CHAPTER V

DISCUSSION

5.1 SWOT Analysis

SWOT analysis is one of important things in this research. It is important because it helps the company to more understand and aware toward their own strengths, weaknesses, opportunities, and threats. Therefore, it will help the company to anticipate and gain more advantages.

From this research, the strengths, weaknesses, opportunities, and threats have been found and listed. Those are obtained by conducting interview to the expert in this company. Strength is something that becomes the advantage and value of the company compared to others and it should be improved by the company in order to gain more advantage. Below are the strengths of the company:

A. Handmade.
B. The pattern is own creation.
C. New design for each 3 months.
D. Modern batik with unique characteristic which inspired by Islam in Nusantara and the world
E. Always learn newest online marketing strategy.
F. Online website and social media.
G. Located in the city of culture and tourist destination.

Weakness is something that becomes disadvantage and makes the business cannot perform. It should be minimized or eliminated by the company. Below are the weaknesses of the company:

A. Longer processing time compared to printed batik.
B. Unstable production.
C. Unstable sales.
D. Procurement process still not good.
E. Less famous compared to others branded batik.

Opportunity is something from external which good for the business and it can be a competitive advantage if the company can develop it. It should be exploited effectively by the company in order to gain more advantage. Below are the opportunities of the company:

A. The market area is still wide (Asia & Oceania).
B. Many sources which can be used as inspiration for batik pattern.
C. The rise of Islamic fashion.
D. Indonesia government supports batik promotion.
E. The rise of social media and internet.

Threat is something from external which can threaten the business. It should be avoided or use other factor in order to defends the business from threat. Below are the threats of the company:

A. Plagiarism.
B. The rise of batik printing
C. Tight competition.
D. Imported batik
E. Price competition

5.2   Selection of Business Strategy using SWOT and Fuzzy TOPSIS

In this research, a concept of proposed model presented in order to find the best strategy which suitable with current company's condition. The concept of this method is adapted from SWOT analysis to identify the strengths, weaknesses, opportunities and threats in the company, so that the company can be more aware about their own internal factor and external factor. Other than that, it can be used to determine strategy from SWOT factor. But in this concept, researcher tries to develop the function of SWOT by combining SWOT with Fuzzy TOPSIS. It is because SWOT analysis itself is a simple yet effective tool to develop the company. SWOT analysis itself has its own weakness as a tool that for identifying only without considering the weight and rating. Moreover, when making strategy by using basic SWOT analysis, the result still too general and the priority is unknown. Because of that, researcher tries to combine SWOT with Fuzzy TOPSIS.

This research consists of 2 stages which are SWOT stage and Fuzzy TOPSIS stage. The first step in SWOT stage is collecting the input data for SWOT such as strengths, weaknesses, opportunities, and threats from the expert. Then when IFE & EFE are performed, researcher separates the SWOT into 2 groups which are internal factor and external factor. Internal factor consists of strengths and weaknesses, while external factor consists of opportunities and threats. Both internal factor and external factor will be weighted and rated by the expert. At the end, the total score of internal factor and external factor will be obtained. The total score of internal factor is 2.70, while the total score of external score is 2.94. The next step, putting the total score of internal and external factor in SWOT quadrant to find out the suitable company's strategy whether it is SO, WO, ST or WT strategy. From the total score of internal factor and external factor which have been obtained, the suitable company's strategy is Aggressive Strategy (SO Strategy). It means that the company should formulate strategy based on the strengths and opportunities. Then, researcher asked the expert to formulate strategy based from strength and opportunity. Until this step, the strategy was obtained and consist of 5 strategies. However, those strategies have not ranked yet.

The second stage in this research is Fuzzy TOPSIS stage. TOPSIS itself is widely used to treat real world decision making problems. Despite its popularity and simplicity in concept, this technique is often criticized because of its inability to deal adequately with uncertainty and imprecision inherent in the process of mapping the perceptions of decision-maker. In the traditional formulation of TOPSIS, the personal judgments are represented by numerical values. However, TOPSIS has been expanded to deal MCDM with an uncertain decision matrix resulting in Fuzzy TOPSIS, which has successfully been applied to solve various MCDM problems (Karimi et al., 2012). After the strategy has been made, it must be ranked to find the best strategy for this company. The first step in this stage is data collecting for Fuzzy TOPSIS through questionnaire. The expert gives the rating in the questionnaire in linguistic variable. The second step is fuzzification, where all the rating in the questionnaire converted into triangular fuzzy number. Later, all the fuzzification results must be converted into crisp by performing defuzzification. The last step is performing TOPSIS using the defuzzified result. Focus on promoting Muslim batik to predominantly Muslim area has the highest priority among the other strategies. It is derived from the reason that they produce modern batik with unique characteristic which inspired by Islam in Nusantara and the world. At the same time, because of the increase of Muslim people awareness toward clothes which cover certain body part, Islamic fashion has risen. Other than that, the market area still wide in Asia and Oceania, so that they can sell it to countries in those regions which have many Muslim populations. It is also in accordance with several statements from the government. Ministry of Industry in 2016 stated that the economic potential of the Muslim fashion industry can be seen from its contribution to GDP which reached Rp54 trillion from a total value of Rp.181 trillion from the contribution of the Indonesian fashion industry. The directorate general of Small Medium Enterprises of Ministry of Industry stated that in 2017, Indonesia is among the top five OIC member countries in the world of Muslim fashion exporters, with a market share of 1.6 percent. Domestic consumption in 2017 reached 1.8 tons, in 2020 it is targeted to be at 2.2 million tons. Currently, Indonesia ranks 4th as the largest Muslim fashion consumer country in the world.