

BUSINESS SUSTAINABILITY STRATEGIES OF AGRIBUSINESS MSMEs IN THE NEW NORMAL ERA

Strategi Keberlanjutan Usaha UMKM Agribisnis di Era New Normal

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ABSTRACT

This research aims to determine internal and external factors, formulate strategies, and decide the priority of agribusiness MSME sustainability strategies in Sukoharjo Regency in the new normal era. This research uses basic descriptive and analytical methods. A total of 28 key informants were selected purposively. Data collection was completed through in-depth interviews. Data were analyzed using the IFE, EFE, IE, SWOT, and QSP matrices. The research results depict that the most essential strength is the support of experienced human resources with particular specialties and the most significant weakness is the limited business capital. Meanwhile, product diversification becomes the biggest opportunity and a decrease in production due to the COVID-19 pandemic serves as the most challenging threat. The IE matrix demonstrates that the position of agribusiness MSMEs in Sukoharjo Regency is in cell V, which means keeping and maintaining that can be done with product penetration and development strategies. Alternatives to agribusiness MSME sustainability strategies are building synergies to increase market share with online marketing; improving the quality of human resources through training; establishing partnerships with suppliers to suppress raw materials; strengthening quality control to maintain quality; innovating the product; maximizing the ability of human resources and the management of product competitiveness; introducing, promoting, and discounting products; and increasing partnerships with large businesses. In the new normal era, the priority of agribusiness MSME business sustainability strategy in Sukoharjo Regency is building synergies to improve the market with online marketing.

Keywords: *MSMEs, pandemic, QSPM, strategy, SWOT*

ABSTRAK

Penelitian ini bertujuan untuk mengetahui faktor internal dan eksternal, merumuskan strategi, dan menentukan prioritas strategi keberlanjutan UMKM agribisnis pada era new normal di Kabupaten Sukoharjo. Penelitian ini menggunakan metode dasar deskriptif dan analitis. Informan kunci yang digunakan sebanyak 28 orang dan dipilih secara purposif. Teknik pengumpulan data dilakukan melalui in-depth interview. Data dianalisis menggunakan matriks IFE, EFE, IE, SWOT, dan QSP. Hasil penelitian menunjukkan bahwa dukungan SDM yang berpengalaman pada bidangnya merupakan kekuatan utama dan terbatasnya modal usaha merupakan kelemahan paling signifikan. Sementara itu, diversifikasi produk menjadi peluang terbesar dan penurunan produksi akibat pandemi COVID-19 merupakan ancaman terpenting. Matrik IE menunjukkan posisi UMKM agribisnis yang berada di sel V, yang berarti menjaga dan mempertahankan. Hal ini dapat dilakukan dengan strategi penetrasi dan pengembangan produk. Alternatif strategi keberlanjutan UMKM agribisnis adalah membangun sinergi untuk meningkatkan pangsa pasar dengan pemasaran online; meningkatkan kualitas SDM melalui pelatihan; menjalin kemitraan dengan pemasok agar biaya bahan baku dapat ditekan; memperketat pengendalian mutu untuk menjaga kualitas; melakukan inovasi produk; memaksimalkan kemampuan SDM dan pengelolaan daya saing produk; melakukan pengenalan, promosi, dan diskon produk; dan meningkatkan kemitraan dengan usaha besar. Prioritas strategi keberlanjutan usaha UMKM agribisnis di Kabupaten Sukoharjo pada era new normal adalah membangun sinergi untuk meningkatkan pasar dengan pemasaran online.

Kata Kunci: *UMKM, pandemi, QSPM, strategi, SWOT*

INTRODUCTION

One of the indicators of increased national development is increasing economic growth (Sarfiyah et al., 2019). The leading actor of national development is the community, where the main role of the community is Micro, Small, and Medium Enterprises (MSMEs). MSMEs play an important role in economic development and the increase in economic development can be seen from the increase in the country's GDP. It affects economies in developed and developing countries (Supriaddin et al., 2018). One of the contributors to this increase is MSMEs (Amri, 2020). However, since the COVID-19 pandemic hit Indonesia at the end of 2019, the growth and development of MSMEs have changed. Because of the COVID-19 pandemic, several policies implemented in Indonesia have had an impact on MSMEs. Many MSMEs have closed their businesses because they can no longer continue their production (Shaferi & Pinilih, 2020).

The COVID-19 pandemic has significantly impacted the global economy (Muditomo & Wahyudi, 2021), including MSMEs in Indonesia. Many businesses are currently struggling to stay afloat, and many are losing money as a result of

the COVID-19 pandemic (Andries et al., 2020). MSMEs are being impacted by the drop in MSME turnover (Wijoyo & Widiyanti, 2020). Furthermore, the impacts of the pandemic have resulted in a decrease in people's purchasing power, particularly at the lowest level (Sumarni, 2020), causing many companies to lay off labor relations. This condition increases the number of unemployed people in Indonesia. This will result in a reduction in public consumption activity (Novita et al., 2021).

One of the government's policies during the pandemic is to implement physical distancing. During this period, the government has restricted people's activities outside the home to prevent the spread of the COVID-19, making people do more activities at home, such as work from home, online teaching and learning activities, and even online shopping for daily needs (Wella & Chairy, 2020). Therefore, this situation develops a new habit for society known as "the new normal".

MSMEs in agribusiness are some of the business sectors affected by the COVID-19 pandemic. In addition, the decrease in income of business actors directly caused a reduction in economic growth globally (Suciati, et al, 2021). Moreover, this business has different characteristics and greater risks than other manufacturing businesses. The easily spoiled and damaged products, relatively short shelf life, relatively high cost for handling, and dependence on nature are the obstacles during the COVID-19 pandemic or the new normal era. This is attributed to hampered product supply and very slow market absorption.

The new normal has an impact on the business of large companies and MSMEs. This condition is influenced by several aspects, one of which is the ability of MSMEs in applying their business strategies. MSMEs have focused on developing quality products, which are competitive and widely accepted by the market. However, in the new normal, it is necessary to have new perspectives to apply different business strategies because the products are in high demand but production factors may not be able to meet the demand (Intan & Muliastari, 2020).

Sukoharjo Regency has great potential for MSMEs, but MSMEs in this regency face serious challenges due to the COVID-19. Agribusiness MSMEs in the region are experiencing production constraints due to stagnating supply of raw materials and declining sales because of difficult market access as a consequence of social mobility restrictions and changing consumer purchasing behavior resulting from the policy "to stay at home" The unpreparedness of agribusiness MSMEs in mastering business digitization has worsened the situation, causing a decline in MSME income. This condition certainly requires an immediate solution as an effort to save agribusiness MSMEs in Sukoharjo Regency.

This research is important to do considering that many MSMEs who lose even go bankrupt during the pandemic. Hence, it is necessary to research to find out that the business sustainability strategy is MSME Agribusiness. The results

of this research are expected to help formulate the best strategy in maintaining and developing agribusiness MSMEs in Sukoharjo Regency. The problems raised in this study are 1) internal and external factors determining the sustainability of agribusiness MSMEs in the new normal era in Sukoharjo Regency, 2) alternatives to business strategies for maintaining the sustainability of agribusiness MSMEs in the new normal era in Sukoharjo Regency, and 3) priority of business sustainability strategy of agribusiness MSMEs in the new normal era in Sukoharjo Regency.

RESEARCH METHOD

This study applies basic descriptive and analytical methods. The research location, Sukoharjo Regency, was selected with purposive technique by considering that many potential MSMEs, including 92,728 MSMEs, are spreading in all sub-districts in this regency. The samples in this study were the owners of MSMEs in agribusiness.

Primary and secondary data were used. The primary data were obtained through in-depth interviews with key informants using structured questionnaires. Meanwhile, the secondary data were monography of the areas and MSME profiles. Direct field observation on the condition of MSMEs, interviews, and recording were used to gather the data.

Tabel 1. Data Key Informant

| No | Data | Data Source |
|----|-------------------------------|--|
| 1 | Internal Factors: | a. Agribusiness MSME actors (10 people) |
| | a. Production | b. Head of the Department of Trade, Cooperatives, Small and Medium Enterprises, and MSMEs (1 person) |
| | b. Marketing | c. Head of the MSME cluster (3 people) |
| | c. Financial | d. Chair of the International Council for Small Business (ICSB) (1 person) |
| | d. Human resources | e. The staff of the Regional Planning, Research and Development Agency (1 person) |
| | e. Mastery of technology | |
| 2 | External Factors: | a. Suppliers (3 people) |
| | a. Technological developments | b. Consumers (5 people) |
| | b. Consumer tastes | c. Academics (3 people) |
| | c. Consumer lifestyle | |
| | d. Partnership opportunities | |
| | e. Market opportunity | |

Key informants were determined purposively on the ground that they know information on the development and sustainability of agribusiness MSMEs in Sukoharjo Regency.

This study was completed through four stages: 1) identification of internal and external factors, 2) weighting and rating on the IFE and EFE matrices, 3) formulation of alternatives to business strategies, and 4) determination of strategy priority. The IFE matrix is used to evaluate agribusiness MSME sustainability's main strengths and weaknesses in Sukoharjo Regency. The EFE matrix evaluates external factors such as opportunities and threats. The weighting and rating results of the IFE and EFE matrices are used to create the IE matrix. The IE matrix aims for positioning. In addition, the IE matrix is used as consideration for selecting appropriate strategies in determining alternative strategies using SWOT. Swot matrix is an analysis tool that can shepherd four types of strategies. Then, for prioritization of the strategy using QSP matrix analysis. QSPM is used to evaluate and select the best strategy applied in internal and external environments. The greatest total value in alternative strategies on QSPM is the best strategy to implement. Thus, the analytical tools used in this study are the IFE, EFE, SWOT, and QSPM (David, 2009; David, 2013; Rangkuti, 2018).

RESULT AND DISCUSSION

Internal and External Condition of Agribusiness MSMEs in Sukoharjo Regency

The first step in developing strategies is to examine both the internal and external environments (Harisudin, 2019a). The results of internal factor identification that become the strengths and weaknesses in the sustainability of agribusiness MSMEs in the new normal era are as follows.

Table 2. shows six internal strategic factors that become the strengths of MSMEs in Sukoharjo. The supply of raw materials for agribusiness MSMEs during the pandemic is adequate. The quality of the products also meets the standards, as evidenced by having PIRT (Household Food Industry) and BPOM (National Agency of Drug and Food Control) permits. The advancement of the digital era contributes to the development of online marketing of MSME products, such as through Instagram, Facebook, and WhatsApp. Meanwhile, online shopping is an E-Commerce (Raharja et al., 2019) activity that has become a trend during the pandemic. Several agribusiness MSMEs in Sukoharjo Regency have established partnerships with modern markets, such as Indomaret. Some MSME products have also been marketed outside Sukoharjo, such as herbal products, mushrooms, and some processed food products. Moreover, some MSMEs are supported by experienced human resources.

Table 2. Internal Strategic Factors

| Internal Strategic Factors | | | |
|----------------------------|---|----|--|
| No | Strengths | No | Weaknesses |
| 1 | Easy access to raw materials | 1 | Limited production facilities |
| 2 | Product quality that meets the standard | 2 | Fluctuating prices of raw materials |
| 3 | Use of online marketing for some products | 3 | Minimum use of digital marketing |
| 4 | Some products entering the modern market | 4 | Conventional financial management |
| 5 | Availability of distributors in other areas | 5 | Limited working capital |
| 6 | Supported by experienced HR | 6 | Low education level |
| | | 7 | Low level of mastery of information technology in their business |

Source: Primary Data Analysis, 2021

On the other hand, seven aspects become weaknesses. Most of the agribusiness MSMEs in this area apply conventional production activities. Prices of raw materials often fluctuate, especially at particular times. Some agribusiness MSMEs do not use digital media for marketing their products. Furthermore, some MSMEs are not supported with proper financial management, causing them to face problems in business capital. The low level of education is one of the weaknesses of MSME actors. It is also related to poor mastery of information technology.

The results of external factor identification center in on the opportunities and threats in the sustainability of agribusiness MSMEs in the new normal era are presented in Table 3.

Tabel 3. External Strategic Factors

| External Strategic Factors | | | |
|----------------------------|--|----|--|
| No | Opportunities | No | Threats |
| 1 | MSME transformation towards digitalization | 1 | Number of competitors applying e-commerce |
| 2 | Product diversification | 2 | Changes in consumer tastes |
| 3 | Food products that become daily necessities | 3 | Product complaints |
| 4 | Affordable product prices | 4 | A need for partnership development with relevant agencies |
| 5 | A partnership that ensures business continuity | 5 | High level of competition and emergence of new competitors |
| 6 | Extensive market share | 6 | A production decrease due to the COVID-19 pandemic |

Source: Primary Data Analysis, 2021

External strategic factors, as detailed in Table 3., consist of six opportunities that can be developed by MSMEs. The advancement of the digital era is currently an opportunity for MSMEs to expand the market through a transformation towards marketing digitalization. The demand for food products that become daily necessities is an opportunity for agribusiness MSMEs to survive during the pandemic. It is also possible to diversify products due to the different needs and tastes of consumers. The affordable price of MSME products is a strategy that can be used to enter various market segments. MSMEs can also take advantage of partnerships that can provide benefits and convenience in the business.

However, external strategic factors demonstrate six threats in the sustainability of agribusiness MSMEs in the new normal era. The fact that many competitors have implemented e-commerce poses a threat to agribusiness MSMEs in Sukoharjo Regency. Significant changes in consumer tastes and product complaints harm MSMEs. In this case, partnership with several related agencies is necessary. Moreover, due to the COVID-19 pandemic, production has decreased.

Internal Factor Evaluation (IFE) and External Factor Evaluation (EFE) Matrices

The major strengths and weaknesses in the sustainability of agribusiness MSMEs during this pandemic are presented in the IFE matrix. The results of the weighting on the IFE matrix are presented in Table 4.

Table 4. Internal Factor Evaluation (IFE) Matrix

| No | Internal Factors | Weight | Rating | Score |
|------------------------|---|--------------|--------|--------------|
| Strengths | | | | |
| 1 | Easy access to raw materials | 0.057 | 4 | 0.229 |
| 2 | Product quality that meets the standard | 0.060 | 4 | 0.242 |
| 3 | Use of online marketing for some products | 0.078 | 3 | 0.235 |
| 4 | Some products entering the modern market | 0.092 | 3 | 0.277 |
| 5 | Availability of distributors in other areas | 0.082 | 3 | 0.247 |
| 6 | Supported by experienced HR | 0.071 | 4 | 0.283 |
| Weaknesses | | | | |
| 1 | Limited production facilities | 0.073 | 2 | 0.145 |
| 2 | Fluctuating prices of raw materials | 0.074 | 2 | 0.148 |
| 3 | Minimum use of digital marketing | 0.081 | 2 | 0.162 |
| 4 | Conventional financial management | 0.080 | 2 | 0.161 |
| 5 | Limited working capital | 0.062 | 2 | 0.123 |
| 6 | Low education level | 0.099 | 2 | 0.198 |
| 7 | Low level of information technology mastery in their business | 0.091 | 2 | 0.181 |
| Total IFE Score | | 1.000 | | 2.629 |

Source: Analisis Primary Data Analysis, 2021

The total score generated from the IFE matrix analysis is 2.629. If the total score is above 2.5, the business has a strong internal position (David, 2015). Therefore, it can be concluded that Sukoharjo agribusiness MSMEs have a strong internal position. The internal factor becoming the key strength that supports agribusiness MSMEs in running their business is the support of experienced human resources, as evidenced by the highest score of 0.283. Experienced human resources are effective in running and sustaining the MSMEs because they are more prepared to face the challenges that occur in the business.

Meanwhile, the internal factor that serves as the main weakness with the strongest influence on the running of agribusiness MSMEs' business in the research area is the limited working capital, as indicated by a score of 0.123. Most MSMEs in Sukoharjo Regency face the challenge of limited capital, which then contributes to delays in business development. The MSMEs can only operate their business based on the number of capital they have.

Table 5. External Factor Evaluation (EFE) Matrices

| No | External Factors | Weight | Rating | Score |
|------------------------|--|--------------|--------|--------------|
| Opportunities | | | | |
| 1 | MSME transformation towards digitalization | 0.085 | 3 | 0.255 |
| 2 | Product diversification | 0.084 | 4 | 0.337 |
| 3 | Food products that become daily necessities | 0.078 | 4 | 0.312 |
| 4 | Affordable product prices | 0.071 | 4 | 0.285 |
| 5 | A partnership that ensures business continuity | 0.065 | 4 | 0.261 |
| 6 | Extensive market share | 0.082 | 4 | 0.328 |
| Threats | | | | |
| 1 | Number of competitors implementing e-commerce | 0.092 | 2 | 0.183 |
| 2 | Changes in consumer tastes | 0.080 | 2 | 0.161 |
| 3 | Product complaints | 0.069 | 2 | 0.138 |
| 4 | A need for partnership development with relevant agencies | 0.097 | 2 | 0.194 |
| 5 | High level of competition and emergence of new competitors | 0.089 | 3 | 0.268 |
| 6 | Decrease in production due to the COVID-19 pandemic | 0.107 | 1 | 0.107 |
| Total EFE Score | | 1.000 | | 2.829 |

Source: Primary Data Analysis, 2021

The total score of the EFE matrix is 2.829, which is higher than 2.5, indicating that agribusiness MSMEs in Sukoharjo Regency can respond to

existing opportunities and threats. The main opportunity in the external factor that can support agribusiness MSMEs in Sukoharjo Regency in developing their business is product diversification, as suggested by its score, 0.337. There are two product diversifications that agribusiness MSMEs can implement: related diversification and unrelated diversification. Product diversification is considered to have the greatest opportunity in business development because, with product diversification, a business can increase its business advantages to meet consumers' tastes in several parts so that it can increase its attractiveness for consumers.

The major threat in the external factor that has the strongest impact on agribusiness MSMEs in Sukoharjo in running their business is the decrease in production due to the COVID pandemic, as evidenced by a score of 0.107. Public purchasing power is decreasing, causing MSMEs' production to decline. The condition is worsening with a decrease in sales due to the PPKM (Enforcement of Community Activity Restrictions) policy to reduce the rate of COVID-19 spread by limiting the business operating hours.

Internal-Eksternal (IE) Matrix

The IE matrix is used to formulate alternative strategies based on two key dimensions, which include the total IFE value (x-axis) and the total EFE value (y-axis). The results of the IE matrix analysis are presented in Figure 1.

| | | The total score of IFE matrix (2.629) | | |
|--|----------------------|---------------------------------------|-------------------------------------|-----------------------------------|
| | | Strong (3.0-4.0) | Moderate (2.0-2.99) | Weak (1.0-1.99) |
| The total score of EFE Matrix (2.829) | High (3.0-4.0) | I Growing and building | II Growing and building | III Keeping and maintaining |
| | Medium (2.0-2.99) | IV Growing and building | V Keeping and maintaining | VI Harvesting and divesting |
| | Low (1.0-1.99) | VII Growing and building | VIII Harvesting and divesting | IX Harvesting and divesting |

Figure 1.
IE Matrix of Agribusiness MSME Sustainability

The IFE and EFE matrix analysis (David, 2015) show a score in the range of 2.00 – 2.99, which indicates that the score is in a moderate position. Therefore, based on the IE matrix, the agribusiness MSMEs in Sukoharjo Regency are positioned in cell V, signifying the roles of keeping and maintaining that can be supported through product penetration and development.

The market penetration strategy is carried out using agribusiness MSMEs in Sukoharjo Regency, increasing product sales volume in existing markets (Harini & Yulianeu, 2018). Agribusiness MSMEs can take actions in Sukoharjo Regency include product promotion, price adjustment, and finding new channels to expand their reach to customers. While product development can be done by improving the quality of old products, adding product usability, product line expansion, and product innovation.

Strategies Alternatives for Business Sustainability of Agribusiness MSME in the New Normal Era

In general, strategies should maximize strengths and opportunities, as well as minimize threats and weaknesses. There are four types of strategies produced from the SWOT matrix, including SO (Strength-Opportunities), WO (Weakness-Opportunities), ST (Strength-Threat), and WT (Weakness-Threat) strategies (Rauch et al., 2015). The strategy formulation is called the SWOT matrix (Harisudin, 2019b) and is used as the basis for managers to achieve goals.

Alternatives to strategies proposed include S-O, W-O, S-T, and W-T strategies. The formulation of the S-O strategies is to build synergies to increase market share with online marketing. In the current COVID-19 pandemic, MSMEs require online marketing to effectively and efficiently market their products and expand their market share. This is in line with the research that has been done that during the pandemic many people prefer to do activities at home so that effective and efficient marketing is done digitally/online (Effendy et al., 2021). Online marketing can be done using social media or e-commerce.

W-O strategies include two aspects, improving the quality of human resources through training and establishing partnerships with suppliers to reduce the costs of raw materials. The government is one of the most important stakeholders in the development of agribusiness MSMEs in Sukoharjo Regency. The government has a great opportunity to support the development of MSMEs, one of which is through human resource training activities in MSMEs to obtain and master the information that MSMEs require, such as online marketing, product packaging, or financial management. The guaranteed raw material is a basic need for MSMEs, and to assure the fulfillment of this need, business actors can establish partnerships with suppliers.

S-T strategies cover strengthening quality control to maintain quality, making product innovations, and maximizing the capabilities of human resources and raw material management to increase product competitiveness. Quality is one of the consumers' important considerations before purchasing products. Product quality assurance is necessary to maintain consumers' trust, one of which is by increasing quality control. Quality is one of the dimensions that affect the competition in a product (Suhaeni, 2018). Agribusiness MSME actors need to innovate products to maintain business continuity (Sinurat et al.,

2017). HR capability is a valuable asset, and therefore, maximizing HR capabilities is necessary to create a breakthrough that can be useful for increasing product competitiveness. In addition, good raw material management can increase product competitiveness.

Table 6. SWOT Matrix

| | | |
|----------|--|---|
| INTERNAL | Strength (S) | Weakness (W) |
| | <ol style="list-style-type: none"> 1. Easy access to raw materials 2. Product quality that meets the standard 3. Use of online marketing for some products 4. Some products entering the modern market 5. Available distributors in other areas 6. Supported by experienced HR | <ol style="list-style-type: none"> 1. Limited production facilities 2. Fluctuating prices of raw material prices 3. Minimum use of digital marketing 4. Conventional financial management 5. Limited working capital 6. Low level of education 7. Low level of mastery of information technology in business |
| EXTERNAL | Opportunities (O) | W-O Strategies |
| | <ol style="list-style-type: none"> 1. MSME transformation towards digitalization 2. Product diversification 3. Food products that become daily necessities 4. Affordable product prices 5. A partnership that ensures business continuity 6. Extensive market share | <ol style="list-style-type: none"> 1. Cooperating with local governments to improve the quality of human resources through training (W2, W3, W4, W5, W6, W7, O1, O4) 2. Establishing partnerships with suppliers to reduce raw material costs (W2, W5, O4, O5) |
| | Threats (T) | W-T Strategies |
| | <ol style="list-style-type: none"> 1. Number of competitors applying e-commerce 2. Changes in consumer tastes 3. Product complaints 4. A need for partnership development by relevant agencies 5. High level of competition and emergence of new competitors 6. A production decrease due to the COVID-19 pandemic | <ol style="list-style-type: none"> 1. Introducing and promoting products (W3, T1, T5) 2. Increasing partnerships with large businesses (W1, W5, T4) |
| | S-O Strategies | S-T Strategies |
| | <ol style="list-style-type: none"> 1. Building synergies to increase market share with online marketing (S2, S3, S4, S5, O1, O2, O3, O4, O5, O6) | <ol style="list-style-type: none"> 1. Intensifying quality control to maintain quality (S1, S2, S3, S4, S5, S6, T2, T3, T4, T6) 2. Innovating products (S2, S3, S4, T2, T3, T5, T6) 3. Maximizing human resource capabilities and raw material management to increase product competitiveness (S1, S6, T2, T3, T6) |

Source: Primary Data Analysis, 2021

W-T strategies comprise two aspects, introducing and promoting products, as well as offering discounts, and increasing partnerships with large businesses. Introducing agribusiness MSME products is significant to widen the market share, through product promotion and discount. Promotional activities and discounts can attract the consumers’ attention to test or buy products in larger quantities. Establishing partnerships with large businesses significantly helps MSMEs in marketing and introducing products to new consumers. Agribusiness

MSMEs in Sukoharjo Regency have established cooperation with Indomaret. Indomaret outlets in this area have provided a particular shelf to display products from MSMEs. Given the benefits that MSMEs can obtain, it is necessary to expand partnerships with other large businesses to grow their business.

Priority Strategies for Agribusiness MSMEs' Business Sustainability in the New Normal Era

The priority strategies that can be used to sustain agribusiness MSMEs are determined using the QSPM. It is an analytical tool utilized to demonstrate the level of interest (Sum Total Attractiveness Score/STAS) of each alternative strategy to help determine the best strategy that can be implemented and suitable with the internal and external factors of the business. After the preparation of the strategy, it is necessary to make strategic priorities to help policymakers (Erlina et al, 2021).

Alternative strategies in the QSPM are determined after considering IFE, EFE, IE, and SWOT matrices. The IE matrix shows the condition of agribusiness MSMEs, which are maintaining and sustaining. In this position, penetration strategy and product development are recommended, as indicated in the SWOT analysis matrix. The following are the alternative strategies for the QSPM.

Strategy 1: Building synergies to increase market share by online marketing

Strategy 2: Establishing partnerships with suppliers to suppress the cost of raw materials

Strategy 3: Innovating products

Strategy 4: Introducing and promoting products, as well as offering discounts

Strategy 5: Increasing partnerships with large businesses

Table 7. QSP Matrix

| No | Key Factors | Weight | Alternative strategies | | | | | | | | | |
|------------|--|--------|------------------------|-------|------------|-------|------------|-------|------------|-------|------------|-------|
| | | | Strategy 1 | | Strategy 2 | | Strategy 3 | | Strategy 4 | | Strategy 5 | |
| | | | AS | TAS | AS | TAS | AS | TAS | AS | TAS | AS | TAS |
| Strengths | | | | | | | | | | | | |
| 1 | Easy access to raw materials | 0.057 | 1 | 0.057 | 4 | 0.229 | 2 | 0.114 | 2 | 0.114 | 3 | 0.152 |
| 2 | Product quality that meets the standard | 0.060 | 2 | 0.121 | 3 | 0.181 | 2 | 0.141 | 2 | 0.121 | 3 | 0.161 |
| 3 | Use of online marketing for some products | 0.078 | 4 | 0.313 | 2 | 0.157 | 2 | 0.183 | 3 | 0.261 | 2 | 0.131 |
| 4 | Some products entering the modern market | 0.092 | 2 | 0.216 | 2 | 0.185 | 3 | 0.277 | 3 | 0.308 | 2 | 0.185 |
| 5 | Availability of distributors in other areas | 0.082 | 3 | 0.247 | 1 | 0.110 | 2 | 0.192 | 4 | 0.329 | 2 | 0.164 |
| 6 | Support of experienced HR in their fields | 0.071 | 3 | 0.212 | 1 | 0.094 | 3 | 0.236 | 3 | 0.188 | 2 | 0.165 |
| Weaknesses | | | | | | | | | | | | |
| 1 | Limited production facilities | 0.073 | 2 | 0.145 | 2 | 0.169 | 3 | 0.194 | 2 | 0.121 | 4 | 0.266 |
| 2 | Fluctuating prices of raw materials | 0.074 | 1 | 0.074 | 4 | 0.295 | 3 | 0.197 | 1 | 0.098 | 2 | 0.148 |
| 3 | Minimum use of digital marketing | 0.081 | 3 | 0.270 | 1 | 0.108 | 2 | 0.189 | 4 | 0.297 | 2 | 0.135 |
| 4 | Conventional financial management | 0.080 | - | 0.000 | - | 0.000 | - | 0.000 | - | 0.000 | - | 0.000 |
| 5 | Limited working capital | 0.062 | 1 | 0.082 | 3 | 0.185 | 3 | 0.185 | 2 | 0.103 | 4 | 0.226 |
| 6 | Low level of education | 0.099 | - | 0.000 | - | 0.000 | - | 0.000 | - | 0.000 | - | 0.000 |
| 7 | Low level of mastery of information technology in business | 0.091 | 4 | 0.332 | 1 | 0.121 | 2 | 0.211 | 3 | 0.302 | 2 | 0.181 |

| Opportunities | | | | | | | | | | | | |
|---------------|--|-------|---|-------|---|-------|---|-------|---|-------|---|-------|
| 1 | MSME transformation towards digitalization | 0.085 | 4 | 0.340 | 2 | 0.142 | 2 | 0.170 | 3 | 0.283 | 2 | 0.142 |
| 2 | Product diversification | 0.084 | 3 | 0.224 | 2 | 0.140 | 4 | 0.337 | 2 | 0.196 | 2 | 0.196 |
| 3 | Food products that become daily necessities | 0.078 | 3 | 0.260 | 3 | 0.260 | 2 | 0.130 | 2 | 0.182 | 1 | 0.104 |
| 4 | Affordable product prices | 0.071 | 2 | 0.166 | 4 | 0.261 | 3 | 0.190 | 2 | 0.119 | 2 | 0.166 |
| 5 | A partnership that ensures business continuity | 0.065 | 2 | 0.109 | 4 | 0.261 | 2 | 0.130 | 3 | 0.174 | 3 | 0.174 |
| 6 | Extensive market share | 0.082 | 4 | 0.328 | 2 | 0.136 | 2 | 0.191 | 3 | 0.273 | 2 | 0.191 |
| Threats | | | | | | | | | | | | |
| 1 | Number of competitors applying e-commerce | 0.092 | 4 | 0.367 | 2 | 0.183 | 3 | 0.275 | 4 | 0.336 | 1 | 0.092 |
| 2 | Changes in consumer tastes | 0.080 | 3 | 0.268 | 2 | 0.187 | 4 | 0.295 | 3 | 0.241 | 1 | 0.080 |
| 3 | Product complaints | 0.069 | - | 0.000 | - | 0.000 | - | 0.000 | - | 0.000 | - | 0.000 |
| 4 | A need for partnership development by relevant agencies | 0.097 | 3 | 0.323 | 2 | 0.226 | 2 | 0.194 | 3 | 0.291 | 3 | 0.259 |
| 5 | High level of competition and emergence of new competitors | 0.089 | 3 | 0.298 | 2 | 0.209 | 3 | 0.298 | 3 | 0.268 | 1 | 0.089 |
| 6 | A Production decrease due to the COVID-19 pandemic | 0.107 | 3 | 0.321 | 3 | 0.321 | 3 | 0.356 | 3 | 0.285 | 1 | 0.107 |
| Total | | | | 5.073 | | 4.161 | | 4.685 | | 4.892 | | 3.515 |

Source: Primary Data Analysis, 2021

Table 7. presents that the priority strategy for maintaining the sustainability of agribusiness MSMEs in Sukoharjo Regency is establishing synergies to increase the market with online marketing. This strategy has the highest STAS value, reaching 5.073. During the COVID-19 pandemic, this strategy is consistent with the condition and need of agribusiness MSMEs in Sukoharjo Regency. Moreover, the use of E-Commerce is highly promising as one of the innovations the MSME actors can apply to expand their market share. MSME actors must continue to innovate to maintain business continuity (Khomah, Setyowati, Harisudin, Adi, & Qonita, 2021). Online marketing is the current era of digitalization supported by internet technology development that can widely promote and increase online sales (Humaidi et al., 2021).

The other strategies, from the most recommended to the least one, are introducing, promoting, and discounting products (STAS=4.892), making product innovation (STAS=4.865), establishing partnerships with suppliers to lower the cost of raw material (STAS=4.161), and the last increasing partnerships with large businesses (3.515).

Marketing strategies are carried out for promotion through advertising, sales promotion, direct marketing, public relations by utilizing social media so that attractive promotional concepts can attract public attention and interest to buy (Dewi & Hartono, 2019). Marketing strategies and product innovation are the main supporting factors in MSME performance. Innovation is a requirement for success. Thus the innovation in marketing will encourage product innovation and MSME performance (Aksoy, 2017). Business people who establish partnerships with suppliers will form a good job because of the emphasis on good quality and long-term relationships to increase value, reduce costs, and business performance (Ratnawati, 2019).

CONCLUSION AND SUGGESTION

Conclusion

This study concludes that:

1. Internal strategic factors of agribusiness MSME sustainability in Sukoharjo Regency in the new normal era comprise of six strengths and seven weaknesses, in which the support of experienced human resources becomes the key strength, while the limited working capital is a major weakness. Meanwhile, the external strategic factors include six opportunities and six threats, in which product diversification serves as the main opportunity, while a decline in production due to the COVID-19 pandemic is the fundamental threat.
2. The applicable alternatives to strategies for the sustainability of agribusiness MSMEs in the new normal era are building synergies to increase market share

by online marketing; improving HR quality through training; establishing partnerships with suppliers to reduce the cost of raw materials; intensifying quality assurance, innovating products; maximizing HR capability and product competitiveness management, introducing and promoting products as well as offering discounts; and increasing partnerships with large businesses.

3. The priority strategy for sustaining agribusiness MSMEs businesses in Sukoharjo Regency in the new normal era is building synergies to escalate market share through online marketing.

Suggestion

MSME actors are expected to be able to keep up with technological developments, particularly in terms of online marketing through social media platforms (Instagram, Facebook, and WhatsApp) and marketplaces (Shopee, Tokopedia, and Lazada). It is also expected that agribusiness MSMEs in Sukoharjo Regency can expand their market reach by venturing into online marketing.

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