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Business Development Strategy Dahan Coffee using SWOT analysis and QSPM

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Abstract: Dahan Coffee is a cafe business that continues to grow in the midst of competition in the culinary industry. This research aims to formulate a business development strategy for Dahan Coffee using SWOT (Strengths, Weaknesses, Opportunities, Threats) and QSPM (Quantitative Strategic Planning Matrix) analysis. This research method involves collecting primary data through interviews and observations, as well as secondary data from company reports and related literature. SWOT analysis was used to identify internal and external factors affecting the business, while QSPM was applied to prioritize strategies based on the relative attractiveness of each strategy alternative. The results show that Dahan Coffee has strengths in consistent product quality and strategic location, but faces challenges in the form of high competition and limited production capacity. The main opportunities include increasing coffee consumption trends with digital marketing and potential collaboration with local communities, while the main threat is changing consumer preferences. Based on QSPM analysis, the recommended priority strategies are product diversification and increased digital marketing activities. The implementation of these strategies is expected to improve Dahan Coffee's competitiveness and business growth in the future.

Keyword: SWOT analysis, QSPM, Marketing strategy, & Dahan Coffee Shop.

INTRODUCTION

The culinary industry is growing in this modern era, coffee shops are familiar to people in Indonesia. Many Indonesians prefer to enjoy coffee in coffee shops directly. Consumers can now access product information through the internet and social media platforms (Jaya & Ruchjat, 2018). Enjoying coffee at a coffee shop has become a lifestyle for Indonesians today. A coffee shop is a place that provides drinks such as coffee, tea, and other drinks. The coffee industry in Indonesia continues to show significant growth in recent years. Changing lifestyles and the increasing culture of coffee consumption make the cafe business one of the competitive and promising sectors.

Coffee is a commodity that plays an important role in Indonesia's economy. Apart from being one of the largest coffee producing countries in the world, coffee consumption in

Indonesia continues to increase every year. Due to the increasing trend of drinking coffee in society, franchise businesses especially in the field of beverages, especially coffee, are highly favored by businessmen today (Sukarja & Lubis, 2023.). This phenomenon has created great opportunities for businesses in the coffee industry sector, including coffee shops, which are increasingly mushrooming in various regions. One business that has taken part in this trend is Dahan Kopi, a coffee shop that focuses on providing quality coffee with a cozy atmosphere for customers.

Dahan Kopi is one of the coffee shops located on Jl. Raya Banjaran- Soreang KM 2.1 Ciherang, Kec. Cangkuang, Bandung Regency 40377. This coffee shop has been around since 2016, at the beginning of the opening of this coffee shop it was always visited by various groups because in addition to providing ready-to-eat food and drinks. Dahan Coffee, as one of the business owners in this industry, faces the challenge of maintaining competitiveness amidst high market dynamics. With many new cafes popping up, the ability to continuously adapt and develop business strategies is crucial for business sustainability.

In an effort to compete and meet market needs, Dahan Coffee Shop needs to identify the right marketing strategy. Selection of inappropriate strategies can result in decreased competitiveness, weakened market share, and potential financial losses. Therefore, a comprehensive analytical approach is needed to evaluate the internal and external conditions of the company, and determine the strategic steps that best suit the existing situation and opportunities. Dahan Coffee has a competitive advantage in the form of guaranteed product quality and a strategic location that attracts customers. However, intensifying competition, fluctuating consumer preferences, and limited operational capacity demand a more planned business management. Therefore, an in-depth analysis is needed to identify the strengths, weaknesses, opportunities and threats affecting the business. To make regional superior commodities, especially coffee, more competitive in the future, it is necessary to create a policy strategy for their development.

The SWOT (Strengths, Weaknesses, Opportunities, Threats) and QSPM (Quantitative Strategic Planning Matrix) analysis approaches were selected in this study as effective methods for formulating business development strategies. SWOT analysis is a comprehensive identification of various factors to create a business strategy (Munandar et al., 2020). SWOT analysis enables the identification of the company's internal and external conditions, while QSPM provides a framework for prioritizing the most relevant strategic alternatives.

This research aims to develop a business development strategy that can increase the competitiveness of Dahan Coffee. Thus, it is hoped that the results of this study can be a practical reference for the manager of Dahan Coffee in developing his business and making an academic contribution in the field of business strategy management.

METHOD

This research uses a qualitative approach with the aim of deeply understanding the internal and external conditions of Dahan Coffee Shop, as well as formulating marketing strategies based on SWOT and QSPM analysis. This method provides a comprehensive overview of the internal and external situations affecting the company. It also maps out the critical components that support the company's operations and sustainability (Puspita & Muttaqin, 2024). This approach was chosen because it is able to explore more contextual information related to factors that influence marketing strategies. This research is descriptive exploratory, which aims to provide a comprehensive picture of the company's situation through in-depth analysis of qualitative data. Descriptive method is a data search method with precise interpretation because it makes a description of the situation or activity (Wijaya, 2021). Descriptive analysis is used to collect data to gain a deeper understanding of the research subject (Mubarok, 2015).

Qualitative and descriptive research collects data naturally. The researcher serves as the main tool in this method (Rizki Pratama et al., 2023). The owner of Dahan Coffee Shop is one of the research objects. With this qualitative approach, the research is expected to provide in-depth and applicable insights to support Dahan Coffee Shop in determining marketing strategies that are suitable for its business conditions and needs. The direct interview method with the owner of the culinary coffee shop dahan kopi in Banjaran, Bandung Regency, was used to identify the main data source.

RESULTS AND DISCUSSION

Strategic management includes the allocation of resources, such as capital and human resources, for these purposes. In addition, strategies are made so that companies can compete by using planning that is different from their competitors (Maulana et al., 2023). The plan or direction made by an organization to achieve its stated business goals is called strategic management (Budiman et al., 2021).

After conducting interviews based on direct observation of the “Dahan Kopi” coffee shop business actors to determine internal factors (strengths and weaknesses), data collection was carried out to evaluate the internal problems of the dahan coffee business and carry out weighting. As a result of observations and interviews conducted by researchers, there are several conclusions that can be drawn. interviews about SWOT were conducted at dahan coffee shop, which is considered to have mastered and understood all elements in this business.

This is very important because internal factors affect the company directly or indirectly. In addition, the researcher evaluated the interview findings to identify external factors, namely opportunities and threats, which will be outlined below.

Table 1. Calculation of the Weight of the IFE matrix “Dahan Kopi”

No	Strength	Rate	Weight	Score
1	Distinctive coffee flavor image	2.4	0,09	0.21
2	Adequate coffee shop facilities Wifi,toilet	3	0,09	0,27
3	quality raw materials	2.6	0,09	0,23
4	relatively competitive price	2.7	0,10	0,28
5	Access to coffee suppliers from farmers so that the authenticity of coffee is guaranteed	2.6	0,11	0,29
6	Products that prioritize quality	2.9	0.13	0.36
Total				1.64

No	Weakness	Rate	Weight	Score
1	Limited resources	1.5	0,14	0.21
2	Limited promotion	1.3	0,08	0,10
3	Limited innovation	0.8	0,10	0,08
4	Inconsistent availability of goods	1.5	0,06	0,09
Total			1,00	0,48

Source: Primary Data (2024)

To compile the IFE matrix, weighting and scoring are carried out to obtain the total IFE. These weightings and assessments were obtained from direct observation and interviews with business owners. In SWOT analysis, the IFE metric is used to find and evaluate the internal components of the company, which include strengths and weaknesses (Darmawan et al., 2024.). The IFE matrix consists of the strengths and weaknesses of “Dahan Kopi” coffee shop. The results of the identification of internal SWOT factors showed a strength of 1.64 and a weakness of 0.48, which resulted in a total score of 2.21, which is the total value owned by the coffee shop. The research results are discussed thoroughly in this section. The main strength of this coffee business is having a vision by prioritizing coffee quality with a score of 0.36 and a very significant weakness is due to limited resources with a score of 0.21.

Table 2. calculation of the weight of the EFE matrix “Dahan Kopi”

No	Opportunities	Rate	Weight	Score
1	The growing trend of coffee lovers	2.4	0,09	0,21
2	Existence of promotional media with influencer collaboration	3.1	0,09	0,28
3	Digital market growth opportunities	2.6	0,09	0,23
4	Opportunities for wedding package services	2.8	0,10	0,29
5	Coffee shops are well known in various circles	2,4	0,11	0,27
6	The existence of promotional media using social media	2.5	0,13	0,31
Total				1,59

No	Threats	Rate	Weight	Score
1	Many competitors in the same field	1.0	0,14	0,14
2	Competitors with high capital use high-class products	1.6	0,08	0,13
3	Unstable decline in consumer purchasing power	2.0	0,10	0,21
4	The number of competitors by providing low prices	1.8	0,06	0,11
Total				1,00
				0,49

Source: Primary Data (2024)

Situation Analysis is part of the most popular model in SWOT Analysis (Nuryani et al., n.d., n.d.). To get the total EFE, weighting and rating are carried out to compile the EFE matrix results (Monika & Wijaya, 2024.). The EFE matrix is used to evaluate external factors including Opportunities and Threats that exist in the Pangalengan sub-district silkworm business (Selvia & Djuwendah, 2019). This was done through interviews and direct observation at the location. EFE weighting consists of groups of opportunities and threats owned by the coffee shop “Dahan Kopi”. The results of the EFE matrix weighting processing gave a score of 1.59 for opportunities and a score of 0.49. The biggest opportunity that dahan kopi has is the opportunity for promotion on social media, this point has a score of 0.31. for threats, so the EFE matrix produces a score of 2.08. The biggest threat factor is the decline in unstable consumer purchasing power with a score of 0.29. Based on the results of the IFE and EFE matrices, the data analysis will be described here:

IFE Matrix

X= total strengths - total weaknesses X = 1.64 - 0.48

X = 1.16

Based on the EFE matrix, we can determine the position of the Y-axis with the following formula:

Y= total opportunities - total threats Y = 1.59 - 0.49

Y = 1,10

IFE Matrix

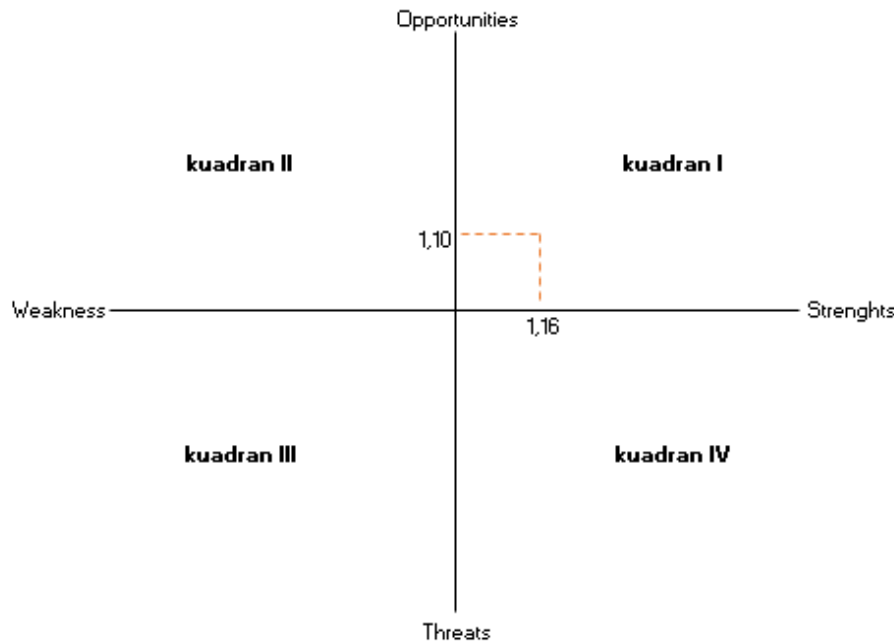


Figure 1. IFE and EFE Matrix Quadrants

Source: Processed data, 2024

According to the SWOT quadrant shown in Figure 1, several things can be found. First, the company's position in quadrant 1 shows a very favorable situation because the company has internal strengths and opportunities, so the company can take advantage of these opportunities for profit. Therefore, for the “Dahan Kopi” business, the most appropriate approach is an aggressive development approach, which means market penetration and market development.

SWOT Matrix

Table 2. SWOT Interaction Matrix

	Strengths	Weaknesses
	<ul style="list-style-type: none"> ✓ Distinctive coffee flavor image.S1 ✓ Adequate coffee shop facilities (Wifi, toilet, and air conditioning). S2 ✓ Quality raw materials. S3 ✓ Relatively competitive price. S4 ✓ Access to coffee suppliers from farmers so that the authenticity of the coffee is guaranteed. S5 ✓ Products that emphasize quality. S6 	<ul style="list-style-type: none"> ✓ Resource constraints. W1 ✓ Limited promotion. W2 ✓ Limited innovation. W3 ✓ Inconsistent availability of goods. W4
Opportunities	S-O Strategy	W-O Strategy
<ul style="list-style-type: none"> ✓ The growing trend of coffee lovers. O1 ✓ The existence of promotional media with influencer collaboration. O2 ✓ Digital market growth 	<ul style="list-style-type: none"> ✓ created official accounts on several social media with the aim of providing information about Dahan Kopi's location, facilities, menu, prices, as well as information about the authenticity of the coffee raw 	<ul style="list-style-type: none"> ✓ Adding employees in order to manage additional raw materials and services and make new innovations (W1, W3, W4, O1, O2, O4). ✓ Promoting additional menus and coffee with new innovations (W2, W3, O1, O2, O3, O4, O6).

✓ opportunities. O3	✓ materials used. (S1,S2,S3,S4,S5-O1,O3,O5,O6)	
✓ Opportunity for wedding package services. O4	✓ Collaborating with coffee influencers with the aim of promoting various menus at affordable prices and the distinctive taste image of quality coffee beans. (S1,S2,S3,S4,S6 - O1,O2,O3,O4,O5,O6)	
✓ Coffee shop is well known in various circles. O5		
✓ The existence of promotional media using social media. O6		
Threats	S-T Strategy	W-T Strategy
✓ Many competitors in the same field. T1	✓ Started to search for different raw material suppliers with the aim of creating a menu with a variety of prices with appropriate raw materials from cheap to expensive classes so that consumers are interested in a variety of menus according to their budget (S1,S3,S4,S5 - T1,T2,T3,T4).	✓ Making videos on social media of the process of making coffee with different raw materials and explaining the advantages of the various raw materials, this can provide knowledge to consumers about the advantages of coffee with different raw materials and an explanation of the different price variants (W1,W2,W3 - T1,T2,T3,T4).
✓ Competitors with high capital use high-end products. T2		
✓ Unstable decline in consumer purchasing power. T3		
✓ A large number of competitors with low prices. T4		

Source: Primary Data (2024)

The S-O strategy, also known as opportunity strength, is a strategy that relies on internal strengths to capitalize on opportunities. this strategy can be used by Dahan Kopi because by looking at the very significant strengths of the “Dahan Kopi” culinary business, an alternative approach to support business growth is to create official accounts on various social media to provide information about the location, facilities, menus, prices, and information about the authenticity of the coffee raw materials used. together with coffee influencers to promote a wide selection of menus of various prices and unique flavors of coffee beans ber This can be used to improve the development strategy for the “Dahan Kopi” coffee shop culinary business. In this section, the results of the study are explained and discussed with the results presented in various formats, such as graphs, tables, and figures, so that it is easy for readers to understand them (Grieshaber, 2020). Thus, the results of the SWOT analysis can be applied to the QSPM.

Quantitative strategic planning matrix (QSPM)

The QSPM Quantitative Strategic Planning Matrix was used to determine the main strategies. Superior and superior strategies were used to seize opportunities and minimize threats, and maximize Dahan Kopi's strengths and weaknesses. QSPM analysis and a prioritized SWOT matrix were used to assess the level of potential in the internal and external environment. The results of the prioritization of concerns indicate that alternative approaches can be applied. Table 3 describes the results of QSPM calculations as prioritized alternative strategies. These strategies were selected based on the level of importance or urgency of Dahan Kopi's weaknesses.

Table 3. Quantitative strategic planning matrix (QSPM)

No	Factor	Weight	AS	TAS	Rating
1	Created official accounts on several social media with the aim of providing information about Dahan Kopi's location, facilities, menu, prices, as well as information about the authenticity of the coffee raw materials used. (S1,S2,S3,S4,S5-O1,O3,O5,O6)	0.22	4	0.88	I
2	Collaborating with coffee influencers with the aim of promoting various menus at affordable prices and the distinctive taste image of quality coffee beans. (S1,S2,S3,S4,S6 - O1,O2,O3,O4,O5,O6)	0.19	3.8	0,72	II

No	Factor	Weight	AS	TAS	Rating
3	Adding employees in order to manage additional raw materials and services and make new innovations. (W1,W3,W4 - O1,O2,O4).	0.15	2	0,3.	IV
4	Promoting additional menus and coffee with new innovations. (W2,W3 - O1,O2,O3,O4,O6).	0.18	3	0.54	III
5	Started to search for different raw material suppliers with the aim of creating a menu with a variety of prices with appropriate raw materials from cheap to expensive classes so that consumers are interested in a variety of menus according to their budget.(S1,S3,S4,S5 - T1,T2,T3,T4).	0.10	1.5	0.15	VI
6	Making videos on social media of the process of making coffee with different raw materials and explaining the advantages of the various raw materials, this can provide knowledge to consumers about the advantages of coffee with different raw materials and an explanation of the different price variants.(W1,W2,W3 - T1,T2,T3,T4).	0.15	2.2	0.33	V
Total		1.00			

Source: Primary Data (2024)

In Table 3, based on the QSPM matrix with the highest TAS (Total Attractiveness Score) score, it shows that the alternative strategy that Dahan Kopi can use is to support business growth by creating official accounts on various social media platforms to provide information about the location, facilities, menus, prices, and authenticity of the coffee raw materials used along with international coffee with TAS 0.88. The level of importance of the plan is determined by its level of compatibility with internal and external strategic variables because the market's desire is currently booming due to the increasing trend of coffee lovers.

One of the main strategies with TAS 0.72 that dahan kopi can do is to work with coffee influencers to promote various menus with affordable prices and a unique flavor image of high-quality coffee beans, the next step with TAS 0.54, is to promote more menus and coffee with new innovations.

Continue to maintain good relationships with cooperating partners to prevent a decline in sales, and the strategy of adding employees to manage more raw materials and services and develop innovations is ranked IV with a TAS of 0.30. The purpose of this strategy is to increase the added value of the product and generate greater profits. Dahan Kopi can attract more customers and increase their market share by adding employees and providing coffee management training so that coffee stocks can be managed properly and offer better or unique menu innovations compared to competitors.

For the strategy with a TAS of 0.33, the next step is to create a video on social media that shows the process of making coffee with various raw materials and explains the advantages of various raw materials. This can inform customers about the advantages of coffee with different raw materials and provide an explanation of the price difference. The last strategy to develop the coffee limb with a TAS value of 0.15 is to look for various raw material suppliers with the aim of creating a menu that covers a wide range of prices with appropriate raw materials, ranging from cheap to expensive, so that customers can enjoy a variety of menus that fit their budget.

CONCLUSION

To design a business strategy, the IFE, EFE, and QSPM matrices are used to determine opportunities, threats, strengths, and weaknesses. According to the Internal and External (IE) Matrix assessment, Dahan Kopi is in quadrant I position. To prevent a decline in sales and profits, they can develop new products and expand the market. Dahan Kopi can establish official accounts on various social media platforms to provide information about the location, facilities, menu, and prices, as well as the certainty of the coffee raw materials used. Therefore, strategic management for Dahan Kopi is recommended. Strategic management helps find the right direction to improve Dahan Kopi's business.

This research is expected to provide new insights, perspectives and techniques to improve production quality and enhance the sales process at Dahan Kopi coffee shop. In addition, this research is also expected to be a useful resource for coffee business innovation development initiatives to advance one of Indonesia's distinctive culinary fields, coffee.

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