Competitiveness Strategy Analysis With SWOT Approach Of Grocery Stores Islamic Business Perspective

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Abstract: The grocery store became one of the UMKMs that channeled everyday needs to the community. This research aims to identify strategies to improve the competitiveness of food enterprises with a SWOT analysis approach, with a case study of Rizqi Halwa Kelontong Shop in Negarayu Village, Tonjong District, Brebes District. This research uses qualitative descriptive methods. Data sources in this research include primary and secondary data. With the collection of primary data from interview and observation, Secondary data from library studies such as journals and relevant articles. The strategy to compete in enterprise is the most crucial thing in development process of enterprise, so it requires the right strategy by implementing the SWOT analyst approach. Besides, as Muslim, also need to pay attention to existence of Islamic business ethics. Islamic business ethics teaches businessmen tobe able to follow orders they are taught and avoid prohibitions in accordance with Islamic rules. SWOT analysis of grocery stores shows strength in product completeness, price flexibility, and good customer service. However, there are weaknesses such as space constraints and SDM, a less strategic location. Opportunities to expand the product sector and enhance cooperation with suppliers need to be exploited, while threats come from large-store competition and price fluctuations. Strategies that match the SWOT matrix should used to maximize strengths, minimize weaknesses, and improve the competitiveness and resilience of retail stores in the market. The owner of this store applies the principles of Islamic business ethics and always keeps practicing shiddiq, trust, fathonah, and tabligh attitudes.

Keywords: Grocery Stores, SWOT Analysis, Competitiveness. Islamic business ethic


Kata Kunci: Toko Kelontong, Analisis SWOT, Daya Saing. etika bisnis Islam
Introduction

Micro, small, and medium enterprises (MSMEs) are an important component of the Indonesian economy. MSMEs, including microenterprises, make up 99% of total businesses in Indonesia and significantly contribute to job creation (Capri, 2017). Micro, small, and medium enterprises (MSMEs) are activities that have the capacity to develop employment, provide equitable economic services to the community at large, and support the process of equalizing and increasing people's income. In addition, MSMEs are also able to encourage economic growth and contribute to achieving national stability (Wibowo et al., 2015). Micro, small, and medium enterprises (MSMEs) have a network that extends to various regions so that they can utilize the potential of the community to experience progress in a better economic life.

Grocery stores are one of the MSMEs that distribute daily necessities to the surrounding community. A grocery store is a shop that provides household needs such as food, nine basic necessities (sembako), and other household items. Grocery stores are not far from the community and are often found in villages and housing areas. Their close proximity to the community provides easy access for local residents to fulfill their daily needs. Grocery stores are subject to intense business competition. In the village area, there are quite a number of grocery business actors, creating business competition in the same field. Competition among businesses occurs through offering more competitive prices and increasing the number of alternative goods or services available. The existence of a variety of choices provides an advantage for consumers, allowing them to choose similar products or services with the best quality but at a more affordable price compared to other options. In addition, technological developments make consumers prefer online purchases through e-commerce to get more affordable prices.

Competitive strategy in a business is the most crucial thing in the process of developing a company. A business development strategy with a SWOT approach is needed to be able to maximize the potential and overcome
weaknesses in the business being run. In running MSMEs, in addition to development strategies, it is also necessary to include marketing strategies to introduce products so that product distribution and consumer reach are increasingly widespread. According to Huang and Brown (1999), (Bettiol et al., 2012) argue that it has traditionally been noted that marketing planning and implementation are hampered in SMEs by obstacles such as financial constraints, small size, lack of marketing expertise, and scarce use of experts. In addition, innovation is needed to create new and diverse products. Innovation is also expected to be able to make MSMEs in villages more active and progressive in carrying out their business activities, so that progressive MSMEs will be created (Sholicha & Oktafia, 2021). Currently, promotion for micro, small, and medium enterprises (MSMEs) is becoming increasingly important, and the use of increasingly advanced technology plays an important role. The digitalization of MSMEs includes efforts to bring the marketing of MSME products into the digital realm. The better the understanding of technology owned by business actors, the greater the opportunity to increase the progress of their business.

In your life as a Muslim, you also need to pay attention to the existence of Islamic business ethics. Islamic business ethics teaches businessmen to be able to follow orders they are taught and avoid prohibitions in accordance with Islamic rules. By enforcing the rules of Islamic business ethics, he hoped that every human being could have a halal job so that the rice he obtained could bring prosperity to him. The existence of grocery store merchants has become an important thing for the community to ensure that the distribution of foodstuffs in the community is fulfilled. As a businessman, it is necessary to apply principles that are consistent with the direction of religion so that their implementation brings prosperity and glory.

Negarayu Village is a small village located in a lowland area in the Tonjong sub-district, Brebes Regency, Central Java Province. According to the Central Bureau of Statistics of Brebes Regency 2020, the total population in the Negarayu Village area is 2,496 people. With a small population, the majority of
the population earns a living as farmers; some others become migrants in several big cities in Indonesia. In addition, some residents become entrepreneurs by utilizing existing opportunities. They set up stalls, shops, and home-based food production. In the context of business competition in this village, the majority of business actors operate in similar fields. One of them is the grocery store business, which is widely found in the village as an alternative to providing basic necessities and goods for the surrounding community.

Rizqi Halwa Grocery Store is a grocery store that was founded in 2020 and still survives today. This shop is one of the many in the village. This shop provides various community needs, such as groceries, cake ingredients, stationery, household pottery, and other daily necessities. This shop has several advantages, including relatively cheap selling prices, facilitating sellers with varied pricing to facilitate the resale process or distribution of grocery products to other traders, and providing delivery services to customers' homes. However, this shop still has not captured a wider range of consumers because the location of the place is less strategic, and the limited workforce for serving customers makes the service quite long. In addition, the number of grocery stores in the village makes business competition tighter and requires business owners to be able to create new innovations in their businesses. This creates challenges that need to be overcome to develop and maintain business sustainability amid fierce competition at the local level.

The grocery store business sector is currently experiencing various growths; both the number of stores and the variety of goods sold are increasingly experiencing developments, especially in the use of digital media (Putra, 2023). Economic competition is also happening quickly at this time, such as in the retail business, which is now mushrooming and replacing grocery stores, which has an impact on decreasing their income (Yuningrum, 2016). Analyze the potential and condition of factors affecting the competitiveness of traditional markets and formulate strategies that traditional markets can use to increase their competitiveness (Kussudyarsana et al., 2018). Maintaining and developing a
grocery store business can be done with the latest approaches that can help identify what to do with the help of the Canvas Business Model with a SWOT analysis approach (Suyanto et al., 2022). SWOT analysis is the right alternative to help MSMEs determine marketing strategies and anticipate changes in the business environment. SWOT analysis can analyze strengths and weaknesses, which are part of the internal factors in MSMEs, and threats and opportunities, which are part of external factors or competitors (Sianturi, 2020).

This research aims to gain an in-depth understanding of the strategies that can be effectively applied in the development of micro, small, and medium enterprises (MSMEs) of grocery stores at the village level. Although there are several previous studies that have examined aspects of MSME competitiveness, this research specifically focuses on strategies to improve the competitiveness of Rizqi Halwa Stores in Negarayu Village. This in-depth analysis of development strategies with a SWOT analysis approach at the village level is the main point of the research, opening up the potential for new knowledge contributions in the development of MSMEs in rural environments. In addition to knowing how grocery store MSMEs can utilize the SWOT analysis approach to identify strengths, weaknesses, opportunities, and threats in their business environment, with a better understanding of these factors, MSMEs can design more effective strategies to improve their competitiveness, increase business growth, and adapt to rapid market changes.

Method

According to Lexi, 2010 in (Yusuf & Sukma, 2021) qualitative research is research intended to understand phenomena about what is experienced by research subjects such as behavior, perception, motivation, and action by means of description in the form of words and language in a special context that is natural and using various natural methods. The descriptive research method is to compare methods by comparing one or more variables so that researchers can know values without making comparisons.
2.1 Location and Time of Research

The research was carried out at Rizqi Halwa Food Store in Negarayu Village, Tonjong District, Brebes District, Central Java. The execution was carried out for about three weeks with observations and interviews, as well as a collection of some previous literature relevant to the research.

The data collection method uses two types of data: primary and secondary. Primary data is obtained from the results of in-depth interviews with grocery store owners and observations on activities at Halwa Rizqi Grocery Store. Secondary data was derived from library studies such as journals, articles, and previous research related to UMKM competitiveness improvement strategies through SWOT analysis methods.

Result And Discussion

Rizqi Halwa Grocery Store Profile

Rizqi Halwa grocery store is one of the grocery stores located in Negarayu Village, Tonjong sub-district, Brebes Regency. This shop is run by a husband and wife, namely Mrs. Siti Danonah and Mr. Abdul Hafidz. This shop was pioneered in 2020 by Mrs. Siti Danonah when economic conditions were affected by the COVID-19 outbreak. So that the existence of this shop is an additional income from the main livelihood of Mrs. Siti Danonah, who works as a teacher, and also Mr. Abdul Hafidz, a construction coolie. This shop initially only provided stationery for students in need. But along with the demand of the surrounding community to provide some goods, the owner finally began to penetrate and expand on the sale of groceries and various other daily necessities.

Rizqi Halwa grocery store strengthens its identity by branding itself as a "complete, efficient, and trustworthy" store that provides both offline and online services. This branding is quite evident in the variety of products that are traded to support the completeness of the products needed by the community. While the word thrifty is aimed at the prices offered that are cheaper than those of similar businesses in the village, the Amanah label is shown by the shop owner's
commitment to always be honest and fair in business without committing fraud, both in the buying and selling process and ensuring the products being traded. This is a form of applying Islamic business ethics to conducting business activities. The online service in this shop is carried out by accepting orders via WhatsApp. The range of store services is currently limited, and the community around the village has not expanded to a wider area.

In supplying goods, Rizqi Halwa grocery store cooperates with several agents, such as Indomarco sales, Unilever sales, and several other sales, to get more affordable prices. Some goods are also supplied by partnering with stores in the Tonjong and Bumiayu areas that provide lower prices so that they can be resold. According to the shop owner, the income earned cannot be known exactly because there is no bookkeeping or financial report, so it cannot be known how much income or profit is obtained. However, if you look at the gross income every day, it can reach IDR 2 million per day if conditions are busy. With this income, it is enough to become capital again and cover daily expenses.

**Rizqi Halwa Grocery Store Business Competitiveness Strategy**

In running a business, business competition is inevitable. The challenges in running a business in the village come not only from competition with similar businesses in the village but also from existing retail stores. A competitiveness strategy is needed to survive in the midst of competitive business competition.

According to Chandler (1962) in (Mashuri & Nurjannah, 2020), strategy is the long-term goal of a company, as well as the utilization and allocation of all important resources to achieve that goal. Strategy, according to Haris (2013) in (Yusuf & Sukma, 2021) is a plan used to achieve company goals, namely providing satisfaction to customers in exchange for a certain amount of profit. From these two opinions, strategy can be interpreted as a plan that directs the use of company resources to achieve long-term goals with a focus on customer satisfaction and achieving company profits.

According to David (2006) in (Mohamad & Niode, 2020), competitiveness (competitive advantage) is everything that a company does very well compared
to its competitors. In the context of a competitive market, competitiveness refers to how effective a company is at producing high-quality products or services. Companies that are able to produce these products or services will be able to compete, while companies that do not have competitiveness will be abandoned by the market. Competitiveness is an effort that must be made by business and economic actors to be able to carry out their business activities (Asmara & Rahayu, 2019).

The competitiveness strategy applied to the Rizqi Halwa Grocery store is to offer competitive prices by providing lower prices than other stores. By providing a cheaper price, it also makes this shop a supplier for small stalls in the village and for sellers who will resell their products. In this shop, service always strives to provide the best quality products and services so as to provide satisfaction for customers and create customer loyalty. In addition, shop owners also respond to customer requests so that they involve customers in fulfilling their needs. Some of these strategies are implemented with the aim of being able to survive and continue to compete effectively in existing business competition.

In addition, the competitiveness strategy of a business can be optimized by maintaining its advantages and overcoming its weaknesses. One approach that can be used is SWOT analysis, which makes it possible to systematically identify strengths, opportunities, weaknesses, and threats.

**SWOT Analysis of the Rizqi Halwa Grocery Store**

According to Freddy Rangkuti in (Yusuf & Sukma, 2021), SWOT analysis is a systematic identification of various factors to formulate company strategy. This analysis is based on logic that can maximize strengths (strengths) and opportunities (opportunities), but simultaneously minimize weaknesses (weaknesses) and threats (threats). SWOT analysis aims to compare the company's internal factors and the company's external factors in order to obtain strategic decisions that will be used by a company with a future orientation. In determining good decisions, companies are encouraged to maximize strengths and opportunities and minimize weaknesses and threats.
Strength comes from the company's internal environment; this factor must be prepared by the company in order to have a positive impact. Meanwhile, weaknesses are internal factors that must be overcome by the company so as not to have a negative impact on the company. Opportunities are factors that come from the company's external environment; this factor will provide an opportunity for success for the company if the strengths of the company are able to adapt. Threats are factors that hinder the company from achieving its goals. After weaknesses, strengths, opportunities, and threats can be identified, it will then be processed with strategy formulation using SWOT analysis using the EFAS (External Factor Analysis Summary) and IFAS (Internal Factor Analysis Summary) tables (Rahayu, 2016)

From the results of interviews and observations regarding the four factors in SWOT analysis, the following data were obtained:

a. Internal Factors

Strengths (Strenght) of Rizqi Halwa Grocery Store:
1) Completeness of products, and provide daily necessities other than basic food products.
2) Flexibility in pricing, providing wholesale and retail prices
3) Good and friendly customer service
4) delivery service to the customer's place
5) Accept online orders
6) Having partners in supplying goods

Weakness of Rizqi Halwa Grocery Store:
1) Limited space
2) Lack of labor
3) Less strategic location
4) Product unavailability
5) Absence of financial statements

b. External Factors

Opportunities for Rizqi Halwa Grocery Store:
1) Groceries are a necessity that is always sought after
2) Become a supplier of small traders
3) Diversify the products that are traded
4) Establish cooperation with new partners for product availability and diversity
5) Using technological developments for marketing

Threats for Rizqi Halwa Grocery Store:
1) Competition from large stores, or retail businesses around the community
2) Price fluctuations
3) The existence of e-commerce as a shopping place that provides all customer needs

To facilitate the implementation of SWOT analysis, it is necessary to construct a SWOT matrix by combining strengths, weaknesses, opportunities, and threats. In the SWOT analysis matrix, there are four strategies. The first is the SO strategy, which means using all strengths to take advantage of opportunities. The second is the WO strategy, which means improving all weaknesses by taking advantage of opportunities. The third is the ST strategy, which means using all abilities to avoid all threats, and the WT strategy, which means suppressing weaknesses and avoiding all threats.

The SWOT matrix is a tool for compiling organizational strategic factors that can clearly illustrate how the external opportunities and threats faced by the organization can be adjusted to its strengths and weaknesses. IFAS (Internal Strategic Factors Analysis Summary) is a summary or formulation of internal strategic factors in terms of strengths and weaknesses. The SWOT matrix is an important tool to help managers develop four types of strategies, namely SO (strengths-opportunities), WO (weakness-opportunities), ST (strengths-threats), and WT (weaknesses-threats) (Amalia et al., 2012). The strategies that can be implemented by companies are based on four types of strategies (Gunawan et al., 2020) namely:
a) SO (Strength-Opportunities) Strategy This strategy is based on the company's thinking, namely by utilizing the strengths of the company to seize existing opportunities.

b) ST (Strengths-Threats) Strategy: using strengths to minimize or reduce external threats.

c) WO Strategy (Weaknesses and Opportunities) This strategy is implemented by utilizing existing opportunities to minimize or reduce the weaknesses of a company.

d) WT Strategy (Weaknesses and Threats) This strategy is to minimize weaknesses and avoid threats to the company.

The SWOT matrix table is based on the strengths (Strengths) and opportunities (Opportunities), weaknesses (Weaknesses), and threats (Threats) of Rizqi Halwa Grocery Store as follows:

Table I. SWOT Matrix

<table>
<thead>
<tr>
<th>Internal factors</th>
<th>STRENGTHS (S)</th>
<th>WEAKNESSES (W)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1. Product completeness</td>
<td>1. Space limitation</td>
</tr>
<tr>
<td></td>
<td>2. Flexibility in pricing (wholesale and retail)</td>
<td>2. Lack of labor</td>
</tr>
<tr>
<td></td>
<td>3. Good and friendly customer service</td>
<td>3. Less strategic location</td>
</tr>
<tr>
<td></td>
<td>4. Delivery service</td>
<td>4. Product unavailability</td>
</tr>
<tr>
<td></td>
<td>5. Accept online orders</td>
<td>5. Absence of financial statements</td>
</tr>
<tr>
<td></td>
<td>6. Having partners in supplying goods</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OPPORTUNITIES (O)</th>
<th>STRATEGI SO</th>
<th>STRATEGI WO</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Increase product supply and expand</td>
<td>1. Implementing an efficient layout</td>
<td></td>
</tr>
<tr>
<td>1. basic necessities that are always sought after</td>
<td>product diversity according to consumer needs</td>
<td>strategy to optimize space storage</td>
</tr>
<tr>
<td>2. Become a supplier to small traders.</td>
<td>2. Providing good service, and maximizing inter-communication service</td>
<td>2. Consideration of apes' power additions to optimize customer service</td>
</tr>
<tr>
<td>3. Diversifying the products that are traded</td>
<td>3. Develop cooperation with small traders as suppliers or distributors of products</td>
<td>3. Increase cooperation with suppliers</td>
</tr>
<tr>
<td>4. Establish cooperation with new partners for product availability and diversity.</td>
<td>4. Increase promotion by using social media and optimize online ordering services.</td>
<td></td>
</tr>
<tr>
<td>5. Using technological developments for marketing</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**THREATS (T)**

| 1. Competition from a big store, or a retail business | 1. Expand the sector and other products of necessity | 1. Active market price monitoring and price adjustment |
| 2. Price fluctuations | 2. Collaborate with the product distributor supplier, to get a lower price | 2. Highlight excellence in terms of customer service, ensure good quality products marketed and increase promotion |
| 3. e-commerce as a shopping place that provides all the needs of customers | 3. Increase the use of technology to market products | 3. Create a financial report to identify |
Based on the recommended SWOT matrix strategies that can be implemented to increase Rizqi Halwa grocery store sales:

1) Strengths-Opportunities (S-O) strategy: a strategy that prioritizes strengths and exploits existing opportunities. That is, by (a) supplying products and broadening product diversity according to consumer needs; (b) providing good service; and maximizing messaging services. (c) developing cooperation with small traders as suppliers or distributors of products. (d) enhancing promotion with the use of social media and optimizing online ordering services.

   In the S-O strategy, grocery stores can take advantage of their advantages in comprehensive product supply by expanding the variety of products offered according to consumer needs. Moreover, by focusing on good service and maximizing messaging services, stores can increase customer satisfaction and broaden customer reach. Furthermore, increasing promotions through social media and online ordering services can help create greater brand awareness and expand the reach of the grocery store market. By implementing these strategies effectively, growers can strengthen their market position and improve overall business performance.

2) Strengthens Threats (S-T) strategy by using power to overcome existing challenges. Through (a) expanding the sector and other needed products (b) Strengthening cooperation with suppliers and distributors of products in order to obtain lower prices (c) Increasing the use of technology to market products.

   With the S-T strategy, the store can expand the sales sector not only on a daily basis but also to provide both daily and secondary needs to
mitigate the impact of competitive threats. In addition, by developing cooperation with suppliers and distributors, the store can reduce the risk of non-availability and increase price flexibility. Furthermore, increasing the use of technology to market products will help stores remain relevant in an increasingly digital business environment. This online marketing can take advantage of social media and communication tools like WhatsApp, Facebook, and so on. By implementing this strategy effectively, grocery stores can overcome the challenges facing them and strengthen their position in the market.

3) Weaknesses-Opportunities (W-O) strategy, a strategy that minimizes intern weakness by exploiting strong opportunities to improve intern conditions: (a) Implementing an efficient layout strategy to optimize space storage; (b) Considering the addition of monkey power to optimize customer service (c) Enhancing cooperation with suppliers of goods. (d) Creating financial reports to identify earnings and profits to prevent losses.

With the W-O strategy, the grocery store can implement an efficient layout strategy to optimize the use of storage space, reducing the impact of limited space. Furthermore, by considering the additional workforce to improve customer service, stores can overcome the limitations of SDM. In addition, enhancing cooperation with suppliers of goods will help address possible product unavailability. Next, it is important for the store owner to make a financial report to know the revenue and profits earned to avoid losses. By implementing this strategy effectively, grocery stores can turn internal weaknesses into profitable competitive advantages to improve their business performance.

4) The Weaknesses-Threats (W-T) strategy, a strategy that minimizes internal weakness to be able to withstand the challenges: (a) Active market price monitoring and price adjustment; (b) Highlighting excellence in customer
service, ensuring the quality of marketed products, and enhancing promotions.

In this context, grocery stores can actively monitor market prices and adjust prices to reduce the risk of price fluctuations and improve competitiveness. Furthermore, highlighting excellence in customer service, ensuring the quality of products sold, and enhancing promotions will help stores retain existing customers and attract new customers, as well as overcome competition from large stores. By implementing this strategy effectively, grocers can increase their resilience in the face of complex market challenges.

By implementing strategies that match the SWOT matrix, Rizqi Halwa grocery stores not only overcome the challenges they face but also develop business and increase competitiveness in the market. By leveraging internal strengths to overcome external threats, correcting internal weaknesses to take advantage of existing opportunities, and strengthening the positions of growers, we can move towards sustained growth and enhance competition to withstand market changes.

Analysis of Rizqi Halwa Grocery Store in the Perspective of Islamic Business Ethics

As for the principles of Islamic business ethics applied by grocery stores, among them:

a) Unity Principle

Application of the Tauhid principle in business indicates that the implementation of business activities does not deviate from the provisions that have been established by Allah SWT. Applying this principle also prohibits any discrimination against either workers, buyers, sellers, other employees, or anyone else. This research showed store owners apply the principle of tauhid by always not leaving sholat while trading activities, do not discriminate against either customers or partners, and always give the same rights.
b) The principle of balance

Balance, or fairness, means that the entrepreneur is doing business fairly. In business, the most basic and fair requirement is determining the quality and quantity of every measure or scale. Balance means not exaggerating in the pursuit of economic gain. This research shows that Rizqi Halwa grocery store owners do not cheat in terms of measuring and weighting raw materials. Owners always make sure that the weight is not less than the size it should be.

c) The principle of freedom

The principle of business ethics concerning the concept of freedom in Islam leads more to cooperation than competition, even to the extinction of each other's efforts. This research shows that grocery store owners apply the principle of freedom to their businesses. This is demonstrated by the absence of compulsion from the seller on the customer to make a purchase and the existence of competition carried out without dropping the other business competitors.

d) Responsibility

Responsibility means that human beings, as businessmen, have a moral responsibility to God for business behavior. This responsibility is displayed with honesty. The principle of responsibility also means being responsible for the comfort of the customer and the surrounding environment. This research shows that grocery store owners apply the principle of responsibility in business by always being honest in price and not taking excess profits. Besides, owners always provide good-quality products and services to customers.

In the case of Islamic business ethics, they are able to apply the principles of ethics in Islamic business. Besides, the owner can always keep the ethics of Islam's business by always practicing the attitude of honesty, trust, fathonah (intelligent), and being able to communicate so that he can give blessings in making his business.
Conclusion

Based on the discussion of the above research, the conclusion of this study shows Rizqi Halwa grocery store has the potential to continue to grow in the presence of considerable advantages and opportunities. (Threats). The implementation of strategies in line with the SWOT matrix is expected to strengthen the position and resilience of the enterprise in the face of external threats. Rizqi Halwa has also applied the principles of Islamic business ethics. The owner can always keep the ethics of Islamic business by always practicing the attitude of honesty, trust, fathonah (smart), and tabligh (capable of communicating) with customers so that they can prosper in running their business.
References


