

ANALYSIS OF COMPETITIVE ADVANTAGE STRATEGY OF BADUY'S WOVEN FABRIC INDUSTRY

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Abstract: *Competition in the business world in Indonesia in the era of globalization is very strict at the national, regional and international levels. The success of SMEs in Indonesia is inseparable from the role of government and SMEs themselves in an effort to develop SME business activities to achieve competitive advantage. This study aims to analyze the differentiation strategy of Baduy's woven fabrics as an effort to gain competitive advantage and alternative strategies that can be done to obtain a competitive advantage. Primary data is obtained by questionnaires and interviews with craft makers and local governments through the Department of Industry and Trade / SMI and the SME office. Secondary data is obtained from the Department of Industry and Trade. The technical data analysis used is descriptive quantitative method, through analysis of internal and external factors, SWOT analysis of matrix, space matrix and IE matrix. The results of the analysis using the SWOT matrix are obtained industrial position in an aggressive strategy alternative, by aggressive expansion and promotion. In Internal External Matrix (IE Matrix), results obtained from the position of the Baduy's weaving industry are in quadrant V (five) with alternative concentration strategies through horizontal integration or stability strategies. SPACE Analysis matrix produces a position in quadrant I (one) with an aggressive strategy alternative. This research model is expected to be an input for the Lebak Regional Government for strategic alternatives in obtaining competitive advantages so that it can help increase the productivity of the Baduy tribe, and be able to contribute or add value in the family even in the regional economy. The research output is a strategy model of competitive advantage in the Baduy's weaving industry.*

Keywords: *Analysis of external and internal factors, SWOT matrix, Space matrix and IE Matrix, Competitive advantage*

INTRODUCTION

Lebak Regency SMEs are increasing and developing through home industry, such as handicrafts, metals, various types of food, agricultural products, plantations, and mining. In fact, the production of Small Medium Enterprises (UKM) in print sugar and ant sugar enters European, Asian and US markets. The increasing number of SMEs is driven by high motivation of SMEs to increase family economic income. Development of SMEs continues to be optimized so that they can create business clusters and shape the character of entrepreneurial spirit. The potential for developing SME actors is very promising and prospective. SMEs in Lebak Regency are growing and developing, including ant sugar and print sugar, melinjo chips, bananas, as well as other traditional processed foods and Baduy crafts, such as woven fabrics, bags, wallets, souvenirs, and forest honey. Banking credit assistance is expected to increase SME capital to further increase production so that it can overrun domestic and global markets. (Zaky, 2017)

The local government continues to preserve the unique craft culture of the Baduy community which has a fairly high selling value and has a variety of choice motifs and is more unique, different from other regions in the country. Many Baduy's woven motifs are quite numerous. All Baduy's woven motifs are adapted to their culture. Baduy's woven is a hereditary inheritance and part of the mandate of the ancestors that must be preserved.

"We continue to optimize the development of community craft businesses by improving quality. We hope that the income level of the community will improve so that it is in line with the 'Lebak Sejahtera' program launched by the Regent Iti Octavia," (Head of Disperindag, Lebak Regency,

2017

So far, SMEs in Lebak Regency have been developing year by year because market demand tends to increase. The development of these Small-Medium Industry (SMIs/IKM) contributed greatly to encourage economic growth in the community. Moreover, local government regulations that launch the "Lebak Sejahtera" program, so that there is a need for a business unit to absorb the labor force.

"We believe that employment can improve family welfare," he said. According to him, the number of SMI players in Lebak Regency was recorded at 14,454 business units and they mostly engaged in small industry businesses by utilizing the potential of existing natural resources. (Warta Ekonomi.co.id, 2017)

Baduy Village is one of the tourist objects owned by Lebak Regency and is often visited by foreign tourists because it has its own uniqueness. The Baduy tribe is divided into 2 (two) groups called Inner Baduy and Outer Baduy. Inner Baduy still adheres tradition and adheres to customary rules well, in contrast to the Outer Baduy. The Outer Baduy community has interacted with outside cultures and has become familiar with technology. (Karina Dewi, 2015)

Baduy's woven is made with simple looms. The manufacturing process is still traditional, and it is still running until now in the modernity of weaving-making techniques. They still maintain the traditions in weaving according to what has been mandated by their ancestors.

Public Relation of the Baduy Deliberation Society (Wammy), Tono Soemarsono said that Baduy woven has penetrated the world so that it has a positive impact on the economic income of the local community. "The advantages of Baduy woven are handmade and have a style that contains a philosophy and color that is different from other weaving

in the country,” Baduy woven fabric crafts have become global because many foreign tourists visit the Baduy region to buy. The foreign tourists came from the Netherlands, Switzerland, Britain, France, and Australia, Japan, South Korea and the Philippines. (Jurnalasia.com, 2016)

“The superiority of Baduy woven is caused by the value of traditional arts and different colors from other weaving in the country. We are optimistic that Baduy weaving products can be global because the quality is quite good and unique,” Meti (40), a Baduy craftsman, Kadu Ketug, District Leuwidamar, Lebak Regency. So far, tourists from various regions who visit cultural tourism in traditional areas attracted to Baduy woven fabric (Bandung.bisnis.com, 2016).

The regional government continues to optimize the promotion of Baduy woven through exhibitions in a number of

regions in the country. Online marketing strategies are still very few that are utilized by small and medium enterprises (SMEs) in Indonesia, although the resulting impact is very large to increase product sales.

The Baduy community, which has been known as anti-technology and does not interact with the outside community, through the Lebak Regency Government, Banten, is encouraged so that its unique handicraft products can penetrate a broad market share. Lebak Regency Government itself believes and is optimistic that the products of small and medium enterprises (UKM) of Baduy handicrafts can penetrate the local handicraft market more broadly even the world market, with a marketing system through digital internet technology. PT Telkom successfully launched the Digital Baduy UKM (Head of SME Empowerment in the Cooperative and SME Office of Lebak Regency

Table 1
CENTER OF SMALL AND MEDIUM INDUSTRY
LEBAK DISTRICT
2016

NO	NAME OF CENTRAL	NUMBER OF BUSINESS UNIT	NUMBER OF LABORS (PEOPLE)	PRODUCTION CAPACITY	UNIT	PRODUCTION VALUE (Rp.000)
1	Palm Sugar	5,921	11,719	12,304,950	Kg	98,439,600
2	Coconut Palm Sugar	24	48	50,400	Kg	252,000
3	Melinjo Chips	531	1,183	1,132,000	Kg	22,640,000
4	<i>Baduy Woven</i>	<i>105</i>	<i>48</i>	<i>392</i>	<i>Pcs</i>	<i>15,680</i>
5	Brown Sugar/Ginger Sugar	4	17	27,000	Kg	810,000
6	Pandanus Mat Craft	4,052	8,104	243,120	Sheet	9,724,800
7	Bamboo Woven	1,503	3,006	150,300	Pcs	1,202,400
8	Imitation Leather Craft	55	190	357,000	Score	85,680,000
9	Stone Fossil	59	120	9,425	Ton	4,712,500
10	Prcious Stone Craft	130	100	950	Pcs	475,000

Sumber : IKM/SMI Kab Lebak

Based on IKM data, there are approximately 30 IKM Centers spread in Lebak Regency, in the table above only 10 IKM Centers are displayed, as a

comparison of the value of production produced from IKM handicrafts. The biggest production value is in the industrial centers of Palm Sugar and Faux Leather

Handicrafts while Baduy weaving crafts produce very low production values. As previously explained, the regional government has made various efforts to increase production and demand for Baduy woven fabrics. Baduy woven fabrics that have high cultural values can be seen from their unique characteristics. For this reason, we need to examine the alternative of Baduy weaving strategy in achieving competitive advantage so that in the future it can further increase the value of production and contribute more to increasing regional income.

Based on the phenomena that exist and have been described in the background, the formulation of the problem in this study is:

a. Factors of strengths and weaknesses and what are the opportunities and threats in the Baduy woven fabric industry?

b. What alternative strategies can create competitive advantage in the Baduy woven fabric industry?

This research is very important to analyze internal factors and external factors related to achieving competitive advantage for craftsmen and Baduy weaving SMEs so that the right alternative strategies can be identified to gain competitive advantage for the Baduy weaving industry.

Literature review

Competitive Advantage

Nowadays companies must think about competition and know who their competitors are. The company must also think not only to manage the products produced, but must also think of making long-term relationships with their customers. (Building profitable customer relationships and competitiveness requires delivering more value and satisfaction to target customers than competitors). The company can get to know its competitors in the first stage by analyzing competitors (competitor

analysis). Competitor analysis is the process of identifying key competitors, assessing their objectives, strategies, strengths and weaknesses and reaction patterns, selecting with competitors to attack or avoid. After the company analyzes its competitors, at the second stage competitive marketing strategies are carried out.

Competitive Marketing Strategies are strategies that strongly position the company against competitors and give the company the strongest possible competitive advantage. Competitive Advantage, the advantages of consumers are greater value than competitors. (Kotler, Armstrong, 2012).

Kotler, Keller, 2012, Competitive advantage is the ability of companies to work in one or more ways that cannot be or will not be matched by competitors. In general, companies that hope to survive must continue to be in a business that continues to create new advantages and customers must see all competitive advantages as customer excellence. Companies must focus on building customer excellence, then delivering value and high customer satisfaction, which results in high repeat purchases and will ultimately increase the company's profitability.

David (2011) defines competitive advantage as "whatever companies do better than rival companies". When a company can do something that a rival company cannot do or has something a competing company wants, then it can represent a competitive advantage.

A company can be said to be in a position of competitive advantage if it has a comparative advantage in resources that produce superior value at lower costs. Competitive advantage comes from many different activities carried out by companies such as designing, producing, marketing, delivering, and supporting their products.

Generic Porter Strategy (Porter's Generic Competitive Strategy)

Strategy is a very important tool for achieving competitive advantage (Porter 1985). According to Ranguti, (2009) there are two strategic concepts, namely: Distinctive Competence and Competitive Advantage.

Distinctive Competence is an action taken by a company to be able to carry out activities better than its competitors. Distinctive Competence describes the specific capabilities of an organization including (1) Expertise of the workforce (2) Capability of resources. These two factors cause the company to be superior to its competitors. High human resource expertise arises from the ability to form special functions that are more effective than competitors. These strengths can be created through the use of all potential resources owned by the company, such as sophisticated equipment and production processes, the use of a fairly extensive distribution channel network, the use of high-quality raw material sources and a positive brand image and computerized reservation system.

Competitive Advantage is a choice of strategies by companies to seize market opportunities, namely Cost Leadership, Differentiation, Focus

Porter (1985), divides generic strategies (Porter 's Generic Strategies) into Cost Leadership (lowest costs), Differentiation (creating unique and coveted products and services), and Focus (offering specialized services in certain niche markets). Focus Strategy becomes 2: Cost Focus and Differentiation Focus.

Differentiation Strategy

Kotler, Keller, 2012, Points-of-difference (PODs), which consumers strongly associate with a brand, positively evaluate, and believe they cannot find the same extent with a competitive brand. Associations that make up the points of difference may be based on virtually

any type of attribute or benefit. Strong brands may have multiple points-of-difference. Creating strong, favorable, and unique associations is a real challenge, but essential for competitive brand positioning.

It can be interpreted that Difference Points (PODs) are attributes or benefits that consumers associate very strongly with brands, positive evaluations, and believe they cannot find the same level with competitive brands. Associations that form points of difference may be based on almost all types of attributes or benefits. Strong brands have many points of difference. Creating strong, profitable and unique associations is a real challenge, but it is important for competitive brand positioning.

In competitive markets, marketers can differentiate brands based on many variables. Three criteria determine whether brand associations can really function as points of difference: desirability, deliverability, and differentiability. Desirable to consumer: Consumers must see the brand association as personally relevant to them. Deliverable by the company: The company must have internal resources and is committed to feasible and profitably create and maintain a brand association in the minds of consumers. The product design and marketing offering must support the desired association. Differentiating from competitors: Consumers must see the brand association as distinctive and superior to relevant competitors.

Another dimension that can be used by companies to differentiate their market offerings is employee differentiation, channel differentiation, image differentiation, and service differentiation. Personnel/employee differentiation is where companies can employ more trained employees. Channel differentiation is that companies

can design the coverage, expertise, and performance of distribution channels effectively and efficiently. Image differentiation is where companies can carve out strong and attractive images. Service differentiation of a company can distinguish itself by designing better with a faster delivery system that provides more effective and efficient solutions to consumers.

Product Differentiation

Product differentiation is an activity carried out by a company in producing and marketing products that are different from competitors' offers. The differences created have superior values and more benefits to meet customer needs. Kotler, Keller, (2012) "To be branded, products must be differentiated" Indicators in product differentiation are Forms, Features, Performance Quality, Conformance Quality, Durability, Reliability, Easy to Repair (Repairability), Style, and Design

SWOT Analysis as a Strategy Formulation Tool

Rangkuti, 2001, Analysis is a systematic identification of various factors to formulate a company's strategy. This analysis is based on logic can maximize strengths and opportunities, but simultaneously can minimize weaknesses and threats.

The SWOT analysis considers two factors in general, namely internal environmental factors (strengths and weaknesses) as well as the external environment (opportunities and threats) facing the business world. SWOT analysis compares the external factors with internal factors, so that from the analysis a company decision can be made. This SWOT analysis is usually used to conduct a feasibility study, so that a company will be able to see the feasibility of an institution both for now and future projections. SWOT is also useful in choosing a company's marketing strategy,

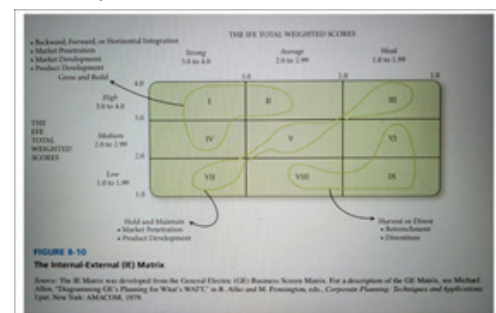
so that it can help company managers in taking strategic policies that will have an impact on increasing productivity in the company.

The external factors of the company are the market environment, competitors, communities, suppliers, the government environment, certain interest groups. Factors, namely finance, human resources, operational activities, marketing activities.

Internal-External Matrix :

Figure 1. IE Matrix

and competitive position (competitive position / CP) and two external dimensions namely stability position (SP) and industrial position (industry position / IP). These four



The IE matrix can be divided into three major regions that have different strategy implications, despite having nine cells (or quadrants). as follows:

- Region 1—The prescription for divisions that fall into cells I, II, or IV can be described as grow and build. Intensive (market penetration, market development, and product development) or integrative (backward integration, forward integration, and horizontal integration) strategies can be most appropriate for these divisions. This is the best region for divisions, given their high IFE and EFE scores. Successful organizations are able to achieve a portfolio of businesses

positioned in Region 1.

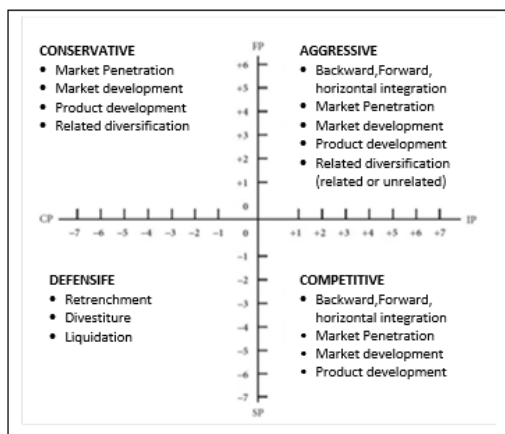
- Region 2—The prescription for divisions that fall into cells III, V, or VII can be described as hold and maintain strategies; market penetration and product development are two commonly employed strategies for these types of divisions.
- Region 3—The prescription for divisions that fall into cells VI, VIII, or IX can be described as harvest or divest.) (David & David, 2017).

SPACE Matrix :

The Strategic Position and Action Evaluation (SPACE), is a Phase 2 matching tool (Stage 2 matching tool) consisting of four quadrants namely aggressive, conservative, defensive, or competitive strategies. The axes of SPACE Matrix represent two internal dimensions, namely financial position (financial position / FP) and competitive position (competitive position / CP) and two external dimensions namely stability position (SP) and industrial position (industry position / IP). These four factors may be the most important determinants of the overall strategic position of the organization.

and competitive position (competitive position / CP) and two external dimensions namely stability position (SP) and industrial position (industry position / IP). These four factors may be the most important determinants of the overall strategic position of the organization.

Figure 2. SPACE Matrik



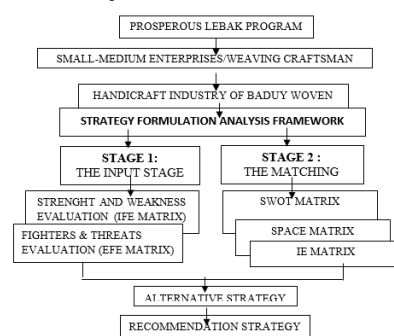
Environmental Industry Competition
 The industrial environment is more directed at the aspect of competition

where the company’s business is located. As a result, the factors that influence the conditions of competition, such as threats to the company and the strength of the company, including the conditions of competition itself, are important to analyze. Porter, (2007), “identifies key structural aspects in the industry that determine the competitive power of industry profitability”. These aspects are: (1) Competition among existing companies, (2) Threats of new entrants (3) Threats of substitute products (4) Buyer bargaining power (5) Strength of supplier bargaining

METHODOLOGY

The population in this study was Baduy weaving craftsmen in the Lebak-Banten area, with a sample of 30 weaving craftsmen. The sampling technique in this study used a purposive sampling technique. Primary data is obtained by questionnaires and interviews with craft makers and local governments through the Department of Industry and Trade / IKM and the UKM office. Assessment of questions uses a score in the Likert scale approach 1-4, which is a score of 4: Very Good, Score 3: Above average, Score 2: On average, Score 1: Below average. Secondary data is obtained by retrieving data from the Department of Industry and Trade. The technical data analysis used is descriptive quantitative method, through IFE and EFE analysis, SWOT analysis matrix, matrix space and IE matrix. This can be seen in the chart below:

Figure 3. Strategy Formulation Analysis Framework



Results

1. Research Data Description

Table 2. Data Description of Internal Factor Analysis

ITEM NUMBER	SCORE	% FREQUENCY				% TOTAL	AVERAGE SCORE
		1	2	3	4		
ifa1 : Cultural preservation		-	-	-	100	100	4.0
ifa2 : Local wisdom		-	-	10	90	100	3.9
ifa3 : The uniqueness of the production process		-	-	-	100	100	4.0
ifa4 : Quality of human resources		-	37	43	20	100	2.8
ifa5 : Price		-	-	20	80	100	3.8
ifa6 : Promotion		60	20	10	10	100	1.7
ifa7 : Differentiation		-	-	10	90	100	3.9
ifa8 : Image differentiation		-	-	60	40	100	3.4
ifa9 : Price of Baduy woven fabric according to quality		-	-	10	90	100	3.8
ifa10: Affordable prices		-	-	30	70	100	3.7
ifa11: Competitive price		-	-	30	70	100	3.7
ifa12 : Promotion		-	-	50	50	100	3.5
ifa13 : Size		-	-	70	30	100	3.3
ifa14 : Motive		-	-	40	60	100	3.6
ifa15 : Fabric strength		-	-	40	60	100	3.6
ifa16 : Traditional art value		-	-	30	70	100	3.7
ifa17 : Baduy's simple style		-	-	40	60	100	3.6
ifa18 : Elements of beauty / aesthetics		-	-	50	50	100	3.5
ifa19 : Image differentiation / as a symbol		-	-	40	60	100	3.6
ifa20 : Channel differentiation		17	37	37	10	100	2.4
ifa21 : Differentiation of service / online marketing		60	30	10	-	100	1.5
ifa22 : Customer loyalty		13	40	43	3	100	2.4
ifa23 : Production capacity		20	33	43	3	100	2.3
ifa24 : Capital and finance		20	40	40		100	2.2
% AVERAGE FREQUENCY		190	237	757	1,217		77.9
		8	10	32	51	100	3.2

Using the SPSS tool for processing questionnaire results data on internal factors of analysis is the highest percentage of the average frequency, which is 51% located at score 4 while for assessment scores 3 with an average

frequency of 32%, for score assessment 2 with the average frequency is 10% and for score 1 with an average frequency of 8%. The average score for the 24 internal factor questions is 3.2 (with values above the average).

Table 3. Data Description of External Factor Analysis

ITEM NUMBER	SCORE	% FREQUENCY				% TOTAL	AVERAGE SCORE
		1	2	3	4		
efa1 : The effect of Globalization		30	20	33	17	100	2.4
efa2 : Effect of AEC		40	17	40	3	100	2.1
efa3 : Indonesian Economic Condition		20	33	37	10	100	2.4
efa4 : Governement Support		-	27	40	33	100	3.1

efa5 : Number of Mall / Exhibitions	-	10	40	50	100	3.4
efa6 : Availability of SME/SMI	-	23	70	7	100	2.8
efa7 : Overseas Exhibition	-	30	57	13	100	2.8
efa8 : The coming of new competitors	10	43	47	-	100	2.4
efa9 : New competitor's distribution channel	13	57	30	-	100	2.2
efa10 : Capital of new competitors	17	23	60	-	100	2.4
efa11 : High-tech competitors	10	47	40	3	100	2.4
efa12 : It is easy or not to get raw material sources/ supplier	10	57	33	-	100	2.2
efa13 : It is easy or not to get raw material sources/ supplier	23	47	27	3	100	2.1
efa14 : Growth in the industry of similar products	10	40	50	-	100	2.4
efa15 : Existing competitors have diversity	13	-	40	-	100	2.3
efa16 : Number of major buyers of Baduy's woven fabric	7	23	53	17	100	2.8
efa17 : Buyer tends to move to other brands	30	40	30	-	100	2.0
efa18 : Entrepreneurs are able to provide more service	7	30	53	10	100	2.7
efa19 : Number of suppliers of raw materials	20	20	43	17	100	2.6
efa20 : Raw material yarn for woven fabric imported from Majalaya Bandung	30	27	37	7	100	2.2
efa21: Contributions given by distributors to entrepre- neurs/ UMKM	13	17	63	7	100	2.6
efa22: Availability of other types of fabric products	20	27	43	10	100	2.4
efa23 : Production costs of other types of fabric prod- ucts	3	30	60	7	100	2.7
efa24 : The Aggressiveness of other types of fabric products	7	33	53	7	100	2.6
efa25: Price, value, and benefits owned from other types of fabric products	7	23	60	10		2.7
% AVERAGE FREQUENCY	340	790	1,140	230		62.6
	14	32	46	9	100	2.1

While the results of data processing for external factors of analysis are the highest percentage of average frequency, which is 46% located in score 3 while for score 4 with an average frequency of 9%, for score 2 assessment with an average frequency of 32 % and for score 1 assessment with an average frequency of 14%. The average score for the 25 item internal question factors is 2.1 (with an average value).

2. Description of Research Results

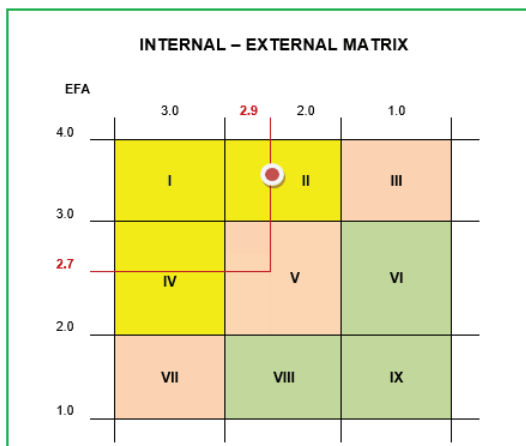
Table 4. Internal External Matrix

Internal Strategy Factors	Weight (B)	Rating (R)	WxR
<i>(Strengths) :</i>			

1. Cultural preservation	0.075	3.95	0.30
2. Local wisdom	0.075	4.00	0.30
3. The uniqueness of the production process	0.075	3.32	0.25
4. Quality of human re- sources	0.075	3.65	0.27
5. Price	0.075	3.73	0.28
6. Promotion	0.075	3.50	0.26
7. Product differentiation	0.075	3.55	0.27
8. Image differentiation	0.075	3.60	0.27
<i>(Weaknesses) :</i>			
1. Availability of products	0.075	2.40	0.18
2. Internet Services	0.050	1.50	0.08
3. Customer loyalty	0.050	2.37	0.12
4. Production capacity	0.075	2.30	0.17
5. Capital / financial	0.075	2.20	0.17
6. Quantity of human resources	0.075	1.70	0.13

TOTAL	1.00		2.9
External Strategy Factors	Weight (B)	Rating (R)	WxR
<i>Opportunities :</i>			
1. Economic Conditions	0.10	3.07	0.31
2. Local government support	0.10	3.40	0.34
3. Number of malls/ exhibitions	0.10	2.83	0.28
4. Availability of SME/SMI outlets	0.10	2.83	0.28
<i>Threats :</i>			
1. Globalization	0.05	2.22	0.11
2. AEC	0.05	2.37	0.12
3. Potential threats from new competitors	0.10	2.31	0.23
4. Competition among existing companies	0.10	2.26	0.23
5. The power of bargaining from consumers	0.10	2.49	0.25
6. The power of bidding from suppliers	0.10	2.47	0.25
7. Potential threat of substitute products	0.10	2.62	0.26
TOTAL	1.00		2.7

Figure 4. Internal External Matrix (I E)

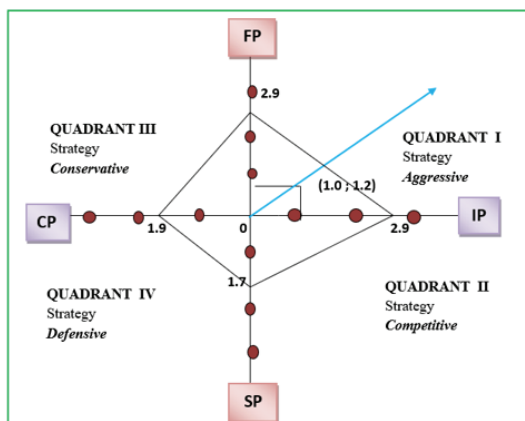


Based on the results of research obtained by the Baduy woven fabric industry in the V quadrant, the strategy that can be done is to hold and maintain strategies; market penetration and product development (market penetration and product development).

Table.3. SPACE Matrix (scale 1-4)

Internal Strategic Position	Rating	External Strategic Position	Rating
Financial Position (FP)		Stability Position (SP)	
1. Increased Amount of Sales	2.5	1. Changes in Technology	-2.1
2. Increased Income	2.5	2. Inflation Rate	-1.5
3. Liquidity of UMKM	3.1	3. Variation in Requests	-1.8
4. Cost Excellence	3.5	4. Product Price Range	-1.5
5. Returns Rate	3.0	5. Market Entry Barriers	-2
6. Cash Flow	3.0	6. Competitor's pressure	-1.5
--	--	7. Easiness of market exit	-1.5
TOTAL (FP AVERAGE)	2.9	TOTAL (SP AVERAGE)	-1.7
<i>Competitive Position (CP)</i>		<i>Industry Position (IP)</i>	
1. Market Share	-2.4	1. Economic Growth Potential	3.5
2. Product Differentiation	-1	2. Potential Profit	2.5
3. Service Differentiation	-2	3. Financial Stability	2.5
4. Customer Loyalty	-2	4. Supporting Technology	2.5
5. Production Capacity	-2	5. Utilization of Resources	3.5
6. Knowledge of Technology	-2.5	6. Ease of Market Entry	3.0
7. Image Differentiation	-1.2	7. Productivity and Capacity	2.5
TOTAL (CP AVERAGE)	-1.9	TOTAL (IP AVERAGE)	2.9

Figure 5. Analysis of SPACE Matrix



CP Average is $- 13.1 \div 7 = - 1,9$
FP Average is $+ 17.6 \div 6 = 2,9$

Directional Vector Coordinates:

x-axis (CP+IP): $- 1.9 + (+2.9) = + 1.0$

y-axis (SP+FP): $- 1.7 + (+2.9) = + 1.2$

The Strategic Position and Action Evaluation (SPACE) Matrix to analyze the position SME as well as to look at the direction of further SME development.

To find coordinates in the Space Matrix, as follows:

SP Average is $- 11.9 \div 7 = - 1,7$

IP Average is $+ 20.0 \div 7 = 2,9$

The results of SPACE Matrix analysis, vector direction is in the aggressive quadrant (quadrant I or right above) of the SPACE matrix, this shows that the company's position is very good for using its internal strengths in (1) utilizing external opportunities, (2) overcoming internal weaknesses, and (3) avoid external threats. Therefore, the strategy that can be carried out is to do market penetration, market development, product development, backward integration, forward integration, horizontal integration, or diversification, depending on the specific conditions it faces.

Table.4. Analysis with SWOT Matrix

Internal Factor Analysis	<p>STRENGTHS</p> <ol style="list-style-type: none"> Cultural preservation Local wisdom The uniqueness of the production process Quality of human resources Price Promotion Product differentiation Image differentiation 	<p>WEAKNESSES:</p> <ol style="list-style-type: none"> Availability of products Internet Services Customer loyalty Production capacity Capital / financial Quantity of human resources
External Factor Analysis	<p>SO STRATEGY: Quadrant I Aggressive Strategy</p> <ul style="list-style-type: none"> - More aggressive expansion - Improve promotion - More highlight the uniqueness of the product and image. - Utilizing government support and availability of SME/SMI outlets 	<p>WO STRATEGY : Quadrant III Strategy stability</p> <ul style="list-style-type: none"> - Increase product availability - Improve service - Providing weaving training - Increase capital - Increase the introduction of technology
<p>OPPURTUNITIES</p> <ol style="list-style-type: none"> Economic Conditions Local government support Number of malls/ exhibitions Availability of SME/SMI outlets 	<p>ST STRATEGY : Quadrant II Diversification Strategy</p> <ul style="list-style-type: none"> - Product variations while maintaining product uniqueness and unique image - Superior in low costs 	<p>WT STRATEGY : Quadrant IV Defensive Strategy</p> <ul style="list-style-type: none"> - Reducing every weakness and surviving the threats..
<p>TREATHS:</p> <ol style="list-style-type: none"> Globalization AEC Potential threats from new competitors Competition among existing companies The power of bargaining from consumers The power of bidding from suppliers Potential threat of substitute products. 		

DISCUSSION

Baduy woven fabric has a high cultural value that can be seen from its characteristics and uniqueness, in other words baduy woven fabric has product differentiation. Based on data from the Lebak Regency IKM, the production value of Baduy woven fabrics is still very low even though the regional government has made various efforts to increase the production and demand for Baduy woven fabric. With the differentiation of baduy woven fabric products, this will have an effect in achieving competitive advantage.

Tampi (2015), product differentiation partially has a significant effect on competitive advantage. According to Nawangsih (2016), the role of differentiation strategies in terms of the design of a product can be a differentiating value as well as product superiority compared to competitors. Product differentiation strategies that make design as the main factor become business opportunities in gaining market share. In line with Tampi and Nawangsih's research that product differentiation plays a role in creating competitive advantage, in this case the researcher analyzes strategic alternatives to the Baduy woven fabric industry in achieving competitive advantage with the following results:

Based on the results of the IE matrix the position of the Baduy woven fabric industry is at coordinates 2.7; 2.9 is in region two and cell V (five), where in this quadrant the strategy that can be done is hold and maintain strategies; market penetration and product development. Market penetration can be done by maintaining or increasing the market share of Baduy woven fabric, namely a competitive pricing strategy, increasing advertising, sales promotion and various activities in an effort to introduce Baduy

woven fabrics in the market which can increase sales. Product development can be done to make more unique and interesting designs to reach existing markets.

Based on the results of the Space matrix analysis, the position of Baduy woven fabric is at 1.0 coordinates; 1.2 in quadrant I with Aggressive strategy, in this position the strategies that can be carried out are Backward, Forward, Horizontal integration, Market penetration, Market development, Product development, Related diversification (related or unrelated). UMKM actors assisted by local governments strive to bring closer sources of raw materials, or enhance good cooperation with suppliers of raw materials such as yarn and quality fabric dyes. Market development can be done by using online marketing or online sales either directly or partnering with e-commerce companies such as bukalapak, tokopedia, lazada, zalora, etc. In addition, UMKM players can implement diversification strategies both related and not related to Baduy woven fabric products, in this case the Baduy UMKM players have produced various handicraft products such as Koja Bags, Forest Honey, Palm sugar and various knick-knacks resulting from Baduy tribe's hands. However, the lack of promotion, handicraft product outlets and exhibitions made these products less well known to the wider community which caused market penetration and market development to experience obstacles.

The results of the analysis with the SWOT matrix produce SO Strategy in quadrant I, which is an aggressive strategy. In this strategy, the Baduy woven fabric industry shows that the Baduy woven fabric industry is in a growth position, with existing strengths being used to seize existing opportunities by making more aggressive expansion,

increasing promotion, highlighting the product's uniqueness and image, utilizing government support and utilizing the availability of SME / IKM outlets. Whereas in ST Strategy in quadrant II, the strategy carried out is a diversification strategy by making variations of other products to increase sales while maintaining product uniqueness and unique image and striving to excel at low cost. Furthermore, in the WO Strategy in quadrant III, the strategy that can be done is a strategy of stability, namely increasing product availability, improving services, providing weaving training, increasing capital, increasing the introduction of technology. In WT Strategy in quadrant IV can be done with a defensive strategy that is the possibility of surviving by overcoming each weakness and surviving the threats that exist such as many new competitors with competitive prices and varied styles.

CONCLUSION

Based on the results of the processed data, the existing theory and discussion of the results of the study can be concluded that the Baduy woven fabric industry is in a growth position, which in this position is a time to gain profits by achieving increased sales. Strategies that can be done to achieve competitive advantage by maintaining product differentiation which is a woven fabric with its own uniqueness and reflecting the cultural image of the Baduy tribe, conducting market penetration, product penetration, market development and product development.

This requires support from various parties, especially the regional government and the central government, universities and community support. Competitive advantage can also be achieved by striving to excel at low costs, for which UMKM players need to be trained in pricing strategies.

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