

SWOT Strategy Analysis to Develop SMEs in Tarakan City (A Study of Kelingan SMEs in Tarakan City)

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ABSTRACT

This study aims to understand and analyze how marketing strategies are used for Kelingan SMEs in Tarakan City. The data used in this study is primary data, collected through direct interviews with informants. The method for selecting informants uses purposive sampling technique. The data collection methods in this study are interviews and questionnaires. The data analysis method uses quantitative descriptive analysis, specifically through SWOT analysis. The participants in this study are Kelingan SMEs in Tarakan City. The findings of this study show that almost all SMEs have positive IFAS scores, indicating a strong internal position. Furthermore, the positive EFAS scores of the SMEs indicate that they effectively utilize the opportunities in their market industry while successfully avoiding potential threats. The SWOT matrix shows that the SMEs are positioned in the SO quadrant (aggressive), meaning they utilize their strengths to seize existing opportunities.

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1. INTRODUCTION

Micro, Small, and Medium Enterprises (SMEs) also play an active role in developing a region, thus increasing their businesses and reducing unemployment in a given area. A company can be considered successful if its business processes are working effectively to maximize worker productivity. Additionally, small and medium-sized enterprises need to have strategies in place to achieve their objectives and ensure everything is well-managed. By utilizing these strategies, micro, small, and medium enterprises (SMEs) can grow as planned. Organizational development is a planned effort aimed at enhancing creativity, skills, problem-solving, learning, and the development of people within the organization. It can also involve changing goals and strategies, technology, work design, structure, processes, and people (Aminudin, 2012).

The rapid growth of SMEs is still accompanied by challenges. These challenges can vary between regions, urban and rural areas, and companies within the same sector. Some common obstacles include limited working capital and investment, difficulty in marketing, distribution, and procurement of raw materials and other inputs, limited access to market opportunities and other information, lack of skilled labor and advanced technological capabilities, high transportation and energy costs, limited communication access, high costs associated with administration and complex bureaucratic procedures, especially when obtaining business permits, unclear or misdirected conditions due to unclear economic regulations and policies (Kadin, 2008).

The greatest issue facing SMEs is the limited infrastructure and administrative access related to licensing and bureaucracy, as well as high taxes. Because of these existing problems, the great opportunities for SMEs are diminishing. Despite being resilient in the face of the global crisis,

SMEs are in fact dealing with numerous serious issues. In addition to the indirect impacts of the global crisis, SMEs also face unresolved domestic issues, such as labor issues, wages, illegal fees, corruption, and others.

According to data from the DISPERINDAGKOP of North Kalimantan Province, the number of SMEs in North Kalimantan in 2019 was 21,234 units, and in 2020, the number of SME units decreased to 14,385 units. Meanwhile, the number of SMEs in Tarakan City in 2019 was 13,427 units, and the number of SME units declined to 6,578 units in 2020. According to data from DISDAGKOP Tarakan, the number of registered SMEs with business permits between 2016 and 2021 was 8,075 SMEs. Based on this data, the number of SME units in Tarakan City decreased due to the Covid-19 pandemic.

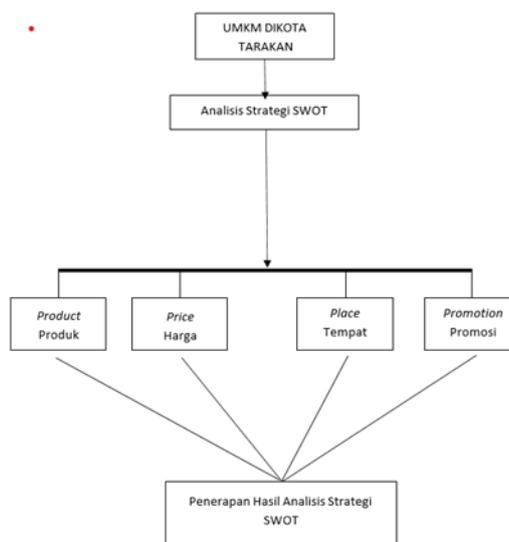
Strategy formulation requires good ideas and planning, which is one of the keys for SMEs to win the competition. The concept and market analysis plan need to be well-prepared to provide the necessary information. Market, buyer, and product information are essential for determining the marketing strategy of SMEs. The success of SMEs can be measured by their ability to formulate appropriate policies regarding product definition, pricing, promotion, and effective distribution channels (Wibowo, Arifin, and Sunarti, 2015). Marketing strategy is an essential element in the product marketing process. The right marketing strategy can contribute to the sales performance of SME products. The products sold become the main capital for SMEs to survive and compete in the tight business competition.

2. RESEARCH METHOD

The research method used in this study is a qualitative research method. Qualitative research is a type of research that is based on natural settings and produces descriptive data in the form of words and language, rather than focusing on numbers. Qualitative research is designed to provide a detailed picture of a situation based on data obtained from interviews or field observations. The purpose of qualitative research is to gain information, develop a theory, and discover the meaning behind visible data. In qualitative research, it is important to determine the focus of the study. The focus of the research aims to create boundaries for the study and research field. Researchers may become overwhelmed by the large volume of data obtained in the field without a clear research focus. Moleong (2001) in (Nindah, 2017) states that focus is essentially a problem. A problem is a situation that causes confusion or a discrepancy between concepts, empirical data, experience, or other factors that create issues.

The focus of this research is on analyzing the strategy of SMEs in Tarakan City (Kelingan SMEs).

The object of this research is the informants or actors of Micro, Small, and Medium Enterprises (SMEs) in Tarakan City. Informants are objects in qualitative research and are used to provide information related to the situation or conditions of the research context. The selection of informants in this study uses a purposive sampling technique. Purposive sampling is a technique where informants are chosen based on their knowledge of the issues being studied and their ability to provide valuable information that can be developed to obtain data. In this study, the researcher chose informants who are competent in the field and considered knowledgeable about the marketing strategies of SMEs in Tarakan City, specifically concerning several SMEs in the city. This is illustrated in the conceptual framework shown in Figure 1:

Figure 1. Conceptual Framework of the Research

3. RESULTS AND DISCUSSIONS

General Overview of the Research Location

Tarakan City is located on the eastern side of North Kalimantan, Indonesia, and is the only city in the North Kalimantan Province (Kaltara). The city has an area of 657.33 km², consisting of 250.80 km² of land area and 406.53 km² of marine area. Tarakan City is situated at coordinates 30°14'30"-30°26'37" North Latitude and 117°30'50"-117°40'12" East Longitude. Tarakan City serves as the gateway and transit center for inter-island trade in northern Kalimantan, as well as for international trade between Indonesia, Malaysia, and the Philippines. According to the population census conducted by BPS (Central Bureau of Statistics) of Tarakan City in 2020, the city has a population of 242,786 people.

Figure 2. Research Location

This situation occurs because Tarakan City is a dynamic and developing region, which has attracted people from other areas to make it their destination for work, trade, and further education.

Profile of SMEs in Tarakan City

As a center for transit and trade, Tarakan City has significant potential for business development. According to data from the Department of Trade, Cooperatives, and SMEs (Disdagkop) of Tarakan (2019), the number of SMEs in Tarakan City increased from 2016 to 2019. In 2016, there were 3,256 SMEs; in 2017, the number rose to 4,045 SMEs; in 2018, it grew to 5,221 SMEs; and in 2019, the number reached 5,334 SMEs.

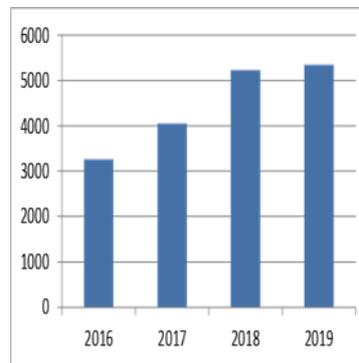


Figure 3: Graph of the Number of SMEs in Tarakan City (Disperindagkop, 2019)

According to data from the Department of Trade, Cooperatives, and SMEs (Disperindagkop) of North Kalimantan, the number of SMEs in Tarakan City reached 13,427 units. However, as a result of the Covid-19 pandemic, the number of SMEs in Tarakan City decreased to 6,578 units in 2020. The sectors of SMEs in Tarakan City include trade and services, industry and manufacturing, fisheries, and others.

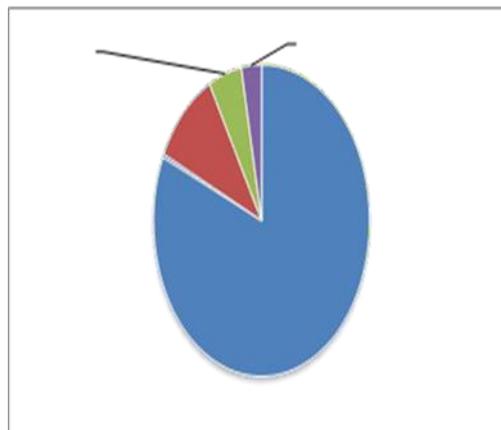


Figure 4: SME Business Sectors in Tarakan City (Disdagkop, 2021)

Respondent Characteristics

The respondents or informants selected for this study are micro-businesses operating in the culinary industry or food processing, with a minimum of 3 years of business experience in Tarakan City. The respondents consist of 4 SME actors, and their characteristics include education level, gender, and age.

Education Level

The education level of SME actors can be seen from both formal and non-formal education. Entrepreneurs who are educated and possess knowledge are considered able to absorb information, thus having a good mindset, creativity, the ability to innovate, and the capacity to develop business strategies. Based on the research data obtained, the characteristics of the SME respondents based on education level are as follows:

Education Level	Number of Respondents
Elementary School (SD)	-
Junior High School (SMP)	-
High School/Vocational School (SMA/SMK/SLTA)	4
Associate Degree/Bachelor (D3/Sarjana)	-

Source: Primary data processed, 2023

Based on the data in Table 1, it shows that there are no respondents with an elementary school education, no respondents with junior high school education, and 4 respondents with high school/vocational school education. There are no respondents with an associate degree or bachelor's degree. From this data, it can be concluded that the majority of respondents/informants have a higher education level, specifically high school/vocational school. With this level of education, SMEs are able to grow and survive because they have the knowledge and skills, good mindsets, creativity, and innovation to create strategies.

Gender

Based on the data collected, the characteristics of the SME respondents based on gender are as follows:

Gender	Number of Respondents
Male	1
Female	3
Total	4

Source: Primary data processed, 2023

Based on Table 2 it shows that there is 1 male respondent and 3 female respondents from the total number of respondents. From this data, it can be concluded that the majority of SME actors are female, with the aim of supporting their family's economy.

Age

Based on the research data obtained, the characteristics of the SME respondents based on age are as follows:

Age Range	Number of Respondents
20-30 years	1
30-40 years	2
40-50 years	1
Total	4

Source: Primary data processed, 2023

Based on Table 3 it shows that 1 respondent is in the 20-30 years age range, 2 respondents are in the 30-40 years range, and 1 respondent is in the 40-50 years range. From this data, it can be concluded that the majority of SME actors are aged 30-40 years, indicating that the SME actors in Tarakan City are young entrepreneurs capable of developing marketing strategies.

Micro Business Characteristics

The characteristics of the micro-businesses chosen for this study are micro-businesses in the food industry or food processing, with a minimum of 3 years in operation in Tarakan City. The characteristics of these micro-businesses are their years of operation and capital ranging from 500,000 to 5 million IDR.

Years of Operation

The years of operation of the respondents in Tarakan range from 4 to 6 years. Micro-businesses in Tarakan that have been able to survive are those whose owners have implemented strategies and maintained good relationships with their customers.

Years of Operation (Years)	Number of Respondents
4	2
5	1
6	1
Total	4

Source: Primary data processed, 2023

Based on Table 4, the data shows that the years of operation of the SMEs are not far apart, but the majority are businesses that have been in operation for 4 years, from 2019 to the present. This demonstrates that SMEs have been able to survive and adapt to the changing times, supported by their marketing strategy skills.

Business Capital

The business capital owned by the informants in establishing micro-businesses ranges from IDR 500,000 to IDR 5,000,000, as follows:

Business Capital	Number of Respondents
IDR 500,000 - 1,500,000	3
IDR 1,500,000 - 5,000,000	1
Total	4

Source: Primary data processed, 2023

Based on Table 5, the data shows that the majority of the micro-businesses have business capital in the range of IDR 500,000 to IDR 1,500,000.

Discussion

Marketing Mix

1. Product Analysis (Product)

The products marketed by the Kelingan SMEs are three types of herbal drinks: ginger, red ginger, and empon. To obtain raw materials, the SMEs always maintain good relationships with suppliers. By utilizing high-quality raw materials, the SMEs create products with quality guarantees, ensuring that the products are safe for consumer consumption.

2. Price Analysis (Price)

Pricing is an active tool to achieve certain objectives, such as achieving profit targets, market share targets, promotional targets, and other specific goals. The price determination for SMEs is based on several aspects, including demand volume and the cost of raw materials, after which they set the price according to the calculation.

3. Promotion Analysis (Promotion)

The Kelingan SMEs promote their products by branding on social media platforms such as Facebook and Instagram, as well as through partnerships and promotions via websites. Branding on social media is a promotion method that utilizes the internet or online platforms. Therefore, this is the most effective and efficient method for marketing products, especially for the majority of SMEs.

4. Place Analysis (Place)

From the observations and interviews conducted, it was found that for the marketing mix element of **Place**, the components include accessibility, distribution channels, visibility, and competitors. Aside from distribution channels to consumers, SMEs face challenges in other components, such as limited access and poor visibility. The location of the SMEs is hard to find because it is far from main roads and public areas, and there is also competition from nearby businesses.

SWOT Analysis

Table 6. SWOT Analysis on Kelingan SMEs

<p>Kekuatan (Strength)</p> <ol style="list-style-type: none"> 1. Kualitas produk yang bersaing 2. Harga yang terjangkau 3. SDM yang maha 4. Tidak ada pesaing disekitar 	<p>Kelemahan (Weaknesses)</p> <ol style="list-style-type: none"> 1. Harga tidak stabil 2. Manajemen Keuangan yang konvensional 3. Jauh dari pasar 4. Anggota yang tidak aktif
<p>Peluang (Opportunity)</p> <ol style="list-style-type: none"> 1. Konsumen setia 2. Luasnya pangsa pasar 3. Adanya dukungan partnership 4. Kemajuan Teknologi 	<p>Ancaman (Threat)</p> <ol style="list-style-type: none"> 1. Munculnya pesaing baru 2. Lokasi pesaing dekat dengan pasar 3. Bahan baku sulit

(Source: Primary Data Processed, 2023)

This matrix helps in analyzing the strategic position of the company by considering internal factors. The steps involved are as follows:

- Column 1: List the internal factors which can be strengths or weaknesses of the company.
 - Column 2: Assign weights to each factor on a scale from 1.0 (most important) to 0.0 (least important) based on the impact each factor has on the company's performance.
 - Column 3: Rank each factor on a scale from 1 (poor) to 4 (outstanding) based on the impact of that factor on the company's performance compared to industry averages or main competitors. Positive factors (strengths) are assigned values from +1 to +4, and negative factors (weaknesses) are assigned values from +1 to +4 inversely.
 - Column 4: Multiply the weight in Column 2 by the rating in Column 3 to obtain the weighted score for each factor. This gives the weighted score for each internal factor.
- Summing the weighted scores in Column 4 will give the total weighted score for the company's internal factors. The overall score indicates how well the company manages its internal operations.
- Table 5.10: Weights in Internal Strategy

Based on the IFAS matrix analysis in Table 4.12, the total score for strengths and weaknesses is 3.00. This score is close to 4.00, indicating that Kelingan SMEs have a strong internal condition.

EFAS Matrix (External Factor Analysis Summary)

The steps involved in the EFAS matrix are as follows:

- Column 1: List the external factors which can be opportunities or threats.
- Column 2: Assign weights to each factor based on their impact on the company's strategic position, using a scale from 1.0 (most important) to 0.0 (least important). The total of these weights should not exceed 1.00.
- Column 3: Rank each factor on a scale from 1 (poor) to 4 (outstanding) based on the impact of each factor on the company. Positive factors (opportunities) are given values from +1 to +4, and negative factors (threats) are assigned inversely. For example, if a threat is much greater than the industry average, it is rated as 1, while if the threat is below the industry average, it gets a rating of 4.
- Column 4: Multiply the weight in Column 2 by the rating in Column 3 to obtain the weighted score for each factor. This gives the weighted score for each external factor.

Summing the weighted scores in Column 4 provides the total weighted score for the external factors. This overall score reflects how well the company is managing its external environment.

Table 7. Weights in Internal Strategy

No	Faktor-faktor Strategi Internal	Bobot
Kekuatan (Strength)		
1	Kualitas produk yang bersaing	0,15
2	Harga yang terjangkau	0,10
3	SDM yang ramah	0,10
4	Bahan baku yang selalu tersedia	0,10
Subtotal		0,45
Kelemahan (Weakness)		
1	Produksi tidak stabil	0,20
2	Kurangnya promosi	0,15
3	Jauh dari pasar	0,10
4	Manajemen Keuangan yang masih konvensional	0,10
Subtotal		0,55
Total		1,00

Sumber: Data Primer diolah, 2023

Table 8. IFAS Matrix Jae.Pongan

No	Faktor-faktor Strategi Internal	Bobot	Rating	Skor
Kekuatan (Strength)				
1	Kualitas produk yang bersaing	0,15	4	0,6
2	Harga yang terjangkau	0,10	3	0,3
3	SDM yang ramah	0,10	3	0,3
4	Tidak ada pesaing disekitar	0,10	4	0,4
Subtotal		0,45		1,6
Kelemahan (Weakness)				
1	Produksi tidak stabil	0,20	3	0,6
2	Anggota yang tidak aktif	0,15	2	0,3
3	Jauh dari pasar	0,10	3	0,3
4	Manajemen Keuangan yang masih Konvensional	0,10	2	0,2
Subtotal		0,55		1,4
Total		1,00		3,00

Sumber: Data Primer diolah, 2023

From the results of the IFAS matrix analysis in Table 4.12, the strengths and weaknesses have a total score of 3.00, which is close to 4.00, indicating that Kelingan SMEs have a strong internal condition.

EFAS Matrix (External Factor Analysis Summary)

The steps involved are as follows:

- Step 1:** In Column 1, list the factors that represent opportunities and threats.
- Step 2:** In Column 2, assign weights to each factor on a scale from 1.0 (most important) to 0.0 (least important), based on how these factors impact the company's strategic position. (The total of all weights should not exceed 1.00).
- Step 3:** In Column 3, rate each factor on a scale from 4 (outstanding) to 1 (poor), based on the impact of the factor on the company's condition. Positive factors (opportunities) are given values from +1 to +4 (very good), while negative factors (threats) are rated inversely. For example, if the threat is much greater than the industry average, it gets a score of 1, whereas if the threat is below the industry average, it gets a score of 4.

4. **Step 4:** In Column 4, multiply the weight in Column 2 by the rating in Column 3 to calculate the weighted score for each factor. This provides the weighted score for each individual factor, which varies between 4.0 (outstanding) and 1.0 (poor).
5. **Step 5:** Sum the weighted scores in Column 4 to get the total weighted score for all the factors. The overall score indicates how well the company is managing its external factors.

Table 9. Weights in External Strategy

No	Faktor-faktor Strategi Eksternal	Bobot
Peluang (<i>opportunit</i>)		
1	Konsumen setia	0,15
2	Luasnya pangsa pasar	0,15
No	Faktor-faktor Strategi Eksternal	Bobot
3	Hubungan baik dengan distributor	0,10
4	Kemajuan Teknologi	0,10
Subtotal		0,5
Ancaman (<i>Treath</i>)		
1	Memiliki banyak pesaing	0,15
2	Lokasi pesaing dekat dengan pasar	0,15
3	Munculnya pesaing baru	0,20
Subtotal		0,5
Total		1,00

Table 10. EFAS Matrix Kelingan

No	Faktor-faktor Strategi Eksternal	Bobot	Rating	Skor
Peluang (<i>opportunit</i>)				
1	Konsumen setia	0,15	4	0,6
2	Luasnya pangsa pasar	0,15	3	0,45
3	Adanya dukungan partnership	0,10	4	0,4
4	Kemajuan teknologi	0,10	3	0,3
Subtotal		0,5		1,75
Ancaman (<i>Treath</i>)				
1	Munculnya pesaing baru	0,15	3	0,45
2	Lokasi pesaing dekat dengan pasar	0,15	2	0,3
3	Bahan baku yang sulit	0,20	3	0,6
Subtotal		0,5		1,35
Total		1,00		3,1

Sumber: Data Primer diolah, 2023

From the results of the EFAS matrix analysis in Table 5, the total score for the opportunity factors and threat factors of Kelingan SMEs is 3.1. This score is higher than 2.5, indicating that the SMEs are able to take advantage of available opportunities and avoid the threats they face.

SWOT Matrix

The SWOT matrix is a tool used to measure the strategic factors of a company. The SWOT matrix helps to present and explain the company's strengths and weaknesses, as well as the external opportunities and threats it faces. The result of the SWOT matrix is four strategies that combine both internal and external strategic factors the company possesses, as follows:

Table 11. Kelingan SWOT Matrix

IFAS	Strengths (S)	Weaknesses (W)
EFAS	1. Kualitas produk yang bersaing 2. Harga yang terjangkau 3. SDM yang ramah 4. Tidak ada pesaing disekitar	1. Harga tidak stabil 2. Anggota yang tidak aktif 3. Jauh dari pasar 4. Manajemen keuangan yang masih konvensional
Opportunities (O)	Strategi SO	Strategi WO
1. Konsumen setia 2. Luasnya pangsa pasar 3. Adanya dukungan partnership 4. Kemajuan teknologi	1. Menciptakan produk baru. 2. Memperluas cakupendistribusi. 3. Memberikan penawaran menarik kepada konsumen terutama pelanggan tetap. 4. Memanfaatkan partnership untuk mempromosikan produk.	1. Memanfaatkan sosialmedia untuk mempromosikan produk 2. Meningkatkan efisiensi Manajemen keuangan dengan memanfaatkan teknologi 3. Menjaga hubungan baik dengan pemasok bahan baku
Threats (T)	Strategi ST	Strategi WT
1. Bahan baku sulit 2. Lokasi pesaing dekat dengan pasar 3. Munculnya pesaing baru	1. Melakukan Inovasi Produk agar dapat bersaing 2. Melakukan produksi besar-besaran ketika stok melimpah 3. Menjalin kerja sama dengan pesaing	1. Melakukan riset pasar. 2. Mengikuti perkembangan usahakompetitor. 3. Mempertahankan penggunaan bahan baku agar tidak terjadi penurunan kualitas produk.

Sumber: Data Primer diolah, 2023

Based on the SWOT matrix in Table 4.20, the analysis results indicate strategies that can be recommended for Kelingan SMEs, which are determined by combining internal and external factors the company possesses. These strategies can be elaborated as follows:

1. SO Strategy (Strength-Opportunity)

This strategy is a combination of internal factors (Strength) and external factors (Opportunity). It is designed to leverage the company's strengths to seize and fully exploit opportunities. The recommended SO strategies for Kelingan SMEs are as follows:

- Create New Products:** By leveraging support from partnerships and high product quality, Kelingan SMEs are expected to be able to create new products.
- Expand Distribution Coverage:** By utilizing good relationships with distributors and loyal consumers, Kelingan SMEs are expected to be able to expand their distribution beyond the city, reaching other areas.
- Offer Attractive Deals to Consumers, Especially Loyal Customers:** By utilizing quality products, affordable prices, and loyal consumers, Kelingan SMEs can offer attractive deals such as discounts and bonuses.
- Utilize Partnerships for Better Promotion:** Through partnerships, Kelingan SMEs can promote their products more effectively, reaching markets they couldn't access before.

2. ST Strategy (Strength-Threats)

This strategy is a combination of internal factors (Strength) and external factors (Threat). It uses the strengths of SMEs to address external threats.

External Threats. The recommended ST strategies for Kelingan SMEs are as follows:

1. **Product Innovation to Compete:** SMEs can innovate their products by utilizing readily available raw materials and affordable prices to stay competitive against rivals.
2. **Mass Production When Stock is Plentiful:** By utilizing high production capabilities, SMEs can increase production when there is an abundance of raw materials. This helps avoid shortages when materials become difficult to source.
3. **Establish Cooperation with Competitors:** SMEs can collaborate with competitors to enhance the value of the business.

3. WO Strategy (Weaknesses-Opportunities)

This strategy is a combination of internal factors (Weaknesses) and external factors (Opportunities). It aims to capitalize on available opportunities and mitigate the weaknesses of SMEs. The WO strategies for Kelingan SMEs are as follows:

1. **Utilize Social Media for Product Promotion:** Conduct promotions on social media and online marketplaces to boost product demand.
2. **Improve Financial Management Using Technology:** SMEs can improve their financial management by using technology such as financial tracking applications.
3. **Maintain Good Relationships with Raw Material Suppliers:** This will ensure SMEs are prioritized in securing difficult-to-find raw materials.

4. WT Strategy (Weaknesses-Threats)

This strategy is a combination of internal factors (Weaknesses) and external factors (Threats). It is focused on defensive actions to avoid existing threats and reduce internal weaknesses. The WT strategies for Kelingan SMEs are as follows:

1. **Conduct Market Research:** Market research aims to gather information about the market. Once valuable information is obtained, SMEs can develop their potential.
2. **Monitor Competitor Developments:** By doing so, SMEs can continuously innovate and improve, allowing them to remain competitive in the industry.
3. **Maintain the Use of High-Quality Raw Materials to Ensure Product Quality:** This helps maintain the standard of the products and meet consumer expectations.

4. CONCLUSION

Based on the research conducted on Kelingan SMEs in Tarakan City, the following conclusions can be drawn:

1. SWOT Analysis consists of internal and external factors. It was found that the internal factors of the SMEs scored close to 4.00, indicating that they have strong internal conditions. Regarding external factors, the SMEs scored above 2.5, meaning they are able to take advantage of existing opportunities and can avoid external threats.
2. Based on the Cartesian diagram analysis in the SWOT matrix, it was found that the SMEs are positioned in Quadrant I (Aggressive). This strategy falls under the SO strategy (Strengths-Opportunities), where SMEs can leverage their strengths and opportunities to develop the following strategies:
 - a. **Create New Products:** By utilizing abundant raw materials and ensuring product quality, SMEs are expected to be able to create new products.
 - b. **Expand Distribution Reach:** By taking advantage of high demand and appropriate technology, SMEs are expected to expand their distribution to broader markets.
 - c. **Offer Attractive Deals to Consumers:** By utilizing high-quality products, friendly human resources, and loyal consumers, SMEs can create attractive offers. These offers may include discounts and bonuses.
 - d. **B2B Product Marketing:** By leveraging high-quality products, SMEs can collaborate with cafes, eateries, and stores. Ensuring the availability of products that meet demand allows SMEs to become suppliers for these establishments.
 - e. **Form Partnerships:** Forming partnerships in micro, small, and medium enterprises (SMEs) involves collaboration between two or more parties with a shared goal of supporting and strengthening each other's business activities. Such partnerships are often made between SMEs and other parties such as large companies, non-governmental organizations, financial institutions, or even between SMEs themselves in Tarakan City.

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