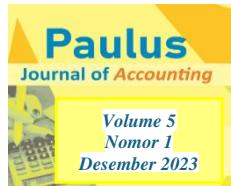


SWOT ANALYSIS OF PT. INDOFOOD SUKSES MAKMUR TBK

Nurul Nadya Ananda Muis¹, Muhammad Ali², Mursalim Nohong³

Magister Manajemen, Fakultas Ekonomi dan Bisnis, Universitas Hasanuddin

nadyamuis@gmail.com



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Abstract: Marketing strategy is making decisions about marketing costs, marketing mix, and marketing allocation concerning expected environmental conditions and competitive conditions. This research is qualitative in descriptive form. Qualitative research is a method carried out in natural conditions. The research data collection method was carried out by studying literature from accredited scientific publications and digital news. In this research, a case study was carried out analyzing the SWOT at PT. Indofood Sukses Makmur Tbk. PT Indofood CBP Sukses Makmur Tbk. (ICBP), a subsidiary of PT Indofood Sukses Makmur Tbk. (INDF), highlighting its founding in 2009 through the restructuring of its Consumer Branded Products (CBP) group. ICBP's main focus on the food and beverage sector is evident in the successful integration of four INDF subsidiaries, thereby increasing efficiency and productivity. However, ICBP faces challenges, including dependence on a large workforce, the risk of dependence on imported raw materials, and rapidly changing consumer preferences. The SWOT analysis identified opportunities, such as leveraging digital marketing for millennial engagement, capitalizing on emerging markets, and aligning with the modern consumer's convenient lifestyle. However, companies must face threats such as increasing competition, operational efficiency amidst price wars, potential disruptions in the supply of imported raw materials, and consumer concerns about chemicals in instant noodle products. A comprehensive understanding of these aspects enables ICBP to formulate strategic initiatives that capitalize on growth potential while effectively managing inherent risks.



INTRODUCTION

The plan to achieve profit-generating goals depends on each organization's awareness of changes occurring in the environment. That is why it is crucial to make preparations beforehand if one aims to achieve these objectives (J. Halik et al., 2021; J. B. Halik et al., 2023). An environment that is easier to shape will have a greater impact on strategic changes (Latief et al., 2023). It is impossible to separate the level of competition among businesses from the marketing tactics used to launch products and attract customers (Marpaung & Afriani, 2016).

Considering the anticipated environmental and competitive factors, marketing strategies require the determination of marketing allocation, marketing mix, and marketing expenditures (Budiman et al., 2023). According to Armstrong (2003), there are three possible interpretations. Firstly, company strategy should consider long-term resource allocation and the alignment of resources and skills with the external environment. It should also identify ways to achieve goals. Secondly, actions taken with a strategic view aim to have a significant and enduring impact on organizational behavior and performance, and strategy provides a framework for discussing critical issues or success elements. The third point is that to achieve

strategic alignment and maximize existing resources, the strategy largely involves setting goals (strategic objectives) and allocating or matching resources with opportunities (resource-based strategies) (Haerawan & Magang, 2019).

ICBP, or PT Indofood CBP Sukses Makmur, Tbk, is a leading company in Indonesia that has effectively adopted global strategies. The food, beverage, and packaging industries are the main focus of subsidiaries of PT Indofood Sukses Makmur Tbk, founded in 2009. If you're looking for instant noodles, visit ICBP - the undisputed national leader. Indomie products sold in 80 countries worldwide have made this brand famous among customers globally (Alvina et al., 2023).

When deciding how to promote a company's products to the general public, marketing strategies play a crucial role in increasing product awareness, which in turn boosts product quality recognition and sales (J. B. Halik et al., 2023; Tamara et al., 2023). One method to evaluate the effectiveness of a company's marketing campaigns is SWOT analysis. This research is conducted to identify internal and external elements influencing the organization. Both internal and external aspects need to be considered, including understanding the company's capabilities and limitations as well as its opportunities and threats (HALIK et al., 2023). Kotler states that one method to assess the internal and external marketing environment is through the use of SWOT analysis (Strengths, Weaknesses, Opportunities, Threats) (2009: 51) (Haerawan & Magang, 2019).

SWOT ANALYSIS (STRENGTH, WEAKNESS, OPPORTUNITY, THREATS)

One way to understand SWOT analysis is through the perspective of strategic planning processes, which help shape the creation of new corporate strategies and evaluate their effectiveness in achieving established goals (Akbar & Darmaputra, 2022). By using SWOT analysis, a business can evaluate the opportunities, threats, strengths, and weaknesses of its resources. The effort to understand the components influencing the success of the company is part of this research (Mashuri & Nurjannah, 2020). Below is a more in-depth description of the topics discussed in the SWOT analysis (Ratih Palgunadi, 2023).

1. Strength refers to an organization's assets, talents, and other advantages over its competitors and the market demands it seeks to fulfill.
2. Weakness is the lack of strengths that hinder an organization from reaching its full potential.
3. Opportunity, more specifically, represents highly advantageous circumstances in a business context. One source of opportunities is significant developments, such as technological advancements and the growth of partnerships between organizations and their customers or suppliers.
4. Unfavorable events in the business environment are known as Threats. Serious barriers that may thwart the current or future success of an organization are recognized as threats. The prosperity of a company may be jeopardized if new or updated government regulations begin to take effect.

SWOT MATRIX

IFAS EFAS	Strengths (S) Identify internal strength factors.	Weaknesses (W) Identify internal weakness factors.
Opportunities (O) Identify internal strength factors.	SO Strategy Create strategies that utilize strengths to leverage opportunities optimally.	WO Strategy Create strategies that minimize weaknesses by leveraging available opportunities.
Threats (T) Identify external threat factors.	WO Strategy Create strategies that utilize strengths to address threats.	WT Strategy Create strategies that minimize weaknesses to avoid threats.

Source: Rangkuti (2006:31) in (Khusnita, 2011)

METHOD

This research employs a qualitative descriptive method as its core approach. The emphasis of qualitative research lies in the meticulous observation of its natural habitat (Sugiyono, 2019). Several factors to be considered or deemed significant when analyzing this qualitative data include:

1. Quantitative research tends to overemphasize numerical values when evaluating factors.
2. No statistical tests are conducted in qualitative research.
3. Deeper research not reliant on numerical measures affords researchers more freedom to delve into the study topic.
4. In contrast to well-organized quantitative research, which encompasses data source information, data collection methods, and data analysis steps, descriptive research merely offers examples, not findings that can be compared or correlated. Research data were collected by reviewing leading scientific journals and online news sources. This study utilizes a SWOT analysis of PT. Indofood Sukses Makmur Tbk as a case study.

RESULTS AND DISCUSSION

Overview of PT. Indofood Sukses Makmur Tbk.

The parent company, PT Indofood Sukses Makmur Tbk. (INDF), was established on October 7, 2009, and ICBP is a subsidiary of this company. The parent company restructured the Consumer Branded Products (CBP) division to focus on the core food and beverage business, which serves as the foundation of this business. With the formation of this company, four additional INDF subsidiaries PT Indosentra Pelangi, PT Indobiskuit Mandiri Makmur, PT Gizindo Primanusantara, and PT Ciptakemas Abadi also became associated. Increased integration, efficiency, effectiveness, and productivity in the core company are driving mergers aimed at consolidating the consumer goods sector into one unit.

Indomie, Pop Mie, Chitato, Qtela, and Ichi Ocha are some popular products made by PT Indofood CBP Sukses Makmur Tbk., a leading food and beverage company in Indonesia. Products like these have not only gained popularity in Indonesia but also on a global scale. Many countries in Asia, Oceania, Africa, the Middle East, and Africa now offer ICBP products.

With hundreds of people working in various locations across Indonesia, ICBP is now based in Jakarta. Consistent with its goal to provide high-quality goods to customers, ICBP is always seeking new ways to distribute its merchandise. In addition to other priorities, ICBP is always looking for ways to improve its performance in terms of social and environmental sustainability (Ratih Palgunadi, 2023).

SWOT Analysis of PT. Indofood Sukses Makmur Tbk

Strengths:

1. Indofood products are well-known and have been ingrained in the community for a long time. One of its products, Indomie, has even become a staple in the Indonesian instant noodle market.
2. Indofood products have expanded into international markets. For instance, Indomie is widely recognized in Singapore, Malaysia, Hong Kong, and Taiwan. Moreover, these products have reached more than 80% of countries in Europe, the Middle East, Africa, and even the Americas, including Sudan and Lebanon.
3. Having factories abroad to meet demands beyond Indonesia, Indofood has established Indomie factories in Nigeria, Saudi Arabia, Syria, Egypt, Sudan, Ethiopia, Kenya, Morocco, Yemen, Turkey, and Serbia. This facilitates the distribution process of Indomie products in the international market.
4. Indofood Sukses Makmur Tbk possesses a skilled workforce, with over 90,772 employees working together to advance the company through its products and innovations in the future.
5. Indofood has the widest R&D network among food companies.
6. Indofood has a large and robust distribution network, allowing its products to be evenly distributed even in remote areas.

Weaknesses:

1. The large workforce makes the company vulnerable to shocks when crises occur or product sales decline.
2. Some raw materials still rely on imports, such as salt.
3. Unmet market demand. Due to the rapid turnover of variants of Indofood products, the demand for specific products from the public may not be fulfilled.
4. Too many brands released by Indomie. This will pose a challenge for management to ensure that these brands are well-received in the market.

Opportunities:

1. Utilizing digital marketing to compete with competitors in capturing the millennial market, who are now technologically savvy.

2. The continuous growth of the market, across lower, middle, and upper classes, presents an opportunity for Indofood to increase the sales of its products. This is because Indofood products are accepted by people from all walks of life.
3. The practical lifestyle of modern society presents an opportunity for Indofood to boost its product sales. This is because Indofood offers instant products that align with the modern lifestyle, which values convenience, speed, and affordability.
4. Indofood's overseas factories can facilitate Indomie to further expand its presence in the international market.

Threats:

1. Increasingly competitive and innovative similar products pose a threat, necessitating specific strategies for the company to win market competition.
2. Price competition with competitors requires Indofood to have special strategies to remain efficient and effective in the company's business operations.
3. Disruptions in the supply of imported raw materials may interfere with the production process of Indofood products.
4. Consumer prejudice or perception regarding the possibility of MSG or harmful chemicals in one of the instant noodle products poses a threat.

CONCLUSION

PT Indofood CBP Sukses Makmur Tbk. (ICBP), as a subsidiary of PT Indofood Sukses Makmur Tbk. (INDF), solidifies its position as a leader in the food and beverage industry in Indonesia. With a primary focus on the food and beverage business, ICBP has successfully integrated four subsidiaries of INDF, creating better efficiency and productivity. Well-known brands such as Indomie, Pop Mie, Chitato, Qtela, and Ichi Ocha have not only dominated the domestic market but also penetrated the international market, with factories in various countries facilitating the global distribution of Indomie products. ICBP's commitment to environmental and social sustainability also demonstrates the company's responsibility for the social and environmental impacts of its operations.

However, ICBP is not without challenges that need to be addressed. Despite having strengths in widely recognized products and a strong distribution network, the company must address its dependence on a large workforce, the risk of dependence on imported raw materials, and rapid changes in consumer preferences. SWOT analysis identifies significant opportunities for ICBP, such as leveraging digital marketing to attract the millennial market, continued market growth, and the practical lifestyle of modern society that can support the increase in sales of instant products. However, ICBP also faces the threat of increasingly fierce competition, challenges in maintaining operational efficiency amidst price competition, as well as risks related to the supply of imported raw materials and negative consumer perceptions of chemicals in instant noodle products. With a deep understanding of these aspects, ICBP can devise appropriate strategies to maximize growth potential and manage risks more effectively.

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