

Formulation of the Business Model of the Conch Shell Industry in Tanjung Balai: A Comparative Study of Small and Medium Industries

Samrin, Yossie Rossanty, Muhammad Dharma Tuah Putra Nasution & Irawan

Abstract

The purpose of this study was to determine and analyze the SWOT formulation of the conch shell business industry in Tanjung Balai. Data processing and analysis methods used are factor and discriminant analysis using the Cochran and Kaiser Meyer Olkin Measure of Sampling (KMO) tests. The results of this study are to strengthen the results of the previous year's research by exploring the potential of marketing strategies and comparisons of each industry. Meanwhile, the qualitative analysis used is the SWOT analysis. The population in this study were industrial craftsmen in Tanjung Balai, amounting to 38 SMI, which were directly sampled using census techniques. The results of this study that almost all respondents said this effort was necessary in the Blue Ocean Strategy formulation. The six Small and Medium Industries have a level of importance that is not the same as in the Blue Ocean strategy formulation. The loading value or correlation value obtained from the results of the orthogonal rotation of the varimax performed on the five competitive factors also result in 2 main components, such as the volume of contents and the contract system for the first component and the ease of raw materials and facilities for the second component. The situation in Tanjung Balai Small and Medium Industries (SMI) is a situation that describes the red ocean. It can be seen from the value curve of Tanjung Balai SMI which have a tendency to coincide and can be seen from the number of industry players who tend to increase and increase each other's market share. Besides, each of the Tanjung Balai SMI also has a position as a business that offers excessively without adequate results. It can be seen from the value curve, which has a high factor value, so it shows the business making a substantial investment.

Keywords: Blue Ocean Formulation, Small and Medium Industries, SWOT Analysis Model.



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INTRODUCTION

Small and Medium Industries (SMI) is a business sector that has a strategic and essential role in overcoming unemployment. On the other hand, SMI is also able to contribute to encouraging regional economic growth. The SMI sector has several advantages over large/medium businesses. The advantages of this sector include the ability to absorb labour and use local resources, and the business is relatively flexible, so the development of business strategies is a vital momentum to advance the region. The SMI sector turned out to be more resilient in facing the crisis and was able to save the Indonesian economy and become a dynamic economic growth after the economic crisis. SMI is also a source of social and economic life for the majority of Indonesian people who can absorb large numbers of workers.

The Development of Small and Medium Industries (SMI) has excellent and strategic potential in increasing regional economic activities, including providing domestic goods and services. The existence of SMI, which is widespread in Tanjung Balai, will play a significant role in employment. The Regional Government, especially the Tanjung Balai Cooperative Office in carrying out its role and realizing its enormous potential, SMI still faces various problems. One of them is the still unfavourable business climate, which includes (1) aspects of the legality of business entities and unclear licensing procedures that result in high transaction costs, lengthy licensing processes and the emergence of various illegal levies; (2) unfair business practices and business competition; (3) uncertainty of business location; and (4) weak coordination across agencies in empowering SMI. Currently, Tanjung Balai City continues to improve itself in developing tourism potential by prioritizing the local wisdom of its people and starting from cultural performance activities and attractions across the Asahan and Silau rivers. Plus, the conch party is a routine agenda every year. As a historical city, Tanjung Balai has several ancient Dutch heritage buildings such as the Great Mosque from the Asahan Sultanate. Seeing its tourism potential at this time, Tanjung Balai also built the people's economic engine by moving various other sectors, including lodging, restaurant and trade services, even the creative industries that produce souvenirs and the food industry typical of this area. This creative industry is spread across six sub-districts in Tanjung Balai City. According to the data of the Tanjung Balai City industrial service in 2018, several small and medium industries (SMI) have superior clusters in each of their districts, such as follows:

Table 1. Featured Clusters from Small and Medium Industries in each District

No.	District	Featured SMI
1.	Tanjung Balai Utara	Embroidery Craft
2.	Tanjung Balai Selatan	Culinary Industry
3.	Datuk Bandar	Stick Craft
4.	Datuk Bandar Timur	Hyacinth Crafts
5.	Sei Tualang Raso	Coconut Shell Craft
6.	Teluk Nibung	Seashell Craft

Source: Tanjung Balai Industrial Office (2018)

It is undeniable, small and medium industries (SMI) are the economic pillars for a developing region such as Indonesia. With the spirit of developing a creative economy through the creation of added value, it can answer the challenges of an environmentally friendly industry (Affif, 2012). Unfortunately, in the face of business change, small and medium industry (SMI) entrepreneurs prioritize competition from one another to pursue business growth, compete

for competitive advantage, fight for market share, and strive to create differentiation. Until not infrequently competition in the market between these business actors bring bankruptcy consequences. As noted by Kim and Moubourgne (2005) that business actors in an industry do various ways to overcome market changes by deliberately setting market boundaries to inhibit and minimize new business actors. It is done in order to protect the market share that has been achieved by businesses that are already in the industry. This action indicates a situation of intense industrial competition which is termed a bloody ocean or red ocean (Kim and Moubourgne, 2005). Here the market space is increasingly full, prospects for profits and business growth are also reduced, the goods produced have become commodities. Unlike the case with the blue ocean (Blue Ocean) which is in an unreached market space, creating demand and growth opportunities are still large. The blue ocean strategy (Blue Ocean Strategy) is a strategy that challenges businesses in an industry to get out of a crowded red ocean, a price war that is getting hotter, and profit margins are shrinking. Blue Ocean Strategy tries to focus on growing demand and away from the competition. By using this strategy, businesses are encouraged to enter a new market arena that is potentially ignored by competitors.

This study aims to formulate a strategy by prioritizing the concept of Blue Ocean Strategy, which will map the strategy canvas of each small industry based on local wisdom. The business model that will be presented to illustrate the current situation and value innovations that will be applied to provide a complete picture and answer the problems that occur for each small industry in the city of Tanjung Balai.

LITERATURE REVIEW

Four-Step Framework

To realize the blue ocean through value innovation requires an analytical framework called the four-step framework. Kim and Mauborgane (2014: 60), i.e. erase, reduce, enhance and create. The strategic profile that has high blue ocean potential has three complementary qualities Kim and Mauborgane (2014: 65) such as Focus, the company, does not spread its business to all the main factors in competition. Divergence, away from other players, is a result of looking for and looking at alternatives and not comparing competitors. An attractive motto, a good motto must not only be able to convey clearly but also advertise offers or products honestly.

Strategy Canvas

The strategy canvas is a framework of action as well as diagnostics to building an excellent blue ocean strategy (Kim and Mauborgne (2014: 47). In the strategy canvas, the value curve is an essential component. The value curve depicts a graph of the relative performance of companies concerning competition factors in the industry produces three things: drawing a strategy canvas can show the strategic profile of an industry by clearly describing the factors (and possible factors in the future) that influence competition among fellow industry players, showing the strategic profile of current and potential competitors, identify the factors that become an investment arena for them strategically, showing the company's strategic profile or the value curve of the company that illustrates how companies invest in these factors in the future.

SWOT Analysis

SWOT is a strategic planning method used to evaluate strengths, weaknesses, opportunities, and threats in a project or business speculation. The four factors that form the acronym SWOT are strengths, weaknesses, opportunities, and threats. This process involves setting specific goals from business or project speculation and identifying internal and external factors that support and which do not achieve these goals. SWOT analysis can be applied by analyzing and sorting out various things that affect the four factors, then applying it in the SWOT matrix image, where the application is how strengths are able to take advantage of the opportunities available, how to overcome weaknesses (weaknesses) that prevent the advantages (advantages) of the opportunities (opportunities) that exist, then how strengths (strengths) are able to deal with threats (threats) that exist, and finally is how to overcome weaknesses (weaknesses) that can make threats become threats real or create a new threat.

SWOT ANALYSIS



Figure 1. SWOT Analysis Diagram

METHODOLOGY

Data and Estimates

Data retrieval through questionnaires to respondents related to the results of the production of the shellfish handicraft industry and suppliers of raw materials and industrial partners is the basis in making the blue ocean strategy. Besides, information from respondents was also felt to make research more objective. In this study, respondents were divided into two parts, such as consumers and non-consumers, so that the information obtained can be more objective. The minimum number of samples used for research is 38 people. The operationalization of variables and their measurements are as follows:

Table 2: Operational Variable

No	Variable	Indicator	Scale
1.	Factors Becoming Strategy Considerations	The uniqueness of the product A touch of art Done in detail Proximity to sources of raw materials Strategic location Availability of labor Creativity Prices are not fixed at market prices Can be used as a souvenir Expertise and skills of employees Attraction and impact after participating in the exhibition Sensitivity to market choices Organizational Commitment Work environment The availability of online order facilities Managerial experience and ability Product orders are completed on time	Interval
2.	The main factor in influencing business	Unique Selling Product Promotion and Communication Pricing Sales and Channel Distribution Customer Management	Interval

Research Model

The data analysis technique used is a qualitative analysis which has the following steps (Moleong, 2011): Review all data obtained from interviews. Data reduction is an attempt to make an abstraction. Abstraction is an attempt to make the core summary, process and statement remain following the research objectives. After reducing the data, it is arranged in units (utilizing). Checking the validity of the data using an inspection technique called triangulation. Interpretation of data, which is to answer the problem formulation carried out with analytic descriptions, such as designs developed from the categories found and looking for suggested or emerging relationships from the data. In conducting qualitative analysis, there are stages of checking the validity of the data. Data validity test is carried out by using triangulation. The type of triangulation used is sourced triangulation and technique triangulation, Cochran test and KMO factor test. Formulation model that will be produced is SWOT analysis model.

RESULT

Analysis of Respondent Data

Before analyzing the data from the questionnaire, the identity of the respondent will be presented, it can be seen in the following table.

Table 3. Characteristics of Respondents by Gender

No	Gender		(%)
	Female	Male	
1	Female	18	47,37
2	Male	20	52,63
	Total	38	100

Source: Research Results (data processed 2019)

Based on Table 3, it can be explained that the majority of respondents are male, amounting to 20 people or 52.63% and the rest are women as many as 18 people or 47.37%. Characteristics of respondents based on the age of the respondent can be seen in Table 5.2 below:

Table 4. Characteristics of Respondents by Age

No.	Age	People	(%)
1	20 - 30 years old	2	5,26
2	31 - 40 years old	12	31,58
3	41 - 50 years old	17	44,74
4	> 50 years old	7	18,42
	Total	38	100

Source: Research Results (data processed 2019)

Based on Table 4, it can be explained that the age of SMIs entrepreneurs around 20-30 years is two people or 5.26%, respondents aged 31-40 years are 12 people or 31.58%, respondents age 41-50 years are 17 people or 45.74% and respondents age > 50 years as many as 7 people or 18.42%. Characteristics of respondents based on the level of net income per week can be seen in the following Table 5.3:

Table 5. Characteristics of Respondents Based on Income Level

No.	Income	People	(%)
1	Rp 1.000.000 -Rp 2.000.000	14	36,84
2	Rp 2.100.000 -Rp 3.000.000	11	28,95
3	Rp 3.100.000 -Rp 5.000.000	8	21,05
4	>Rp 5.000.000	5	13,16
	Total	38	100

Source: Research Results (data processed 2019)

Based on table 5.3 it can be explained that the income of SMI entrepreneurs Rp 1,000,000-Rp 2,000,000 totaling 14 people amounted to 36.84% income of Rp 2,100,000-Rp 3,000,000 totaling 11 people amounting to 28.95%, income of Rp 3,100,000-Rp 5,000. 000 as many as eight people by 21.05% and income > Rp. 5,000,000 as many as five people by 13.16%. Characteristics of respondents based on their level of education can be seen in the following table.

Table 6. Characteristics of Respondents by Education

No.	Education	People	(%)
1	Junior High School	22	57,89
2	Senior High School	6	15,79
3	Diploma	7	18,42
4	Bachelor	3	7,89
	Total	38	100

Source: Research Results (data processed 2019)

Based on Table 5.4, it can be explained that there are 22 people who have been educated by SMI entrepreneurs or 57.89%, 6 people have high school or 15.79%, 7 people have D3 graduates or 18.42% and 3 people have Bachelor graduates or 7.89%.

Situation Analysis of Tanjung Balai Small and Medium Industries

The industry is an economic activity that cannot be separated from geographical concentration conditions. The concentration of economic activity in a country shows that industrialization is a selective process in terms of geographical dimensions. Clusters are a reflection of the geographical concentration of the same industrial group. Industry in the narrow sense is a group of companies that produce similar products where there are similarities in the raw materials used, processes, forms of end products, and end consumers. Whereas, in a broad sense, the industry is a group of companies that produce goods and services with positive and high cross-price elasticities of demand. In this study, the industry studied is a collection of Tanjung Balai Small and Medium Industries that produce and market products in the form of handicrafts, embroidery and food and beverages typical of Tanjung Balai. Tanjung Balai Small and Medium Industry are defined as a set of home-based businesses that have production and marketing locations in the Tanjung Balai area. Every business in this industry has its strategy in dealing with competition. This strategy can be seen from the strategic profile of each industry. Tanjung Balai Small and Medium Industries analyzed for their strategic profile in this industry includes Industrial Embroidery Crafts, Culinary Crafts, Water Hyacinth Stick Crafts, Coconut Shell Crafts and Shellfish Crafts.

Embroidery Craft

Featured village of Embroidery is located in the Johor Coast Village, Tanjung Balai city. Here it serves embroidery services for kebaya, clothing and names/identities. The quality is indeed not in doubt, because it is done by embroidery craftsmen who are experts in their fields and have long experience in embroidery. Affordable prices and a wide selection of embroidery motifs are the hallmarks of this embroidery village. Superior Embroidery Village produces products including:

1. Embroidery Various Motifs
2. Bridal Clothing
3. Party Clothing
4. Kebaya
5. and other types of embroidery to order

Culinary Industry

The culinary industry in the city of Tanjung Balai has quite high potential because it has several coastal specialities including clam shells, feather clams, salted fish, Medan anchovies, salted shrimp, shrimp paste, tamarind curry, vegetable leaves, mashed crust shells, fish sauce, fern, and Anyang Kepah.

Stick Craft

The skill of making sticks in the Tanjung Balai craftsmen community group is hereditary from their parents. It is essential, especially in connection with efforts to preserve the nation's culture so that traditional handicraft products are still maintained and the quality and quantity of products have been improved to date. Tanjung Balai has a diverse ethnic background, as do arts and crafts, one of which is a stick made from Sijambi village, Pahang, Sirantau, Johor Beach, Gading. In the era of globalization, the art of craft, especially

handicrafts, is increasingly marginalized, due to the development of technology so that art objects can be made faster and with mass quantities.

Hyacinth Crafts

Handicraft products made from water hyacinth (*Eichornia Crassipes*) water plant in Datuk Bandar District precisely in Pulau Simardan district, Tanjung Flower, Originally So, Lancang Strait, Tanjung Straits Medan can penetrate foreign markets, especially Japan and Germany. Water hyacinth products made by the North Hulu Sungai crafters (HSU) have been marketed abroad in the form of carpet, pillow and box products. However, in terms of quantity of water hyacinth HSU products have not been able to fulfil orders from abroad. The number of water hyacinth artisans has spread in nine districts of the three existing districts. In terms of the quality of this type of craft has developed rapidly in the last six years. Abundant raw materials even support it because swamps dominate around 89% of the HSU Regency. The constraint, to increase the amount of production, lies in the aspect of providing raw materials. The number of artisans and raw materials is indeed many, but there are no specific community groups as suppliers or suppliers of raw materials. So that the craftsman takes a long time to make handicraft products because it takes time to look for raw materials. The craftsmen should focus only on production efforts while the provision of raw materials is carried out by other community groups so that the production process is smooth. Ordering and marketing of water hyacinth handicrafts from this village reach Sumatra and Kalimantan Provinces. However, as the quality of handicraft products increases, the water hyacinth handicraft should be able to continue to be marketed overseas.

Coconut Shell Craft

Coconut shell handicrafts are located in Sei Tualang Raso sub-district, precisely in several villages in Muara Sentosa, Sumber Sari, Pasar Baru, Sacred Dome, Sei Raja. Shell or coconut shell is currently not used optimally and most often only used for manufacturing fuel. However, if processed with creative hands, coconut shells can be transformed into a work of art that has business value, including accessories, decorations, toys, and household appliances. With coconut shell, creativity can become a craft, one of which is a unique, beautiful bowl. Given that there are people with their needs and purchasing power for something of unique value is also not small. So it can be predicted coconut shell that has been transformed into a unique object and high artistic value will get a great response by the community for example in restaurants who want to emphasize the uniqueness of their food containers so they can consider using the coconut shell bowl. Most of the bowls sold on the market are made from glass (glass) and plastic (atom). A bowl made from raw glass (glass) will easily crack/break if exposed to excessive impact or heat. While the bowl of plastic (atomic) raw material when exposed to heat will sublime and if exposed to oil when cleaned, the oil is remaining attached to the bowl. The alternative given coconut shell will be able to give a new perspective to the community to try to use a bowl with coconut shell material. Because when viewed in terms of health, the coconut shell does not harm the body with natural elements that will still maintain the creativity of the taste of food. Making a bowl from a coconut shell will also introduce the public to something that smells traditional because the ingredients and the process are natural. Besides, the manufacturer does not have to use machines so that it does not cause pollution problems and is environmentally friendly.

Seashell Craft

Seashell crafts in Tanjung Balai are located in Teluk Nibung sub-district, in Perjuangan,

Pematang Pasir, Kapias, Pulau Buaya, Beting Kuala Kapias, Sei Merbau. The Kemuning Balai Sakinah Aisiyah (BSA) group in Nibung Bay can utilize shellfish waste into a unique, beautiful and attractive decoration. Thus, the waste which was not used extensively now has economic value. Mothers do utilization of waste shells. In its processing, shell waste is initially washed clean and then dried. After it is softened by using certain chemical liquids, this is also done so that the shells last longer. After that, the shells with various shapes are created into brooches, mirror decorations, ashtrays, plates, flower decorations where tissue, lanterns and various other decorations. The craftsmen tried to participate in the creativity exhibition held by the North Sumatra Provincial Government, after which the Tanjung Balai City Industry and Labor Office learned that there was a group of women who became artisans utilizing shellfish waste. To add expertise and craft products to be more varied, beautiful and attractive, the Office has included us in training on the skills to utilize shellfish waste in Tanjung Balai. Shellfish handicraft products are now marketed to various regions and are always facilitated by the City Government of Tanjung Balai to take part in exhibitions, both craft and creative in Jakarta.

Data Analysis

Competition Factors in Tanjung Balai Small and Medium Industries

Factors of competition in an industry are defined as factors or important elements that are used as a venue for the competition to increase excellence and profits for companies in an industry. In this research, the factors that become the arena of competition in the Tanjung Balai Menengah Small Industry are obtained by conducting literature studies and observations in the field. Literature studies conducted using the results of previous research relating to the topic of consumer behaviour towards small industries. This literature study produces several attributes used by previous researchers in conducting consumer assessments. Researchers then use these attributes as factors for small industry competition. The competition factors that have been found form the basis for determining the strategic profile of each company within the Tanjung Balai Menengah Small Industry. These factors are identified by the first class, such as consumer and non-consumer groups. The competition factors proposed to consumers and non-consumers are not only factors that are contained in product attributes, but also factors related to supporting services and marketing systems contained in the Tanjung Balai Menengah Small Industry. The competition factors identified were 17 factors, including the following: Product specificity; The portion and size of the product; The price offered by the Tanjung Balai Small and Medium Industry (SMI); Diversity of products offered; The entrepreneur's skills in providing fast and appropriate services. Providing information about processed products accurately; The speed of the process and/or presentation; Responsiveness in responding to consumer complaints; Transaction speed; Friendliness and politeness of SMI entrepreneurs; Cleanliness and tidiness; Strategic industrial location; Adequate parking area; Attractive signage; Availability of adequate supporting facilities (prayer room, toilet, playground); Availability of online order facilities; Product updates; The fame of the products offered. Factors of competition in the consumer and non-consumer groups are identified through a questionnaire. In this study, two different questionnaires were used, which were given to each group. The competition factors asked in the questionnaire for the first group use a form of nominal measurement scale, such as the answer YES and the answer NO. It is done to find out that the factors in question are factors that are used as a venue for competition in small and medium industries.

Canvas Strategy for Tanjung Balai Small and Medium Industry

In this study, the strategy canvas is used to describe the competition that is happening at

Tanjung Balai SMI on the established competition factors. Making this strategy canvas is generated from the second stage questionnaire information distributed to the Tanjung Balai SMI consumer group and other consumers totalling 38 people. In making the Tanjung Balai SMI strategy canvas, a Tanjung Balai SMI strategy comparison is needed to get a competitive situation in the industry. The strategy canvas is a map representation connected by a horizontal axis and a vertical axis. The horizontal axis on the strategy canvas shows the competition factors based on the Cochran Test method. The competition factors, among others, the number of product variations, product hygiene product information (expiration date/certification/ BPOM, halal, etc.), the efficacy/benefits of the product, the ease of obtaining the product (sales location). Measurement criteria for respondents' explanation of their answers using interval scale instruments can be seen in the following table.

Table 7. Instrument Interval Scale

No	Question	Score
1	Very Bad	1.00 - 1.80
2	Not Good	1.81 - 2.60
3	Not Good	2.61 - 3.40
4	Well	3.41 - 5.20
5	Very Good	5.21 - 5.00

The following are the results of respondents' answers to the above competition factors of Tanjung Balai SMI, which can be seen in the following table.

Table 8. Values of Competitive Factors

SMI	Competitive Factors				
	Number of product variations	Product price	Product information (expiration date / certification / BPOM, Halal etc.)	Product benefits / benefits	Ease of obtaining products (sales location)
Embroidery Craft	4.4 (Very Many)	4,2 (in accordance)	4.4 (Very Complete)	4.7 (Very Helpful)	4.6 (Very Easy)
Culinary Industry	4.3 (Very Many)	4.4 (Very appropriate)	4.4 (Very Complete)	4.3 (Very Helpful)	4.4 (Very Easy)
Stick Craft	3.9 (Lots)	4.0 (as per)	4.2 (Complete)	4.1 (Helpful)	4.3 (Very Easy)
Hyacinth Crafts	4.3 (Very Many)	4.5 (Very Suitable)	4.3 (Very Complete)	4.5 (Very Helpful)	4.3 (Very Easy)
Coconut Shell Craft	4.3 (Very Many)	4.3 (Very appropriate)	4.5 (Very Complete)	4.3 (Very Helpful)	4.5 (Very Easy)
Seashell Craft	4.3 (Very Many)	4.5 (Very Suitable)	4.4 (Very Complete)	4.5 (Very Helpful)	4.4 (Very Easy)

Source: Data Processed, 2019

In Table 8, we can find out the values and interpretations of the factors in each Tanjung Balai SMI. The value obtained is used as a score for each factor on the vertical axis of the strategy canvas. Whereas each factor is mapped on the horizontal axis, it can be made a strategy canvas that shows the strategic profiles of the three restaurants that have been studied. The following figure is a picture of the strategy canvas.

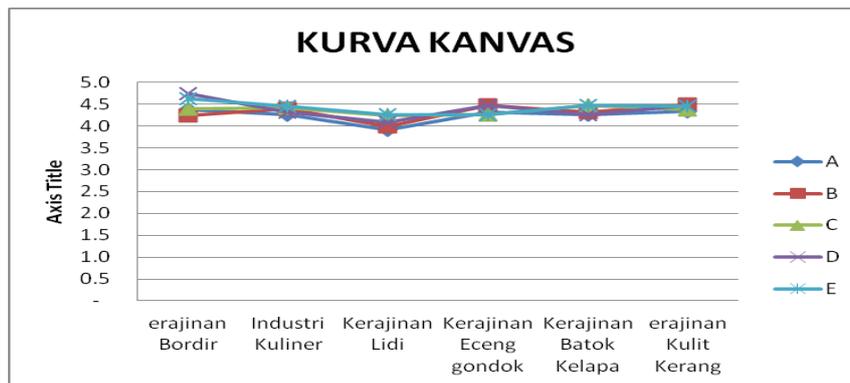


Figure 2. Strategy Canvas

Information:

A = Factor The number of product variations

B = Product price factor

C = Product Information Factor (expiration date / certification / BPOM, Halal etc.)

D = Product Efficacy factor / benefit

E = Ease of getting the product (sales location)

The figure above is a strategy canvas of the six Tanjung Balai SMI such as Industrial Embroidery Crafts, Culinary Crafts, Water Hyacinth Stick Crafts, Coconut Shell Crafts and Shellfish Crafts. The graphical results of the score on the strategy canvas represent the value curves of each traditional Sundanese restaurant. The following is an explanation of the value curve shown on the strategy canvas above.

Factor Amount of product variation. Based on the value curve on the strategy canvas shown in Figure 5.1, the assessment of this factor for the three restaurants is included in the strict and quite high rating. In Figure 2, it can be seen that the number of product variations presented by the embroidery craft is higher than the number of product variations made by the five other high schools. It shows that SMI embroidery craft has more product model variants than other products offered by SMI. This product variation factor is an important factor in offering a processed industrial product because this factor is very influential in consumer preferences. Consumers are more interested in products that have diverse product variations so that consumers will make repeat purchases.

Product price factor. Based on the value curve in Figure 5.1, the performance of the product price factor offered by the Tanjung Balai SMI on Water Hyacinth Crafts and Shellfish Crafts has the same value, i.e. the price offered is appropriate. This performance value is still higher compared to other high schools. Prices are strongly influenced by costs where low costs and vice versa influence low prices.

Product information factors (expiration date / certification / BPOM, Halal etc.) The value curve in Figure 5.1 shows that Tanjung Balai SMI embroidery, culinary and handicraft shells have the same performance value on this factor, which is complete. It might be because the concept of product offerings conducted by Tanjung Balai SMI is the concept of an order where product information (expiry/certification/ BPOM, halal, etc.) are already listed in the product

ordered.

Efficacy Factors/benefits of the product. Based on the value curve shown in Figure 5.1, Tanjung Balai SMI has the same performance value, which is the Value / Benefits of the product is beneficial. It can be a consideration for Tanjung Balai SMI managers to dare to invest heavily by increasing the efficacy and benefits of products that can be felt by consumers.

Ease of getting products (location of sales). The value curve on the strategy canvas above shows the highest performance value on this factor is the industry of embroidery crafts. The value of Tanjung Balai SMI performance on this factor is that consumers have a feeling of comfort and security while in the restaurant. High-performance value on the ease of obtaining the product (sales location) is significant to be maintained by Tanjung Balai SMI to retain its customers and encourage consumers to make repeat purchases.

Cochran Test and Kaiser Meyer Olkin Measure of Sampling (KMO) Factor Test

The following is a Cochran test to assess the importance of each Tanjung Balai Small and Medium Industry, which can be seen in the following table.

Table 9. Frequencies

	Value	
	0	1
Embroidery Craft	0	38
Culinary Industry	26	12
Stick Craft	8	30
Hyacinth Crafts	0	38
Coconut Shell Craft	27	11
Seashell Craft	6	32

Source: Data Processed, 2019

The frequency table above shows information about the amount of data processed for each variable, where: Embroidery Craft SMI shows all respondents said this effort was necessary for the Blue Ocean strategy formulation. The Culinary Industry SMI showed 26 respondents said this business was not necessary for the Blue Ocean strategy formulation, while those who said this business was influential in the Blue Ocean strategy formulation were 12 respondents. SMI Handicraft Lidi showed eight respondents said this effort was not crucial in the formulation of the Blue Ocean strategy, while those who said this business was influential in the formulation of the Blue Ocean strategy were 30 respondents. The Water Hyacinth Craft SMI shows all respondents said this effort was necessary for the formulation of the Blue Ocean strategy. Coconut Shell SMI Craft 27 respondents said this business was not necessary for the formulation of the Blue Ocean strategy, while those who said this business was influential in the formulation of the Blue Ocean strategy were 11 respondents. SMI Shellfish Craft shows six respondents said this effort was not crucial in the Blue Ocean strategy formulation, while those who said this business was influential in the Blue Ocean strategy formulation were 38 respondents.

Table 10. Test Statistic

N	38
Cochran's Q	89.039 ^a
df	5
Asymp. Sig.	.000

a. 1 is treated as a success.

Source: Data Processed, 2019

The table above provides valuable information as a basis for decision-makers. To determine whether there are differences in interests or among the 6 Small and Medium Industries, we first make the following hypothesis:

- H0 = Sixth Small and Medium Industries have the same level of importance.
- H1 = Sixth Small and Medium Industries have unequal importance.

The terms H0 are accepted or not based on the probability values as follows:

- If the probability is > 0.05 , then H0 is accepted
- If the probability is < 0.05 , then H0 is rejected

Based on the above results on the Asymp Sig line, it is seen that the probability value is 0,000 then H0 is rejected ($0,000 < 0.05$) and Ha is accepted. The six Small and Medium Industries have an unequal level of importance in the formulation of the Blue Ocean strategy.

Table 11. Correlation Matrix

		x1	x2	x3	x4	x5
Correlation	x1	1.000	.238	.050	.022	.217
	x2	.238	1.000	.072	-.128	.770
	x3	.050	.072	1.000	.569	.094
	x4	.022	-.128	.569	1.000	-.129
	x5	.217	.770	.094	-.129	1.000
Sig. (1-tailed)	x1		.075	.384	.447	.095
	x2	.075		.335	.222	.000
	x3	.384	.335		.000	.288
	x4	.447	.222	.000		.221
	x5	.095	.000	.288	.221	

Source: Data Processed, 2019

Assumptions for the first-factor analysis are:

The determinant of Correlation Matrix Test. A correlation matrix is said between interrelated variables if the determinant value is close to 0. The calculation results show the value of the Determinant of Correlation Matrix > 0.05 . This value moves away from 0. Thus, the correlation matrix between variables is not interrelated.

Table 12. KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.530
Bartlett's Test of Sphericity Approx. Chi-Square	48.922
df	10
Sig.	.000

Source: Data Processed, 2019

Assumption Analysis The second factor is Kaiser Meyer Olkin Measure of Sampling (KMO) is an index of the distance comparison between the correlation coefficient with its partial correlation coefficient. If the sum of the squares of partial correlation coefficients among all pairs of variables is of small value when compared to the sum of the squares of the correlation coefficient, it will produce a KMO value close to 1. The KMO value is considered to be sufficient if more than 0.5. The results showed that the Kaiser Meyer Olkin Measure of Sampling value was 0.530. Thus, the KMO requirements meet the requirements because they have values above 0.5 with a significance of 0,000 < 0.05.

Table 13. Componen Matrix^a

	Component	
	1	2
Prices from manufacturers or agents	.451	.138
Volume content	.915	.029
Ease of Raw Materials	.061	.889
Amenities	-.207	.872
Contract System	.911	.041

Extraction Method: Principal Component Analysis.

a. 2 components extracted.

Source: Data Processed, 2019

Information:

- Component 1 is the consumer's perspective
- Component 2 is a non-consumer perspective

Data processing of 5 competition factors, using factor analysis of principal component extraction method (principal component), produces two main components. The grouping of competition factors into main components can be seen from the loading value or correlation value chosen based on the most significant absolute number. Based on the table above, the loading value or correlation value obtained from the results of the variogram orthogonal rotation carried out on five competition factors also result in 2 main components such as the volume of contents and the contract system for the first component and the ease of raw materials and facilities for the second component.

DISCUSSION***Comparative Competitive Strategy for Small and Medium Industries in Tanjung Balai***

The competitive strategy undertaken by Tanjung Balai SMI is a strategy in applying the

capabilities of businesspeople in the analysis of the external and internal environment, formulation of strategies, implementation of plans designed to achieve company goals, and conducting evaluations to obtain feedback in formulating a strategy that will come. The indicators used by Tanjung Balai SMI in facing business competition are:

- a. Always introduce new products
- b. Creating a different product (differentiation)
- c. Conduct market research
- d. Pressing costs lower than competitors
- e. Products with efficient costs
- f. Improved coordination of various products
- g. Optimization of production equipment and facilities
- h. Conduct a cost analysis
- i. Increased availability of work equipment
- j. Focus on specific customers
- k. Focus on certain products
- l. Focus on certain market segments

This competitive strategy is carried out by identifying the competition factors in the Tanjung Balai Small and Medium Industries (SMI) which consist of the price factor offered by the Tanjung Balai Small and Medium Industries (SMI), the diversity of products offered, the skills of entrepreneurs in providing fast and appropriate services, Providing information about processed products accurately, Process and / or presentation speed, Responsiveness in responding to consumer complaints, Speed of transaction, Friendliness and politeness of SMI entrepreneurs. Before businesses choose the right strategy, an attraction from two bases of attraction is needed, such as functional and emotional, Tanjung Balai Small and Medium Industries (SMI) operators need to determine their orientation first. The Tanjung Balai Small and Medium Industry (SMI) has three orientations, such as eating activities, providing atmosphere, and providing souvenirs. The first and last orientation is functional. Meanwhile, the second orientation is emotional. The second orientation is currently still a cost for the Tanjung Balai Small and Medium Industry (SMI), especially in the culinary industry. It can be seen on holidays or weekends where many consumers queue to get a place, while consumers who have finished consuming food do not move fast because they want to enjoy the atmosphere. To overcome this, SMI in the culinary industry needs to improve the performance of waiters to provide good service to these consumers. It can be done by offering products continuously by waiters to consumers. This method provides two possibilities, such as consumers feel self-conscious to go home, or consumers will make purchases again. This method will minimize the costs borne by culinary entrepreneurs if consumers still are not quick to go home, but consumers still order another menu.

Competitive strategy of Small and Medium Industries is Formulated using the SWOT SWOT Analysis in Identifying Internal and External Environments

SWOT analysis begins by identifying the internal and external environment. Internal environment includes the environment within the company itself. The following is the company's internal matrix.

Internal Factor Evaluation (IFAS Matrix)

Below is the result of processing the Internal Factor Analysis Strategy (IFAS) matrix. To determine the rating and weight is the result of consultation with Business Actors. Moreover,

for the rating, multiply the average rating by the average weight, as well as the External Factor Analysis Strategy (EFAS) matrix.

Table 14. Internal Factor Analysis Strategy (IFAS) Business Actors for Conch Shells Craft Deli Shells, Deli Serdang

No.	Internal Key Factors	Weight	Rating	Value	Work program
Strength:					
1	Business Experience	0,10	4	0,40	Effective and efficient use of time in operational processes
2	The market share is quite high	0,06	3	0,18	Manage business appropriately and attractively
3	Competitive prices	0,10	4	0,40	Keep prices stable
4	Strategic location	0,08	4	0,32	Adding knowledge about the location of the area around the business
5	Have an out of market orientation	0,06	3	0,18	Conduct market analysis outside the region
6	Reliable and loyal business actors	0,10	3	0,30	Continuously improving business capability
		0,50	Total	1,78	
Weakness:					
1	The equipment used is not yet fully modern	0,13	1	0,13	conduct operational equipment procurement in stages
2	Limitations of business expansion	0,12	1	0,12	Opened branches in various regions
3	No routine promotion and advertising is done	0,08	1	0,08	Promoting in print and electronic media, even on a small scale
4	The production process is classified as manual	0,09	2	0,18	We recommend adding production machines so that production can be run on a large scale
5	Global position is very lacking	0,08	2	0,16	Trying to enter the global market in order to face the competition of the Asean Economic Community (AEC) which resulted in many products from outside.
		0,50	Total	0,67	
	Total	1,00		2,45	

Source: Processed Data, 2019

Based on the table of IFAS Matrix analysis results from the strength side, there are 6 points, such as: A competitive price is a factor which is the main strength possessed by Business Actors, a weight of 0.10 (essential) and rating 4 (main strength), with a total score of 0.40, at point 3 of table 5.5. Considering that the target market is middle consumers, the price factor is very influential because the average customer chooses a low price and also excellent service quality. The work program that must be carried out is to keep prices stable, which can be a competitive advantage for Business Actors with products from outside. The Experience of Business Actors is also a factor that is a significant strength for Business Actors because the

weight, rating and total score are the same as the competitive price factor. Work programs that must be carried out by Business Actors are to utilize time effectively and efficiently in operational processes. The next strength is the strategic location with a weight of 0.08 (quite important), rating 4 (main strength), with a total score of 0.32, at point 4 of table 5.5. Not all company competitors have strategic production and marketing locations. It is for Business Actors can be a competitive advantage as well as making it easier for consumers to place an order. The work program that must be carried out by Business Actors is to increase knowledge about the location of the area around the business. The next strength is the reliable Business Actor, weighing 0.10 (significant), rating 3 (minor strength), with a total score of 0.30, in point 6 of table 5.5. Entrepreneurs who are male are the strength of Business Actors because men are more reliable in the production process because they are accustomed to heavy work. The work program that must be carried out by Business Actors is to train their abilities sustainably. The market share is quite high, weighing 0.06 (quite important), rating 3 (main strength), with a total score of 0.18, in point 2 of table 4.1. The high demand for seashells is a great opportunity for Business Actors in marketing their products, this for Business Actors can be a competitive advantage as well because an increase in market share can increase the profit of Business Actors. The work program that must be carried out by Business Actors is to manage the business appropriately and attractively. The next strength has an orientation out of the region with a weight of 0.06 (quite important), rating 3 (minor strength), with a total score of 0.18, at point 5 of table 4.1. The existence of free trade throughout Southeast Asia fosters the orientation of the company on international marketing capacity to neighbouring countries, this for Business Actors can be a competitive advantage because it can increase company sales. The work program that must be carried out by Business Actors is to conduct an international market analysis. Based on the IFAS Matrix analysis table from the weakness side, there are 5 points such as: Weakness with the highest total score is the production process classified as manual, with a weight of 0.09 (quite important), rating 2 (minor weakness), with a total score of 0.18 at point 4 in table 5.5. The factor of lack of modern equipment is significant for business operations which will have an impact on the income obtained by the business. Business operators who have only a hoe should add their production machinery so that production can be carried out on a large scale. The next weakness is that financial management is still not professional with a weight of 0.08 (quite significant), rating 2 (minor weaknesses), with a total score of 0.16 in point 5 of table 4.3. Mixing personal and business financial results will result in a variety of problems that can arise due to financial problems. Businesspersons must learn and practice managing financial business by separating it from personal money. The next weakness is that there is no regular promotion and advertising with a weight of 0.13 (significant), rating 1 (main weakness), with a total score of 0.13 in point 1 of table 4.3. Promotion is an important and influential factor to increase sales and increase consumers. The work program that must be carried out by the Business Actor is to carry out promotions and advertisements even on a small scale. The next weakness is the incomplete operational business equipment with a weight of 0.12 (significant), rating 1 (main weakness), with a total score of 0.12 in point 2 of table 4.3. In order to avoid disruption to operational processes and services to consumers, Business Actors should conduct operational equipment procurement in stages both in cash and credit. The last weakness is that the production process is still manual with a weight of 0.08 (quite important), rating 1 (the main weakness), with a total score of 0.08 at point 3 of table 4.3. The process of washing conch shell crafts in the rainy season is very ineffective, because it consumes more energy, making Business Actors work extra hard. Business Actors must add business operational equipment so that the energy used is efficient.

Evaluation of External Factors (EFAS Matrix)

Berdasarkan analisis lingkungan Eksternal dapat disusun Matrik EFAS di bawah ini:

Table 15. External Factor Analysis Strategy (EFAS) Business Agents of Conch Shells Craft of Conch Shells Deli Serdang District

No.	External Key Factors	Weight	Rating	Value	Work program
Opportunities:					
1	The higher demand for shellfish handicraft products	0,05	1	0,05	Open a branch in a potential area
2	Technological development	0,10	2	0,20	Procurement of equipment
3	Ease of obtaining raw materials	0,05	2	0,10	Expanding supplier connections
4	Have loyal customers	0,15	2	0,30	Maintain good relations with customers and improve service quality
5	Have alternative capital	0,15	4	0,60	Expanding capital sourced from bank loans
		0,50	Total	1,25	
Threats:					
1	The emergence of competitors from similar businesses	0,15	3	0,45	Improve product and service quality
2	Increased fuel and high operational costs	0,08	2	0,16	Using a fuel-efficient engine
3	Product price decline	0,15	2	0,3	Perform accurate production planning
4	Competitors have greater capital	0,05	2	0,1	Increase company capital
5	Competitor strategy innovation	0,07	2	0,14	Evaluate Business Strategy strategies to achieve improvement
		0,50	Total	1,15	
	Total	1,00		2,40	

Based on the results of the EFAS Matrix Analysis from the Opportunity side, there are 5 points:

The opportunity with the highest score is to have loyal customers, the weight of 0.15 (significant) and rating 4 (response of superior companies) with a score of 0.60, is in point 4 of table 5.6. Loyal customers are significant, and the response of Business Actors to these factors is very superior because Business Actors prioritize loyal customers in running their business. Business operators must maintain good relations with customers and improve quality and service. The next opportunity is to have a good relationship with suppliers with a weight of 0.15 (significant) and rating 2 (average company response) with a score of 0.30, found in point 5 of table 5.6. Having a good relationship with the supplier is very important, and the Business Actor's response to these factors is the average customer response. Although this factor has a critical weight, the response of Business Actors is only average; this is because Business Actors respond more to give priority to loyal customers, given that there are very many suppliers but without underestimating existing suppliers but still maintaining

good relations with him. Technological development is the next opportunity with a weight of 0.10 (necessary), rating 2 (average company response) with a score of 0.20, at point 2 of table 5.6. The development of technology for Business Actors is essential, and the response of Business Actors to this factor Business Actors respond on average. Despite the development of increasingly advanced production equipment, it must be adjusted to the capital of the Business Actor. For a business that manufactures shells that are developing or are just starting, they need to take time to be able to buy the equipment. The ease of obtaining raw materials is the next opportunity with a weight of 0.05 (less critical) and rating 2 (average company response) with a score of 0.10 at point 3 of table 5.6. According to Business Actors, the ease of obtaining raw materials has less important weight and the average Business Actor's response. It is because according to the Business Actor although raw materials are the main source of company production because obtaining raw materials is still quite easy, it is not yet important enough for the company to conduct an evaluation. The last opportunity is the increasing demand with a weight of 0.05 (less important) and rating 1 (response of poor business actors) with a score of 0.05 at point 1 of table 5.6. According to Business Actors, the factor of the increasing number of requests around has less important weight and inadequate Business Actor response. It shows that Business Actors are more concerned about having loyal customers because of the certainty of getting consumers than to pick up opportunities that exist. So, in conclusion, Business Actors have not been too responsive to external opportunities that exist today. The right way to take advantage of these opportunities is to open branches in potential areas

Explanation of EFAS Matrix Analysis Results from the Threat side there are 5 points:

The highest threat factor is the number of competitors in similar businesses, with a weight of 0.15 (very important) rating 3 (above average business response) and a score of 0.45, in point 1 of table 5.6. The most serious threat will come from competitors in similar businesses. Seashell Craft Business is increasingly mushrooming in the area; Business Actors must improve the quality of products and services and implement appropriate competitive strategies in order to compete with its competitors. The next threat is a decrease in product prices, with a weight of 0.15 (very important) rating 2 (average company response) and a score of 0.30, in point 3 of table 4.2. The conch shell business cannot be separated from its production results, because on average, the equipment and supplies of conch shell crafts use plants if there is a decrease in the price of one of the affected businesses, such as the shell business. If there is an increase, it will affect the price of seashell crafts, so that it will have an impact on income and also the number of consumers that can be reduced due to the increasingly high price of seashell crafts. The right way to deal with this is to plan raw material requirements precisely as needed. The next threat factor is the fuel price increase which is quite high, with a weight of 0.08 (quite important) rating 2 (average company response) and a score of 0.16, in point 2 of table 5.6. For Business Actors, the quite high increase in BBM is a threat, because Business Actors use tools that require BBM. If there is a high increase in fuel prices, it will have an impact on Business Actors which causes operational costs to increase and can also reduce revenue. The way to overcome this is by using a fuel-efficient engine. The next threat factor is the uncertain weather for competitor strategy innovation, with a weight of 0.07 (quite important) rating 2 (average company response) and a score of 0.14, at point 5 of table 5.6. For Business Actors, competitor strategy innovation causes high competition, making it difficult for company marketing. It can cause a decrease in company sales. The lowest threat factor is similar companies that have a large capital, with a weight of 0.05 (less important) rating 2 (average company response) and a

score of 0.10, at point 4 of table 5.6. For Business Actors, similar competitors who have significant capital have less important weight, and Business Actor's response is average. Business Actors consider that they can still compete with the conch shell craft business as long as it has its advantages.

Competition Analysis

Based on competition analysis, the Competitive Profile Matrix (CPM) of Business Actors with competitors can be arranged as follows:

Table 16. Competitive Profile Matrices

The critical success factors	Weight	Clamshell Business Actors		Sweep sticks Business Actors		Coconut Shell Business Actors	
		Rating	Value	Rating	Value	Rating	Value
Finance	0,15	3	0,45	4	0,60	3	0,45
Price	0,20	4	0,8	3	0,6	3	0,6
Operational Engineering	0,10	2	0,2	2	0,2	2	0,2
Operating costs	0,10	3	0,30	3	0,30	4	0,40
Facilities and infrastructure	0,09	2	0,18	4	0,36	1	0,09
Promotion and advertising	0,10	1	0,1	2	0,2	2	0,2
Market share	0,09	3	0,27	2	0,18	1	0,09
HR Reliability	0,7	3	0,21	3	0,21	3	0,21
Equipment completeness	0,10	1	0,1	1	0,1	1	0,1
Total	1,00		2,52		2,75		2,25

Based on the CPM Matrix above, it can be concluded that price is the main success determining factor because of the selling characteristics of price-sensitive shell craft. If the selling price of a company's product is lower than its competitor's price, the market opportunity for the company's competitive advantage will be even more excellent. For this reason, the price has a level of importance of 0.20 because people tend to choose shells that are cheap and have satisfying service. From the CPM Analysis, it is also known that the key strategic factors that are a competitive advantage for Shellfish Craft Business Actors are price, whereas, for Village X Business Players, the competitive advantage lies in facilities and infrastructure, and for Coconut Shell Craft Business Actors whose competitive advantage is cost low-cost operations. The results of the analysis show that the Businessman Craft Businessman is superior to his financial position and as a whole the competitor is superior to the Businessman Business Craft with a score of 2.75 where this competitor has an advantage compared to the Businessman of the Craft of Shellfish and from the Businessman of Village Y, then the Business Actor Coconut Shell Crafts excel only in terms of operational costs and facilities & infrastructure. Whereas from the aspect of the price, the Seashell Craft Business Actor is superior.

Based on the EFAS and IFAS calculation results above, it shows that:

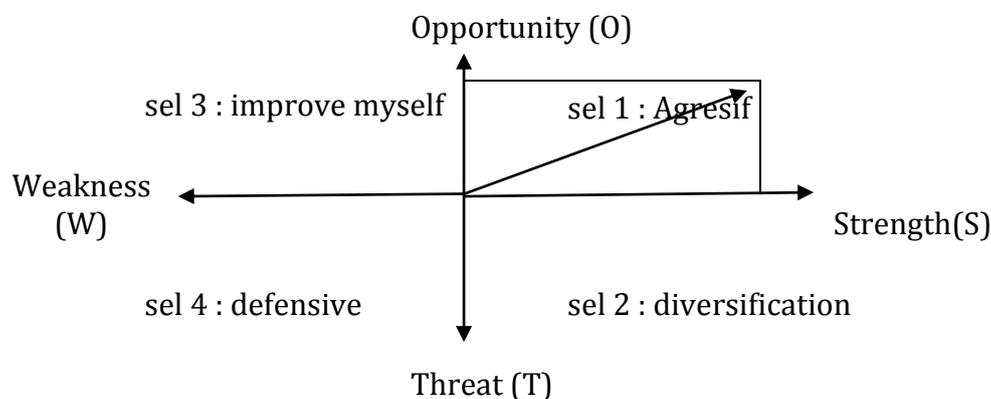
- a. From an internal perspective: Strength > Weakness

b. From an external perspective: Opportunity > Threats

INTERNAL	EXTERNAL	STRATEGY
$S > W$	$O > T$	AGGRESSIVE STRATEGY (MARKET PENETRATION)
$1,78 > 0,67$	$1,25 > 1,15$	

Information for Aggressive strategies (Market Penetration)

The internal value for strength is 1.78, while the value for weakness is 0.67, so the strength of Shellfish Business Actors has a higher score than weakness. The external value for opportunity is 1.25 while the value for threat is 1.15, so the opportunity for Shellfish Craft Business Actors is in an aggressive strategy and the right based on aggressive strategy is market penetration because Shellfish Craft Business Actors have a lot of power that has not been optimized and many opportunities that have not to be used. Because the aggressive market penetration strategy is where the company increases its sales of products and markets that are available through more aggressive marketing efforts.



Thus the Shellfish Business Actors are in Quadrant I, which means that the company has not optimally used internal strength to take advantage of opportunities from the external environment. In quadrant I (one), the recommended strategy is the Aggressive Strategy, and the most suitable aggressive strategy is the market penetration strategy where the company increases its sales of products and markets that have been available through more aggressive marketing efforts. SWOT analysis is done by identifying the strengths and weaknesses of the internal environment. Then the opportunities and threats from the external environment, and get results, the strength of 1.78 has a score higher than the weakness of 0.67, then the opportunity score of 1.25 is higher than the threat of 1.15, then Shellfish Business Actors are in the SO column, where the Shellfish Craft Business Actors use internal power to take advantage of opportunities from the external environment in order to win the competition between the Shellfish Craft business.

Based on the SWOT matrix above, it can be used as a basis for determining the position of a company in order to find the right competitive strategy for shellfish business actors. From the analysis of the external and internal environment included in the SWOT matrix, it is known that the Shellfish Business Entrepreneurs have internal strength, especially in terms of competitive prices. While promising market opportunities and the external environment also

support companies to develop, it can be concluded that the Shellfish Business Actors should focus more on using internal forces to be able to take advantage of opportunities from the external environment.

Table 17. SWOT Matrix of Shellfish Business Actors

<p>IFAS</p> <p>EFAS</p>	<p>Strength (S)</p> <ol style="list-style-type: none"> Business Actor's Experience The market share is quite high Competitive prices Strategic location Has an international orientation Reliable and loyal business actors 	<p>Weakness (W)</p> <ol style="list-style-type: none"> The equipment used is not yet fully modern Limited company expansion No routine promotion and advertising is done The production process is classified as manual Global position is very lacking
<p>Opportunity (O)</p> <ol style="list-style-type: none"> The higher demand for shellfish handicraft products Technological development Ease of obtaining raw materials Have loyal customers Have alternative capital 	<p>Strategy SO</p> <ol style="list-style-type: none"> Expanding market share Maintain and maintain customer loyalty Improve services for customer satisfaction Effective promotion and advertising. 	<p>Strategy WO</p> <ol style="list-style-type: none"> The market share is still low. Seizing potential customers Lack of customer service facilities The lack of promotion carried out
<p>Threat (T)</p> <ol style="list-style-type: none"> The emergence of competitors from similar businesses Increased fuel and high operational costs Increase in raw material prices Competitors have greater capital Competitor strategy innovation 	<p>Strategy ST</p> <ol style="list-style-type: none"> Improve product and service quality Using a fuel-efficient engine Accurately plan production needs Increase company capital from various sources Evaluate the company's strategy to achieve improvement 	<p>Strategy WT</p> <ol style="list-style-type: none"> The emergence of competitors from similar businesses Increase in fuel and operational costs Increase in raw material prices Competitors have higher capital Competitor strategy innovation

The recommended strategy is market penetration strategy. Based on the SO strategy above produced four strategies based on market penetration strategies. The SO strategies above are: expanding market share, maintaining and maintaining customer loyalty, improving services for customer satisfaction, promoting and advertising effectively. So the market penetration strategy can be implemented by implementing the four strategies that emerge from the SO strategy of the SWOT Matrix. Based on the weighted average value of the EFAS and IFAS matrices, the IE matrix can be arranged as follows:

IFAS Weighted Average Total

	Strong	Average
Weak	High	Intermediate
High	I	II
Intermediate	IV	V
Low	VII	VIII
	IX	

The Vertical Axis is the weighted average total of the EFAS matrix of 2.40. Horizontal Axis IE Matrix is the total weighted average of the IFAS matrix of 2.45. The meeting point between the weighted average of the EFAS and IFAS matrices is the point at which Shellfish Business Entrepreneurs are at present. This point is in the position of cell V (five), which means to guard and maintain. The recommended strategy for companies in this cell is Product development. From the two strategy choices that emerged from the SWOT analysis and IE matrix, the Shellfish Business Actors can calculate the level of business interest in each of the above strategies using the QSPM matrix as follows:

Table 18. Quantitative Strategy Planning (QSPM) Matrix Business Agents of Conch Shell Craft

Key Factor	Weight	Alternative Strategies			
		Penetrasi Pasar		Perkembangan Produk	
		AS	TS	AS	TAS
Key External Factors	0,21				
1. Increasing demand for seashell crafts	0,21	4	0,84	2	0,42
2. Have loyal customers	0,22	2	0,44	3	0,66
3. Technological development	0,18	2	0,36	4	0,72
4. The number of competitors of similar businesses	0,22	3	0,66	3	0,66
5. Increase in raw material prices	0,17	4	0,68	2	0,34
Total	1,00	4	2,98	4	2,80
Key External Factors	0,22	2	0,44	2	0,66
1. Timely service and delivery	0,24	3	0,72	3	0,72
2. Competitive prices	0,19	3	0,57	2	0,38
3. Reliable Business Actor	0,170,22	40,22	0,680,22	40,22	0,680,22
4. Do not do promotions and advertisements regularly					
5. Lack of complete business operational equipment	0,18	3	0,54	2	0,36
Total	1,00		2,95		2,80

Key factors are distinguished from external and internal key factors from the EFAS and IFAS matrices. The key factors in the QSPM matrix are derivatives of external and internal environmental factors that might influence the selection of competitive strategies. The selection of key external and internal strategic factors is carried out qualitatively by considering the EFAS, IFAS and CPM matrices. Weights are obtained by qualitative analysis of key external and internal factors by direct observation and analysis of existing primary data. The Value of Attraction (AS) is obtained by considering the effect that will be exerted by external and internal key factors on the alternative strategies offered. Consideration was carried out with a qualitative analysis based on interviews and discussions with Shellfish Business Entrepreneurs. Alternative strategies that have a higher total TAS will be recommended as the chosen strategy. In this case, Shellfish Craft Business Actors must implement a market penetration strategy to win the competition with Q Shellfish Crafts and Apple Shellfish Crafts. The recommended strategy is a market penetration strategy. Market penetration is where the company increases its sales of products and markets that are available through more aggressive marketing efforts. Shellfish Craft Business Actors have the power that must be used optimally to take advantage of opportunities from the external environment in order to compete with other competing shellfish Craft businesses. How to

implement a market penetration strategy is to combine marketing, promotion and price. That is through, among other things, increasing the number of salespeople, increasing advertising budgets, offering vigorous various sales promotion items or even increasing publicity activities.

CONCLUSION

Blue Ocean Strategy Formulation concluded that almost all respondents said this effort was significant in the Blue Ocean Strategy formulation. The six Small and Medium Industries have a level of importance that is not the same as in the Blue Ocean strategy formulation. The loading value or correlation value obtained from the results of the orthogonal rotation of the varimax performed on the five competitive factors also result in two main components, such as the volume of contents and the contract system for the first component and the ease of raw materials and facilities for the second component. The formulations of the Tanjung Balai Small Middle Industry Ocean Blue Strategy are: The situation in Tanjung Balai Small and Medium Industries is a situation that represents the red ocean. It can be seen from the Tanjung Balai Small and Medium Industry value curve that tends to coincide with each other, and it can be seen from the number of industry players that tend to increase and mutually increase each other's market share. Besides, each of the Tanjung Balai Small and Medium Industries also has a position as a business that offers excessively without adequate results. It can be seen from the value curve, which has a high factor value, so it shows the business making a large investment. The formulation of the blue ocean strategy that can be recommended to the Tanjung Balai Small and Medium Industries, among others: Through the six road framework, there are four alternatives that Tanjung Balai Small and Medium Industries can use to reconstruct their market boundaries, including looking at alternative industries, strategic groups, offering complementary products and services, and emotional-functional appeal to buyers. Formulation of a four-step framework by increasing friendliness and courtesy and decoration; as well as creating hall packages or auditoriums for exhibitions and product packages, supporting facilities, promotion through social networks, light visualization concepts, and booth rentals to provide appetizers. The formulation of the strategy has three excellent characteristics, such as the focus on service and increasing product marketing, diverging with the creation of new factors that can make Tanjung Balai SMI away from competition. The competitive strategy used by the Small and Medium Industries of Shellfish in Tanjung Balai is to identify factors of competition in the Industry consisting of factors: Product uniqueness, Touch of art, Done in detail, Proximity to sources of raw materials, Strategic location, Availability of labour work, creativity, price is not fixed at the market price, can be used as souvenirs, skills and skills of employees, attractiveness and impact after participating in exhibitions, sensitivity to market choices, organizational commitment, work environment, availability of online order facilities, managerial experience and capabilities, orders Products are completed on time. Model Formulation of the competitive strategy of the Shellfish industry which is formulated using the SWOT Strategy. The formulation of SWOT from SMI clamshells is: The right SWOT strategy for SMI Shellfish in developing its business and facing a competition between businesses (other studies) is another market penetration strategy that emerged from the QSPM matrix. The factor that is superior to SMI Shellfish, which can be used to improve competitiveness in the face of competition between used tire businesses is the lower price factor. Nine key strategic factors influence the competition of Leather Shell SMI with its competitors; these strategic factors are financial, price, operational techniques, operational costs, facilities and infrastructure, promotion and advertising, transportation facilities, service quality, completeness of business

operational equipment.

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