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Business Development Strategy Using Swot Analysis in an Effort to Improve Competitiveness at UD Sinar Terang

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Abstract: This study aims to formulate business development strategies to enhance competitiveness at UD Sinar Terang using SWOT analysis. The research employs a descriptive qualitative method, with data collected through interviews, observations, and documentation. The informants include the business owner, employees, suppliers, and customers. The results indicate that UD Sinar Terang's main strengths lie in friendly service, honesty, competitive pricing, product completeness, and strong relationships with customers and suppliers. However, weaknesses include manual recording systems, dependence on the owner, and potential operational errors. From an external perspective, opportunities include increasing construction activities, partnerships with contractors, and digital marketing potential. Meanwhile, threats mainly arise from intense price competition and the presence of numerous competitors. Based on IFAS and EFAS analysis, UD Sinar Terang is positioned in Quadrant I (Strength–Opportunity), indicating an aggressive strategy. Therefore, the recommended strategy is to leverage internal strengths to seize external opportunities, such as improving service quality, expanding market reach, and modernizing operational systems.

Keywords: Business Strategy, Business Development, Competitiveness, Smes, SWOT Analysis.

INTRODUCTION

UD Sinar Terang, a building materials trading company, was established in 1985 and continues to operate amidst increasingly fierce and dynamic business competition. Its continued existence for more than three decades demonstrates UD Sinar Terang's experience, network of suppliers and customers, and ability to adapt to market changes. However, increasingly complex competition demands a measurable and strategic business development strategy to ensure the business not only survives but also continues to improve its competitiveness in both local and regional markets.

Based on initial observations through field surveys and digital searches using Google Maps within a radius of approximately 1–2 km from the business location, approximately 10–

12 other building materials stores were found operating and potentially becoming direct competitors. This condition reflects a high level of competition, particularly in aspects of marketing, pricing, service quality, and market reach. This situation indicates that business sustainability can no longer rely solely on long-standing business experience, but requires the formulation of appropriate strategies to maintain and enhance competitiveness.

To face this competition, UD Sinar Terang needs to understand the internal and external conditions of the business as a basis for determining the direction of business development. Understanding internal strengths and weaknesses is crucial for identifying potential that can be maximized and limitations that need to be addressed. Furthermore, identifying external opportunities and threats is necessary for the business to respond more strategically to market dynamics and competitive pressures. One approach that can be used to analyze the internal and external conditions of a business is a SWOT analysis. This analysis allows business owners to map the strengths, weaknesses, opportunities, and threats they face, thus providing the basis for formulating a business development strategy that aligns with the actual conditions of the business.

SWOT analysis is a commonly used evaluation tool in strategic management research to understand internal factors (strengths and weaknesses) and external factors (opportunities and threats) within a business. This technique has been widely applied in various MSME case studies to formulate more effective marketing and business development strategies (Oktaviani & Ardiansyah, 2023; Fitriyani et al., 2025). In the context of general business strategy development, SWOT analysis is also used as an important basis for strategic planning. This analysis helps business owners understand their competitive position and design actions to maintain or improve that position. Strategies resulting from SWOT analysis can align internal aspects such as resources, service quality, marketing capabilities, and management systems with external dynamics such as new market opportunities, competitive pressures, changing customer behavior, and macroeconomic trends.

The competitiveness of small businesses is not determined solely by one or two factors, but rather the result of the interaction of many elements, both internal and external. One relevant theory in explaining this context is the theory of competitive advantage, which states that a company's ability to survive and thrive depends largely on its capacity to create more value than its competitors (Fitriyani et al., 2025). The SWOT approach facilitates business owners in identifying innovation opportunities that can drive this competitive advantage, for example through product diversification or improving service quality.

Based on the above description, it can be concluded that SWOT analysis is a relevant approach to formulating business development strategies for MSMEs facing intense competition. Therefore, this study focuses on formulating a business development strategy for UD Sinar Terang using SWOT analysis as an effort to increase business competitiveness. It is hoped that this will provide applicable strategic recommendations that are appropriate to the internal and external conditions of the business.

METHODS

This study employed descriptive qualitative research. This type of research was chosen to understand and describe the internal and external conditions of UD Sinar Terang, as well as business development strategies that can be formulated through a SWOT analysis to increase business competitiveness. Descriptive qualitative research was used because this study focuses on a comprehensive understanding of phenomena based on real-world conditions (Sugiyono, 2021:16). This type of descriptive research aims to systematically describe the strengths, weaknesses, opportunities, and threats faced by UD Sinar Terang in marketing and business development activities. Research data was obtained through in-depth interviews, direct observation, and documentation, thus providing a comprehensive picture of the business's

position in facing competition (Sugiyono, 2021:17). Through this type of research, the research does not aim to test hypotheses, but rather to analyze and interpret business conditions and formulate appropriate business development strategies based on the results of the SWOT analysis. The results of the study are expected to provide strategic recommendations to increase UD Sinar Terang's competitiveness amidst the competition in the building materials business (Sugiyono, 2021:18).

This research was conducted at UD Sinar Terang, a retail building materials company. The research location was selected based on the relevance of the research problem, namely the internal and external conditions of the business and the need for business development strategies to increase competitiveness amidst business competition.

RESULTS AND DISCUSSION

IFAS (Internal Factor Analysis Summary) and EFAS (External Factor Analysis Summary) Matrix Factor Analysis

Internal Factors

Table 1. of Average Informant Assessment Results IFAS (Internal Factor Analysis Summary)

Strengths								
No code	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**Average**
S1	4	4	4	3	4	4	4	3.9
S2	3	3	4	3	3	4	3	3.3
S3	4	4	4	4	3	4	4	3.9
S4	4	4	4	4	4	4	4	4
S5	4	4	3	4	4	4	4	3.9
S6	4	4	4	3	4	4	4	3.9
Weakness								
No code	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**Average**
W1	2	2	2	2	2	2	2	2
W2	2	2	2	2	2	2	2	2
W3	2	2	2	2	2	2	2	2
W4	2	2	2	2	2	2	2	2

Source: Researcher Data Processing Results (2026)

Table 2. IFAS Results (Internal Factor Analysis Summary)

No	**Strengths**	**Weight**	**Rating**	**Score**
1	Friendly and family-like service	0.13	4	0.52
2	Competitive product prices according to the market	0.11	3	0.33
3	Completeness of building material products	0.13	4	0.52
4	Honesty in providing product recommendations	0.13	4	0.52
5	Speed and accuracy of delivery of goods	0.13	4	0.52
6	Good relationships with customers and suppliers	0.13	4	0.52
Total Strengths Factor		**0.76**		**2.93**
No	**Weakness**	**Weight**	**Rating**	**Score**
1	The recording system is still manual	0.06	2	0.12
2	Dependence on business owners	0.06	2	0.12
3	Labor shortages during busy times	0.06	2	0.12
4	Risk of wrong delivery of goods	0.06	2	0.12
Total Weakness Factor		**0.24**		**0.48**

TOTAL INTERNAL FACTORS	**1**	**3.41**

Source: Researcher Data Processing Results (2026)

Overall, each internal factor received a strength score of 2.93 and a weakness score of 0.48, indicating that the sum of the strength scores was 2.45 higher than the weakness score.

External Factors

Table 3. of Average Results of Informant Assessments EFAS (External Analysis Summary)

Opportunities								
No code	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**Average**
O1	4	4	4	3	4	4	4	3.8
O2	4	3	4	3	4	4	4	3.7
O3	4	4	4	4	3	3	4	3.7
O4	4	4	4	3	3	3	4	3.6
O5	4	4	4	3	3	3	3	3.4
Threats								
No code	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**Average**
T1	4	4	4	3	3	4	4	3.7
T2	3	3	3	2	2	3	3	2.7
T3	3	3	3	2	2	2	1	2.3
T4	2	2	2	2	2	2	1	1.8

Table 4. EFAS (External Analysis Summary) Results

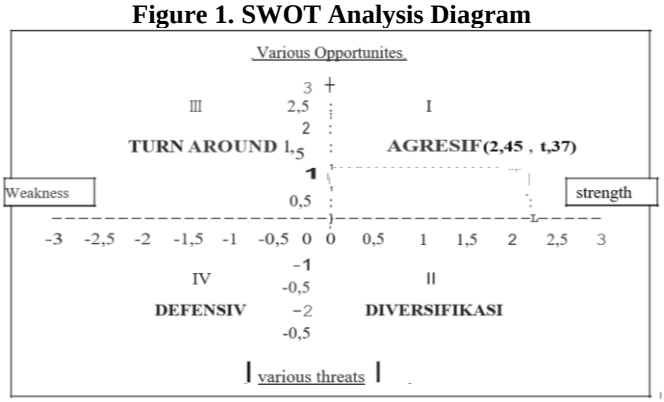
No	**Opportunity**	**Weight**	**Rating**	**Score**
1	Increased development in the surrounding area	0.13	4	0.52
2	Cooperation with contractors	0.13	4	0.52
3	Sales through marketplace	0.13	4	0.52
4	Strategic location	0.13	4	0.52
5	Potential branch opening	0.12	3	0.36
Total Opportunity Factor		**0.64**		**2.44**
No	**Threats**	**Weight**	**Rating**	**Score**
1	Price competition	0.13	4	0.52
2	Many competitors	0.09	3	0.27
3	Supplier price fluctuations	0.08	2	0.16
4	Decline in development	0.06	2	0.12
Total Threat Factors		**0.36**		**1.07**
TOTAL EXTERNAL FACTORS		**1**		**3.51**

Source: Researcher Data Processing Results (2026)

Overall, each external factor received an opportunities score of 2.44 and threats of 1.07, indicating that the sum of the opportunities scores was 1.37 higher than the threats score.

SWOT Analysis Diagram

Figure 1. SWOT Analysis Diagram



Source: Researcher Data Processing Results (2026)

The total score of each factor is obtained as follows, namely the strengths factor of 2.93, weaknesses of 0.48, opportunities of 2.44, and threats of 1.07. Based on these values, it can be seen that the difference between the strengths and weaknesses factors is 2.45, while the difference between the opportunities and threats factors is 1.37. The results of this calculation are then used to determine the position of UD Sinar Terang in the SWOT analysis diagram.

SWOT Strategy Alternative Matrix

Table 5. SWOT Matrix

IFAS EFAS	STRENGTH (S)	WEAKNESS (W)
OPPORTUNITIES (O)	**SO STRATEGY** take advantage of opportunities by using strengths 2.93 + 2.44 = 5.37	**WO STRATEGY** take advantage of opportunities by minimizing weaknesses 0.48 + 2.44 = 2.92
THREATH (T)	**ST STRATEGY** Overcoming threats using force 2.93 + 1.70 = 4.63	**WT STRATEGY** avoiding threats by minimizing weaknesses 0.48 + 1.07 = 1.55

Source: Researcher Data Processing Results (2026)

Table 6. Results of the SWOT Matrix of UD Sinar Terang

IFAS / EFAS	STRENGTH (S)	WEAKNESS (W)
	1. Friendly and family-like service 2. Honesty in offering products 3. Competitive prices 4. Complete product 5. Fast delivery (have own fleet) 6. Good relationships with suppliers and customers 7. Long business experience	1. The recording system is still manual 2. Not yet digitized 3. Owner dependent (not yet autopilot) 4. Labor shortages during busy times 5. Risk of delivery error

OPPORTUNITY (O)	SO STRATEGY	WO STRATEGY
1. Increased development around the location	1. Leveraging friendly service and good customer relationships to increase loyalty amidst increasing development.	1. Implementing a digital-based recording system to support increased demand due to development.
2. Cooperation with contractors	2. Optimizing product completeness and competitive prices to attract consumers from new development projects.	2. Adding workforce to cope with surge in demand from construction projects.
3. Online sales (marketplace)	3. Expanding cooperation with contractors by leveraging existing trust and good relationships.	3. Reduce dependence on the owner by distributing tasks and responsibilities to employees.
4. Strategic location near residential areas and schools	4. Developing marketing through the marketplace supported by good service as a superior value.	4. Develop online sales to overcome manual operational limitations.
5. Branch expansion potential	5. Take advantage of strategic locations to increase customer numbers and expand market reach.	5. Leveraging market opportunities to improve operational efficiency through technology.
THREAT (T)	**ST STRATEGY**	**WT STRATEGY**
1. Price competition between stores	1. Maintaining friendly service to maintain customer loyalty amidst price competition.	1. Improve the recording system to be more accurate to face tough competition.
2. Many competitors around the location	2. Maintain good relationships with suppliers to anticipate price fluctuations.	2. Reducing dependence on the owner so that the business remains stable when facing external pressures.
3. Price fluctuations from suppliers	3. Leveraging customer trust to stay competitive with many competitors.	3. Increase the number and quality of the workforce to avoid a decline in service due to competition.
4. Potential for future development decline	4. Maintain product quality and honesty in service to differentiate yourself from competitors.	4. Reduce the risk of shipping errors so as not to lose customers amidst the many choices of other stores.
	5. Optimizing strategic locations to attract customers compared to other competitors.	5. Conducting regular operational evaluations to improve readiness to face market threats.

Source: Researcher Data Processing Results (2026)

Discussion

Based on research conducted through interviews and a SWOT analysis, it is clear that UD Sinar Terang has a fairly strong position in facing business competition. This is evident in the dominance of strengths over weaknesses, and the greater presence of opportunities over threats. These results are also supported by the IFAS score, which indicates the company's internal conditions are in the strong category, and the EFAS score, which indicates that external opportunities remain wide open.

UD Sinar Terang's primary strength lies in its service and customer relationships. Interviews revealed that the majority of respondents stated that the service provided is friendly, prompt, and prioritizes a family-like approach. Furthermore, honesty in providing product recommendations is an added value that can increase customer trust. This factor is a

competitive advantage that is difficult for competitors to imitate, as it is related to the service culture established within the business. Good relationships with customers and suppliers also positively impact smooth operations and business sustainability.

Furthermore, competitive product prices and a comprehensive range of building materials are supporting factors that strengthen the business's position in the market. Consumers tend to choose stores that not only stock a complete range of products but also offer prices that are in line with market conditions. Thus, the combination of good service, competitive prices, and a comprehensive range of products is a key strength in enhancing UD Sinar Terang's competitiveness.

However, the research also revealed several weaknesses that require attention. One major weakness is the manual recording system. This situation has the potential to lead to inefficiencies in data management, such as inventory and sales transactions. Furthermore, dependence on the business owner for decision-making is also a barrier to business development, as it can slow down operational processes. Limited workforce, especially during peak periods, is also a factor that can impact service quality. If not addressed promptly, these weaknesses could hinder long-term business growth.

Externally, UD Sinar Terang faces significant opportunities. Increased development in the surrounding business area has positively impacted demand for building materials, creating opportunities for the business to increase sales volume. Furthermore, potential collaborations with contractors can be an effective strategy for expanding the market. Leveraging technology through online sales or marketplaces also offers opportunities to reach a wider consumer base. A strategic business location is also a key factor in attracting customers.

On the other hand, there are several threats that need to be anticipated. Price competition with other stores is a major challenge, especially since consumers tend to be price-sensitive. The large number of competitors near the business location also increases the level of competition. Furthermore, price fluctuations from suppliers can affect the stability of product selling prices. Another threat is the possibility of a future decline in construction activity, which could impact demand.

Based on the SWOT analysis, UD Sinar Terang is in quadrant I (growth strategy), indicating the business has significant internal strengths and significant external opportunities. This position indicates that the most appropriate strategy is an aggressive one, leveraging existing strengths to seize existing opportunities.

In this context, several strategies that can be implemented include consistently improving service quality to maintain customer loyalty and strengthening supplier relationships to maintain supply and price stability. Furthermore, businesses need to start digitizing their record-keeping systems to improve operational efficiency and reduce the risk of errors. Utilizing social media and marketplaces can also be used to expand market reach and increase competitiveness.

Furthermore, additional manpower can be considered to address human resource constraints, especially when demand increases. Business expansion, such as opening new branches, can also be a long-term strategy if supported by adequate financial and market conditions. Therefore, it can be concluded that UD Sinar Terang has significant potential for growth, provided it can capitalize on existing strengths and opportunities and appropriately address weaknesses and threats. A focused and sustainable strategy is key to increasing business competitiveness amidst increasingly fierce competition.

CONCLUSION

Based on the results of research and discussion regarding business development strategies using SWOT analysis in an effort to increase competitiveness at UD Sinar Terang, the following conclusions can be drawn:

1. Regarding the internal business conditions, UD Sinar Terang's main strength lies in its friendly, honest, and family-like service, supported by competitive prices, product completeness, fast delivery, and good relationships with customers and suppliers. Furthermore, its long-standing business experience is an added value in maintaining customer trust. However, there are several weaknesses, such as a manual recording system, a lack of digitalization, dependence on the owner, limited workforce during peak periods, and the risk of errors in shipping goods.
2. External business conditions: UD Sinar Terang faces significant opportunities, including increased construction activity in the surrounding area, collaboration with contractors, potential sales through digital platforms, a strategic business location, and opportunities for business expansion. However, the business also faces threats such as intense price competition, numerous competitors in the surrounding area, price fluctuations from suppliers, and the potential for a decline in construction activity in the future.
3. The SWOT analysis, based on the IFAS and EFAS analyses, revealed that strengths outnumber weaknesses, and opportunities outnumber threats. This indicates that UD Sinar Terang is in quadrant I (Strength–Opportunity), a strategically aggressive position. This position indicates that the business is in a favorable position and has significant growth potential by leveraging its strengths to capture market opportunities.
4. Business development strategy: The most appropriate strategy to implement is the SO (Strength-Opportunity) strategy, which leverages internal strengths to maximize external opportunities. This strategy can be implemented through improving service quality, expanding markets, utilizing digital technology, and strengthening relationships with customers and business partners to increase competitiveness sustainably.

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