

## Research Article

# The Role of Digital Technology in Micro, Small, and Medium Enterprises (MSMEs) Haveltea Development: SWOT Analysis

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**Abstract:** This article analyzes the role of digital technology in developing MSMEs Haveltea through SWOT analysis. Haveltea, a premium tea producer with professional handmade products from Indonesia that has used social media and e-commerce in order to expand the product's marketplace. However, the consistency in social media content must still be improved to promote the product. SWOT analysis gives an enormous potential to raise and increase market share on social media, but there are areas for improvement in creating interesting content. Therefore, a new strategy is needed to be the critical solution, which is to improve content creation and manage the scheduled publication of the content. This strategy aims to increase digital marketing and improve consumer relationships to significantly improve Haveltea's service and bring hope for its future. The research methods used in this paper are descriptive qualitative, with data obtained through interviews with the owner of the Haveltea company. The analysis technique compiles the IFE and EFE matrices through observation and interview results. The research results are shown by using the AIDA concept as a standard in creating digital content to expand the market share of Haveltea products on social media.

**Keywords:** SWOT Analysis, Marketing Strategy, Digital Marketing, Social Media

## INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) are economic sectors operated by individuals, groups, or business entities of micro size. MSMEs stand for Micro, Small, and Medium Enterprises. Generally, MSMEs refer to businesses or enterprises run by individuals, groups, small business entities, or households. As a developing country, Indonesia considers MSMEs to be the main foundation of the community's economic sector. This can be seen from the increasing number of MSMEs in 2019. The number of MSMEs in Indonesia reached 655 million, an increase from the previous year's 642 million. MSMEs contributed 61,07% or Rp8,57389 trillion to Indonesia's Gross Domestic Product and became the most significant contributor to GDP in Indonesia (Kemenkeu, 2022). This approach aims to foster self-reliance and growth, particularly in the economic

sector. MSMEs are crucial in developing countries like Indonesia as they drive economic growth, create job opportunities, and improve the community's welfare. MSMEs managed to permeate 97% of the labor market in Indonesia and collected 60,4% of the total investment. Therefore, MSMEs are a fundamental pillar of the economy in Indonesia (Kemenko, 2021).

In a situation where the economy is constantly rising, MSMEs have emerged as crucial engines of growth, both at the micro and macro levels. At the micro level, MSMEs provide invaluable opportunities for individuals to create jobs, increase income, and develop entrepreneurial skills. On the other hand, from a macro perspective, MSMEs make significant contributions to national economic growth, poverty alleviation, and equitable development. Despite their extraordinary potential, MSMEs face challenges, such as limited access to capital, markets, and technology (Windusancono, 2021).

To address these challenges, the implementation of digital technology has become a key factor. Digital technology enables MSMEs to overcome these obstacles by providing easier access to global markets, financial resources, and the necessary technological infrastructure. Therefore, it is crucial to investigate the role of digital technology in addressing the challenges faced by MSMEs and the extent to which digital technology contributes to driving the growth and sustainability of MSMEs in the ever-evolving digital era (Sulaksono, 2020).

So many companies have implemented digital technology to attract potential buyers. One such example is Haveltea, a Micro, Small, and Medium Enterprise (MSME) producing premium handmade tea products from Indonesia. The company has effectively adopted digital technology by leveraging platforms like Instagram, TikTok, and Twitter to attract potential buyers, along with using marketplaces such as Shopee and Tokopedia for sales.

However, despite having proper insights for implementing digital marketing plans, Haveltea still needs to focus on several issues, such as consistency in creating social media content, indicating that maximizing the functionality of its social media accounts is critical for fully harnessing the potential of digital technology in driving growth. Therefore, the issues with the online marketing plan need to be explored and analyzed further. This study aims to identify the challenges and opportunities that Haveltea can develop to make its marketing efforts more effective, particularly by utilizing social media. Various organizations often use SWOT analysis as part of strategic planning to understand and evaluate available resources, both internally and externally. The goal is to adopt the right strategy based on the company's current conditions. Thus, this research employs SWOT analysis to identify internal and external factors to provide ideas and digital marketing strategies

## LITERATURE REVIEW

The development of Micro, Small, and Medium Enterprises (MSMEs) has become a significant concern in the economies of many countries, including Indonesia. Digital technology's role in supporting MSMEs' development is significantly essential in the digital transformation era. Digital technology includes various tools and platforms to help MSMEs in operations, marketing, and management. Technology such as e-commerce, social media, customer relationship systems (CRM), and digital payment platforms have proven to increase efficiency and market reach for MSMEs. E-commerce platforms allow MSMEs to sell their products online, reaching a broader market without geographical restrictions. Research by Turban et al. (2018) shows that e-commerce can increase sales and strengthen the competitiveness of MSMEs. In addition, MSMEs use social media such as Facebook, Instagram, and Twitter for product promotion, customer interaction, and brand building. According to Kaplan and Haenlein (2010), social media allows MSMEs to communicate directly with customers and get valuable feedback.

Customer Relationship Systems (CRM) and digital payment platforms are also instrumental in the digital transformation of MSMEs. Research from Zablah, Bellenger, and Johnston (2004) shows that CRM systems can significantly enhance customer satisfaction and loyalty. Digital payment platforms, such as GoPay, OVO, and Dana, not only facilitate transactions but also reduce costs and improve security. Arvidsson (2014) notes that these platforms can potentially revolutionize the operational efficiency and customer experience of MSMEs. The effective implementation of CRM can increase customer retention rates, which will ultimately have a positive impact on revenue growth and business expansion for Haveltea. With this CRM, Haveltea can build stronger customer relationships, improve operational efficiency, and ultimately create more sustainable business growth.

SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis is a strategic tool to evaluate an organization's internal and external position. In the context of Haveltea MSMEs, SWOT analysis helps identify the strengths, weaknesses, opportunities, and threats faced in applying digital technology. The strengths of Haveltea MSMEs include increasing operational efficiency through business process automation and access to a broader market through e-commerce platforms and social media. However, there are areas for improvement, such as limited human resources and high technology implementation costs (Nisak, n.d.).

Opportunities that Haveltea MSMEs can utilize include the increasing digitalization trend and government support through programs that promote MSME digitalization. On the other hand, threats include intense market competition and cybersecurity risks that can jeopardize data protection and digital transactions. The use of digital technology in developing Haveltea MSMEs has the potential to enhance operational efficiency, expand market reach, and improve customer satisfaction. However, the success of digital technology implementation depends on the ability of

MSMEs to address various challenges, including limited human resources. Qualitative descriptive SWOT analysis provides a valuable framework for understanding the strengths, weaknesses, opportunities, and threats faced by Haveltea MSMEs in their digitalization process.

## METHODOLOGY

This research was conducted as part of a community service program in the context of a community service program, aiming to increase brand awareness of authentic Indonesian professional handmade tea products through the digitalization of marketing strategies. This research is qualitative descriptive, with data acquired through interviews with the owner of Haveltea company. The purpose of the interview was to gather detailed information about the company's current business situation, especially in terms of its strengths and weaknesses. The conversation was structured to allow the owner to share insights about the company's operations, challenges faced in marketing, and thoughts on how digital marketing could be beneficial. During the interview, questions focused on how the company currently promotes its products, what strategies are in place, and the obstacles that might be limiting growth. The owner was also asked about opportunities that could be explored to expand the brand's visibility. After collecting the responses, the interview findings were categorized into four main areas: strengths (things the company does well), weaknesses (areas that need improvement), opportunities (external factors that could benefit the company), and threats (external risks or challenges). List all internal strategic factors, including strengths and weaknesses, as well as external strategic factors, including opportunities and threats. This interview data was crucial in developing a better understanding of both internal and external factors, which were later analyzed using the Internal Factor Evaluation (IFE) and External Factor Evaluation (EFE) matrices.

- a. Assign a weight to each factor, ranging from zero (not important) to one (very important). The total weight for all factors must add up to one.
- b. Assign a score between one (weakest) and four (best) to each factor to indicate how well the company's current strategy responds to each factor.
- c. Determine the weighted score by multiplying the weight of each factor by its score.
- d. Sum the weighted scores for strengths and weaknesses in the IFE Matrix, then opportunities and threats in the EFE Matrix.

**Figure 1.**  
*Quadrant Division in the IFE and EFE Matrix*

		IFE		
		Strong (3.0-4.0)	Average (2.0-2.99)	Weak (1.0-1.99)
EFE	High (3.0-4.0)	I	II	III
	Medium (2.0-2.99)	IV	V	VI
	Low (1.0-1.99)	VII	VIII	IX

The total weighted score is then used to develop the Internal-External (I-E) Matrix, as shown in Figure 1. The X-axis indicates the total weighted score from the IFE Matrix, while the Y-axis represents the total weighted score from the EFE Matrix. The results of this I-E Matrix are then used to formulate several proposed strategies, which will be discussed and followed by training implementation in some areas that need improvement. The SWOT analysis conducted in this research and community service is focused on digital marketing, so the questions asked during the interview were tailored to this topic.

## RESULT

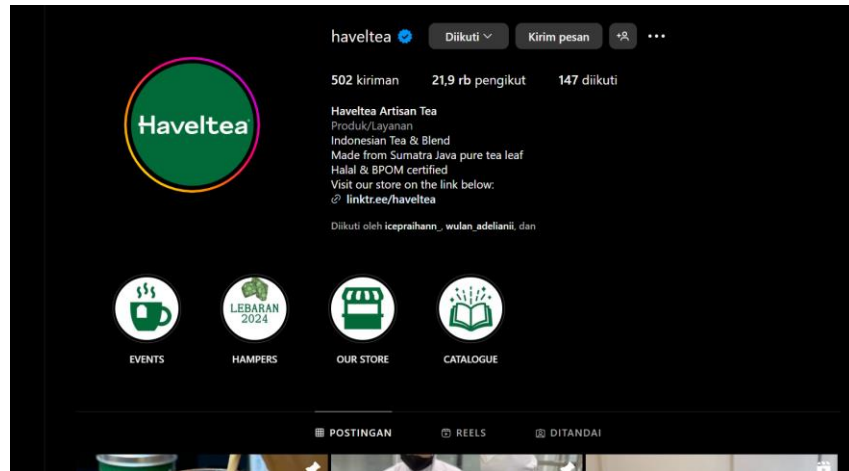
### Haveltea Marketing Strategy

Haveltea is a company that produces premium blended tea for both domestic and international markets. It was founded by Widyoseno Estitoyo and his two partners, Anggi Indra Pamungkas and Ifana Azizah. Initially, the company was a small-scale MSME with a brand named "Haveltea." Haveltea originated from a coffee shop business run by Mr. Widyoseno in Surabaya. Between 2012 and 2017, the coffee shop business was booming, and Mr. Widyoseno noticed that many customers came not only to drink coffee but also to enjoy tea.

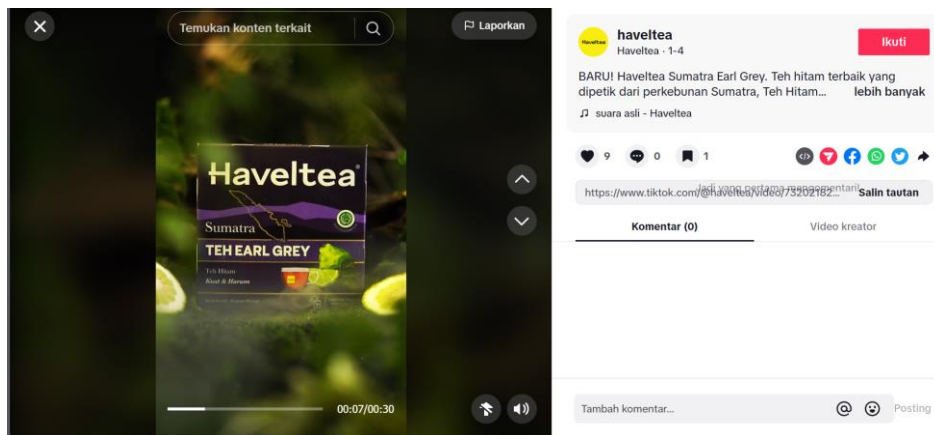
Haveltea collaborates with both private and state-owned plantations to supply high-quality tea leaves. Haveltea also uses spices, flowers, dried fruits, and flavorings to create premium teas with various flavors. In addition to Indonesian tea leaves, Haveltea also offers matcha and hōjicha tea powder sourced from Uji-Kyoto in Japan. In 2021, Haveltea relocated its production facility to a new factory in Surabaya. The company also sells its products directly at stores located in Grand Indonesia and PIK, as well as online through various social media platforms. Haveltea has become a supplier for several

Hotels, Restaurants, and Cafes. Haveltea has been using social media platforms such as Instagram, TikTok, and Twitter, where it has gained a considerable following. For instance, Image 2 shows the front page of Haveltea's Instagram with over 21,900 followers, while Images 3 and 4 display Haveltea's products marketed on TikTok and Twitter.

**Figure 2.**  
*Display of Haveltea in Instagram*



**Figure 3.**  
*Display of Haveltea content in Tiktok*



**Figure 4.**  
 Display of Haveltea content in Twitter



**SWOT Analysis**

After conducting observation activities and interviews with Haveltea, internal and external factors were analyzed. Tables 1 and 2 present the results of identifying internal and external factors interrelated with marketing strategies in Haveltea MSMEs.

**Figure 5.**  
 SWOT Strategies

	<p><b>Strengths (S):</b></p> <ul style="list-style-type: none"> <li>• Has more than 21,000 followers on Instagram, more than 2349 followers on Tiktok and 9 followers on Twitter</li> <li>• High-quality product</li> <li>• Can fulfill product demand according to the wishes of consumers</li> <li>• Have human resources</li> </ul>	<p><b>Weaknesses (W):</b></p> <ul style="list-style-type: none"> <li>• Owners are underprivileged to maximize their social media</li> <li>• There is currently no specialized staff in charge assigned to be active on social media</li> <li>• There is currently no routine schedule for creating social media content</li> <li>• Do not have a company website to increase brand awareness and credibility of the company</li> </ul>
<p><b>Opportunities (O):</b></p> <ul style="list-style-type: none"> <li>• Already had a domestic and foreign markets that are potential</li> <li>• The use of digital media continues to increase domestically and internationally</li> <li>• The efficacy of information technology is changing consumer behaviour and precaution</li> </ul>	<p><b>Strategy SO:</b></p> <ul style="list-style-type: none"> <li>• Develop content by following current market trends.</li> <li>• Create promotions on related sites</li> <li>• Optimize digital sale to quicken order for easy ordering process through the e-commerce platform</li> </ul>	<p><b>Strategy WO:</b></p> <ul style="list-style-type: none"> <li>• Generate an administrator to monitor routine schedule content of content creation and monitor comments or feedback from followers.</li> <li>• Create content that not only highlights the product but also the value it offers. Craft engaging captions that evoke consumer behaviour and precaution.</li> </ul>
<p><b>Threats (T):</b></p> <ul style="list-style-type: none"> <li>• Some similar competitors who offer cheaper prices</li> <li>• More competitors are using social media for marketing</li> <li>• Marketplaces are selling similar products with variations in price and product</li> </ul>	<p><b>Strategy ST:</b></p> <ul style="list-style-type: none"> <li>• Offer discount promotions or early bird specials</li> <li>• Held host contests and give away free products with other companies.</li> <li>• Follow the social media accounts of companies or individuals to attract potential new buyers</li> </ul>	<p><b>Strategy WT:</b></p> <ul style="list-style-type: none"> <li>• Immediately advertise on social media after a new product is released.</li> <li>• Create promotions on related sites</li> <li>• Provide comprehensive explanations about the uniqueness and great-quality of the products.</li> </ul>

The SWOT analysis for Haveltea reveals several strengths, weaknesses, opportunities, and threats that influence its digital marketing strategy. One of the company's key strengths is its large social media following, particularly on Instagram, with more than 21,000 followers. This presents a great foundation for digital marketing efforts. Additionally, Haveltea offers high-quality handmade tea products and has the flexibility to meet consumer demand according to their preferences. The availability of human resources within the company also provides an opportunity to manage various tasks effectively.

However, the company faces some weaknesses, such as limited expertise in maximizing social media use. There is no dedicated staff to manage social media platforms, resulting in inconsistent content creation and interaction with followers. Furthermore, the absence of a company website hinders credibility and brand awareness, as it limits Haveltea's ability to establish a more professional and accessible online presence.

In terms of opportunities, Haveltea is well-positioned to tap into both domestic and international markets. The increasing reliance on digital media presents a significant opportunity for expanding brand awareness and sales. Consumer behavior is also shifting due to advancements in information technology, which Haveltea can leverage to improve its digital strategy.

However, despite these opportunities, Haveltea faces threats from competitors offering similar products at lower prices. Many rivals are also capitalizing on social media marketing, making it more challenging for Haveltea to stand out. Additionally, marketplaces are becoming saturated with products similar to Haveltea's, which could affect its market share.

To address these factors, the suggested strategies include developing content that aligns with market trends and creating promotions on related sites to reach a broader audience. The company should also optimize its digital sales process to simplify online ordering for customers. Furthermore, hiring a social media manager would ensure consistent content creation and follower engagement, while crafting engaging posts that emphasize both product features and consumer behavior would enhance the brand's appeal. In order to stay competitive, Haveltea can offer discounts and promotions, as well as monitor competitors' social media activities to adapt its own strategies. Lastly, promoting the uniqueness and high quality of its products through comprehensive explanations in marketing content would help Haveltea distinguish itself in a crowded market.

**Table 1.**  
*Results of Threat and Opportunity Identification and EFE Matrix*

	IFE Matrix	Weight	Score	Weighted Score
<b>Strengths</b>				
1	Has more than 21,000 followers on Instagram, more than 2349 followers on Tiktok and 9 followers on Twitter	0,25	3	0,75
2	High-quality product	0,2	2	0,4
3	Can fulfill product demand according to the wishes of consumers	0,3	4	1,2
4	Have human resources	0,25	3	0,75
	<b>TOTAL</b>	<b>1</b>	<b>12</b>	<b>3,1</b>
<b>Weakness</b>				
1	Owners are underprivileged to maximize their social media	0,2	1	0,2
2	There is currently no specialized staff in charge assigned to be active on social media	0,2	1	0,2
3	There is currently no routine schedule for creating social media content	0,1	1	0,1
4	Do not have a company website to increase brand awareness and credibility of the company	0,3	1	0,3
	<b>TOTAL</b>	<b>0,8</b>	<b>4</b>	<b>0,8</b>
	<b>Total Weighted Score</b>			<b>3,9</b>

Based on the IFE (Internal Factor Evaluation) and EFE (External Factor Evaluation) matrices provided, it is clear that Haveltea has significant potential for growth, especially in the digital area, but also faces several challenges that must be addressed to optimize on its strengths and opportunities. Haveltea's primary strength lies in its social media presence, particularly on Instagram, where it has over 21,000 followers. This reflects a strong brand interest and a large base of potential customers, especially for its premium tea offerings. Additionally, the company's ability to fulfill product demand according to consumer preferences is another strong point. This flexibility allows Haveltea to cater to niche markets and tailor its tea blends based on consumer tastes, providing a personalized experience that many competitors may not offer. Furthermore, Haveltea's human resources, while currently underutilized in terms of social media expertise, represent a key strength if properly trained and equipped to manage online marketing and engagement efforts.

However, weaknesses within the company are hindering its ability to fully leverage these strengths. The lack of dedicated staff for social media management and content creation is a critical issue. While the company has a solid follower base, the absence of a structured and routine content schedule leads to inconsistent engagement with its audience, diminishing the effectiveness of its online presence. Moreover, the

absence of a company website limits Haveltea's brand credibility and reduces its visibility in search engines, which could hinder efforts to attract new customers and partners, both domestically and internationally.

Externally, the increasing use of digital media both domestically and globally presents a valuable opportunity for Haveltea to enhance its brand presence. The widespread adoption of platforms like Instagram, TikTok, and Twitter allows for effective marketing at a relatively low cost, and if optimized, these platforms could help Haveltea reach new markets. Furthermore, consumer behavior is increasingly being influenced by digital content, with buyers often seeking product reviews, brand stories, and engaging visuals before making purchase decisions. This shift in behavior means that Haveltea can benefit from well-crafted social media campaigns, which could further drive both domestic and international sales.

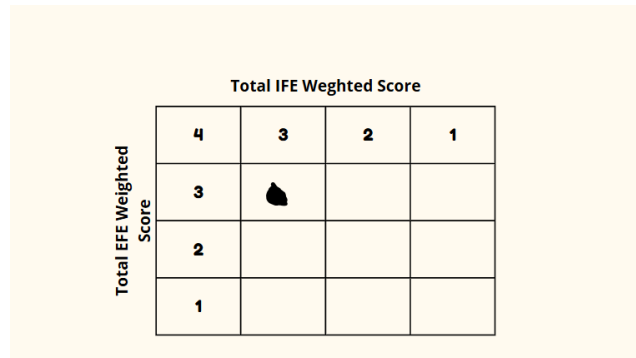
Additionally, Haveltea has the opportunity to tap into the growing global demand for premium tea. With proper marketing, the company could position itself as a provider of high-quality, artisanal teas not only in Indonesia but in foreign markets as well. Collaborations with foreign distributors, marketplaces, or even influencers who cater to health-conscious or tea-loving audiences could help Haveltea build a stronger international presence.

Despite these opportunities, Haveltea must navigate several external threats. One major concern is the rising number of competitors offering similar products at lower prices. These competitors, particularly in marketplaces like Shopee and Tokopedia, often undercut premium brands like Haveltea. This price sensitivity could divert potential customers toward cheaper alternatives, especially if they perceive minimal difference in product quality. Furthermore, many competitors are already utilizing social media more effectively, creating a content-rich environment that Haveltea must compete against. Without a stronger digital strategy, Haveltea risks falling behind in an increasingly crowded online marketplace.

### **Marketing Strategy Through Digitalization in SMEs Haveltea**

Based on the SWOT analysis and the I-E matrix calculation, Haveltea is currently in Quadrant I, as shown in Figure 5. The suitable digital marketing strategy for this position is "Grow and Build," which means Haveltea should intensively pursue market penetration and market development. Haveltea's weaknesses, particularly in social media content creation, regular scheduling for content creation and publication, and the assignment of a content manager specifically for Twitter and TikTok platforms, need to be minimized.

**Figure 6.**  
*The Results of the I-E Matrix*



Therefore, assistance is needed to help Haveltea optimize the use of existing social media. One way to optimize digital marketing content through social media is by applying the AIDA concept (Attention, Interest, Desire, and Action), as explained by Sari et al. (2021). The AIDA concept can also be used as a content creation standard, whether infographics (posts) or videographics (reels). Some proposed strategies for Haveltea are presented in Table 1.

**Table 2.**  
*Digital Marketing Strategies with Social Media Using AIDA.*

Step	Strategies
Attention	a. Create engaging content using compelling words and images.
	b. Develop content by following current market trends.
	c. Hold giveaways or free product promotions with other companies.
	d. Use hashtags appropriately and relevantly.
	e. Follow the social media accounts of companies or individuals to attract potential new buyers.
Interest	Create promotions on related sites.
	a. Provide clear information about the product, including a brief description of the main features, price, and photos.
	b. Product photos (if relevant) should be taken from various angles.
	c. Provide clear information about the company, including its history and objectives.
	d. Offer timely and up-to-date explanations about the products being sold.
Desire	Immediately advertise on social media after a new product is released.
	a. Offer discount promotions or early bird specials.
	b. Host contests and give away free products.
	c. Create content that not only highlights the product but also the value it offers. Craft engaging captions that evoke consumer emotions.
	d. Monitor comments and feedback from followers and respond quickly.
Action	Provide excellent pre-sales and post-sales customer service.
	a. Quick and easy ordering process through the e-commerce platform.
	b. A product catalog that can be promptly sent to potential buyers or is

Step	Strategies
	available online.
	c. Provide comprehensive explanations about payment options. Provide detailed information regarding product shipping.

## CONCLUSION

This research aims to adopt the right strategy in the company's current condition. Haveltea is already using digital technologies such as TikTok, Instagram, and Twitter to attract Potential Buyers and sell their Premium Tea products. However, content posted on social media could be more optimal for increasing brand awareness and relationships with potential buyers. Therefore, this study uses SWOT analysis to find internal and external factors to provide digital marketing ideas and strategies that suit the company's needs and increase understanding of the importance of digitalization to product marketing. Based on the results of observations and interviews with MSMEs to map SWOT, the priority strategies to be carried out are to correct weaknesses related to social media content creation, schedule content creation and publication regularly, and delegate tasks as content managers. After conducting an evaluation based on SWOT mapping, the market share will become more comprehensive so that sales of Haveltea products will increase.

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