

SWOT Analysis to Determine Competitive Strategies at PT Pelni (Persero) Surabaya Branch

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Abstract

Amidst the continuous evolution of technology and the escalating trends in marketing strategies, transportation companies such as PT Pelni Surabaya Branch must remain innovative and creative to uphold their competitiveness. PT Pelni has encountered revenue fluctuations with a tendency to stagnate, prompting the need for strategic interventions to enhance income. The research methodology employed in this study is descriptive, utilizing secondary data and observational findings. Data analysis methods encompass IFAS, EFAS, and SWOT analyses. The research findings indicate that internal factors have a weighted score of 2.625, while external factors have a weighted score of 2.375, suggesting promising business prospects. Based on the analysis, PT Pelni (Persero) falls within the first quadrant, specifically the aggressive strategy quadrant. The aggressive quadrant signifies a favorable situation (Muhammad, 2018), wherein PT Pelni effectively harnesses its strengths to capitalize on all available opportunities.

Keywords:

IFAS Analysis; Efas Analysis; SWOT Analysis.

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Introduction

In the contemporary era of modernization, business competition has intensified significantly, leading to consequential changes in the business environment. Amidst the continual advancements in technology and marketing strategies, companies in the transportation sector, such as PT Pelni Branch Surabaya, must remain innovative and creative to uphold their competitiveness. PT Pelni Branch Surabaya has embraced creative and innovative strategies, exemplified by organizing free "mudik" events during the Lebaran period. This approach

not only provides a distinctive advantage and allure but also contributes to the augmentation of ship ticket sales.

Established on April 28, 1952, based on Minister of Transportation Decree No. M2/1/2 dated April 28, 1952, PT Pelayaran Nasional Indonesia or PT Pelni (Persero) is a state-owned enterprise (BUMN) specializing in reliable and professional maritime transportation services. The company is committed to delivering optimal service to its clientele. In addition to sea transportation services, PT Pelni has expanded its offerings to include maritime tour packages to popular tourist destinations, such as Raja Ampat Islands, Wakatobi, Banda Neira, Komodo Island, Takabonerate, Karimun Jawa, Bunaken, Anambas, Derawan, and Tomini.

In the year 2020, PT Pelni adopted a new Corporate Culture based on Minister of State-Owned Enterprises Decree No. SE 7/MBU/07/2020. This culture emphasizes the Core Values of State-Owned Human Resources with the acronym AKHLAK (Trustworthy, Competent, Harmonious, Loyal, Adaptive, and Collaborative). The company's consistent efforts to enhance its operational capacity align with its commitment to delivering the best services.

As a key player in Indonesia's maritime industry with strategic functions in sea transportation, encompassing both passenger and cargo services between islands, PT Pelni (Persero) continually adapts to evolving circumstances and new routines. In tandem with this, the company persistently strives to enhance digitalization-based business processes and operations, ensuring that consumers receive better and user-friendly services to achieve sustainable business goals. Given the diminishing use of sea transportation due to the increasing availability of more varied, convenient, and affordable alternatives, PT Pelni must competently strategize to secure its position. This is crucial for augmenting ship ticket sales and influencing consumer purchasing decisions in favor of PT Pelni's ship tickets.

Table 1

Net income PT Pelni

YEAR	INCOME
2018	Rp 4.593.313
2019	Rp 5.544.230
2020	Rp 4.167.428
2021	Rp 4.330.266
2022	Rp 4.906.600

Source : Annual Report PT Pelni 2022

Based on the above table, it can be observed that there is a tendency for fluctuation in income that tends to stagnate. This phenomenon is attributed to several factors, including the introduction of a substantial number of new

transportation services and the failure to achieve ticket sales targets. In light of comprehending the issues and their ramifications, the author is motivated to conduct a research study titled: "SWOT Analysis to Determine Competitive Strategies at PT Pelni (Persero) Surabaya Branch."

Literature review

2.1 Swot Analysis

SWOT Analysis is a strategic planning technique that encompasses two factors: external factors and internal factors. External factors, originating from the external environment, play a role in monitoring both micro and macroeconomic environments through opportunities and threats related to the organization (Kotler & Keller, 2012). Meanwhile, internal factors consist of strengths, which evaluate the company's capabilities, and weaknesses, which assess the company's vulnerabilities.

1. Strengths (Internal) : Internal factors that support the company in achieving its objectives. Supporting factors may include resources, expertise, or other advantages acquired through financial resources, market reputation, excellence, and positive relationships between buyers and suppliers.
2. Weaknesses (Internal) : Internal factors that hinder the company from achieving its objectives. Hindering factors may include incomplete facilities, insufficient financial resources, management capabilities, marketing expertise, and company image.
3. Opportunities (External) : External factors that support the company in achieving its objectives. External factors facilitating goal achievement may include policy changes, shifts in competition, technological advancements, and developments in supplier-buyer relationships.
4. Threats (External) : External factors that impede the company from achieving its objectives. External factors hindering the company may include the entry of new competitors, slow market growth, increased bargaining power of main suppliers and buyers, technological changes, and new policies.

2.2 Competitive Advantage Strategies:

The success of a business in establishing its competitive advantage is contingent upon the appropriateness of the strategies it employs. Strategies, defined as potential actions requiring top-level management decisions and substantial company resources (David, 2013), are crucial in focusing on enhancing the company's competitive position in a specific industry or market segment. Competitive strategies aim to build a favorable competitive position within an industry where competition persists.

2.3 IFAS and EFAS Matrices :

According to Rangkuti (2017), SWOT analysis involves comparing internal strengths and weaknesses with external opportunities and threats. Internal factors are incorporated into the Internal Factor Analysis Summary (IFAS) matrix, while external factors are included in the External Factor Analysis Summary (EFAS) matrix. The IFAS matrix involves determining factors that are strengths and weaknesses, assigning weights to each factor, and providing ratings to indicate the significance and effectiveness of each factor. The total weight assigned to all factors should equal 1.0.

2.4 SWOT Matrix:

The SWOT matrix is a tool used to organize a company's strategic factors. It vividly illustrates how external opportunities and threats faced by the company can be aligned with the company's internal strengths and weaknesses (Noor, 2014). This matrix generates four sets of possible strategic alternatives, as outlined by Rangkuti (2017):

- a. SO Strategy: Utilizing all strengths to capitalize on available opportunities.
- b. ST Strategy: Leveraging internal strengths to overcome threats.
- c. WO Strategy: Applying strategies based on maximizing available opportunities while minimizing internal weaknesses.
- d. WT Strategy: Employing defensive activities to minimize weaknesses and avoid threats.

Research method

The methodology employed in this research is descriptive in nature. According to Narbuko (2015: 44), descriptive research aims to elucidate current problem-solving grounded in data by presenting, analyzing, and interpreting it.

Data collection techniques refer to the methods used by researchers to obtain data in a study. In this research, data are acquired from secondary sources and observational findings. The data analysis methods employed in this study are as follows:

- a. External Factor Analysis Summary (EFAS): This analysis considers external factors of the company, encompassing opportunities and threats, assigning weights to each factor.
- b. Internal Factor Analysis Summary (IFAS): This analysis takes into account internal factors of the company, including strengths and weaknesses, assigning weights to each factor.
- c. SWOT Analysis: This analysis is conducted by comparing external factors with internal factors of the company. The aim is to derive appropriate strategies based on the company's conditions.

These data analysis methods are instrumental in comprehensively examining and interpreting the external and internal facets of the researched entity, providing a robust foundation for strategic decision-making.

Data analysis and result

The results of the identification of internal and external environmental factors for PT Pelni (Persero) Surabaya Branch are presented as follows:

4.1 Internal Factor

1. Strengths:

- a. **High-Quality and Internationally Standardized Products:**
PT Pelni maintains products of international standards in compliance with prevailing regulations to support the company's vision and mission.
- b. **Attractive and Diverse Product Offerings:**
PT Pelni offers a diverse range of products that cater to the varied needs of consumers from different backgrounds.
- c. **Extensive Distribution Channels Nationwide:**
PT Pelni boasts an extensive distribution network, serving routes that cover almost the entire archipelago, supported by government assignments for sea toll projects, expanding its reach significantly.
- d. **State-Owned Enterprise (BUMN):**
Being a government-owned company, PT Pelni indirectly enjoys advantages over competitors, such as a well-known brand and a higher likelihood of government projects.

2. Weaknesses:

- a. **Relatively High Ship Ticket Prices:**
The ticket prices for PT Pelni's ships are comparatively high, attributed to the company's commitment to delivering service quality in line with industry standards.
- b. **Limited Promotional Activities:**
PT Pelni infrequently conducts promotional activities, resulting in less informed consumers and suboptimal market penetration.
- c. **Extended Travel Duration:**
As a provider of sea transportation, the travel time required is relatively longer compared to other modes of transportation. Additionally, PT Pelni's extensive distribution network may necessitate multiple transits for consumers traveling to distant locations, impacting travel duration.
- d. **Aging Fleet:**
Some of PT Pelni's ships have been in operation for an extended period, affecting their sailing efficiency compared to newer vessels.

However, service quality remains in accordance with prevailing standards.

4.2 Eksternal Factor

1. Opportunities:

a. Changing Lifestyles:

In the era of globalization, an increase in the lifestyle changes of the population, including heightened interest in primary and secondary needs such as diverse travel experiences, presents an opportunity to enhance PT Pelni's revenue.

b. Rapid Technological Advancements:

The swift evolution of technology enables faster and more efficient product promotion, contributing to expanded market reach.

c. Lack of Alternative Sea Transportation Services:

Currently, 90% of global trade relies on sea transportation due to its perceived cost efficiency. Sea transportation remains a preferred choice, particularly for the middle to lower-income segments, providing flexibility in travel schedules.

d. Unique and Differentiated Sea Transportation Services:

Sea transportation services offer a distinctive customer experience, especially with the enjoyment of beautiful sea views during the journey.

2. Threats:

a. Competitors Offering More Effective and Efficient Services:

Numerous competitors provide services targeting specific market segments with relatively lower prices, capitalizing on cost efficiencies by serving profitable routes, unlike PT Pelni's obligatory service to certain routes.

b. Domestic Economic Conditions:

As a transportation service provider, PT Pelni is sensitive to the domestic economic situation. A sluggish economy may lead to a decrease in transportation demand due to reduced purchasing power among the public.

c. Limited Domestic Sea Transportation Market:

PT Pelni exclusively operates sea transportation services within Indonesia, limiting its ability to operate internationally and potentially increase revenue.

d. Public Concerns and Perception of Frequent Sea Accidents:

Public apprehension stemming from news and perceptions regarding frequent sea transportation accidents may dissuade some individuals from using this mode of transportation, opting for alternatives instead.

4.3 Matriks Ifas

Table 2
Matrix Ifas

Nomor	Internal Strategy Factor	Weight	Ratings	Score
	Strenght			
1	Quality products and have international standards	0,125	4	0,5
2	The products offered are interesting and varied	0,125	3	0,375
3	Has wide distribution channels throughout Indonesia	0,125	4	0,5
4	State-owned company (BUMN)	0,125	3	0,375
	Weakness			
1	Ship ticket prices are relatively high	0,125	2	0,25
2	Lack of promotional activities	0,125	1	0,125
3	The length of the journey to reach the destination	0,125	2	0,25
4	The ship is relatively old	0,125	2	0,25
	Total	1		2,625

Source : Data processed by the author

Based on the aforementioned table, a weighted score of 2.625 is obtained, indicating that PT Peln (Persero) is internally a fairly robust enterprise. This is attributed to the critical internal factors that PT Peln (Persero) has leveraged as their strengths, namely the distinctive characteristics and uniqueness inherent in their products. However, it is imperative for PT Peln (Persero) to also address its weaknesses, such as the limited promotional efforts and other identified vulnerabilities.

4.4 Matriks Efas

Table 3
Matrix Efas

Nomor	Faktor Strategi Eksternal	Bobot	Rating	Skor
	Opportunity			
1	Community lifestyle patterns and styles	0,125	4	0,5
2	Technology continues to develop	0,125	3	0,375
3	There are no other services as a substitute	0,125	3	0,375
4	Sea transportation services are unique and different from other transportation	0,125	3	0,375
	Threats			
1	Competitors provide satisfaction and more effective and efficient service	0,125	1	0,125
2	Domestic economic conditions	0,125	1	0,125
3	Marine Ship Market at PT. Pelni is limited	0,125	2	0,25
4	Rumors circulating in society are that accidents often occur at sea	0,125	2	0,25
	Total	1		2,375

Source : Data processed by the author

From the above EFE table, a weighted score of 2.875 is obtained, signifying that PT Pelni (Persero) excels in formulating strategies and responding to threats while capitalizing on available opportunities.

4.5 SWOT Strategy

Table 4
SWOT Strategy

<p style="text-align: center;">Internal Factor</p> <p style="text-align: center;">Eksternal Factor</p>	<p style="text-align: center;">Strengths (S):</p> <ol style="list-style-type: none"> 1. High-quality and internationally standardized products. 2. The service offerings are compelling and can compete with other competitors. 3. Maintains an extensive distribution network throughout Indonesia. 4. State-owned enterprise (BUMN). 	<p style="text-align: center;">Weaknesses (W):</p> <ol style="list-style-type: none"> 1. The ticket prices for ships are relatively high. 2. Insufficient engagement in promotional activities. 3. Extended travel duration to reach destinations. 4. 4. The fleet comprises relatively aged vessels.
<p style="text-align: center;">Opportunities (O)</p> <ol style="list-style-type: none"> 1. Evolving societal patterns and lifestyles. 2. Continuous technological advancements. 3. Absence of alternative products. 4. Unique service offerings compared to other companies. 	<p style="text-align: center;">SO Strategy</p> <ol style="list-style-type: none"> 1. Expanding market share by targeting traders, the middle to lower-income segments, and entrepreneurs to utilize sea transportation services. 2. Maintaining and enhancing the quality of internationally standardized products to compete in the market, aligned with the 	<p style="text-align: center;">WO Strategy</p> <ol style="list-style-type: none"> 1. Sponsoring community events to introduce the company's products. 2. Participating in exhibitions to promote Pelni's sea transportation services in the community. 3. Implementing vessel regeneration using the latest technology.

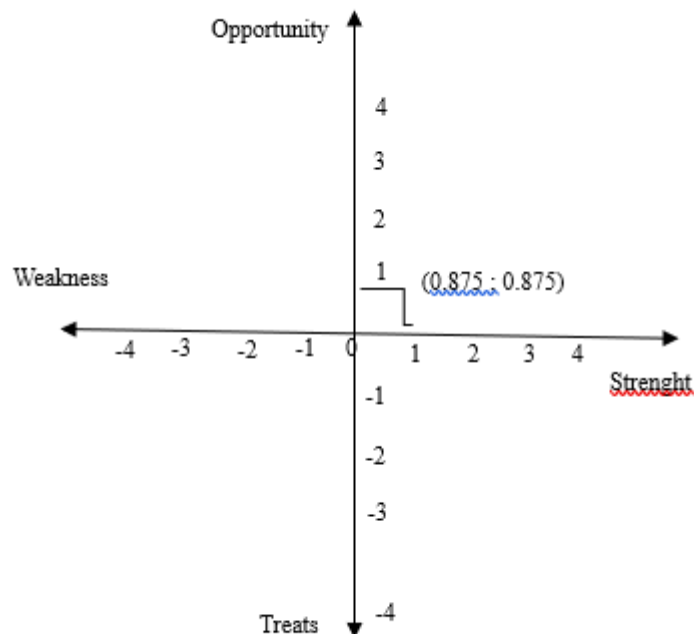
	<p>evolving patterns and lifestyles of the growing society.</p> <ol style="list-style-type: none"> 3. Developing a through-ticket program. 4. Collaborating with foreign companies for international purposes. 	
<p style="text-align: center;">Threats (T)</p> <ol style="list-style-type: none"> 1. Primary competitors provide more effective and efficient satisfaction and services. 2. Domestic economic conditions. 3. The sea transportation market for PT. Pelni is limited. 4. Public perception and circulating issues regarding frequent maritime accidents. 	<p style="text-align: center;">ST Strategy</p> <ol style="list-style-type: none"> 1. Retaining customers by consistently offering competitive ticket prices and high-quality service despite the unstable economic conditions of the country. 2. Implementing sustainable product innovations to capture consumer interest. 3. Developing holiday and group visit programs through collaboration with other state-owned enterprises to reach remote areas. 	<p style="text-align: center;">WT Strategy</p> <ol style="list-style-type: none"> 1. Enhancing promotional efforts, particularly through social media channels. 2. Conducting demonstrations to showcase that Pelni's ships are equipped with advanced and secure technologies, serving as a reliable means of transportation for the general public. 3. Organizing special events, such as annual promotional events, as a strategic promotional platform.

Source : Data processed by the author

4.6 Decision-Making for Alternative Strategies in SWOT Analysis

Based on the total scores of each IFAS and EFAS factor, they can be detailed as follows: strengths 1.75, weaknesses 0.875, opportunities 1.625, and threats 0.75. To determine the strategic direction at PT Pelni (Persero), an analysis is conducted by subtracting the sum of strengths and weaknesses along the X-axis and subtracting the sum of opportunities and threats along the Y-axis. The calculated difference in total scores between strengths and weaknesses is 0.875, while the difference in total scores between opportunities and threats is also 0.875. The diagram below illustrates the quadrant results of the SWOT analysis:

Figure 1
Diagram SWOT Analysis



Source : Data processed by the author

From the analysis diagram above, it is evident that PT Pelni (Persero) falls into the first quadrant, namely the aggressive strategy quadrant. The aggressive quadrant indicates a favorable situation (Muhammad, 2018). PT Pelni can leverage its strengths to seize all available opportunities.



Conclusion

Based on the research conducted at PT Pelni (Persero) Surabaya Branch through IFAS, EFAS, and SWOT analyses, it is observed that internal factors have a weighted score of 2.625, and external factors have a weighted score of 2.375, indicating promising prospects for the business. PT Pelni (Persero) possesses various strengths such as an extensive distribution network and high-quality products. However, the company has weaknesses, including infrequent promotional activities and relatively high prices. To sustain and expand the business, PT Pelni (Persero) needs strategic initiatives, such as increasing market share and enhancing the quality and service of its products.

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