
Innovative Approaches: SWOT Analysis of Balinese Souvenir Marketing in Sukawati Market During and After the Pandemi

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ABSTRACT

The COVID-19 pandemic has significantly impacted the tourism sector in Bali, including the sales of Bali's typical souvenirs at Pasar Sukawati Gianyar. This study aims to analyze the marketing strategy of Bali's typical souvenirs at Pasar Sukawati Gianyar using SWOT analysis during the COVID-19 pandemic. This research used a qualitative method with in-depth interviews with five Bali's typical souvenirs traders at Pasar Sukawati Gianyar. The results showed that the strengths of the marketing strategy of Bali's typical souvenirs at Pasar Sukawati Gianyar during the pandemic are good product quality and competitive prices. The weaknesses of the marketing strategy are a lack of innovation and a lack of online product promotion. The opportunities of the marketing strategy are to increase the use of digital platforms to promote products and develop new products. The threats of the marketing strategy are strong competition from online souvenir markets and a decrease in the number of visitors to the market during the pandemic. Therefore, Bali's typical souvenirs traders at Pasar Sukawati Gianyar need to optimize strengths and opportunities, as well as overcome weaknesses and threats by innovating and improving online promotion. This study contributes to understanding the marketing strategy of Bali's typical souvenirs in traditional markets during the COVID-19 pandemic and provides recommendations to address the issues faced by Bali's typical souvenirs traders at Pasar Sukawati Gianyar.

Keywords: SWOT analysis, marketing strategy, Bali's typical souvenirs, Pasar Sukawati Gianyar, COVID-19 pandemic.

INTRODUCTION

Sukawati Gianyar Market is one of the famous traditional markets in Bali, known for selling various unique Balinese souvenirs that attract tourists. The market is located at Jalan Raya Sukawati, Sukawati, Kec. Sukawati, Gianyar Regency, Bali 80582, approximately a one-hour drive from Denpasar city. The types of unique Balinese souvenirs sold there include: 1) Clothing such as shirts, pants, and sarongs; 2) Wooden sculptures, traditional kites with various patterns and colors; 3) Balinese paintings; 4) Woven bags; 5) Various accessories, mostly for women; 6) Hindu Balinese ceremonial equipment; 7) Bed covers with various design patterns and colors.

However, the COVID-19 pandemic has significantly impacted the tourism sector in Bali, including the sales of Balinese souvenirs at Sukawati Gianyar Market. Balinese souvenir traders at Sukawati Gianyar Market have had to face challenges in sustaining their businesses during the pandemic, particularly in developing effective marketing strategies. Therefore, SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats) can be used as a tool to improve the marketing strategies of Balinese souvenirs at Sukawati Gianyar Market. This research aims to analyze the marketing strategies of Balinese souvenirs at Sukawati Gianyar Market using SWOT analysis during the COVID-19 pandemic. In this study, we employ a qualitative method with in-depth interviews with five Balinese souvenir traders at Sukawati Gianyar Market to gather data about their marketing strategies. Thus, this research contributes to understanding the marketing strategies of Balinese souvenirs at traditional markets during the COVID-19 pandemic and provides recommendations to address the challenges faced by Balinese souvenir traders at Sukawati Gianyar Market.

LITERATURE REVIEW

Marketing Strategy

According to Kotler ([Kotler, P. and Armstrong, 2014](#)), marketing strategy is the marketing logic through which a company hopes to create value for customers and achieve profitable relationships with them. In his book ([Fandy Tjiptono, 2012](#)), it is stated that marketing strategy is a plan to be followed by marketing managers. This action plan is based on situation-al analysis and the company's objectives, and it is a way to achieve those objectives.

Marketing Strategy Indicators

In his research ([Fandy Tjiptono, 2012](#)), he mentions that marketing strategy indicators consist of five interrelated components. These five indicators are:

1. Market selection, which involves choosing the market to serve. Market selection begins with market segmentation and then choosing the target market that is most likely to be served by the company.
2. Product planning, including specific products sold, product line formation, and individual offer design for each line. The
3. product itself offers total benefits that customers can obtain through purchasing. These benefits include the product itself, product brand name, product availability, guarantees or warranties, repair services, technical assistance provided by the seller, and personal relationships that may form between buyers and sellers.
4. Pricing, which involves determining a price that reflects the quantitative value of the product to customers.
5. Distribution system, which includes wholesale and retail channels through which products pass to reach end consumers who purchase and use them.
6. Marketing communication (promotion), which includes advertising, personal selling, and public relations

SWOT Analysis

SWOT stands for Strengths, Weaknesses, Opportunities, and Threats. SWOT analysis is used to evaluate the internal strengths and weaknesses of a company as well as external opportunities and threats that can impact the company's performance.

In his book, [Rangkuti \(2016\)](#) explains that SWOT analysis is the systematic identification of various factors to formulate marketing strategies. SWOT analysis compares external factors of opportunities and threats with internal factors of strengths and weaknesses. The advantage of SWOT analysis lies in the ability of company decision-makers to maximize the role of strengths and utilize opportunities while simultaneously minimizing weaknesses within the organization and mitigating the impact of emerging threats.

According to [Fahmi \(2015\)](#), to conduct a deeper analysis of SWOT, it is essential to understand external and internal factors as crucial parts of SWOT analysis:

- **External Factors:** These factors influence the formation of opportunities and threats (O and T).
- **Internal Factors:** These factors influence the formation of strengths and weaknesses (S and W).

Table 1
External and Internal factor

a. External Factor			
Opportunities	>	Threat	⇒ GOOD Condition
Threat	<	Opportunities	⇒ NOT GOOD Condition
b. Internal Factor			
Strength	>	Weakness	⇒ GOOD Condition
Strength	<	Weakness	⇒ NOT GOOD Condition

Based on the diagram above, there are two conclusions that can be drawn and are worth implementing by a company:

1. A good company has a greater balance where opportunities outweigh threats, and vice versa.
2. A good company has a stronger emphasis on leveraging strengths over weaknesses, and vice versa.

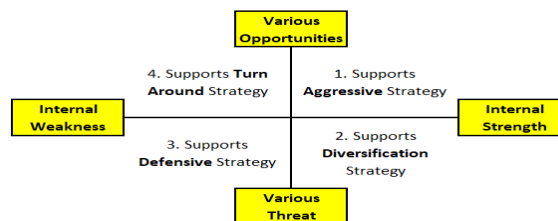


Image 1
SWOT Analysis Diagram
Source : Freddy Rangkuti (2016)

- **Quadrant 1:** This represents a highly favorable situation where the company has both opportunities and strengths, allowing it to capitalize on existing opportunities. The strategy to be applied in this condition is to support an aggressive growth-oriented strategy.
- **Quadrant 2:** Despite facing various threats, the company still possesses internal strengths. The strategy to be applied is to leverage these strengths to capitalize on long-term opportunities through diversification strategies (product/market).
- **Quadrant 3:** The company is faced with significant market opportunities, but on the other hand, it encounters several internal constraints/weaknesses. The business condition in quadrant 3 is similar to the Question Mark in the BCG Matrix. The focus of the company's strategy in this quadrant is to minimize the risks and seek a better market position. For example, Apple employs a strategy of re-evaluating the technology used by offering new products in the Microcomputer industry.
- **Quadrant 4:** This represents a highly unfavorable situation where the company faces various threats and internal weaknesses.

Table 2.1 SWOT Analysis Matrix

SWOT Analysis Matrix	STRENGTH (S) <i>List all powers you have</i>	WEAKNESS (W) <i>List all weaknesses</i>
OPORTUNITTIES (O) <i>List all the opportunities that exist</i>	STRATEGY (S –T) <i>Use all the strengths you have to take advantage of all the opportunities that exist</i>	STRATEGY (W –O) <i>Overcome all weaknesses by exploiting them all available opportunities</i>
THREATHS (T) <i>List all identifiable threats</i>	STRATEGY (S –T) <i>Utilize all strengths to avoid all threats.</i>	STRATEGY (W –T) <i>Mitigate all weaknesses and all threats.</i>

METHOD

The method used in this research is descriptive method with a qualitative approach. This research was conducted at 5 souvenir kiosks in Sukawati Market. The research subjects include 5 sellers and 5 buyers. The object of this research is the role of SWOT analysis in marketing strategies at vendor kiosks in Sukawati Art Market during the Covid-19 pandemic. In this research, data was collected through:

- (1) Interviews conducted with 5 vendors/ sellers and 5 buyers in accordance with Covid-19 protocols.
- (2) Observations carried out by direct observation.
- (3) Literature review through references, journals, or articles on the internet. Data analysis in this research uses the SWOT method, which shows the company's performance by determining the combination of internal and external factors.

DATA COLLECTION TECHNIQUES

The first data collection technique used is unstructured interviews, where this method allows questions to flow flexibly, with more open-ended questions, yet maintaining focus to obtain rich information and avoid rigid conversations. In addition to interviews, this research also utilizes observation methods. The observation is conducted through participant observation, which according to [Rangkuti \(2016\)](#) is observation carried out by the researcher who plays a role as a participant in the community life regarding the research topic. The research topic aims to obtain a clear picture of the activities, behaviors, and events that occur among Balinese souvenir vendors at Sukawati Market in Gianyar Regency.

TRIANGULATION

Triangulation means using various approaches in conducting research. Researchers can use various data sources, theories, methods, and investigators to ensure consistency in the presented information. Therefore, to understand and find answers to research questions, researchers can use more than one theory, more than one data collection method (interviews, observations, and document analysis). Additionally, researchers can interpret findings with other parties.

ANALYSIS TECHNIQUE

In qualitative research, there is no single approach to data analysis. The choice of method depends heavily on the research questions ([Rangkuti, 2016](#)), which means researchers need to capture, record, interpret, and present information. One thing to note is that in qualitative research, data analysis cannot be separated from data collection. Therefore, when data starts to accumulate from interviews, observations, and archival sources, data analysis must be conducted promptly to determine the next data collection steps. Researchers should clearly outline the operational steps in data analysis used (semiotics, ethnography, case studies, grounded theory, phenomenology, or other approaches). For example, in grounded theory, data analysis is done using the following techniques:

DATA REDUCTION

Data reduction essentially involves reducing irrelevant data so that the selected data can be processed for the next steps. Data reduction includes the following activities:

- (1) **Data Organization:** Determining Categories, Concepts, Themes, and Patterns
- (2) **Data Coding:** Data is grouped into specific themes and given codes to identify similar patterns of findings.
- (3) **Understanding and Testing:** Based on coding, researchers can begin to understand the data in detail.
- (4) **Interpretation:** It's important to remember that in interpretation, researchers should not disconnect from the events in the research setting.

RESULTS AND DISCUSSION

1. Strength Analysis

According to [Rangkuti \(2016\)](#), strength refers to resources, skills, or other

advantages related to company competitors and market needs that the company can serve and is expected to be served. Strength is a specific competition that provides a competitive advantage for the company in the market. The strengths possessed by Balinese souvenir vendors at Sukawati Market after the research include:

a. Strategic Location

[Kotler, P. and Armstrong \(2014\)](#) state that place/location is choosing and managing trade channels used to distribute products or services and also to serve target markets. The location of Balinese souvenir vendors at Sukawati Market, based on research results, is very strategic because it is located in a tourist area in Gianyar with broad access roads, making it easy to recognize.

b. Diverse Product Choices

[Kotler, P. and Armstrong \(2014\)](#) state that a product is anything that can be offered to a market to attract attention, be purchased, used, or consumed to satisfy wants or needs. The products available at Balinese souvenir vendors in Sukawati Market are diverse, including various souvenirs such as clothing and handicrafts, which are grouped according to the type of item sold. Bali souvenirs have a high cultural value and can attract tourists.

c. Relatively Affordable Prices

[Lane & Keller \(2017\)](#) state that price is a value set for a product or service determined by money. The prices set by Balinese souvenir vendors at Sukawati Market are affordable for consumers, ranging from Rp. 25,000 – 100,000 depending on the type and size of the souvenir.

d. Polite and Friendly Service

Service is an important factor for business continuity. Friendly service will make consumers comfortable when visiting the Art Market. According to interviews with consumers, Balinese souvenir vendors at Sukawati Market have friendly employees who perform their tasks with courtesy.

2. Weakness Analysis

Weakness refers to limitations or deficiencies in resources, skills, and capabilities that effectively hinder a company's performance. These limitations can be in terms of facilities, financial resources, management capabilities, and marketing skills and can be a source of company weaknesses ([Rangkuti, 2016](#)).

Weaknesses identified among Balinese souvenir vendors at Sukawati Market in Gianyar Regency after the research include:

a. Some vendors offer excessively high prices.

There are several reasons why vendors might set prices that are too high, including:

- Greater profit: Vendors may set higher prices to earn larger profits. They may believe that consumers will still buy their products even at higher prices because there are no other options or because the products have better quality.
- High operational costs: If vendors have very high operational costs, such as large business premises or strategic locations, they may need to raise prices to cover these costs.
- Limited supply: If goods are limited in supply, vendors may raise prices to balance supply and demand.

However, despite these reasons, it does not always mean that vendors always offer excessively high prices. Many factors influence product pricing, such as production costs, supply and demand, market competition, and government policies.

b. Lack of supporting facilities

Supporting facilities at Balinese souvenir vendors in Sukawati Market, such as resting places or seating areas inside the market, are limited.

c. Limited non-cash payments

Although most vendors accept payments by credit or debit cards, many vendors only accept cash payments, making it difficult for visitors who do not carry cash.

3. Opportunity Analysis

[Rangkuti \(2013\)](#) states that opportunities are important favorable situations in a company's environment.

Opportunities are possibilities or chances to achieve desired outcomes or to take actions that result in profits or success. Significant trends are one source of opportunities, such as technological changes and increasing relationships between companies and buyers or suppliers, which are indications of opportunities for the company.

Opportunities identified among Balinese souvenir vendors at Sukawati Market in Gianyar Regency after the research include:

a. Wide Market Share

Several types of souvenirs such as T-shirts, sarongs, and Balinese-themed prayer shawls are still highly favored by local and international tourists. Especially items that are frequently used, they may wear out easily over time, creating a demand for replacements. During the COVID-19 pandemic, not everyone can easily travel to Bali due to specific requirements, such as vaccination.

b. High Consumer Demand

[Fandy Tjiptono \(2012\)](#) states that quality is a necessity and characteristic determining how well a product can meet customer needs. Balinese souvenir vendors at Sukawati Market in Gianyar Regency have products with excellent quality recognized by consumers. This high-quality reputation leads to increased consumer demand. It is also beneficial for souvenir vendors to earn adequate profits and maximize pricing and rental rates.

c. Increasing Number of Local and International Tourists

In addition to having a wide market share, one opportunity for Balinese souvenir vendors at Sukawati Market in Gianyar Regency is the increasing number of tourists visiting Bali each year. This increases the demand for Balinese souvenirs and provides an opportunity to expand market reach beyond Bali, such as to other tourist destinations in Indonesia.

4. Threat Analysis

[Rangkuti \(2016\)](#) states that threats are important unfavorable situations in a company's environment. Threats identified among Balinese souvenir vendors at Sukawati Market in Gianyar Regency based on research results include:

a. Business Competition for the Same Products

Traders operating in the same field and the location of art markets in several places in Gianyar and Denpasar create competition among businesses. Business competition demands that traders pay attention to their surroundings. Competition makes traders more competitive in running their businesses.

b. Consumers Switching to Other Places

Consumers are essential assets in the operation of a business. With consumers, there will be income and continuous sales. Maintaining consumers to keep buying products is not easy even with excellent service.

c. Price Wars with Discounted Prices

In the business world, price competition is common. Business owners employ various strategies to attract consumers to their businesses. One strategy is offering discounted prices. This poses a threat to Balinese souvenir vendors at Sukawati Market in Gianyar Regency to retain their consumers.

d. Competitors Utilizing Information Technology in Product Marketing

Individuals involved in marketing must be adept at seizing existing opportunities. Currently, information technology has advanced significantly. Information technology is highly beneficial for companies to reach a broader market. Balinese souvenir vendors at Sukawati Market in Gianyar Regency are currently ahead of other art markets in terms of their marketing efforts due to recent developments. This requires Balinese souvenir vendors at Sukawati Market in Gianyar Regency to compete effectively, as failure to do so could have negative implications for their future prospects.

Marketing methods that can be applied by Balinese souvenir merchants at Pasar Sukawati, Gianyar Regency, using SWOT analysis as already explained, can identify four strategies summarized in the SWOT matrix that can be considered for implementation. These strategies are:

1. Strategy Strength Opportunities (SO)

Strength Opportunities strategy, also known as leveraging strengths and opportunities, is a strategy used to utilize the company's internal strengths to exploit external opportunities. Here are some Strength Opportunities strategies that can be undertaken by merchants at Pasar Sukawati:

a) Expanding market reach through online platforms.

Merchants at Pasar Sukawati can leverage the e-commerce opportunity by expanding their market reach through online platforms. By using platforms like e-commerce or social media, merchants can reach a wider market without being limited by geographic location.

b) Developing more innovative and attractive souvenir products.

Merchants at Pasar Sukawati can develop more innovative and attractive souvenir products as an internal strength. By creating more appealing and innovative souvenir products, merchants can attract customer interest and increase sales.

c) Collaborating with tourism companies.

Merchants at Pasar Sukawati can collaborate with local tourism companies as an internal strength. By establishing partnerships, merchants can introduce their products to tourists and boost sales.

d) Expanding market reach through collaboration with other merchants.

Merchants at Pasar Sukawati can expand their market reach through collaboration with other merchants as an internal strength. By working together with other merchants, they can increase the visibility of their products and reach a wider market.

2. Strategy Strength Threat (ST)

Strength Threat strategy, also known as leveraging strengths to mitigate threats, is a strategy used to utilize the company's internal strengths to address external threats. Here are some Strength Threat strategies that can be undertaken by Balinese souvenir merchants at Pasar Sukawati, Gianyar Regency:

a. Promoting the uniqueness and authenticity of products

Pasar Seni Sukawati can promote the uniqueness and authenticity of the products sold as an internal market strength. By promoting the uniqueness and authenticity of the products, the market can attract tourists looking for different and unique souvenir products.

b. Strengthening branding and market identity:

Pasar Seni Sukawati can strengthen branding and market identity as an internal market strength. By strengthening branding and market identity, the market can differentiate itself from other markets that also sell Balinese souvenir products.

c. Developing customer loyalty programs:

Pasar Seni Sukawati can develop customer loyalty programs as an internal market strength. By developing customer loyalty programs, the market can strengthen relationships with customers and improve customer retention.

3. Strategy Weakness Opportunity (WO)

Weakness Opportunity strategy, also known as leveraging weaknesses to exploit opportunities, is a strategy used to address internal weaknesses of the company by leveraging external opportunities. Here are some Weakness Opportunity strategies that can be undertaken by Pasar Seni Sukawati merchants:

a. Improving product quality

Merchants at Pasar Seni Sukawati can improve product quality as an effort to address internal weaknesses. By enhancing product quality, merchants can capitalize on opportunities to attract more customers and increase sales.

b. Enhancing promotion

Merchants at Pasar Seni Sukawati can enhance promotion as an effort to address internal weaknesses. By utilizing promotional opportunities such as using social media or creating compelling promotional content, merchants can reach more customers and boost sales.

c. Establishing partnerships with tourism entrepreneurs

Merchants at Pasar Seni Sukawati can establish partnerships with tourism entrepreneurs as an effort to address internal weaknesses. By collaborating, merchants can introduce their products to tourists and enhance sales.

d. Improving merchants' skills and knowledge

Merchants at Pasar Seni Sukawati can improve skills and knowledge as an effort to address internal weaknesses. By enhancing skills and knowledge,

merchants can produce higher-quality products and better capitalize on existing opportunities.

e. Developing a wider range of souvenir products

Merchants at Pasar Seni Sukawati can develop a wider range of souvenir products as an effort to address internal weaknesses. By diversifying souvenir products, merchants can expand market share and increase sales.

4. Strategy Weakness Threat (WT)

Weakness Threat strategy, also known as leveraging weaknesses to address threats, is a strategy used to overcome internal weaknesses of the company and deal with external threats. Here are some Weakness Threat strategies that can be undertaken by Pasar Seni Sukawati:

a. Improving operational efficiency

Merchants at Pasar Seni Sukawati can enhance operational efficiency as an effort to address internal weaknesses and face threats from changing market conditions.

b. Establishing partnerships with government institutions and related organizations

Merchants at Pasar Seni Sukawati can establish partnerships with government institutions and related organizations as an effort to address internal weaknesses and face threats from regulations or policy changes.

c. Building partnerships with other businesses

Merchants at Pasar Seni Sukawati can partner with other businesses, such as hotels, restaurants, and travel agents, to enhance market access.

d. Optimizing technology

Merchants at Pasar Seni Sukawati can optimize technology in their business by using mobile applications, websites, or social media to assist in marketing and promoting their products.

CONCLUSION AND RECOMMENDATIONS

Conclusion

Based on the research findings outlined, the following conclusions can be drawn regarding the SWOT analysis of merchants selling Balinese souvenirs in Pasar Sukawati, Gianyar Regency.

1. SWOT analysis of merchants selling Balinese souvenirs in Pasar Sukawati, Gianyar Regency consists of:
 - a. Strengths: strategic location, diverse products, relatively affordable prices, and polite and friendly services.
 - b. Weaknesses: some merchants offering excessively high prices, lack of supporting facilities, and limited non-cash payment options.
 - c. Opportunities: wide market share, high consumer demand, and increasing numbers of local and international tourists.
 - d. Threats: competition from similar products, customers switching to other locations, price wars, and competitors leveraging information technology in product marketing.

2. Strategies that can be utilized by merchants selling Balinese souvenirs in Pasar Sukawati, Gianyar Regency based on the SWOT matrix are:
- Strengths Opportunities (SO) strategy: expanding market reach through online platforms, developing more innovative and attractive souvenir products, collaborating with tourism companies, and extending market reach through partnerships with other merchants.
 - Strengths Threats (ST) strategy: promoting the uniqueness and authenticity of products, strengthening market branding and identity, and developing customer loyalty programs.
 - Weaknesses Opportunities (WO) strategy: improving product quality, enhancing promotions, collaborating with tourism entrepreneurs, improving merchant skills and knowledge, and diversifying souvenir products.
 - Weaknesses Threats (WT) strategy: increasing operational efficiency, collaborating with government institutions and related organizations, forming partnerships with other business entities, and optimizing technology.

Recommendations

These recommendations are as follows:

- Merchants selling Balinese souvenirs in Pasar Sukawati, Gianyar Regency should start embracing technology in promoting their products, such as creating websites, using social media, and facilitating non-cash payments.
- Balancing diverse consumer preferences with increasing quality demands but low prices can be achieved by reducing or optimizing operational costs and creating a wider range of products.
- Merchants selling Balinese souvenirs in Pasar Sukawati, Gianyar Regency are encouraged to enhance their knowledge about the Balinese souvenir products they sell. This would lead to consumers appreciating the products they purchase more and increasing the attractiveness of the purchases.

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