

Enhancing Competitive Advantage Through Marketing Strategies: A Multi-Site Study of Pakesang, Tanawan, Umami Habibie

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Abstract: Marketing strategy is the key to achieving sustainable competitive advantage, both for goods and services companies. This study aims to determine the marketing strategy in increasing competitive advantage in local potential SMEs in Ternate City, a multi-site case study on SMEs: Pakesang, Tanawan, and Umami Habibie. Using a qualitative approach with a multisite case study method, this research explores the variations and similarities of phenomena in three locations. Data analysis techniques include SWOT analysis with IFAS matrix, EFAS, and SWOT diagram, as well as QSPM analysis to determine strategy priorities. Results show that the three SMEs have implemented the STP strategy and marketing mix with a focus on local culture-based product excellence and personalized service. All three were in a favorable position in the SWOT analysis, allowing for the implementation of an aggressive growth strategy. Key recommendations include optimizing digital channels, modernizing production tools, product differentiation, and strengthening local supply chains. Synergy between SMEs and local governments is also recommended to strengthen the business ecosystem.

Introduction

Micro, Small, and Medium Enterprises (MSMEs) are a crucial pillar of Indonesia's economic development, continuously encouraged to upgrade their status to contribute more significantly to the national economy and job creation (Perekonomian, 2023). Based on data from the Ministry of Cooperatives and SMEs, in 2019 there were 65.4 million SMEs in Indonesia absorbing 123.3 thousand workers, demonstrating the significant role of SMEs in reducing unemployment. The trend of MSME growth also continues to increase every year (Perbendaharaan, 2023).

One of the most appropriate ways to help analyze the state of the company is to take advantage of the use of strengths, weaknesses, opportunities, threats (SWOT) analysis which will be used as a basis for planning and developing the strategies used. SWOT analysis can be a way to systematically observe various company factors that will later be useful to help formulate strategies. The analysis included is based on rational logic that will be able to maximize strengths and opportunities, while simultaneously minimizing weaknesses and threats so that the state or condition of a company can be known. One of the priorities that should be done is to develop a marketing strategy, because an effective and efficient marketing strategy is one of the keys to the success of a product (Maximillian et al., 2022).

Ternate City itself is known as an area with strong economic potential, especially in Micro, Small and Medium Enterprises (MSMEs), but along with the development of globalization, increasingly competitive markets, and changes in consumer behavior, MSMEs in Ternate City face various challenges in maintaining and increasing their competitiveness. Marketing strategy is one of the keys that can help MSMEs to improve their competitiveness. However, there is still a need to identify and analyze the most effective marketing strategies that are relevant to the characteristics and needs of the local market in Ternate City. Therefore, an in-depth analysis is needed to understand the marketing strategies used by MSME businesses in Ternate City that can encourage business growth and development (Hidayati et al., 2022).

Based on interviews and observations conducted in the city of Ternate, researchers identified several issues hindering the development of SMEs, such as high shipping costs in e-commerce, expensive local packaging, limited human resources, and a lack of understanding in promoting businesses through social media. In addition, the limited production team also poses a challenge in fulfilling large orders. Realizing the significant potential of local resources that have not been optimally utilized, the researchers chose SMEs Pakesang, Tanawan, and Umami Habibie as the subjects of this study. These three SMEs are considered to represent the local potential of Ternate and have great opportunities to thrive in a market that increasingly values authentic and sustainable products. By comparing them, this research aims to identify effective and relevant marketing strategies for the development of SMEs in the city of Ternate.

Table 1. Number of North Maluku MSMEs

District/City		Number of MSMEs/Business Scale						Number of MSMEs
		Micro Business		Small Business		Medium Business		
		2022	2023	2022	2023	2022	2023	
1	West Halmahera	7.336	20.427	36	36	2	2	27.839
2	Central Halmahera	4.700	8.123	67	67	10	10	12.977
3	North Halmahera	3.381	6.733	267	267	38	38	10.724
4	East Halmahera	1.810	4.831	71	71	61	61	6.905
5	South Halmahera	18.153	47.977	254	431	24	321	67.160
6	Morotai Island	4.352	6.831	65	65	13	13	11.339
7	Taliabu Island	345	2.831	159	159	95	95	3.684
8	Sula Islands	7.315	9.459	405	405	141	141	17.866
9	Ternate City	36.868	65.411	3.534	3.524	807	807	110.941
10	Tidore Islands City	12.642	13.321	2.431	2.431	108	108	31.041
	Total	96.902	185.944	7.279	7.456	1.299	1.596	300.476

Data Source: North Maluku Provincial Government Office of Cooperatives and MSMEs 2024

Research by (Putri & Nurhadi, 2023) shows that Toffin East Java increases competitiveness through a differentiation strategy and the 4P marketing mix, offering a wide range of products with adjusted pricing based on quality. Despite a less strategic location, promotions are actively carried out both offline (exhibitions, package offers) and online (discounts during events). Meanwhile, research by (Octavia et al., 2023) highlights that Gedebok Pisang Chips MSME in Blora City applies the 4P strategy but struggles with promotion and distribution. Their products are hygienic, halal, and varied in flavor, but reliance on social media and physical stores is not effective for market competition, with innovation being a key challenge.

There are several previous studies that have also identified the importance of marketing strategies in increasing the competitive advantage of SMEs (Safrin et al., 2022; Kusuma & Sijabat, 2023; Winarso et al., 2020). Although many studies have examined marketing strategies in SMEs in Indonesia, there are some differences between this study and previous studies, where previous studies only focused on one SME in each city, while this study focuses on Pakesang, Tanawam, and Umami Habibie SMEs, where this study compares the strategies of each of these SMEs in increasing the competitive advantage of their products, in this study also discusses various types of local products in Ternate which may have different characteristics and marketing challenges from previous studies, thus requiring more varied and contextual marketing strategies. Previous studies have also mostly focused on big cities or other regions in Indonesia so that Ternate City itself has not been studied much in the context of marketing strategies to increase the competitive advantage of local potential SMEs.

This research contributes to the literature by enriching the understanding of marketing strategies in enhancing competitive advantage for potential local SMEs in the city of Ternate. In addition, the research results are expected to serve as a practical reference for

other SMEs in similar regions to enhance their competitive advantage. Based on the background above, the focus of this research is on how the implementation of marketing strategies can enhance the competitive advantage of small and medium enterprises (SMEs) Pakesang, Tanawan, and Ummi Habibie in the city of Ternate. As for the sub-focus, it is:

1. How is the market segmentation strategy implemented by SMEs Pakesang, Tanawan, and Ummi Habibie in Ternate City to enhance competitive advantage?
2. How is the targeting strategy implemented by Pakesang, Tanawan, and Ummi Habibie in Ternate City to enhance competitive advantage?
3. How is the positioning strategy implemented by Pakesang, Tanawan, and Ummi Habibie in Ternate City to enhance competitive advantage?
4. To what extent do product, price, place, and promotion (marketing mix) innovations play a role in enhancing the competitive advantage of SMEs Pakesang, Tanawan, and Ummi Habibie in the city of Ternate, as analyzed through the SWOT and QSPM approaches?

The structure of this article is as follows. The second section explains the research methods. The fourth section presents the research results and discussion. The fifth section contains the conclusions and implications of the research.

Research Method

This research uses a qualitative approach with a multi-site case study type to gain an in-depth understanding of the marketing strategies implemented by Pakesang SMEs (Kasturian Village), Tanawan SMEs (Maliaro Village), and Ummi Habibie SMEs (Salahudin Village) in Ternate. Multi-site case studies allow for exploring similarities and differences in marketing strategy patterns among SMEs to obtain a more comprehensive picture. The data sources include primary and secondary data. Primary data were collected through in-depth interviews, direct observations, and documentation involving SME owners, employees, consumers, and the Cooperative and SME Office of Ternate City. Secondary data were obtained from internal documentation of SMEs, reports from relevant government agencies, and previous research. Data collection techniques involved observing marketing activities, employee interactions with consumers, and the physical condition of the business. Structured and semi-structured interviews were used to explore information on marketing strategies, challenges, and competitive advantages. Data analysis follows the Miles and Huberman model, which includes data collection, reduction, presentation, and conclusion drawing. The analysis is supported by the SWOT method to identify internal and external factors through IFAS and EFAS matrices and determine strategy priorities using the Quantitative Strategic Planning Matrix (QSPM). Data validity is tested through source and method triangulation, comparing interview results with field observations. The research aims to credibly depict the actual conditions of SMEs in Ternate in enhancing their competitive advantage.

Result and Discussion

1. Market Segmentation

Market segmentation begins with selecting the basis for dividing the market, ensuring the optimal implementation of strategies. Common segmentation types include demographics, geography, psychographics, and behavior (Setiyawan & Rofifudin, 2024). In this study, Pakesang, Tanawan, and Umami Habibie SMEs share similarities in their market segmentation approach, though offering different products. All three apply targeted and adaptive strategies, which are as follows:

Tabel 2. SME Market Segmentation

Segmentation Types	Segmentation Description
Demographics	1. Targeting lower middle to upper middle economic class 2. Considering age and occupation
Geographic	1. Focus on local market in Ternate City 2. Targeting tourists who are looking for regional souvenirs
Psychographic	1. Tailor products to consumer preferences that prioritize local flavors and practicality 2. Targeting consumers who value tradition and convenience in product consumption
Consumer Behavior	1. Targeting consumers who need specialty foods and beverages in a convenient form 2. Focusing on tourists and workers who need ready-to-eat products without losing traditional flavors

Source: Data processing by researchers, 2025

The segmentation strategy itself also plays an important role in the development of company marketing and has a positive impact on marketing performance. Where the application of the segmentation strategy is needed by marketers to be able to increase the selling value of the products marketed with the segmentation strategy can make it easier for companies to select target markets or target markets that are targeted according to the needs and desires of consumers (Setiyawan & Rofifudin, 2024).

Research (Soni et al., 2022) shows that the combination of demographic and psychographic segmentation provides a deeper understanding of consumer preferences and increases the effectiveness of marketing strategies. This finding is in line with (Prasetyo et al., 2017) which emphasizes the importance of demographic segmentation in developing more targeted strategies, as well as the role of psychographic segmentation in influencing purchasing decisions through understanding consumer lifestyles and personalities.

2. Targeting

Targeting refers to determining the most promising market niche for a product. Kotler defines it as selecting market segments that a company will optimize (Suhairi et al., 2023). Pakesang, Tanawan, and Umami Habibie SMEs use similar targeting strategies, as shown below:

Table 3. SME Market Targeting

Targeting Aspects	Description
Segmentation of Targeting tourists as consumers of typical North Maluku souvenirs tourists	
Busy lifestyle	Targeting office workers, career women and housewives who need practical products
Digital marketing strategy	Using social media such as Instagram and Facebook as the main marketing tool
Word of mouth	Leverage customer loyalty to expand the market through recommendations
Focus on quality and price	Prioritizing product quality, attractive packaging, and competitive prices
Local and regional markets	Targeting local markets as well as consumers from outside the region

Source: Data processing by researchers, 2025

Targeting strategies are crucial for business success in the globalized market. By setting clear targets, companies can seize growth opportunities, enhance competitiveness, and build a strong identity. A deep understanding of the target market enables companies to create value, differentiate from competitors, and foster customer loyalty, forming a foundation for long-term success (Khairi et al., 2024). Research (Hariyanto et al., 2023) highlights the role of targeting in influencing purchasing decisions, as seen with Respiro products in Madiun. Additionally (Tafsir & Lamato, 2025) show that active STP implementation improves culinary SME performance by meeting customer needs and driving growth.

3. Positioning

Positioning is a strategy used by businesses to differentiate their products from competitors and build a strong image in the minds of consumers (Sani & Aslami, 2022). This strategy is the right step for business actors in offering added value to the target market segment by building a strong product image (Mujahidin & Khoirianingrum, 2019). In this study, Pakesang, Tanawan, and Umami Habibie SMEs show similarities and differences and differences in the positioning strategies they apply to build a strong product image and differentiate themselves from competitors.

Positioning is important because in conditions of intense competition, relying on existing products without development efforts can be a risk for the company. Therefore, every company must have a strategy to maintain and increase sales. A well-implemented positioning strategy can form a positive image of the product in the minds of consumers, thus encouraging them to buy and use the product. Thus, an effective positioning strategy can contribute to a significant increase in sales volume (Sihite et al., 2017).

Table 3. SME positioning

SME positioning	Strategy applied
Product Image	Highlighting North Maluku local wisdom-based product identity
Product quality	Maintaining quality through the selection of the best raw materials and standardized processes
Promotion media	Using social media (Instagram, Facebook, etc). As the main means of promotion
Closeness to consumers	Building personalized communication through testimonials, special services, and direct interaction
Cultural appeal	Showcasing cultural elements in products to strengthen appeal and uniqueness

Source: Data processing by researchers, 2025

Research (Hariyanto et al., 2023) shows that the right positioning strategy can build a positive image of services and increase purchasing decisions, such as in ULBI education services. Meanwhile, (Hariyanto et al., 2023) emphasized that the implementation of STP strategies plays an important role in the success of MSMEs, especially positioning which helps differentiate SMEs from competitors, build a strong image, and increase customer satisfaction and business competitiveness.

4. Marketing Mix

Marketing mix is a strategy used to describe combinations based on product offerings, pricing structures, promotional strategies, and distribution systems as the core of the company's marketing system (Bakhitah & Lusia, 2023). To achieve a competitive advantage, these three SMEs implement a marketing mix strategy that includes various aspects of marketing, ranging from product, price, place, to promotion. The marketing mix strategy can be explained as follows:

a. Product Innovation

Product innovation is the ability to see things in a different way than usual and new (thinking out of the box) (Ephelia & Puspitowati, 2022). Innovation is also defined as the application of new ideas and products that aim to increase added value for consumers (Lorensa & Hidayah, 2022). The following are the similarities and differences in the innovation strategies used on table 4.

Each SME, while sharing similarities, focuses on different aspects of product innovation. Pakesang SME excels in diversifying regional souvenirs with practical packaging, Tanawan SME specializes in offering various fish product flavors, and Ummi Habibie SME highlights packaging innovation and flexibility in product sizes. This strategic differentiation allows each SME to maintain its uniqueness while expanding market segmentation. Product innovation is crucial for business sustainability, as it enables companies to provide more options that cater to consumer preferences, set themselves apart from competitors, and create competitive advantages (D. Ernawati, 2019). Research by (Yordan Antanegoro et al., 2017). found that product innovation significantly impacts customer satisfaction, as seen in the case of BCA KKB customers in Cilegon. Additionally, (Zuhroh & Rini, 2024) highlighted that product innovation

capabilities help SMEs create unique value, adapt to market demands, and strengthen their market position.

Table 4. Similarities of SME Product Innovation Strategies

Product Aspects	Similarities between the three SMEs (Pakesang, Tanawan, and Ummi Habibie)
Main innovation focus	Both apply product innovation to improve competitiveness and strengthen local identity
Use of raw materials	All SMEs use local raw materials as the basis for processing their products
Service quality	All three provide services that are friendly, responsive, and responsive to customer needs and requests
Commitment to product uniqueness	All SMEs demonstrated efforts to maintain product uniqueness through distinctive processing and local culture

Source: Data processing by researchers, 2025

b. Price

Price is the amount of value that consumers exchange for the benefits of owning or using a product or service. This value can be set by buyers and sellers through bargaining between buyers and sellers or determined on a fixed basis for all customers (Ciamas et al., 2021). In the context of SMEs, price plays a very important role in ensuring business sustainability and market competitiveness. With the right pricing strategy, SMEs can maintain a balance between profit and affordability for consumers. The following are the similarities and differences in the pricing strategies implemented by the three SMEs:

Table 5. SME Pricing Strategy Similarities

Aspects of pricing strategy	Similarities between the three SMEs (Pakesang, Tanawan, and Ummi Habibie)
Basis of pricing	Using the calculation of Cost of Goods Produced (COGS) as the main basis for determining the selling price.
Anticipate fluctuations in raw materials	Set the selling price by considering the highest raw material or average market price to remain stable.
Competitive pricing strategy	Adjust selling prices to market conditions to remain competitive without sacrificing product quality
Promotion and consumer attraction	Implement strategies such as new product discounts, buy-in bonuses, or keep prices fixed with active promotion

Source: Data processing by researchers, 2025

Each SME has distinct pricing strategies based on their business characteristics. Pakesang sets a 40-60% profit margin above COGS, pricing higher to account for market fluctuations, reflecting the quality and uniqueness of their products. Tanawan includes advertising and tool maintenance costs in COGS, adjusting prices for new and old products, and regularly surveys the market to stay competitive. Ummi Habibie balances fair competition and profit by setting prices based on market surveys, offering discounts and bonuses for new products and bulk purchases.

Pricing strategy is proven to have a significant effect on customer satisfaction and loyalty (Sinurat et al., 2017); (Hikmah et al., 2024), and contributes positively to increased revenue and purchase intentions (Arda et al., 2023). Consistency in implementing cost-based, competitive strategies and effective promotions helps Pakesang, Tanawan and Umami Habibie SMEs strengthen their competitive advantage and drive sustainable business growth.

c. Place

Strategic location can influence consumer purchasing decisions, where businesses are located in the right location, where businesses that are more accessible and have high visibility tend to be more successful than businesses with less strategic locations, even though they offer the same products (Zahrah et al., 2021). In addition, effective distribution strategies play an important role in increasing product accessibility, expanding market reach, and strengthening the competitiveness of SMEs. By choosing the right distribution strategy, SMEs can ensure their products are more accessible to consumers and provide a more convenient shopping experience. The following are the similarities and differences in distribution strategies implemented by SMEs:

Table 6. SME Distribution Strategy Similarities

Aspects of Distribution Strategy	Similarities between the three SMEs (Pakesang, Tanawan, and Umami Habibie)
Offline distribution channel	Both sell products through gift shops and local retailers
Online distribution channel	Utilizing marketplaces and social media for sales
Delivery service	Using online delivery services such as Gojek
Distribution strategy adjustment	Adjusting distribution channels to market needs and business efficiency

Source: Data processing by researchers, 2025

Despite sharing a similar approach, the three SMEs use different distribution strategies. Pakesang SME focuses on modern retailers like Alfamidi and Indomaret, with social media support. Tanawan SME uses app-based delivery services and e-commerce platforms like Tokopedia and Shopee. Umami Habibie SME distributes products from home outlets using private vehicles, targeting supermarkets, gift shops, and hotels.

Location plays a key role in business success, influencing competition and sales turnover. A strategic business location significantly impacts production, marketing, and customer satisfaction (Astuti et al., 2023). Research (Sutarjo et al., 2024) highlights that a good location not only eases access but also enhances the overall customer experience, stressing its importance for maintaining competitiveness.

d. Promotion

By choosing the right promotional media and a wide enough range, it is hoped that all information to be conveyed to the public and consumers, both regarding new

products and additional values and benefits for consumers, is expected to be well received so that this can later convince and influence consumers to make a decision to buy the product (S. Ernawati et al., 2024).

Table 7. Similarities of SME Promotion Strategies

Aspects of Promotion Strategy	Similarities between the three SMEs (Pakesang, Tanawan, and Ummi Habibie)
Use of social media	Using Instagram and Facebook as the main platforms for promotion and brand awareness.
Interactive approach	Actively replies to messages, regularly uploads content, and uses customer testimonials as a promotional tool
Combination of promotional strategies	Combining digital and in-person promotions, such as exhibiting or engaging teams in promotional content

Source: Data processing by researchers, 2025

All three SMEs utilize digital media for promotion but with distinct strategies. Pakesang SME engages consumers through creative content and humor, fostering a connection with employees and customers. Tanawan SME integrates online and offline promotion, relying on exhibitions and sales evaluations. Ummi Habibie SME emphasizes direct relationships through social media, quick responses, and customer testimonials. These approaches reflect each SME's adaptation to its market's characteristics. Promotion plays a key role in introducing products, generating interest, and building customer loyalty (D. Ernawati, 2019). (Maharani & Musnaini, 2024) found that promotion significantly influences consumer buying interest, with a contribution of 26.8% and a significance value of 0.000, highlighting its importance in driving purchase decisions

Internal Strategic Factor Analysis (IFAS) and External Strategic Factor Analysis Summary (EFAS) of Pakesang SMEs

The analysis results using the IFAS matrix show a score value of 4 for the strength factor and a score value of 3.42 for the factor, so that the difference in score value between the two factors is 0.58. The analysis results using the IFAS matrix show a score value of 3.42 for the opportunity factor and a score value of 3.02 for threats, so the difference in scores between the two factors is 0.42. The two difference values are used as X and Y values when plotting on the SWOT diagram. The next step is to create a SWOT matrix so that strengths and threats can be seen compared to strengths and weaknesses to produce the right strategy.

Table 8. SWOT Matrix of Pakesang SMEs

IFAS	Strengths (S)	Weakness (W)
	1. Active digital promotion (instagram, facebook, tiktok, and shopee)	1. Expensive shipping costs for outside the region
	2. Broad network of relationships (cooperation with agencies)	2. Reliance on human resources in digital marketing
		3. Lack of marketplace optimization
		4. Fluctuations in the price of raw materials

EFAS		3. Broad distribution (offline and online stores)	5. There is still manual production technology, for example printing coffee barrels.
		4. Superior products such as spice coffee and guraka water are widely known	6. Dependence on tourists
		5. Have their own strategic shop (in the shop they also sell products from MSMEs in Ternate City)	7. Promotion needs to be improved
			8. Distribution of coffee that still comes from outside the region, such as toraja
Opportunities (O)		SO Strategy	WO Strategy
1. Exploration of new products (wet cakes, walnut and banana-based)		1. Use active digital promotion to introduce new walnut and banana-based products and expand the market outside the region (S1, O1, O3)	1. Increase the capacity of human resources in digital marketing through training so as not to depend on certain (W2, O2)
2. Support from government and private institutions		2. Utilize a wide network of relationships to get support from government agencies and the private sector in business development (S2, O2)	2. Optimize marketplaces such as shopee and Tokopedia to overcome dependence on tourists and expand the market (W3, O3)
3. Market expansion to outside the region		3. Optimize wide distribution (offline and online stores) to increase market sales and strengthen brand awareness of superior products (S4, O3)	3. Increase production efficiency with modernization, especially in printing coffee barrels (W5, O2)
		4. Develop new products based on local ingredients (walnuts, bananas, spices) to attract tourists and local communities (S4, O1)	4. Collaborate with logistics partners to reduce the impact of expensive shipping costs (W1, O3)Meningkatkan efisiensi produksi dengan modernisasi, terutama dalam pencetakan kopi rentengan (W5, O2)
		5. Utilize the existence of strategic stores to introduce superior products and collaborate with other SMEs at the store location to expand the market network (S5, O2)	5. Menjalinkan kerja sama dengan mitra logistik untuk mengurangi dampak ongkos kirim mahal (W1, O3)
			6. Seek alternative local or closer raw materials so as not to depend on coffee distribution from outside the region (such as Toraja), to reduce shipping costs and improve supply security (W8, O1)
Threats (T)		ST Strategy	WT Strategy
1. Competing with the same competitor products Kenaikan harga bahan baku		1. Strengthen product differentiation by highlighting spice coffee and guraka water as distinctive products that are difficult for competitors to imitate (S5, T1)	1. Develop products with alternative raw materials to reduce the impact of price fluctuations (W4, T2)
2. Increase in raw material prices		2. Maintain price stability of raw materials by establishing direct cooperation with farmers or local suppliers (S3, T2)	2. Adopt modern production technology to improve efficiency and product quality (W5, T2)
3. Logistic limitations (expensive shipping)			3. Utilize digital marketing training programs from the government or private sector to increase the effectiveness of online promotions (W2, T5)
4. Low awareness of local communities			

5. Difficulties in effective digital promotion	3. Improve digital and offline promotion strategies to increase local community awareness of superior products (S1, T4, T5)	4. Diversify target markets by targeting local and outside consumers, not only relying on tourists (W6, T4)
	4. Collaborate with logistics partners to overcome distribution constraints and reduce the impact of rising shipping costs (S3, T3)	5. Optimize the use of strategic stores as points of sale and promotion to reduce dependence on distribution outside the region (S5, W8)

Source: Data processing by researchers, 2025

Internal Strategic Factor Analysis (IFAS) and External Strategic Factor Analysis Summary (EFAS) of Tanawan SMEs

The results of the analysis using the IFAS matrix show a score of 4.06 for the strength factor and a score of 2.61 for the factor, so that the difference in score value between the two factors is 1.45. The analysis results using the IFAS matrix show a score value of 6.09 for the opportunity factor and a score value of 2.64 for threats, so that the difference in scores between the two factors is 3.45. The two difference values are used as X and Y values when plotting on the SWOT diagram. The next step is to create a SWOT matrix so that strengths and threats can be seen compared to strengths and weaknesses to produce the right strategy.

Table 9. SWOT Matrix of Tanawan SMEs

IFAS	Strengths (S)	Weakness (W)
	1. Product innovation (variety of flavors of shredded fish, nutmeg dodol) 2. Consistent product quality and use of superior raw materials 3. Good service (friendly and responsive customer service) 4. Product availability through various distribution channels (e-commerce, gojek, and offline stores) 5. Support from the government and related institutions (Bank Indonesia and Dinas) 6. Active digital promotion (instagram and e-commerce)	1. Limited delivery and high shipping costs for distant areas 2. Limited equipment that is still not maximized 3. Limited human resources (HR) that affect production and marketing 4. Lack of strategic stores in high-traffic locations 5. Packaging distribution still depends on suppliers from outside the area
EFAS	Opportunities (O)	WO Strategy
	1. Increased demand for culinary products typical of North Maluku 2. Support from government and private institutions	1. Improve distribution efficiency by collaborating with logistics partners to overcome high shipping costs (W1, O3)
	SO Strategy	
	1. Take advantage of the increasing demand for culinary products typical of North Maluku by optimizing product quality and	

3. The growth of e-commerce provides an opportunity to expand market reach and facilitate distribution	uniqueness to attract more customers (S1, S2, O1)	2. Apply for assistance or purchase more modern production equipment to increase production capacity (W2, O2)
4. Opportunity to bring local products to national and international markets, given the quality and uniqueness of the products	2. Use government support in the form of assistance and training to increase production and marketing capacity (S5, O2)	3. Train human resources in digital marketing strategies and production management to be better prepared to face competition and business growth (W3, O3)
	3. Use the growth of e-commerce and various distribution channels (Gojek, offline stores) to reach a wider market nationally and internationally (S4, O3, O4)	4. Establish partnerships with strategic stores or distributors to increase product accessibility in high-traffic locations (W4, O3)
	4. Improve product image by highlighting local cultural aspects as the main attraction in global marketing (S1, O4)	
Threats (T)	ST Strategy	WT Strategy
1. Intense competition from other competitors with similar products	1. Improve competitive advantage by maintaining quality and differentiation through innovation to face fierce competition (S1, S2, T1)	1. Develop products with more flexible price variants to remain affordable for various economic segments (W1, T2)
2. Decrease in people's purchasing power due to economic recession	2. Adjust pricing and promotion strategies to continue to attract consumers in the midst of declining purchasing power due to the economic recession (S4, T2)	2. Improve operational efficiency by optimizing existing human resources and implementing a more productive work system to overcome labor limitations (W3, T3)
3. Difficulty in fulfilling regulations and legal requirements such as BPOM, P-IRT, and other product legality (for the manufacture of new products)	3. Optimize the support of the government and related institutions to help meet product regulations and legality (S5, T3)	3. Seek alternative suppliers of raw materials and packaging within the region to reduce dependence on outside suppliers (W4, T4)
4. Delays in shipping packaging from outside the region, resulting in obstacles in packaging products in large quantities	4. Develop a better raw material and packaging stock management system to anticipate delays in shipments from outside the region (S2, T4)	4. Participate in certification and assistance programs from the government to accelerate the product legality process and expand access to formal markets (W2, T3)
5.		

Source: Data processing by researchers, 2025

Analysis of Internal Strategic Factors (IFAS) and Summary of Analysis of External Strategic Factors (EFAS) of Ummi Habibie SMEs

The analysis results using the IFAS matrix show a score value of 3.26 for the strength factor and a score value of 2.92 for the factor, so that the difference in score value between the two factors is 0.34. The analysis results using the IFAS matrix show a score value of 3.32

for the opportunity factor and a score value of 2.87 for threats, so that the difference in scores between the two factors is 0.45. The two difference values are used as X and Y values when plotting on the SWOT diagram. The next step is to create a SWOT matrix so that it can be seen that strengths and threats are compared with strengths and weaknesses to produce the right strategy.

Table 10 SWOT Matrix of Umami Habibi SMEs

IFAS	Strengths (S)	Weakness (W)
	<ol style="list-style-type: none"> 1. Product innovation (nutmeg and sago drinks) 2. Use of modern technology in production 3. Product price varies (many size options) 4. Promotion through social media (Instagram, WhatsApp Business) 5. Product availability through various distribution channels (e-commerce, hotels, and offline stores) 6. Support from government and related institutions (Bank Indonesia and Dinas) 	<ol style="list-style-type: none"> 1. Competition of similar products 2. Limited production capacity (limited number of employees) 3. Expensive shipping costs for online delivery 4. Dependence on suppliers outside the region for packaging materials 5. Store is not yet in a strategic location 6. Limited human resources affecting production and marketing
EFAS	Opportunities (O)	Threats (T)
	SO Strategy	WO Strategy
	<ol style="list-style-type: none"> 1. Optimize product quality and innovation such as nutmeg and walnut-based drinks to meet market demand for natural and sustainable products (S1, O1) 2. Use modern production technology to increase production capacity and distribution efficiency to reach the growing online market (S2, O4) 3. Utilize price variations and product packaging to expand market reach through repackaging strategies and collaboration with other SMEs (S3, O2, O3) 4. Strengthen digital promotion through social media to increase product visibility and 	<ol style="list-style-type: none"> 1. Establish collaboration with other SMEs to strengthen competitiveness and increase production capacity (W2, O2) 2. Develop a repackaging-based marketing strategy to make products more efficient in distribution and more attractive to consumers (W1, O3) 3. Optimize online marketing with promotional strategies and more affordable shipping to reduce the impact of high shipping costs (W3, O4) 4. Seek alternative suppliers of packaging materials in the region to reduce dependence on outside suppliers (W4, O2) 5. Establish sales cooperation with strategic stores and distribution partners to

	attract more consumers from various segments (S4, O4)	overcome the current limitations of store locations (W5, O4).
	5. Utilize extensive distribution networks (e-commerce, hotels, stores) and government support to expand the market sustainably (S5, S6, O1, O2)	
Threats (T)	ST Strategy	WT Strategy
1. Intense competition from other competitors with similar products	1. Using the advantages of product innovation and price variation as a differentiation strategy in the face of fierce competition in local and online markets (S1, S3, T1)	1. Develop products with simpler and more economical packaging to reduce production costs and face rising shipping costs (W3, T2)
2. Increase in raw material costs, production costs and shipping costs that continue to increase	2. Optimizing production technology to improve cost efficiency to deal with rising raw material and labor prices (S2, T2, T3)	2. Improve production efficiency with a more optimal work system in order to overcome labor limitations and high operational costs (W2, T3)
3. Increased cost of labor that is expensive in the region	3. Improving distribution effectiveness through a more cost-effective and efficient logistics strategy to overcome high shipping costs (S5, T2).	3. Seek alternative packaging materials from local suppliers to reduce dependence on suppliers outside the region (W4, T4).
4. Dependence on suppliers outside the region for packaging materials	4. Utilize support from the government and related institutions to overcome dependence on suppliers outside the region and maintain the stability of packaging materials (S6, T4).	4. Implement a product diversification strategy based on local ingredients to be more competitive amid increasingly fierce competition (W1, T1).
		5. Improve human resource competencies in production and marketing through training to be better prepared to face market challenges (W6, T1, T3).

Source: Data processing by researchers, 2025

SWOT Diagram

The results of plotting the SWOT diagrams of Pakesang, Tanawan, and Umami Habibie SMEs show that the position of each SME is in quadrant I. According to (Sylvia & Hayati, 2023) quadrant I is a very profitable situation for the company. The company has opportunities and strengths so that it can take advantage of existing opportunities. The strategy applied in this condition is to support an aggressive growth policy (Growth oriented strategy). The results of research conducted by (Rais et al., 2022) also show that Tanocraf MSMEs are in quadrant I, which describes a similar condition. By implementing an aggressive growth strategy, Tanacraf

MSMEs are able to optimize their internal strengths to seize existing opportunities, so as to increase their competitive advantage over other businesses that offer similar products. The following is a SWOT diagram of Pakesang, Tanawan, and Ummi Habibie SMEs

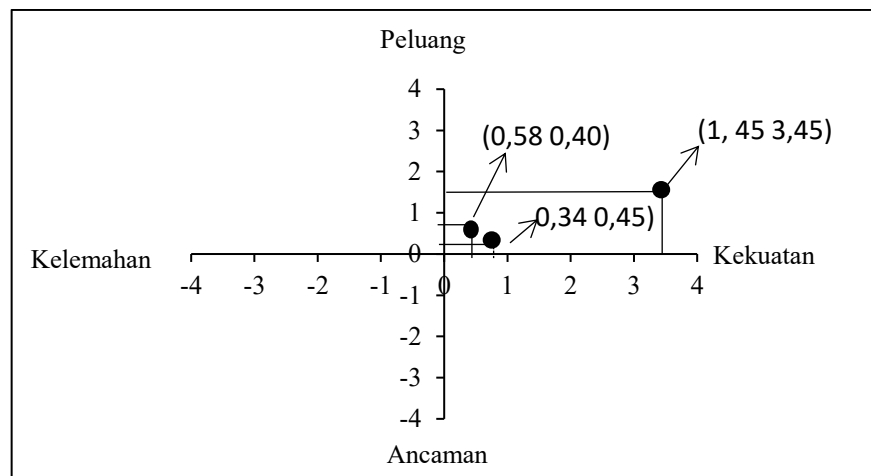


Figure 1. SWOT Diagram UKM

Source: Data processing by researchers, 2025

Based on the results of the SWOT analysis presented in Diagram 4.1, it can be concluded that the SMEs Pakesang, Tanawan, and Ummi Habibie have great potential to grow by implementing an aggressive growth strategy. By leveraging their internal strengths, such as innovative products, customer service, consistent product quality, and product distribution through various channels, as well as seizing existing opportunities, these SMEs can enhance their competitiveness in the market. Therefore, strategic measures such as market expansion, increased production capacity, and strengthening digital marketing strategies need to be implemented to support sustainable business growth.

QSPM Analysis

The QSPM Matrix is a tool that allows strategists to objectively evaluate various alternative strategies based on previously identified key external and internal success factors (Ningsih & Mulyati, 2024). In the matching stage, internal and external matrices, as well as the SWOT matrix, are used. At this stage, a quantitative strategic planning matrix is used to calculate the Total Attractiveness Score (TAS). After obtaining the TAS values from the strategic alternatives, the highest value will indicate the alternative strategy that can be chosen as the main strategy. alternative. The TAS with the smallest value indicates that the alternative strategy is another strategic option.

Tabel 11. Urutan Strategi QSPM

Order	Pakesang	TAS Value
1	Strengthening product differentiation by highlighting spiced coffee and guraka water as unique products that are difficult for competitors to imitate.	13,52
2	Establishing cooperation with logistics partners to overcome high shipping costs.	12,69

3	Optimizing the marketplace to reduce dependence on tourists and expand the market	12,29
4	Improving digital and offline promotion strategies to raise local community awareness of flagship products.	12,07
5	Adopting modern production technology to improve production efficiency	10,60
Order	Tanawan	TAS Value
1	Optimizing distribution with e-commerce and digital channels	22,83
2	Adjusting pricing and promotional strategies to face a recession	20,4
3	Improving production efficiency with modern tools	19,31
4	Looking for alternative local suppliers for raw materials and packaging	18,87
Order	Umami Habibie	TAS Value
1	Establish collaboration with other SMEs to strengthen production capacity and competitiveness.	7,86
2	Implementing a differentiation strategy through innovation excellence and product variety in facing market competition.	7,57
3	Optimizing product innovation for local product demand	7,17
4	Improving HR competencies through training to prepare for market challenges.	6,67

Source: Data processing by researchers, 2025

Conclusion

Based on the research results, it can be concluded that the SMEs Pakesang, Tanawan, and Umami Habibie in Ternate City have successfully implemented segmentation, targeting, and positioning (STP) strategies comprehensively, with approaches based on demographics, geography, psychographics, and behavior that effectively reach the local market and tourists. The positioning strategy that emphasizes local wisdom, product quality, and a personal communication approach also strengthens brand image and enhances customer loyalty. In terms of the marketing mix, the three SMEs demonstrate consistency in local product innovation, adaptive pricing strategies, multichannel distribution, and active promotion through social media as well as participation in exhibitions. SWOT analysis shows that the three SMEs are in a strategic position to implement aggressive growth strategies, with a focus on strengthening digital distribution, modernizing production tools, product innovation, and expanding partnership networks. This research not only addresses the objective of analyzing local wisdom-based marketing strategies to enhance the competitiveness of SMEs but also provides practical implications in the form of a guide to optimizing marketing strategies and theoretical implications by enriching the literature on local culture-based SME marketing. However, this study has limitations in the number of

samples and has not fully captured the dynamics of rapid changes in the digital market. Therefore, future research is recommended to expand the study objects to various SME sectors and use quantitative or mixed methods so that the analysis results are more comprehensive and can be better generalized.

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