



Formulation of Business Strategies to Enhance Competitiveness at Zazil Bakery Store Maros

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Abstract. This research aims to formulate an appropriate business strategy to enhance the competitiveness of Zazil Bakery Maros. The bakery business competition in Maros Regency has become increasingly intense with the emergence of many similar enterprises, requiring Zazil Bakery to develop effective strategies to survive and grow. The study employs a descriptive qualitative approach, with data collected through observation, interviews, and documentation. Data analysis is conducted using SWOT analysis to identify the company's strengths, weaknesses, opportunities, and threats. The results indicate that the main strengths of Zazil Bakery lie in its high-quality products, simple production process, and diverse bread variations, while its weaknesses include short product shelf life and relatively high prices. The opportunities come from its strategic location and the growing consumer interest in bakery products, whereas threats arise from the high level of competition and the entry of new competitors. Based on the results of the Internal Factor Analysis Summary (IFAS) and External Factor Analysis Summary (EFAS), the IFAS score of 2.883 indicates that the company's internal condition is fairly strong. Therefore, the most suitable strategy to implement is the SO (Strength–Opportunities) strategy, which focuses on utilizing the company's strengths to seize market opportunities by improving product quality, expanding online marketing, and maintaining customer loyalty.

Keywords: *Business Strategy, Competitiveness, SWOT Analysis.*

1 Introduction

The food industry is one of the most promising sectors in Indonesia and globally due to its direct relation to people's daily needs. The continuous growth of Indonesia's population increases the demand for food products, creating broad business opportunities for local entrepreneurs. However, the rapid rise in the number of businesses in this sector also leads to intense competition. In such a competitive environment, business owners must adopt effective and efficient operational strategies to sustain their businesses. A well-formulated business strategy allows companies to position themselves competitively and achieve long-term goals.

In the bakery industry, competition is particularly high as the production process is relatively simple and accessible to many small and medium-sized enterprises (SMEs). This is evident in Maros Regency, South Sulawesi, where numerous bakery businesses

operate within close proximity. One such business is Zazil Bakery Maros, a well-known local bakery that faces tight competition from several other bakeries within a 500-meter radius. To remain competitive, Zazil Bakery focuses on maintaining product quality and customer satisfaction.

Nevertheless, despite its strengths such as high-quality products and a strategic location Zazil Bakery still faces weaknesses, including limited product durability and relatively high pricing. In addition, external threats such as the entry of new competitors and changing consumer preferences pose significant challenges. Therefore, it is essential for Zazil Bakery to formulate a business strategy that leverages its strengths and opportunities while minimizing weaknesses and threats.

This study aims to formulate an appropriate business strategy to enhance the competitiveness of Zazil Bakery Maros. The research employs SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats) as a tool to assess internal and external factors influencing the business environment. By doing so, the study intends to provide practical recommendations that can help Zazil Bakery improve its market position and maintain sustainable business growth amidst increasing competition in the bakery industry of Maros.

2 Literature Review

2.1 Strategy

According to Marrus (2002:31), strategy is defined as a process of determining the plans of top leaders that focuses on the long-term goals of an organization, accompanied by the formulation of ways or efforts to achieve those goals. Tjiptono (2006:3) states that the term “strategy” originates from the Greek word *strategia*, which means the art or science of being a general. In a business context, it refers to a plan for allocating and utilizing resources to achieve specific objectives. David (2011) explains that strategy is a means to achieve long-term goals. Business strategies may include geographic expansion, diversification, acquisitions, product development, market penetration, retrenchment, divestiture, liquidation, and joint ventures. Strategy therefore involves potential actions that require major managerial decisions and significant organizational resources.

2.2 Competitiveness

Frinces (2011) adds that competitiveness reflects an organization’s capacity to maintain a sustainable position in the market through superior resources and performance. Competitiveness is an effort that business or economic actors must undertake in order to remain sustainable in carrying out their activities (Sulistiyani et al., 2020).

2.3 Competitive Strategy

The definition of Competitive Marketing Strategy, or competitive strategy, is the combination of the ends (objectives) pursued by the company and the means (policies) through which the company strives to reach them (Porter, 2001). Competitive strategy is the set of approaches and actions taken by a company to become superior to its

competitors through differentiation, low cost, or a focus on specific market segments (David, 2011). Competitive strategy is a theory of how a company can achieve competitive advantage by leveraging its internal resources and capabilities (Barney & Hesterly, 2015).

2.4 SWOT Analysis

According to Rangkuti (2013), SWOT analysis is a strategic planning tool used to evaluate a company's internal strengths and weaknesses, as well as external opportunities and threats. Galavan (2014) states that SWOT enables organizations to align their strategies with market realities, while Fatimah (2016) highlights its role in identifying critical issues and strategic priorities.

2.5 SWOT Matrix

The table below illustrates the SWOT matrix, which consists of nine cells: four main factor cells, four strategy cells, and one empty cell (the upper-left corner). The four strategy cells labeled SO, WO, ST, and WT are developed after completing the four key factor cells labeled S (Strengths), W (Weaknesses), O (Opportunities), and T (Threats). These eight steps are necessary to construct the SWOT Matrix. In addition, it is important to include notes in the format "S1, O2," after each resulting strategy (Rangkuti, 2013).

Table 1. SWOT Matrix Scheme

	Strengths (S) List of Strengths	Weaknesses (W) List of Weaknesses
Opportunities (O) List of opportunities	SO Strategies Use strengths to take advantage of opportunities	WO Strategies Overcome weaknesses by utilizing opportunities
Threats (T) List of threats	ST Strategies Use strengths to avoid threats	WT Strategies Minimize weaknesses and avoid threats

3 Methodology

3.1 Research Design

This study employs a descriptive qualitative research design. According to Sugiyono (2018), qualitative research is a method used to examine the condition of natural objects, where the researcher is the key instrument. The purpose of descriptive qualitative research is to describe and understand phenomena based on the perspectives and experiences of the subjects being studied.

In this research, the qualitative descriptive approach is used to obtain a comprehensive understanding of the business strategies implemented by Zazil Bakery Maros in increasing its competitiveness. The research focuses on identifying internal and external factors affecting the business and formulating strategies using SWOT analysis.

3.2 Data Collection Techniques

Data were collected using the following techniques:

1. Observation
The researcher observed business activities, production processes, and marketing practices at Zazil Bakery to gain direct insight into the company's operations.
2. Interview
Semi-structured interviews were conducted with the owner and employees of Zazil Bakery to obtain detailed information about business practices, internal strengths and weaknesses, and external challenges.
3. Documentation
Supporting documents such as photos, company profiles, sales data, and promotional materials were collected to validate findings from observations and interviews.

3.3 Data Analysis Technique

The data analysis in this study was carried out through three stages based on the model of Miles and Huberman (1992):

1. Data Reduction
Summarizing, selecting, and focusing on relevant data related to business strategy formulation.
2. Data Display
Presenting data in a structured form, such as tables, matrices, and narrative descriptions to simplify interpretation.
3. Conclusion Drawing and Verification
Drawing conclusions from analyzed data and verifying them with field findings to ensure accuracy and validity.

Additionally, the study employs SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats) as a strategic analysis tool. The SWOT matrix helps identify internal and external factors influencing the company's competitiveness and assists in formulating appropriate strategies to improve performance.

4 Results

4.1 Informant Profile

In qualitative research, informants serve as the primary source of data. They were selected based on their direct relevance to the research problem. This study involved two key informants and four additional informants. The key informants were interviewed and given questionnaires, while the other informants received only questionnaires.

Table 2. Informant Profile

No	Initial Name	Gender	Subject	Information
1	MMU	Male	Manager	Key Informant
2	AS	Male	Head of Production	Informant
3	NS	Female	Shop Head	Informant
4	S	Female	Customer	Key Informant
5	RPS	Female	Customer	Informant
6	R	Female	Customer	Informant

Based on the table, there are two key informants and four informants, consisting of one manager, one production head, one store head, and three customers. Thus, the total number of informants in this study is six individuals.

4.2 SWOT Analysis for Identifying Internal and External Factors of Zazil Bakery Maros

A SWOT analysis was conducted to identify the strengths, weaknesses, opportunities, and threats of Zazil Bakery Maros. The data were obtained through interviews and questionnaires with the manager, store head, production head, and customers.

1. Internal Factors

The strengths include high-quality and halal-certified bread, easy production supported by modern machines, a wide variety of products, combined online-offline sales, and effective working capital management. The weaknesses are short product shelf life, relatively higher prices than competitors, and limited employee training.

2. External Factors

The opportunities include a strategic location near main roads and malls, friendly customer service, and easy online ordering. The threats involve close proximity to competitors, lower competitor prices, and the emergence of many new bakery businesses.

4.3 Opportunities and Threats for Zazil Bakery Maros in Increasing Competitiveness Using Porter's Five Forces Analysis

1. Threat of New Entrants

Based on interviews with the manager of Zazil Bakery Maros, new entrants face significant challenges entering this industry because it requires substantial capital. Additionally, new entrants must carry out intensive marketing efforts to attract customers so they can compete with existing competitors.

2. Threat of Substitute Products or Services

The manager stated that substitute products are a strong threat and must be

carefully anticipated. Therefore, Zazil Bakery Maros must consistently maintain the quality of its bread so that customers remain loyal.

3. Bargaining Power of Buyers

According to the manager, Zazil Bakery Maros addresses buyer bargaining power by offering more affordable prices than competitors, ensuring customers continue choosing Zazil's products. In other words, Zazil Bakery Maros must provide more economical pricing compared to its rivals.

4. Bargaining Power of Suppliers

The manager explained that the bakery has a good relationship with its suppliers, making supplier bargaining power a non-threatening factor for Zazil Bakery Maros.

5. Rivalry Among Existing Competitors

The manager noted that competition within the same industry poses a strong threat to Zazil Bakery Maros. Therefore, the bakery must consistently maintain product quality and offer competitive prices to remain able to compete effectively.

4.4 Internal and External Factor Matrix (IFAS and EFAS)

1. Internal Factor Analysis (IFAS) Matrix

The IFAS matrix is used to determine the extent of the role of internal factors at Zazil Bakery Maros. Weights are assigned on a scale from 0.0 (not important) to 1.0 (very important) and ratings from 1 (weak) to 4 (very strong).

Table 3. Results of the Questionnaire for Determining the Weighting of Internal Factors

	Internal Factors	Weight			Average	Mark Weight
		R1	R2	R3		
Strengths						
1	High quality bread	4	4	5	4.3	0.138
2	Easy production process	5	5	4	4.7	0.149
3	Various bread variants	5	4	5	4.7	0.149
4	Online and offline sales	4	3	5	4.0	0.128
5	Good management of working capital	4	4	5	4.3	0.138
Weaknesses						
1	Products have a short shelf life	4	4	3	3.7	0.117
2	Prices are relatively high compared to competitors	3	2	3	2.7	0.085

3	Lack of employee training	3	3	3	3.3	0.096
Total					31.3	1.0

Source: Zazil Bakery Maros Questionnaire.

Table 4. Results of the Questionnaire for Determining the Rating of Internal Factors

Internal Factors	Rating			Average	
	R1	R2	R3		
Strengths					
1	High-quality bread	4	3	3	3.3
2	Easy production process	3	4	3	3.3
3	A wide variety of bread variants	3	3	3	3.0
4	Both online and offline sales	3	3	3	3.0
5	Good working capital management	3	3	3	3.0
Weaknesses					
1	Products have a short shelf life	2	3	2	2.3
2	Prices are relatively high compared to competitors	3	3	2	2.7
3	Lack of employee training	2	2	2	2.0

Source: Zazil Bakery Maros Questionnaire.

Table 5. IFAS Matrix of Zazil Bakery Maros

Internal Factors	Weight	Rating	Weighted Score (W*R)	
Strengths				
1	High-quality bread	0.138	3.3	0.455
2	Easy production process	0.149	3.3	0.492
3	A wide variety of bread variants	0.149	3	0.447
4	Online and offline sales	0.128	3	0.384

5	Good working capital management	0.138	3	0.414
Weaknesses				
1	Products have a short shelf life	0.117	2.3	0.269
2	Prices are relatively higher compared to competitors	0.085	2.7	0.230
3	Lack of employee training	0.096	2	0.192
Total		1.0		2.883

Source: Results of the questionnaire on weighting and rating of internal factors

Based on the results of the IFAS Matrix table, it is known that the IFAS value is 2.883, which means that Zazil Bakery Maros is at an average point in its efforts to implement a strategy of utilizing its strengths to overcome its weaknesses.

2. External Factor Analysis (EFAS) Matrix

The EFAS matrix is used to determine the extent of the role of external factors at Zazil Bakery Maros. Weights are assigned on a scale from 0.0 (not important) to 1.0 (very important) and ratings from 1 (weak) to 4 (very strong).

Table 6. Results of the Questionnaire on Determining the Weighting of External Factors

External Factors	Weight			Average	Weighted Score	
	R1	R2	R3			
Opportunities						
1	A strategic location close to the mall and main road	5	4	4	4.3	0.178
2	Providing friendly and polite service	4	4	5	4.3	0.178
3	Ease of ordering	4	5	4	4.3	0.178
Threats						
1	The distance between the store and competitors is relatively close	4	4	3	3.7	0.151
2	Competitors offer relatively lower prices	5	3	4	4.0	0.164
3	The emergence of new competitors	4	3	4	3.7	0.151

Total	24.3	1.0
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Source: Zazil Bakery Maros Questionnaire.

Table 7. Results of the Questionnaire on Determining the Rating of External Factors

External Factors	Rating			Average	
	R1	R2	R3		
Opportunities					
1	Strategic location	3	3	3	3.0
2	Providing friendly and polite service	3	4	3	3.3
3	Ease of ordering	3	3	3	3.0
Threats					
1	The distance between the store and competitors is relatively close	3	3	3	3.0
2	Competitors offer relatively lower prices	3	2	3	2.7
3	The emergence of new competitors selling similar products	3	3	2	2.7

Source: Zazil Bakery Maros Questionnaire.

Table 8. EFAS Matrix of Zazil Bakery Maros

External Factors	Weight	Rating	Weighted Score (B*R)	
Opportunities				
1	Strategic location	0.178	3	0.534
2	Providing friendly and polite service	0.178	3.3	0.587
3	Ease of ordering	0.178	3	0.534
Threats				
1	The distance between the store and competitors is relatively close	0.151	3	0.453

2	Competitors offer relatively lower prices	0.164	2.7	0.443
3	The emergence of new competitors selling similar products	0.151	2.7	0.408
Total		1.0		2.959

Source: Results of the weighting and rating questionnaire for external factors

Based on the results of the EFAS Matrix table, it is known that the EFAS value is 2.959, which means that Zazil Bakery Maros Store is at an average point in its efforts to implement strategies to take advantage of opportunities and avoid threats.

4.5 Results of the Internal–External (IE) Matrix

The Internal–External (IE) matrix is a strategic management tool used to analyze business performance conditions and strategic positioning. The IE matrix is based on the analysis of internal and external business factors combined into a single suggestive model. The following is the IE Matrix of Zazil Bakery Maros.

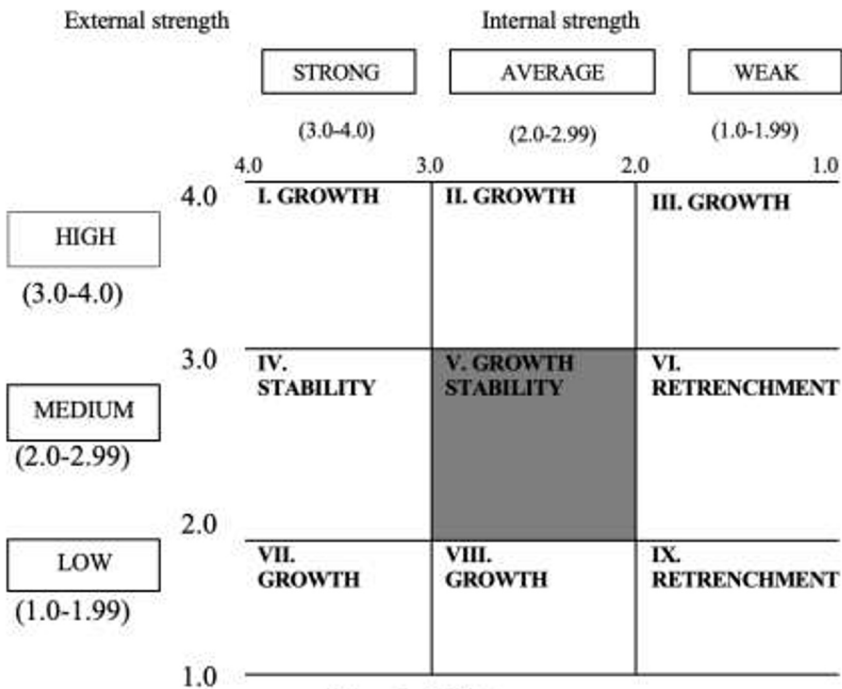


Fig. 1. IE Matrix

Based on the results of the IE Matrix, Zazil Bakery Maros is positioned in Quadrant V, with a total IFAS score of 2.883 and a total EFAS score of 2.959. Companies located

in Quadrant V are in a growth stage, particularly in terms of product quality, service, and marketing performance. This growth can be achieved by developing new products, expanding production facilities, and increasing access to broader markets.

Consequently, the recommended strategy to implement is a growth strategy through Horizontal Integration. Horizontal Integration involves expanding the bakery business by opening additional locations and increasing product variety. This expansion can also create new job opportunities. The main objective is to prevent loss of sales by expanding market reach.

4.6 Cartesian Diagram of SWOT Analysis

The total score values of each factor can be detailed as follows:

Table 9. Total Score of Each Factor

Strength	2,192
Weakness	0,691
Opportunity	1,655
<i>Threat</i>	1,304

Table 10. Score Differences

Factor	Value	Difference
strength – weakness	2,192 – 0,691	1,501
opportunity – threat	1,655 - 1,304	0,351

Thus, the difference in the total score between the strength and weakness factors is (+)1.501, while the difference in the total score between the opportunity and threat factors is (+)0.351. The following is the Cartesian diagram of the SWOT analysis.

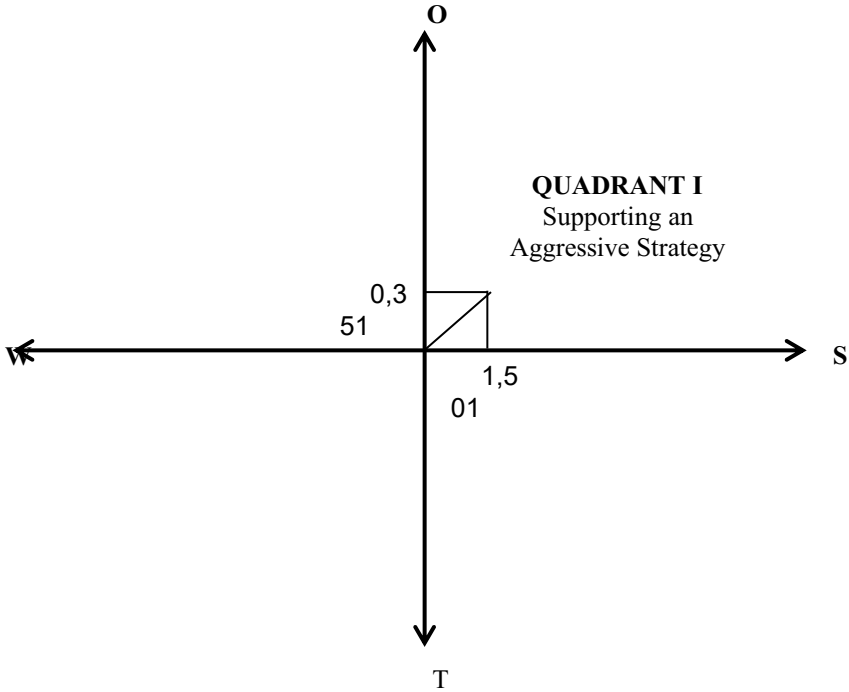


Fig. 2. Cartesian Diagram of the Analysis

From the Cartesian diagram, it is clearly shown that Zazil Bakery Maros is positioned in the first quadrant, which represents an aggressive strategy quadrant a very favorable situation. The business possesses strong internal capabilities that enable it to fully capitalize on existing opportunities. The appropriate strategy to apply in this condition is to support an aggressive growth-oriented strategy. This strategy reflects a strong and capable company that can continue to expand by seizing available opportunities to achieve maximum revenue. Through this strategy, the competitiveness of Zazil Bakery Maros can be significantly improved.

4.7 SWOT Matrix

The SWOT Matrix is a tool used to assess the strategic factors of a company. This matrix clearly illustrates the external opportunities and threats it faces. The SWOT Matrix produces four possible alternative strategic cells, which can be seen in the table below.

5 Discussion

Based on the analysis of the SWOT matrix results, it is shown that the company's performance is determined by a combination of internal and external factors. This combination is illustrated in the SWOT analysis diagram. The following is the author's analysis based on the SWOT matrix:

1. SO Strategy (Strength – Opportunity)

This strategy combines internal strengths with external opportunities. It is formulated based on the idea of utilizing all strengths to capture and maximize available opportunities. The SO strategies implemented by Zazil Bakery Maros are:

- a. Increasing market share by maintaining product quality.
- b. Maintaining and improving service quality to ensure customer loyalty in both offline and online stores.
- c. Maintaining IT capabilities and financial strength to enhance customer service satisfaction.

2. ST Strategy (Strength – Threat)

This strategy combines internal strengths with external threats. It utilizes the company's strengths to overcome external threats. The ST strategies implemented by Zazil Bakery Maros are:

- a. Maintaining and improving product quality through innovation and product creativity.
- b. Enhancing and sustaining broad marketing efforts through offline and online stores to make products more widely recognized by consumers.

3. WO Strategy (Weakness – Opportunity)

This strategy combines internal weaknesses with external opportunities and focuses on reducing weaknesses by leveraging existing opportunities. The WO strategies implemented by Zazil Bakery Maros are:

- a. Utilizing the strategic location to increase sales so that products sell faster.
- b. Leveraging value added elements such as friendly service and easy ordering to compete with competitors, even with relatively higher prices.
- c. Conducting and participating in employee training programs to improve the company's management capabilities.

4. WT Strategy (Weakness – Threat)

This strategy combines internal weaknesses with external threats and is defensive in nature, aiming to avoid threats while minimizing weaknesses. The WT strategies implemented by Zazil Bakery Maros are:

- a. Improving the company's management capabilities to strengthen competitiveness.
- b. Providing consumers with price options from standard market prices to higher prices supported by better packaging and product value additions.

6 Conclusion

Based on the IFAS and EFAS analysis, Zazil Bakery Maros is in an average position in utilizing its strengths and opportunities while addressing its weaknesses and threats. The IE Matrix places the bakery in quadrant V, indicating a growth phase; therefore, the appropriate strategy is growth through horizontal integration, such as expanding to new locations and adding product variations. The Cartesian diagram positions the bakery in the aggressive quadrant, showing a highly favorable condition for implementing an aggressive growth strategy. The SWOT analysis generates several strategic alternatives, particularly improving product quality, enhancing services, leveraging strategic location, fostering innovation, and strengthening managerial capabilities. Overall, the most relevant strategy is the SO strategy, which focuses on utilizing the company's strengths to seize opportunities, especially by increasing market share and optimizing online sales, which offer greater flexibility and align with modern consumer needs.

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