

## **TOWS ANALYSIS (EFAS AND IFAS) AS AN IMPLEMENTATION OF MARKET DRIVEN STRATEGY TO CREATE CORE VALUE LOYALTY AT PT. CARREFOUR SERANG CITY OF BANTEN**

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### **ABSTRACT**

*The emergence of the phenomenon of the retail industry in Indonesia which is developing quite dynamically and significantly, thus the retail company must be able to survive amid intense competition, including PT. Carrefour. Therefore, a deeper analysis is needed to understand and master the existing market share, consumers are now very sensitive to prices and like to compare the prices of goods in one place with other places. The purpose is to analyze the External factors and Internal factors (EFAS & IFAS) in implementing the concept of Market Driven Strategy to create Core Value Loyalty so as to identify and justify the results of the analysis using MATERIALS TOWS / SWOT. The method to be used is a qualitative descriptive approach by conducting field surveys, interviews with stakeholders related to both producers and consumers. Based on the TOWS matrix, the position of PT Carrefour is in the star position. This indicates that Carrefour has a high market opportunity in terms of its opportunities and threats, also accompanied by high internal capabilities in terms of weaknesses and weaknesses of the company. So it can be said from the results of the analysis, Carrefour's current position is very good because it can dominate the market.*

*Keywords: TOWS; Market Driven Strategy; Core Value*

### **1. INTRODUCTION**

The characteristics of Indonesian people are the majority of people who are price sensitive and like to compare the prices of goods in one place with other places. Then the customer wants a price that is really cheap but still can provide comfort and satisfaction in shopping. As is well known, the product benefits demanded by consumers are no longer functional but also emotional benefits. For shopping, functional demands can be in the form of low prices. While the emotional benefits are more in the form of lay out of outlets and ways of product display that make it easy and make consumers comfortable. Organizational change is an advanced process for many companies. The tendency for vertical structures to be horizontal structures with greater attention to processes (for example: development of new products) and lack of attention to specialization of functions.

The vertical organizational structure at the level of management and reporting relationships.

Vertical design issues include determining reporting relationships, establishing departmental groups and forming vertical information networks. Reporting relationships indicate who reports to whom in the organizational hierarchy. The departmental group considers how to assign tasks and responsibilities. The grouping might consider the function, geography, product or combination of all these factors. Vertical information networks require the purpose of communication among organizational participants. various techniques help the movement of information through the organization consisting of approval of the intended action, roles and procedures, plans and schedules, forming additional levels or positions and information systems. Organizations now have fewer levels than traditional organizations, and begin to organize around key business processes.

Based on research conducted by PT Carrefour Indonesia, there are only 15 percent of modern retail in Indonesia, the other 85 percent is

a traditional market. Therefore Market Driven Strategy becomes an important pillar as the process of "Creating Value For Customers" with the TOWS Matrix Analysis of External Factors and Internal Factors (EFAS & IFAS). Carrefour's core value Loyalty is a legacy from the company that has built this group. These values include Freedom, Respect for customers' freedom to choose through a variety of store formats and consequences of all actions on customers, companies and staff, institutions and the environment. Sharing, building expertise and strength to create value together with customers, staff, shareholders, partners, and suppliers. Respect, Respect for staff, suppliers and customers. Listen to them and accept all differences. Understand and respect the lifestyle, habits, culture and individual interests of

diverse products and brands. Developing this freedom includes providing objective information. Give customers the freedom to buy at prices that match their purchasing power. Provide opportunities for many people to be able to buy their daily needs. This freedom also means the company gives authority to all its staff to take the initiative. Responsibility, bear the full

customers. Integrity, maintain company commitment and be honest with customers, staff and suppliers. Acting with integrity, both as individuals and as a group (company), Carrefour provides a dream to make this retail recognized and loved in helping its customers and consumers to enjoy a better quality of life every day.

## 2. LITERATURE REVIEW

Analysis of five competitive forces (Porter) A model used to find out more closely and evaluate the industry-based environment along with threats from similar competitors. The Porter competition model is also used to understand the

usefulness of information technology, namely: Building barriers to prevent other companies from entering similar industries. Changing bases for competition with other industries. Provide a base for new products, services, new markets or otherbusiness.opportunities by Amrollahi, Alireza dan Babak Akhgar (2013).

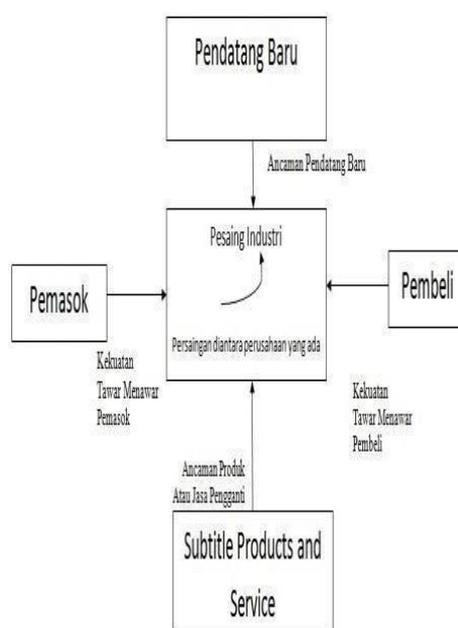


Figure 1. Porter Competition Strength

Market driven strategy is a market-oriented strategy that includes companies, customers and competitors and strives to provide superior value for its customers to gain a superior position in the market, because its main orientation is to improve

market access. The basis for implementing market driven strategies is to obtain information about potential demand / market potential as an information base for the selection, formulation, and implementation of competitive advantage

## **PROCEEDING**

*Call for Paper – 2<sup>nd</sup> International Seminar on Accounting Society  
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strategies with a wider market

### **Characteristics of Market Driven Strategy**

The company strives to satisfy the needs and desires of consumers through a deep understanding of consumer desires. Therefore companies are expected to be customer oriented or customer driven. But consumer-oriented is not enough. The company should satisfy the needs and desires of consumers better than its competitors. The inclusion of competitor elements implies the need for market orientation because it includes consumers and competitors by Cravens, David. W., dan Piercy, Nigel.F. (2013) (2). States that one approach that can be taken to be market-oriented is market driven. Market driven refers to business orientation that is based on understanding and reaction to the choices and behavior of players in the existing market structure. Traditional strategies focus on consumers where it is assumed that consumers know what they want. The implication of this is that the rules of the competitive game are formed by consumers by Kotabe, M., dan Helsen, K. (2010) (3). Capabilities are complex bundles of skills and accumulated knowledge, exercised through organizational processes, that enable firms to coordinate activities and make use of their assets. Value for buyers consists of the benefits less the costs resulting from the purchase of products.

Customer value is the outcome of a process that begins with a business strategy anchored in a deep understanding of customer needs. Market-based strategies also emphasize internal organizational factors. in this case simply speaking means cross-functional coordination.

### **Superior Customer Value Loyalty**

This concept is able to cut the long distribution chain by applying extremely low prices and the concept of one stop shopping and merchandise management which includes merchandise plans (logos, knowledge, and layouts) and merchandise displays. This concept is applied uniformly in each country. The goal is clear, this concept wants to simplify and make consumers comfortable by Fred R. David (2011) (4).

Market-oriented companies are effective when all business functions work together in creating superior customer value. There is no longer the term "one man show", integration becomes an important keyword in creating customer value. Achieving organizational effectiveness is the goal. The sectoral ego must be eliminated, therefore all divisions must have a clear vision and goals. Poor coordination will have an impact on the instability of the company which causes ineffective and inefficient which of course leads to the weakening of value to customers. In a business perspective, market-oriented means making consumers the main point in all company operations.

A business is said to be market-oriented when a company is systemically committed to creating continuously in creating superior customer value. Achieving this requires superior organizational skills in understanding and satisfying customers, and certainly needs support from all parties. Organizations must constantly monitor changes in customer needs and desires, measure the impact of changing customer behavior, product / service innovation, and strategic implementation that results in competitive advantage. Market-oriented organizations must also have a good understanding of their competitors as they understand their customers. Failing to identify and respond to competitors' threats can have serious consequences for the company. Some methods such as benchmarking with competitors are still very relevant in order to find out the strengths and weaknesses that exist in the company. And it should be noted also related to the relationship with competitors at this time must be fostered well.

### **Becoming Market Oriented**

Market oriented is a systematic business culture and commitment to continuous creation to realize superior customer value. The method used is Customer Focus, Competitor Orientation, Interfunctional Coordination, Profit Focus and Long-term Focus by Fred R. David (2011) (5)

### **Matrik TOWS / SWOT**

The tool used to compile the company's strategic factors is the SWOT matrix. This matrix can clearly illustrate how external opportunities and threats faced by the company can be adjusted

to the strengths and weaknesses they have. This matrix can produce four sets of possible strategic

alternatives by Fred R. David (2011).

MARIK TOWS/SWOT		
IFAS	STRENGTH (S)	WEAKNESSES (W)
EFAS	♦ Tentukan 5-10 faktor faktor kekuatan internal	♦ Tentukan 5-10 faktor faktor kelemahan internal
OPPORTUNITIES (O)	STRATEGI SO	STRATEGI WO
♦ Tentukan 5-10 faktor faktor peluang eksternal	Ciptakan strategi yg menggunakan kekuatan untuk memanfaatkan peluang	Ciptakan strategi yang meminimalkan kelemahan untuk memanfaatkan peluang
THREAT (T)	STRATEGI ST	STRATEGI WT
♦ Tentukan 5-10 faktor faktor ancaman eksternal	Ciptakan strategi yang menggunakan kekuatan untuk mengatasi ancaman	Ciptakan strategi yang meminimalkan kelemahan dan menghindari kelemahan

1. Strategy SO

This strategy is made based on the company's way of thinking, namely by utilizing all the power to seize and take advantage of maximum opportunities.

2. Strategy ST

This is a strategy in using the company's strengths to overcome threats.

3. Strategy WO

This strategy is implemented based on the utilization of existing opportunities by minimizing existing weaknesses

4. Strategy WT

This strategy is based on activities that are defensive and try to minimize existing weaknesses and avoid threats.

**3. DATA AND RESEARCH TECHNIQUE ANALISYS**

The type of method used in this research is descriptive qualitative. Descriptive research is a study that aims to systematically describe the facts or characteristics of certain populations or certain fields factually and accurately. This type of research presents descriptive data (depictions) in the form of written and oral facts of each behavior of the people being observed. A qualitative research approach is often called a naturalistic inquiry. Data sources for this research proposal are observational notes, in-depth interview transcripts

of several employees and visitors, and related documents in the form of writing or drawing by Bungin, Burhan. (2011). Qualitative Research Characteristics consist of by Ibrahim. (2015) (10):

1. Setting / natural or natural setting with a holistic context.
2. Research instruments in the form of humans (human instruments).
3. The method of collecting observation data as the main method.
4. Inductive data analysis.
5. Process is more important than results.
6. Research is limited by focus.
7. The research design is temporary.
8. Reports with case studies.

Data collection methods used are by Satori, Djama'an dan Komariah, Aan. (2013).

1. Observation by participating (Participant Observation)
2. In-depth Interview (Indepth Interview)
3. Life Historical Investigation
4. 4. Content Analysis

**How to calculate TOWS / SWOT analysis**

To calculate the SWOT analysis, first determine the internal IFAS factors (strengths and weaknesses), and external EFAS (opportunities and threats) of the company in the first column.

Table 1. IFAS and IFAS calculations

Pernyataan	Setuju	Cukup	Tidak	Jumlah Responden	Total	Bobot	Rating	Bobot X Rating
Nilai	3	2	1					
Faktor Kekuatan								
	X	X	X	X	X	X	X	X
	X	X	X	X	X	X	X	X
	X	X	X	X	X	X	X	X
	X	X	X	X	X	X	X	X

Source : Self Proceed

Then the second, third, and fourth columns are filled with respondents' answers to the submitted questionnaires. The total column is filled in by the number of respondents' answers multiplied by the weight value. The weight column is filled in by calculating the total multiplied by the number of questions then divided by the total multiplied by the number of respondents. Rating is filled based on factors

towards the company's condition. The last column is filled with the result of weight multiplication with the rating specified. From the total multiplication it is obtained the total strength or weakness, as well as threats or opportunities.

**4. RESULT AND ANALISYS**

**Matrik TOWS**



**Strength (S)**

- 1. one-stop shopping
- 2. extremely low prices
- 3. full range of choices
- 4. free parking
- 5. strategic location
- 6. spacious and comfortable place

**Weakness (W)**

- 1.1. The realization of Carrefour's commitment is replaced 10 times if there is a cheaper price than the Carrefour's requirements.
- 2. Not fully implementing the price rounding system upwards

**Opportunities**

**(O)**

1. 80% of the 20 million customers who come and shop at Carrefour

**Strategi SO**

1. Carrefour positioning strategy with a one stop shopping format that provides a variety of shopping options complete plus a

**Strategi WO**

1. Reduce the requirements in the promos and publish the requirements in the POMO that is the commitment  
 2. Remain consistent in enforcing a price rounding system downward so that consumers do not feel cheated by

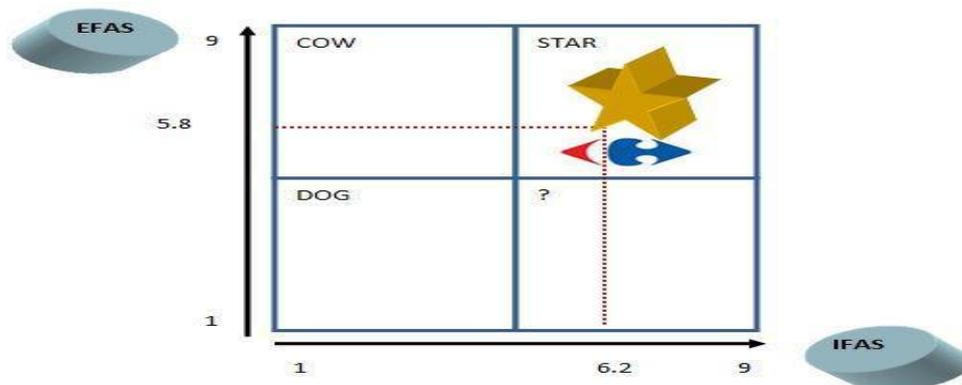
are women 2. men are usually the backbone of the family, in charge of earning a living, the time they have is very limited and they are price sensitive	spacious and comfortable place to make women more happy in shopping in meeting their needs and their families. (S1, S3, S6, 01) 2. Carrefour chooses strategic locations that can be easily accessed, free parking and provides items with extremely low prices (S2, S4, S5, 02)	Carrefour's promotion (W2, O2)			
<b>Threats (T)</b> 1.environmental challenges 2.changes in consumer behavior 3.increasingly fierce retail competition 4.uncertain economic conditions	<b>Strategi ST</b> 1.still maintain the concept of extemely low prices (S2, T3, T4) 2.Continually updating marketing information relating to consumers, competitors, suppliers and the external environment (S1, S2, W1, W2W3, W4) 3.Improve communication with customers and make innovations (S1,S2,T2,T3)	<b>Strategi WT</b> 1. Always renew its commitment to become a retail dreamer (W1,W2,T3)			
Strategy Factor	internal	Bobot	Ranking	Skor	Comment
<b>Strength</b>					

<i>one-stop shopping</i>	0.15	9	1.35	This one stop shopping concept is Carrefour's mainstay that can spoil its customers as a very complete shopping center
<i>extremely low prices</i>	0.15	9	1.35	To embrace all circles and maintain consumer loyalty this extremely low strategy strategy is very significant
<i>full range of choice</i>	0.10	7	0.70	Consumers like shopping places that make a lot of choices
<i>free parking</i>	0.05	6	0.30	One of the conveniences provided by Carreour for its consumers
<i>strategic location</i>	0.03	5	0.15	Easy to reach and remember the location position
<i>spacious and comfortable place</i>	0.02	5	0.10	Comfort is one of the emotional benefits that customers want
<b>Weekneas</b>				
Carrefour's commitment is replaced 10 times if there is a price that is cheaper than Carrefour's too many requirements and not known to all customers	0.25	5	1.25	Promotions that are proven true sometimes make consumers bored and feel cheated so they go somewhere else
Does not fully implement a downward price rounding system	0.25	4	1	Although the amount of rounding is small, there are some consumers who are sensitive to this
<b>Total</b>	1		6.2	

External Analysis Factor (EFAS)				
Strategy internal Factor	Bobot	Ra nki ng	Skor	Comment
<b>Opportunities</b>				
80% of the 20 million customers who come and shop at Carrefour are women	0.35	9	3.15	Women with a hobby of shopping and their duties as housewives are the biggest targets for this company
Men are usually the backbone of the family, in charge of earning a living, their time is very limited and they are price sensitive	0.15	7	1.05	Carrefour must be able to adjust its retail for men to shop
<b>Hambatan</b>				
environmental challenges	0.05	6	0.30	In running a business, a company must also adjust to the current environmental conditions
changes in consumer behavior	0.10	3	0.30	Changes in consumer behavior must really be considered to maintain their loyalty
increasingly fierce retail competition	0.25	2	0.50	Increasing competition must make Carrefour always vigilant and update its strategies
uncertain economic conditions	0.10	5	0.50	This condition will more or less affect the purchasing power of masyarakat.

<b>Total</b>	1		5.80
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**Matrik TOWS Collum 9**



**5. CONCLUSION**

Based on the TOWS matrix above we can see the position of PT. Carrefour is in the star position. This indicates that Carrefour has a high market opportunity in terms of its opportunities and threats, also accompanied by high internal capabilities in terms of weaknesses and weaknesses of the company. So it can be said from the results of the analysis, Carrefour's current position is very good because it can dominate the market. Answering these challenges above, we need an unusual marketing step that is more directed at strategic issues or steps or what is known as strategic marketing. Simply put the overall marketing policy leads to adding value and precisely to the desired target. Realizing a strategic marketing approach in this case can be started through the Market Driven Strategic (MDS) approach or market-based (driven) strategy. The basic logic of a market-based strategy is that customers shape the market into a starting point in business strategy.

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