

## Strategy Product Development And Consignment Sales In Increasing Sales Using Swot Analysis

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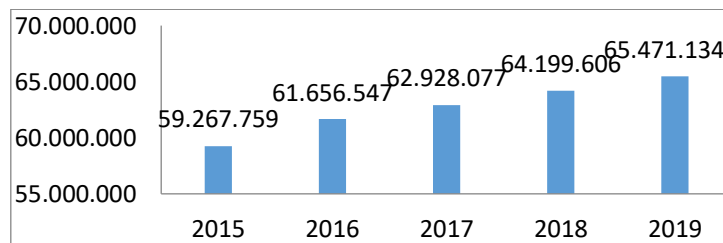
### Abstract

This study aims to determine product development strategies, implementation of consignment sales and SWOT analysis methods in increasing sales. This research uses qualitative methods using SWOT analysis methods, data collection techniques in this study are observation, interviews, and documentation. The results of this study were obtained related to the dimensions of quality based on product development strategies, there are stages in the implementation of consignment sales, namely the product offering stage, agreement, product delivery, product returns and sales transactions, there is an IE SWOT analysis, namely internal factors and external factors in increasing sales. Based on the research results, it can be concluded that the product development strategy is to improve product quality, maintain taste quality, maintain good relations with cooperation partners, modify packaging design, take care of PIRT and halal certificates, and maximize promotion on social media. Cooperating with large-scale commissioners, selecting prospective commissioners so that the consignment sales process runs effectively, adding salespeople, carrying out intensive billing, and following up with commissioners. IFAS SWOT analysis of 1.01 and EFAS of 0.72, in a position between the axes of the Opportunity and Strength matrix, namely Quadrant I.

**Keyword: Consignment, Increase in Sales, MSMEs, Product Development**

### Introduction

Currently, MSMEs have contributed greatly to regional income and Indonesia's state revenue, the increase or decrease in Indonesia's economic growth is influenced by several factors, one of which is the participation of MSMEs. According to Tulus Tambunan in the journal (Maryanto et al., 2022) there are a number of reasons that represent the importance of MSMEs for the national economy, namely MSMEs are classified as very labor intensive, have the potential for large employment growth opportunities and increased income. MSMEs help accommodate many workers who have low levels of education. As explained by the Ministry of Finance, the absorption of MSME employees is no less than 117 million employees, which is 97% of the labor absorption of the business world.



Sources: Kemenkop UKM (2023)

**Figure 1: Number of MSMEs in Indonesia**

Based on figure 1. According to the Ministry of Cooperatives and SMEs, the number of micro, small and medium enterprises (MSMEs) reached 65.47 million units in 2019, an increase of 10.09% compared to 59.26 million units in 2015. Therefore, MSMEs play an important role in the recovery of the Indonesian economy, MSMEs can create jobs, improve economic growth, so small businesses need to be fostered continuously to develop and advance. MSMEs are expected to be able to make effective strategies in order to survive in competitive competition. Every business activity expects sustainable growth for the smooth

running of its business, one of which is by making a business strategy plan to increase sales. Therefore, a product development strategy is needed. According to Umari in the journal (Sari et al., 2018) Product development strategy is a strategy that allows companies to increase sales by increasing, improving and modifying existing products or services.

An entrepreneur must develop his product to be able to maintain his business so that it can continue to run, by making new things that are more efficient and better than previous products or services. These kemplang crackers must make updates such as improving quality, modifying more attractive packaging, completing some information in the packaging. In addition to product development strategies, consignment sales strategies can also increase sales.

According to Jati in the journal Trivena et al. (2021), consignment sales are the transfer of goods by the owner of the goods to another person who acts as a commercial agent with the agreement that the rights to the goods remain with the owner until the goods are sold. The owner who owns the goods is called (consignor), while the one entrusted with the goods is called the consignee (consignee). The terms for goods on consignment are called Consignment Out and Consignment In.

According to Assuari in (Permana et al., 2019) sales are human activities that aim to fulfill and satisfy needs and desires through the exchange process. Palembang Original Kemplang Crackers "Aulia" is a distributor of Palembang Original Kemplang Crackers in Bogor City. Previously, researchers made preliminary observations of Kemplang distributors and obtained information that sales were increasing and some were decreasing.

In this era surviving as an entrepreneur requires a creative and innovative mindset, therefore this Kemplang Crackers distributor applies Product Development and Consignment Sales to Increase Sales.

Based on the description above, it can be concluded that business success is influenced by several factors to achieve business goals. Sales run smoothly if the products sold are in accordance with consumer needs and make other strategies to increase sales so that the business continues to run well and smoothly, so the authors are interested in doing more research with the title "Product Development Strategy and Consignment Sales in Increasing Sales Using SWOT Analysis (Case Study of Crackers UMKM).

## Method

The type of research is descriptive qualitative. According to Steven Dukeshire & Jennifer Throlow in the book (Sugiyono, 2020, p. 3) Qualitative research is about data, not numbers. Information collection and analysis are narrative. Qualitative research methods are mainly used to obtain extensive data and in-depth knowledge of the problem to be solved. The object of this research is UMKM kemplang aulia crackers located in Vila Mutiara Bogor, Mekarwangi, Tanah Sareal sub-district, Bogor city.

The data used are primary and secondary data. Primary data is information that is captured or collected by researchers directly on the spot (Handayani, 2023, p. 14). In this study, primary data was collected from direct observations and interviews with informants, namely Mr. Sutikno as the owner of the Kemplang Aulia Kerupuk UMKM. Secondary data is information that the researcher gets from other sources. Usually this information is in the form of graphs, charts or tables containing important information. Secondary data sources are carried out from various sources such as books, websites or government documents (Rosini, 2023, p. 82). Secondary data sources for this research are books, journals and internet.

Data collection techniques in this study are observation, interviews and documentation to get relevant data. The data analysis process was carried out from the beginning of the research and during the research process being implemented, data collection by category starts by summarizing all information received from informants and focusing on the subject, in this study what was processed was the Product Development Strategy and Consignment Sales in increasing Sales of UMKM Kerupuk Kemplang Asli Palembang Aulia.

According to Mukhtazar (2020) Research data analysis is the process of examining, cleaning, transforming, and modeling data with the aim of finding useful information that can help researchers make decisions related to research problems. The data analysis used in this research is to use qualitative analysis, using the SWOT analysis method. This analysis is applied using the IFAS matrix to describe the company's internal conditions, namely strengths and weaknesses, then the EFAS matrix to describe the company's external conditions, namely opportunities and threats. Then processed based on weight and rating. Then analyze with a SWOT analysis diagram to determine the company's position, then analyze with a SWOT matrix to determine alternative business strategies.

## Result

The following are the results of the research carried out on the dimensions of quality based on product development strategies in increasing sales, including:

### 1. Product development strategy for aulia kemplang crackers

#### a. Performance

This aulia kemplang cracker must always pay attention to product quality so that it can continue to survive.

#### b. Feature

This kemplang cracker has a special taste with a strong fish flavor that makes consumers like it, several kinds of variant shapes and good enough packaging.

#### c. Reliability

According to Mr. Sutikno, this aulia kemplang cracker has good quality with the characteristic of fish which is quite strong in contrast to ordinary crackers that do not use fish.

#### d. Conformance

Currently, the aulia kemplang crackers consistently work well with the original Palembang kemplang cracker factory.

#### e. Durability

According to Mr. Sutikno, product display can influence the durability of crackers, the display must be in a cool place and not directly exposed to direct sunlight.

#### f. Aesthetics

In packaging these kemplang crackers using labels, plastic press thickness 0.8 because it is more attractive and can influence product durability and expiration information.

#### g. Perceived Quality

According to Mr. Sutikno, the price of aulia kemplang crackers is in accordance with the quality and taste obtained from consumers who make repeat order.

### 2. Consignment Sales

Based on the results of interviews with the owner of Kerupuk Kemplang Aulia. Kerupuk Kemplang Aulia is a consignor of kemplang crackers in Bogor, the reason for choosing this business is because kemplang crackers are a food product, food products have advantages such as having a large target market, fast sales and kemplang crackers are a durable product so that it can reduce the occurrence of returned goods by the commissioner.

Kerupuk Kemplang Aulia has partnered with 100 stores in Bogor City and Regency. The commission given by the consignor is 12%-15% depending on the number of orders.

The consignment agreement carried out by Kerupuk Kemplang Aulia cooperates with a system of visiting or controlling 1-3 weeks.

This agreement system uses verbal and written agreements with notes. Items damaged before the sales transaction if in the category of damage, melting, and smell will be returned.

### 3. Increased Sales at Aulia Kemplang Crackers

#### 1. Product

This aulia kemplang cracker sells 60 packs a day and has 4 variations of kemplang crackers.

#### 2. Price

This aulia kemplang cracker has 4 variants of crackers, namely mini coin kemplang crackers, wide coins, bun and peser with a consumer price of Rp. 5,000-Rp. 20,000.

3. Distribution  
Kemplang aulia crackers are distributed only in the Bogor area.
4. Promotion  
Aulia Kemplang crackers only promotes its products door to door and promotions via WhatsApp.

#### 4. SWOT Analysis

The following data was collected from product development strategies conducted through direct interviews with business owners. The details are as follows:

**Table 1. SWOT Analysis**

Strength	Weakness
S1. Distinctive taste of crackers	W1. Packaging is not enough to attract buyers' attention
S2. Crackers are snacks that are favored by all groups	W2. Marketing that is not yet widespread
S3. The price is quite affordable	W3. Limited capital
S4. Long enough durability	W4. Limited labor
S5. Has guaranteed quality	W5. Lack of promotion on social media
Opportunity	Threats
O1. Market potential is quite broad	T1. Existence of competitors
O2. Installation of halal labels, and other information in the packaging	T2. Not yet registered in business development licensing
O3. Open job opportunities	T3. Product is not yet available in major markets
O4. Stable price	T4. Complaints from customers
O5. Maintaining the quality of the flavor	T5. Changes in consumer tastes

*Source: Data processed by researchers (2023)*

#### IFAS MATRIX

The IFAS matrix is used to describe the internal state of the company which consists of strengths and weaknesses and then processed based on weight and rating.

**Table 2. Matrix IFAS (Internal Factor Analysis Summary)**

No	Internal Factors	Weight	Rating	Scor
	<b>Strengths</b>			
1.	Distinctive taste of crackers	0,10	4	0,4

2.	Crackers are snacks that are favored by all groups	0,11	4	0,44
3.	The price is quite affordable	0,08	3	0,24
4.	Long enough durability	0,12	4	0,48
5.	Has guaranteed quality	0,11	3	0,33
<b>Subtotal</b>				<b>1,89</b>
<b>Weakness</b>		<b>Bobot</b>	<b>Rating</b>	<b>Skor</b>
1.	Packaging is not enough to attract buyers' attention	0,08	1	0,08
2.	Marketing that is not yet widespread	0,10	2	0,2
3.	Limited capital	0,09	2	0,18
4.	Limited labor	0,11	2	0,22
5.	Lack of promotion on social media	0,10	2	0,2
<b>Subtotal</b>		<b>0,1</b>		<b>0,88</b>
<b>Total IFAS</b>				<b>1,01</b>

Source: Data processed by researchers (2023)

Based on table 2. It is known that the total Strength score is 1.89 and the total Weakness score is 0.88. The total IFAS score of 1.01 is obtained from reducing the total Strength score by the total Weakness score.

### EFAS MATRIX

The EFAS matrix describes the external situation of the company consisting of the company's opportunities and threats and is then processed based on weight and rating.

**Table 3. Matrix EFAS (Eksternal Factor Analysis Summary)**

No	External Factors	Weight	Rating	Scor
<b>Opportunity (Peluang)</b>				
1.	Market potential is quite broad	0,12	4	0,48
2.	Installation of halal labels, and other information in the packaging	0,11	4	0,44
3.	Open job opportunities	0,12	4	0,48
4..	Stable price	0,11	4	0,44

5.	O5. Maintaining the quality of the flavor	0,10	4	0,4
<b>Subtotal</b>				<b>2,24</b>
<b>Threats (Ancaman)</b>				
1.	Existence of competitors	0,8	1	0,8
2.	Not yet registered in business development licensing	0,11	2	0,22
3.	Product is not yet available in major markets	0,10	2	0,2
4.	Complaints from customers	0,08	2	0,16
5.	Changes in consumer tastes	0,07	2	0,14
<b>Subtotal</b>				<b>1,52</b>
<b>Total EFAS</b>				<b>0,72</b>

Source: Data processed by researchers (2023)

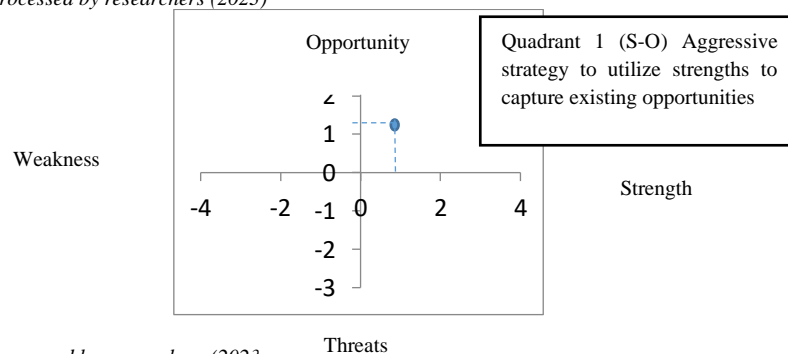
Based on table 3. It is known that the total Opportunity score is 2.24 and the total Threats score is 1.52 The total EFAS score is 0.72 which is based on reducing the total Opportunity score with the total Threats score.

In determining the strategy to be used next, namely by matching using a SWOT analysis quadrant diagram formed from two key dimensions, namely IFAS on the X axis and EFAS on the Y axis. How to determine the axis (X,Y) by finding the value of Y by reducing the total value of S and the total value of W. Then look for the value of X by reducing the value of O with the value of T. Based on the results of the IFAS and EFAS matrix of aulia kemplang crackers, the axis (X,Y) can be found in the following way (Elmi Ulin Nafi'ah & Ruliq Suryaningsih, 2022)

**Table 4. Calculation of internal and external values**

Internal Factor	External Factor
X= strengths-weakness	Y= opportunity-threats
X= 1,89-0,88	Y= 2,24-1,52
X= 1,01	Y= 0,72

Source: Data processed by researchers (2023)



Source: Data processed by researchers (2023)

**Figure 2. SWOT Analysis Diagram of Kemplang Aulia Crackers MSMEs**

Based on Figure 2. UMKM Kemplang Aulia crackers are in a position between the axes of the Opportunity and Strengths matrix, namely Quadrant I. This means that UMKM Kemplang Aulia Crackers are advised to carry out a progressive strategy by utilizing internal strengths to benefit from opportunities.

**Table 5. Matrix SWOT**

<b>INTERNAL</b>	<b>Strengths (S)</b>	<b>Weakness (W)</b>
<b>EKSTERNAL</b>	<ol style="list-style-type: none"> <li>1. Distinctive taste of crackers</li> <li>2. Crackers are snacks that are favored by all groups.</li> <li>3. The price is quite affordable</li> <li>4. Long enough durability</li> <li>5. Has guaranteed quality</li> </ol>	<ol style="list-style-type: none"> <li>1. Packaging is not enough to attract buyers' attention</li> <li>2. Marketing that is not yet widespread</li> <li>3. Limited capital</li> <li>4. Limited sales personnel</li> <li>5. Lack of promotion on social media</li> </ol>
<b>Peluang (O)</b>	<b>Strategi SO</b>	<b>Strategi WO</b>
<ol style="list-style-type: none"> <li>1. Market potential is quite broad</li> <li>2. Installation of halal labels, and other information in the packaging</li> <li>3. Open job opportunities</li> <li>4. Stable price</li> <li>5. Maintaining the quality of the flavor</li> </ol>	<ol style="list-style-type: none"> <li>1. Expanding the market so that Auliaa kemplang crackers are better known to the general public.</li> <li>2. Upgrade packaging by taking care of PIRT certificates and halal labels to increase attractiveness and convince consumers to buy.</li> <li>3. Increase the workforce to be able to expand the market.</li> <li>4. With a stable price, it can avoid price wars, so the price set is suitable for consumers.</li> <li>5. Materials with guaranteed quality can affect the durability of the product so that it must always maintain quality to get good quality.</li> </ol>	<ol style="list-style-type: none"> <li>1. Modify the packaging to make it more attractive and apply for halal and PIRT certificates to attract and convince consumers to buy the product.</li> <li>2. Marketing products via social media to products can be known to the general public or potential consumers.</li> <li>3. Looking for investors or loans to be able expand the business by opening up marketing labor opportunities to expand the market.</li> <li>4. Market products through the marketplace so that market reach is larger and always maintain the quality of flavors and products.</li> </ol>

Ancaman (T)	Strategi S-T	Strategi W-T
1. Existence of competitors 2. Not yet registered in business development licensing 3. Product is not yet available in major markets 4. Complaints from customers 5. Changes in consumer tastes	1. With a signature taste, providing excellent service, maintaining taste quality and setting the right price will be able to defend the business from competitors. 2. Take care of business licensing to support business development. 3. Doing for PIRT certificates and halal labels to products meet the criteria to be able to go to famous markets. 4. The durability of kemplang crackers is long enough and has guaranteed quality that can prevent complaints from customers. 5. Changes in consumer tastes can be resolved by doing consumer research and starting to adapt, innovate and carry out the right promotional strategy.  Changes in consumer tastes can be resolved by doing consumer research and starting to adapt, innovate a	1. Observe competitors and modify the packaging as attractive as possible to increase consumer interest. 2. Take care of licensing immediately to support business development so that marketing can be wider 3. Looking for investors or loans to support business development for products are suitable to be selling to famous markets 4. Open recruitment of sales people to support market expansion 5. Marketing products via marketplace

Source: Data processed by researchers (2023)

Based on the table 5. It can be seen that the right strategy for Kerupuk Kemplang Aulia is as follows:

#### 1. SWOT Matrix Analysis for SO Strategy

To see the strengths used to take advantage of the opportunities possessed by Kemplang Aulia Crackers MSMEs, the strategy carried out is expanding the market so that Auliaa kemplang crackers are better known to the general public, upgrade packaging by taking care of PIRT certificates and halal labels to increase attractiveness and convince consumers to buy, increase the workforce to be able to expand the market, with a stable price, it can avoid price wars, so the price set is suitable for consumers, materials with guaranteed quality can affect the durability of the product so that it must always maintain quality to get good quality.

#### 2. SWOT Matrix Analysis for WO Strategy

From the weaknesses and opportunities possessed by Kemplang Aulia Crackers MSMEs, a strategy is formulated to minimize existing weaknesses so that they can take advantage of existing opportunities, the strategy carried out is modify the packaging to make it more attractive and apply for halal and PIRT certificates to attract and convince consumers to buy the product., marketing products via social media to products can be known to the general public or potential consumers, looking for investors or loans to be able expand the business by opening up marketing labor opportunities to expand



the market ,market products through the marketplace so that market reach is larger and always maintain the quality of flavors and products.

### 3. SWOT Matrix Analysis for ST Strategy

Based on the strengths and threats of UMKM Kemplang Aulia Crackers, they use their strengths to overcome threats, the strategies carried out are with a signature taste, providing excellent service, maintaining taste quality and setting the right price will be able to defend the business from competitors, take care of business licensing to support business development, doing for PIRT certificates and halal labels to products meet the criteria to be able to go to famous markets, the durability of kemplang crackers is long enough and has guaranteed quality that can prevent complaints from customers, changes in consumer tastes can be resolved by doing consumer research and starting to adapt, innovate and carry out the right promotional strategy.

### 4. SWOT Matrix Analysis for WT Strategy

On the weaknesses and threats that are in the Kemplang Aulia Crackers MSME, it can minimize internal weaknesses and avoid external threats, the strategies carried out are observe competitors and modify the packaging as attractive as possible to increase consumer interest, take care of licensing immediately to support business development so that marketing can be wider, looking for investors or loans to support business development for products are suitable to be selling to famous markets, open recruitment of salespeople to support market expansion, marketing products via marketplace.

## Conclusion

Based on the research that has been conducted, there are several conclusions that can be drawn from the results and discussion of the research. The following are the conclusions of this research: 1. Based on the product development strategy of UMKM Kemplang Aulia crackers, it shows that the results obtained are related to the dimensions of quality based on product development strategies. In this kemplang cracker business, it is necessary to improve product quality, maintain taste quality, perfect packaging elements so that they can enter famous markets and maintain good relations with cooperative partners and maximize promotion on social media. 2. There are stages in the implementation of consignment sales, namely the product offering stage, agreement, product delivery, product return, and sales transactions. In this consignment sale, it is need to cooperate with large scale commissioners. 3. Based on the SWOT analysis, UMKM Kemplang Aulia Crackers with internal factors of 1.01 and external factors of 0.72, are in a position between the axes of opportunity and Strengths matrix, namely Quadrant I. This means that UMKM Kemplang Aulia Crackers are recommended to carry out a progressive strategy by utilizing internal strengths to benefit from opportunities.

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