

Crafting Competitive Strategies for Creative Enterprises: Evidence from a SWOT Analysis of Zafirah Giftbox

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Abstract. *Increasing competition in the creative industry requires micro, small, and medium enterprises (MSMEs) to adopt adaptive and evidence-based business development strategies. This study aims to analyze the internal and external conditions of Zafirah Giftbox and to formulate appropriate business development strategies using an integrated SWOT approach. A qualitative descriptive method was employed, with data collected through direct observation, in-depth interviews with the business owner, and documentation. The analysis was conducted using the Internal Factor Evaluation (IFE), External Factor Evaluation (EFE), Internal–External (IE) Matrix, and Grand Strategy Matrix. The results indicate that Zafirah Giftbox possesses key strengths in creative design, product personalization, and close customer relationships, while weaknesses remain in digital promotion and marketing management. The IFE and EFE scores place the business in a moderate strategic position, suggesting a hold-and-maintain strategy. Furthermore, the Grand Strategy Matrix highlights market penetration and product differentiation as the most relevant strategic alternatives. These findings emphasize the importance of internal capability strengthening and digital marketing optimization to enhance the competitiveness and sustainability of creative MSMEs.*

Keywords: *SWOT analysis; business strategy; MSMEs; giftbox; competitiveness*

Introduction

The creative industry has experienced significant growth in recent years, driven by changing consumer lifestyles, increasing demand for personalized products, and the rapid expansion of digital platforms. Within this context, micro, small, and medium enterprises (MSMEs) play a vital role in supporting economic development and employment creation. However, the growing number of creative businesses has intensified competition, requiring MSMEs to continuously adapt their strategies in order to survive and remain competitive.

From a strategic management perspective, organizational sustainability is largely determined by the alignment between internal resources and external environmental conditions. The resource-based view emphasizes that sustainable competitive advantage can be achieved when firms effectively utilize resources that are valuable, rare, difficult to imitate, and non-substitutable (Barney, 1991; Barney et al., 2021). In creative MSMEs, such resources often include design creativity, product uniqueness, and strong customer relationships. Nevertheless, internal strengths alone are insufficient if they are not supported by the ability to respond to external opportunities and threats (David & David, 2017).

Previous studies indicate that SWOT analysis remains a relevant and practical strategic tool for MSMEs, particularly when integrated with quantitative matrices such as the IFE and EFE. Gürel and Tat (2017), Puyt et al. (2023), and Manalu et al. (2023) argue that this integrated approach enhances the objectivity of strategic decision-making. Moreover, the combination of SWOT with the IE Matrix and the Grand Strategy Matrix enables firms to identify more operational and realistic strategic alternatives (Leliga et al., 2019; Ritala et al., 2018; Shubbani, 2022). Research on creative MSMEs further highlights the importance of digital marketing and product personalization in strengthening competitiveness and customer loyalty (Kaplan & Haenlein, 2019; Hitt et al., 2020).

Despite the growing body of literature, studies focusing specifically on giftbox MSMEs remain limited, particularly those examining local enterprises with constrained market reach.

Zafirah Giftbox, as a creative MSME specializing in personalized gift products, faces several challenges, including limited digital promotion, increasing numbers of competitors offering similar products, and the need for continuous innovation. These conditions indicate a research gap that necessitates a comprehensive and context-specific strategic analysis.

Therefore, this study aims to analyze the internal and external conditions of Zafirah Giftbox and to formulate appropriate business development strategies using an integrated SWOT approach supported by the IFE, EFE, IE, and Grand Strategy matrices. The findings are expected to provide practical insights for creative MSME practitioners and contribute theoretically to the strategic management literature in the context of creative industries.

Methods

This research uses a descriptive qualitative approach. The purpose of employing this method is to obtain a comprehensive understanding of the internal and external conditions of the business as the basis for formulating appropriate development strategies. The descriptive qualitative approach enables the researcher to describe actual conditions systematically and factually based on empirical data obtained from the field.

The object of this research is Zafirah Giftbox, a micro, small, and medium enterprise operating in the creative industry. The subject of the research is the business owner, who was selected as the main informant because of direct involvement in managing business operations and strategic decision-making.

Data collection was conducted using several techniques, namely observation, interviews, and documentation. Observation was carried out to directly examine business activities, production processes, and interactions with customers. Interviews were conducted with the business owner to obtain in-depth information related to internal business conditions, external environmental factors, and strategies that have been implemented. Documentation was used to support the primary data, including sales records, promotional materials, and other relevant business documents.

Data analysis was performed using the SWOT analysis method, which was supported by the Internal Factor Evaluation (IFE) Matrix, External Factor Evaluation (EFE) Matrix, Internal–External (IE) Matrix, and Grand Strategy Matrix. The analysis began with the identification of internal and external factors, which were then classified into strengths, weaknesses, opportunities, and threats. Each factor was assigned a weight and rating to determine its level of importance. The results of the analysis were subsequently used to identify the strategic position of the business and to formulate appropriate business development strategies.

Results and discussion

Internal Factor Evaluation (IFE) Analysis

The Internal Factor Evaluation (IFE) Matrix was used to analyze the internal conditions of Zafirah Giftbox by identifying key strengths and weaknesses that influence its business

performance. This analysis aims to assess how effectively the enterprise utilizes its internal resources and capabilities while recognizing internal limitations that may hinder business development.

Based on the results of observations and interviews, several internal factors were identified and classified into strengths and weaknesses. Each factor was assigned a weight according to its relative importance and a rating based on the firm's current performance. The weighted score for each factor was calculated to determine the overall internal strategic position of the business.

Table 1 presents the complete results of the IFE Matrix analysis for Zafirah Giftbox.
Table 1. Internal Factor Evaluation (IFE) Matrix

| Internal Factors | Weight | Rating | Weighted Score |
|--|-------------|--------|----------------|
| Strengths | | | |
| Creative giftbox design | 0.15 | 4 | 0.60 |
| Product personalization based on customer requests | 0.14 | 4 | 0.56 |
| Quality of materials and packaging results | 0.12 | 3 | 0.36 |
| Strong customer relationships | 0.11 | 3 | 0.33 |
| Flexibility in small-scale production | 0.10 | 3 | 0.30 |
| Weaknesses | | | |
| Digital promotion not yet optimal | 0.14 | 2 | 0.28 |
| Basic marketing management practices | 0.10 | 2 | 0.20 |
| Limited business capital | 0.08 | 2 | 0.16 |
| High dependence on the owner | 0.06 | 2 | 0.12 |
| Total IFE Score | 1.00 | | 2.91 |

Source: Processed Research Data, 2025

The total IFE score obtained by Zafirah Giftbox is 2.91, which indicates a moderate internal strategic position. This score suggests that the enterprise is relatively capable of leveraging its internal strengths, although several weaknesses still require attention.

The main strengths of Zafirah Giftbox are reflected in its creative design capabilities and its ability to provide personalized products tailored to customer preferences. These strengths are particularly important in the creative industry, where product uniqueness and customer experience play a critical role in building competitiveness. Additionally, strong customer relationships and flexible production processes further support the firm's ability to respond to market demands.

However, the analysis also highlights notable internal weaknesses. Limited digital promotion and relatively simple marketing management practices reduce the firm's visibility and market reach. Furthermore, constraints related to business capital and dependence on the owner indicate managerial and operational vulnerabilities that may limit scalability.

Overall, the IFE analysis shows that while Zafirah Giftbox possesses solid internal strengths, improvements in marketing management, digital promotion, and organizational structure are necessary to enhance internal effectiveness and support sustainable business development. These findings provide a foundation for further strategic analysis using external factors and integrated strategic matrices.

Results and discussion

External Factor Evaluation (EFE) Analysis

The External Factor Evaluation (EFE) Matrix was applied to analyze the external environment of Zafirah Giftbox by identifying key opportunities and threats that influence

business performance. This analysis aims to assess how effectively the enterprise responds to external conditions, including market trends, competitive dynamics, and environmental challenges.

Based on the results of interviews and field observations, several external factors were identified and classified into opportunities and threats. Each factor was assigned a weight according to its relative importance and a rating based on the firm's current response to these external factors. The weighted scores were then calculated to determine the overall external strategic position of the business.

Table 2 presents the complete results of the EFE Matrix analysis for Zafirah Giftbox.
Table 2. External Factor Evaluation (EFE) Matrix

| External Factors | Weight | Rating | Weighted Score |
|--|-------------|--------|----------------|
| Opportunities | | | |
| Increasing demand for customized gift products | 0.16 | 4 | 0.64 |
| Growth of online marketplaces and social media platforms | 0.15 | 3 | 0.45 |
| Rising trend of personalized gifts for special occasions | 0.14 | 3 | 0.42 |
| Expansion of digital payment systems | 0.10 | 3 | 0.30 |
| Potential collaboration with local creative communities | 0.09 | 3 | 0.27 |
| Threats | | | |
| Increasing number of similar giftbox competitors | 0.14 | 2 | 0.28 |
| Price competition among creative MSMEs | 0.10 | 2 | 0.20 |
| Rapid changes in consumer preferences | 0.07 | 2 | 0.14 |
| Rising raw material prices | 0.05 | 2 | 0.10 |
| Total EFE Score | 1.00 | | 2.80 |

Source: Processed Research Data, 2025

The total EFE score obtained by Zafirah Giftbox is 2.80, indicating a moderate ability to respond to external opportunities and threats. This result suggests that the enterprise has begun to capitalize on favorable external conditions, although its responsiveness remains limited in several areas.

The main external opportunities stem from increasing consumer demand for personalized gift products and the rapid development of digital platforms, which provide broader market access at relatively low cost. These opportunities align well with the creative nature of Zafirah Giftbox's products and offer potential for gradual market expansion.

Nevertheless, the analysis also identifies significant external threats, particularly the growing number of competitors offering similar products and intense price competition within the creative MSME sector. Additionally, rapid changes in consumer preferences and fluctuations in raw material prices pose challenges that require adaptive strategies.

Overall, the EFE analysis indicates that while Zafirah Giftbox operates in an environment with promising opportunities, its ability to respond strategically must be strengthened, especially in digital marketing utilization and competitive positioning. These findings serve as a critical input for further strategic analysis using the IE Matrix and the Grand Strategy Matrix.

Internal–External (IE) Matrix Analysis

The Internal–External (IE) Matrix was employed to determine the overall strategic position of Zafirah Giftbox by integrating the results of the Internal Factor Evaluation (IFE) Matrix and the External Factor Evaluation (EFE) Matrix. This matrix provides a comprehensive

overview of the firm's internal strength and its ability to respond to external environmental conditions, which serves as the basis for selecting appropriate strategic directions.

Based on the analysis, Zafirah Giftbox obtained a total IFE score of 2.91 and a total EFE score of 2.80. These values were subsequently plotted on the IE Matrix to identify the firm's strategic position.

Table 3. Internal–External (IE) Matrix Position

| External Factor Evaluation (EFE) | Strong (3.0–4.0) | Medium (2.0–2.99) | Weak (1.0–1.99) |
|----------------------------------|------------------|-------------------|-----------------|
| High (3.0–4.0) | Cell I | Cell II | Cell III |
| Medium (2.0–2.99) | Cell IV | Cell V | Cell VI |
| Low (1.0–1.99) | Cell VII | Cell VIII | Cell IX |

Source: Processed Research Data, 2025

The integration of the IFE score (2.91) and the EFE score (2.80) places Zafirah Giftbox in Cell V of the IE Matrix, which indicates a hold-and-maintain strategic position. This position suggests that the enterprise has moderately strong internal capabilities and operates in an environment with moderate external opportunities and threats.

The hold-and-maintain strategy implies that Zafirah Giftbox should prioritize maintaining its current market position while improving internal efficiency and effectiveness. Rather than pursuing aggressive expansion, the firm is encouraged to focus on strengthening core competencies, improving marketing effectiveness, and enhancing operational management.

Common strategic alternatives recommended for businesses in Cell V include market penetration and product development on a limited and controlled scale. In the context of Zafirah Giftbox, this may involve optimizing digital marketing activities, improving product variations, and enhancing customer engagement without significantly increasing operational risk.

Overall, the IE Matrix analysis confirms that Zafirah Giftbox is in a stable yet transitional strategic condition. This position provides a solid foundation for gradual business development, which can be further refined through the Grand Strategy Matrix and SWOT-based strategic formulation.

Grand Strategy Matrix Analysis

The Grand Strategy Matrix was used to identify appropriate strategic alternatives for Zafirah Giftbox based on its competitive position and the growth rate of the market. This matrix classifies organizations into four quadrants, each of which suggests different strategic directions depending on internal competitiveness and external market conditions.

Based on the results of the IE Matrix analysis, Zafirah Giftbox demonstrates a moderate competitive position and operates within a moderately growing market. These conditions place the enterprise in a transitional position between Quadrant I and Quadrant II of the Grand Strategy Matrix.

Table 4. Grand Strategy Matrix

| Market Growth | Competitive Position |
|----------------------|--|
| Rapid Market Growth | Quadrant I – Strong competitive position |
| | Quadrant II – Weak competitive position |
| Slow Market Growth | Quadrant IV – Strong competitive position |
| | Quadrant III – Weak competitive position |

Source: Processed Research Data, 2025

The positioning of Zafirah Giftbox in a transitional area between Quadrant I and Quadrant II indicates that the enterprise operates in a market with growth potential but has not yet achieved a fully strong competitive position. This situation suggests that the firm should avoid overly aggressive expansion strategies and instead focus on strengthening its internal capabilities.

Strategic alternatives commonly recommended for organizations in this transitional position include market penetration, product development, and selective market development. For Zafirah Giftbox, market penetration may be pursued through the optimization of digital marketing channels and improved customer engagement. Product development can be implemented by enhancing product variations and personalization features in line with customer preferences.

At the same time, strategies should prioritize internal consolidation, such as improving marketing management practices and reducing dependence on the owner in daily operations. These efforts are essential to strengthening competitiveness and preparing the enterprise for more growth-oriented strategies in the future.

Overall, the Grand Strategy Matrix analysis confirms that Zafirah Giftbox should adopt a cautious and progressive strategic approach, emphasizing stabilization, capability enhancement, and gradual growth. This approach is fully consistent with the results of the IE Matrix and the SWOT-based strategic formulation.

SWOT Strategic Alternatives

Based on the integration of internal and external analyses, strategic alternatives for Zafirah Giftbox were formulated using the SWOT Matrix. This matrix combines strengths, weaknesses, opportunities, and threats to generate four categories of strategies: Strength–Opportunity (SO), Strength–Threat (ST), Weakness–Opportunity (WO), and Weakness–Threat (WT). The proposed strategies were developed in alignment with the firm’s transitional strategic position, emphasizing stabilization and gradual improvement rather than aggressive expansion.

The SO strategies focus on leveraging internal strengths to take advantage of external opportunities in a controlled manner. Zafirah Giftbox can utilize its creative design capabilities and product personalization to respond to the growing demand for customized gift products. By strengthening customer relationships and enhancing product uniqueness, the firm can gradually increase market penetration without significantly increasing operational risk.

The ST strategies emphasize the use of internal strengths to mitigate external threats, particularly intense competition and price sensitivity within the creative industry. Maintaining product quality, consistent service, and customer trust is essential to differentiating the business from competitors offering similar products. These strategies aim to protect the firm’s existing market position while maintaining competitiveness.

The WO strategies address internal weaknesses by utilizing external opportunities. Improvements in digital promotion and marketing management can be supported by the increasing use of social media platforms and online marketplaces. By gradually enhancing digital marketing capabilities, Zafirah Giftbox can expand its market reach while simultaneously strengthening internal managerial practices.

The WT strategies are defensive in nature and aim to minimize internal weaknesses while avoiding external threats. These strategies include improving operational efficiency, managing production costs, and reducing dependence on the owner. Such actions are critical for maintaining business stability in a competitive and dynamic market environment.

Overall, the SWOT-based strategic alternatives emphasize a cautious and progressive approach, which is consistent with the firm's position in the transitional quadrant. The focus on internal consolidation, selective market penetration, and gradual capability enhancement provides a realistic pathway for sustainable business development.

Conclusion

This study analyzed the strategic position of Zafirah Giftbox using an integrated SWOT-based framework supported by the IFE Matrix, EFE Matrix, IE Matrix, and Grand Strategy Matrix. The findings indicate that the enterprise possesses moderate internal strengths, particularly in creative design, product personalization, and customer relationships, while facing limitations in digital promotion and marketing management. Externally, the business operates in an environment with promising growth opportunities alongside increasing competitive pressure.

The integration of internal and external factors places Zafirah Giftbox in Cell V of the IE Matrix, which indicates a hold-and-maintain strategic position. Furthermore, the Grand Strategy Matrix positions the enterprise in a transitional area between Quadrant I and Quadrant II, reflecting a developing competitive position within a moderately growing market. This positioning suggests that stabilization and gradual improvement are more appropriate than aggressive expansion strategies.

Overall, the study concludes that sustainable development for Zafirah Giftbox should be pursued through strengthening internal capabilities, improving marketing effectiveness, and selectively utilizing market opportunities. By adopting a cautious and progressive strategic approach, the enterprise can enhance its competitiveness and prepare for future growth.

Implications

Theoretical Implications

Theoretically, this study contributes to the strategic management literature by demonstrating the applicability of integrated SWOT analysis for creative MSMEs operating in transitional strategic positions. The findings reinforce the importance of aligning strategic recommendations with a firm's actual competitive readiness rather than assuming immediate growth potential. This study also supports the view that competitiveness is a dynamic process that evolves through stages of stabilization and capability development.

Practical Implications

From a practical perspective, the results provide valuable guidance for MSME owners and managers in the creative industry. The proposed strategies highlight the importance of improving digital marketing practices, maintaining product quality, and strengthening customer relationships as foundational steps toward sustainable growth. Policymakers and business development institutions may also use these findings to design support programs focused on managerial capacity building and digital capability enhancement for creative MSMEs.

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