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Government Policy Strategies For Developing Furniture SME Clusters Through Marketing Mix SWOT Analysis

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Abstract

This study examines the development strategy of the Bukir Furniture Small and Medium Enterprise (SME) Cluster in Pasuruan by integrating SWOT analysis with the marketing mix framework to evaluate the role of local government policies in strengthening SME competitiveness. While previous studies have commonly applied SWOT analysis as a general strategic planning tool, this research incorporates the marketing mix perspective to generate more operational and policy-oriented development strategies. A qualitative descriptive case study approach was employed. Data were collected through semi-structured interviews, field observations, documentation, and literature review involving key stakeholders within the Bukir Furniture SME Cluster. The data were analyzed using thematic analysis and subsequently classified into strengths, weaknesses, opportunities, and threats before being mapped onto the four dimensions of the marketing mix (product, price, promotion, and place). The findings indicate that the Bukir Furniture SME Cluster possesses several competitive strengths, including high-quality craftsmanship, customized production capabilities, environmentally friendly materials, competitive pricing, and growing adoption of digital promotion. However, the cluster continues to face challenges related to inconsistent product quality, limited product innovation, inadequate marketing capability, restricted production capacity, and limited distribution networks. Externally, opportunities are created by expanding digital marketplaces, increasing demand for sustainable furniture products, export market potential, and government support programs, whereas major threats include intense market competition, rising raw material costs, technological disruption, changing consumer preferences, and increasingly stringent environmental regulations. Based on these findings, four strategic policy directions (SO, WO, ST, and WT) were formulated to enhance SME competitiveness through digital transformation, product standardization, financing facilitation, export promotion, institutional collaboration, and logistics improvement. This study demonstrates that integrating SWOT analysis with the marketing mix provides a more comprehensive framework for formulating evidence-based local government policies and contributes to the literature on SME development, strategic management, and regional industrial policy.

Keywords: *SWOT Analisis, marketing mix, government policy, furniture SMEs*
JEL Classification: M31, L26, L52

INTRODUCTION

The furniture small and medium enterprise (SME) sector is one of the strategic drivers of regional economic development in Indonesia. Beyond generating employment and local income, furniture SMEs contribute significantly to industrial diversification, the utilization of local resources, preservation of traditional craftsmanship, and the development of regional creative economies (Zainuddin et al., 2024). In many regions, furniture production has evolved into industrial clusters that facilitate cooperation among enterprises, strengthen production networks, and enhance regional competitiveness (Oktaviana et al., 2025). One of the most prominent furniture clusters in East Java is the Bukir Furniture SME Cluster in Pasuruan, which has long been recognized for its skilled craftsmanship and customized wooden furniture products.

Despite its considerable economic potential, the Bukir Furniture SME Cluster faces increasingly complex challenges that threaten its long-term competitiveness. The rapid expansion of imported furniture products, fluctuating raw material prices, changing consumer preferences, limited adoption of digital technology, and inadequate marketing capabilities have constrained the ability of SMEs to compete in both domestic and international markets (Jufri & Artha, 2022). Furthermore, many furniture SMEs continue to experience difficulties in accessing financing, expanding market networks, strengthening branding strategies, and improving production efficiency (Ganjar et al., 2023). These structural constraints indicate that business competitiveness cannot rely solely on production capability but requires strategic institutional support and adaptive government intervention.

Local governments play an essential role in creating an enabling business environment for furniture SMEs through industrial development policies. Such policies include business facilitation, technical training, financing assistance, digital transformation programs, infrastructure development, product certification, export promotion, and institutional collaboration among stakeholders (Zainuddin et al., 2024). Effective government intervention is particularly important for traditional industrial clusters because SMEs generally possess limited organizational capacity to respond independently to technological changes, market dynamics, and increasingly competitive business environments. Consequently, understanding how government policies can effectively strengthen SME competitiveness has become an important issue in regional economic development.

One analytical framework frequently employed to formulate business development strategies is SWOT analysis, which systematically evaluates organizational strengths, weaknesses, opportunities, and threats (Valentin, 2001). SWOT analysis enables decision makers to understand internal capabilities alongside external environmental conditions affecting business sustainability (Phadermrod et al., 2019). Nevertheless, strategic analysis based solely on SWOT

often produces relatively general recommendations unless it is integrated with operational business dimensions.

To overcome this limitation, this study combines SWOT analysis with the marketing mix framework. The marketing mix consisting of product, price, promotion, and place provides operational indicators that directly influence market competitiveness and customer satisfaction (Maulana, 2020). Integrating SWOT with the marketing mix enables a more systematic evaluation of business conditions because each internal and external strategic factor can be associated with specific marketing activities. Such integration offers a more comprehensive basis for formulating practical development strategies for furniture SMEs than conventional SWOT analysis alone.

Within the Bukir Furniture SME Cluster, several competitive strengths can be identified, including high-quality craftsmanship, customized product capabilities, locally distinctive designs, and flexible production systems. However, these strengths are accompanied by several weaknesses, including inconsistent product standardization, limited product innovation, inadequate branding, insufficient utilization of digital marketing, and relatively narrow market coverage (Khoirunisak, 2020). Externally, opportunities emerge from the rapid growth of e-commerce platforms, increasing consumer demand for environmentally friendly furniture products, expanding export markets, and government support programs for SMEs. Conversely, threats originate from imported furniture competition, rising production costs, technological disruption, and rapidly changing consumer preferences (Jufri & Artha, 2022).

Previous studies have extensively examined strategic development of furniture SMEs using SWOT analysis (Jufri & Artha, 2022; Maharani & Iswati, 2024), while other studies have incorporated marketing mix analysis to formulate marketing strategies for SMEs (Amalia & Ningsih, 2021; Maulana, 2020). Meanwhile, studies on regional industrial development have emphasized the importance of government support in enhancing SME competitiveness through cluster development, financial assistance, business incubation, and institutional strengthening (Zainuddin et al., 2024; Oktaviana et al., 2025). Although these studies provide valuable insights, three important research gaps remain.

First, previous studies generally employ SWOT analysis as a descriptive strategic planning tool without explicitly linking each SWOT factor to specific marketing mix dimensions, resulting in relatively broad strategic recommendations. Second, studies examining government intervention commonly discuss policy implementation from a macro perspective but rarely investigate how government policies address specific operational problems experienced by furniture SMEs within industrial clusters. Third, empirical evidence concerning the Bukir Furniture SME Cluster remains limited, despite its importance as one of East Java's established furniture production centers. Consequently, there is still insufficient evidence regarding how marketing-based SWOT analysis can support evidence-based policy formulation for strengthening cluster competitiveness.

Based on these research gaps, this study addresses the following research questions:

- 1) What internal strengths and weaknesses characterize the competitiveness of the Bukir Furniture SME Cluster from the perspective of the marketing mix?
- 2) What external opportunities and threats influence the development of the Bukir Furniture SME Cluster?
- 3) How can local government formulate appropriate development policies based on the integration of SWOT analysis and the marketing mix to strengthen the competitiveness and sustainability of the Bukir Furniture SME Cluster?

Accordingly, the objectives of this study are: (1) to identify the internal and external strategic factors influencing the competitiveness of the Bukir Furniture SME Cluster; (2) to analyze these factors using an integrated SWOT and marketing mix framework; and (3) to formulate evidence-based government policy recommendations for strengthening the competitiveness and sustainable development of furniture SMEs in Pasuruan.

This study contributes to the literature in three important ways. First, it extends previous SWOT studies by integrating strategic environmental analysis with the operational dimensions of the marketing mix, thereby providing a more systematic framework for identifying strategic priorities. Second, it enriches the literature on regional industrial policy by demonstrating how empirical strategic analysis can be translated into targeted government interventions addressing product development, pricing, promotion, and market distribution. Third, by focusing on the Bukir Furniture SME Cluster, this study provides empirical evidence from one of Indonesia's traditional furniture industrial clusters, thereby contributing to the broader discussion on cluster-based SME development, collaborative governance, and regional industrial competitiveness.

METHODS

Research Design

This study employed a qualitative descriptive case study design to investigate how local government policies support the development and competitiveness of the Bukir Furniture Small and Medium Enterprise (SME) Cluster in Pasuruan through a SWOT analysis integrated with the marketing mix framework. A qualitative case study was selected because it enables an in-depth understanding of policy implementation, institutional support, and business practices within their real-life context (Yin, 2018). Unlike quantitative approaches that emphasize statistical generalization, qualitative case studies seek to generate rich contextual insights by exploring the experiences and perceptions of multiple stakeholders involved in a particular phenomenon.

The research focused on the Bukir Furniture SME Cluster located in Pasuruan City, East Java, Indonesia, one of the province's most established furniture production centers. The study was conducted from January to April 2026, during which field observations, interviews, and documentary reviews were undertaken. The research specifically examined how local government policies influence SME competitiveness in four marketing dimensions: product, price, promotion, and place (distribution).

Research Participants and Sampling

Participants were selected using purposive sampling, a technique commonly employed in qualitative research to identify individuals possessing relevant knowledge and experience concerning the research problem (Moleong, 2010). Informants were chosen based on their direct involvement in furniture SME development, government policy implementation, or business activities within the Bukir Furniture Cluster.

A total of 20 key informants participated in the study, consisting of:

Table 1 Key Informants

Informant Category	Number	Selection Criteria
Local government officials	3	Responsible for SME development and industrial policies
SME owners/managers	6	Minimum five years of business experience and actively managing furniture production
Employees	5	Minimum one year of work experience and involved in production or marketing activities
Customers and business partners	6	Have purchased furniture products or collaborated with the SMEs on multiple occasions

Interviews continued until data saturation was achieved, indicated by the absence of substantially new information emerging from subsequent interviews.

Data Collection

This study utilized both primary and secondary data sources.

Primary data were obtained through semi-structured interviews and participatory field observations. Semi-structured interviews allowed the researcher to explore participants' experiences while maintaining consistency across key research themes (Sugiyono, 2019). Each interview lasted approximately 45–60 minutes, was conducted face-to-face, audio-recorded with participants' consent, and subsequently transcribed verbatim for analysis.

The interview guide focused on several themes, including:

- 1) government policies supporting SME development;
- 2) product development and innovation;
- 3) pricing competitiveness;
- 4) marketing and promotional strategies;
- 5) distribution networks;
- 6) institutional collaboration;
- 7) challenges affecting business sustainability.

Field observations were conducted to examine production processes, product displays, marketing practices, customer interactions, and implementation of government-supported development programs. Observation notes complemented interview findings by providing direct evidence regarding actual business practices within the furniture cluster.

Secondary data were collected from government regulations, regional development plans, SME assistance reports, industrial statistics, institutional documents, photographs, promotional materials, and other relevant archival records. In addition, scientific journals, books, policy reports, and previous studies concerning SWOT analysis, marketing mix, SME development, and regional industrial governance were reviewed to strengthen the theoretical foundation of the study.

Trustworthiness of the Data

To enhance the credibility and trustworthiness of the findings, several validation techniques were employed.

First, source triangulation was conducted by comparing information obtained from government officials, SME owners, employees, customers, and business partners. Second, method triangulation was applied by comparing interview findings with field observations and documentary evidence. Third, member checking was conducted by returning interview summaries to selected informants to verify the accuracy of the researcher's interpretation. These procedures helped ensure that the findings accurately reflected participants' perspectives while minimizing researcher bias.

Ethical Considerations

Prior to data collection, all participants received information regarding the objectives of the study and voluntarily agreed to participate. Informed consent was obtained before interviews were conducted. Participants were assured that their identities would remain confidential and that the information provided would be used exclusively for academic purposes. Personal identifiers were removed during transcription and reporting to preserve participant anonymity.

Operational Framework

Three principal concepts guided this study.

Government policy refers to strategic interventions implemented by local governments to strengthen SME competitiveness through business facilitation, training programs, financing support, digital transformation initiatives, infrastructure provision, product certification, export promotion, and partnership development.

SWOT analysis is a strategic planning tool used to identify internal strengths and weaknesses alongside external opportunities and threats affecting organizational competitiveness (Phadermrod et al., 2019). In this research, SWOT analysis was employed to evaluate the strategic position of the Bukir Furniture

SME Cluster from both institutional and marketing perspectives.

Marketing mix refers to the integration of four strategic marketing dimensions product, price, promotion, and place which were used as analytical categories for evaluating government-supported SME development initiatives.

Data Analysis

Data analysis followed the interactive qualitative analysis model proposed by Miles, Huberman, and Saldaña (2014), consisting of data condensation, data display, and conclusion drawing/verification.

Initially, interview recordings were transcribed and combined with observation notes and documentary evidence. The researcher subsequently conducted open coding to identify significant statements relevant to SME development and government policy. Similar codes were then grouped into broader thematic categories representing strategic issues affecting furniture SME competitiveness.

The resulting themes were subsequently classified into four SWOT components:

- 1) Strengths
- 2) Weaknesses
- 3) Opportunities
- 4) Threats

Each SWOT factor was accepted only when consistently supported by multiple sources of evidence obtained through interviews, observations, and documentary analysis. This procedure ensured that every strategic factor included in the SWOT matrix was empirically grounded rather than based solely on researcher interpretation.

After identifying the SWOT factors, each factor was mapped onto the four dimensions of the marketing mix (product, price, promotion, and place) to determine how government policies influenced each marketing component. The integration of SWOT and marketing mix analysis enabled a more systematic interpretation of strategic conditions affecting furniture SME competitiveness.

Finally, the SWOT matrix was used to formulate four strategic policy alternatives:

1. Strength–Opportunity (SO) Strategy, utilizing internal strengths to maximize external opportunities;
2. Weakness–Opportunity (WO) Strategy, overcoming internal weaknesses by utilizing available opportunities;
3. Strength–Threat (ST) Strategy, employing organizational strengths to minimize external threats;
4. Weakness–Threat (WT) Strategy, reducing organizational weaknesses while mitigating external risks.

The resulting strategic recommendations served as the basis for proposing evidence-based local government policies aimed at strengthening the

competitiveness, sustainability, and market expansion of the Bukir Furniture SME Cluster.

RESULTS AND DISCUSSION

Results

1. SWOT Analysis of the Bukir Furniture SME Cluster

Based on data obtained from observations, interviews, documentation, and literature review, the competitiveness of the Bukir Furniture SME Cluster is influenced by both internal organizational capabilities and external environmental conditions. The analysis indicates that local government policies play a strategic role in enhancing the competitiveness and sustainability of furniture SMEs through initiatives related to product quality improvement, digital transformation, market expansion, financing support, and institutional collaboration.

The findings were organized using the SWOT framework integrated with the four dimensions of the marketing mix (product, price, promotion, and place). This approach facilitated the identification of strategic factors affecting the development of the Bukir Furniture SME Cluster while simultaneously providing a basis for formulating appropriate policy interventions.

2. Product

The analysis shows that the Bukir Furniture SME Cluster possesses several competitive advantages in terms of product quality. High-quality craftsmanship, attractive product designs, the utilization of environmentally friendly materials, and the ability to produce customized furniture represent important strengths that distinguish local products from mass-produced furniture. These characteristics increase customer value and strengthen the market positioning of the SMEs.

However, several weaknesses remain evident. Product quality standards are not yet consistently implemented across enterprises, product innovation is relatively limited, and product differentiation remains insufficient. These weaknesses may reduce competitiveness, particularly in markets that increasingly demand standardized quality and continuous innovation.

3. Price

Regarding pricing, the furniture SMEs generally offer competitive prices that reflect the quality and value of their products. Flexible pricing strategies also enable SMEs to accommodate different customer requirements.

Nevertheless, increasing raw material costs, limited production capacity, and relatively weak bargaining power constrain pricing flexibility. These factors reduce the ability of SMEs to maintain competitive prices while preserving profitability under fluctuating market conditions.

4. Promotion

Promotion has gradually improved through the adoption of digital marketing and the utilization of positive customer reputation. Several SMEs have begun promoting their products through online platforms, thereby expanding market

visibility beyond local consumers.

Despite these developments, promotional activities remain constrained by limited marketing budgets and insufficient digital marketing capabilities. Consequently, many SMEs still rely heavily on conventional marketing methods and word-of-mouth promotion.

5. Distribution (Place)

The Bukir Furniture SME Cluster benefits from established local distribution networks and flexible customer services that facilitate product delivery within regional markets.

However, broader market expansion continues to be constrained by limited logistics infrastructure, restricted distribution networks, and transportation challenges, particularly for large customized furniture products. These limitations reduce opportunities to penetrate wider domestic and international markets.

6. External Environment

The external environment presents both significant opportunities and substantial challenges for the Bukir Furniture SME Cluster. Market opportunities arise from the growing furniture industry, increasing demand for environmentally friendly products, export market potential, expanding digital marketplaces, and government programs supporting SME development. Opportunities also exist through industrial partnerships, training programs, and financing schemes designed to improve SME competitiveness.

Conversely, the SMEs face several external threats, including intense competition from domestic and imported furniture products, rapidly changing consumer preferences, technological disruption, increasingly stringent environmental regulations, rising raw material prices, and broader economic uncertainty. These conditions require adaptive government policies capable of strengthening SME resilience in a dynamic business environment.

Table 1. SWOT Analysis of Bukir Pasuruan Furniture SMEs from a Government Policy Perspective

Internal Factors	Strengths	Weaknesses
Product	High-quality products, attractive designs, eco-friendly materials, customization capability	Inconsistent quality standards, limited innovation, low product differentiation
Price	Competitive pricing and value-based pricing	High raw material costs, limited production scale, low bargaining power
Promotion	Utilization of digital promotion and positive customer reputation	Limited promotional budget and weak marketing capability
Distribution	Local distribution networks and flexible customer service	Limited market access, inadequate logistics

		infrastructure, delivery constraints
External Factors	Opportunities	Threats
Market and Industry	Growing furniture industry, export opportunities, increasing demand for eco-friendly products	Intense market competition and rapid changes in consumer trends
Technology	Expansion of e-commerce and digital marketing platforms	Technological disruption and changing digital consumption patterns
Regulation and Partnership	Government support for SMEs, industrial partnerships, training programs	Strict environmental regulations and complex distribution requirements
Economy	Opportunities for financing support and industrial empowerment	Rising raw material prices and economic uncertainty

The SWOT analysis demonstrates that government intervention can significantly strengthen SME competitiveness by enhancing product quality, facilitating digital transformation, expanding market access, improving financing opportunities, and encouraging institutional collaboration. These findings provide the empirical basis for developing strategic policy recommendations through the integration of SWOT analysis and the marketing mix framework.

Discussion

Government Policy Strategies Based on SWOT Analysis

The SWOT analysis provides a comprehensive understanding of the strategic conditions influencing the competitiveness of the Bukir Furniture SME Cluster. By integrating SWOT analysis with the marketing mix framework, this study identifies policy priorities that simultaneously address internal organizational capabilities and external market dynamics. This integrated approach enables local governments to formulate more targeted development strategies than approaches relying solely on general strategic planning.

Table 2. Government Policy-Based SWOT Strategies for Bukir Pasuruan Furniture SMEs

Strategy Type	Government Policy Direction
S-O (Strength-Opportunity)	Strengthening digital marketing programs, export facilitation, product certification, and eco-friendly furniture promotion
W-O (Weakness-Opportunity)	Providing training, improving production technology, financing assistance, and marketing capacity development
S-T (Strength-Threat)	Supporting product standardization, strengthening industrial partnerships, and protecting local products from unfair competition

W-T (Weakness–Threat)	Improving institutional capacity, facilitating innovation, enhancing human resource skills, and strengthening market information systems
Strategy Type	Government Policy Direction

Strength–Opportunity (SO) Strategy

The SO strategy emphasizes maximizing the existing strengths of the Bukir Furniture SME Cluster to capitalize on emerging market opportunities. Product quality, customized production capabilities, and environmentally friendly materials provide a strong foundation for expanding domestic and international market access. Government support through digital marketing programs, export facilitation, product certification, and the promotion of sustainable furniture products can significantly enhance market competitiveness. These initiatives are expected to strengthen the market position of Bukir furniture while increasing its value in environmentally conscious consumer segments.

Weakness–Opportunity (WO) Strategy

The WO strategy focuses on addressing internal weaknesses by utilizing available external opportunities. Capacity-building programs in digital marketing, entrepreneurship, production technology, and product innovation can improve operational performance and market responsiveness. Government assistance through business mentoring, financial support, and technology adoption programs is essential for enabling SMEs to overcome limitations in production scale, product differentiation, and marketing capability. Such interventions contribute to improving long-term competitiveness while strengthening institutional capacity.

Strength–Threat (ST) Strategy

The ST strategy seeks to utilize the cluster's existing strengths to reduce the impact of external threats. Product quality and craftsmanship can be reinforced through government-supported quality standardization, certification programs, and industrial partnerships. Policies encouraging collaboration among SMEs, distributors, retailers, and supporting industries can improve supply chain efficiency and strengthen competitiveness against imported products. In addition, regulatory support for local products may enhance market protection while encouraging sustainable industrial development.

Weakness–Threat (WT) Strategy

The WT strategy aims to minimize organizational weaknesses while reducing exposure to external risks. Institutional strengthening, continuous technical training, innovation support, and the development of market information systems are essential for improving SME adaptability. Furthermore, improvements in

logistics infrastructure and distribution systems can reduce operational constraints while enabling SMEs to respond more effectively to changing market conditions and technological developments.

Discussion of Findings

The findings indicate that the competitiveness of the Bukir Furniture SME Cluster depends not only on the internal capabilities of individual enterprises but also on the effectiveness of government policies in creating an enabling business environment. Government interventions that promote digital transformation, financing access, product standardization, institutional collaboration, and export facilitation have the potential to strengthen SME competitiveness while improving long-term business sustainability.

These findings are consistent with previous studies emphasizing the importance of government support in enhancing SME competitiveness. Tambunan (2019) argues that institutional assistance, financing support, and business development programs are essential for strengthening SMEs in developing countries. Likewise, Porter's theory of national competitive advantage highlights the strategic role of government in promoting industrial competitiveness through regulation, innovation support, and market facilitation (Porter, 1990).

The present findings also support the marketing perspective proposed by Kotler and Keller (2016), who argue that product quality, innovation, effective promotion, and customer-oriented strategies constitute fundamental determinants of business competitiveness. The integration of SWOT analysis with the marketing mix framework demonstrates that government policies should not only address institutional issues but also strengthen operational marketing capabilities, including product development, pricing strategies, promotional effectiveness, and distribution efficiency.

Compared with previous studies that generally apply SWOT analysis as a stand-alone strategic planning tool, this study demonstrates the value of integrating SWOT with the marketing mix framework to produce more operational and policy-oriented strategic recommendations. This integrated analytical approach provides a more comprehensive basis for identifying priority interventions that simultaneously improve business performance and regional industrial competitiveness.

Theoretical and Practical Implications

From a theoretical perspective, this study contributes to the literature on strategic management and public policy by demonstrating that the integration of SWOT analysis with the marketing mix provides a more comprehensive framework for evaluating SME development strategies. The findings reinforce the relevance of marketing-based strategic analysis in explaining how government intervention can influence SME competitiveness under changing market conditions.

From a practical perspective, the study highlights several policy priorities for local governments. These include strengthening digital transformation programs,

expanding access to financing, improving production technology, supporting product certification and quality standardization, facilitating export promotion, enhancing logistics infrastructure, and encouraging collaboration among SMEs, distributors, designers, financial institutions, and industrial associations. The implementation of these integrated policy measures is expected to strengthen the competitiveness, sustainability, and market expansion of the Bukir Furniture SME Cluster while contributing to regional economic development.

CONCLUSION AND RECOMMENDATIONS

Conclusion

This study examined the development strategy of the Bukir Furniture SME Cluster in Pasuruan by integrating SWOT analysis with the marketing mix framework to evaluate how local government policies influence SME competitiveness. The findings demonstrate that the competitiveness of the Bukir Furniture SME Cluster is shaped by the interaction between internal organizational capabilities and external environmental conditions. The cluster possesses several strategic strengths, including high-quality craftsmanship, customized product capabilities, environmentally friendly materials, and competitive pricing. These strengths are supported by expanding market opportunities, such as increasing demand for sustainable furniture products, the rapid growth of digital marketing platforms, export market potential, and government initiatives promoting SME development.

Despite these advantages, the study also identified several internal and external challenges that constrain business sustainability. Internal weaknesses include inconsistent product quality standards, limited product innovation, insufficient marketing capabilities, restricted production capacity, and limited distribution networks. Externally, SMEs face increasing competition from domestic and imported products, fluctuating raw material prices, rapid technological change, evolving consumer preferences, and increasingly stringent environmental regulations. These findings indicate that improving SME competitiveness requires not only internal business development but also a supportive policy environment capable of responding to dynamic market conditions.

The SWOT analysis further demonstrates that local government policies constitute a critical enabling factor for strengthening the competitiveness and sustainability of the Bukir Furniture SME Cluster. Strategic interventions involving digital transformation, business capacity building, financing facilitation, product certification, export promotion, infrastructure improvement, and institutional collaboration provide important mechanisms for enhancing the adaptive capacity of furniture SMEs. Accordingly, government support should be designed as an integrated policy framework that simultaneously strengthens product development, pricing competitiveness, promotional effectiveness, and market distribution.

From a theoretical perspective, this study extends previous research by integrating SWOT analysis with the marketing mix framework within the context of local government policy. Rather than applying SWOT solely as a strategic

planning instrument, this study demonstrates how marketing dimensions can be incorporated into strategic environmental analysis to generate more operational and policy-oriented recommendations. This integrated framework contributes to the literature on SME development, strategic management, and regional industrial policy by providing a more comprehensive approach to evaluating business competitiveness.

From a practical perspective, the study provides evidence-based policy directions that may assist local governments and other stakeholders in designing more targeted development programs for furniture SMEs. The findings emphasize that sustainable industrial development requires coordinated efforts involving government institutions, SMEs, financial institutions, industrial associations, designers, distributors, and digital marketing platforms to create an innovation-oriented and competitive business ecosystem.

Recommendations

Based on the findings, several strategic recommendations are proposed. First, local governments should strengthen digital transformation initiatives by providing continuous training in digital marketing, e-commerce utilization, business management, and information technology adoption. These programs should be integrated with mentoring activities to ensure that SMEs can effectively implement digital business practices.

Second, policies aimed at improving product competitiveness should prioritize quality standardization, product innovation, environmentally friendly production practices, and certification programs. Technical assistance and technology upgrading should also be expanded to improve production efficiency while maintaining the distinctive craftsmanship that characterizes the Bukir Furniture SME Cluster.

Third, broader access to financing, investment support, and business development services should be provided to enable SMEs to increase production capacity, adopt modern production technologies, and expand their market reach. At the same time, local governments should strengthen partnerships among SMEs, universities, industrial associations, financial institutions, designers, retailers, and export promotion agencies to establish a more integrated industrial ecosystem.

Fourth, improvements in logistics infrastructure, market information systems, and distribution networks are necessary to reduce operational constraints and facilitate access to wider domestic and international markets. Such initiatives should be complemented by export facilitation programs and international market promotion to enhance the global competitiveness of Bukir furniture products.

Finally, future studies are encouraged to extend this research by employing mixed-method or quantitative approaches to measure the effectiveness of government policy interventions on SME performance. Comparative studies involving furniture SME clusters in different regions would also provide broader empirical evidence regarding the applicability of the integrated SWOT-marketing mix framework in supporting regional industrial competitiveness and sustainable

SME development.

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AUTHOR CONTRIBUTIONS

The author was responsible for all aspects of this study, including conceptualization, research design, data collection, SWOT analysis, interpretation of findings, and manuscript writing. The author also conducted the literature review, developed the policy-oriented marketing mix framework, and formulated strategic recommendations for the development of Bukir Pasuruan Furniture SMEs.

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