Opportunity) owned by UD Kayu Putih Oil Refinery. Tegal Arum is 0.60 while for threats (Threats) is 0.36, the external factor quadrant is  $0.60-0.36 = 0.24$  so that it is in quadrant III in the SWOT analysis diagram, namely UD Eucalyptus Oil Refining. Tegal Arum has a very large market opportunity, but also has various internal constraints or weaknesses.

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