

CHAPTER IV

RESEARCH METHOD

4.1 Research Subject

The subject of this research is to determine the Strength – Weaknesses – Opportunities – Threats factor for PT. Kosoema Nanda Putra, and then use the SWOT analysis to try to find the best marketing strategy for PT Kosoema Nanda Putra.

4.2 Research Variables

Based on the problem in this research, the variables which are being used consist of:

1. The company internal factors

The Strength and the Weaknesses of the company environment.

2. The company external factors

The Opportunities and the Threats for the company that comes from the outside environment of the company.

4.2.1 Internal Strategy factors

Functional Approach is the simplest approach and because of that it is the mostly used approach and also the most popular approach. According to this approach, the strength and the weaknesses of the company can be seen from all of the current business functions in the company, such as: marketing function,

financial, operation and production, human resources, research and development, and corporate culture function.

Usually, each of the function above will be reduced into more detail component, but the most important is to give more attention to the key factor, here isn't needed many factors, but the most important trustable, because of that the management is required to be able to hold responsibility by showing reasons which support all the component being chosen. Besides that, giving a balance proportion for the whole functional management is not a must, and giving more attention to a functional management compared to the other is not wrong. Even more by using unbalance technique can show the correct condition of the company

Marketing Factor

Several important factors from the marketing segment that are being considered as the internal strategy factors of the company are market segment, customer service, product quality, promotion, and the price of the product.

Production Factors

Several important factors from production segment that are being considered as the internal strategy factor of the company are Production process, Quality control, Efficiency.

Financial Factors

Several important factors from financial segment that are being considered as the internal strategy factor of the company are liquidity, solvability and profitability.

Human Resources Factors

Several important factors from human resources segment that are being considered as the internal strategy factor of the company are Employee's education level, development and training.

Technology Factors

Important factors from technology segment that are being considered as the internal strategy factor of the company are product technology system.

Corporate Culture

Important factors from corporate culture segment that are being considered as the internal strategy factor of the company are the corporation between team in the company, the two way communication between the top level of the management and the employee, the willing of the company to improve or grow.

Strength

The strength that could be useful for the company to compete with other companies such as:

- Production volume that is being produced
- Price of product setting
- Choosing the appropriate, effective and efficient distribution channel
- The promotion activity of the company
- Sophisticated technologies

Weaknesses

The textile industry usually gives less attention to:

- Advertising segment
- The development of the product
- More professional management

4.2.2 External Strategy factor

Business environment analysis is meant to try to identify the opportunities that need to get special attention and at the same time try to know the threats that need anticipation

Economy environment

Several important factors from economy environment segment that are being considered as the external strategy factor of the company are inflation level, cooperation with other company, province economic potency.

Technology environment

Important factors from technology environment segment that are being considered as the external strategy factor of the company is technology in the textiles industry.

Social environment

Several important factors from social environment segment that are being considered as the external strategy factor of the company are citizen composition, the effect of product demand.

Government environment

Several important factors government environment segment that are being considered as the external strategy factor of the company are government policy on textile industry, government policy on export sector.

Competitor environment

Several important factors from competitor environment segment that are being considered as the external strategy factor of the company are market structure competition, competitor product quality.

Opportunities

Opportunities that could be useful for the company to compete with other identical company are;

- The opportunity to develop, especially in the export side is promising a good profit, this is supported by the decreasing of the dollar towards rupiah, so that the export segment can gain more profit.
- A good relationship with the other company can bring a good impact to the company

Threats

- The competitor for the same kind of product
- Unstable economic situation
- Technology advantage

4.3 Data gathering method

In doing this research, several things will be done:

Literature Study

In order to get a theoretical review so the researcher needs to read and study any literature or anything related to the problem being discussed

Field study

- Doing some interviews with PT Kosoema Nanda Putra about the problem being discussed in order to be able to initialize what are the Strength-Weaknesses-Opportunities-Threats of the company
- Gathering the data related to the problem being discussed, such as:
 - Financial Report
 - Human Resource activity report (employees data such as total of employees, their educational background, skill, salary)
 - Marketing activity report
 - Operational Activity report
 - Other related data.

4.4 Technique Data Analysis

Based on the data and information, analysis will be done by using several models:

1. Internal Strategy factor matrix, which consists of:

Strength and Weaknesses factors from the company environment

2. External strategy factor matrix, which consist of:
 Opportunities and threats factor
3. SWOT matrix

4.4.1 Four steps of Swot Analysis:

1. First steps

Determining the internal factor in the company, which are the strength factor and the weaknesses factor compare to the same kind of business, and then determining the external factors, which are the opportunities factors, and the threats factor to the company in doing their business. Then, making table, in which the first table consist of the strength and weaknesses factor and in the second table consist of opportunities and threats factor.

2. Second steps

After classifying all factors as the strengths, weaknesses, opportunities and threats, and then in the second column of table, every factor is being given a value, starting from 1, 0 (most important) until 0, 0 (not important), according to the influence of that factor to the company (all of that value cannot be scored more than 1, 0).

3. Third steps

Calculating the rating or the score (in the third column) for each factor by giving a scale from 4 to 1 score from the internal and external factor.

Score 1: most uncompetitive

Score 2: uncompetitive

Score 3: equally competitive

Score 4: most competitive

And then we multiply the score and the value in the fourth column, the product of the multiplication is to place the company in the SWOT diagram

4. Fourth steps

Making comparison between product of multiplication of Strength and weaknesses score, Opportunities and threats score. If the score of the strength is more than the weaknesses score it can be said that the position of the company is stronger from its competitor and also in the other ways if the score of the strength is less than the score of weaknesses It means that the position of the company is weaker than its competitor. If the product of the multiplication from Opportunities score is more than the threats score, it means that the company has more opportunities than its competitor while the threat from other company is meaningless for the company. In the other way, if the product of multiplication of opportunities scores is less than the threats score, it means that the company losses in the competition of getting the opportunities.