ABSTRACT

This research is motivated by the significant role of the textile and apparel industry in supporting the national economy through its contribution to GDP and employment opportunities. Despite its growth, the industry faces challenges such as global economic instability, fast fashion trends, production cost pressures, and intense competition from imported products. Another noteworthy phenomenon is the surge in the number of MSMEs in the apparel sector, which has intensified market competition. Schouten.id, an MSME specializing in men's clothing, faces stagnant sales growth and increasing competition. Therefore, an appropriate business strategy is required to support the company's development.

In recent years, Schouten.id has encountered various internal and external challenges that hinder its business growth. After recovering from the COVID-19 pandemic, Schouten.id began to stabilize, but in 2024, the company experienced a decline in revenue and a significant increase in market competition. Hence, to capitalize on existing opportunities and address emerging threats, Schouten.id requires an appropriate business strategy. This strategy can be formulated by analyzing external and internal environmental factors, resulting in several relevant business strategy alternatives to support the company's development.

The strategy formulation is carried out through three stages of strategic management: the input stage, the matching stage, and the decision stage. In the input stage, IFE and EFE matrix analyses are conducted. The matching stage involves SWOT matrix analysis, and the decision stage uses QSPM matrix analysis. This research employs a mixed-method approach, combining qualitative descriptive and quantitative analyses. Quantitative methods complement qualitative analysis results. Sampling is conducted using the purposive sampling method, involving seven respondents from various stakeholders, including the company's internal team, customers, suppliers, and competitors. Data credibility is ensured through data triangulation and member checking.

The research findings indicate an EFE matrix score of 3.485 and an IFE matrix score of 2.711. Meanwhile, the QSPM matrix analysis results in a prioritized alternative strategy with a Total Attractive Score (TAS) of 4.65. The priority strategy is optimizing low-interest loans to open a small showroom as a transitional step toward developing physical (offline) stores. This strategy is expected to help Schouten.id strengthen its market position and support the achievement of its business goals.

Keywords*: IFE, EFE, SWOT, QSPM, Business Strategy, MSMEs*