

Marketing Strategy Planning Using SOAR Method and Quantitative Strategic Planning Matrix (QSPM) (Case Study: Computer Embroidery Business Jonifer Embroidery)

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Abstract

This research was conducted in one of the computer embroidery businesses in Agam, West Sumatera. This business produces and markets products such as embroidery logos and clothing. Based on the results of preliminary observations, it is known that there is a decrease in sales levels. This is influenced by various marketing factors, including the absence of a selling price agreement, the Covid-19 pandemic, limited access to production reviews, and the use of social media that is not optimal in promoting. This study aims to obtain alternative strategies that can be done in marketing and to obtain marketing priority strategies in computer embroidery businesses. This study used the SOAR and QSPM methods. The SOAR method is a method carried out to analyze internal and external factors to obtain alternative marketing strategies. While the QSPM method is a method carried out to obtain a marketing priority strategy. Based on the results, 11 alternative strategies were obtained. The priority was to improve the quality and variety of product offerings and optimize promotions to increase sales, with a TAS score of 7,310.

Keywords:

Marketing, SOAR, *Quantitative Strategic Planning Matrix* (QSPM)

1. Introduction

The rapid development of technology and the business world makes business people have to carry out strategic planning to compete in the market. One strategy that can be done is to plan a marketing strategy. Marketing is an overall system of business activities that plan, determine prices, promote, and distribute goods and services that satisfy existing and potential buyers' needs (Fathurrochman, et al., 2021). Marketing has an essential role in doing business because it aims to be able to survive and compete in the market. According to Heart et al. (2020), marketing strategy is the set of goals, objectives, rules, and rules that guide the company's marketing operations over time, at every level, and their references and allocations, especially in reaction to the changing environment and circumstances of the company (Hijrah and Derama, 2022).

This research was conducted at one of the computer embroidery businesses in Agam, West Sumatera. This computer embroidery business manufactures and markets products like embroidery logos and clothing. Based on the results of preliminary observations, it is known that there is a decrease in sales levels. This is influenced by various factors that affect marketing, including unfair market competition where there is no selling price agreement between producers and similar businesses, the Covid-19 pandemic, limited access to production reviews, and the use of social media that is not optimal in promoting. The following is the sales data of the computer embroidery business.(Table 1).

Table 1. Computer Embroidery Business Sales Data

No.	Month	Computer Embroidery Sales (pcs)		
		2019	2020	2021
1	January	3,550	3,600	2,855
2	February	3,480	3,490	2,880
3	March	3,440	3,220	2,700
4	April	3,610	3,010	2,620
5	May	3,160	2,905	2,335
6	June	3,330	2,855	3,400
7	July	3,750	2,315	3,235
8	August	3,280	3,110	2,740
9	September	2,905	2,795	2,910
10	October	3,110	3,205	2,210
11	November	3,435	3,165	2,545
12	December	3,425	3,000	2,825
Total		40,475	36,670	33,255
Average		3,373	3,056	2,772

Here's a sales chart on the computer embroidery business:

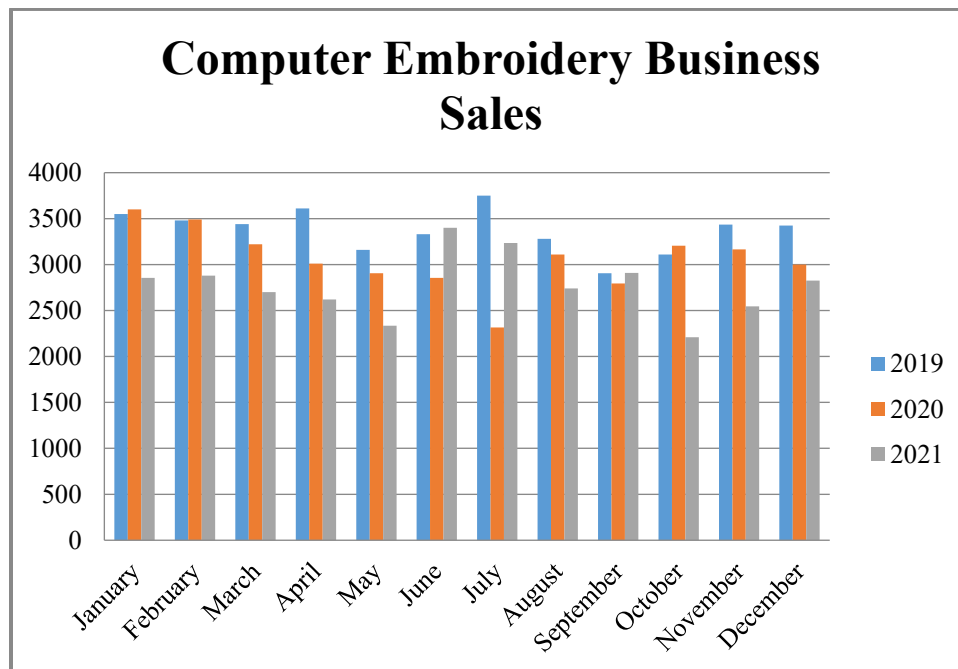


Figure 1. Computer Embroidery Business Sales Graph

Based on Table 1. and Graph 1. above, it can be seen that the sales data of the computer embroidery business has fluctuated. Where in 2019 the total sales of computer embroidery business were 40,475 pcs. In 2020 sales decreased with total sales of 36,670 pcs. And, in 2021 sales again decreased with total sales of 33,255 pcs.

1.1 Objective

This study aims to obtain alternative marketing strategies based on internal and external factors using SOAR analysis. Then determine the priority strategy from the alternative strategies obtained in the SOAR analysis using the Quantitative Strategic Planning Matrix (QSPM) matrix.

2. Literatur Review

Marketing is an overall system of business activities that plan, determine prices, promote, and distribute goods and services that satisfy existing and potential buyers' needs (Fathurrochman, et al., 2021). Marketing strategy according to Assuari is a series of goals and objectives, policies and rules that give direction to the company's marketing efforts from time to time, at each level, reference, and allocation, especially as a company response in the face of the environment and the ever-changing circumstances of competitors (Yelta, et al., 2020).

The steps in carrying out the completion of the IFE and EFE matrices are as follows (Subaxtillah et al, 2020):

1. Identifying internal and external factors.
2. Giving weight to each of the strategic factors.
3. Rating each factor with a scale ranging from 4 (strong) to 1 (weak).
4. Calculate weights with values (ratings) to obtain weighting scores.
5. Summation of the weighting score to obtain the total weighting score.

SOAR is a strategic planning framework using an approach that primarily focuses on strengths and studying the entire system by including voices from trusted stakeholders (according to Stavros et al, 2009 quoted by Zamista and Hanafi, 2020). The SOAR analysis technique was used to develop a strategy for explaining the strength, opportunities, aspirations, and measurable results (Keerin, et al., 2022). Stavros and Kelly (2003) offer the concept of SOAR (Strength, Opportunities, Aspiration, Results) derived from the Appreciative Inquiry (AI) approach. The AI approach focuses more on identifying strengths and opportunities than on weaknesses and threats (Sudiman, 2018). (Figure 2)

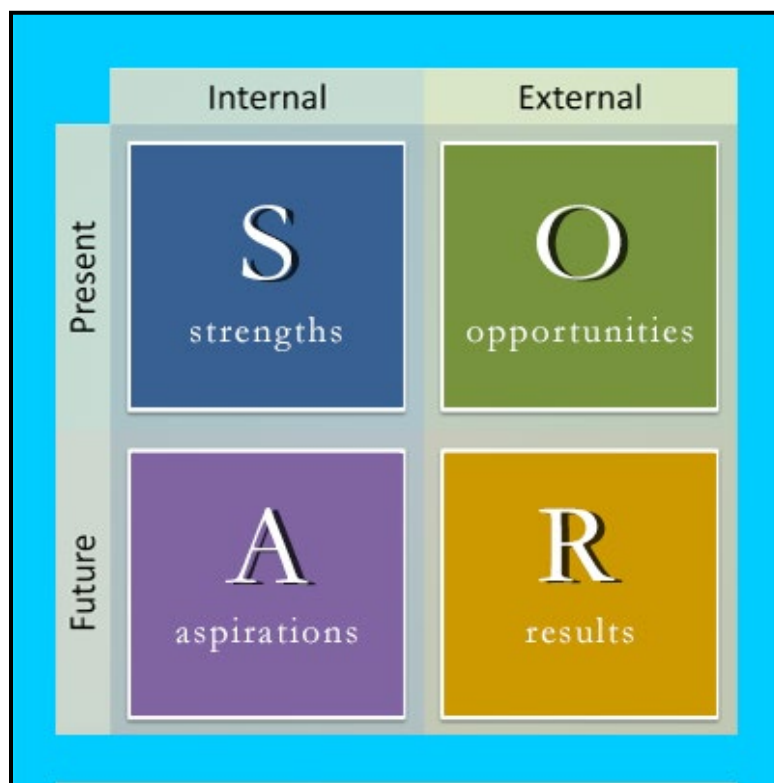


Figure 2. SOAR Analysis

QSPM is obtained from the calculation results by multiplying the average weight with each identification of the company's internal and external environment with the attractiveness value (AS) so that the total attractiveness value (TAS) is obtained (Rohmawati, 2017). To compile the QSPM matrix, the following steps are carried out (Mujiastuti et al, 2019):

1. Create an internal and external list on the QSPM column obtained from the IFE and EFE matrices.

2. Give weight to each internal and external factor (such as weights on the IFE and EFE matrices).
3. Evaluation of the matrix of stage 2 (matching) and identification of alternative strategies to be implemented
4. Determine the attractiveness score (AS-AS) with the following values
5. The Total Attractiveness Score (TAS) is obtained by multiplying the weight by the Attractiveness Score-AS.

3. Methodology

This research is a case study conducted on a computer embroidery business in Agam, West Sumatera. The method used is the analysis of internal and external factors by the SOAR method. Internal and external factors were analyzed to obtain alternative strategies based on identifying factors presented in the questionnaire. The questionnaire was tested using SPSS software to determine its validity and reliability of the questionnaire. Furthermore, data processing is carried out with the following steps:

1. Perform IFE and EFE matrix calculations
 2. Determine the position of the business by combining the IFE and EFE matrices on the IE matrix
 3. Conduct a SOAR analysis to obtain alternative marketing strategies
 4. Conducting QSPM matrix analysis to obtain a priority strategy for marketing computer embroidery business.
- Furthermore, evaluate the results of data processing that has been carried out.

4. Data Collection

The data collection carried out consists of primary data and secondary data. Primary data were obtained by conducting observations, interviews, and dissemination of questionnaires. Meanwhile, the secondary data obtained consists of computer embroidery business profiles and computer embroidery business sales data from 2019 – 2021.

4.1 Sales Data

The sales data used is sales data from 2019 – 2021. The following is the sales data of the computer embroidery business (Table 2):

Table 2. Computer Embroidery Business Sales Data

Year	Sales (pcs)	Average (pcs)
2019	40,475	3,373
2020	36,670	3,056
2021	33,255	2,772

4.2 Validity Test and Reliability Test

Validity and reliability tests were carried out to determine the accuracy and reliability of the questionnaires used to obtain research data from respondents. Validity tests and reliability tests were conducted using IBM SPSS Statistics 25 software.

1. Validity Test and Reliability Test For Internal Factor

Table 3. Validity Test For Internal Factors

Case Processing Summary			
		N	%
Cases	Valid	9	100.0
	Excluded ^a	0	.0
	Total	9	100.0

Based on the Table 3 above, it is known that the statement on the questionnaire is 100% valid with an N value of 9, indicating that the number of internal factor respondents is 9 people.

Table 4. Reliability Test For Internal Factors

Reliability Statistics	
Cronbach's Alpha	N of Item
0.934	10

Based on the Table 4 above, it can be seen that the value of Cronbach's Alpha internal factors is 0.934, where $0.934 > 0.6$ means that the research questionnaire is reliable and the number of statements is ten statements.

2. Validity Test and Reliability Test For External Factors

Table 5. Validity Test For External Factors

Case Processing Summary			
		N	%
Cases	Valid	73	100.0
	Excluded ^a	0	.0
	Total	73	100.0

Based on the Table 5 above, it is known that the statement on the questionnaire is 100% valid with an N value of 73, indicating the number of respondents of external factors is 73 people.

Table 6. Reability Test For External Factors

Reliability Statistics	
Cronbach's Alpha	N of Item
0.809	10

Based on the Table 6 above, it can be seen that the value of Cronbach's Alpha external factors is 0.809, where $0.809 > 0.6$ means that the research questionnaire is reliable and the number of statements is ten statements.

5. Results and Discussion

5.1 SOAR (Strengths, Opportunities, Aspirations, and Results)

The steps of the analysis performed on the SOAR matrix are as follows:

5.1.1 Matrix Of Internal Factors Evaluation (IFE)

This matrix is carried out to identify internal factors contained in computer embroidery efforts consisting of strength and aspiration factors. In this matrix, weights and ratings are calculated on each factor, and peer score calculations are carried out to obtain a total score of internal factors. (Table 7)

Table 7. Recapitulation of Internal Factors

No	Internal Factors	Average		Score
		Weight	Rating	
Strength				
1	Offers a variety of order types	0.1032	3.89	0.402
2	Using your own business capital	0.1032	3.89	0.402
3	The price of the product corresponds to the quality	0.0944	3.56	0.336
4	Has a variety of prices	0.1032	3.89	0.402
5	Have a strategic sales location	0.1003	3.78	0.379
6	Do promotions to the maximum	0.1003	3.78	0.379

Aspiration				
7	Products are able to compete in the market	0.1003	3.78	0.379
8	Product promotion is carried out <i>offline</i> and <i>online</i>	0.0944	3.56	0.336
9	Provide discounted rates for large orders	0.1003	3.78	0.379
10	Expanding product sales and consumer branches through <i>online</i> media	0.1003	3.78	0.379
Total		1.000		3.770

5.1.2 Matrix Of External Factors Evaluation(EFE)

This matrix is carried out to identify external factors contained in computer embroidery efforts consisting of opportunities and result factors. In this matrix, weights and ratings are calculated on each factor, and peer score calculations are carried out to obtain a total score of external factors.(Table 8)

Table 8. Recapitulation of External Factors

No	External Factors	Average		Score
		Weight	Rating	
Opportunity				
11	The business carried out provides financially promising profits and can continue to be developed	0.0987	3.658	0.361
12	Marketing expansion can be done by optimizing the use of social media	0.1020	3.781	0.386
13	Sales have increased ahead of the new school year or the beginning of the semester	0.0998	3.699	0.369
14	Affordable raw materials and easy to obtain	0.0983	3.644	0.358
15	Obtaining government support in developing businesses	0.0991	3.671	0.364
16	Fairly wide market share	0.0998	3.699	0.369
Result				
17	Expanding marketing reach	0.1002	3.712	0.372
18	Increase sales in the company	0.1013	3.753	0.380
19	Increase the ability of sellers and employees to market products	0.1009	3.740	0.377
20	Can establish good cooperation with various parties	0.0998	3.699	0.369
Total		1.000		3.706

5.1.3 Matrix Of Internal-External (IE)

The Internal-External Matrix (IE) is obtained from the fusion between the IFE and EFE matrices. The IFE matrix is on the X-axis, and the EFE matrix is on the Y-axis. In the IE matrix, it is known that the business position is in cell 1. That is, the cell grows and develops. (Figure 3)

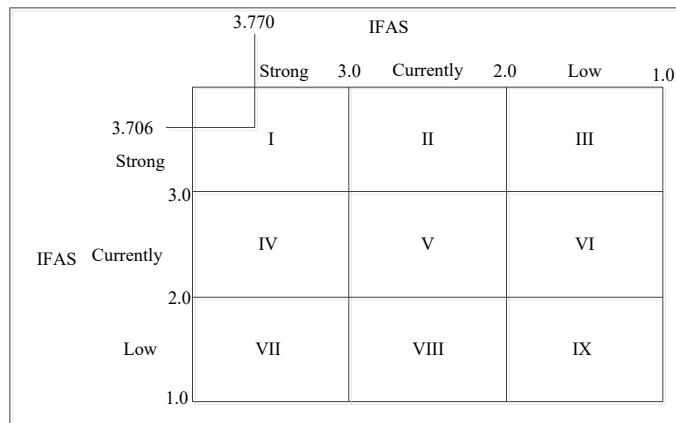


Figure 3. IE Matrix

5.1.4 SOAR Analysis

SOAR analysis combines strategic factors by leveraging strengths and opportunities to obtain aspirations and outcomes. The SA, OA, SR and OR strategies are combined in the SOAR analysis.(Table 9)

Table 9. SOAR Analysis

Internal Factors	Strengths (S)	Opportunities (O)
External Factors		
	<ol style="list-style-type: none"> Offers various types of orders Using your business capital The price of the product corresponds to the quality Has price variations Have a strategic sales location Promote to the maximum 	<ol style="list-style-type: none"> The business carried out provides financially promising profits and can continue to be developed Marketing expansion can be done by optimizing the use of social media Sales increase ahead of the new school year or at the beginning of the semester Raw materials are affordable and easy to obtain Obtaining government support in developing businesses The market share is quite wide
Aspirations (A)	SA Strategy	OA Strategy
<ol style="list-style-type: none"> Products can compete in the market Product promotion is carried out offline and online Provide discounts for large orders Expanding product sales and consumer branches through online media 	<ol style="list-style-type: none"> Develop various types of orders by improving product quality so that they can survive and cross the market. Optimize promotional activities offline and online. Utilizing the strategic location of sales to increase the existence and durability of products in the market 	<ol style="list-style-type: none"> Take advantage of discounts on large bookings at the beginning of the new teachings. Increase business development by expanding marketing and sales using an online system.
Result (R)	SR Strategy	OR Strategy
<ol style="list-style-type: none"> Expand marketing reach Increase sales at the company Improve the ability of sellers and employees to market products 	<ol style="list-style-type: none"> Improve the quality and variety of product offerings and optimize promotions to improve exploration. Make a strategic sales 	<ol style="list-style-type: none"> Improve the marketing capabilities of sellers and employees by utilizing a vast market share Make government policy support to expand cooperative relations with

4. Can establish good cooperation with various parties	location to establish cooperation with various parties. 3. Using variations in prices and product types improves the ability to market various orders.	various parties. 3. Expanding the marketing area by utilizing a vast market share
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5.2 Quantitative Strategic Planning Matrics (QSPM)

The QSPM matrix is carried out to select alternative strategies obtained in the SOAR analysis based on identifying internal and external factors. The QSPM matrix is obtained by calculating the average weights of each internal and external factor and the attractiveness value (AS) so that the total attractiveness value (TAS) is obtained. The sorting of alternative priority strategy strategies is as follows: (Table 10)

Table 10. Alternative Strategies

No	Alternative Strategies	TAS Score	Rank
1	Develop various types of orders by improving product quality in order to survive and compete in the market	6.999	5
2	Optimizing offline and online promotional activities	7.198	2
3	Utilizing strategic sales locations to increase the presence and defense of products in the market	6.897	9
4	Take advantage of discounts on large bookings at the beginning of knowing new teachings	6.793	10
5	Increase business development by expanding marketing and sales using online systems	7.000	4
6	Improve the quality and variety of product offers and optimize promotions to increase sales	7.310	1
7	Making a strategic sales location to be able to establish cooperation with various parties	7.003	3
8	Using variations in prices and types of products to improve the ability to market various orders	6.898	8
9	Improving the marketing capabilities of sellers and employees by leveraging a wide market share	6.695	11
10	Make government policy support to be able to expand cooperative relations with various parties	6.903	6
11	Expanding marketing areas by utilizing a wide market share	6.902	7

6. Conclusions

The internal factor evaluation (IFE) matrix analysis obtained a total score of 3.770. In the External Factor (EFE) matrix analysis, a total score of 3.706 was obtained. In the IE matrix, a combination of internal and external factors is carried out, resulting in the business's position being in cell 1. This means that the business is on a strategy of growing and developing.

In the SOAR analysis, 11 alternative strategies were obtained from four factors consisting of 3 SA strategies, 2 OA strategies, 3 SR strategies, and 3 OR strategies.

Based on the analysis of the Quantitative Strategic Planning Matrix (QSPM) matrix, the selected priority strategy was obtained, namely improving the quality and variety of product offerings and optimizing promotions to increase sales with a total attractiveness value (TAS) of 7.310.

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Biography

Bunga Yulia Nazra is a student of the Department of Industrial Engineering, Sultan Syarif Kasim State Islamic University, Indonesia.

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