

# SWOT Analysis Development of Yogyakarta Batik

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**Submission date:** 15-Jan-2023 09:47PM (UTC+0700)

**Submission ID:** 1992992948

**File name:** Prosiding\_SWOT\_Analysis\_Development\_of\_Yogyakarta\_Batik.pdf (526.48K)

**Word count:** 6112

**Character count:** 32641

# SWOT Analysis Development of Yogyakarta Batik

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**Keyword:** Development of Yogyakarta Batik, SWOT Analysis, Strategy Evaluation

**Abstract:** This study focuses on the development of Yogyakarta Batik using a SWOT analysis. SWOT analysis is a comprehensive review of company strengths, weaknesses, opportunities, and threats. This analysis is needed to determine several strategies that must be applied to a company. Yogyakarta has become a famous batik district in Indonesia. Seeing the development of batik that is getting better and more in demand by tourists, analysis to determine business strategy is of particular concern to the company. Not only is the quality of the product in the spotlight, but the promotion and placement (location) of product sales. With opportunities to increase sales in existing tourist attractions, accompanied by threats from external companies. The threat comes from other companies that present the same product at prices below the price offered by Bantul Batik craftsmen. This SWOT analysis is expected to be able to overcome the existing threats. In addition to threats and opportunities, companies must also analyze their strengths and weaknesses. The advantages possessed are used as weapons to compete in market share. While weaknesses can be used as guidelines to improve in terms of quality, both from natural resources and human resources that exist in the company. The analytical formulation framework according to Fred R. David consists of 3 stages, namely: (1) input stage, consist of external factor evaluation matrix, competitive profile matrix, and internal factor evaluation, (2) matching stage, consist of strength-weakness-opportunity-threat (SWOT) Matrix, Boston consulting group (BCG) matrix, internal-external (IE) matrix, and large strategy matrix, the last stage is (3) decision stage, consist of two-phase, phase 1 is objectively evaluated alternative strategies identified from and phase 2 is techniques from the decision stage are quantitative strategic planning matrix (QSPM). Observation is one of the data collection techniques that not only measure respondents' attitudes (interviews and questionnaires) but can also be used to record various phenomena that occur (situations, conditions).

## 1 INTRODUCTION

Yogyakarta is one of the tourist destinations in Indonesia. Besides being a city of students and cities, Yogyakarta has many tourist attractions that are very attractive for tourists to visit Yogyakarta. Apart from having a lot of potential and tourist attractions, Yogyakarta also has its own uniqueness that is not shared by other cities in Indonesia, including warm, bakpia, and batik. With the nickname Yogyakarta is the center of batik from tourists, this is a big challenge for the batik industry in this student city. All efforts are made to maintain and control the market to attract tourists. In addition to maintaining quality, creativity in batik cloth motifs is also a challenging demand. To foster a love for various products nuanced with batik, craftsmen

are also required to make various models of clothing and accessories that follow the era. This can attract teenagers to wear clothing and accessories with batik nuances. Batik is the identity of Yogyakarta because it is called the City of Batik. UNESCO recognizes batik as belonging to Indonesia and establishes October 2, 2009, as Batik Day in Indonesia (Sri Suryaningsum, 2017).

The use of batik further developed into various fields of clothing, household equipment, and architecture. As a result of civilization, batik underwent changes due to technological developments, circles, and shifts in cultural values. It broadens the scope of the development of the world of batik. The use of batik in various modern fashion creations, also for interior and household needs, as mentioned, gives a real picture. The widespread function of batik has opened up many possibilities

for the new role of batik in its user community (Indonesia Indah Batik 8).

Like nowadays, more and more are presenting printed batik instead of painted batik. With the existence of this printed batik cloth makes batik artisans squeezed even more. To maintain the sustainability and sustainability of the written batik business, the purpose of this study is to examine the choice of strategies and what actions are used to deal with challenges and enter the opportunities that exist. As well as knowing the advantages possessed to dominate the market and improve the weaknesses they have in order to maintain quality and get a sense of trust from tourists or consumers.

## 2 STUDY OF LITERATURE

### 2.1 Definition of SWOT Analysis

SWOT analysis is a comprehensive assessment of the strengths, weaknesses, opportunities, and threats of a company. This analysis is needed to determine several strategies that exist in the company. One of the things we discuss is the promotion strategy and product placement (Kotler & Armstrong, 2008: 64). SWOT is used to assess the strengths and weaknesses of the company's resources and external opportunities and challenges faced (Jogiyanto, 2005: 46).

Fred R. David, states that all organizations have strengths and weaknesses in the functional area of business. There aren't company is as strong or weak in all business areas. The following is an explanation of SWOT, namely:

#### a. Strength

Strengths are resources, skills, or other advantages that relate to the company's competitors and the market needs that can be served by companies that are expected to be served. Strength is a special competition that provides a competitive advantage for companies in the market (Lita Yulita, etc., 2018).

#### b. Weakness

Weaknesses are limitations or shortcomings in resources, skills, and capabilities that effectively hinder a company's performance. These limitations are in the form of facilities, financial resources, management capabilities, and marketing skills that can be a source of weakness in the company.

#### c. Opportunities

Opportunities are critical situations that benefit in a corporate environment. Trends - important trends are one source of opportunities, such as changing technology and increasing relationships between

companies and buyers or suppliers is a picture of opportunities for companies.

#### d. Threat

Threats are critical situations that do not benefit in the corporate environment. Threats are the main intruder for the current position or desired by the company. The existence of new or revised government regulations can be a threat to the company's success.

### 2.2 The Function of SWOT Analysis

According to Ferrel and Harline (2005), the function of SWOT analysis is to get information from situation analysis and separate it from internal issues (strengths and weaknesses) and external issues (opportunities and threats). The SWOT analysis will explain whether the information indicates something that will help the company achieve its objectives or provide an indication that there are obstacles that must be faced or minimized to meet the desired income.

## 3 RESEARCH METHODS

### 3.1 Data Type

The location of this research is the district in the Yogyakarta region. This data is collected from January to June 2019. In this study, the variables to be examined are the condition of the company, including the external and internal environmental conditions of the company, as well as company variables.

The primary data source is a data source that directly provides data to the data collector. While secondary data is a data source that does not directly provide data to data collectors, but sees other people or with documents (Sugiyono, 2013: 225). Data obtained from primary data sources is a direct response received from the subject in question, while secondary data is data obtained from surrounding communities that are not related or have a relationship with this batik center.

### 3.2 Method of Collecting Data

Observation is one of the data collection techniques that not only measure respondents' attitudes (interviews and questionnaires) but can also be used to record various phenomena that occur (situations, conditions). This Observation Method is said to be the most appropriate to observe directly (in

accordance with Sri Suryaningsum, 2016). This research conducts observations or direct observations on the object under study, namely analyzing the advantages and disadvantages of the company and taking the threats and opportunities available.

## 4 DISCUSSION

### 4.1 Development of Yogyakarta Batik

The development of batik in Yogyakarta is increasing because Yogyakarta is known as the city batik. Seeing this condition, batik artisans are increasingly challenged to present innovations to maintain and maintain their existence so that batik can be loved by all walks of life. Yogyakarta itself has a variety of motifs, both classical and modern batik. There are around 400 motifs from Yogyakarta Batik. Besides motives, color games are presented. The origin of the basic color of the Yogyakarta batik is black or white. Although Yogyakarta Batik colors tend to be dark or black, the black color of Yogyakarta tends to be bluish.

In the development of the typical batik in Yogyakarta, interference from many parties is needed, including batik entrepreneurs, the government, and the people of Yogyakarta. Some of the efforts made by the Yogyakarta City Government to develop batik typical of the city of Yogyakarta are like issuing a Government Regulation regarding the use of Gagrak Traditional Service Clothing in Yogyakarta in the Yogyakarta City Government, making batik training and socialization about things in the batik business. According to some batik observers, if observed, most of Yogyakarta Batik has a strong and valuable impression because of its firm motives, while Solo batik emphasizes beauty (edi peni) with a more refined motif.

### 4.2 Analytical Framework Strategy Formulation

Business strategies are needed by every type of business, both large and small. According to Fred R. David in his book entitled Strategic Management Concepts, the analytical framework for formulating strategies can be applied to all organizational sizes and types and can help the strategists identify, evaluate and choose strategies.

The analytical formulation framework, according to Fred R. David, consists of 3 stages, namely:

#### 1) STAGE 1: INPUT STAGE

This stage contains basic input information needed to formulate a strategy. The techniques from the input stage consist of:

- a. External Factor Evaluation Matrix (EFE)
- b. Competitive Profile Matrix (CPM)
- c. Internal Factor Evaluation Matrix (IFE)

#### 2) STAGE 2: MATCHING STAGE

This stage focuses on creating alternative strategies that come in with respect to the main external and internal factors. The techniques from the matching stage consist of:

- a. Strength-Weakness-Opportunity-Opportunity (SWOT) Matrix
- b. Strategic Position Matrix and Action Evaluation (SPACE)
- c. Boston Consulting Group (BCG) Matrix
- d. Internal-External (IE) Matrix
- e. Large Strategy Matrix

#### 3) STAGE 3: DECISION STAGE

This stage uses input information from Phase 1 to objectively evaluate alternative strategies identified from Phase 2. The techniques from the decision stage are the Quantitative Strategic Planning Matrix (QSPM).

## 5 RESULT AND DISCUSSION

### Stage 1: Input Phase

#### IFE MATRICS (Internal Factor Evaluation)

Internal factors are factors related to the conditions that exist in the company and owned by the company. These internal factors can then become the strengths and weaknesses of the company. If the company has these factors well, it will be a strength, and vice versa, if the condition of these factors is not good, it will be a weakness for the company.

No	Internal Key Factor	Quality	Rating	Rating Quality
Strengths				
1.	Skilled Workforce	0.14	4	0.56
2.	Advertising	0.08	3	0.24
3.	Production Equipment and Machinery	0.12	4	0.48
4.	Product Privileges	0.10	4	0.40

5.	Price Strategy	0.08	3	0.24
Weaknesses				
1.	Employee Benefits	0.06	2	0.12
2.	Raw Material Inventory	0.10	2	0.20
3.	Company Finance	0.12	1	0.12
4.	Location of Company	0.12	1	0.12
5.	Working Relationship Policy	0.08	1	0.08
Total		1.00		2.56

	c Situation			
Total		1.00		2.74

**Stage 2: Matching Stage**

**SWOT Analysis**

Internal Factor	Strength (S) 1. Skilled workforce 2. Advertising 3. Equipment and production machinery 4. Product specialty 5. Price strategy	Weakness (W) 1. raw material inventory 2. Corporate finance 3. Location of the company 4. Work relations policy 5. Employee benefits
External Factor		
Opportunity (O)	Strategy (SO)	Strategy (WO)
1. Culture 2. Government 3. Consumers 4. Technology 5. Distribution channels	1. Increasing innovation in batik motifs and designs (S1, S3, and O1) 2. Add market share outside the city of Yogyakarta (S4 dan O3, 05)	1. Open new branches closer to cities (W3 and O3, O5) 2. Provide additional training for employees (W2 and O2)
Threat (T)	Strategy (ST)	Strategy (WT)
1. Competitors 2. Raw material suppliers 3. Level of UMR / UMP 4. Inflation rate 5. Political and economic circumstances	a. Increase advertising (S2 and T1) b. Give discounts on superior products (S5 and T1)	Increasing competitiveness in order to gain new market share (W3 and T1)

Matriks EFE (Eksternal Factor Evaluation)  
External factors are factors related to conditions outside the company but still affect the company. These external factors can then become opportunities and threats for the company. If the company feels the external factors well and supports the company, then it will become an opportunity for the company and vice versa if the conditions of the external factors are not good, then it will be a threat to the company.

No	Internal Key Factor	Quality	Rating	Rating Quality
Opportunities				
1.	Culture	0.12	4	0.48
2.	Government	0.10	3	0.3
3.	Consumer	0.14	3	0.42
4.	Technology	0.08	2	0.16
5.	Distribution Channel	0.06	2	0.12
Threat				
1.	Competitor	0.18	4	0.72
2.	Raw Material Supplier	0.12	3	0.36
3.	Minimum Wage Level	0.06	1	0.06
4.	Inflation Rate	0.06	1	0.06
5.	Political and Economic	0.08	1	0.08

Based on the results of the SWOT matrix analysis, the alternative strategies are determined from the combination of SO, WO, ST, and WT as follows:

- a. Combination of Strengths and Opportunity (SO)

The advantages possessed by the company are weapons to introduce products to the market. In

addition to introducing, it is also a weapon as a defense to maintain existence. Opportunities also determine which products are capable of or do not dominate the market with the advantages possessed.

b. Combination of Weaknesses dan Opportunities (WO)

Batik entrepreneurs have employees from young people to mothers. The ability possessed by each employee is limited to batik. The batik writers need to include every employee in training held by the government regarding the art of batik. The aim is to increase productivity so that batik can be better and also add to the experience of employees in batik (this combination is obtained from formulations W2 and O2).

c. Combination of Strength and Threat (ST)

One sales strategy that is a strength for the perpetrators of batik is always innovating written batik motifs, both combinations of motifs and creating new motifs. Each of the perpetrators of batik has a distinctiveness of the batik produced. Although the type of batik produced is the same as batik, but every batik artist competes in a healthy manner and has his own regular customers.

The threat felt by the perpetrators of written batik is the emergence of new competitors with more modern production equipment, which costs much cheaper than other types of batik, and its motives have been innovating. With such threats, the perpetrators of batik are careful to produce batik motifs and treat customers well (this combination is obtained from formulations (S4, S5, and T1).

The next threat felt by the perpetrators of batik is if the raw materials sold increase. The strategy carried out by the perpetrators of written batik is to buy more raw materials than usual to overcome if the price of raw materials at any time increases. Batik entrepreneurs do not need to increase the selling price of batik if they do not want to lose their customers (this combination is obtained from formulas S5 and T2).

d. Combination of Weaknesses and Threats (WT)

Each of the actors of batik must be able to produce quality batik from the types of fabrics and motifs produced to be able to compete with other batik artisans. Usually, customers who become permanent consumers of hand-written batik are easy to re-buy the batik produced because of the affordable prices and good motives. The better and more attractive batik produced also helps employees to increase their income (this combination is obtained from formulations W3 and T1).

This matrix is a four-point framework that shows whether an aggressive, conservative, defensive, or competitive strategy is most suitable for the development of written batik in the city of Yogyakarta. The SPACE matrix axis shows two internal dimensions and competitive advantage and two external dimensions and industrial strength. These four factors are probably the most important determinants of the overall strategy for developing written writing in Yogyakarta.

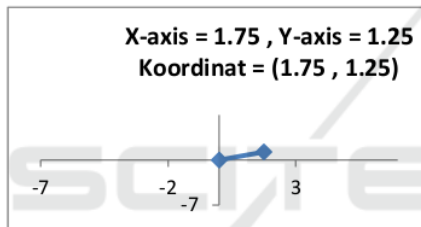
**SPACE Matrics**

This matrix is a four-point framework that shows whether an aggressive, conservative, defensive, or competitive strategy is most suitable for the development of written batik in the city of Yogyakarta. The SPACE matrix axis shows two internal dimensions and competitive advantage and two external dimensions and industrial strength. These four factors are probably the most important determinants of the overall strategy for developing written writing in Yogyakarta.

No	Financial Position (FP)	Rating
1.	Working Capital	3
2.	Cash Flow	4
3.	Raw Material Inventory	3
4.	Sales	4
	Average	3.5
Industry Position (IP)		Rating
1.	Operating Profit	3
2.	HR (Human Resources) available	3
3.	Market Share	5
4.	Market Demand	5
	Average	4
Stability Position (SP)		Rating
1.	Competitor	-2
2.	Technological Development	-2

3.	Political Stability	-4
4.	Inflation Rate	-1
Average		-2,25
Competitive Position (CP)		Rating
1.	Good Working Relationship	-3
2.	Wide Market Share	-2
3.	Product Specialty	-3
4.	Quality of Raw Materials	-1
Average		-2.25

$X\text{-axis} = -2.25 + 4 = 1.75$   
 $Y\text{-axis} = 3.5 + (-2.25) = 1.2$   
 Koordinat = (1.75 , 1.25)



The SPACE Matrix analysis for the development of batik in the city of Yogyakarta above indicates an Aggressive strategy. This Aggressive Strategy identifies organizations in a very good position in using internal power to take advantage of external opportunities, deal with internal weaknesses, and avoid internal threats. Therefore, market penetration, market development, product development, backward integration, future integration, horizontal integration, or diversification can be feasible depending on the condition of the company.

**IE Matrics**

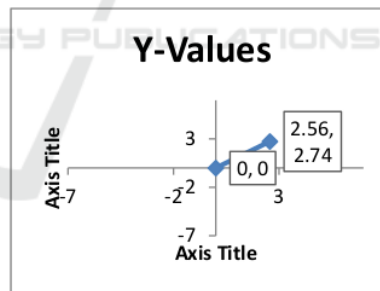
At this stage, the combination of internal and external factors will be carried out in which alternative strategies will be obtained later. The tool used is an internal-external matrix (IE) consisting of 9 cells. At this stage, it is often called the matching stage.

**TOTAL IFE WEIGHTED SCORE**

SEL I	SEL II	SEL III
SEL IV	SEL V	SEL VI
SEL VII	SEL VIII	SEL IX

The internal and external matrix tables above, the company IFE score 2.56, and EFE 2.74 was obtained. This shows that for the internal factors to be responded to on average and for external factors, the company also responds to the average, which means that external factors and internal factors have an effect on determining strategic steps. With these results, the company is in the position of cell V by implementing market development and product development strategies.

**Matrics Grand Strategy**



Based on the Grand Strategy matrix analysis above, the development of batik in the area of Yogyakarta in Quadrant I, namely in the position of high market growth and strong competitive position. So the development of Demak Batik is in a very good strategic position. For this development, the appropriate strategy is the ongoing concentration of the current market (market penetration and market development) and products (product development). When you have excessive resources, then forward, backward, or horizontal integration can be an effective strategy too. When in Quadrant I, it can

take advantage of external opportunities in several areas. Besides that, taking risks is aggressive. That is, dare to take high risks to get big profits.

**Stage 3: Decision Phase**

This stage is called the decision stage. This stage uses input from information stage 1 to evaluate objectively from the results of stage 2 so that a good alternative strategy can be chosen. The tool used for this stage is the Quantitative Strategic Planning Matrix (QSPM).

a. QSPM (Quantitative Strategic Planning Matrix)

Critical Factor Success	Weight	Market Penetration		Product Development	
		(AS)	(TAS)	(AS)	(TAS)
<b>Strength:</b>					
Skilled Staf	0,27	3,00	0,81	0,17	0,05
Advertising	0,15	4,00	0,62	4,00	0,62
Production equipment and Machinery	0,23	3,00	0,69	4,00	0,92
Specialty of product	0,19	4,00	0,77	4,00	0,77
Price Strategy	0,15	3,00	0,46	3,00	0,46
<b>Total</b>	<b>1,00</b>	<b>17,00</b>	<b>3,35</b>	<b>15,17</b>	<b>2,82</b>
<b>Weakness:</b>					
Employee Benefits	0,13	1,00	0,13	1,00	0,13
Raw Material Inventory	0,21	3,00	0,63	3,00	0,63
Company Finance	0,25	3,00	0,75	2,00	0,50
Location of Company	0,25	4,00	1,00	1,00	0,25
Work Relations Policy	0,17	2,00	0,33	2,00	0,33
<b>Total</b>	<b>1,00</b>	<b>13,00</b>	<b>2,83</b>	<b>9,00</b>	<b>1,83</b>

This stage uses input from Phase 1 to objectively evaluate the results of Phase 2. In the QSPM table, there are 2 alternative strategies given weights so that a good strategy can be obtained to be selected.

**1) Market Penetration**

**Strength**

<b>Opportunity:</b>					
Culture	0,24	1,00	0,24	4,00	0,96
Government	0,20	3,00	0,60	2,00	0,40
Consumer	0,28	4,00	1,12	4,00	1,12
Technology	0,16	3,00	0,48	4,00	0,64
Distribution Channel	0,12	4,00	0,48	2,00	0,24
<b>Total</b>	<b>1,00</b>	<b>15,00</b>	<b>2,92</b>	<b>16,00</b>	<b>3,36</b>
<b>Threat:</b>					
Competitor	0,36	4,00	1,44	4,00	1,44
Raw Material Supplier	0,24	2,00	0,24	3,00	0,72
UMR/UMP level	0,12	1,00	0,06	1,00	0,12
Inflation Rate	0,12	1,00	0,06	1,00	0,12
State of Political Economy	0,16	1,00	0,08	1,00	0,16
<b>Total</b>	<b>1,00</b>	<b>9,00</b>	<b>1,88</b>	<b>10,00</b>	<b>2,56</b>

a. Skilled Workers with AS 3

The presence of skilled labor in the production process has not yet influenced market penetration. The energy needed is a marketing manager who is observant in seeing market opportunities.

b. Advertising with AS 4

Every company always tries to carry out promotions to get consumers' attention to their products. Promotion with attractive advertising methods will certainly invite interest from consumers to buy products from batik entrepreneurs.

c. Equipment and production processes with AS 3

With the existence of reliable production machines, it is expected to be able to support employees in the production process. Timely production processes are always supported by reliable production machines.



d. Employee Benefits with AS 1

Employee benefits have not significantly affected the company's steps in controlling market share.

e. Privileges of products with AS 4

By giving innovation to its products, it is expected that the producers of written batik can get potential consumers. Products that are different from batik products, in general, will certainly attract consumer buying interest.

f. Price strategy with AS 3

The determination of pricing policies is expected to increase the company's market share. Producers of written batik offer batik products with prices and quality that are able to compete with batik products from other companies.

### Weakness

a. Inventory of raw materials with AS 3

Less raw material inventory will certainly reduce the productivity of the company. Especially if the price of key raw materials such as rising fabrics, of course, has an impact on the increase, of course, an impact on rising prices of batik, which affects the price of products offered on the market.

b. Corporate Finance with AS 3

In order to capture the market share of batik, companies must have stable finance so that every company can be realized. Erisa Batik certainly must have good financial planning.

c. Company Location with AS 4

The location of a company far from the city center causes the company's products to be difficult to reach by consumers. So it is important for companies to continue to improve promotions so that consumers can find out the location of the company.

d. Policies issued by Erisa Batik can affect employee motivation. Erisa Batika needs to build a good work culture so that employees have high loyalty to the company.

### Opportunity

a. Culture with the AS 1

The influence of culture influences every product forcing Erisa Batik to be observant in offering its products to certain regions. Erisa Batik products that are dominant with motifs from Javanese culture will be difficult to accept in areas that have other cultures because the area has a different culture.

b. Government with AS 3

Collaboration with certain parties or agencies will increase the market share of Erisa Batik. Some

government policies also help companies get new customers. As with government policies in the use of batik uniforms in institutions or school schools.

c. Consumers with AS 4

Consumer purchasing power influences market share. The higher the consumer's purchasing power for batik products, the higher the company's opportunity to increase market share and sales. Consumers are seen as attractive by companies.

d. Technology with the AS 5

Today many companies use technology as a marketing tool to get as many consumers as possible. Maximizing technology starting in the field of operations and marketing is seen as attractive by the company.

e. Distribution Channels with AS

Distribution channels are seen as attractive by companies, due to the presence of good distribution channels, of course, can add potential customers. Erisa Batik has opened a showroom to facilitate the marketing of batik products.

### Threat

a. Competitors with AS 4

Competitors represent the biggest threat to companies in capturing market share. Erisa Batik has the main competitor, who came from the batik printing company. In addition, batik originating from abroad is also one of the competitors because the price offered is usually below the market price of local batik.

b. Raw Material Suppliers with AS 3

Raw material suppliers have important influences on the production process. Raw material suppliers generally don't only serve one company. Erisa Batik has suppliers of raw materials that serve its competitors, as well. Game prices by raw material suppliers can cause companies to have difficulty in buying raw materials. Standard suppliers are attractive to companies.

c. UMR / UMP level with AS 2

Compensation awarding that is in accordance with the work of the employee is a form of appreciation for the employee. With the provision of compensation in accordance with what is determined by the government, it is deemed attractive by the company.

d. Inflation rate with AS 1

A stable inflation rate is seen as not attractive by the company. This is because the company sees that inflation does not affect consumers' purchasing power of the company's products.

e. The state of economic politics with the AS 1

The political economy situation has not given a significant influence on the company, so that it is considered not attractive to the company.

## 2) Product Development

### Strength

a. Skilled Staff with AS 4

Skilled employees will certainly be able to create innovations in every product produced. In product development, innovation is the main key to this strategy, so that it requires skilled labor. Skilled workers become very attractive to companies.

b. Advertising with AS 4

Every new product that is produced certainly requires advertisements to be introduced by consumers. Erisa's batik products are always introduced to consumers through brochures and social networks.

c. Equipment and production machinery with AS 4

A quality product can not be separated from the engine and equipment. The company has quality equipment and machinery so that it can produce quality products.

d. Employee Benefits with AS 1

Employee benefits are considered attractive enough to motivate employee work performance.

e. Privileges of products with AS 4

Erisa Batik has a striking characteristic in each of its products. Product features are very attractive, according to the company, so the company continues to innovate on its batik products.

f. Price Strategy with AS 3

The price of each product is certainly very different. The level of difficulty and raw materials are the determinants of pricing. Price strategies are considered attractive to companies because they influence consumer decisions in buying these products.

### Weakness

a. Requires raw materials with AS 4

With sufficient raw materials, of course, the company is able to run a product development strategy. Because raw materials are the main factor in the batik production process. Erisa Batik is required to have sufficient raw materials in producing various kinds of batik motifs.

b. Corporate finance with AS 2

Corporate finance that is not overlooked will certainly have an impact on company productivity (Sri Suryaningsum and Jogiyanto, Hartono 2018). Erisa Batik is not yet ready for quite interesting finances.

c. Location of the company with AS 1

The location of the company is not very attractive to companies because customers are more looking at the product while the location of the company is far from the city center.

d. Policy on employment relations with AS 1

The policies taken are in accordance with the company's vision and mission. Company policy is less attractive in the eyes of the company.

### Opportunity

a. Culture with the AS 4

Culture is a very influential factor for batik artisans. The motifs produced by Erisa Batik are generally rooted in Javanese culture. So that culture has an important role in product innovation.

b. Government with AS 2

The policies issued by the government have not had a significant impact on Erisa Batik products, so that they are quite attractive to companies.

c. Consumers with AS 4

Products produced by Erisa Batik will certainly greatly affect consumers' buying interest. With product innovation, consumers will be given a large selection of batik products from the company. The company also serves orders whose designs come from the consumers themselves.

d. Technology with the AS 4

The use of technology will certainly greatly help Erisa Batik to carry out various product innovations that are carried out using technology. Technology is considered attractive to companies.

e. Distribution Channels with AS 1

Distribution channels are considered less attractive by companies because they have no direct influence on product innovation.

### Threat

a. Competitors with AS 4

Competitors always offer products that are different from the company. Although there are some similarities in the motives used, Erisa Batik always tries to offer products that are different from competing products.

b. Raw Material Suppliers with AS 3

Raw material suppliers have a big contribution in providing quality raw materials for the company. For companies supplying raw materials, it is considered attractive because it has a direct impact on the quality of raw materials for each company's products.

c. UMR / UMP level with AS 1

The level of UMR / UMP is considered less attractive because it does not have an impact on product innovation.

d. Inflation with AS 1

Changing inflation has not affected the company enough.

e. Political State of Economics with AS 1

The Indonesian political economy is considered to have less influence on company productivity.

What is obtained from the third problem statement is that the marketing strategy that is suitable to be used suitable for Erisa Batik in the future is the product development strategy with a total TAS of 5.84. This means that the product development strategy can be used as a marketing strategy for Erisa Batik in the years to come.

### Strategy Evaluation

A suitable strategy to survive in this industry is an intensive strategy (market penetration, market development, product development) and integration strategies (forward, backward integration, and horizontal integration) as follows:

- a. Market penetration strategy is a strategy to increase existing market share for products produced through marketing on a large scale.
- b. The market development strategy is a strategy of introducing existing products to new marketing areas.
- c. The product development strategy is a substantial modification of existing products or creating new products but now for customers through existing channels.
- d. The backward integration strategy is a strategy so that the supervision of raw materials is increased so that it increases control over the supplier company.
- e. The forward integration strategy is a strategy so that supervision of goods distribution is further enhanced so that it further increases control of the distributor or retailer company.
- f. Horizontal Integration Strategy is a strategy of gaining ownership or increasing control over competitors.

## 6 CONCLUSION AND RECOMMENDATIONS

### 6.1 Conclusion

In the development of the typical batik in Yogyakarta, interference from many parties is needed, including batik entrepreneurs, the government, and the people of Yogyakarta. Some of the efforts made by the Yogyakarta City Government to develop batik typical of the city of Yogyakarta are like issuing a Government Regulation regarding the use of Gagrak Traditional Service Clothing in Yogyakarta in the Yogyakarta City Government, making batik training and socialization about things in the batik business.

There are several strategic analyses carried out for the development of batik in the city of Yogyakarta, namely:

- 1) Input stage: IFE Matrix and EFE Matrix.
- 2) Matching stage: SWOT Analysis, SPACE Matrix, BCG Matrix, IE Matrix, and Grand Strategy Matrix.
- 3) Decision stage: QSPM

Based on the strategy analysis, the most interesting strategy is the intensive strategy because the number of attraction scores (5.53) is smaller than the number of scores on the attraction of the integration strategy (5.84). That is, the strategy for developing batik in the city of Yogyakarta is product development.

### 6.2 Recommendations

Based on the analysis of data and conclusions, the author presents several suggestions to the company as material for consideration in determining company policy.

- 1) Creating new innovations in batik motifs from various cultures in Indonesia and in other words, producing batik with motifs originating from motifs of other regions besides Yogyakarta. For example, making batik motifs from Papua and marketed in Yogyakarta because many students and students from Papua who are in Yogyakarta will certainly add potential consumers.
- 2) Dare to open distribution channels outside the city of Yogyakarta. Because currently, the number of batik consumers in Indonesia is increasing.
- 3) If the company carries out a product development strategy, the company will need

substantial capital. The capital will later be used for the addition of competent human resources, seeking alternative suppliers of raw materials, and opening strategic distribution channels. So that the production process and fulfillment of orders from consumers on time.

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