

Optimization of the Development Strategy for the Sidodadi Small Scale Tofu Industry in Tinalan, Kediri, to Enhance Competitiveness

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Informasi Artikel	ABSTRACT
Article History Received : December 20, 2024 Revised : January 07, 2025 Published : January 16, 2025	The problems faced by Sidodadi Kediri tofu small industry are the tight competition from similar products, lack of innovation of the product process, and lack of understanding of effective marketing techniques, this study aims to provide policy recommendations that can support the development of Sidodadi tofu small industry in an effort to improve competitiveness. The data collection process uses the delphi method, where the delphi method is a technique used to collect and analyze opinions from a group of experts or experts who are in accordance with the topic under study. The main purpose of this method is to reach an agreement on the development of the Sidodadi Tofu small industry to improve competitiveness. The approach used to solve this problem includes analysis using the IFE Matrix, EFE Matrix, IE Matrix, SWOT, and QSPM. The results of this study emphasize the importance of quality-based product innovation that can increase customer satisfaction and create a positive reputation. In addition, diversification of distribution channels is key to expanding market reach, by utilizing online sales and partnerships with various restaurants. By implementing these strategies, the Sidodadi Tofu industry is expected to improve its performance, competitiveness, and business sustainability in the future.
Keywords: <i>Strategy;</i> <i>SWOT;</i> <i>Tofu;</i> <i>QSPM.</i>	

INTRODUCTION

Small industries play a very important role in supporting the economy both at the regional and national levels, especially in creating jobs and optimizing the utilization of local resources (Purwito et al., 2024; Rozikin & Haris, 2021). In the Tinalan area, Kediri, one of the growing small industries is the tofu industry, with Sidodadi Tofu as one of its products. Tofu is a very popular food in Indonesia due to its delicious taste and good nutrition, as well as affordable price (Siregar et al., 2014; Soviyana et al., 2022). Although Sidodadi Tofu has quality products, the industry faces various challenges that hinder its growth and competitiveness in the market (Yuliani et al., 2024).

One of the main challenges facing Sidodadi Tofu is the lack of innovation in the production process. Many producers still use traditional methods that are less efficient, both in terms of time and resources, which results in suboptimal production results and higher costs compared to industries that have implemented modern technology (Umroh et al., 2020). In addition, many businesses lack an understanding of effective marketing techniques (Brina & Siahaan, 2024; Dewi & Fransiska, 2023). This causes them to not utilize digital marketing platforms, which are very important to reach a wider range of consumers (Awardani et al., 2024).

The tight competition from similar products also affects the competitiveness of Sidodadi Tofu (Sianturi, 2020). With the large selection of tofu products available on the market, consumers have many options, so Sidodadi Tofu must be superior in quality, price, and service. Product innovation is very important, such as creating new flavors or developing processed products from tofu that are more attractive to consumers (Aryani et al., 2023). However, without a clear strategy, these innovation efforts often do not produce the expected results.

Despite the challenges, the Sidodadi Tofu small industry has great potential to grow. The increasing public awareness of the importance of supporting local products opens up opportunities for market expansion, both at the regional and national levels (Janianda et al., 2024). The use of digital platforms for marketing can be a strategic solution to reach a wider range of consumers (Sofiyantu & Riofita, 2024).

Success in implementing the development strategy of the Sidodadi Tofu small industry is highly dependent on a deep understanding of the internal and external conditions faced. Therefore, SWOT analysis (Strengths, Weaknesses, Opportunities, Threats) and QSPM (Quantitative Strategic Planning Matrix) are important tools that can help the small tofu industry in Tinalan, Kediri, in developing an optimal marketing strategy. With the right approach, it is expected that Sidodadi Tofu can increase its competitiveness and contribute to the local economy.

RESEARCH METHODS

Data collection in this study used the delphi method. The delphi method is a decision-making technique that involves experts to provide opinions through a series of questionnaires (Yanuarico et al., 2024). This method is designed to reach agreement among experts by collecting, summarizing, and providing feedback on opinions that have been given previously (Lubis et al., 2024). While the sources in this study are experts who have expertise in the topic under study, namely the Office of Micro, Small and Medium Enterprises of Kediri City, the Chairman of the Tofu Small Industry Association in Tinalan Kediri City, and Sidodadi tofu small industry owner.

Analysis used with: 1) Internal Factor Evaluation (IFE) Matrix, used to evaluate internal factors (strengths and weaknesses) that affect the performance of Tofu small industries (Syafitri et al., 2023); 2) External Factor Evaluation (EFE) Matrix, used to evaluate external factors that can affect the Tofu Small Industry, such as opportunities and threats in the market (Alwi et al., 2024); 3) SWOT (Strengths, Weaknesses, Opportunities, Threats) Matrix, is a strategic analysis tool that helps identify and evaluate four important elements in an organization or company: strengths, weaknesses, opportunities, and threats (Anggreani, 2021; Widowati et al., 2022); and 4) QSPM (Quantitative Strategic Planning Matrix) Matrix, is a strategic analysis tool used to evaluate and select the best strategy from various alternative strategies resulting from SWOT analysis (Qanita, 2020; Raharjo & Hariastuti, 2024).

RESULTS AND DISCUSSION

Internal Factor Evaluation (IFE) Matrix

Internal Factor Evaluation (IFE) analysis, it is important to understand the quadrant positions that will help in the selection of appropriate strategies. This analysis provides a strong basis for formulating strategic measures that are in accordance with the internal conditions of the Sidodadi tofu small industry. Further explanation of the IFE calculation can be seen in Table 1.

Tabel 1. Internal Factor Evaluation (IFE) Matrix

Strength Factors	Weight	Rating	Score
Quality products	0.167	3.333	0.557
Local raw materials are easily available	0.150	3.000	0.450
Competitive price	0.200	4.000	0.800
Strong localized brand image	0.183	3.667	0.671
Total Strength Score			2.478

Weakness Factors			
Limited promotion	0.067	1.333	0.089
low education level	0.100	2.000	0.200
small production capacity	0.050	1.000	0.050
dependence on local market	0.083	1.667	0.138
Total Weakness Score			0.477
Total IFE Matrix			2.955

Table 1 shows that the total Internal Factor Evaluation (IFE), obtained a value of 2.955 with details are the total strength score is 2.478, and the total weakness score is 0,477. The high total strength score of 2.478 reflects that the industry has many positive aspects that can be utilized to improve competitiveness. On the other hand, the relatively low total weakness score of 0.477 indicates that although there are some challenges to be faced, their impact on the overall performance of the industry is not very significant. This provides an opportunity for the Sidodadi Tofu small industry to focus on developing strategies that capitalize on existing strengths and gradually address identified weaknesses.

External Factor Evaluation (EFE) Matrix

The purpose of the EFE analysis is to evaluate the extent to which the Sidodadi Tofu small industry can take advantage of opportunities and overcome threats from the external environment. A more detailed explanation of the EFE calculation can be seen in Table 2.

Table 2. External Factor Evaluation (IFE) Matrix

Opportunity Factors	Weight	Rating	Score
Growing consumer interest in traditional food	0.190	4.000	0.760
Government coaching programs and access to financing	0.175	3.667	0.642
Digital marketing technology	0.159	3.333	0.530
Collaboration opportunities with restaurants or culinary businesses	0.144	3.000	0.432
Total Opportunity Score			2.364
Threat Factors			
Competition for similar products is getting tougher	0.111	2.333	0.259
Raw material price fluctuations	0.079	1.667	0.132
Consumers tend to switch to more innovative products	0.079	1.667	0.132
Dependence on conventional distribution	0.063	1.333	0.084
Total Threat Score			0.607
Total EFE Matrix			2.971

The results of the EFE matrix analysis show a total opportunity score of 2,364 which reflects that Sidodadi Tofu has many opportunities to develop and increase its competitiveness in the market. By utilizing this opportunity, Sidodadi Tofu can expand its market reach and increase its sales. On the other hand, the relatively low total threat score of 0.607 indicates that although there are some challenges to be faced, the impact on industry performance is not too great. However, with a lower threat score compared to opportunities, Tofu Sidodadi is in a good position to overcome these challenges. Overall, the total EFE matrix score of 2,971 indicates that the industry has a strong response to external factors affecting its sustainability.

Internal External (IE) Matrix

The IE (Internal-External) matrix is a strategy analysis tool used to determine the position of a business or organization based on the results of the IFE (Internal Factor Evaluation) and EFE

(External Factor Evaluation) matrix scores. This matrix consists of nine cells grouped into three main strategies: Growth, Stability, and Retrenchment.

With a total IFE matrix score of 2,955 and EFE of 2,971, the sidodadi tofu small industry can be determined as follows: 1) X axis (IFE score): The value of 2.955 is in the “average” or “medium” category (range 2.0 - 3.0). This indicates fairly good internal strengths, but there are still weaknesses that need to be improved; and 2) Y-axis (EFE Score): The score of 2.971 is also in the “average” or “medium” category (range 2.0 - 3.0). This illustrates the organization's ability to adequately respond to opportunities and threats from the external environment.

		Total IFE		
		Strong 3.0 – 4.0	Medium 2.00 – 2.99	Weak 1.00 – 1.99
T o t a l E F E	High 3.00 – 4.00	I (Grow and Build)	II (Grow and Build)	III (Hold and Maintain)
	Medium 2.00 – 2.99	IV (Grow and Build)	V (Hold and Maintain)	VI (Harvest and Diverst)
	Low 1.00 – 1.99	VII (Hold and Maintain)	VIII (Harvest and Diverst)	IX (Harvest and Diverst)

Figure 1. IE Matrix

The IE (Internal-External) Matrix is a strategic tool that maps the position of an organization based on the total score of the IFE (Internal Factor Evaluation) and EFE (External Factor Evaluation) Matrices. Based on the total IFE Matrix score of 2,955 and the EFE Matrix of 2,971, the small industry is in cell V on the IE Matrix, which is the position in the middle of the matrix. This cell recommends a Hold and Maintain strategy.

Overall, this position indicates that the organization is in a fairly stable condition, but still has room for improvement both internally and externally. The right strategy will help the organization maintain competitiveness while still opening up opportunities for future growth.

Strengths, Weaknesses, Opportunities, Threats (SWOT) Matrix

The SWOT matrix assists organizations in formulating directed strategic steps based on internal and external conditions, so that the sidodadi tofu small industry can make more informed decisions to effectively achieve their goals. an explanation of the SWOT matrix can be seen in table 3.

Table 3. SWOT Matrix Analysis

Factor	Strength (S)			Weakness (W)
	Strategy SO			Strategy WO
Opportunity (O)	Improving Restaurants	Collaboration with		Collaborate with universities in creating production machines
	Using Digital Marketing Technology			
	Strategy ST			Strategy WT
Threat (T)	Quality-based Product Innovation			Diversification of Distribution Channels
	Local Image-Based Marketing Strategy			

The SO strategy focuses on utilizing strengths to take opportunities that arise. Tofu Sidodadi can collaborate with restaurants and other culinary businesses, utilizing quality products and a strong brand image. This cooperation can help expand the market and increase sales, thus

having a positive impact on business growth. In addition, by utilizing digital marketing technology, Tahu Sidodadi can reach a wider audience. Through digital platforms and social media, the company can increase awareness about their products, along with the increasing consumer interest in traditional food.

The WO strategy focuses on ways to overcome weaknesses in order to optimally utilize existing opportunities. Tahu Sidodadi can conduct training programs to improve the skills of business actors in marketing and management. With better knowledge, they can take advantage of government coaching programs and access to available financing to increase business effectiveness. In addition, collaborate with universities in creating production machines, so that Sidodadi Tofu can increase production capacity to meet increasing demand, especially from consumers who like traditional food.

The ST strategy aims to overcome existing threats by utilizing the strengths possessed by Sidodadi Tofu. In this case, the company can focus on developing product innovations that take advantage of the high quality of the tofu products produced. By creating interesting new variations, Sidodadi Tofu can remain relevant in the market despite facing increasingly fierce competition. In addition, the company can also implement marketing that emphasizes local image. By prioritizing the uniqueness and characteristics of local products, Sidodadi Tofu can attract the attention of consumers who prefer quality traditional products, so as to build customer loyalty amid threats from similar products.

The WT strategy focuses on reducing weaknesses while facing threats that might interfere with business continuity. Tahu Sidodadi can diversify its distribution channels to reduce dependence on conventional distribution methods. By exploring new channels, such as online sales, Tahu Sidodadi can reach more consumers and reduce the risks associated with fluctuating raw material prices. In addition, increased market research is also important so that the company can better understand consumer trends and preferences. With the right information, Tahu Sidodadi can adapt quickly to market changes and overcome weaknesses in limited promotion.

Quantitative Strategic Planning Matrix (QSPM) Matrix

The Quantitative Strategic Planning Matrix (QSPM) is an analytical tool used in strategic planning to help determine the most appropriate strategic priorities for an organization. This matrix allows for more objective decision-making by evaluating various strategies based on previously analyzed internal and external factors. an explanation of the QSPM matrix can be shown in table 4.

Table 4. QSPM Matrix Analysis

Factor Num.	Weight	1		2		3		4		5		6	
		A	TAS	A	TAS	A	TAS	A	TAS	A	TAS	A	TAS
		S		S		S		S		S		S	
Strength (S)													
1	0,167	4	0,67	4	0,67	3	0,50	4	0,67	3	0,50	4	0,67
2	0,150	3	0,45	4	0,60	4	0,60	4	0,60	3	0,45	4	0,60
3	0,200	4	0,80	3	0,60	4	0,80	4	0,80	3	0,60	3	0,60
4	0,183	3	0,55	3	0,55	3	0,55	4	0,73	4	0,73	4	0,73
Weakness (W)													
5	0,067	4	0,27	4	0,27	4	0,27	3	0,20	4	0,27	3	0,20
6	0,100	3	0,30	3	0,30	3	0,30	4	0,40	4	0,40	4	0,40
7	0,050	3	0,15	4	0,20	3	0,15	3	0,15	4	0,20	3	0,15
8	0,083	4	0,33	3	0,25	4	0,33	4	0,33	3	0,25	4	0,33
Opportunity (O)													
9	0,190	4	0,76	4	0,76	3	0,57	4	0,76	3	0,57	4	0,76
10	0,175	3	0,53	4	0,70	4	0,70	3	0,53	4	0,70	3	0,53
11	0,159	4	0,64	4	0,64	3	0,48	4	0,64	3	0,48	4	0,64
12	0,144	4	0,58	3	0,43	3	0,43	4	0,58	3	0,43	4	0,58
Threat (T)													

13	0,111	3	0,33	3	0,33	2	0,22	3	0,33	2	0,22	3	0,33
14	0,079	3	0,24	2	0,16	3	0,24	3	0,24	3	0,24	2	0,16
15	0,079	3	0,24	2	0,16	3	0,24	2	0,16	3	0,24	2	0,16
16	0,063	2	0,13	3	0,19	2	0,13	3	0,19	3	0,19	3	0,19
Total			6,95		6,80		6,50		7,30		6,46		7,02

Based on table 4 previously presented, we can identify several alternative strategies resulting from the calculation of the QSPM matrix, which can be seen in the table below.

Table 5. Results of Alternative QSPM Matrix Strategy

No.	Alternative Strategy	TAS score	Ranking
1	Improving Collaboration with Restaurants	6,95	3
2	Using Digital Marketing Technology	6,80	4
3	Collaborate with universities in creating production machines	6,50	5
4	Quality-based Product Innovation	7,30	1
5	Local Image-Based Marketing Strategy	6,46	6
6	Diversification of Distribution Channels	7,02	2

The results of the QSPM Matrix analysis resulted in six alternative strategies arranged by priority in order, namely Quality-based Product Innovation with a TAS score of 7.30, Diversification of Distribution Channels with a TAS score of 7.02, Increasing Collaboration with Restaurants with a TAS score of 6.95, Utilization of Digital Marketing Technology with a TAS score of 6.80, Collaborating with universities in creating production machines with a TAS score of 6.50, Local Image-Based Marketing Strategy with a TAS score of 6.46. Based on the TAS scores obtained, the strategies that researchers consider most appropriate to use and implement are Quality-based Product Innovation and Diversification of Distribution Channels.

Quality-based product innovation in the Sidodadi Tofu small industry is essential to improve competitiveness in the market. By focusing on the use of high-quality raw materials and hygienic production processes, Sidodadi Tofu can offer a more delicious and healthy product. In addition, the application of modern technology in tofu processing can improve product efficiency and consistency. Through attractive and environmentally friendly packaging innovations, the company can also attract consumer attention. With these efforts, Sidodadi Tofu not only increases customer satisfaction, but also strengthens the brand's position in local and regional markets.

Diversification of distribution channels in the Sidodadi Tofu small industry is an important strategy to reach more customers. By utilizing various channels, such as online sales, traditional markets, and partnerships with restaurants, Sidodadi Tofu can increase the accessibility of its products. In addition, collaborating with local distributors can expand market reach and facilitate distribution. The use of social media to promote the product can also attract younger consumers. Through this diversification, Tahu Sidodadi not only expands market share, but also increases sales potential and creates better relationships with customers.

CONCLUSION

Optimizing the development strategy of Sidodadi's small-scale tofu industry in Tinalan Kediri is essential to increase competitiveness in an increasingly competitive market. By focusing on quality-based product innovation, the company can offer products that are superior and meet consumer expectations. In addition, diversifying distribution channels will expand market reach and improve product accessibility. Collaborative efforts with restaurants and universities can also open up new opportunities for innovation and more effective marketing. Thus, the implementation of this strategy is expected to improve the performance and sustainability of the Sidodadi tofu industry.

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