

PALM OIL STICK EXPORT MARKETING STRATEGY IN THE HINAI SUB-DISTRICT OF THE LANGKAT DISTRICT OF NORTH SUMATRA (CASE STUDY: UD. TEGAR PAMUNGKAS)

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Abstract

This study aims to identify the factors that become the strengths, weaknesses, opportunities, and threats of oil palm stick export marketing and analyze the right strategy to be applied in marketing and increasing the fulfillment of oil palm stick export needs. This research was conducted in Hinai District, Langkat Regency, North Sumatra. The data used in this study are primary and secondary data. The data analysis method used in this research is SWOT analysis and QSPM. The results of this study indicate that there are four alternative strategies, namely (SO1) improving business facilities with available capital, (SO2) maintaining business consistency to meet market demand. (WO1) utilize technological advances to gain wider market coverage, (WO2) make all business support components so that the business continues to grow. (ST1) innovate in packaging products to maintain quality, (ST2) maintain supply to meet consumer needs. (WT1) do digital marketing to better compete with similar industries. (WT2) add equipment to minimize weather risks in meeting consumer needs. Based on the QSPM results, the main strategic priority in this study is to improve business facilities with available capital.

Keywords: Palm Oil Stickers; SWOT Analysis; QSPM.

INTRODUCTION

Palm oil is a major business in Indonesia, as it is one of the most profitable plantation commodities when produced on a large scale. The high public interest in the palm oil business has made Indonesia one of the world's palm oil producing countries. In Indonesia's macro-economy, the palm oil industry has a strategic role, including the largest foreign exchange earner, the locomotive of the national economy, energy sovereignty, the driver of the populist economic sector, and employment. Indonesia's oil palm plantations are growing fast and reflect a revolution in oil palm plantations. Indonesia's oil palm plantations are growing in 22 provinces out of 33 provinces in Indonesia. The two main islands that are the center of oil palm plantations in Indonesia are Sumatra and Kalimantan. Around 90% of Indonesia's oil palm plantations are located on these two islands, and they produce 95% of Indonesia's crude palm oil (CPO) production. In the period 1990-2015, there was a revolution in oil palm plantations in Indonesia, characterized by the rapid growth and development of smallholder plantations, at 24% per year during 1990-2015. In 2015, Indonesia's oil palm plantation area was 11.3 million ha (Ministry of Agriculture, 2015).

Sumatra is one of the centers of oil palm plantations in Indonesia, one of the areas where there are quite large oil palm plantations is North Sumatra Province, especially in Langkat Regency. Based on data from BPS Langkat Regency (2021), oil palm plantations in Langkat Regency, North Sumatra Province, have an area of 48,732 hectares.

In addition to oil palm fruit which is a producer of Crued Palm Oil (CPO). Oil palm plantations also produce waste every day, almost every part of the oil palm plant has a high economic value if managed, so far the waste from oil palm has not been utilized properly, one of the oil palm wastes that can be used is oil palm sticks. In one hectare of oil palm plantation is estimated to produce 6400 - 7500 fronds per year (Mathius, et al, 2003).

Langkat Regency, especially in the Hinai sub-district, there are several MSMEs engaged in the palm oil stick management industry, both in the form of palm oil stick raw materials and in the form of broomstick products. The palm oil stick processing industry in Langkat district, in addition to meeting local needs, has also been able to meet export demand to various countries.

Exports are the main strategy used by companies with small business scales to companies with large business scales to compete at the international level, and are one of the reliable sources of foreign exchange for the country's foreign exchange reserves. The export strategy is used because of lower risk and smaller capital compared to other strategies (Yosua 2017). Palm oil export opportunities are still very large because the needs of various countries such as India, Nepal and Pakistan are still quite large. The availability of raw materials or sticks in the country, especially North Sumatra, Riau, Jambi and Aceh is quite a lot because in some of these provinces there are oil palm plantations (Medan Talk, 2020). Based on North Sumatra palm oil stick export data for the last five years (2017-2021) obtained from BPS, the highest export volume was in 2020 in July amounting to 7,882.5 tons with a value of US \$ 2,353.5. UD. Tegar Pamungkas located in Sukajadi Village, Hinai District, Langkat Regency is an industry that supplies palm oil sticks for export which has been established since 2002 which makes it a pioneer of similar industries in the area. This business has been able to meet the needs of export-scale palm oil stick raw materials. The raw materials for the sticks come from Langkat Regency, Simalungun, Riau Province, and Kisaran City. Based on a pre-survey conducted, this business has exported palm oil sticks to various countries, including Malaysia, Singapore, Pakistan. Export activities are usually carried out one to two times a week, shipping is carried out using containers taken from the storage warehouse. Currently UD. Tegar Pamungkas already has five warehouses for storing palm oil sticks. As this business progresses, there are also several similar businesses that become a form of market competition.

In the development of a business requires a good and appropriate concept so that it can determine the strategic policy that is a tool to achieve long-term goals in the development of the palm oil stick export business, so that this research can produce the right strategy to increase the fulfillment of export needs and can also develop a wider marketing range.

Marketing strategy is one way to introduce products to consumers, and this is important because it will be related to the profits that will be achieved by the company. Marketing strategies will be optimally useful if supported by structured planning both in terms of internal and external aspects of a business (Darwin, 2020).

One marketing strategy is international trade, which of course cannot be separated from export and import activities. Exports are goods and services produced domestically for sale abroad, while imports are goods and services produced abroad for sale domestically. The net exports of each country are the value of the country's exports minus the value of its imports (Mankiw 2014).

Based on the description of the background of the problem above, the researcher is interested in conducting research with the title "Marketing Strategy for Palm Oil Stick Exports in Hinai District, Langkat Regency (Case Study UD. Tegar Pamungkas)". The formulation of the problem to be examined in this study is what are the factors of strengths, weaknesses, as well as opportunities and threats of palm oil stick export marketing at UD Tegar Pamungkas in Hinai District, Langkat Regency and how the palm oil stick export marketing strategy at UD. Tegar Pamungkas in Hinai District, Langkat Regency.

RESEARCH METHODS

Research Location and Time

The research was conducted in October 2022 in Sukajadi Village, Hinai District, Langkat Regency. The selection of research locations is done intentionally (purposive), more

precisely this research will be carried out at UD. Tegar Pamungkas, with the consideration that there are several entrepreneurs in the area who have developed their business to the export level, and UD. Tegar Pamungkas is a pioneer of similar businesses in the area.

Data Source Type

This research was conducted using a survey method with a qualitative descriptive approach that was quantified. The descriptive qualitative approach is a research procedure that produces descriptive data in the form of words or spoken from respondents and observable behavior. Respondents of this research are key informants who are selected using a purposive method, namely by deliberately choosing certain people who are considered to know the problem under study, this method is carried out using questionnaires and direct observation. The qualitative descriptive method is to analyze, describe, and summarize various conditions, situations from various data collected in the form of interviews or observations regarding the problem under study that occurred in the field (Winartha 2006).

The data used in this study are primary and secondary data. Primary data is data obtained directly from the company in the form of local observations and the acquisition of company documents and direct interviews with company leaders and employees related to this research to find strengths, weaknesses, opportunities and threats UD. Tegar Pamungkas. Primary data can be defined as data collected from original sources (Kuncoro 2009).

Primary data is obtained based on field observations, interviews, and questionnaires. Secondary data is indirect data obtained from related institutions such as books, journals and mass media sources related to research.

Data Analysis

The analysis method used in this research is SWOT analysis (Strength, Weakness, Opportunities, Threat) by systematically identifying various factors to formulate a business strategy (SO, ST, WO, WT Strategy). This analysis is based on logic that can maximize strengths (strength) and opportunities (Opportunities) but can simultaneously minimize weaknesses (Weakness) and threats (Threat). The stages that must be carried out in making a SWOT analysis so that the decisions obtained are more precise go through several stages as follows:

1. Internal Factor Analysis (IFAS)

After the internal strategic factors of a company have been identified, an IFAS matrix/table (Internal strategic factor analysis summary) is prepared to formulate these internal strategic factors in terms of the company's strengths and weaknesses. The stages are:

- A. Enter the strength and weakness factors in the IFAS table column 1. Arrange 5 to 10 factors from strengths, weaknesses.
- B. Give the weight of each strategic factor in column 2, with a scale of 1.0 (most important) to 0.0 (not important). (All weights should not exceed the total score = 1.00).
- C. Give a branch in column 3 for each factor on a scale ranging from 4 (very strong) to 1 (weak), based on the influence of the factor on the condition concerned. Positive variables (all variables that fall into the strength category) are given a value from 1 to 4 by comparing them to the average of the main competitors. Meanwhile, variables that are negative, the opposite. if the weakness is very large compared to the average of similar competitors, the value is 1, while if the weakness value is low or below the average competitor, the competitor is 4.
- D. The result is a weighting score for each factor whose value varies from 4.0 (prominent) to 1.0 (weak).

E. Sum the weighting scores (in column 4), to obtain the total weighting score.

2. External Factor Analysis (EFAS)

Before making an external strategy matrix, we need to know the external strategic factors (EFAS) first. The following are ways of determining external strategic factors (EFAS):

- A. Enter the opportunity and threat factors in the EFAS Table, column 1. Arrange 5 to 10 factors from opportunities and threats.
- B. Give each strategic factor a weight in column 2, on a scale of 1.0 (very important) to 0.0 (not important). All these weights should not exceed the total score = 1.00.
- C. Give a branch in column 3 for each factor on a scale ranging from 4 (very strong) to 1 (weak), based on the influence of the factor on the condition concerned. Positive variables (all variables that fall into the strength category) are given a score from 1-4 by comparing them to the average of the main competitors. While variables that are negative in nature are the opposite, if the weakness is very large (compared to the average of similar competitors) the value is one, while if the weakness value is low or below the average competitor, the competitor is worth 4.
- D. The result is a weighting score for each factor whose value varies from 4.0 (prominent) to 1.0 (weak).
- E. Sum the weighting scores (in column 4), to obtain the total weighting score.

The weighting technique uses the "payred comparison" method which is determined by internal and external factors. The scale used is 1, 2 and 3 indicating that:

- 1 = If the internal or external strategic factors in the row / horizontal are less important than the internal and external strategic factors in the column / vertical.
- 2 = If the internal strategic factors in the row / horizontal are as important as the internal and external strategic factors in the column / vertical.
- 3 = If the internal and external strategy factors in the row/horizontal are more important than the internal and external strategy factors in the column/vertical.

3. SWOT (Strengths, Weakness, Opportunities, Threats) Matrix

The tool used to organize strategic factors is the SWOT Matrix. This matrix can clearly illustrate how the external opportunities and threats faced by the company can be adjusted to its strengths and weaknesses. This matrix can generate four sets of possible strategic alternatives.

- A. SO strategy, This strategy is made based on the company's way of thinking, namely by utilizing all these strengths to seize and make the most of opportunities.
- B. ST strategy, This strategy is a strategy using the strengths of the company to overcome threats.
- C. WO strategy, This strategy is implemented based on the utilization of existing opportunities by minimizing existing weaknesses.
- D. WT strategy, This strategy is based on defensive activities and tries to minimize existing weaknesses and avoid threats.

4. Decision making from various alternative strategies through the matching stage, namely by using the IFAS / EFAS matrix, and the SWOT matrix, the final stage of the strategy formulation analysis is the selection of the best strategy. The next analysis carried out at this decision-making stage is the quantitative strategic planning matrix (QSPM). This technique uses input from the input stage analysis and the matching results from the integration stage analysis to determine objectively among alternative strategies.

Decision making using the formula, namely:

$$TAS = B \times AS$$

Where:

TAS = Total attractiveness value

B = Average Weight of each Factor

AS = Attraction Number

After obtaining TAS, the STAS value is sought using the formula, namely:

$$STAS = \frac{\sum TASi \dots n}{N}$$

Where:

STAS = Total Average Interest Score

$\sum TASi \dots n$ = Total Interest Rates of All Respondents (sample)

N = Number of Respondents (sample)

Operational Definition

An operational definition is one of the definitions given to a variable by giving meaning, or specifying activities, or providing the operations needed to measure the variable. Cabbage (*Brassica oleracea*) is a type of leaf vegetable originating from subtropical areas that has long been known and cultivated in Indonesia. *Location Quotient* (LQ) is a comparison of the magnitude of the role of a regional sector to the magnitude of the role of that sector nationally.

Operational Limitations

The limitations and operational definitions in this study are:

1. Marketing strategy is a series of decisions in every form of entrepreneur that determines the goals, objectives, and objectives that result in policies in planning to achieve goals and detailing the range of businesses pursued by entrepreneurs.
2. Export is the stage of sales in doing business across countries, exports are one of the engines driving economic growth.
3. Palm oil stick is one part of the oil palm plant produced from the leaf bones of the oil palm plant which is rooted, cleaned, then dried.
4. SWOT analysis is an analytical tool used in strategy formulation in considering internal and external factors aimed at developing business strategies.

RESULTS AND DISCUSSION

The business environment is divided into two factors, namely internal strategic factors and external strategic factors. Internal strategic factors are factors that are strengths and weaknesses of UD business development. Tegar Pamungkas in Hinai District, Langkat Regency, while external strategic factors are factors that become opportunities and threats to UD's business. Tegar Pamungkas in Kecamatan Hinai Langkat Regency.

Internal Environment

By conducting interviews with several respondents, there are five main aspects by UD businesses. Tegar pamungkas in Hinai District, Langkat Regency, North Sumatra.

A. Economic Aspects

This aspect has a very good impact on entrepreneurs who run UD businesses. Tegar Pamungkas in Hinai District Langkat Regency North Sumatra, all family needs are met through the results of the business, where this business becomes a permanent livelihood and the main to generate income.

B. Operational Aspects

This aspect is indeed one of the important aspects because according to the narrative of the owner, the place or location of the strategic business location although a little into the village is not too close to the highway but this is not a problem because the road

access is quite good. Because the place is adjacent to the community directly, this business can get a supply of raw materials supplied by the surrounding community and more than that, this business also opens up a number of jobs for the surrounding community.

C. Research and Development Aspects

In this business there have been several forms of development carried out by the owner to make some innovations in the form of broom craft products which in practice have not been done optimally due to several obstacles, but the owner is still trying for the success of these innovations.

D. Financial Aspects

Some of the things the owner does to develop his business include paying attention to financial resources for business development, apart from capital from the entrepreneur himself the owner also applies for a business development assistance program from the government.

E. Information Aspect

From the results of interviews conducted, the information aspect has been classified as quite good, training and counseling activities from the government are often held to support similar industrial entrepreneurs and inform information about UD's business. Tegar Pamungkas.

External Environment

After conducting interviews, there are three main aspects of external strategic factors owned by UD businesses. Tegar Pamungkas in Hinai District, Langkat Regency, North Sumatra.

1) Social and Environmental Aspects

The environment in Hinai District, Langkat Regency, is very much there are state and community-owned oil palm plantations that can be utilized by the community, of course it is very helpful in meeting the supply of oil palm sticks for UD businesses. Tegar Pamungkas.

2) Technology Aspects

The technology used in this business is still classified as simple technology ranging from knives, ropes, sacks, to transportation vehicles that are used the same as in general.

3) Competitive Aspects

Competition in similar industries in the area around UD's business. Tegar Pamungkas is classified as a competitive area because there are several similar industries.

Strategy Formulation

Internal and External factors that have been identified previously provide an overview of the strengths, weaknesses, opportunities, threats faced by UD. Tegar Pamungkas. So the next step is to formulate a strategy that can help UD businesses. Tegar Pamungkas to produce the right strategy. Strategy formulation starts from the input stage using the IFAS Matrix and EFAS Matrix. Then carry out the matching stage using the IE Matrix and SWOT Matrix. The final stage is the decision stage using the QSPM Matrix formula.

Based on the results of the analysis of the internal environment, several internal strategic factors are obtained in the form of strengths and weaknesses of UD's business strategy and development. Tegar Pamungkas in Hinai District, Langkat Regency, North Sumatra. The factors of UD development strategy. Tegar Pamungkas are as follows:

UD development strength factors. Tegar Pamungkas in Hinai District Langkat Regency 2022.

Tabel 1. Statement Total Score Average strength factor

| No | Statement | Total score | Average |
|---------------|---|-------------|---------|
| 1 | Availability of sufficient raw materials | 23 | 4,60 |
| 2 | Strategic business location | 22 | 4,40 |
| 3 | Long has business experience in field export | 20 | 4,00 |
| 4 | Short distribution channels | 18 | 3,60 |
| 5 | The existence of competitors in improving product quality | 12 | 2,40 |
| Total Average | | | 3,80 |

The table 1 above explains the results of filling in the internal strength factors to a UD business owner. Tegar Pamungkas and four other respondents obtained the highest score on the statement of the availability of sufficient raw materials of 23 scores, in accordance with the conditions in the field which is an environment where there are many oil palm plantations and the lowest total score on the statement of competitors in improving product quality of 12 scores because this is a form of additional motivation for business owners to improve the quality of their business.

The total average answer of 3.80 means that the respondent agrees that the statement is a strength factor for UD's business development strategy. Tegar Pamungkas in Hinai District, Langkat Regency. While the internal strategic factors that are a weakness for the development strategy of UD. Tegar Pamungkas in Hinai District, Langkat Regency, North Sumatra is as follows:

Business development weakness factors UD. Tegar Pamungkas in Hinai District, Langkat Regency 2022.

Tabel 2. Statement Total Score Average Weakness factor

| No | Statement | Total Score | Average |
|---------------|--|-------------|---------|
| 1 | Low level education | 19 | 3,80 |
| 2 | Limited business capital | 18 | 3,60 |
| 3 | The importance of bookkeeping report finance | 16 | 3,20 |
| 4 | The need to do marketing effectively digital | 16 | 3,20 |
| 5 | Inadequate equipment | 13 | 2,60 |
| Total Average | | | 3,28 |

The table 2 above explains the results of filling in the internal factors of weakness to an owner of UD. Tegar Pamungkas and four other respondents obtained the highest score on the statement of low education level of 19 scores, this is based on the human resources working in this business are people with low education including the business owner himself and the lowest score on the statement of inadequate equipment of 13 scores, this is based on field conditions that still use relatively simple equipment.

The total average answer was 3.28, meaning that the respondents agreed that the statement was a weakness factor for UD's business development strategy. Tegar Pamungkas in Hinai District, Langkat Regency, North Sumatra.

Weighting of External Environment Strategy Factors (Opportunities and Threats) Opportunities strategy factors for UD's business development strategy. Tegar Pamungkas in Hinai District, Langkat Regency, North Sumatra, among others:

Business development opportunity factors UD. Tegar Pamungkas in Hinai district, Langkat Regency 2022.

Tabel 3. External Factors Of Opportunity

| No | Statement | Total Score | Average |
|---------------|--|-------------|---------|
| 1 | Opening up opportunities for fun local communities | 25 | 5,00 |
| 2 | Potential for wide market reach | 24 | 4,80 |
| 3 | High demand | 21 | 4,20 |
| 4 | Apply for government assistance for develop business | 21 | 4,20 |
| 5 | Favorable selling price | 16 | 3,20 |
| Total average | | | 4,28 |

The table 3 above explains the results of filling in the external factors of opportunity to an owner of UD. Tegar Pamungkas and four other respondents obtained the highest score on the statement of opening up employment opportunities for the surrounding community of 25 scores, based on a review of the research location, this business provides many jobs for the surrounding community and the lowest score on the statement of flexible business capital of 16 scores, apart from the personal capital used, the owner can also take advantage of the capital assistance program provided by the government.

The total average answer of 4.28 means that the respondents answered strongly agree that the statement is an opportunity factor for UD's business development strategy. Tegar Pamungkas in Hinai District, Langkat Regency, North Sumatra.

While the external strategic factors that pose a threat to UD's business development strategy. Tegar Pamungkas in Hinai District, Langkat Regency, among others:

Threat factors for business development UD. Tegar Pamungkas in Hinai District, Langkat Regency 2022

Tabel 4. External Factors Of Opportunity

| No | Statement | Total Score | Average |
|---------------|--|-------------|---------|
| 1 | Product are easy to imitate | 22 | 5,50 |
| 2 | Influence of weather on product quality | 21 | 5,25 |
| 3 | The existence of scientific industry competitors | 20 | 5,00 |
| 4 | Changing consumer demand | 18 | 4,50 |
| Total average | | | 5,06 |

The table 4 above explains the results of filling in the threat strategy factor to a UD business owner. Tegar Pamungkas and four other people obtained the highest score on the statement that the product is easy to imitate at 22 scores, this is because the product being cultivated is a material that is widely available in the surrounding environment and the lowest score on the statement of changing consumer demand at 18 scores, this is related to the volume of consumer needs that can change at any time.

The total average answer of 5.06 means that respondents answered strongly agree that the statement is a threat factor for UD's business development strategy. Tegar Pamungkas in Hinai District, Langkat Regency, North Sumatra.

IFAS Analysis (Internal Strategy Factor Analysis Summary) and EFAS (External Strategy Factor Analysis Summary)

IFAS Matrix Analysis

The results of the IFAS matrix analysis, namely the combination of the average weight value and the average rating value of the IFAS matrix analysis results on the UD business

development strategy. Tegar Pamungkas in Hinai District, Langkat Regency, North Sumatra, is presented in the following table:

Tabel 5. Internal Strategy Factors

| Internal Strategy Factors | Wheight | Rating | Score |
|---|----------------|---------------|--------------|
| 1 | 2 | 3 | 4 |
| Availability of sufficient raw materials | 0,096 | 3,60 | 0,346 |
| Strategic business location | 0,112 | 3,40 | 0,381 |
| Long has business experience in the export sector | 0,091 | 3,20 | 0,291 |
| Short distribution channels | 0,100 | 2,80 | 0,280 |
| The existence of halam competitors improves product quality | 0,104 | 2,40 | 0,250 |
| Sub Total | | | 1,548 |
| Low level of education | 0,103 | 1,40 | 0,144 |
| Limited business capital | 0,082 | 1,20 | 0,098 |
| The importance of making financial report | 0,102 | 1,00 | 0,102 |
| The nedd to do digital marketing | 0,106 | 2,00 | 0,212 |
| Insufficient equipment | 0,104 | 1,80 | 0,187 |
| Sub Total | | | 0,743 |
| Total | | | 2,291 |

In the following table above are the results of the IFAS analysis on UD's business development strategy. Tegar Pamungkas in Hinai District, Langkat Regency, North Sumatra. From the results of the IFAS analysis, the strength factor has a value of 1.548 while the weakness factor has a value of 0.743, meaning that in developing his business the owner is able to take advantage of his internal strengths and be able to overcome existing weaknesses.

EFAS Matrix Analysis

The results of the EFAS matrix analysis on UD's business development strategy. Tegar Pamungkas in Hinai District, Langkat Regency, North Sumatra, is presented in the following table:

Tabel 6. External Strategy Factors

| External Strategy Factors | Weight | Rating | Score |
|--|---------------|---------------|--------------|
| 1 | 2 | 3 | 4 |
| Opening job opportunities for local communities | 0,089 | 4,00 | 0,356 |
| Potential for wide market reach | 0,091 | 3,60 | 0,328 |
| High demand | 0,097 | 3,60 | 0,349 |
| Apply for government assistance to develop your business | 0,117 | 3,20 | 0,374 |
| Favorable selling price | 0,112 | 3,20 | 0,358 |
| Sub Total | | | 1,765 |
| Product are easy to imitate | 0,132 | 1,80 | 0,238 |
| Influence of weather on product quality | 0,101 | 1,00 | 0,101 |
| The existence of similar industry competitors | 0,118 | 1,60 | 0,189 |
| Changing consumer demand | 0,142 | 1,80 | 0,256 |
| Sub Total | | | 0,784 |
| Total | | | 2,549 |

The following table above is the result of the EFAS analysis on UD's business development strategy. Tegar Pamungkas in Hinai District, Langkat Regency, North Sumatra. From the results of the EFAS analysis, the opportunity factor has a value of 1.765 while the

threat factor has a value of 0.784, meaning that in developing UD's business. Tegar Pamungkas is able to take advantage of opportunities to address any threats.

IFAS and EFAS Matrix Analysis

Table 7. IFAS and EFAS Matrix Analysis Results

| IFAS and EFAS | Strenght (S) | Weakness (W) |
|--------------------------|---|---|
| Opportunities (O) | Strategy (SO) = 1,548 + 1,765 = 3,313 | Strategy (WO) = 0,743 + 1,765 = 2,508 |
| | Strategy (ST) = 1,548 + 0,784 = 2,332 | Strategy (WT) = 0,743 + 0,784 = 1,527 |

The table 7 above shows that the combined IFAS and EFAS analysis resulted in an alternative SO strategy with a score of 3.313 scores, a WO strategy of 2.508 scores, an ST strategy of 2.332 scores and a WT strategy of 1.527 scores. This shows that the SO strategy has the highest score, meaning that this business development strategy allows it to be implemented in UD's business. Tegar Pamungkas in Hinai District, Langkat Regency, North Sumatra.

The next stage is the data matching stage, at this stage it will produce several alternative strategies that are realistic and can be practiced by UD business owners. Tegar Pamungkas by utilizing internal information in the form of strengths and weaknesses, and also external information in the form of opportunities and threats obtained in the IFAS and EFAS matrices at the data input stage. This stage will use the SWOT diagram and SWOT matrix as an analytical tool in creating the required strategy alternatives.

SWOT Diagram

This diagram is used to determine the quadrant position of the company. SWOT diagram is done when knowing the score results from the IFAS (internal strategy factor analysis summary) and EFAS (external strategy factor analysis summary) tables. Determination of coordinates on this diagram aims to determine the position of the company's strategy, whether it is located in quadrants I, II, III, IV. Which serves to identify aggressive, diversification, turn-around and defensive company strategies. The method of calculating the IFAS and EFAS table scores is as follows:

- a) Total IFAS table score
Total strength score - total weakness score = 1.548 - 0.743 = 0.805
- b) Total EFAS table score
Total opportunity score - total threat score = 1.765 - 0.784 = 0.981



Based on the results of the above analysis, UD business. Tegar Pamungkas is located in quadrant I, which supports aggressive strategies. Which is a very favorable position. UD business. Tegar Pamungkas has opportunities and strengths so that it can take advantage of the opportunities it has. The strategy that must be carried out in this condition is to support any aggressive growth policy (Growth Oriented Strategy).

SWOT Matrix Analysis

Based on the results of the analysis that has been carried out on the internal and external environment of UD's business. Tegar Pamungkas at the input stage, strengths, weaknesses, opportunities, threats are obtained, then at the first data matching stage which results in the company's position. The results of the analysis are then combined to develop a SWOT matrix and produce alternative strategies that can be applied to UD businesses. Based on the results of the SWOT Matrix analysis, alternative or strategic options that can be applied to the development of UD. Tegar Pamungkas in Hinai District Langkat Regency North Sumatra are as follows:

1. SO Strategy (Strength and Opportunities)

SO strategy is a strategy that uses internal strengths in a business to take advantage of external opportunities that have. SO strategy that can be applied to UD businesses. Tegar Pamungkas as follows:

- a) Improve business facilities by adding business capital to increase profits.
- b) Increase business consistency to meet market demand.

2. WO Strategy (Weakness and Opportunities)

The WO strategy is a strategy that aims to improve the internal weaknesses of a business by taking advantage of its external opportunities. WO strategy that can be applied to UD businesses. Tegar Pamungkas as follows:

- a) Utilizing technological advances to gain a wider market reach.
- b) Make all business support components so that the business continues to grow.

3. ST (Strength and Treaths) Strategy

The ST strategy is a strategy that uses internal strengths in a business to avoid or reduce the impact of existing external threats. ST strategy that can be applied to UD businesses. Tegar Pamungkas as follows:

- a) Innovate in processing raw materials to maintain quality and increase product variety.
- b) Adding and maintaining relationships with business relations to maintain supply to meet consumer needs.

4. WT (Weakness and Treaths) Strategy

The WT strategy is a strategy directed at reducing weaknesses in a business and avoiding existing external threats. WT strategies that can be applied to UD businesses. Tegar Pamungkas as follows:

- a) Doing digital marketing to be more competitive with similar industries.
- b) b. Adding facilities and infrastructure to minimize the risk of weather in meeting consumer needs.

QSPM Matrix Analysis

In the QSPM (Quantitative Strategy Planning Matrix) matrix, the strategy that has the highest STAS (Summary Total Attractiveness Score) value or total total attractiveness is the SO strategy with a score of 31.635 with a strategy to improve business facilities by adding business capital to increase profits. This indicates that this strategy is the most attractive strategy for decision makers at UD businesses. Tegar Pamunkas compared to other strategies.

Based on QSPM analysis, the order of priority of UD business strategies. Tegar Pamungkas is as follows:

Table 8. UD Business Strategy Priority. Tegar Pamungkas in Hinai District Langkat Regency 2022

| Uraian | Strategi | | | | | | | |
|--------------------|----------|--------|--------|--------|--------|--------|--------|--------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| STAS 1 | 6,609 | 6,414 | 4,709 | 5,008 | 5,546 | 6,477 | 5,554 | 5,730 |
| STAS 2 | 5,077 | 5,498 | 4,882 | 4,713 | 5,551 | 6,169 | 5,766 | 5,842 |
| STAS 3 | 6,243 | 5,781 | 4,834 | 5,012 | 5,933 | 6,265 | 5,974 | 6,029 |
| STAS 4 | 7,038 | 5,589 | 4,738 | 5,012 | 5,837 | 6,169 | 6,070 | 6,349 |
| STAS 5 | 6,668 | 6,235 | 5,216 | 4,991 | 6,045 | 6,078 | 5,320 | 5,642 |
| Jumlah | 31,635 | 29,517 | 24,379 | 24,736 | 28,912 | 31,158 | 28,684 | 29,592 |
| Urutan | | | | | | | | |
| Prioritas Strategi | 1 | 4 | 8 | 7 | 5 | 2 | 6 | 3 |

Based on the table above, the order of priority of strategies for business development strategies UD. Tegar Pamungkas in Hinai District Langkat Regency North Sumatra are as follows:

- 1) Improve business facilities by adding business capital to increase profits. With a score of 31.635.
- 2) Adding and maintaining relationships with business relations to maintain supply to meet consumer needs. With a score of 31.158.
- 3) Adding facilities and infrastructure to minimize weather risks and in meeting consumer needs. With a score of 29.692.
- 4) Increase business consistency to meet market demand. With a score of 29.517.
- 5) Making innovations in processing raw materials to maintain quality and add product variations. With a score of 28.912.
- 6) Doing digital marketing to be more competitive with similar industries. With a score of 28.684.
- 7) Creating all business support components so that the business continues to grow. With a score of 24.736.
- 8) Utilizing technological advances to gain a wider market reach. With a score of 24.379.

Based on the results of the statement above, it is known that the priority strategy is to improve business facilities by adding business capital to increase profits. With a score of 31.635, this is obtained based on the results of the analysis of factors in the field which are dominated by business strengths and opportunities that can be developed, with the hope that through the addition of business facilities and business capital to be able to accommodate more raw materials so as to increase sales, this will be able to increase the profitability of the business because it is supported by the export selling price which is considered to have a relatively high profit value. The last strategy or one that is not prioritized is Utilizing technological advances to gain a wider market reach. With a score of 24.379, this is because the strategy factor is the strategy that is considered the least likely to provide changes in business development.

CONCLUSION AND SUGGESTION

Based on the research conducted, the results of the SWOT analysis obtained eight alternative strategies that are suitable for UD businesses. Tegar Pamungkas, namely the priority of business development strategies obtained from the results of the analysis using QSPM on the eight alternative strategies that have been obtained, namely improving business facilities by adding business capital to increase profits.

Based on the results of research on the analysis of UD business development strategies. Tegar Pamungkas in Hinai District, Langkat Regency, North Sumatra, then the advice that the authors give to UD business. Tegar Pamungkas, namely:

- 1) Prioritizing the main alternative strategies obtained in the results of this study is to improve business facilities by adding business capital to increase profits.
- 2) After prioritizing the main business strategy UD. Tegar Pamungkas can implement other alternative strategies in this study.

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