

Analysis of International Competitive Strategy of BHS Sarong PT Behaestex

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Abstract.

This study aims to determine the competitive strategy analysis of PT. Behaestex and recommends a competitive strategy analysis of PT. Behaestex that must be developed in order to increase business competitiveness. Data collection uses document analysis to understand holistically about the unique phenomena in the research object of PT. Behaestex. The analysis method used is qualitative descriptive case study. SWOT analysis shows that the company needs to increase the strengths of the company to be known by consumers and be able to compete with similar companies, especially globally or internationally. Strategies that can be concluded from the SWOT matrix include: SO strategy, namely using the company's strengths in the field of production to control international market share, WO strategy, namely forming a marketing team to expand international marketing reach, ST strategy, namely by diversifying products according to international consumer demand, and WT strategy, namely introducing products to all employees and maximizing production effectiveness.

Keyword : Strategy; External; Internal and SWOT.

I. INTRODUCTION

Clothing or textiles are a primary human need that is a daily necessity. The clothing industry is one of the industries that contributes the largest foreign exchange to the country. Minister of Industry Airlangga Hartarto said that the growth of the Indonesian textile industry continues to increase every year. Textile products from Indonesia will be able to control 1.9% of the world's textile market. Indonesia is used as one of the benchmarks for the world's textile business because the creative industry in Indonesia continues to grow rapidly. The increase in the growth of textile industry exports in Indonesia cannot be separated from the efforts of the Ministry of Industry which held many Fashion Expos 2018 with the aim of making Indonesia a world fashion mecca [1]. Throughout the first quarter of 2019, the textile industry in Indonesia experienced a significant increase with growth reaching 18.98%. The achievement in the first quarter of 2019 was much better than the achievement in the first quarter of 2018 which was 7.46%, even exceeding the achievement throughout 2018 which was 8.73%. Data from the Central Statistics Agency (BPS) shows that the production of large and medium manufacturing industries (IBS) in the first quarter of 2019 increased by 4.45% annually. IBS growth increased by 29.19% due to increased orders. The Director of the Textile, Leather and Footwear Industry of the Ministry of Industry (Kemenperin), Mudori, is of the opinion that the textile and textile product industry or TPT is one of the mainstay sectors. The textile industry in East Java, especially Surabaya producers, explained that garment development increased by 8.17% even though it had not contributed greatly on a national scale [2]. Muhdori assessed that the textile industry and textile products have made a major contribution to the Indonesian economy, because the textile industry is classified as labor-intensive.

The demand for textile products will continue to increase along with population growth and changes in lifestyle. Therefore, national textile industry players must work hard to increase productivity, quality and efficiency by implementing more modern technology in accordance with the times. The textile industry is one of five manufacturing sectors that are a priority for development towards the era of industry 4.0, it is hoped that in the future national textile and apparel producers will enter the top five in the world by 2030 [2].

The dominant sectors that dominate the country's economy include the visual communication design sector at 0.06%, the film sector at 0.16%, the interior design sector at 0.16%, the fine arts sector at 0.22%, the product design sector at 0.24%, the performing arts sector at 0.26%, the photography sector at 0.45%, the music sector at 0.47%, the advertising sector at 0.80%, the application and game developer sector at 1.77%, the architecture sector at 2.30%, the publishing sector at 6.29%, the television and radio sector at 7.78%, the craft sector at 15.70%, the fashion/textile sector contributed 18.15%, the culinary sector at 41.69% to GDP (Gross Domestic Product). Based on the diagram above, it shows that the textile industry sector has the second largest contribution after the culinary sector. The fashion/textile industry has the potential to support the country's economy. This industry has huge opportunities with a fairly high level of competition [3].

Companies that have a market orientation have a faster basis for improvement, and will be reflected in the success of the company's new flagship products, profitability, market share, and sustainable competitive advantage. Market orientation is needed by a company as an observation to be able to see market demand in developing a new product innovation. Developing a new innovation, clothing industry business owners, especially PT. Behaestex, require courage and strong determination in taking risks. The competitive conditions of PT. Behaestex's business are experiencing quite fluctuating conditions in terms of income due to competition in the textile industry business, with quite a lot of producers, especially in the field of international production and marketing competition. The textile industry in East Java, especially one of them, PT. Behaestex, reduces production costs by transferring production locations outside East Java, such as Central Java, because the UMK costs in the East Java region are considered quite high. PT. Behaestex is also a textile company that produces one of the products that is quite well-known in the Indonesian community, namely BHS Sarongs. According to Siswanto et al., [4], explained that in facing business competition, entrepreneurs apply product development strategies, 4 (four) main dimensions used by entrepreneurs, namely; producing different products; modifying products; producing limited products and producing different products according to certain consumer groups. Business competition involves various economic aspects so that entrepreneurs must always innovate to gain profit.

Competitive strategies applied by companies in developing countries in international competition must have the right strategic arrangement to overcome various competition challenges amidst rapid and significant changes in international market tastes. One of the strategies applied is a competitive strategy of cost leadership and differentiation with a market-based focus, namely including customer orientation, competitor orientation, and marketing creativity [5]. Further research, namely Masroor and Asim [6] explained that business competition between countries has an impact on economic conditions in the surrounding area. Location-based strategy analysis needs to be carried out to formulate various policies to overcome increasingly tight competition. Economic geography factors help decide the target market that a product will target. Various location policies can help a company's competitiveness in a region so that it can continue to lead the market in that region. Batubara and Masitoh Hacklin [7] explained that different levels of companies have different competitive strategy analyses in testing business model innovation patterns. Certain business sector industries are sensitive to changes in market tastes. Product value is one of the triggers for changes in consumer or market tastes in choosing products. Business model innovation as one of the key elements of the basic mechanism for companies to survive in the tight global competition. PT. Behaestex is located in the Gresik area at Jalan Mayjend Sungkono 14 Segoromadu Kebomas Gresik, a company engaged in the textile industry that must also pay attention to the right competitive strategy in order to survive in this increasingly advanced era of development. PT. Behaestex has challenges that are not easy at this time.

The challenges of this company include increasingly tight competition in the textile industry sector, meeting increasing demand, and changing international market tastes. This is evidenced by the development of clothing model tastes that are always developing rapidly so that they have an impact on the development of the company's income and sales which tend to fluctuate. The limitations of product orders produced by the factory are considered still minimal compared to the factory's fairly large capacity. This lack of productivity has an impact on the company's competition with other parties that have similar industrial business sectors. The company needs to conduct an analysis of the company's internal conditions related to production, budget

adjustments and capacity adjustments with appropriate production orders. Based on the explanation above, this study is focused on conducting an analysis related to PT. Behaestex's competitive strategy in Gresik in order to survive and develop its business, especially covering the international market.

II. METHODS

This study uses a descriptive/qualitative research type with a data collection method through case study method analysis with a comprehensive research approach to certain events. Descriptive/qualitative research data is collected through a list of questions in surveys, interviews, and observations [8]. The research process is one of the focuses on the emphasis of qualitative research so that the process is emphasized rather than the final result. Qualitative research aims to find out the reasons for how and why a problem arises in research. Qualitative research consists of interpretation techniques that explore a problem until the researcher is able to describe, interpret data, and draw conclusions [9]. This study uses a descriptive/qualitative type with the aim of being able to describe the challenges being faced by the company by focusing on various phenomena that occurred at PT. Behaestex when the research was conducted as well as various factual problems. The researcher provides an overview of the phenomena being faced by PT. Behaestex to provide an overview of the problem situation that occurs objectively. To find out the right competitive strategy in PT. Behaestex, it is necessary to conduct an internal and external environmental analysis. Internal environmental analysis consists of [9]:

a. Human resource aspect; emphasizes the availability and readiness of the workforce, both the type/quality of the workforce and the number of human resources needed to run the business.

b. Marketing aspect; carried out by analyzing the ability of the product produced so that it can provide higher value to customers compared to competing products. Marketing mix is an important part in influencing consumers to make purchases of the goods or services offered. Here are 4 components (4P) in the marketing mix:

1. Product is goods or services that are useful for meeting customer needs.

2. Price is the amount of money that must be paid by customers to get the goods or services they want.

3. Promotion is an activity carried out by the company to communicate the benefits of the products sold and also to convince target customers to make purchases of the product.

4. Distribution/place is a series of product distribution from producers to consumers.

c. Production aspect; is an aspect that produces a product/service in an organization.

d. Financial and accounting aspects; Covers all financial transactions within the company, including monthly financial reports, payments, and so on.

External environmental analysis consists of:

a. Threat of substitute products; determined by the price of substitute products, switching costs incurred by customers in switching to using products from other companies, and product quality.

b. Threat of competitors; determined by several factors, including: market growth, cost structure, industry exit barriers, switching costs incurred by customers in switching to using products from other companies, experience in the industry, and differences in strategy implementation.

c. Threat of new entrants; consists of price barriers, incumbent response, high costs, incumbent experience in the industry, cost advantages, product differentiation, distribution access, government policies, and switching costs incurred by customers in switching to using products from other companies.

d. Supplier bargaining power; determined by several factors, including: switching costs to other suppliers, number of suppliers, supplier concentration, availability of substitute goods, level of input differentiation, to the level of relationship with suppliers.

e. Consumer bargaining power; influenced by several factors, including: differentiation, concentration, buyer interests, income levels, product quality choices, access to information, and switching costs incurred by customers when switching to using products from other companies.

f. Competitor analysis; a company's way of assessing its ability to compete successfully in a market that provides profit opportunities. The indicators of industry competitor analysis are as follows:

1. Number of competitors
2. Industry growth
3. Product differentiation

This study uses semi-structured interviews with freer implementation compared to structured interviews. The purpose of the data collection method with semi-structured interviews is so that informants are more open in conveying problems related to opinions and ideas that occur in the company. Researchers are required to listen carefully and record the information provided by informants [10].

III. RESULT AND DISCUSSION

The value creation of PT. Behaestex focuses more on price and product quality. The problem of PT. Behaestex's expansion development related to marketing is considered quite developed to the international market, but there is a problem with the emergence of new products that require quite a long consideration so that it is considered quite inhibiting the business. To reach a deal process with foreign customers, an average of more than three meetings are needed, because customers need quite a long time to express their wishes. The strategy related to pricing focuses more on premium price high quality for the purpose of large turnover income, but pricing is still adjusted to existing external factors such as customer purchasing power, inflation, and competitor prices. PT. Behaestex also tries to study and analyze the development pattern of fashion tastes by providing various packages according to the needs of the customer market with small needs. Determining this package is a strategy to adjust the needs of customers who have lower purchasing power or for events that are more private. So it is necessary for PT. Behaestex to develop new product packages to reach a wider market and follow the shifting trends. PT. Behaestex focuses on determining prices that are considered to be in the premium category. Another problem faced by PT. Behaestex is focusing on customers who make large-scale orders and facing this problem PT. Behaestex also works with suppliers to provide explanations to its customers. Gathering with suppliers is also carried out in addition to maintaining good relations, also to introduce several new innovations offered and to find out what complaints are often conveyed by customers to PT. Behaestex.

From the marketing side at PT. Behaestex, the problem that generally occurs is the use of the internet which is still considered not optimal. However, because it is not displayed on the internet, prospective customers feel that the product is not owned by PT. Behaestex. This must be fixed immediately, considering that everything is currently generally known through the internet media. The business process carried out by PT. Behaestex requires another important element, namely operational effectiveness. Operational effectiveness is a combination of strategies as one way to achieve superior performance results. Operational effectiveness requires PT. Behaestex to be able to carry out the same activities better than competitors. This is done by increasing benefits, value or utility by reducing the minus value of the product or making the product better. A good combination of operational effectiveness and strategy will provide a competitive advantage to PT. Behaestex. In terms of professionalism, PT. Behaestex is also an advantage if customers pay attention to the details of the service provided by PT. Behaestex. PT's strategy. Behaestex tends to develop with changes in market conditions, changes in technology, changes in competitors, changes in customer needs, opportunities and new ideas that emerge, requiring management to be ready to make strategic adjustments to answer these challenges. The process of adapting to conditions that are continuously changing, supported by an evaluation process of various possible improvements, is a common thing to do in the strategy formulation process.

The implementation of a strategy to run well must be supported by the consistency of the internal environment which must also be in accordance with the external environment such as the industrial environment and the macro environment or often referred to as strategic fit [11]. PT. Behaestex's strategy is divided into two parts, namely proactive and reactive, derived from previous activity experiences that have been proven to bring market success. This part is called a deliberate strategy, namely a proactive strategy element that has been planned and realized according to plan. PT. Behaestex must also be willing to make changes to the proactive strategy as a reaction to previously unanticipated conditions. This can happen due to maneuvers carried out by competitors, changes in customer desires, rapid technological changes, the

emergence of new market opportunities, political and economic changes or other changes in the environment that could not be anticipated previously. This adaptive strategy is usually called an emergent strategy [13]. The strategy developed by PT. Behaestex consists of a combination of proactive and reactive elements where some elements of the strategy are abandoned because they are considered ineffective. The basic goal of PT Behaestex is to survive and continue. The process of continuing a business takes a long time and is important for PT. Behaestex to generate a rate of return on capital greater than the cost of capital.

Strategy is defined as a process of determining the plans of top leaders who focus on the long-term goals of the organization or company accompanied by the preparation of a method or effort on how the goals can be achieved. Strategy is also considered as an instrumental and continuous action and is carried out by the company based on the perspective of what customers expect in the future. Business strategy is a functional strategy that is oriented towards the functions of business activities, namely marketing, production or operations, distribution, organization, and finance [12]. Strategic management is a process to produce strategic decisions and actions that support the achievement of organizational goals. When conducting strategic management, managers will process input obtained through evaluation of the current vision, mission, goals and strategies and conduct analysis of internal factors (identification of organizational strengths and weaknesses) and external (identification of opportunities and threats to the organization). This business strategy is chosen by the company to carry out business development. In addition to using a parent business strategy as the strategy currently implemented by PT. Behaestex, it also needs to be developed using alternative strategies.

IV. CONCLUSION

The company uses competitive strategy analysis by increasing potential consisting of aspects of human resource management, production, marketing and finance. The system that involves buyers, competitors, suppliers to newcomers by increasing strength through the potential of PT. Behaestex is able to produce products in large enough quotas and with guaranteed quality. The strategy implemented to be able to compete is by establishing closer cooperation with various small industries to create and produce brands. The competitive strategy developed to be able to increase business competitiveness is the formation of a special team in the marketing section as an important factor in boosting company sales, as well as introducing company products to consumers/the public. Companies that produce large-scale textile products, companies can provide cheap prices with purchases in large quantities of course.

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