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## Implementation of SWOT Analysis to Increase Competitiveness of Online Stores in the Marketplace

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**Abstract:** The advancement of digital commerce compels online sellers on marketplace platforms to adopt precise and adaptive strategies to sustain their competitiveness. This research examines key internal and external factors—namely strengths, weaknesses, opportunities, and threats (SWOT)—that shape strategic efforts in managing online stores. Utilizing a descriptive qualitative design, data were gathered through direct observation. The study indicates that a solid grasp of both internal resources and external pressures allows entrepreneurs to construct more effective strategic responses. As a result, SWOT analysis proves to be a fundamental tool for guiding the development and competitive resilience of online retail businesses operating within marketplace ecosystems.

**Keyword:** SWOT Analysis, Online Store, Marketplace, Business Strategy, Competitiveness

### INTRODUCTION

The rapid advancement of information technology has significantly changed society's shopping behavior. Nowadays, many people prefer shopping through digital platforms due to the convenience and broader reach they offer compared to conventional stores. Marketplaces such as Tokopedia, Shopee, and Bukalapak have become the primary platforms for entrepreneurs to market their products online, opening up much larger market opportunities..

However, as the number of sellers in various marketplaces increases, business competition becomes increasingly tight and complex. Business actors are not only required to provide quality products, but also must implement the right marketing strategy in order to compete and maintain the sustainability of their business. Without an effective strategy, businesses are at risk of having difficulty developing or even declining. To deal with this situation, entrepreneurs need to conduct a comprehensive evaluation of the internal and external conditions of their business. One effective method used is a SWOT analysis, which functions to identify the strengths, weaknesses, opportunities, and threats faced. With this analysis, business actors can get a clearer picture of their business position in the market.

Based on the understanding of the results of the SWOT analysis, entrepreneurs can develop more appropriate and focused strategies. For example, by optimally utilizing existing strengths, overcoming existing weaknesses, seizing emerging opportunities, and preparing to

face threats from the business environment. This approach not only helps businesses respond to challenges, but also encourages them to be more proactive in anticipating market changes.

Therefore, mastering and implementing SWOT analysis is very crucial for business actors in the marketplace. This will help them in developing effective and sustainable strategies to win the competition in the dynamic digital world. Ultimately, SWOT analysis acts as a basis for strategic decision-making for the sustainability and success of the business in the long term.

## **METHOD**

This study uses a quantitative descriptive method to describe the existing situation by relying on numerical data. The analysis process used is SWOT, utilizing IFAS to evaluate internal factors (strengths and weaknesses) and EFAS to assess external factors (opportunities and threats). The goal of this approach is to design a strategy to strengthen the competitiveness of Online Stores in the Marketplace.

## **RESULTS AND DISCUSSION**

### **SWOT Analysis**

SWOT analysis is a technique in strategic management used to evaluate the internal and external conditions of a company. This approach aims to identify the strengths and weaknesses in a business, as well as the opportunities and threats from the external environment that affect business performance. In the online shopping industry, SWOT analysis helps entrepreneurs understand their position in the market, and design effective strategies to compete effectively. By understanding the four SWOT factors, organizations can develop strategies that focus on strengths, improve weaknesses, take advantage of market opportunities, and anticipate emerging threats. (Laksana, T. N., & Waluyo, M. (2021).

In its application, SWOT analysis plays a crucial role as a basis for developing digital business strategies, especially for online stores on platforms such as Shopee, Tokopedia, and TikTok Shop. Given the increasingly fierce competition and frequent changes in algorithms, store owners need to routinely evaluate their internal strengths such as product quality, speed of service, and creativity in running promotions. Meanwhile, aspects of weaknesses such as limited marketing budgets, dependence on one sales platform, and minimal positive reviews from customers also deserve serious attention. By using SWOT analysis, business actors can link their internal strengths with emerging opportunities, such as the increasing habit of people shopping online or incentive programs from the marketplace. In addition, they can also develop strategies to face external challenges, such as tight price competition and the emergence of similar products from competitors. Therefore, SWOT analysis not only helps in understanding the business situation as a whole, but also becomes a guideline in designing adaptive and sustainable strategic steps in order to be able to compete in the ever-growing digital market., (Mashuri, D. N. 2020).

The results of the SWOT analysis can be used as a basis for formulating a more targeted strategy for online stores in facing market competition. This approach allows business actors not only to maximize strengths and take advantage of available opportunities, but also to minimize the impact of internal weaknesses and anticipate external challenges. With a strategy that is adjusted based on this analysis, online stores have a greater chance of increasing their competitiveness and maintaining their existence in the rapidly changing digital era. (Wijaya, A. S. G. 2024).

### **Competitiveness**

Competitiveness refers to a business's capability to maintain and improve its position in the market by creating added value that is difficult for competitors to imitate. This is closely related to how companies utilize resources, innovate, and strategize effectively in order to

provide products or services that meet consumer needs. Competitiveness is not just about offering the lowest price, but also includes quality, speed of service, brand image, and the ability to adapt to market dynamics. Promotional Strategy, as part of the marketing mix that includes product, price, place and promotion, is used by companies to attract consumer interest and increase product purchasing decisions, (Lestari, R. A., & Yulianti, E. 2021).

In the context of online stores in the marketplace, competitiveness can be seen from the ability of business owners to provide a superior shopping experience - for example, a user-friendly store appearance, fast response to questions or complaints, always available stock, attractive packaging, and complete product information. Business actors who are able to combine these aspects with an effective promotional strategy will find it easier to attract attention amidst fierce competition. Therefore, building competitiveness means managing all business activities efficiently and innovatively in order to create sustainable excellence, (Taufique, K. M. R., & Vaithianathan, S. 2022).

**IFAS and EFAS strategies Online stores in the Marketplace**

The formulation of strategies based on IFAS (Internal Factor Analysis Summary) and EFAS (External Factor Analysis Summary) aims to describe the internal and external situations that affect the performance of online stores on the marketplace platform. This analysis includes identifying strengths and weaknesses in internal aspects such as product quality, response speed, and digital promotion, as well as external opportunities and threats such as online market growth, price competition, and platform support. The assessment results in the form of weights and ratings are used to determine the position of the store's strategy in the SWOT matrix which will be the basis for decision making. (Samsudin, A. et al. 2023)

If the analysis results show that the store's position is in quadrant I (SO strategy), then the strategy that can be applied is an aggressive strategy, namely optimizing the strengths it has to take advantage of existing opportunities. For example, stores can increase promotions through advertising features in the marketplace, strengthen services to increase customer satisfaction, and utilize digital shopping trends as a means of market expansion. With this approach, online stores can develop strategies that are more focused and responsive to change, so that they are able to maintain and increase competitiveness amidst ever-growing competition. (Laksana, T. N., & Waluyo, M. 2021)

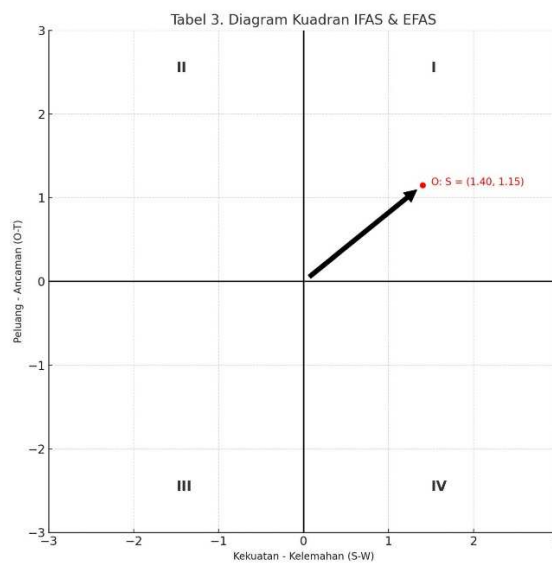
**Tabel 1. IFAS calculations**

No	Factors	Weight	Rating	Score
	<b>Strengths (S)</b>			
1	High-quality products aligned with market trends	0.15	4	0.60
2	Fast response to customer inquiries	0.12	4	0.48
3	Competitive pricing	0.13	4	0.52
4	Active presence on various marketplace platforms	0.10	3	0.30
5	Dominance of positive customer reviews	0.10	3	0.30
	<b>Subtotal</b>	<b>0.60</b>		<b>2.20</b>
	<b>Weaknesses (W)</b>			
1	Suboptimal store display design	0.08	2	0.16
2	Dependency on marketplace promotions	0.10	2	0.20
3	Limited product variety	0.07	2	0.14
4	Lack of special packaging	0.08	2	0.16
5	Weak brand awareness	0.07	2	0.14
	<b>Subtotal</b>	<b>0.40</b>		<b>0.80</b>
	<b>Total</b>	<b>1.00</b>		<b>3.00</b>

**Tabel 2. EFAS calculations**

No	Factors	Weight	Rating	Score
<b>Opportunities (O)</b>				
1	Rapid growth of marketplace users	0.15	4	0.60
2	Paid advertising features on marketplace platforms	0.13	3	0.39
3	Increasing trend of online shopping among youth	0.12	3	0.36
4	Easier collaboration with influencers	0.10	3	0.30
5	Government support for digital MSMEs	0.10	3	0.30
<b>Subtotal</b>		<b>0.60</b>		<b>1.95</b>
<b>Threats(T)</b>				
1	Intense price competition	0.10	2	0.20
2	Periodic changes in marketplace algorithms	0.08	2	0.16
3	Rapid spread of negative reviews	0.07	2	0.14
4	Emergence of imitation or dropship products	0.08	2	0.16
5	Rising logistics costs	0.07	2	0.14
<b>Subtotal</b>		<b>0.40</b>		<b>0.80</b>
<b>Total</b>		<b>1.00</b>		<b>2.75</b>

**Tabel 3. IFAS & EFAS quadrant diagram**



Koordinat SWOT: (1,40 ; 1,15)

**Calculated based on:**

- Strengths – Weaknesses = 2.20 – 0.80 = 1.40 (X-axis)

Shows the advantages of internal factors of online stores such as product quality, competitive prices, and fast service.

- Opportunities – Threats = 1.95 – 0.80 = 1.15 (Y-axis)

Shows the existence of great opportunities from outside, such as the growth of marketplace users and online shopping trends.

**Point Position: Quadrant I → SO Strategy (Strength-Opportunity)**

The point position is in Quadrant I, which means that the online store is in a strong condition internally and has great opportunities from external sources. With this position, the

most appropriate strategy is an aggressive strategy, namely utilizing internal strengths to seize and expand market opportunities.

**Recommended Strategy:**

Some strategies that can be applied include:

- Optimizing paid promotion features such as advertising on Shopee, Tokopedia, or TikTok Shop to reach more consumers.
- Maintaining the speed of service and product quality, so that customers remain satisfied and provide positive reviews.
- Innovating in product variations and packaging, so that they look attractive and are not inferior to competitors.
- Partnering with influencers, utilizing digital trends to expand the reach of the youth market.

**Tabel 4 : SWOT Matrix of Online Store Competitiveness in the Marketplace**

Internal Factor / External Factor	STRENGTHS (S)	WEAKNESSES (W)
	1. High-quality and varied products 2. Fast and responsive customer service 3. Attractive and user-friendly store design 4. Creative promotional strategies 5. Good stock availability	1. Limited promotional reach 2. Dependence on a single platform 3. Lack of positive reviews 4. Low brand awareness 5. Suboptimal operational time management
OPPORTUNITIES (O)	STRENGTH-OPPORTUNITY (SO)	WEAKNESS-OPPORTUNITY (WO)
1. Growth in marketplace users 2. Increasing trend of online shopping 3. Platform incentive programs 4. Expanding logistics support 5. Collaboration opportunities with influencers	1. Maximize product quality in promotional campaigns 2. Use excellent customer service to attract new buyers 3. Create an attractive store design for flash sale events 4. Collaborate with influencers to strengthen brand image 5. Increase stock availability when incentives are offered by platforms	1. Utilize platform incentives to overcome promotional limitations 2. Diversify sales platforms 3. Offer promotions to increase customer reviews 4. Enhance branding through promotional campaigns 5. Join platform training programs for sellers
THREATS (T)	STRENGTH-THREAT (ST)	WEAKNESS-THREAT (WT)
1. Intense price competition 2. Emergence of similar products 3. Platform algorithm changes	1. Use product advantages to compete healthily on price 2. Highlight unique features to stand out from competitors	1. Evaluate promotional costs to stay efficient 2. Develop alternative platforms to reduce dependency 3. Improve service quality

4. Fluctuations in shipping costs 5. Changing consumer trends	3. Quickly adapt to algorithm changes using customer data 4. Strengthen communication with customers to maintain loyalty 5. Develop products according to the latest trends	to match competitors 4. Create a better time management system for operations 5. Increase understanding of consumer trends for product strategies
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**The following is an explanation of the three main strategies taken from the results of the SWOT analysis above.**

1. Improving services to attract new consumers (SO Strategy) Utilizing excellence in service aspects can be an attraction for potential customers, especially amidst the growth of digital platform users. Responsive and professional service plays an important role in building trust and encouraging repeat purchases.
2. Expanding sales channels through various platforms (WO Strategy) Diversifying sales channels is a solution to dependence on one platform. By being present in various marketplaces and social media, stores have a greater opportunity to reach diverse consumers and reduce risks if problems occur on a particular platform.
3. Adjusting products to current market trends (ST Strategy) To remain relevant amidst the dynamics of consumer trends, product development needs to be directed according to emerging market preferences. This adjustment not only maintains competitiveness but also helps stores to continue to attract new consumers.

## CONCLUSION

SWOT analysis is a very useful method to understand the position of an online store business as a whole, both in terms of internal strengths and weaknesses and external potential and challenges. Based on the results of the analysis, the store's position is in the SO quadrant, which indicates that the business has significant internal strengths and external opportunities that can be maximized to drive growth.

Some strategies that can be implemented include utilizing paid promotion features in the marketplace, maintaining product and service quality consistently, innovating the appearance and variety of products, and collaborating with influencers to expand the target market. With the right and sustainable strategic approach, online stores have a great opportunity to increase competitiveness, reach more customers, and survive in increasingly competitive digital competition.

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