

SWOT ANALYSIS OF SMEs IN GERABAH CRAFT AT PAGELARAN VILLAGE AND DESA SUMBER MARON WATERFALL TOURISM

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ABSTRACT

The purpose of this study is to understand how to identify possibilities and difficulties in the fields of Desa Sumber Maron tourism and Gerabah crafts in Pagelaran Village in order to optimise business strategies. Strength, Weakness, Opportunity, and Threats (SWOT) analysis is the analytical framework we employ in this study. It is qualitative descriptive in nature and is based on primary data that we collected through observation. The distinctive qualities of Pagelaran Village's Gerabah Craft are its natural materials, handcrafted craftsmanship, and cultural history. Nevertheless, it has drawbacks such as a small market and expensive production. Possibilities include using e-commerce platforms and investigating the export market. Weather-related disruption and competition from imported goods are threats. Meanwhile, Waterfall Desa Sumber Maron, Malang is a well-known tourist destination with a wide range of attractions. Weaknesses include ignorance of tourism and environmental issues. Taking advantage of national events and evolving tourism patterns present opportunities. New, comparable attractions and their detrimental effects on culture are threats. Both present chances and difficulties that are needed for strategic planning for long-term sustainability.

Keywords: *Gerabah, Sumber Maron, Tourism, Craft, SWOT, SME*

INTRODUCTION

It is critical that we understand what *gerabah* is before moving on to a more in-depth analysis. The Indonesian Dictionary defines *gerabah* as kitchenware that has been fired after being formed of clay. The primary elements in this *gerabah* are *puru* soil from the mountains, which is utilized as a coloring agent, and *sawah* soil that has been mixed with water and river sand. *Gerabah* has been around from prehistoric times, especially after humans began farming, based upon archeological research. Nonetheless, Indonesian *gerabah* continues to be a treasure and a heritage of ancestors since the 1960s, when it first gained popularity.

Then, we swiftly address the waterfall's origins in Desa Sumber Maron. The waterfall is a popular tourist destination that features authentic elements of nature like crystal-clear spring water and breathtaking rural views. The expansion of Sumber Maron's domain in 2018 resulted in a rise in tourism, which has persisted to this day. Sumber Maron has a very pleasant water flow that is continuous, making it an excellent place to swim and soak. Sumber Maron also has sufficient facilities that make it a good place to chill out. Additionally, a few residents set up kiosks so that we can eat and take in Sumber Maron's incredible views. A *Pembangkit Listrik Tenaga Mikro Hydro* (PLMTH) in Sumber Maron serves as both an alternative tourist destination and a teaching tool for educational institutions interested in studying tours in the Malang Raya area. Moreover, the Desa Sumber Maron tourism is usually a product of a local government initiative to advertise the town as a travel destination. In addition to enjoying the regional cuisine, visitors may learn about the customs and culture of the Sumber Maron population in this tourist village.

Finally, this research aims to investigate how to optimize business strategies by identifying opportunities and challenges, as well as maintaining growth among small and medium-sized enterprises (SMEs) engaged in *gerabah* crafts in Pagelaran Village and Desa Sumber Maron Waterfall tourism. SWOT analysis within the industry was used in this study.

THEORETICAL BASIS

Definition of SME

Some countries have different terms for small and medium-sized firms, or SMEs. Some countries have different terms for small and medium-sized firms, or SMEs. The details on the defined size of a SME are provided by the nation in which the business is located. Depending on the country in which it operates, a company's size or classification as a SME may be determined by a variety of factors. The characteristics include market capitalization, the number of employees, the amount of assets owned by the business, and annual revenues, or any combination of these. SMEs make up the majority of the businesses operating around the world. They are often individual businesses with under 50 workers. Nevertheless, each nation has a separate limit on the number of employees. For most businesses, the highest limit is approximately 250. In some countries, the maximum number of workers is limited to 200. In accordance with Law Number 20 of 2008, there are three categories of SMEs in Indonesia: Micro, Small, and Medium.

1. Micro

Microbusinesses are companies that are individually owned by people or entities. The maximum asset value for microbusinesses is IDR 50 million, excluding the land and buildings where they are located. The maximum annual revenue for microbusinesses is IDR 300 million.

2. Small

Small businesses are stand-alone operations; they are not divisions or subdivisions of larger or medium-sized companies. A small business's assets, excluding land and buildings, range from IDR 50 million to IDR 500 million. Annual sales proceeds range from IDR 300 million to IDR 2.5 billion.

3. Medium

Individuals or privately held corporations own middle-class businesses. Furthermore, this enterprise is not a division or affiliate of another business. Medium-sized businesses have assets of between IDR 500 million and IDR 10 billion. In the meantime, revenues or turnovers range from IDR 2.5 billion to IDR 50 billion annually.

Definition of SWOT Analysis

The framework of a SWOT analysis helps to find and evaluate the strengths, weaknesses, opportunities, and threats of a business. The acronym SWOT consists of those words. SMEs can benefit from completing a SWOT analysis in a number of ways, including identifying areas for improvement within their organization, comprehending the reasons behind any difficulties in certain areas, obtaining insight into the activities of competitors, and setting priorities for their actions.

Art and Craft Industry

The craft industry is a type of business where human hand skills are used to manage raw materials, semi-finished goods, finished goods, and raw resources. There is a significant market and production potential for Indonesia's craft sector. Aside from that, there are numerous places in Indonesia that produce crafts, including Yogyakarta, Bali, East Java, and West Java, where the primary goods are carved and woven. As of right present, 2.5 percent of the global crafting market is accounted for by Indonesia. The Ministry of Industry aggressively encourages growth in the marketing of domestic handmade items as well as broadening market access for small and medium-sized industrial operators (SME).

Tourism Industry

A brief journey from one location to another for the purpose of recovering physically and psychologically following work and activities or to spend time with family is referred to as tourism (Spillane, 1993). These SMEs rely on the potential for tourism and the number of visitors to a location. The growth of these SMEs depends on support for the tourism industries of retail, natural sites, and historic sites. These industries will attract tourists who will purchase souvenirs.

METHOD

The analytical method that we use in this research is the Strength, Weakness, Opportunity, and Threats (SWOT) with qualitative descriptive based on primary data that we gathered from our observation. The primary goal of SWOT analysis is to increase awareness of the factors that go into making a business decision or establishing a business strategy. To do this, SWOT analyzes the internal and external environment and the factors that can impact the viability of a decision.

RESULTS AND DISCUSSION

4.1.1 The SWOT Analysis of Gerabah Craft at Pagelaran Village

Strengths	Weaknesses	Opportunities	Threats
Unique Value	Limited Market	Export Market	Competition from imported products
Cultural Heritage	Uncertainty in the quality of raw materials	Product Collaboration	The usage of modern tools
Part of Local Culture	Market trend and growth	E-Commerce Platform	Reduction in Human Resource
Handcrafted	Production and Distribution Cost	International recognition	Weather interference
Natural Materials	-	-	-

Table 4.1 The SWOT Analysis Table of Gerabah Craft at Pagelaran Village

The Strengths in Gerabah Craft Pagelaran Village

Unique Value: Gerabah Craft at Pagelaran Village has a unique value that the others don't have. They can basically see how the Gerabah is being made in the village while shopping for one.

- i. Cultural Heritage: The Gerabah Craft are part of the Indonesian cultural heritage that is rich in history. It will always attract collectors and artisans who are interested in Gerabah Craft.
- ii. Part of Local Culture: This product shows the diversity of the local culture in Indonesia.
- iii. Handcrafted: You need high-level handcrafting skills if you want to become a Gerabah Crafter. You can make the Gerabah price higher by selling that point than those that are machine-made.
- iv. Natural Materials: By using natural clay as the main material, made Gerabah a sustainable product with authentic value.

4.1.2 The Weaknesses in Gerabah Craft at Pagelaran Village

- i. Limited Market: The Gerabah market is still limited to the local market and still doesn't have any access to the international world because of the limited knowledge to reach the international market.
- ii. Uncertainty in the quality of raw materials: The natural clay quality as the main material could vary and this could affect the quality of the product.
- iii. Market Trend and Growth: The trend and market preference change to the modern product could make Gerabah lose in the competition against it.
- iv. Production and Distribution cost: The high cost of production and distribution could be a challenge for the crafters to stay competitive in the market.

4.1.3 The Opportunities in Gerabah Craft at Pagelaran Village

- i. Export Market: The Gerabah Craft has a chance to enter the export market and reach international customers with an accurate marketing strategy and quality control.
- ii. Product Collaboration: To combine Gerabah craft with modern design or other crafts to add extra value and attract customers.
- iii. E-Commerce platform: By using an e-commerce platform, the crafters could reach a much wider market and increase the customers' awareness of the local products.

- iv. International recognition: By increasing the quality standard and intensive promotion, Gerabah has the potential to get international recognition and enhance the Indonesian product brand globally.

The Threats in Gerabah Craft at Pagelaran Village

- i. Competition from imported products: Cheaply priced import products could be a threat to the local Gerabah product in the domestic market.
- ii. The usage of modern tools: A mass production machine could reduce the crafters and the authentic value of the Gerabah.
- iii. Reduction in Human Resource: The young generation doesn't seem to have any interest in continuing this tradition. This caused a reduction in the number of crafters in this industry. Our industry visit activity showed the young generation is not interested in this job.
- iv. Weather interference: To make the Gerabah, you need fairly hot weather with enough sunlight. But it's not always sunny here in Pagelaran Village and it makes the drying process harder.

4.2 The SWOT Analysis of Desa Sumber Maron Waterfall Tourism

Strength	Weakness	Opportunity	Threat
As one of Malang's tourism icons	Limited HR knowledge of tourism	Change in tourist trend	New tourist destination
Variety of attractions	Environmental pollution and destruction.	National events for promotion	Over carrying capacities
There's a local authority to control the tourism	Poor access to the location.	A lot of HR in the area	Cultural change

Table 4.2 The SWOT Analysis Table of Desa Sumber Maron Waterfall Tourism

4.2.1 The Strengths in Desa Sumber Maron Waterfall Tourism

- i. As one of Malang's tourism icons: Desa Sumber Maron Waterfall Tourism has been an icon for Malang as it's famous for its freshly clear water.
- ii. Variety of attractions: Desa Sumber Maron Waterfall Tourism provides not just a place to dip your toes in its clear water. It also has a tubing route and some slides to keep us entertained.
- iii. There's a local authority to control tourism: The local authority provides a security guarantee for the tourism company who operate in Malang.

The Weaknesses in Desa Sumber Maron Waterfall Tourism

- i. Limited HR knowledge of tourism: This could lead to a stagnant development in the tourist attraction at Desa Sumber Maron Waterfall which could lose its visitors in the future.
- ii. Environmental pollution and destruction: With so many people coming to the waterfall, they could damage the environment by littering the place or accidentally breaking something.
- iii. Poor access to the location: The road to the location is still a bit narrow which makes it hard for big vehicles if they pass by. Also, they need to look after the road surface condition.

4.2.3 The Opportunities in Desa Sumber Maron Waterfall Tourism

- i. Change in tourist trend: We saw a trend of coming to an alternative tourist attraction rather than a big tourist attraction. People on social media tend to search for a hidden gem tourist destination.
- ii. National events for promotion: There are a lot of national events which are held in Malang. We can use these events to promote Desa Sumber Maron Waterfall Tourism.
- iii. A lot of Human Resources (HR) in the area: There are a lot of Human resources in Desa Sumber Maron, so you won't be having a hard time if you want to search for employees for your business here.

4.2.4 The Threats in Desa Sumber Maron Waterfall Tourism

- i. New tourist attraction: There are a lot of new emerging tourist attractions that are quite similar to Desa Sumber Maron Waterfall Tourism. They need to come up with an idea to distinguish themselves.
- ii. Overcarrying capacities: If the tourism development is out of control, it could lead to a disruption for the visitors and could also damage the environment.
- iii. Cultural change: The visitors from different backgrounds could bring a negative effect to the locals and the environment.

CONCLUSION

After analyzing the Strengths, Weaknesses, Opportunities, and Threats in both Gerabah Craft Pagelaran Village and Desa Sumber Maron Waterfall Tourism, we can strongly say that there are still some areas that they can improve from the weaknesses that we gathered. They can come up with creative solutions to reduce their weaknesses. They also need to find a way to make sure they optimize the opportunity, so they won't waste those opportunities and grow into a bigger industry. For instance, to help the SMEs in these communities reach a larger audience worldwide, the residents of Pagelaran Village and Sumber Maron Village produced a promotional video about their attractions, which include waterfalls and *gerabah*. They then invested some money to have the promotional video shown in any paid advertisement on social media or on television. We also have faith that they will be able to raise the profile of these two sectors of the economy—tourism and handicrafts—in the eyes of the international community by implementing consistent, eye-catching promotions. Next, they also should not forget about the threats that are lurking around their industry. However, both places that we have visited still have some existing strengths within the industry for them to be utilized to improve their business.

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APPENDICES

The students leading an industrial tour at the Gerabah Craft Pagelaran Village and their handmade items are displayed in the photos below.



Meanwhile, the images below depict some SMEs and the students leading an industrial tour at Desa Sumber Maron Waterfall.

