

SWOT Analysis: Marketing Strategy of Apotek Sawojajar Mas to Increase Sales and Competitiveness

Siti Indah Purwaning Yuwana^{1*} and Isti Fadah²

¹Universitas Islam Negeri Kiai Haji Achmad Siddiq Jember, Indonesia

²University of Jember, Indonesia

¹indah.yuwana@gmail.com, ²istifadah@unej.ac.id

Abstract— *The change in the service orientation of the pharmaceutical industry from product-oriented to patient-oriented and the high public need for pharmaceutical products, especially after Indonesia experienced the COVID-19 pandemic, became an excellent opportunity for the development of the pharmacy business in Indonesia. Apotek Sawojajar Mas is one of the pharmacies in Malang City which has had an increased turnover in the last three years through the pandemic. The rapid development of the number of pharmacies in the city of Malang gives people many choices. The intense competition in the pharmacy requires owners to think of innovative strategies to increase sales and competitiveness. This study aimed to analyze the SWOT strategy to increase the sales and competitiveness of Apotek Sawojajar Mas. Data was collected through documentation, field observations, and interviews with pharmacy owners, employees, and consumers. The results show that Apotek Sawojajar Mas is in the first quadrant, which means it can implement the SO strategy to increase sales. The results of this study provide views to other pharmacy businesses on what strategic factors need to be improved and replaced to increase competitiveness in seizing the market in Malang City.*

Keywords: Competitiveness, Pharmacy, Sales, Strategy, SWOT.

1. INTRODUCTION

The globalization Era provides changes in lifestyles and people's ways of thinking about health's importance in preventing, treating, and maintaining body health. Health is an important asset that everyone owns. Without a healthy body, a person cannot carry out his activities. However, on the other hand, everyone must have suffered from pain, even though it was mild. This is what causes the level of public demand for drugs very high. Seeing the high level of need can attract entrepreneurs' interest in opening a pharmaceutical sector business.

Based on data from the Association of Indonesian Pharmaceutical Companies (GPFI) in ANTARA News [17], it is stated that in 2021 the national pharmaceutical industry will grow by 10.81%, with a total recorded value of 90-95 trillion rupiah. This indicates that the high public need for pharmaceutical products, especially after Indonesia experienced the COVID-19 pandemic, became an excellent opportunity to develop the pharmacy business in Indonesia.

The current pharmaceutical industry services have undergone a change in orientation, which was initially product-oriented to become patient-oriented. Susanto, Simbolon, and Monica [7] state that improving the quality of pharmaceutical services affects high patient satisfaction. Pharmacy service activities that initially only focused on drug management

Received: 16 October 2022

Reviewed: 28 November 2022

Accepted: 31 December 2022

* Corresponding Author: indah.yuwana@gmail.com

as the primary commodity have become wider towards comprehensive services that aim to improve patient's quality of life. Technological advances and demographic and social changes have caused people to be more critical and demand services in the pharmaceutical sector precisely, quickly, and comprehensively. This is a factor in the change in orientation in the pharmaceutical industry. Of course, this is challenging for every pharmacy to respond to these changes so that the continuity of pharmacy operations continues to run well.

Regarding the function of the pharmacy, namely as a place for pharmaceutical services, pharmacies also need a solution to achieve or obtain the expected profit. No different from other business entities that are trying to make a profit, the solution is that the business must have a marketing strategy. To improve pharmacy services and revenue, it is necessary to analyze and formulate pharmacy management strategies, including internal and external environmental analysis.

Apotek Sawojajar Mas is a pharmaceutical business located in Malang City. Apotek Sawojajar Mas was established at the end of 2010 to provide health product services. This pharmacy is a pharmacy that has several advantages, which are located in a strategic location, on the edge of the highway, and not far from the hospital. In addition, there are also general practitioner and dentist practices to complement health services for consumers. Apotek Sawojajar Mas is one of the pharmacies that continues to experience sales growth during the pandemic. However, on the other hand, over time, this good prospect poses a threat from more and more other pharmacies that have been established not far from Apotek Sawojajar Mas.

The rapid development of the number of pharmacies in the city of Malang gives people many choices to choose from according to what consumers want. The intense competition in the pharmacy requires owners to think of innovative strategies to increase sales and competitiveness. Based on these problems, the authors are interested in conducting a Competitive Analysis and SWOT Analysis, which will produce a strategy to increase sales and competitiveness at Apotek Sawojajar Mas. This implementation is intended so that Apotek Sawojajar Mas has a more competitive advantage and the achievement of sustainable pharmacy business operations to reach a more comprehensive pharmacy marketing.

2. THEORITICAL REVIEW

Strategic Management

Strategic management includes environmental observation, strategy formulation, implementation, evaluation, and control. According to Pearce and Robinson [2], strategic management is defined as a collection of decisions and actions that result in the formulation (formulation) and implementation (implementation) of plans designed to achieve the goals of the business entity. When and Hunger [14] state that strategic management is a series of managerial decisions and actions that determine the company's performance in the long term. Strategic management includes environmental observation, strategic formulation, implementation, and evaluation.

Competitive Advantage

The competitive advantage can be seen from the company's position in the competition, which is analyzed by looking at its strengths and weaknesses compared to its competitors. Competitive advantage stems from the company's ability to maintain the superiority of its resources and capabilities. [1] According to Philip Kotler and Gary Armstrong [8], there are five objectives of implementing a competitive strategy, namely:

- 1) Establish proper positioning. The company strives to show a separate image or image about the company to customers or the target market.

- 2) Retaining customers/loyalty Loyal customers are like wealth for the future, which, if appropriately managed, will provide a good lifetime income stream to the company.
- 3) Gaining new market share the company strives to gain and expand its market share by using its respective competitive strategies to reach the broadest possible market.
- 4) Maximizing sales, the process of maximizing profit or profit depends on the effectiveness of the competitive strategy. However, it also depends on the entire system in the company and other functional units.
- 5) Creating influential business performance companies must create an effective business performance so that their business can be managed strategically, namely by defining customer groups to be served, customer needs to be met, and technology to be used to fulfill these needs.

SWOT Analysis

SWOT analysis can produce four alternative strategies that business owners can consider as a basis for assessment [3]:

- 1) SO (Strength-Opportunity) Strategy.
This plan leverages the company's internal strengths to create external opportunities. So, if there is a shortage, entrepreneurs must be able to overcome the lack of competition. When entrepreneurs are faced with threats, they should avoid them and try to focus on opportunities.
- 2) WO (Weakness-Opportunity) Strategy.
This plan is used to reduce the shortcomings of the internal business environment by using external weaknesses. Due to a weak internal environment, businesses may need help to take advantage of opportunities. Therefore, in this case, the entrepreneur depends on the strategy used.
- 3) ST Strategy (Strength-Threat).
Business owners use this plan to prevent and minimize the effects of external risks.
- 4) WT (Weakness-Threat) Strategy.
Entrepreneurs use this plan to reduce weaknesses in the internal environment and survive by avoiding threats from the external environment. Entrepreneurs need to analyze the external environment to develop opportunities for entrepreneurs to exploit and avoid emerging threats. According to David (2019), the basis of competition in a business can be seen from three strengths: memorable battles for similar businesses, threats from competitors, and the power of buyers in bargaining.

3. RESEARCH METHODS

In this study, researchers used a qualitative type of research. Qualitative research is a research procedure that produces descriptive data in the form of written or spoken words from people and observable behavior. [9] The type of this research approach is descriptive. Descriptive research seeks to describe existing problem-solving based on data. The type of qualitative descriptive research used in this study is intended to obtain information about the condition of the company and determine the company's strategy, especially the strategy to increase sales and competitiveness

The research was conducted at Apotek Sawojajar Mas, Ruko Sawojajar Mas Blok M15-16, Malang. According to Sugiyono [12], data collection techniques are the most strategic step in research because the primary purpose of research is to obtain data. The data collection technique in this study is observation, where the author observes the business activities at Apotek Sawojajar Mas, then interviews and documentation.

Interviews were conducted with Pharmacy Owners, Several Employees, and Consumers of Apotek Sawojajar Mas. The data analysis techniques used are Qualitative Descriptive Analysis, Competitive Analysis, and SWOT Analysis.

4. RESULT AND DISCUSSION

In the beginning, Apotek Sawojajar Mas was established only to sell generic medicines. As time passed, it received doctor's prescriptions and worked with general practitioners and dentists to open a doctor's practice. Receiving consumer input, it was expanded to add outlets such as minimarkets, which sell women's daily needs, health products, and baby equipment. To attract consumers more, the owner integrates with the other side of health by opening a gymnastic studio upstairs and a free circumcision program. Apotek Sawojajar Mas collaborates with marketplaces (Tokopedia, Shopee) and Health applications such as Halodoc. Pharmacies also use QRIS and transfers as payment methods.

Based on the data regarding the internal and external conditions of Apotek Sawojajar Mas as described in the introduction and based on the results of observations, interviews, and discussions with key persons, the researchers then calculated and formulated strategies by identifying variables or points of strengths, weaknesses, opportunities, and threats (SWOT) as follows :

1) Internal Factors.

The Strength of Apotek Sawojajar Mas:

- a) Strategic location.
- b) Competitive price.
- c) Friendly and skilled resources.
- d) Use of Technology and social media.
- e) Completeness of Products.
- f) Availability of entertainment facilities.

The Weakness of Apotek Sawojajar Mas:

- a) Lack of supervision over the supply of medicines.
- b) The low ability of workers, especially in IT repair and application maintenance.
- c) Large capital in starting a business.
- d) There is no separation between personal assets and business assets.
- e) Minimum work management for business owners.

2) External Factor

The Opportunity of Apotek Sawojajar Mas:

- a) Extensive market share.
- b) Favorable Government Regulation.
- c) Products that always need.
- d) Developing community mindset.
- e) Payment system concessions from PBF.

The Threat of Apotek Sawojajar Mas:

- a) The increase in the price of drugs in line with the increase in fuel.
- b) The long time for delivery of goods causes inventory shortages.
- c) The complexity of the procedure for establishing a business, where every 5 years the business license is renewed.
- d) The prevalence of drug abuse.
- e) Strong competition.

From the results of interviews regarding the four factors in the SWOT analysis, the following data were obtained about strength, weakness, opportunity, and threat. After the internal strategic factors of a company are identified, an IFAS (Internal Strategic Factors

Analysis Summary) table is prepared to formulate these internal strategic factors within the framework of the company's Strengths and Weaknesses.

Table 1. IFAS Matrix of Apotek Sawojajar Mas

No.	Internal Factors	Weight	Rating	Score
	Strength			
1	Strategic Location	0.35	4	1.40
2	Competitive price	0.15	3	0.45
3	Friendly and skilled resources	0.20	3	0.60
4	Completeness of Products	0.25	3	0.75
5	Use of Technology and social media	0.15	4	0.60
6	Availability of entertainment facilities (TV, WIFI)	0.10	3	0.30
	Total Strength			4.10
	Weakness			
1	Lack of supervision over the supply of medicines	0.15	2	0.3
2	The low ability of workers, especially in IT repair and application maintenance	0.1	2	0.3
3	Large capital in starting a business	0.05	1	0.05
4	There is no separation between personal assets and business assets	0.05	2	0.1
5	Minimum work management for business owners	0.1	2	0.2
	Total Weakness			0.95
	Total Internal Factors Analysis Summary (IFAS)	1		3.15

First, we need to know external strategic factors before making an external strategy factor matrix (EFAS).

Table 2. EFAS Matrix of Apotek Sawojajar Mas

No.	External Factors	Weight	Rating	Score
	Opportunity			
1	Extensive market share	0.25	4	1.00
2	Favorable Government Regulation	0.15	4	0.60
3	Products that always need	0.14	3	0.42
4	Development of community mindset	0.15	3	0.45
5	Payment system concessions from PBF	0.11	3	0.33
	Total Opportunity			2.80
	Threat			
1	The increase in the price of drugs in line with the increase in fuel	0.05	2	0.10
2	The long time for delivery of goods causes inventory shortages	0.03	2	0.06
3	The complexity of the procedure for establishing a business, where every 5 years the business license is renewed	0.09	2	0.18
4	The prevalence of drug abuse	0.06	1	0.06
5	Strong competition	0.10	1	0.10
	Total Threats			0.50
	Total External Factors Analysis Summary (EFAS)	1		2.30

The two matrices above (IFAS and EFAS) are the relative conditions faced by the pharmacist industry in the research area. These conditions are what they face in carrying out their business operations.

The SWOT analysis shows that the strength factor is more significant than the weakness factor possessed by Apotek Sawojajar Mas, and the opportunity factor is also more significant than the threat factor. Therefore, the condition of the Apotek Sawojajar Mas should be able to compete with the other competitors in the same field. For the SWOT analysis results, Apotek Sawojajar Mas is in Quadrant 1, which means it has an aggressive strategy. This situation is very profitable for the company because it has strengths and opportunities to take advantage of the current opportunities and growth to continue improving product sales.

The results of the study based on the values IFAS (3.15) and EFAS (2.30) in the SWOT analysis are in quadrant I, where Apotek Sawojajar Mas can use a combination strategy SO by utilizing the strengths and opportunities that exist to win the competition. As for the choice of strategies offered by Strength-Opportunity (SO), including :

- 1) Increased production capacity.
- 2) Providing affordable prices for consumers.
- 3) Availability of products that follow the development of consumer tastes.
- 4) Improving services in a friendly and fast manner, Optimizing Delivery Order services, and utilizing payments via transfer or QRIS
- 5) Expansion of market share, not only serving directly but also reaching online market consumers
- 6) Optimizing the use of social media as a means of promotion
- 7) Adding more relationships, for example, collaborating with the nearest hospital or local midwife

The development of the pharmacy business in Malang is so rapid. The competitive profile matrix is used to determine the relative position of the analyzed businesses in the competition between them. In this study, the pharmacies used as a comparison business for the Apotek Sawojajar Mas (SM) are the Apotek Limboto, Apotek Kamilia, and Apotek Mataram Segar. The following results of the competitive analysis can be seen in table 3:

Table 3. Competitive Profile Matrix of Apotek Sawojajar Mas

No.	Strategic Factors	W	SM		Competitor 1		Competitor 2		Competitor 3	
			R	S	R	S	R	S	R	S
	Opportunity									
1	Financial Support	0.15	3	0.45	2	0.30	3	0.45	3	0.45
2	Service	0.09	4	0.36	2	0.18	3	0.27	3	0.27
3	Produk Completness	0.12	4	0.48	2	0.24	3	0.36	2	0.24
4	Business Experience	0.07	3	0.21	3	0.21	3	0.21	4	0.27
5	Business Location	0.05	4	0.20	3	0.15	2	0.10	4	0.20
6	Pricing	0.04	3	0.12	2	0.08	2	0.08	2	0.08
7	Provision of Facilities	0.06	4	0.24	3	0.18	3	0.18	3	0.18
8	Consulting Facilities	0.05	4	0.20	2	0.10	2	0.10	3	0.15
9	Market Segmentation	0.09	3	0.27	2	0.27	3	0.27	2	0.18
10	Market Share	0.10	4	0.40	3	0.30	3	0.30	3	0.30
	Total			2.93		2.01		2.32		2.32

The competitive profile matrix shows that the main competitor of Apotek Sawojajar Mas is Apotek Mataram Segar, followed by Apotek Kamilia. Apotek Sawojajar Mas is in a good position, while some of the other competitors are close to good, and some still need to improve. As for the advantages of Apotek Sawojajar Mas compared to Apotek Mataram Segar, which is the main competitor, according to this matrix, are Service, Product Completeness, Provision of Facilities, Consulting Facilities, and Market Share. The market share of Apotek Sawojajar Mas is all people, while Apotek Mataram Segar is limited, with many in the upper class and more serving purchases in large quantities.

The advantages of Apotek Mataram Segar compared to Apotek Sawojajar Mas are: Business experience, Apotek Mataram Segar's business was established earlier than Apotek Sawojajar Mas, not a network pharmacy/franchise. The location of Apotek Mataram Segar's business is also good because it is located on the side of a major road, such as the Apotek Sawojajar Mas. The results of this study provide views to other pharmacy businesses on what strategic factors need to be improved and replaced to increase competitiveness in seizing the market in Malang City.

5. CONCLUSIONS

Based on the results of the analysis of this study, it can be concluded :

- 1) Based on the SWOT analysis results, Apotek Sawojajar Mas is in the right and relevant position, namely in quadrant I (growth), in implementing its operational activities. Therefore, several aggressive strategies, which combine strengths and opportunities, are the right strategy so that Apotek Sawojajar Mas can increase sales and competitiveness.
- 2) There are suggestions strategy from the result of the SWOT Analysis to improve the competitiveness of Apotek Sawojajar Mas, as follows: Increased production capacity, Providing affordable prices for consumers, Availability of products that follow the development of consumer tastes, Improving services in a friendly and fast manner, Optimizing Delivery Order services and utilizing payments via transfer or QRIS, Expansion of market share, not only serving directly but also reaching online market consumers, Optimizing the use of social media as a means of promotion, and Adding more relationships, for example collaborating with the nearest hospital or local midwife
- 3) The competitive profile matrix analysis shows that several strategic factors superior to Apotek Sawojajar Mas must be maintained to increase sales. On the other hand, pharmacy owners must update and improve some factors if they want their businesses to be competitive and not be beaten by other businesses that have achieved above-average numbers.

REFERENCES

- [1] Aaker, David A, "Manajemen Ekuitas Merek: Memanfaatkan Nilai dari Suatu Merek", Alih Bahasa oleh Aris Ananda, Jakarta : Spektrum Mitra Utama, 2017.
- [2] A.Pearce, John II, Richard B.Robinson, Jr. "Manajemen Strategi", Jakarta : Salemba Empat, 2014.
- [3] David, Freddy, "Analisis SWOT Teknik Membedah Kasus Bisnis. Reorientasi Konsep Perencanaan Strategis untuk Menghadapi Abad 21", Jakarta: PT. Gramedia Pustaka Utama, 2019.
- [4] David, F. R, "Strategic Management: A Competitive Advantage Approach, Concepts And Cases", Harlow : Pearson, 2016.
- [5] David, M.E., David, R.R, "The Quantitative Strategic planning matrix; A new marketing tool", Journal of Strategic Marketing, 25(4), 342-352, 2017.
- [6] Fendy Hariatama, "Analisis SWOT Terhadap Pelaksanaan Bauran Pemasaran (Marketing Mix) Pada Lembaga Pendidikan Prima Mandiri Utama Palangka Raya", Edunomics Journal Vol. 2 No. 1, pp. 1-12, Januari 2021.

- [7] Haryanto Susanto, Nancy Isnawati Simbolon, Eva Monica, “Analisis Hubungan antara Kualitas Pelayanan dan Kepuasan Pasien Rawat Jalan Instalasi Farmasi Rumah Sakit Universitas Muhammadiyah Malang”, *Jurnal Pharmacy*, Vol. 18 No. 01, Juli 2021.
- [8] Kotler, Philip and Gary Amstrong, “Prinsip-prinsip Pemasaran”, Edisi 13. Jilid 1, Jakarta : Erlangga, 2017.
- [9] Moleong, L. J, “Metode Penelitian Kualitatif”, Bandung: PT. Remaja Rosdakarya, 2017.
- [10] Rangkuti Freddy, “Teknik Membedah Kasus Bisnis Analisis SWOT”, Jakarta : PT Gramedia Pustaka Utama, 2018.
- [11] Rucitra, Andan Linggar., “The Implementation of Integrated Quality Function Deployment (QFD) and SWOT Analysis in the Quality Improvement Strategy of Jackfruit Chips”, *Jurnal Teknologi dan Manajemen Agroindustri*, Volume 9 Issue 1., pp. 35-42, 2020.
- [12] Sugiyono, “Metode Penelitian Kuantitatif, Kualitatif, dan R&D”, Bandung : Alfabeta, 2019.
- [13] Sundari Sundari, Revnussa Oktobery, Jacob Abolladaka, “Strategi Usaha Dengan Analisis SWOT Pada Rental Adinda Palangka Raya”, *Jurnal Pendidikan Ilmu Pengetahuan Sosial (JPIPS)*. Vol 12 No. 1, pp. 49-56, Juni 2020.
- [14] Wheelen, L. Thomas dan Hunger, D.J., “Strategic Management and Business Policy”, 13th Edition, United States of America: Pearson, 2018.
- [15] Wibowo, S. S. A., Handayani, Y., & Lestari, A. R, “Strategi Bersaing Perusahaan Dan Kinerja Perusahaan”, *Riset Akuntansi dan Keuangan Indonesia*, 2(2), pp. 42, 2017.
- [16] Yunaida, E, “Analisis Strategi Pemasaran untuk Meningkatkan Pendapatan Produk Surat dan Paket Kantor Pos Langsa”, *Jurnal Manajemen dan Keuangan*, pp. 688-699, 2017.
- [17] Report of Industri farmasi nasional tumbuh 10,81% selama pandemic/AntaraNews/[https://www.antaranews.com/berita/24 Maret 2022](https://www.antaranews.com/berita/24-Maret-2022)).