

# A SWOT (Strength Weakness Opportunity and Threat) Analysis as a Strategy to Enhance Competitiveness

---

**Moh Mardiyana**

Universitas Pelita Bangsa, Bekasi, Indonesia

**M. Ihsan**

Sekolah Tinggi Ilmu Hukum Dharma Andiga, Indonesia

**Adrial**

Universitas Muhammadiyah Tangerang, Indonesia

**Hufrizatul Parida**

Institut Teknologi dan Bisnis Ahmad Dahlan, Indonesia

**Syahril Sidiq**

Institut Teknologi dan Bisnis Ahmad Dahlan, Indonesia

**Taufik Hidayat**

Department of Computer Engineering, Universitas Wiralodra,  
Indonesia

---

**Abstract:** This study aims to determine how an analysis of Strengths, weaknesses, and opportunities, and threat is used as a strategy to increase competitiveness and its obstacles in Denpasar Sharia Rural Banks. The research method used was a quantitative approach in the form of case studies descriptive. The SWOT analysis used is the analytical method descriptive, SWOT Matrix, and SWOT diagram analysis. Data collection techniques in this study are interviews and literature. The results showed that the SWOT analysis as a strategy to increase competitiveness needs to be re-evaluated, so that good performance is formed from within and from outside the organization.

**Keywords:** SWOT, Strategy, Competitiveness

## Introduction

As Islamic banking shows rapid progress, strategic steps in the development of Islamic banking that has been sought are the granting of permits to conventional commercial banks to open branch offices of Islamic business units (IUB) or the conversion of a conventional

bank into a sharia bank ([Hindardjo et al., 2022](#)). This strategic step is a response and initiative to the amendment to the Banking Law No. 10 of 1998. 7 of 1992 regulates the legal basis and types of businesses that can be operated and implemented by Islamic banks ([Hidayat et al., 2021](#)). Sharia-based business are growing rapidly, ranging from sharia banking, sharia insurance, and sharia pawnshops, to sharia-based cooperatives ([Rosad, 2019](#)). However, the most rapid development is Islamic banking. The main reason people turn to Islamic banking is the elimination of interest in financial transactions and instead applying the concept of profit sharing following Islamic teachings ([Lewis & Algaoud, 2005](#)).

The rapid changes of technology give an impact on changes in people's behaviour. The speed of incoming information due to advances in information sector technology has made people smarter in choosing products ([Rosyad et al., 2022](#)). Another impact for bank producers is the intense competition between banks to take advantage of these technological advances ([A'yun et al., 2022](#); [Parasuraman et al., 1985](#)). To achieve a marketing plan. In addition, banks must also be able to identify and analyze the marketing environment which consists of the external and internal environment. analyzing the marketing environment. Then the bank will be able to find out where the company's strengths and weaknesses are located as well as opportunities and threats that will greatly affect the marketing that will be carried out ([Dirsa et al., 2022](#); [Gumusluoğlu & Ilsev, 2009](#)). Conditions can provide a role for Islamic banking in economic development ([Azzery, 2022](#)), but some challenges still need to be addressed in Islamic banking. The first challenge in development is Islamic banking with a spin strategy off plays an intermediation function well so that it can immediately move to the real sector ([Isroani et al., 2022](#); [Karim, 2004](#)). The second challenge is Islamic banking with a spin-off strategy developed in a Muslim-majority environment, as well as being a successful example for other countries in developing banking. sharia. The third challenge is that in the future, Islamic banking must be able to be rahmatan lil alamin, meaning that it is not only beneficial for Muslims but also all mankind. The Muslim population as The main force has not guaranteed to use Islamic banking services.

The previous study conducted by Marwiyah et al stated that various powers have not been able to be maximized for Notes and phenomena This is also reflected in several regions of Indonesia which are with a large Muslim population (majority) ([Marwiyah et al., 2022](#)). Opportunities and challenges The development of Islamic banking also emerged with the start of operations of several Islamic banks in Indonesia. This study aims to find out how SWOT analysis may increase competitiveness at Denpasar Sharia Rural Banks. There are unanswered challenges with certainty, as well as various threats that cannot be overcome make the development of Islamic banking needs to be pursued continuously by trying and finding suitable strategies. One of the tools used to find out the advantages and

disadvantages of a company in general and especially in the field of marketing in dealing with its environment is the SWOT analysis.

## Literature Review

### SWOT Analysis

SWOT analysis is the identification of various factors systematically to formulate a company strategy. The strategic planning method is used to evaluate the strengths, weaknesses, opportunities, and threats in a project or business speculation. These four factors make up the acronym SWOT (strengths, weaknesses, opportunities, threats). SWOT stands for the Internal Strengths and Weaknesses environment and the external Opportunities and Threats environment faced by the business world ([Iskandar & Rangkuti, 2008](#)). SWOT analysis (SWOT analysis) includes efforts to recognize the strengths, weaknesses, opportunities, and threats that determine the performance company. External information on opportunities and threats can be obtained from many sources, including customers, government documents, suppliers, banking circles, and partners in other companies. Many companies use scanning agency services for obtaining newspaper clippings, internet research, and analysis of relevant domestic and global trends ([Nisak, 2013](#)). According to David et al., (2008) all organizations have strengths and weaknesses in the functional areas of business. No company is as strong or weak in all business areas.

Meanwhile, according to Jugiyanto SWOT is used to assess the strengths and weaknesses of available resources owned by the company and the external opportunities and challenges faced. (1) Strengths (strength), our resources, skills, or other advantages related to the company's competitors and the market needs that the company can serve expected to be served ([Jugiyanto Hartono, 2018](#)). Strength is a special competition that provides a competitive advantage for the company in the market. (2) Weaknesses (weaknesses) are limitations or deficiencies in resources, skills, and capabilities that effectively hinder the company's performance. These limitations can be in the form of facilities, financial resources, management capabilities, and marketing skills which can be a source of company weaknesses. (3) Opportunities (opportunities) are important situations that are profitable in the company's environment. Important trends are one source of opportunities, such as technological changes and increasing relationships between companies and buyers or suppliers are a picture of opportunities for companies. (4) Threats (threats) are important situations that are not profitable in the company environment. Threats are a major nuisance to the company's current or desired position. The existence of new or revised government regulations can be a threat to the company's success.

## Competitiveness

Competition is at the core of a company's success or failure. Competition determines the accuracy of company activities that can support performance, such as innovation or good execution. According to Wahyudi several advantages can be used by companies ([Wahyudi, 2022](#)), namely: price, market share, brand, product quality, consumer satisfaction, and distribution channels ([Wibowo et al., 2015](#)). market position and market influence. To have core competencies, companies must have: three criteria: (a) Value for customers (customer perceived value), namely skills that enable a company to deliver.

## Research Method

The research was conducted at the Denpasar Islamic Rural Bank. The population in This study is an employee at the Denpasar Sharia Rural Bank, where the total population is 15 people and the sample used is a saturated sample of 15 people. Data collection techniques in this study were interviews, questionnaires, and literature. The research method used is the descriptive quantitative method. The SWOT analysis used is a descriptive analysis method.

## Data Analysis Model

In line with the SWOT analysis system that runs in a BPR institution where the BPR must explore potential that can be used as development capital to increase local competitiveness. BPR Denpasar is designated as a credit institution that applies Islamic values. This is because the Kaliputu Kudus Jenang has high economic value and competitiveness and absorbs a large number of workers, which is produced based on technical feasibility considerations (raw materials and markets). The talents or potential of the community and institutional development of the jenang industry are developed within the local economic development system, by building partnerships that include local governments, entrepreneurs, and local community organizations. The main points of the business development strategy are increasing the attractiveness, resilience, and competitiveness of the local economy. After recognizing that there is a huge opportunity to further create the development of MSMEs in Denpasar, the local government is trying to continue creating economic growth that has an impact on the surrounding community and MSMEs, expanding employment opportunities, empowering producers and the lower middle class. Small businesses, which are generally family business units, have very limited business networks

and low market penetration capabilities. Therefore, the number of products produced is very limited and has a quality that tends to be less competitive. This is different from businesses that are already large and already have a solid network and are supported by technology that can reach a wider area with good promotion techniques.

## Result and Discussion

### Analysis of the SWOT Model

To analyze the Denpasar Sharia Rural Bank, the researchers used SWOT analysis approach:

(1) Strengths: (a) Having a positive brand image in the people of Riau and Riau Islands. (b) High commitment from Management & Stakeholders to develop Sharia Business, (c) Technology Information systems that are online throughout the office network make it easier for customers to transact. (d) The majority Muslim population is in the Denpasar area (e) The distribution network is spread to the regions (district level). Strengths are resources, skills, or other advantages related to the company's competitors and market needs that the company hopes to serve. Strength is a special competency that provides a comparative advantage for Denpasar Sharia Rural Bank ([Hidayat, Franky, et al., 2020](#)). Strength can be contained in a positive Brand Image source in the community, online technology that makes it easier for customers to transact, high market leadership, and the majority of Muslims in the Denpasar area. (2) Weaknesses: (a) Corporate Image is still weak, (b) Quality Customers are still complaining about the service. (c) Branch network is still limited, (d) Understanding of sharia products for the community is not optimal, (e) Socialization of sharia products has not been carried out optimally, (f) Customer database not yet maximally utilized, (g) Human resources in terms of quantity and quality are not yet meet market needs, (h) Positioning is not yet clear in the eyes of potential customers, (i) The service culture that is still concentrated on conventional businesses causes penetration into the Sharia market not optimal, (j) Lack of various products both in terms of financing or funding following market needs, (k) HR view is still conventional from internal Bank ([Hindardjo & Mansuri, 2016](#)).

Weakness is a factor of limitation or lack of resources or serious skills that can hinder effective performance Corporate Image is still weak marketing skills, and lack of product variety both in terms of financing or funding that are following market needs can be a source of weakness for the Denpasar Sharia Rural Bank (3) Opportunities: (a) Regional autonomy spurs growth economy and income distribution for the real sector. (b) The existence of MUI Fatwa regarding illegal bank interest. (c) Law no. 21 of 2008 and Bank Indonesia Regulation No./10/11/PBI/2009 which encourages acceleration growth of the

office network of Conventional Commercial Banks that implement business activities based on sharia principles ([Hindardjo et al., 2021](#)). (d) Law No. 42 Year 2009 concerning Value Added Tax (VAT) which contains the neutralization the imposition of double taxation on murabahah transactions that encourage the development of murabahah products. (e) Sharia business principles that do not limit customers based on religion but more on a system based on muamalah (economics). (f) Customer preferences are expected to remain very positive to the system or Sharia principles so that it can be a potential for future business development. (g) The potential of the Sharia market in Denpasar is quite wide which has not been exploited by the existing sharia banking. (h) The level of competition in the Sharia business among Sharia Banking in Riau-Kepri is still relatively low, becoming a momentum for UUS BRK to take the market first. (i) The development of real sector activities in Denpasar is positive. Opportunity is an important favourable situation in the corporate environment. The existence of the MUI Fatwa regarding Bank Interest is haram. There are supporting regulations in terms of the Act ([Arifudin & Rosyad, 2021](#)). Customer preferences are estimated to be very positive towards the Sharia system or principles, so it can be potential business development in the future that can provide opportunities for Denpasar Sharia Rural Banks

(4) Threats: (a) Competing banks are starting to focus more on developing Sharia business both in general in Indonesia, as well as especially in Riau-Kepri. (b) Mastery of information systems and bank technology superior competitors. (c) Variations in the choice of competing Bank products that are more in line with market needs and have a comparative advantage ([Hindardjo & Wajid, 2017](#)). A threat is an unfavourable situation in an organization. Threats are a major nuisance to the current or desired position of the Denpasar Sharia Rural Bank. With competition, technological changes, and variations in the choice of competing bank products that are more in line with market needs and have a comparative advantage can be a threat to success. This is a SWOT analysis as a strategy to improve Denpasar Sharia Rural Bank to increase competitiveness used by the Denpasar Sharia Rural Bank in competition between other Banks ([Hindardjo et al., 2021](#)). With the preparation of the implementation of the strategy with this SWOT, the company can provide good direction and strategy, so that strategic plan to increase the competitiveness of Denpasar Sharia Rural Banks.

## Profile of Respondents of Denpasar Sharia Rural Banks

Respondents in this study can be grouped into 2 gender groups, namely male and female groups, for more details will The characteristics of respondents by gender are presented:

**Table 1 Characteristics of Respondents by Gender**

No.	Gender	Respondent Response	
1	Male	13	87

2	Female	2	13
Total		15	100

## Barriers to Improving Competitiveness in Denpasar Sharia Rural Banks

There are several obstacles in banking competitiveness, both conventional and Islamic banks in both Denpasar Sharia Rural Banks as well as other banks. There are also these obstacles: (a) Corporate Image is still weak. It is an obstacle for companies because of public perception of companies and products are more concentrated in the sharia business. (b) The customer still complains about the quality of service in terms of facilities and space so it becomes an obstacle for Denpasar Sharia Rural Banks (c) The branch network is still limited, which causes customers to have difficulties in transacting. (d) The understanding of sharia products in the community is not optimal because the understanding and awareness of the community are still low in sharia banks which are more vulnerable to conventional ones ([Hidayat, Mahardiko, et al., 2020](#)). (e) Socialization of sharia products has not been carried out optimally to explain the advantages of products and services in the eyes of the public. (f) The customer database has not been utilized optimally due to technological limitations so it cannot be utilized optimally. (g) Human resources in quantity and quality have not met market needs, resulting in non-optimal fund management and impacting all sectors of Islamic banking products, both the financing sector and the fund-raising sector. (h) Positioning is not clear in the eyes of prospective customers because they have not mastered the desires of the products offered. (i) Service culture is still concentrated on conventional businesses, causing penetration into the sharia market is not optimal. (j) Lack of product variety, both in terms of financing and funding following market needs, and lack of promotions resulted in incomplete information needed by the public regarding fundraising products and Islamic banking financing, thereby reducing public interest in using banking fundraising products. sharia. (k) The view of HR is still very conventional from the internal.

## Conclusions

The SWOT analysis strategy increases the competitiveness of Denpasar Sharia Rural Banks using a growth strategy designed to achieve growth, both in asset sales, profit, or a combination of the three. It can be achieved by lowering prices, developing new products, increasing product or service quality, or increasing access to a wider market. The effort that can be done is to minimize costs to increase profits. Obstacles in increasing the



competitiveness of Denpasar Sharia Rural Banks are: corporate image is still weak, service quality is still complained of by customers, branch network is still limited, understanding of sharia products for the community is not optimal, socialization of sharia products has not been carried out properly. optimally, the customer database has not been utilized, HR quantity and quality have not met market needs, positioning is not clear in the eyes of potential customers, and the service culture is still concentrated on the business conventional, causing penetration into the Islamic market is not optimal, lack of product variations, both in terms of financing and funding following market needs and the view of HR is still very conventional from the internal side of the Bank.

## References

- A'yun, Q., Wati, D. E., Sari, D. R., Ma'rufa, H., & Khafidhloh, F. N. (2022). Effectiveness of Using the Quizzz Application in Islamic Religious Education. *International Journal of Science Education and Cultural Studies*, 1(1), 16–31.
- Arifudin, I., & Rosyad, A. M. (2021). Pengembangan dan Pembaharuan Perguruan Tinggi Keagamaan Islam Di Indonesia: Gagasan Dan Implementasinya. *Al-Afkar, Journal For Islamic Studies*, 4(2), 425–438.
- Azzery, Y. (2022). Analysis of E-commerce Growth in the Industrial Age 4.0 in Indonesia. *International Journal of Engineering Continuity*, 1(1), 1–8. <https://doi.org/https://doi.org/10.58291/ijec.v1i1.33>
- David, O., Guillemain, I., Sallet, S., Reyt, S., Deransart, C., Segebarth, C., & Depaulis, A. (2008). Identifying neural drivers with functional MRI: an electrophysiological validation. *PLoS Biology*, 6(12), e315.
- Dirsa, A., BP, S. A., Diananseri, C., & Setiawan, I. (2022). Teacher Role as Professional Educator in School Environment. *International Journal of Science Education and Cultural Studies*, 1(1), 32–41.
- Gumusluoğlu, L., & Ilsev, A. (2009). Transformational leadership and organizational innovation: The roles of internal and external support for innovation. *Journal of Product Innovation Management*, 26(3), 264–277.
- Hidayat, T., Franky, D. S. T., & Mahardiko, R. (2020). Forecast Analysis of Research Chance on AES Algorithm to Encrypt during Data Transmission on Cloud Computing. 2020 2nd International Conference on Broadband Communications, Wireless Sensors and Powering (BCWSP), 163–166.



- Hidayat, T., Mahardiko, R., & Alaydrus, M. (2020). Mobile cellular technology forecast for the Indonesian telecommunications industry. *Journal of Telecommunications and the Digital Economy*, 8(1), 37–48.
- Hidayat, T., Mahardiko, R., & Alaydrus, M. (2021). Analysis of Future Income Forecast for Indonesian Tourism Industry–A Neural Network Research on Tourism Digital Economy. *IOP Conference Series: Earth and Environmental Science*, 704(1), 12010.
- Hindardjo, A., & Mansuri, M. (2016). Pengaruh Dana Tabarru'dan Klaim Terhadap Profitabilitas Pada Perusahaan Asuransi PT. Prudential Unit Syariah Periode 2011–2015. *Jurnal Asy-Syukriyyah*, 17(1), 84–103.
- Hindardjo, A., Pratama, M. F., & Ali, J. (2022). Analysis of the Influence of Competence and Work Culture on Employee Performance with Moderation of Exit Intentions: A Case Study at Bank Syariah Indonesia. *International Journal of Management Science and Application*, 1(1), 1–17.
- Hindardjo, A., Sani, A., Hanny, R., Lestari, D., Alang, S., & Nawaningtyas, P. N. (2021). Preliminary Assessment of E-Business Adoption Models in Technology and Environmental Contexts based on the TAM Models. *2021 9th International Conference on Cyber and IT Service Management (CITSM)*, 1–5.
- Hindardjo, A., & Wajid, A. (2017). Analisis Tingkat Religiusitas, Pendapatan & Kepercayaan Terhadap Kesadaran Membayar Zakat di Kota Tangerang. *Jurnal Asy-Syukriyyah*, 18(1), 24–38.
- Iskandar, A., & Rangkuti, A. H. (2008). Perancangan Sistem Informasi Penjualan Tunai pada PT. Klaten Bercahaya. *Jurnal Basis Data, ICT Research Center UNAS*, 3(2), 124–131.
- Isroani, F., Jaafar, N., & Muflihaini, M. (2022). Effectiveness of E-Learning Learning to Improve Student Learning Outcomes at Madrasah Aliyah. *International Journal of Science Education and Cultural Studies*, 1(1), 42–51.
- Jogiyanto Hartono, M. (2018). *Metoda Pengumpulan dan Teknik Analisis Data*. Penerbit Andi.
- Karim, A. A. (2004). *Bank Islam: Analisis Fiqih dan Keuangan*. Raja Grafindo.
- Lewis, K., & Algaoud, M.-M. (2005). *Latifah. Perbankan Syariah Prinsip Praktik dan Prospek*. Jakarta: Serambi Ilmu Semesta.
- Marwiyah, M., Arti, P. P., & Hidayat, T. (2022). An Analysis of Online Transportation Applications Between Gojek and Grab for Students. *International Journal of Science*

- Education and Cultural Studies, 1(1), 52–64.
- Nisak, Z. (2013). Analisis SWOT untuk menentukan strategi kompetitif. *Jurnal Ekbis*, 9(2), 468–476.
- Parasuraman, A., Zeithaml, V. A., & Berry, L. L. (1985). A conceptual model of service quality and its implications for future research. *Journal of Marketing*, 49(4), 41–50.
- Rosad, A. M. (2019). implementasi pendidikan karakter melalui manajemen sekolah. *Tarbawi: Jurnal Keilmuan Manajemen Pendidikan*, 5(02), 173–190.
- Rosyad, A. M., Sudrajat, J., & Loke, S. H. (2022). Role of Social Studies Teacher to Inculcate Student Character Values. *International Journal of Science Education and Cultural Studies*, 1(1), 1–15.
- Wahyudi, W. (2022). Five Components of Work Motivation in the Achievement of Lecturer Performance. *Scientific Journal of Reflection: Economic, Accounting, Management and Business*, 5(2), 466–473.
- Wibowo, I. G. P., Riana, G., & Putra, M. S. (2015). Pengaruh stres kerja terhadap kepuasan kerja dan komitmen organisasional karyawan. *E-Jurnal Ekonomi Dan Bisnis Universitas Udayana*, 4(2), 125–145.