
Swot Analysis in Improving Competitiveness of Cleanwear Shoe Washing Services

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Abstract:

This study aims to improve the competitiveness of Cleanwear shoe washing services Surabaya City branch through SWOT analysis, namely strengths, weaknesses, opportunities, threats. This study used a qualitative descriptive approach, and data collection was carried out through data narratives, namely interviews (oral and written), observation, and documentation. The principle of suitability and adequacy is based on the research of informants. There are five informants who serve as the basis of this study. Results show that the current state of Cleanwear is in quadrant 1, which indicates that the company is in a favorable condition because the company has the ability to select multiple opportunities at this time to enable optimal expansion, growth, and progress. In this condition, the Surabaya branch of Cleanwear faces a huge market opportunity. The strategy that must be carried out is to minimize internal problems so that it can seize better market opportunities.

Keywords: Competitiveness, SWOT Analysis, and Business

1. Introduction

Globalization, fueled by technological advancements, has brought about profound changes in various facets of life, including social, economic, and religious spheres. Particularly in the economic realm, globalization has reshaped cooperation dynamics, business methodologies, and governmental policies across nations. As a consequence, businesses now face a heightened level of competition, extending beyond local markets to encompass international arenas. In this milieu, the imperative for business owners lies in their ability to discern the evolving landscape and navigate the increasingly cutthroat sales environment with astuteness and ethical integrity.

The escalating volume of products, myriad competitors, and rapid technological progress catalyze intense rivalries among businesses. In response, companies must ascertain the environmental factors influencing their operations to formulate effective strategies conducive to success. Consequently, the significance of competition in determining business triumph becomes incontrovertible.

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Within this context, the service industry emerges as a locus of heightened activity, driven by consumers' burgeoning inclination towards engaging with service providers. Amidst the burgeoning globalization, the service sector finds itself entrenched in a fiercely competitive milieu, where innovation and creativity are prerequisites for success. By offering products complemented by exemplary service, companies can foster positive consumer perceptions, thereby enhancing satisfaction and fostering customer loyalty.

The preparedness of business owners to confront competition emerges as a pivotal factor in navigating the business landscape. Whether small enterprises or conglomerates, all entities grapple with the exigencies of competition. In the service sector, astute business strategies must reconcile the interests of both providers seeking profitability and consumers aspiring for satisfactory experiences.

Various industries, such as apparel and footwear, epitomize the intense competition pervading the contemporary business environment. The evolution of clothing and shoe industries from mere necessities to cultural emblems underscores the multifaceted nature of consumer preferences. Notably, Indonesia's burgeoning shoe industry exemplifies this transition, reflecting the evolving consumer landscape and the concomitant opportunities for service-oriented ventures.

Among the burgeoning service businesses, laundry services dedicated to shoe care have gained prominence. Distinct from conventional laundry services, shoe care establishments cater to a niche market, offering specialized services encompassing cleaning, repair, and maintenance. However, despite the burgeoning demand for such services, informational asymmetry persists, hindering consumers' access to comprehensive service details and optimal service localization.

The burgeoning demand for shoe care services in Indonesia mirrors the evolving consumer ethos, characterized by a discernible shift towards shoes as lifestyle accessories. Consequently, opportunities abound for businesses offering specialized shoe care services, tapping into consumers' growing penchant for preserving and enhancing their footwear investments.

Cleanwear Indonesia, a burgeoning shoe care enterprise, exemplifies the entrepreneurial spirit pervading the contemporary business landscape. Founded by Hendy Satria Utama in 2018, Cleanwear has rapidly expanded its footprint, emerging as a formidable competitor in Surabaya's service sector. With two branches already operational, Cleanwear epitomizes the transformative potential inherent in astute entrepreneurship and customer-centric service provision.

In elucidating the trajectory of Cleanwear Indonesia and its positioning within the competitive landscape, this research seeks to unravel the underlying dynamics shaping the contemporary service industry. By delving into Cleanwear's journey, the study

aims to elucidate the factors underpinning its rapid growth and discern its implications for the broader service sector. Through a comprehensive analysis of Cleanwear's strategies and market positioning, this research endeavors to illuminate avenues for enhancing competitiveness and fostering sustainable growth within the service domain.

2. Theoretical Background

Business Strategy

Business strategy, which consists of two words, "strategy" and "business", is a process undertaken by top leaders to create plans that focus on the organization's upcoming goals, along with the creation, methods, or efforts to achieve them. However, a business is a trading venture in which a group of people work together to make a profit by making and selling goods or services to meet customer needs. Therefore, business strategy is an effort to achieve goals through the implementation of policies and actions that provide excellence (Herli, 2021).

Strategy objectives are explanations of objectives that determine how the company will carry out its mission. These objectives can be programmes, policies, or management, and are communicated in a way that allows an assessment of how those goals will be achieved in the future. To strengthen the competitive position of business goods and services in a particular industry or market segment, strategies are used at the product or business unit level. It is very important to have a business strategy that sets the vision and mission of the company. Since current results do not guarantee future results, an evaluation must be made before the company implements such business strategy.

Competitiveness

Competitiveness is an unavoidable aspect of economics, especially in the process of manufacturing products to meet market demand. Ricardo's idea of comparative advantage in the 18th century at least "preliminated" the term competitiveness, but this term is now receiving increasing attention, especially in the last three decades. It is worth admitting that the idea of competitiveness is most often used on a microscale. This is because, according to classical microeconomic theory, in a competitive business environment, firms are essentially trying to optimize profits, or profitability, because profits determine the success of a business. In a perfect competition model, businesses that are uncompetitive and have average costs higher than the market price of the

products they offer are considered uncompetitive will suffer losses, because they are not competitive.

The survival of an enterprise depends on the level of its competitiveness. To win the current market, as a business owner must have strong competitiveness. Competitiveness is the way a business operates in a competitive market, as opposed to other businesses selling the same goods or services. Companies that have the ability to make high-quality products or services will be able to compete.

SWOT Analysis

SWOT analysis is the process of identifying the various components that make up a company's overall strategy. The underlying logic of this analysis makes it possible to maximize strengths and opportunities while minimizing weaknesses and threats. The strategy decision-making process is always related to the development of the company's strategy, mission, goals, and policies. Therefore, strategic planning must consider the factors of corporate strategy, known as SWOT analysis. SWOT analysis evaluates each other's internal (strengths and weaknesses) and external (opportunities and threats) components.

Opportunities and threats (O and T) are influenced by external factors, including events that occur outside the company by influencing the decision making made by the company. External factors include the business environment and macro industries, politics, economics, law, population, technology, and social and cultural life. Strengths and Weaknesses (S and W) are influenced by internal elements, including circumstances outside the company. All types of functional management include these internal factors, which include finance, operations, human resources, research and development, management information systems, and corporate culture.

3. Research Methods

This research applies qualitative methods. This type of field research aims to thoroughly study and understand the growth of the shoe washing business and the factors that can affect customers. Furthermore, the researcher decided that this research would be relevant if using qualitative methods because the researcher wanted to understand, study, and present the business strategy of the shoe washing company in the Surabaya branch of "Cleanwear".

This research was conducted at the Surabaya branch of the shoe washing shop "Cleanwear", precisely on Jalan Panglima Sudirman No. 60 Surabaya City.

The research time was carried out for approximately 3 months, from October to December 2023. Meanwhile, research data is obtained through observation, documentation, interviews, and other data collection instruments. In this study, SWOT analysis was used to identify development strategies. This analysis analyzes external factors, consisting of opportunities and threats, as well as internal factors, consisting of strengths and weaknesses.

4. Results and Discussion

On Monday, October 9, 2023, researchers interviewed Mr. Hendy Satria Utama as CEO of Cleanwear and Mrs. Vindy Sugestian as wife and operational manager of Cleanwear. The research was conducted at Cleanwear branch of Jalan Panglima Sudirman No. 60. As for shop heads and customers, the author conducted an interview on December 29, 2023.

Based on the results of an interview with the owner of Cleanwear, Mr. Hendy, it is known that the beginning of the establishment of Cleanwear was in 2018, precisely in November. The main reason for setting up a shoe washing business is that you don't have to spend a lot of capital to start it. The initial obstacles when opening a business are differences of opinion with wives, as well as narrow business premises.

The strength of Cleanwear lies in its strategic location, which is in the center of the City. In addition, Cleanwear also has a shoe shuttle service system for customers throughout Surabaya. By using eco-friendly products, namely recyclable tote bags, it will also attract consumers who care about the environment and become part of the strength of Cleanwear. Another strength lies in the quality of service, Cleanwear is able to provide the best quality shoe washing service so that customers will be satisfied with the results provided.

The weakness of this shoe washing service business is the absence of discounts or discounts even though customers wash a lot of shoes. This is because the target market of Cleanwear for the upper middle class. The lack of time efficiency in the shoe process is also a weakness of Cleanwear, citing too many queues piling up. In addition, inadequate facilities, the absence of a comfortable waiting room for customers who will wash shoes and the lack of a management system in Cleanwear have a negative impact on operational efficiency and effectiveness.

The opportunity that exists in this shoe washing service explained by the owner is the offering of shoe care services that can increase revenue and get more customers by offering shoe care services such as repaint, and others. There is

also an environmental awareness trend, customers today tend to choose environmentally friendly businesses, so Cleanwear can attract customers by using fabric-based tote bag packaging. Increasing awareness of cleanliness now makes many people aware of the importance of cleanliness through Instagram content, including shoe hygiene, will increase the demand for shoe washing services on Cleanwear. Not only that, the opening of e-commerce, one of which is shopee, which is to sell cleaners, glue, rags, brushes, or basic shoe washing materials can also be an additional income for the owner.

According to the owner of Cleanwear, the most perceived threat today is similar business competition, namely competition with other shoe laundry businesses around the Cleanwear store is a threat that must be faced. There is also economic shrinkage in 2020-2022, when the economy is shrinking so that there is a reduction in customer spending to wash shoes on the grounds that they rarely leave the house and increasing operational costs from year to year such as electricity and water can affect operating profit margins. In addition, the development of *e-commerce* can make customers prefer to buy their own shoe soap instead of having to use shoe washing services.

SWOT Analysis

Internal Factors	External factors
Strengths	Opportunities
1. Strategic location 2. Provide pick up and delivery services 3. Using environmentally friendly packaging 4. Prioritizing service quality	1. Add shoe care services 2. Environmental awareness trend 3. Expand business by opening branches 4. Increased awareness of hygiene
Weakness	Threats
1. No comfortable waiting room for customers 2. High competition 3. No discounts or rebates	1. Similar business competition 2. Economic depreciation 3. Increased operational costs

4. Lack of price variation	4. The advancement of e-commerce can make customers prefer to buy their own shoe washing equipment instead of having to use shoe washing services.
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IFAS matrix

In order to know how much influence the internal strategic factors of Cleanwear, the IFAS (*Internal Factor Analysis Summary*) matrix is used. This matrix generates a weighted total value from the sum of the totals of weight multiplications and ratings for each of Cleanwear's internal strategic factors.

Researchers rated each factor in the study from 1.0 (very important) to 0.0 (not important). They assessed each factor based on the results of interviews with informants, namely owners, employees, and consumers. Researchers used the average results from the questionnaire to determine the rating.

IFAS Matrix Rating Results

<i>Strength</i>						
Code No	1	2	3	4	5	Average
S1	4	4	3	3	4	3,6
S2	4	3	3	4	3	3,4
S3	3	3	3	3	3	3,0
S4	4	3	3	3	3	3,2
<i>Weakness</i>						
W1	2	2	2	1	1	1,6
W2	2	2	3	2	2	2,2
W3	2	2	2	2	1	1,8
W4	3	2	3	2	2	2,4

IFAS Matrix Results on Cleanwear

Internal Key Factors	Weight	Rating	Score
Strength			
1. Strategic location	0,17	4	0,68
2. Provide pick up and delivery services	0,16	4	0,64
3. Using environmentally friendly packaging	0,14	3	0,42
4. Prioritizing service quality	0,15	3	0,45
Total Power Score	0,62		2,19
Debilitation			
1. No comfortable waiting room for customers	0,07	2	0,14
2. Lack of use of time	0,10	3	0,3
3. No discounts or rebates	0,08	2	0,16
4. Lack of a management system	0,11	2	0,22
Total Weakness Score	0,36		0,82
Total Strength + Weakness Score	0,98		3,01

Overall, each internal factor received a strength score of 2.19 and weakness of 0.82, indicating that the sum of the strength scores was +1.37 higher than the sum of the *weakness* scores.

EFAS matrix

The EFAS (*External Factors Analysis Strategy*) matrix is used to measure how much influence the outside elements of cleanwear have. This matrix is also used to assess each of the factors of the external strategy of washing clothes. The results of the assessment resulting from interviews with resource persons are as follows:

EFAS Matrix Rating Results

Opportunity						
Code No	1	2	3	4	5	Average
O1	4	4	3	3	3	3,4
O2	3	3	3	2	4	3
O3	2	3	3	4	4	3,2
O4	3	3	4	3	3	3,2
Threat						
T1	2	2	3	3	3	2,6
T2	2	2	2	3	2	2,2
T3	4	3	2	3	3	3
T4	3	4	3	3	3	2,2

EFAS Matrix Results on Cleanwear

External Key Factors	Weight	Rating	Score
Chance			
1. Add shoe care services	0,15	3	0,45
2. Environmental awareness trend	0,13	3	0,39
3. Utilizing e-commerce to sell shoe cleaning tools	0,14	2	0,28
4. Increased awareness of hygiene	0,14	2	0,28
Total Opportunity Score	0,56		1,4
Threat			
1. Similar business competition	0,11	2	0,22
2. Economic depreciation	0,10	1	0,1
3. Increased operational costs	0,13	3	0,39

4. The advancement of e-commerce can make customers prefer to buy their own shoe washing equipment instead of having to use shoe washing services.	0,10	3	0,3
Total Threat Score	0,44		1,01
Total Opportunity + Threat Score	1		2,41

EFAS results, based on the findings of the current analysis, presented in the table above, show that the opportunity factor has a total score value of 1.4, while the threat factor has a total score value of 1.01. This results in a higher total opportunity factor score value of +0.39 compared to the total threat factor score value.

SWOT Matrix

A business can use a SWOT strategy to identify its strategic components. The matrix can show opportunities and threats from outside sources, and can generate four different strategies that business owners can use to cope with increasingly competitive competition. The following table shows the SWOT Cleanwear matrix:

SWOT Cleanwear Matrix Results

<div>IFAS</div> <div>EFAS</div>	<i>STRENGTH (S)</i> <ol style="list-style-type: none"> 1. Strategic location 2. Provide pick up and delivery services 3. Using environmentally friendly packaging 4. Prioritizing service quality 	<i>WEAKNESS (W)</i> <ol style="list-style-type: none"> 1. No comfortable waiting room for customers 2. Lack of time efficiency 3. No discounts or rebates 4. Lack of a management system
<i>OPPORTUNITIES (O)</i> <ol style="list-style-type: none"> 1. Add shoe care services 2. Environmental awareness trend 3. Utilizing e-commerce (shopee) to sell shoe cleaning tools 4. Increased awareness of hygiene 	<i>SO Strategy</i> <ol style="list-style-type: none"> 1. Maintain business location in downtown area 2. Add couriers for pickup and delivery services to make it faster 3. Increase the choice of environmentally friendly packaging 4. Maintaining quality of service to consumers 	<i>WO Strategy</i> <ol style="list-style-type: none"> 1. Add facilities, especially comfortable seating for customers 2. Add employees according to the jobdesk 3. Provide discounts to repeat customers or with minimal washing 4. Conduct an evaluation together with the entire Cleanwear team
<i>THREATS (T)</i> <ol style="list-style-type: none"> 1. Similar business competition 2. Economic depreciation 	<i>ST Strategy</i> <ol style="list-style-type: none"> 1. Maintain facilities and services in the face of competitors of other shoe washing services 	<i>WT Strategy</i> <ol style="list-style-type: none"> 1. Open a new branch in a place where there are still few competitors 2. Recognize and put customers first

3. Increased operational costs 4. The advancement of e-commerce can make customers prefer to buy their own shoe washing equipment instead of having to use shoe washing services.	2. Focus on maximizing service to maintain existing customers 3. Hire freelancers for seasonal projects 4. Develop competitiveness by selling products used by Cleanwear through e-commerce	3. Reduce operational costs while maintaining quality to be able to compete 4. Promote continuously
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SWOT Strategy Alternative Matrix

IFAS EFAS	STRENGTH (S)	WEAKNESS (W)
OPPORTUNITIES (O)	SO Strategy $2.19 + 1.4 = 3.59$	WO Strategy $0.82 + 1.4 = 2.22$
THREATS (T)	ST Strategy $2.19 + 1.01 = 3.2$	WT Strategy $0.82 + 1.01 = 1.83$

5. Conclusion and Advice

Based on all the results of research that has been conducted by researchers on Cleanwear shoe washing services, some conclusions can be made as follows:

1. Cleanwear can increase competitiveness by prioritizing service quality, opening branches in strategic locations, using environmentally friendly packaging, and providing pick up and delivery services throughout the city of Surabaya without a minimum of shoe washing.
2. The weighted value of the IFAS Matrix is 1.37 which indicates that Cleanwear has a strong internal position, while the weighted value of the

EFAS Matrix is 0.39 which indicates that Cleanwear also has a strong enough position in the face of environmental changes.

3. It is well known that Cleanwear is in favorable conditions because it is in the first quarter because companies can choose several opportunities that can enable optimal expansion, growth, and progress.

Taking into account the conclusions mentioned above, the author has some recommendations for cleanwear that owners can consider:

1. To increase its competitiveness, Cleanwear must improve its competitive strategy using SWOT analysis by taking advantage of existing opportunities including improving shoe care services, improving management systems, and improving shoe processing time efficiency.
2. Companies must continue to maximize their best strengths to take advantage of current opportunities in facing threats like competitors. By doing this, the company will be more competitive than its competitors.
3. Cleanwear owners must be more active in training their employees with the aim of improving employee performance in speeding up shoe work, but still by maintaining the quality of shoe washing.

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