



ANALYSIS OF COMPETITIVE ADVANTAGE STRATEGY IN SMALL AND MIDDLE INDUSTRIES TOWARDS THE INDUSTRY REVOLUTION ERA 4.0 (CASE STUDY OF COFFEE INDUSTRY IN MAKASSAR)

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Abstract – The study aimed to identify the internal and external factors of coffee industry in Makassar. The study was qualitative and quantitative research by using the methods of IFE, EFE, SWOT, and AHP. The results of the study showed that internal factors at coffee industry in Makassar, such as raw materials, product variants and packaging, product innovations, product prices, location and facilities, promotion/marketing, production tools/machines, capital/finance, human resources, and processing the product. Then, the identification results of external factors involve the indicators of economic conditions, consumer behavior culture, market share, the role of regulator, the transformation of business, the progress of technology, partners/cooperation, and new competitor. Moreover, analysis results of SWOT and AHP show that The industry of coffee in Makassar was in range quadrant I to quadrant III. Industry Kopi Anoa, Toarco Coffee and Kopirong were in Quadrant I by implementing the SO strategy (Strength-Opportunity). Industry Kopi Setia, Kopi Ujung, Pasar Kopi, Lapak Kopi, and Kopiapi were in Quadrant II by implementing the ST strategy (Strength-Threat). Industry Kopi Inklusi and Marasa were in Quadrant III by implementing the WO strategy (Weakness-Opportunity).

Keywords – Strategy Analysis; Competitive Advantage; Coffee Industry; Revolution Era 4.0.

I. INTRODUCTION

The growth of economic and industry goes down amid the Covid-19 pandemic. The data from the Central Statistics Agency and the Ministry of Industry shows that the growth of economic and industry from 2016 to 2019 has been stable. However, there was a decline of the growth of national economic around minus 1.08%; and industry around minus 2.2%. The growth economic is tightly related to the process of industry. Based on economic theory, the increase of the amount of production, human resources, capital, and income will encourage the growth of economic, so that the higher the contribution of an industry, the more developed the country is.

Industry has a strategic and consistent role in giving big contribution to the national economy. Therefore, hopely industrial development always keeps growing to be an industry competing through applying innovation and technology. OECD (Organisation for Economic Co-operation and Development) argued that competitiveness is the ability of company or industry in a region or country in increasing economic through productivity fully productive and sustainable (Fadhul, 2019). Besides that, Michael E. Porter (2008) also had argument that competitiveness is a strategic model which is capable to analyze the industrial environment and competitive advantages by understanding the aspects of strengths and weakness a long with the aspects of opportunities and threats from within or outside of the industry. Moreover, Porter (2008) adds that strategy as a very crucial tools to achieve competitive advantage in the environment of business or industry (Rangkuti, 2005).

Nowdays, the industry keeps focused on increasing the competitiveness through strengthening the implementation of "Making Indonesia 4.0" or a strategy concerning on innovation and technology. The

strategy is carried out to accelerate the realization of national vision, namely to exploit the opportunities in the era of industrial revolution 4.0. In the era of industrial revolution 4.0, competition is getting increasing tightly and it also can accelerate the chain value in the industry. Some technologies supporting the development of industry system 4.0, such as Internet of Things, Artificial Intelligence, Human-Machine Interface, the technology of robotic and sensor, the technology of 3D Printing (Venti Eka Satya, 2018).

One of the priority sectors got acceleration to implement industrial technology 4.0 is food and drink sector. The sector of food and beverage (F&B) is one of the sectors still have capability to survive and grow positively where the Covid-19 pandemic is booming, eventhough the growth of industry is very slow. Director General of Agro Industry at the Ministry of Industry said that the positive growth of food and drink industry sector should be maintained and seeked to be further increased to give significant contributions to the national economy. The director general of Agro industry, Abdul Rochim also give more explanation that there are some superior commodities to spur the performance of the food and drink, such as: the product of processed fish, noodles, palm oil, and coffee (<https://amp.kontan-co-id.cdn.ampproject.org>).

Coffee is one of the plantation products whose market demand is very high and gives a big contribution to the Indonesian economy. Coffee is a plantation commodity having high economic value and having important role as a source of foreign exchange and as a source of income for coffee farmers in Indonesia (Rahardjo, 2012). The efforts to increase the productivity and quality of coffee are kept going. The ministry of Industry has set a roadmap for development of coffee processing industry cluster through more diverse product innovation and diversification, the use of technology in processing products, the design of more attractive product packaging, and the development of marketplace application for marketing coffee products in expanding the market broadly. The efforts aim coffee can compete not only regionally (Makassar) but only globally.

Based on several research results, it shows that there are several obstacles causing the small and middle industry get impact as slowdown in the growth of business. It is balance with the result of some previous results study about the main problem in IKM. Research findings of study (Hamid and Susilo, 2011), (Sakur, 2011), (Syahza, 2013) and (Irdyanti, 2012) state that the weakening competitiveness advantage of IKM was caused by the following problems: (1) Marketing; (2) Capital and funding; (3) Innovation and utilization of information technology; (4) Use of raw materials; (5) Production tools; (6) Absorption and empowerment of human resources; (7) Business development plan; and (8) Readiness to face external environmental challenges. The contribution and role of IKM is very important, but in competitiveness side, there are many weaknesses and obstacles that have to be straightened up in facing competition, especially in the current digital era. Therefore, an appropriate strategy is needed to be applied to the coffee industry based on the objectives of the study, namely identifying internal (IFE) and external (EFE) factors in the coffee industry in Makassar, analyzing the strategy of the coffee industry in Makassar using the SWOT and AHP methods.

II. LITERATURE REVIEW

A. *The Theory of Economic Growth*

Economic Growth is related to the increasing process of the production of goods and services in people economic activities. The growth involves a single-dimensional development and it is measured by the increasing output and income. If it is correlated, the economic growth of Indonesia is in one line with the growth of industrial sector. If the industrial growth goes slow, the economic growth also shows slow-moving and vice versa. One of the pillars of economic is industrial development. According to economic theory, the higher contribution of industrial sector to economic development in one country, the more developed the country will be. If one country has contribution of its industrial sector above 30%, so it can be said that the country is classified as a developing country (Sukirno Sadono, 2001: 442).

B. *The Theory of Competitive Advantage*

According to Porter's competitive advantage theory, competitive advantage can be determined by the company or industry itself. There are some cases in building competitive advantage, namely the condition of skilled human sources factor, facilities and infrastructure, the condition of request and the quality of demand, industrial existence, strategy, structure and competition among industries. Micheal E. Porter (2008) also said that competition is the core of a company's success or failure. It means the development of a company depends on how the company confront the competition. Therefore, a company or industry should have competitive advantage strategy as "the searching of profitable position in an industry, fundamental arena for competition". The concept of competitive advantage is related to economic activities, namely effort to increase the bargaining position in maximizing the achievement of individual or group goals to the others groups or individuals.

C. *Strategy Analysis*

SWOT analysis is a tool or method to collect the factors having possibility to be consideration in determining the appropriate strategy, namely internal factor involving strengths and weakness. The internal factors are expertise, technology, resources, competitive ability, advantage and disadvantage position as the variables, such as: market share, brand recognition, or others. Then, external factors include opportunities and threats. The best opportunities are the situation requiring material, financial, resources, and organizational capabilities (Kluyver and Pearce, 2006).

Internal factor analysis makes possibility to the strategists to summarize and evaluate the main strengths and weakness in the functional areas of business (David, 2011). David also said that internal environment of company gets influenced by several elements which are the important part of the company in determining the strategy formulation it takes. Then, external factors analysis allows the strategists to summarize and evaluate the information of economic, socio-culture, demographic, environment, politic, government, law, and technology (David, 2011)

AHP is a model to support decision developed by Thomas L Saaty. The supported decision model is enable to describe a complex multi factor or multi criteria problem into a hierarchy. Saaty (1993), hierarchy is defined as a representation of a complex problem in a multi-level structure where the first level is a goal followed by factor level, criteria, sub criteria, and so on until the last level, namely alternative decision or alternative strategy.

D. *Industrial Revolution*

The word "industry" is similar to all human economic activities processing the raw goods or materials into semi-finished or finished goods. The development of industry is the process occurred as the result of change of social or culture rapidly and it also concerns to the basic needs and demands of people. The basic of change is called as revolution. Industrial revolution has changed the way of work of human/people where the work is done manually to automatically using modern sets or tools. It is called "Industrial Revolution" and it was introduced by Friedrich Engels and Louis Auguste Blanqui in the middle of the 19th century. The industrial revolution is ongoing by the times. Nowadays, industry has taken in the fourth phase of industrial revolution. The digital industry has been born and known as the digital revolution. Digital revolution has presented the digitalization and automation of bounding internet with manufacturing. Industry 4.0 is a trend in industrial world where the development of internet technology is increasingly developing not only to connect the people around the world, but also to become a basis for the process of online trade and transportation transactions. There are several technologies becoming the main element on the development of conventional industries towards digital industry.

III. CONCEPTUAL FRAMEWORK

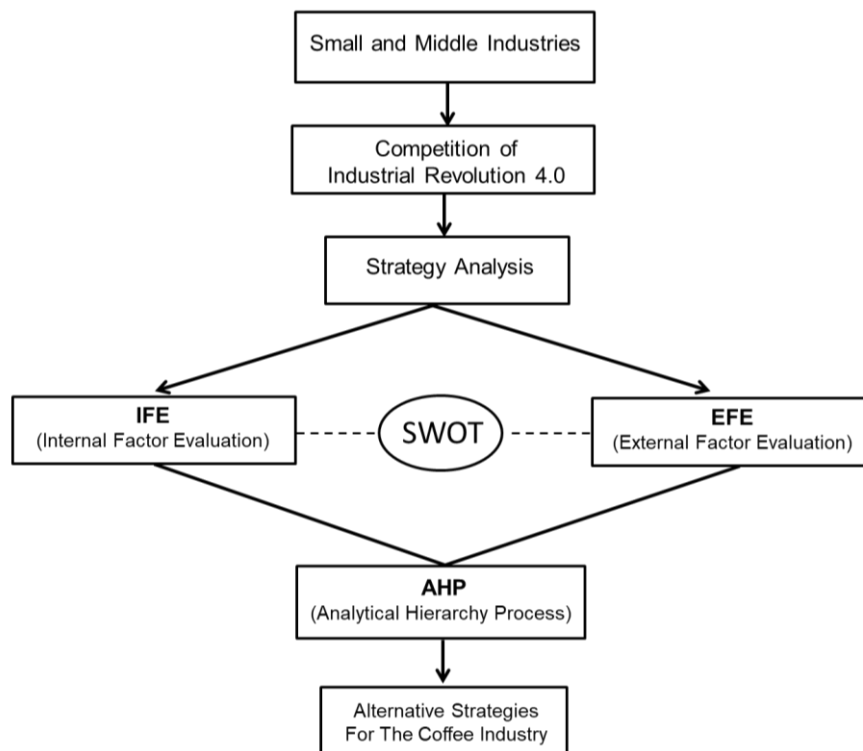


Figure 1. Conceptual Framework

IV. RESEARCH METHODS

The study used a descriptive research method with applying a qualitative approach. The qualitative data were interview of 33 informans from 10 small and middle industries of coffee industry in Makassar. The study was designed to analyze the strategy of competitive advantage in processing coffee through identifying internal and external factors, the data were analyzed by SWOT and AHP methods to determine the appropriate priority strategies to be applied to the coffee industry.

V. RESULTS AND DISCUSSIONS

Based on the results of the industrial analysis in processing coffee in Makassar through the interview method, the results showed the identification of internal and external factors such as:

A. The Identification of Internal Factors

The identification results of internal factors in the coffee industry in Makassar involved raw materials, the variants of product and its packaging, product innovation, product price, location, and facilities, promotion/marketing, production tools/machines, human resources, and processing.

B. The Identification of External Factors

The identification results of external factors in the coffee industry in Makassar included the indicators of economic conditions, the culture of consumer behavior, market share, the role of regulator, the transformation of business, the progress of technology, partners/cooperation, and new competitors.

C. The Results of SWOT and AHP analysis

Table 1. Analysis of Internal and external factors of Kopi Setia

	Strengths	Weight	Rating	Weight Score
S1	The quality of coffee bean is good	0,21	3,5	0,74
S2	The types of coffee are varied and the packaging is good enough	0,08	2,5	0,28
S3	Affordable prices	0,10	3	0,35
S4	Production tools/ machines of coffee are adequate	0,09	3	0,32
S5	The capital of developing business is enough	0,08	3	0,28
S6	Skilled human resource	0,08	2	0,28
S7	The processing or raw materials are carried out based on the prosedure	0,09	3	0,32
	Total			2,56
	Weakness			
W1	The innovation of new produk is lacking	0,09	3	0,27
W2	The location is not strategic	0,09	2,5	0,23
W3	Marketing/promotion is still simple	0,09	3	0,27
	Total	1,00		0,77
	Opportunities			
O1	Market share is extensive	0,15	3,5	0,53
O2	The progress of modern technology helps the production process	0,10	3,5	0,35
O3	Cooperation of some parties can expand the market network	0,11	3	0,33
	Total			1,21
	Threaths			
T1	Unstability of prices	0,13	3	0,39
T2	The taste of consumer switching to the other products	0,10	3,5	0,46
T3	The role of regulators in makin industry policy	0,12	3	0,36
T4	The transformation of business requiring modernity	0,12	3,5	0,42
T5	The existence of new competitors	0,17	3	0,51
	Total	1,00		2,14

The results showed that Kopi Setia was in Quadrant II by implementing ST strategy, namely S1 (21%) and T5 (17%).

Table 2. Analysis of Internal and External Factors of Kopi Anoa

	Strengths	Weight	Rating	Weight Score
S1	Have a good quality of raw materials and selected coffee beans	0,14	3,3	0,46
S2	The types of coffee are varied and the packaging is good enough	0,07	3,3	0,23
S3	Product development innovation	0,09	3,3	0,30
S4	Affordable prices	0,11	3,3	0,36
S5	The location is Strategic and the facility is complete	0,10	3,3	0,33
S6	Production tools/ machines of coffee are adequate	0,13	3,6	0,47
S7	The processing or raw materials are carried out based on the prosedure	0,10	3,6	0,36
				2,52
	Weaknesses			
W1	Online promotion is still not effective	0,08	2,3	0,18
W2	Capital for business development relies on own capital	0,09	3,0	0,27
W3	Skilled of human resource	0,10	3,0	0,30
	Total	1,00		0,75

Opportunities				
O1	Coffee consumption culture and consumer tastes	0,10	2,62	0,26
O2	Market share is extensive	0,11	3,30	0,36
O3	Regulators facilitate industrial development	0,11	3,30	0,36
O4	The coffee business is growing with the presence of technology	0,17	3,00	0,48
O5	Many supplier and coffeeshop cooperations	0,13	3,00	0,39
				1,86
Threats				
T1	Unstable selling price of coffee commodity in the market	0,13	3,0	0,39
T2	Lack of planning for the changing coffee business	0,09	3,3	0,30
T3	The presence of new competitors	0,16	3,0	0,51
Total		1,00		1,31

The results showed that Kopi Anoa was in quadrant I by implementing SO strategy, namely S1 (14%) and O4 (17%).

Table 3. Analysis of Internal and External Factors of Kopi Inklusi

Strenghts		Weight	Rating	Weight Score
S1	Raw materials from high quality local coffee beans	0,12	3,0	0,36
S2	Coffee variants are varied and good packaged	0,07	2,7	0,19
S3	The processing process is good enough	0,13	3,0	0,35
S4	Affordable prices and promo prices available	0,08	2,7	0,21
S5	Strategic location, complete facilities and comfortable room	0,10	2,7	0,27
Total				1,37
Weaknesses				
W1	The promotion need to be improved	0,13	3,3	0,43
W2	Limited business development capital	0,09	3,0	0,27
W3	Human resources is limited	0,09	3,0	0,27
W4	New product development innovation	0,08	3,0	0,24
W5	The capacity of production tools / machines are still limited	0,11	3,0	0,33
Total		1,00		1,54
Opportunities				
O1	Consumptive consumer culture and behavior	0,07	2,7	0,19
O2	Market share is extensive	0,16	3,0	0,48
O3	The role of regulators in business facilitation	0,06	2,7	0,16
O4	Collaboration with coffee farmers and the coffee community	0,25	3,3	0,83
Total				1,66
Threats				
T1	Economic conditions affect purchasing power to decline	0,07	3,0	0,21
T2	Rapidity of business transformation	0,05	3,0	0,15
T3	Skill and knowledge about technology and innovation is still limited	0,11	2,7	0,29
T4	Competition between industries and new competitors	0,23	3,0	0,69
Total		1,00		1,34

The results showed that Kopi Inklusi was in quadrant III by implementing WO strategy, namely W1 (13%) and O4 (25%).

Table 4. Analysis of Internal and External Factors of Toarco Coffee

Strenghts		Weight	Rating	Weight Score
S1	Abundant raw material and high quality	0,15	4,0	0,60
S2	The product price is economical and highly competitive	0,09	3,7	0,33

S3	Product development innovation is very good	0,09	3,3	0,30
S4	The capability of human resource is good	0,10	3,3	0,33
S5	Promotion efforts have been very good	0,08	3,7	0,29
S6	Production tools / machines are sophisticated / modern	0,08	3,3	0,27
S7	The processing of raw materials is very good	0,12	3,3	0,40
				2,52
	Weaknesses			
W1	The location is not strategic	0,12	3,0	0,36
W2	Coffee variants are varied and good enough packaged	0,09	2,7	0,24
W3	Financial management needs to be improved	0,08	3,0	0,24
	Total	1,00		0,84
	Opportunities			
O1	Culture and community needs in consuming coffee	0,14	3,0	0,42
O2	Market share is extensive	0,14	3,7	0,51
O3	Technology advances in the industrial sector are very supportive	0,10	3,3	0,33
O4	Partners / collaborations with various industries	0,19	3,3	0,63
				1,90
	Threats			
T1	Economic factors and conditions affect industrial growth	0,09	3,3	0,30
T2	The role of regulators is in making regulations that restrict exports	0,07	3,3	0,23
T3	Rapidity of business transformation	0,09	3,0	0,27
T4	The competitors in coffee industry is very competitive	0,17	3,7	0,62
	Total	1,00		1,43

The results showed that Toarco Coffee was in quadrant I by implementing SO strategy, namely S1 (15%) and O4 (19%).

Table 5. Analysis of Internal and External Factors of Kopi Ujung

	Strengths	Weight	Rating	Weight Score
S1	The quality and availability of raw materials are good	0,18	3,3	0,59
S2	Variant of products and packaging are good enough	0,09	3,6	0,33
S3	Product changes / innovations are continuously updated	0,08	3,3	0,26
S4	Prices are flexible and relatively affordable	0,09	3,0	0,27
S5	Strategic location and complete facilities	0,11	2,6	0,29
S6	Promotion / marketing is very good	0,09	3,3	0,30
S7	Production tools / machines are very adequate	0,08	3,0	0,24
	Total			2,28
	Weaknesses			
W1	Capital for broad market expansion is still not optimal	0,09	2,6	0,24
W2	Human resource performance need to be improved	0,08	2,6	0,21
W3	The processing of raw materials is still simple	0,11	2,3	0,25
	Total	1,00		0,70
	Opportunities			
O1	Market share is extensive	0,14	3,3	0,46
O2	Innovation in technology really helps the production process	0,14	3,3	0,46
O3	Cooperation of several parties can expand the market network	0,14	3,0	0,42
				1,34
	Threats			
T1	Economic growth conditions have a significant effect	0,12	3,3	0,40
T2	Adaptation of culture and consumer behavior over time	0,10	3,6	0,36

T3	Movement restricting regulations and growth of small industries	0,09	3,3	0,30
T4	Business transformation that is following the trend	0,12	3,3	0,40
T5	The existence of advanced competitors	0,15	3,3	0,50
	Total	1,00		1,95

The results showed that Kopi Ujung was in quadrant II by implementing ST strategy, namely S1 (18%) and T5 (15%).

Table 6. Analysis of Internal and External Factors of Pasar Kopi

	Strenghts	Weight	Rating	Weight Score
S1	The raw material uses quality coffee beans	0,12	3,3	0,40
S2	Skilled human resource capabilities	0,07	3,3	0,23
S3	Effective and attractive promotional efforts	0,15	3,7	0,56
S4	The processing is very good	0,07	3,0	0,21
S5	Strategic location, comfortable, and complete facilities	0,14	3,0	0,42
S6	The production equipment is responsible	0,12	3,0	0,36
S7	Prices are relatively affordable	0,08	2,7	0,21
				2,39
	Weaknesses			
W1	Coffee variants are varied and good enough packaged	0,09	2,3	0,21
W2	The new product development innovation needs to be improved	0,08	3,0	0,24
W3	The ability to manage finances is not optimal	0,08	3,0	0,24
	Total	1,00		0,69
	Opportunities			
O1	Consumptive consumer culture and behavior	0,12	2,7	0,32
O2	Market share is extensive for superior products	0,14	2,7	0,37
O3	The role of regulators in facilitating business / industry	0,11	2,7	0,29
O4	Partners / cooperation of several industries	0,15	3,3	0,50
				1,49
	Threats			
T1	Economic conditions affect purchasing power to decline	0,08	3,7	0,29
T2	Rapidity of business transformation	0,14	3,3	0,47
T3	Skill and knowledge about technology and innovation is still limited	0,09	3,0	0,27
T4	Competition between industries and new competitors	0,17	3,7	0,62
	Total	1,00		1,65

The results showed that Pasar Kopi was in quadrant II by implementing ST strategy, namely S3 (15%) and T4 (17%).

Table 7. Analysis of Internal and External Factors of Lapak Kopi

	Strenghts	Weight	Rating	Weight Score
S1	Raw materials from high quality local coffee beans	0,13	3,3	0,43
S2	Promotion and sales are very good	0,09	2,7	0,24
S3	The workforce of Human Resource has skilled	0,09	3,0	0,27
S4	Prices are relatively affordable	0,08	3,0	0,24
S5	The processing is very good	0,13	3,7	0,48
S6	Complete and adequate production tools / machines	0,07	3,0	0,21
S7	Strategic location, complete facilities and comfortable room	0,14	3,3	0,47
	Total			2,34
	Weaknesses			

W1	Coffee variants are varied and good packaged	0,09	2,7	0,24
W2	The new product development innovation needs to be improved	0,09	3,0	0,27
W3	Limited business development capital	0,09	3,0	0,27
	Total	1,00		0,78
	Opportunities			
O1	Consumptive consumer culture and behavior	0,11	3,0	0,33
O2	Market share is extensive for superior products	0,13	3,3	0,39
O3	The role of regulators in facilitating business / industry	0,12	2,7	0,32
O4	Collaboration with coffee farmers and the coffee community	0,17	2,7	0,45
	Total			1,49
	Threats			
T1	Economic conditions affect purchasing power to decline	0,08	3,3	0,27
T2	Rapidity of business transformation	0,14	3,3	0,47
T3	Skill and knowledge about technology and innovation is still limited	0,07	3,0	0,21
T4	Competition between industries and new competitors	0,18	3,3	0,60
	Total	1,00		1,54

The results showed that Lapak Kopi was in quadrant II by implementing ST strategy, namely S7 (14%) and T4 (18%).

Table 8. Analysis of Internal and External Factors of Kopiapi

	Strengths	Weight	Rating	Weight Score
S1	The raw material uses good quality coffee beans	0,13	3,3	0,43
S2	Human resource capabilities are quite skilled	0,08	3,0	0,24
S3	The processing of raw materials is very good	0,14	3,7	0,52
S4	Strategic location, comfortable, and complete facilities	0,13	3,0	0,39
S5	Complete and adequate production equipment / machines	0,08	3,0	0,24
S6	The price is relatively affordable	0,08	2,7	0,21
				2,03
	Weaknesses			
W1	The coffee variants and product packaging are simple	0,12	2,7	0,32
W2	Product development innovation needs to be improved	0,08	3,0	0,24
W3	The form of promotion that is carried out is less effective	0,07	3,0	0,21
W4	Financial management capabilities are not optimal	0,09	3,0	0,27
	Total	1,00		1,04
	Opportunities			
O1	Consumptive consumer culture and behavior	0,11	2,7	0,29
O2	The market share of the coffee industry is is extensive	0,11	3,0	0,33
O3	The role of regulators in facilitating the industry	0,13	2,7	0,35
O4	Partners / cooperation of several industries	0,15	3,0	0,45
				1,42
	Threats			
T1	Economic conditions affect purchasing power to decline	0,10	3,0	0,30
T2	Rapidity of business transformation	0,14	3,0	0,42
T3	Authority of technology and innovation is still limited	0,10	3,0	0,30
T4	Competition between industries and new competitors	0,16	3,0	0,48
	Total	1,00		1,50

The results showed that Kopiapi was in quadrant II by implementing ST strategy, namely S3 (14%) and T4 (16%).

Table 9. Analysis of Internal and External Factors of Kopirong

	Strengths	Weight	Rating	Weight Score
S1	The quality of raw materials is good and highly competitive	0,09	3,7	0,33
S2	The product price is affordable and economical	0,08	3,7	0,29
S3	The coffee variants and product packaging are quite superior	0,22	3,0	0,66
S4	Human resource performance is quite good and skilled	0,09	3,0	0,27
S5	Product development innovation is very good	0,06	2,7	0,16
S6	The processing of raw materials is very good	0,09	3,7	0,33
				2,04
	Weaknesses			
W1	Limited production equipment / machines	0,13	2,7	0,35
W2	Location / place is still not strategic	0,10	3,0	0,30
W3	Marketing or promotion skills need to be improved	0,06	3,0	0,18
W4	Financial management skills need to be improved	0,08	3,0	0,24
	Total	1,00		0,72
	Opportunities			
O1	The culture and community need to consume coffee	0,05	3,0	0,15
O2	The market share of the coffee industry is is extensive	0,14	3,7	0,51
O3	Technology in industrial sectors are very supportive	0,15	3,3	0,50
O4	Partners / collaborations with coffee suppliers	0,23	3,3	0,77
				1,93
	Threats			
T1	Economic factors influence industrial growth	0,05	3,3	0,17
T2	The role of regulators in making industrial policy rules	0,08	3,3	0,27
T3	Rapidity of business transformation	0,10	3,0	0,30
T4	The competitors in coffee industry is very competitive	0,20	3,7	0,73
	Total	1,00		1,47

The results showed that Kopirong was in quadrant I by implementing SO strategy, namely S3 (22%) and O4 (23%).

Table 10. Analysis of Internal and External Factors of Marasa

	Strengths	Weight	Rating	Weight Score
S1	The raw material quality of the coffee bean is good	0,09	3,5	0,31
S2	The product price is affordable and economical	0,09	3,0	0,27
S3	Good variants and packaging	0,13	2,4	0,32
S4	Human resource performance is quite good and skilled	0,08	3,0	0,24
S5	Processing of raw materials is well	0,10	3,0	0,30
				1,44
	Weaknesses			
W1	Product development innovation still needs to be improved	0,14	2,8	0,39
W2	Production tools / machines of coffee are simple	0,08	3,0	0,24
W3	Location / place is still not strategic	0,12	3,0	0,36
W4	Poor marketing or promotion skills	0,08	3,0	0,24
W5	Financial management skills are still lacking	0,09	2,8	0,25
	Total	1,00		1,47
	Opportunities			
O1	Culture and community needs in consuming coffee	0,05	3,0	0,15
O2	The market share of the coffee industry is is extensive	0,15	3,5	0,53
O3	Technology in industrial sectors are very supportive	0,12	3,3	0,39
O4	Partners / collaborations with coffee suppliers	0,24	3,0	0,72
				1,79
	Threats			
T1	Economic factors influence industrial growth	0,06	3,2	0,19

T2	The role of regulators in regulating industrial policy	0,07	3,5	0,25
T3	Rapidity of business transformation	0,08	3,0	0,24
T4	The competitors in coffee industry is very competitive	0,23	3,8	0,86
	Total	1,00		1,54

The results showed that Marasa was in quadrant III by implementing WO strategy, namely W1 (14%) and O4 (24%).

VI. CONCLUSION

The identification results of internal factors at coffee industry in Makassar, such as raw materials, product variants and packaging, product innovations, product prices, location and facilities, promotion/marketing, production tools/machines, capital/finance, human resources, and processing the product. Then, the identification results of external factors involve the indicators of economic conditions, consumer behavior culture, market share, the role of regulator, the transformation of business, the progress of technology, partners/cooperation, and new competitor. Moreover, analysis results of SWOT and AHP show that The industry of coffee in Makassar was in range quadrant I to quadrant III. Industry Kopi Anoa, Toarco Coffee and Kopirong were in quadrant I by implementing the SO strategy. Industry Kopi Setia, Kopi Ujung, Pasar Kopi, Lapak Kopi, and Kopiapi were in quadrant II by implementing the ST strategy. Industry Kopi Inklusi and Marasa were in quadrant III by implementing the WO strategy.

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