

Strategy for Developing Smoked Fish Products in Increasing Business Revenue in North Semarang District

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Abstract--The Government's policy on the renewal and development of industrial areas in North Semarang District is an initial effort towards the establishment of the smoke center of the Bandarharjo fish. This research aims to analyze small business development Strategy micro fish smoke both from internal and external factors to determine the strategy in the development of smoked fish business in the Bandarharjo North District of Semarang. This research uses a quantitative approach. The population in this study was 25 smoked fish entrepreneurs in Bandarharjo. Data collection techniques by using interviews, documentation and questionnaires. The analytical techniques used are qualitative descriptive and SWOT analysis. The results showed that with SWOT analysis can be known internal factors of strength that have adequate capital, strategic location of fumigation operations and easily accessible and can build business with relevant agencies. Then the drawback is that the research and development of the business has not been conducted, the management information system has not run well and the financial reporting system. The opportunities offered are the economic growth of the city of Semarang increased and development and training of SMES by the government. Then the threat received was the rising price of raw materials. Advised to the business of smoked fish in Bandarharjo is a good relationship between smoked fish entrepreneurs to make innovations in producing smoked fish, financial management should be improved and applied in the business management system of smoke fish and can further expand the marketing so as to increase the production and business of smoked fish in the village Bandarharjo district of North Semarang.

Key words: Smoked fish, Strategy, SWOT.

I. INTRODUCTION

North Semarang District is a coastal area that has abundant marine products, so that most of the population earns their main livelihood as fishermen. Aside from being fishermen, some residents also cultivate their land as fish ponds. The famous centers of processed seafood products in North Semarang District are Smoked Fish, Presto Milkfish, Fish Skin Chips, Fish Crackers, and other processed fish. Smoked fish is the most dominant product compared to the others because it has a lot of demand. One of the reasons is that those who are able to win the buyers hearts are those who plan the process of selling their goods carefully and using the basics of good

marketing (Afridal, 2017). The support from North Semarang Subdistrict, especially for smoked fish / fish grilling products is also very helpful in the product introduction process. One form of support and appreciation for the creativity and innovation of SMEs members, North Semarang District provides a forum by providing a place (stand) to sell or display processed seafood products during events attended by guests from the City Government and the public.

Up to this time, the number of smoked fish/fish grill SMEs in Bandarharjo sub-district of North Semarang district is listed amount 25 active members. In running their business, SMEs always face various factors dealing with obtaining income, as Anoraga (2002: 250) stated that the problem factors faced by SMEs in running their businesses are marketing problems, partnership factors, and human resource factors. Meanwhile, J.B.Say (Mulyadi, 2008: 5) assumed that increase in production will always be accompanied by an increase in income. SMEs especially in Indonesia face two main problems in the financial aspect and star-cup capital as well as long-term financial and capital access. (James and Akrasanee in Tambunan and Asruni, 2012; Tambunan, 2002).

Problem Formulation

Based on the background of study, the problems are formulated as follows:

1. How are the internal factors which have strengths and weaknesses for smoked fish businesses in increasing business income in North Semarang District?
2. How are the external factors which become opportunities and threats for smoked fish businesses in increasing business income in North Semarang District?
3. How are the development strategies for smoked fish products in increasing business income in North Semarang District?

Research Objectives

The objectives of this study are: analyzing internal factors which have strengths and weaknesses for smoked fish business, analyzing external factors which become opportunities and threats for smoked fish business, analyzing development strategies for smoked fish products.

II. METHODS

The research method used in this study was descriptive qualitative. Sources of data in the study were selected using a purposive sampling technique. The sample criteria used in this study was members who have an initial capital less than Rp. 6,000,000. The population in this study was all members of smoked fish business cluster, amounting to 25 SME members in Bandaharjo sub-district, North Semarang District.

Data Analysis Method

Analysis of Internal and External Factors

SWOT analysis was used to find out what strategies will be used. The matrix below can produce 4 alternative possible cells, namely: Strength Opportunities Strategy, Strength Threats Strategy, Weakness Opportunities Strategy, and Weakness Threats Strategy.

III. RESULTS AND DISCUSSION

Formulation of Smoked Fish Business Development Strategy in North Semarang District

Internal and external environmental analysis can identify the following strengths, weaknesses, opportunities and threats:

- a. Internal Factors that make Strength and Weakness of Smoked Fish Business in Bandarharjo Sub-district. The analysis of the internal environment produced six strengths and five weaknesses, which each of them must be addressed properly in order to take advantage of opportunities and overcome threats. In the analysis of internal environment, namely the trends of online sales were very helpful for entrepreneurs in selling or marketing their products. Because the lack of media mastery has an impact on marketing. (Fadilah Andi, et al 2018). The summary of strengths and weaknesses from internal factors can be seen in Table 1.

Table 1. The Analysis Results of Internal Factors of the Smoked Fish Business in Bandarharjo Sub-district

Indicator	Strength	Weakness
Marketing	1. Marketing is carried out in a modern way	-
Management	2. The management system is implemented by the business owner properly 3. Establish good cooperation with relevant agencies	-
Finance	4. Adequate capital	1. Financial accounting system is not optimal 2. Relatively high business costs
Operation	5. Strategic fumigation operational locations and easy to reach 6. Adequate business support facilities	-
Research and development	-	3. Research and development have not been conducted 4. Research is not optimal
Information Systems	-	5. Management information system has not been running well

Source: Primary data processed in 2020

- b. External Factors that make Opportunities and Threats for Smoked Fish Business in Bandarharjo Sub-district, North Semarang District

The results of external factors analysis showed that there were five opportunities that could be exploited and six threats that had to be

overcome by smoked fish businessmen in Bandarharjo Sub-district. A number of opportunities and threats obtained from the analysis include economic, social, cultural and technological aspects. Opportunities and threats are summarized in the following table 2.

Table 2. The Analysis Results of External Factors of Smoked Fish Business in Bandarharjo Sub-district

Indicator	Opportunity	Threat
Economy	1. The economic growth of Semarang City is increasing	1. The price of raw materials fluctuates and tends to increase
Social	2. The increase in consumption and raw materials 3. The population is increasing	-
Culture	4. The habits of Semarang City society in consuming fish or processed seafood	2. Financial accounting system is not optimal 3. Relatively high business costs
Technology	-	4. The development of information and communication technology is very fast
Politics, Government	5. SMEs training and coaching from the government	6. Society assessment towards the existence of SMEs
Competition of similar companies	-	7. Market price competition
New competitor	-	8. There are no barriers to entry for new competitors
Strong big traders	-	9. Wholesalers or product collectors are very strong

Source: Primary data processed in 2020

Strategy for Smoked Fish Business Development in Bandarharjo Sub-District, North Semarang District

1) SWOT Analysis

SWOT stands for Strengths, Weaknesses, Opportunities and Threats (Grant, 2007). SWOT analysis organizes the main strengths, weaknesses, opportunities and threats into an organized list and is usually presented in a simple grid. The formulation of each strategy refers to the position results obtained from the IE matrix, namely keep and maintain with a general strategy for market penetration and product development. Strategy formulation is the development of a long-term plan for effective management of environmental opportunities and threats, seen from the strengths and weaknesses of the company. The strategies formulated become more specific depending on the management functional activities (Hunger and Wheelen, 2003).

Analysis of IFE (Internal Factor Evaluation) Matrix

Weighting on the strength and weakness indicators carried out by the paired comparison method. IFE (Internal Factor Evaluation) matrix calculation results showed the total weighted value of internal strategic factors was 2,417. This indicates that the internal position of smoked fish business in Bandarharjo Sub-district is above

average in utilizing its strengths and overcoming its internal weaknesses.

2) Analysis of EFE (External Factor Evaluation) Matrix

The external conditions faced by the smoked fish business in Bandarharjo Sub-district are illustrated by the results of EFE (External Factor Evaluation) matrix analysis. The total weighted value of EFE matrix for smoked fish business in Bandarharjo Sub-district is 2,538. This means that the external position of smoked fish business in Bandarharjo is still above average in utilizing opportunities and avoiding external threats.

3) Analysis of IE (Internal - External) Matrix

The results of the IFE and EFE matrices in the form of a total weighted value are mapped into the IE matrix. The total weighted value of IFE is mapped on the X axis, while the total weighted value of EFE is mapped on the Y axis. Based on the results of the mapping, the position of smoked fish business cells in Bandarharjo Sub-district can be determined in order to direct to the next strategy that must be implemented.

The mapping results of the IFE and EFE weighted value can be seen in the IE matrix of smoked fish business in Bandarharjo Sub-district. The IFE total weighted was 2,418 (average) and the EFE total weighted was 2,581 (medium), which placed smoked fish business in Bandarharjo Sub-

district in cell V. These results indicate that smoked fish business is in the keep and maintain condition. In this cell, a common strategy used is market penetration and product development (Rusdarti, 2015). Market penetration is an effort to increase market share of a product or service through a more vigorous marketing effort (David, 2006: 233). A very tight competition in the smoked fish business in Bandarharjo Sub-district become more aggressive in penetrating the market. Meanwhile, the product development strategy refers to a strategy to increase sales by improving or modifying existing products or services (David, 2006: 233).

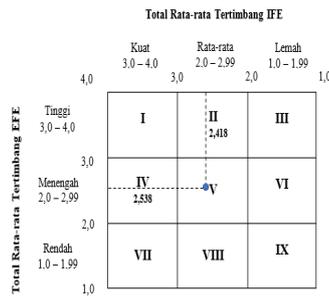


Figure 1. Mapping Results of IE Matrix Analysis. Source: Primary data processed in 2020

4) SWOT Matrix Analysis

This SWOT matrix can produce four possible alternative cell strategies. The S-O strategy requires companies to be able to utilize opportunities through their internal strength. The W-O strategy requires companies to minimize weaknesses in order to exploit opportunities. The S-T strategy is used to optimize strength in avoiding threats and WT strategy is used to minimize weaknesses and avoid threats (Rangkuti, 2006). Matching internal key factors (strengths and weaknesses) and external key factors (opportunities and threats) is an effective strategy to produce a more viable strategy (David, 2009: 327). The formulation of each strategy refers to the position results obtained in the IE matrix, namely keep and maintain using a general strategy for market penetration and product development. Strategy formulation is the development of a long-term plan for effective management of environmental opportunities and threats, seen from the strengths and weaknesses of the company. Discussion of alternative strategies produced by the SWOT matrix presented in table 3.

Table 3. Determination of the Strategy produced by the SWOT matrix (Source: Primary data processed in 2020)

	Strengths	Weaknesses
	IFAS <ol style="list-style-type: none"> Marketing is carried out in a modern way The management system is implemented by the business owner properly Adequate capital The operational location is not optimal Adequate business support facilities Establishing business with related institutions 	<ol style="list-style-type: none"> Cooperative research is not optimal Research and development have not been conducted Management information system has not been running well Financial accounting system is not optimal Relatively high business costs
Opportunities	SO Strategy	WO Strategy
<ol style="list-style-type: none"> Economic growth in Semarang City is increasing Increase on consumption and raw materials The population is increasing SMEs Coaching and training given by the government 	<ol style="list-style-type: none"> Develop a promotion strategy that can increase sales Managing the fumigation area into a smoked fish craftsman tourism area and culinary tourism by offering food from processed smoked fish to become a special cuisine and can increase the selling value 	<ol style="list-style-type: none"> Developing the employees ability to be more optimal in every job they do Establish good cooperation among business members of the smoked fish in managing the smoked fish business
Threats	ST Strategy	WT Strategy
<ol style="list-style-type: none"> The price of raw materials fluctuates and tends to increase The development of information and communication technology is very fast Market price competition There are no barriers to entry for new competitors Wholesalers or product collectors are very strong Community assessment towards the existence of SMEs 	<ol style="list-style-type: none"> Improve the management systems for controlling raw material inventories to avoid price competition Establish good cooperation with suppliers of raw materials in order to get its good quality 	<ol style="list-style-type: none"> Improve managerial ability of business owners Maintain continuity of raw materials in increasing production by adding other types of fish that can be processed become smoked fish products.

IV. CONCLUSION

The conclusions that can be drawn based on the results of the study are as follows:

1. Strengths owned by smoked fish business in Bandarharjo Sub-District successively from the largest are marketing carried out in a modern way, business owners implement good management system, adequate capital, strategic location of fumigation operations and easily accessible, adequate business supporting facilities, and establish good cooperation with relevant agencies. While five things that indicate weaknesses include cooperative research that has not been optimal, research and development has not been carried out, management information systems have not been running well, financial accounting systems have not been optimal and business costs are relatively high.
2. Opportunities faced by the smoked fish business in Bandarharjo Sub-District, North Semarang District include economic growth in Semarang City, increase on consumption and raw materials, habits of Semarang City society in consuming fish or processed seafood, increasing population, MSMEs coaching and training given by the government.
3. The suitable strategy applied by smoked fish business in Bandarharjo Sub-district, North Semarang District in order to develop their products according to IE matrix analysis is a market penetration strategy or product market share and product development. (Anwar, 2007). The implementation of this strategy is using SWOT matrix, namely developing promotional strategies that can increase sales, manage the fish fumigation area into smoked fish artisans and culinary tourism areas.

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