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# Implementation of marketing strategies in improving marketing performance at CV. Tio Craft Indonesia

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## Abstract

CV. Tio Craft Indonesia is required to achieve marketing performance in order to compete competitively. Various types of products with designs have been created to meet consumer needs. However, the increasingly competitive business competition has an impact on sales that have decreased. Therefore, it is important to understand the company's internal and external environment in order to develop the right strategy. The purpose of this study is to analyze the strengths, weaknesses, opportunities and threats as well as the application of appropriate marketing strategies to CV. Tio Craft Indonesia in improving marketing performance. This research is a descriptive research and SWOT analysis. Sample with purposive sampling method or based on certain criteria. Sampling is divided into two types of collection. First, for sample interviews, 4 informants were selected who had experience and were responsible for the CV business process. Tio Craft Indonesia. Second, for distributing questionnaires to see respondents' perceptions regarding SWOT factors, a sample of 10 respondents was selected who are permanent employees who work in the company. There are several stages in conducting a CV SWOT analysis. Tio Craft Indonesia, namely: 1) internal and external environmental analysis; 2) IFAS and EFAS Matrix analysis; 3) space matrix analysis; 4) SWOT matrix; and 5) QSPM. Data analysis used a descriptive approach with several stages, namely: data reduction, data display, data interpretation, conclusions, and data verification. The results of the study show that the CV strategy. Tio Craft Indonesia is in quadrant I position by implementing an aggressive strategy. The strategy is carried out to assist in increasing market growth and relative market share of the organization with six alternative strategies, namely: 1) Increasing promotion through information technology; 2) Maintain and improve the quality of various and innovative products so that they are able to compete with competitors; 3) Increasing cooperation with the government in expanding domestic and international markets; 4) Addition of facilities and infrastructure; 5) Borrowing KUR credit at the Bank for business expansion; 6) Implementation of the Just-in-Time (JIT) Inventory Management system.

**Keywords:** CV. Tio Craft Indonesia; Marketing Performance; Marketing Strategy; SWOT.

#### 1. Introduction

Marketing is required by various levels of every business including the creative industry of wicker crafts. Weaving is a traditional business from ancestral heritage. Weaving is an art by crossing with materials used from plants, such as: banana fronds, bamboo, rattan, and the like. The results of weaving are unique products, such as ornaments, chairs, bags, and various other types. Such items have psychological and ecological properties (1). The products carry traditional characteristics with knowledge transfer and production continuity (2). The products are unique, attractive and impactful in the economic development of each region. Previous research results prove that woven craft products have unique dimensions and can be created with various types of products that have an impact on the development of the country through the introduction of woven cultural traditions (3).

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The wicker handicraft business recently has such a great opportunity. Business actors are required to achieve marketing performance in order to compete competitively to seize these opportunities. Marketing performance is a key factor in the company's business success (4). Marketing performance can be measured through sales revenue, profit, customer satisfaction and loyalty, service quality, brand equity, effectiveness and efficiency in carrying out these activities (5). To achieve positive performance, business actors in this business compete competitively to reach a wider market with company sales continuing to be increased, including CV. Tio Craft Indonesia.

CV. Tio Craft Indonesia is located in Kulon Progo Regency, Yogyakarta Special Region (DIY) Province, Indonesia. The company is engaged in the creative industry by utilizing natural materials, such as banana fronds, panda, gebang, plastic waste and the like as raw materials. These materials are processed into woven materials to make a variety of products, such as bags, clothes baskets, and the like with designs that continue to be developed and innovated regularly. The company prioritizes diffable people, school dropouts, and stay-at-home mothers to become employees.

CV. Tio Craft Indonesia has marketed products to penetrate international markets, such as America and Europe. Most of the products produced are around 90% marketed in the international market, while the remaining 10% are marketed in the domestic market. However, over time the competition in this industry has become more competitive which has made the company's sales contract due to declining demand for products from consumers. The company's sales in 2020 and 2021 experienced an upward trend. In 2020 sales of CV. Tio Craft Indonesia amounted to IDR 12,657,043,512 or an increase of 317% from the previous year despite the Covid 19 situation. Meanwhile, in 2021 the company's sales increased to IDR 15,159,000,000 or an increase of 20% from the previous year. The increase over these two years occurred due to increased demand in the domestic market and international market. However, in 2022 the number of sales actually experienced a sharp decline to IDR 6,829,872,291 or a decrease of 55% from the previous year. This decline is due to the increasingly competitive business competition and the emergence of new competitors offering similar products with innovative designs causing product demand in the domestic market and international market to decline. People tend to choose this according to the goals of the times that have evolved away from tradition (6).

The main reason why CV. Tio Craft Indonesia's sales have decreased is because the marketing strategy implemented is less effective and flexible. For example, the lack of utilization of digital technology in conducting promotions and limited facilities and infrastructure in supporting the production process. This condition will have an impact on the company's difficulty in reaching new markets and retaining old customers, as well as higher production costs which result in decreased marketing performance, so an effective and targeted marketing strategy design is needed. Marketing strategy is an important guide in understanding the actions a company must take to be successful (7). The strategy needs to be considered to achieve organizational performance and goals (8).

Marketing strategy is an integrated way of making business decisions related to products, market share, marketing activities and marketing resources in the creation, communication and or delivery of products that offer value to customers in exchange with the organization and thus enable the organization to achieve its goals (9). Therefore, marketing strategy is very important to implement for the success of the company. In this case, companies need to evaluate the internal and external environment in the face of competitive competition (10). Evaluating the internal and external environment is a key step in facing competitive rivalry because it helps organizations to understand their strengths and weaknesses as well as the opportunities and threats that exist in their environment.

The analysis of the internal and external environment is summarized in the Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis (8). SWOT is a commonly used analytical technique for managing strategic processes (11). SWOT analysis is effectively used to frame corporate strategy. This analysis is an appropriate technique in formulating and making strategic decisions (10). Therefore, this research contributes to assisting companies in designing marketing strategies in improving business performance based on SWOT analysis.

#### 2. Methods

This research is a descriptive approach and SWOT analysis. The research sample used purposive sampling technique with two approaches. The first approach, researchers conducted interviews directly with 2 informants who were part of CV. Tio Craft Indonesia who knows the ins and outs of the company, namely Mrs. Novi as General Manjer CV. Tio Craft Indonesia, and Mr. Agus as the Director of CV. Tio Craft Indonesia. Researchers conducted interviews directly by asking several questions to find out the strategies, strengths, weaknesses, opportunities and threats that are being or will be faced next. The second approach, namely, researchers divided the research questionnaire to 10 respondents who were permanent employees of CV. Tio Craft Indonesia who have worked for more than 1 year. The questionnaire was distributed to find out the respondents' perceptions of the factors in the strengths and weaknesses of the company, the

opportunities and threats faced by the company. This questionnaire was distributed for consideration in weighting IFAS and EFAS.

Qualitative data validity testing using a triangulation approach. Triangulation serves to find data, so that the data analyzed is valid and conclusions can be drawn correctly. In this way, researchers can draw solid conclusions not only from one perspective so that it can be accepted as true. In practice, researchers compare observation data with interview data and data from related documentation.

This research is descriptive research and SWOT analysis. Descriptive analysis in this study was carried out qualitatively, so that the research data obtained from structured interviews were processed qualitatively from data reduction; data display; data interpretation; drawing conclusions; and verification. While the stages of SWOT analysis, namely: IFAS and EFAS matrix analysis; SWOT matrix; Space matrix; and Quantitative Strategic Planning Matrix (QSPM) used to rank priority strategies.

#### 3. Results

### 3.1. Results of Matrix Analysis of Internal Factor Analysis (IFAS) and External Factor Analysis (EFAS)

FAS and EFAS analysis are two strategic management tools for assessing internal and external factors that affect an organization's performance and competitiveness. IFAS involves evaluating internal strengths and weaknesses in an organization with the aim of identifying key factors that contribute to the success of the organization or pose challenges to its performance. EFAS focuses on the analysis of the external environment surrounding the organization aimed at identifying opportunities and threats arising from factors outside the organization's control. This analysis is based on the results of distributing questionnaires to 10 employees of CV. Tio Craft Indonesia to see perceptions about internal and external environmental factors which are then weighted and rated. The rating scale is 1.00 (important) and the rating scale is 0.00 (not important) which is then weighted. Weighting at point 4 is a strong category, while point 1 is a weak category. The IFAS matrix results are as follows.

Table 1 IFAS Analysis Results CV. Tio Craft Indonesia

| No | IFAS  | Weight | Rating | Total |
|----|---|--------|--------|-------|
| 1  | Strenghts   |        |        |       |
|    | Excellent product quality                               | 0.14   | 4.00   | 0.54  |
|    | Affordable price  | 0.13   | 4.00   | 0.52  |
|    | Has a variety of product types and designs              | 0.13   | 4.00   | 0.53  |
|    | Has many skilled employees                              | 0.14   | 4.00   | 0.55  |
|    | Service is faster and on time                           | 0.14   | 4.00   | 0.56  |
|    | sub total   | 0.68   |        | 2.71  |
| 2  | Weaknesses  |        |        |       |
|    | Very limited capital for business development           | 0.07   | 1.00   | 0.07  |
|    | Narrow production area                                  | 0.08   | 1.00   | 0.08  |
|    | Low utilization of information technology for marketing | 0.09   | 2.00   | 0.18  |
|    | Lack of facilities and infrastructure                   | 0.08   | 1.00   | 0.08  |
|    | sub total   | 0.32   |        | 0.41  |
|    | Total   | 1.00   |        | 3.12  |

Table 1 shows that the weighting result in the IFAS matrix is 3.12. These results are from weighting the strength factor of 2.71 while the weakness is 0.41. Meanwhile, the results of the EFAS analysis are as follows.

Table 2 EFAS Analysis Results CV. Tio Craft Indonesia

| No | EFAS  | Weight | Rating | Total |
|----|---|--------|--------|-------|
| 1  | Opportunities   |        |        |       |
|    | Technology development is accelerating                            | 0.13   | 4.00   | 0.51  |
|    | Market demand continues to increase                               | 0.12   | 3.00   | 0.37  |
|    | Support from the government in the development of MSMEs           | 0.13   | 4.00   | 0.53  |
|    | The number of marketplaces that provide online markets            | 0.13   | 4.00   | 0.51  |
|    | Banks facilitate KUR credit for MSMEs                             | 0.13   | 4.00   | 0.51  |
|    | sub total   | 0.64   |        | 2.43  |
| 2  | Threats   |        |        |       |
|    | The emergence of new competitors who produce similar products     | 0.06   | 1.00   | 0.06  |
|    | Erratic seasonal changes that affect the quality of raw materials | 0.09   | 2.00   | 0.17  |
|    | The price of raw materials has increased                          | 0.08   | 1.00   | 0.08  |
|    | Low product prices from competitors                               | 0.06   | 1.00   | 0.06  |
|    | Consumer tastes change easily                                     | 0.08   | 1.00   | 0.08  |
|    | sub total   | 0.36   |        | 0.45  |
|    | Total   | 1.00   |        | 2.88  |

Table 2 shows that the weighting results in the EFAS matrix amounted to 2.88., The result is from the weighting of strength factors of 2.43 while the weakness is 0.45. The IFAS and EFAS weighting results are then calculated to determine the strategy formulation in the Space matrix. The following is the calculation.

SW = Strenghts (S) Score - Weaknesses (W) Score

SW = 2.71 - 0.41 = 2.30

OT = Opportunities (O) Score - Threats (T) Score

OT = 2.43 - 0.45 = 1.98

The calculation results in a SW value of 2.30 and OT of 1.98. These results are used as a reference basis for determining the strategy formulation in the following Space matrix.



Figure 1 Space Matrix Results CV. Tio Craft Indonesia

Figure 1 shows that the results of strategy formulation through the Space matrix are in quadrant 1 or using an aggressive strategy. In this case, the company needs to use an aggressive strategy to assist in increasing market growth and the organization's relative market share. According to Rangkuti (2014) an aggressive strategy is a strategy that can benefit the company because through this strategy the company has great strengths and opportunities so that the strategy can be utilized to increase market growth.

#### 3.2. SWOT Matrix

The strategy formulation in this study is to implement an aggressive strategy. Aggressive strategy as a reference in designing strategies in the SWOT matrix by considering four main factors, namely: strengths, weaknesses, opportunities and threats. The following is the SWOT matrix in this study.

Tabel 3 SWOT Matrix CV. Tio Craft Indonesia

|   | Strenghts   | Weaknesses  |
|---|---|---|
| Upportunity  O1: Technology development is accelerating O2: Market demand is increasing O3: Support from the government in the development of MSMEs O4: The number of marketplaces that provide online markets O5: Banks facilitate KUR loans for | S1: Product quality is very good S2: Affordable price S3: Has a variety of product types and designs S4: Has many skilled employees S5: Faster and more timely service  S-O Strategy Increased cooperation with the government in expanding domestic and international markets (S2;S5;O3) | W1: Very limited capital for business development W2: Narrow production area W3: Low utilization of information technology for marketing W4: Lack of facilities and infrastructure W-0 Strategy  Borrowing a KUR loan from the bank for business expansion (W1;05) Increased promotion through information technology (W3;01;02;04) |
| MSMEs   | 0.770   |   |
| Threats   | S-T Strategy  | W-T Strategy  |
| T1: The emergence of new competitors producing similar products  T2: Erratic seasonal changes that affect the quality of raw materials  T3: The price of raw materials has  | Maintain and improve the quality of diverse and innovative products to be able to compete with competitors (S1; S3; T1; T5)  Implementation of Just-in-Time (JIT) Inventory Management system   | Addition of facilities and infrastructure (W2;W4;T3;T4)   |
| increased T4: Low product prices from competitors   | (S4;T2)   |   |
| T5: Consumer tastes change easily.  |   |   |

#### 3.3. Quantitative Strategic Planning Matrix (QSPM) Results

The QSPM matrix is a strategic management tool used to evaluate strategic alternatives based on several factors and determine their relative attractiveness. The results of the QSPM matrix are as follows. Table 4 shows that this matrix provides a systematic framework for decision-making by quantitatively comparing different strategies and their potential impact on organizational goals based on the TAS value. The TAS value results from weighting multiplied by the AS value. The AS value is generated from the results of discussions with Mr. Tio as the Director of CV. Tio Craft Indonesia to determine priority strategies. Factors that are considered important and influential are given 4 points, while factors that are considered less important and less influential are given 1 point.

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Table 4 Results of QSPM Matrix CV. Tio Craft Indonesia

| No | IFAS  | Weight | 1     |       | 2  |      | 3  |      | 4  |      | 5  | 6    |    |      |
|----|---|--------|-------|-------|----|------|----|------|----|------|----|------|----|------|
| No | IFAS  | Weight | AS TA | TAS   | AS | TAS  | AS | TAS  | AS | TAS  | AS | TAS  | AS | TAS  |
| 1  | Strenghts   |        |       |       |    |      |    |      |    |      |    |      |    |      |
| S1 | Excellent product quality                                     | 0.14   | 3     | 0.41  | 3  | 0.41 | 4  | 0.54 | 4  | 0.54 | 2  | 0.27 | 3  | 0.41 |
| S2 | Affordable price  | 0.13   | 4     | 0.52  | 2  | 0.26 | 3  | 0.39 | 2  | 0.26 | 2  | 0.26 | 3  | 0.39 |
| S3 | Has a variety of product types and designs                    | 0.13   | 2     | 0.26  | 2  | 0.26 | 4  | 0.53 | 4  | 0.53 | 3  | 0.40 | 3  | 0.40 |
| S4 | Has many skilled employees                                    | 0.14   | 3     | 0.41  | 3  | 0.41 | 3  | 0.41 | 4  | 0.55 | 4  | 0.55 | 3  | 0.41 |
| S5 | Service is faster and on time                                 | 0.14   | 3     | 0.42  | 4  | 0.56 | 3  | 0.42 | 4  | 0.56 | 3  | 0.42 | 2  | 0.28 |
| 2  | sub total   |        |       |       |    |      |    |      |    |      |    |      |    |      |
| W1 | Weaknesses  | 0.07   | 4     | 0.29  | 4  | 0.29 | 3  | 0.22 | 2  | 0.15 | 2  | 0.15 | 4  | 0.29 |
| W2 | Very limited capital for business development                 | 0.08   | 3     | 0.24  | 4  | 0.32 | 3  | 0.24 | 2  | 0.16 | 2  | 0.16 | 3  | 0.24 |
| W3 | Narrow production area  | 0.09   | 3     | 0.26  | 2  | 0.18 | 4  | 0.35 | 3  | 0.26 | 3  | 0.26 | 3  | 0.26 |
| W4 | Low utilization of information technology for marketing       | 0.08   | 3     | 0.25  | 3  | 0.25 | 4  | 0.33 | 2  | 0.16 | 3  | 0.25 | 4  | 0.33 |
|    | Lack of facilities and infrastructure                         | 1.00   |       | 3.07  |    | 2.94 |    | 3.44 |    | 3.18 |    | 2.72 |    | 3.01 |
|    | EFAS  |        |       |       |    |      |    |      |    |      |    |      |    |      |
| 3  | Opportunities   |        |       |       |    |      |    |      |    |      |    |      |    |      |
| 01 | Technology development is accelerating                        | 0.13   | 3     | 0.38  | 2  | 0.25 | 4  | 0.51 | 3  | 0.38 | 3  | 0.38 | 2  | 0.25 |
| 02 | Market demand continues to increase                           | 0.12   | 3     | 0.37  | 3  | 0.37 | 4  | 0.50 | 4  | 0.50 | 3  | 0.37 | 1  | 0.12 |
| 03 | Support from the government in the development of MSMEs       | 0.13   | 4     | 0.53  | 3  | 0.40 | 3  | 0.40 | 4  | 0.53 | 4  | 0.53 | 4  | 0.53 |
| 04 | The number of marketplaces that provide online markets        | 0.13   | 1     | 0.13  | 3  | 0.38 | 4  | 0.51 | 4  | 0.51 | 2  | 0.25 | 4  | 0.51 |
| 05 | Banks facilitate KUR credit for MSMEs                         | 0.13   | 4     | 0.51  | 4  | 0.51 | 3  | 0.38 | 2  | 0.25 | 2  | 0.25 | 2  | 0.25 |
| 4  | sub total   |        |       |       |    |      |    |      |    |      |    |      |    |      |
| T1 | Threats   | 0.06   | 2     | 0.11  | 3  | 0.17 | 2  | 0.11 | 4  | 0.22 | 3  | 0.17 | 2  | 0.11 |
| T2 | The emergence of new competitors who produce similar products | 0.09   | 2     | 0.171 | 1  | 0.09 | 1  | 0.09 | 2  | 0.17 | 4  | 0.34 | 3  | 0.26 |

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| Т3 | Erratic seasonal changes that affect the quality of raw materials | 0.08 | 2 | 0.166 | 2 | 0.17 | 2 | 0.17 | 2 | 0.17 | 2 | 0.17 | 4 | 0.33 |
|----|---|------|---|-------|---|------|---|------|---|------|---|------|---|------|
| T4 | The price of raw materials has increased                          | 0.06 | 3 | 0.166 | 4 | 0.22 | 3 | 0.17 | 3 | 0.17 | 2 | 0.11 | 4 | 0.22 |
| T5 | Low product prices from competitors                               | 0.08 | 3 | 0.249 | 4 | 0.33 | 3 | 0.25 | 4 | 0.33 | 3 | 0.25 | 3 | 0.25 |
|    | Consumer tastes change easily                                     | 1.00 |   | 2.78  |   | 2.88 |   | 3.07 |   | 3.23 |   | 2.83 |   | 2.84 |
|    | Total   | 2.00 |   | 5.85  |   | 5.83 |   | 6.51 |   | 6.41 |   | 5.55 |   | 5.85 |

The following is the ranking of CV priority strategies. Tio Craft Indonesia.

**Table 5** Ranking of Alternative Strategies CV. Tio Craft Indonesia

| No | Strategy  | TAS score |
|----|---|-----------|
| 1  | Increased promotion through information technology (W3;01;02;04)  | 6.51      |
| 2  | Maintain and improve the quality of diverse and innovative products in order to compete with competitors (S1; S3; T1; T5) | 6.41      |
| 3  | Increased cooperation with the government in expanding domestic and international markets (S2;S5;O3)                      | 5.85      |
| 4  | Addition of facilities and infrastructure (W2;W4;T3;T4)   | 5.85      |
| 5  | KUR loan at the bank for business expansion (W1;05)   | 8.83      |
| 6  | Implementation of Just-in-Time (JIT) Inventory Management system (S4; T2)   | 5.55      |

#### 4. Discussion

#### 4.1. Increased promotion through information technology

The importance of the presence of information technology in increasing sales and reaching a wider market, both through the marketplace and social media. The presence of a marketplace can showcase and sell CV. Tio Craft Indonesia. Marketplaces and social media have a large customer base that allows businesses to reach a wider audience in the marketplace businesses can reach a wider audience beyond the company's existing customer network. Social media can be utilized as marketing communications, customer service, and marketing research (Tuten & Perotti, 2019). Through personalized advertising to relevant audiences, businesses can increase the chances of converting social media users into customer subscribers. In addition, social media Facilitates direct social interaction and engagement with customers through comments, messages, and discussions. As the popularity and influence of the media has grown, brands have responded by using social media for marketing (12). The business run by CV. Tio Craft Indonesia can leverage these platforms to build relationships, answer customer questions, provide personalized recommendations, and generate buzz around their products or services, ultimately leading to increased sales.

# 4.2. Maintain and improve the quality of diverse and innovative products in order to compete with competitors

One of the main keys in making handy craft products is to have a skilled workforce. Skilled labor will be able to make woven products with good quality. Woven products made by human hands have their own value compared to machine technology. Products produced from selected raw materials that have met the criteria supported by a control system can produce high quality products and avoid not good products. In the midst of increasingly fierce business competition, CV. Tio Craft Indonesia continues to make product innovations. Product innovation is carried out to encourage the development and introduction of new products to the market. Product innovation is carried out through brainstorming sessions, market research, customer insights, and technology searches. The goal is to identify opportunities and develop concepts that meet unmet customer needs or provide superior solutions compared to existing offerings. Innovation is to change the market position which is the perception of an established product (or process) to suit a new user context. It plays an important role in reaching new customers, creating competitive advantage, driving growth, and meeting evolving customer needs.

#### 4.3. Increased cooperation with the government in expanding domestic and international markets

The role of the government in supporting the growth of MSMEs is very necessary, especially in providing free places for MSME players to sell, such as in Sarinah, building access to participate in exhibitions and export activities abroad. Providing a place to sell is very helpful for MSME players in marketing products, increasing market access, and increasing sales. In addition, exhibitions organized by the government can provide many opportunities to improve business. Exhibitions provide a platform for networking with industry professionals, potential partners, suppliers, and even competitors and building relationships with key stakeholders can result in strategic alliances, collaborations, and new business opportunities.

In export market activities, the government has export assistance programs to support businesses in expanding international markets. These programs can provide financial incentives, export training, and market entry support, to connect businesses with potential partners or customers abroad. In these activities, MSME players including CV. Tio Craft Indonesia receive regulatory support and assistance from the government in navigating legal requirements and barriers to foreign market entry. Collaborate with government trade offices to understand and comply with international regulations, certifications, and standards including how to enter the market, trade agreements, free trade zones, and customs procedures. Therefore, this cooperation needs to be further enhanced on a regular basis to expand access to Handy Craft sales at home and abroad.

#### 4.4. Addition of facilities and infrastructure

The narrowness of the raw material storage area poses a risk to the quality of the raw materials. Raw materials, such as banana fronds, bamboo and rattan will mold. Exposure to rainwater can cause the quality to deteriorate further. Even though the company has an oven, the quality of the raw materials deteriorates due to the lack of storage space. Although the company has an oven, the quality of the raw materials is decreasing because of the inadequate storage of raw materials. In this case, the company is losing money and hampering the production process and causing the delivery process to be delayed. Therefore, the warehouse plays an important role in the storage of raw materials. Warehouse management is very beneficial in efficient storage and inventory management. Emphasized the need for proper warehouse arrangement and layout to optimize space utilization and facilitate easy access to goods. Effective

inventory management techniques, such as cycle counting, ABC analysis, and just-in-time principles are emphasized to ensure accurate stock levels, minimize stock-outs, and reduce storage costs. The warehouse provides a controlled environment for storing raw materials, ensuring their integrity and quality. Adequate storage conditions, such as temperature and humidity control, protect materials from degradation, contamination, or spoilage.

Regular inspection and monitoring of stored materials helps identify and address any quality issues before they impact the production process. Proper warehouse management can contribute to cost savings. By storing raw materials in a centralized location, companies can take advantage of economies of scale in procurement, transportation, and storage. storage. Bulk purchasing and optimized transportation logistics can lower material costs and reduce transportation costs. In addition, a well-organized warehouse helps prevent spoilage, damage, or obsolescence of inventory, reducing waste and associated costs.

#### 4.5. KUR loan at the bank for business expansion

KUR provides CV. Tio Craft Indonesia access to affordable financing that may not be available through conventional bank loans. The program aims to support the growth and development of MSME players by offering credit facilities tailored to specific needs (15). KUR loans have subsidized interest rates that are usually lower than regular bank loan rates. This reduces borrowing costs for CV. Tio Craft Indonesia and helps make financing more affordable. Lower interest rates allow businesses to invest in expansion in building warehouses, purchasing equipment, adding working capital, or funding other growth initiatives and increasing company revenue. Previous research results prove that KUR loans can statistically increase the income of MSME actors (16).

#### 4.6. Implementation of Just-in-Time (JIT) Inventory Management system

The company still has difficulties in managing raw materials. Raw materials are an important factor that must be considered, because making quality Craft is determined by the input of raw materials provided. Erratic weather changes can result in poor quality raw materials. Therefore, a JIT system is needed. The JIT system focuses on reducing waste, increasing efficiency, and optimizing the production process. JIT aims to minimize inventory holding costs by keeping inventory levels low.

JIT inventory management aims to minimize inventory levels by providing the right amount of inventory at the right time. The benefits of reducing storage costs associated with excess inventory, such as storage costs, obsolescence, and storage costs. Businesses using JIT communicate their needs and requirements to suppliers more precisely and with shorter lead times. This collaboration can result in improved supplier performance, on-time delivery, and better overall supply chain management, so that companies will not be affected by erratic weather changes. Strong supplier relationships can result in favorable prices and terms in the procurement of raw materials. In addition, to improve the quality of raw materials, the company plans to use a special oven machine in drying so that the product is not easily moldy and not easily rotten. This is done to maintain the quality of the raw materials to produce quality products.

#### 5. Conclusion

Based on the SWOT analysis at CV. Tio Craft Indonesia and the discussion that has been presented previously, it can be concluded as follows. The results showed that CV. Tio Craft Indonesia has strengths, namely: 1) Excellent product quality; 2) Affordable prices; 3) Has a variety of product types and designs; 4) Has many skilled employees; 5) Service is faster and more timely. For weaknesses, namely: 1) Very limited capital for business development; 2) Narrow production area; 3) Utilization of information technology for marketing is still low; 4) Lack of facilities and infrastructure. For opportunities, namely: 1) Technology development is getting faster; 2) Market demand continues to increase; 3) Support from the government in the development of MSMEs; 4) The number of marketplaces that provide online markets; 5) Banks facilitate KUR credit for MSMEs. As for threats, namely: 1) The emergence of new competitors who produce similar products; 2) Erratic seasonal changes that affect the quality of raw materials; 3) The price of raw materials has increased; 4) Cheap product prices from competitors; Consumer tastes change easily. The results showed that the strategy formulation applied by CV. Tio Craft Indonesia to improve performance by implementing an aggressive strategy by utilizing its strengths and opportunities to increase market growth.

This research has limitations, namely research informants and respondents only focus on internal companies, namely owners and employees who work at CV. Tio Craft Indonesia, so the author does not know consumer perceptions regarding the advantages and disadvantages of the products marketed by the company. The existence of the limitations of this study is expected that on future occasions similar research can be carried out better by further researchers.

Suggestions in this study, namely companies should need to implement aggressive strategies to expand market reach by adopting information technology for marketing activities, focusing on product quality, increasing cooperation with stakeholders, adding facilities and facilities as needed, and implementing a JIT system. secondly, the government should need to conduct information technology training for MSME players to facilitate product marketing; implement policies, regulations, and support programs that facilitate product quality improvement, innovation, and market expansion; establish cooperation mechanisms with the business world to expand domestic and international markets. Develop programs, incentives, and partnerships that encourage collaboration between government agencies and private companies; allocate resources for infrastructure development that supports business operations, transportation, and connectivity to improve overall economic growth and competitiveness; develop financial programs, such as KUR loans, tailored to the needs of SMEs to facilitate business expansion and access to capital; and encourage the adoption of efficient inventory management practices, such as JIT, through awareness campaigns, training programs, and support services. Future research should explore consumer behavior, market trends, and competitive analysis to provide insights into effective promotional strategies and product development approaches.

#### Compliance with ethical standards

Disclosure of conflict of interest

Authors state no conflict of interest.

Statement of informed consent

Informed consent was obtained from all individual participants included in the study.

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