

Chapter V

DATA ANALYSIS

5.1 Data Analysis

In order to determine the correct formulation of marketing strategy for the company, it needs to conduct data analysis process that can be seen through several steps, as follow:

5.1.1 Data Gathering

Data gathering is done by using research instrument, questionnaires, which are filled by the management staff of the company until the second level (supervisor). The total numbers of the respondent are 25 persons.

5.1.2 SWOT Analysis

a. First step

SWOT analysis is based on many internal and external factors of the company. The intention of SWOT analysis is to know the strength and the weaknesses of the company in order to be able to implement the correct competitive strategy for the company. This analysis is started by showing kinds of Internal Factor Analysis Strategic (IFAS) and also External factor Analysis Strategy (EFAS). The external factor is the business environment including the company operation which will make the opportunities and threats for the company in business. In this research, factors of the external

consist of inflation level, cooperation with other company, province economic potency, citizen composition, effect of product demand, government policy in export sector, market structure competition, and the quality of competitor's product. Internal factor consists of all kind of functional management which in the research consist of: market segment, product quality, service to the consumer, promotion, distribution channel, price level (marketing), production process, quality control, solvability and profitability (financial), the education level of the employee, product technology system (technology) and cooperation between teams, two way communication and the drive to change (company culture)

After determining Internal Factor Analysis Strategic (IFAS) and also External Factor Analysis Strategic (EFAS), the next step is to differentiate which internal factor is considered as the strength of the company and the weaknesses of the company, also the external factors which are considered as the opportunities factor and the threats factors for the company. The identification process based on the results of the questionnaire answer, with regulation as follow:

If the mean is bigger than the cut-of point which is 2,50, so it is categorized as the strength and the opportunities for the company. In return, if the mean is smaller, or the same with the cut of point which is 2,50, then it is categorized as the weaknesses and the threats for the company.

Here are recapitulation results of the respondent answer to the Internal Factor Analysis Strategic (IFAS) and the External Factor Analysis Strategic (EFAS) and also the identification process to the variable or factor that considered as the strength or weaknesses also the variable which considered as the opportunities or threats for the company.

Table 5.1
Internal Factor Analysis Strategic

Internal Strategy Factor		
Factor	Score	Status
Marketing		
Market Segment	3,56	Strenght
Product Quality	3,04	Strenght
Service to the customer	3,52	Strenght
Promotion	2,44	Weaknesses
Distribution Channel	2,40	Weaknesses
Price Level	3,28	Strenght
Production		
Production Process, Quality Control and Efficiency	3,28	Strenght
Financial		
Liquidity, Solvability and Rentability	2,48	Weaknesses
Human Resources		
Employees education level	2,32	Weaknesses
Development and training	2,28	Weaknesses
Technology		
Product technology system	3,00	Strenght
Corporate Culture		
Teamwork	3,12	Strenght
Two way communication	2,36	Weaknesses
Drive to change	2,44	Weaknesses

Table 5.2
External Factor Analysis Strategic

External Strategy Factor		
Factor	Score	Status
Economic Environment		
Inflation Rate	2,48	Opportunity
Cooperation with other company	2,36	Threat
Province economic potency	3,52	Opportunity
Technology Environment		
Technology in the textile industry	2,48	Threat
Social Environment		
Citizen composition	3,12	Opportunity
Effect on product demand	2,44	Threat
Government Environment		
Government policy in textile industry	3,28	Opportunity
Government policy in export sectors	3,36	Opportunity
Competitor Environment		
Market structure competition	3,28	Opportunity
Competitor quality product	3,44	Opportunity

b. Second and third step

After doing the process of variable identification which becomes the strength and weaknesses also the opportunities and threats for the company, then the next process is giving each variable a value according to the importance of each variable in relation to its contribution to the success of the company. The value of each factor is based on the subjectivity of the management of the company. The process of valuing is done in order to find the final number which is resulted from multiplying the score and value of each factor and this number becomes the grade of each factor in the process of determining the company's position. Here are the results of the variable's value and the multiplying of the value and the score of each variable.

Table 5.3
Calculation of Value and Score

Internal Factor	Value	Score	V*S
Strength			
Market Segment	0,07	3,56	0,25
Product Quality	0,08	3,04	0,24
Service to the customer	0,07	3,52	0,25
Price Level	0,05	3,28	0,16
Production Process, Quality Control and Efficiency	0,14	3,28	0,46
Product technology system	0,12	3,00	0,36
Teamwork	0,05	3,12	0,16
Summary			1,88
Weaknesses			
Promotion	0,05	2,44	0,12
Distribution Channel	0,05	2,40	0,12
Liquidity, Solvability and Rentability	0,12	2,48	0,30
Employees education level	0,05	2,32	0,12
Development and training	0,05	2,28	0,11
Two way communication	0,05	2,36	0,12
Drive to change	0,05	2,44	0,12
Summary			1,01
Position			0,87
Eksternal Factor	Value	Score	V*S
Opportunities			
Province economic potency	0,09	3,52	0,32
Citizen composition	0,10	3,12	0,31
Government policy in textile industry	0,10	3,28	0,33
Government policy in export sectors	0,10	3,36	0,34
Market structure competition	0,10	3,28	0,33
Competitor quality product	0,10	3,44	0,34
Summary			1,96
Threats			
Inflation Rate	0,08	2,48	0,20
CooPeration with other company	0,08	2,36	0,19
Technology in the textile industry	0,10	2,48	0,25
Effect on product demand	0,15	2,44	0,37
Summary			1,00
Position			0,96

c. Fourth step

From the result of the total calculation of score and value on the strength component, we get a number of 1, 88. Variables that had a big contribution to the strength of the company are market segment and service to the consumer, price level and production process, quality control and efficiency. While variable product quality, products technology system and cooperation between teams, give contribution relatively smaller. This means that main strength of the company is on the four variables (market segment and service to the consumer, price level and production process, quality control and efficiency). While the calculation result of the weakness component is 1,01. Variables that are considered as the main weaknesses factor of the company lie on the human resources which are education level of employee and development program and also training done by the company.

From the total result of calculation of score and value on the opportunities component, we get a number of 1.96. Variables that have big contribution to the opportunities for the company are province economic potency, quality of competitor product which is relatively lower compare to the quality of the company's product and government policies on export sector. Meanwhile, the other variables give relatively lower contribution to the company. This means that the biggest opportunity for the company are on the three variables above (province economic potency, quality of competitor product which is relatively lower compare to the quality of the company's product and government policies on export sector).

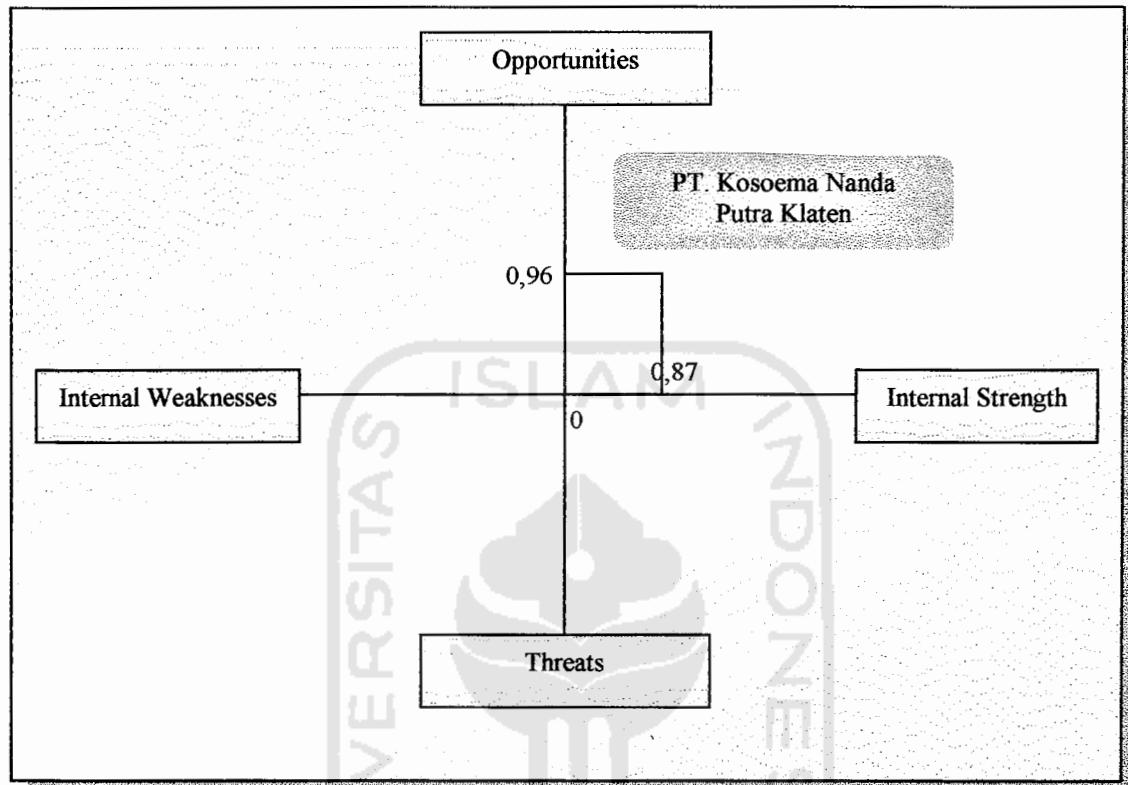
While the total calculation of the score and value on the threats component is 1.00. Variable that relatively become the threats for the company are on the level of inflation which is high and the development of textile technology that cannot be followed by the company.

According to SWOT analysis above, the coordinate for the SWOT table can be determined, as follow:

- X axis = Strength – Weaknesses = $1.88 - 1.01 = 0.87$
- Y axis = Opportunities – Threats = $1.96 - 1.00 = 0.96$

The coordinates above will be put in the SWOT diagram as seen in the picture 5.1. Horizontal axes on the diagram represent kind of internal strategy factor of the company which consists of Strength and Weaknesses of the company. While the vertical axis represent the external strategy factors which consist of opportunities and Threats faced by the company. Each quadrant has a different interpretation which means each quadrant also has a different implementation of strategy.

Figure 5.1
SWOT diagram of PT. Kosoema Nanda Putra Klaten



5.2 Interpretation and Strategy Formulation

From the result of data processing which is already done by using the SWOT analysis procedure, we get the coordinate point as follow:

- X axis = Strength – Weaknesses = $1.88 - 1.01 = 0.87$
- Y axis = Opportunities – Threats = $1.96 - 1.00 = 0.96$

From the result of the coordinate point above, if we put that in the SWOT analysis diagram, the company will be placed on the first Quadrant. First quadrant

gives a very advantage situation for the company, as the company has good opportunities and good internal strength, so that the company can use all the existed opportunities. Strategy that must be implemented in that condition is ***Growth Oriented Strategy***. The growth strategy is treated as the competitive strategy which will try to develop the company to be able to gain its long term goals. This must be done not only because the company's strategic position, but more than that, only with the Growth Oriented Strategy, the company can grow and in turn will make the company able to gain its goals, financial and strategic. This goal will never be achieved if the company only stops at the point where they only try to survive.

In brief, PT Kosoema Nanda Putra can choose and use one or combinations from all kind of growth strategic choices, such as: concentration, expanding market, product development, vertical integration, horizontal integration, concentric diversification, and conglomerate diversification.

The company is also able to plan growth strategy by three strategy alternative stated by Kotler (1997:77) in relation to the marketing strategy which will be done by the company in order to grow. The three growth strategies are:

1. **Intensive Growth**

This strategy is to identify opportunities to achieve further growth within the company' current business

2. **Integrative Growth**

This strategy is to identify opportunities to build or acquire businesses that are related to the company's current business.

3. Diversification Growth

This strategy is to identify opportunities to add attractive that are unrelated to the company's current business.

From the three alternative strategy options delivered by Kotler , with several consideration , especially to the financial capability and the quality of the human resources exist in the company , then the appropriate strategy to be use by the company is the first strategy , that is *Intensive Growth Strategy*.

To be able to implement the intensive growth strategy, the company's management must study whether there are significant opportunities and really relevant with the strength of the company to increase the work performance of the company's current business by: first the company will consider whether the company can gain a wider market with the existing product in the market (Market Penetration strategy). Then, the company staffs consider whether a new market that are potential for the existing market (Market Development Strategy). After that, it must consider whether it can be invented new product that is potential for the existing market (Product Development Strategy)

Market Strategy Penetration

Through this strategy, PT Kosoema Nanda Putra can use three major approaches to increase product's market share in their current market. First, the company could try to encourage its current costumer to buy more cloth by giving sales stimulus such as discount, ease in paying, and etc. Second, the company can try to attract the competitor's customer by trying to find the major weaknesses in the marketing

program of the competitor. Third, the company must ensure that people who haven't bought the company's product are interested to buy the product.

Market Development Strategy

Through this strategy, PT Kosoema Nanda Putra can look for new market whose needs might be met by the existing product. The steps to do that are: First, company might try to identify potential user groups in the current sales area whose interest can be stimulated. If the company has been selling to consumer markets, it might go after office and factory markets. Second, the company can create and look for additional distribution channel in its present location.

Product Development Strategy

Besides penetration strategy and market development, PT Kosoema Nanda Putra must consider the probability to produce new product. In this case, the company might try to make cloth that has really never been produced, including the material, colors, motif or even the combination of it.

To be able to gain more detail ideas about the appropriate strategy that must be implemented by PT Kosoema Nanda Putra Klaten, so the writer uses SWOT matrix. By using this matrix, the company can choose many alternative strategy possibilities (SO, ST, WO, and WT) and then can be synchronized with many growth strategy alternative options that have already been stated before. Choosing the alternative strategy is very much influenced greatly by internal factors that belong to the company, internal and weaknesses of the company, also the external factors,

opportunities and threats faced by the company. The reduction of PT Kosoema Nanda Putra Klaten SWOT matrix can be seen in picture 5.2 as follow.

Figure 5.2
PT. Kosoema Nanda Putra Klaten SWOT Matrix

IFAS	STRENGTHS (S)	WEAKNESSES (W)
EFAS	STRENGTHS (S) <ul style="list-style-type: none"> Market segment Product Quality Service to consumer Price level Production process, quality control and efficiency Product Technology System Cooperation between teams 	WEAKNESSES (W) <ul style="list-style-type: none"> Promotion Distribution channel Liquidity, Solvability and profitability Employee's education level Development and training Two way communication Drive to change
OPPORTUNITIES (O) <ul style="list-style-type: none"> Province Economic Potency Citizen Composition Government policy in textile sector. Government Policy in Export sector Market Structure Composition Competitor's Product quality 	SO STRATEGY <ul style="list-style-type: none"> - Increasing market Segment by using the citizen composition and the existing province economic potency - Maintain the product quality which is relatively better than competitor's product - Improvement on Production system, quality control, efficiency, and product technology system development by using the government policy support in textile and export sector. - Price level adaptation by seeing the competition structure in the market and the quality of the competitor's product 	WO STRATEGY <ul style="list-style-type: none"> - Make use of government policy ease on textile and export sector in increasing promotion and distribution channel work performance. - Making human resources up grading, fix the "two way communication" and "drive to change" culture to catch the market opportunities, in relation with the huge citizen composition - Improve the company's financial work performance
THREATS (T) <ul style="list-style-type: none"> Inflation rate Cooperation with other company Technology In The Textile Industry Effect on Product Demand 	ST STRATEGY <ul style="list-style-type: none"> - Improving product quality, service to consumer, and price adaptation to surpass low product demand - Improvement in team works, production process work performance, quality control and efficiency to surpass the arrears in the textile industry technology as a whole. 	WT STRATEGY <ul style="list-style-type: none"> - Improving human resources quality through training - Socializing the corporate culture to be better and more conducive - Cost reduction to decrease the company's financial work performance burden.

From the matrix above there are many possibilities of alternative strategy which can be chosen by PT. Kosoema Nanda Putra, they are:

1. SO Strategy

This strategy is made based on the company's thought that is to use all the strength of the company in order to make use all of the opportunities. In PT Kosoema Nanda Putra Klaten's case, they increase the market segment by using the citizen composition and existing province economic potency, maintaining the company's product quality that is better than the competitors, repair production system, quality control, efficiency, and product technology system development by applying of the government policy support in the textile and export sector and price level adaptation by seeing the competition structure in the market and the competitor's product quality.

2. ST Strategy

This strategy is to take advantage of all the Strength belongs to the company by avoiding threats. In PT. Kosoema Nanda Putra Klaten's case, they improve the product quality, service to consumer, price adaptation to surpass low product demand, improvement in teamwork, production process work performance, quality control and efficiency to surpass the arrears in the textile industry technology as a whole.

3. WO Strategy

This strategy is implemented based on taking advantage of the existing opportunities, by surpassing the weaknesses of the company. In PT Kosoema

Nanda Putra Klaten's case, they have done it by choosing more selective promotion media, applying the government regulation in doing promotion and upgrading the employees intensively to be able to catch high market growth opportunities.

4. WT Strategy

This strategy is based on the defensive activity and purpose to minimize the weaknesses also to avoid the existing threats. In PT. Kosoema Nanda Putra's case, there are several strategies that can be done by the company; for example by improving human resources quality through training socializing the corporate culture to be better and more conducive, by determining cost reduction to decrease the company's financial work performance burden.

From the four alternative strategy options above (SO, ST, WO and WT) the most appropriate strategy is the SO (*Strength – Opportunities*) Strategy. The company must apply the strategy considering that the position of the company is placed on the position where the company has opportunities and good internal strength. However, it does not mean that the company can neglect the other three alternative strategy options (ST, WO and WT). These three alternative approaches must also be considered as the “Back up Strategy” for the implementation of SO Strategy, but the main focus of the company is still by using SO strategy approaches, which is by creating sets of strategies using the internal strength of the company as a base to take advantage of existing business opportunities.