

Formulation of Business Strategy at Faeyza Gallery Store with Porter's Swot & Fives Forces Analysis Approach (Descriptive Analysis Study of Live Streaming Sales Competitiveness)

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ABSTRACT

This study aims to determine the role of SWOT analysis and Porter's Five Forces in increasing the competitiveness of Toko Faeyza Gallery in the live streaming sales business at Shopee. This research uses a qualitative approach with data collection methods in the form of observation, interviews, and documentation. Data analysis was carried out descriptively with data validity tested through source triangulation. The results showed that: (1) The SWOT analysis applied includes an assessment of strengths, weaknesses, opportunities, and threats. Based on the IFAS and EFAS matrix calculations, a score of 1.40 and 0.50 was obtained, respectively. This position shows that Toko Faeyza Gallery is in quadrant I (progressive), which means that the live streaming strategy at Shopee has significant strengths that can be utilized to encourage business growth. (2) Porter's Five Forces analysis shows that this method is relevant for recognizing barriers to new entrants, bargaining power of suppliers and buyers, potential substitute products, and intensity of competition. These results provide constructive strategic guidance for Toko Faeyza Gallery in formulating strategies to compete effectively in the digital marketplace.

Keywords: Competitiveness, Porter's Five Forces, SWOT Analysis.



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INTRODUCTION

In the modern era, information technology is advancing rapidly. Internet usage has grown alongside the adoption of digital technologies, paralleling its application in marketing management. Today, information technology is widely utilized as a platform for sales promotion—introducing brands, expanding market reach, engaging with customers, and facilitating transactions via e-commerce.

Electronic commerce, or e-commerce, refers to the use of communication networks to conduct business, encompassing the buying and selling of goods and services through the internet, designed

to receive or place orders (OECD, 2019). The growth of market share and technology is inextricably linked, fostering intense competition. With technological advancements, traditional marketing has been supplanted by digital marketing.

The rise of digital commerce has shifted consumer shopping behavior. This trend became especially evident during the 2020 pandemic, as many individuals who previously shopped in physical stores transitioned to e-commerce platforms. The proliferation of e-commerce in Indonesia has intensified competition, compelling consumers to compare and carefully select platforms for their purchases.

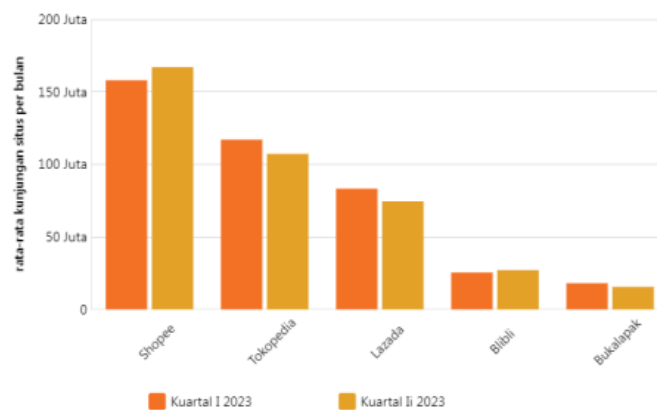


Figure 1. Number of E-Commerce Visits in Indonesia

Source: databoks.katadata.co.id

According to Databoks, Shopee dominated Indonesia's e-commerce landscape in Q1 and Q2 2023, averaging 166.9 million visits in Q2—a 5.7% increase from the previous quarter. Shopee's consistent growth and stability as Indonesia's leading online shopping platform can be attributed to its frequent campaigns, such as monthly same-date discounts, and innovative features like Shopee Live.

Shopee Live is a live-streaming sales feature that enables online selling by showcasing products in real time while allowing direct interaction with consumers. Live streaming has become a key driver of shopping activity, gaining traction among internet users due to its ability to bridge the gap between buyers and sellers, facilitating real-time demand and supply (Iswanto Afiful Hudha, 2021). Beyond mere transactions, Shopee employs strategies to boost sales during live streams, such as offering exclusive discounts, free shipping vouchers, and flash sales to viewers. The charisma and expertise of sellers on Shopee Live also play a pivotal role in influencing purchasing decisions, as consumers rely heavily on the information shared during broadcasts.

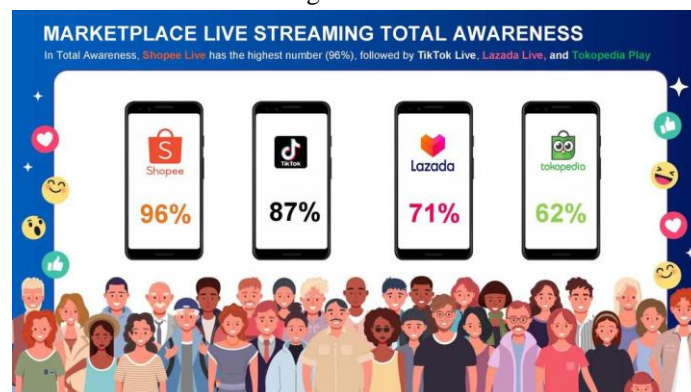


Figure 2. E-Commerce Features Popular Live Stream

Source: cnbcindonesia.com

A survey by IPSOS Indonesia, a multinational market research firm, revealed that Shopee Live is the most favored live-streaming feature among consumers and MSMEs, with 96% preference, followed by TikTok (87%), Lazada Live (71%), and Tokopedia Play (62%). This live-streaming tool has become instrumental in product marketing, intensifying competition among businesses.

However, as the industry evolves, businesses face numerous challenges—both internal and external. Internally, issues often revolve around management, human resources, technological proficiency, and capital. Externally, businesses must navigate global competition. This is the reality for Faeyza Gallery.

While Shopee Live has become a highly popular trend in online shopping, the increasing sophistication of technology suggests that live streams could attract even larger audiences. To enhance viewership, sellers must focus on content quality, marketing strategies, and adaptability to platform algorithm changes.

For Faeyza Gallery to thrive on Shopee Live, it must develop a tailored sales strategy, carefully select its product offerings, and analyze its market position using SWOT and Five Forces Analysis. This approach will ensure strong competitiveness in the dynamic e-commerce landscape.

METHODS

The research method is a systematic method or approach used to collect, analyze, and interpret data to answer research questions (Sugiyono, 2020). This research was conducted at Toko Faeyza Gallery, the main informant in this research is the owner and owner of Faeyza Gallery, while for key informants are employees and consumers totaling 15 people. The data collection techniques in this study were the distribution of questionnaires, interviews, and literature studies. The method used in the research is qualitative with analisis method is, descriptive analysis, swot analysis and five forcé porter analysis.

RESULTS AND DISCUSSION

SWOT Analysis of Faeyza Gallery Shop

Table 1. Matriks IFAS (Internal Factor Analysis Summary)

| No. | Internal Factors | Bobot | Rating | Skor |
|-------------------|---|-------|--------|------|
| <i>Strength</i> | | | | |
| 1 | Unique and quality products | 0.10 | 3 | 0.30 |
| 2 | Competitive price | 0.10 | 4 | 0.40 |
| 3 | Good customer service | 0.15 | 3 | 0.45 |
| 4 | Good reputation on Shopee | 0.15 | 4 | 0.60 |
| 5 | Experienced team | 0.10 | 3 | 0.30 |
| Subtotal | | 0.60 | | 2.05 |
| <i>Weaknesses</i> | | | | |
| 1 | Capital constraints | 0.05 | 1 | 0.05 |
| 2 | Human resource constraints | 0.15 | 2 | 0.30 |
| 3 | Technology constraints | 0.10 | 1 | 0.10 |
| 4 | Shortcomings in live stream technical knowledge | 0.10 | 2 | 0.20 |
| Subtotal | | 0.40 | | 0.65 |
| Total | | 1.00 | | 2.70 |

Source: IFAS Matrix Analysis, Data processed by researchers, 2024

From the results of the analysis in table 1, the strengths and weaknesses factors have a total score of 2.70, because the total score above 2.50 identifies that the internal position is strong.

Table 2. Matriks EFAS (Eksternal Factor Analysis Summary)

| No. | Exsternal Factors | Weight | Rating | Score |
|----------------------|--|--------|--------|-------|
| <i>Opportunities</i> | | | | |
| 1 | Rapid growth of Shopee live market | 0.17 | 3 | 0.50 |
| 2 | Product interest during live stream | 0.17 | 4 | 0.67 |
| 3 | Consumer convenience in online shopping | 0.11 | 4 | 0.44 |
| 4 | Expansion of buyer coverage | 0.11 | 3 | 0.33 |
| Subtotal | | 0.56 | | 1.94 |
| <i>Threats</i> | | | | |
| 1 | Intense competition in Shopee live | 0.17 | 4 | 0.67 |
| 2 | Emergence of copycat products | 0.11 | 3 | 0.33 |
| 3 | Changes in consumer trends and preferences | 0.11 | 3 | 0.33 |
| 4 | Risk of algorithm changes from Shopee live | 0.06 | 2 | 0.11 |
| Subtotal | | 0.44 | | 1.44 |
| Total | | 1.00 | | 3.39 |

Source: IFAS Matrix Analysis, Data processed by researchers, 2024

From the results of the analysis in table 2. the opportunity and threat factors have a total score of 3.39, this means that this indicates that the company responds to existing opportunities and avoids existing threats.

Based on the results of the presentation of data from the IFAS and EFAS SWOT matrix analysis, researchers hold a strategy in looking at the strengths and weaknesses of the company compared to opportunities and threats in seeing the position of the company's ability to compete, which can be shown with a SWOT diagram that identifies the position of the business in the four quadrants which have been explained in the previous chapter. The results of the comparison of internal analysis with external analysis at the Faeyza Gallery online shop are as follows:

$$\begin{aligned}
 x &= \text{total strength score (S)} - \text{total weakness score (W)} \\
 y &= \text{total opportunities score (O)} - \text{total threats score (T)} \\
 \text{where :} \quad & x = 2.05 - 0.65 \quad y = 1.94 - 1.44 \\
 & x = 1.40 \quad y = 0.50
 \end{aligned}$$

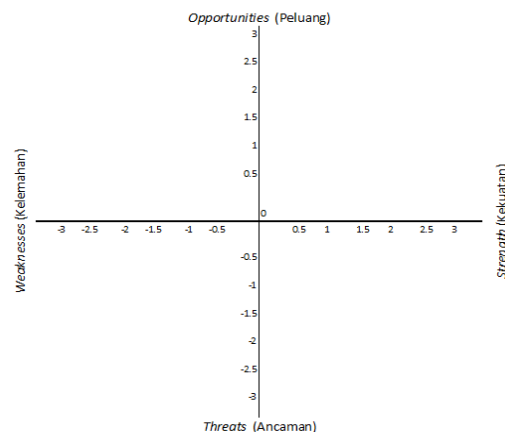


Figure 3. SWOT quadrant of Faeyza Gallery store

Source: Data processed by researchers, 2024

From the results of the data analysis obtained, it can be seen that the position of the Faeyza Gallery store is located in Quadrant 1 where this position indicates a very favorable situation. The company has opportunities and strengths so that it can take advantage of existing opportunities. The strategy that must be applied in this condition is to support a Progressive growth policy (Growth Oriented Strategy). This strategy indicates the state of a company that is strong and able to continue to grow by taking opportunities or opportunities that exist to achieve maximum progress.

Where it has a good value score in the internal environment in a position of strength, in the quadrant in its external environment, so it can be concluded that the position in the competitiveness of Faeyza Gallery based on the SWOT quadrant is in quadrant I or the first quadrant (Progressive), which shows that live streaming at Shopee has good strengths and can be utilized as an opportunity in driving store progress.

Five Force Porter Shop Faeyza Gallery

Based on the results of data presentation and data analysis, the Five Forces Porter analysis of the Faeyza Gallery online shop can be described as follows:

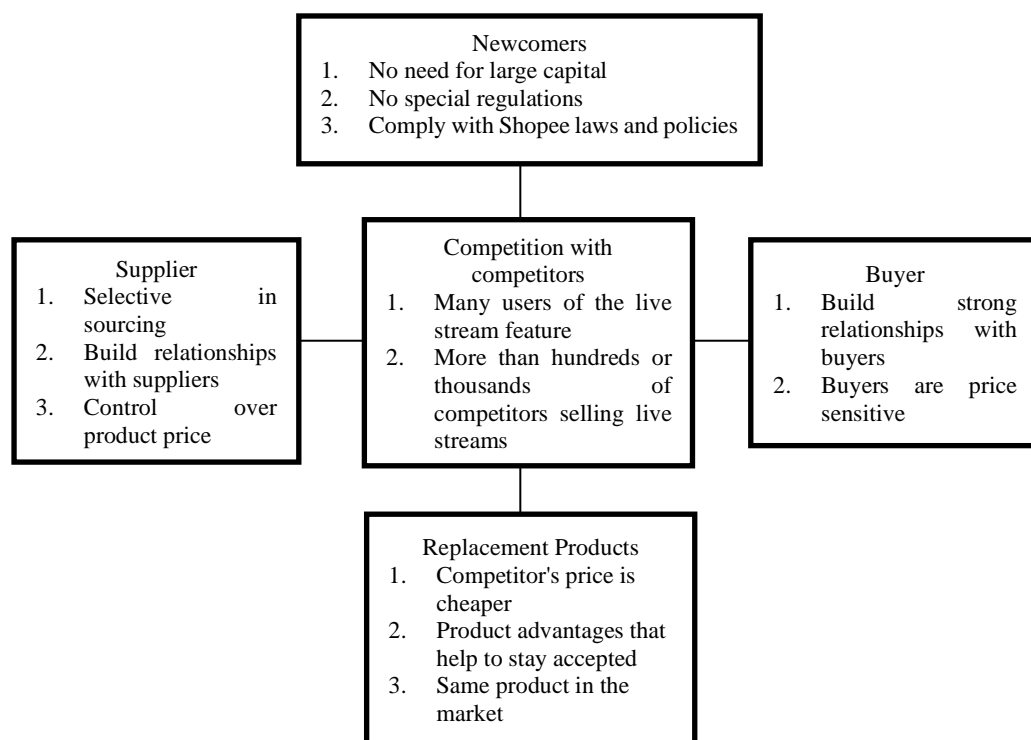


Figure 4. Analysis of Porter's Five Forces model at Faeyza Gallery

Source: Data processed by researchers, 2024

The porter's five forces method is one method that is quite appropriate in analyzing external conditions for business actors. This method contributes to companies to better recognize barriers to new entrants, bargaining power of suppliers, bargaining power of buyers, barriers to substitute products, and the level of competition with competitors. This method is a constructive step for a company to later set a competitive strategy.

Discussion

Based on the results of the study, which show that Toko Faeyza Gallery is in quadrant I position in the SWOT analysis-which represents progressive and highly favorable conditions-the implication

can be drawn that the store has great potential to implement an aggressive growth strategy. This position indicates that internal strengths, such as product quality, good reputation on Shopee, and superior customer service, must be optimally utilized to respond to external opportunities such as the growth of the live streaming market and the increasing interest in online shopping. This is in line with the opinion of Wheelen and Hunger (2012) that the Strength-Opportunity (SO) strategy is the best choice when the organization has significant strengths and is faced with open market opportunities. The implementation of this strategy can encourage an increase in sales volume, customer loyalty, and expansion of Faeyza Gallery's market reach.

In addition, the use of Porter's Five Forces analysis also provides important implications for competitive strategy formulation. Faeyza Gallery is faced with high competition in the Shopee Live feature, with many businesses utilizing the same channel. Therefore, the company needs to strengthen product differentiation and increase added value that is not easily imitated by competitors, as asserted by Porter (2008) in his theory of competitive advantage. Previous research by Afiful Hudha and Mabruroh (2021) also shows that the success of live streaming depends not only on the price of the product, but also on the interactivity and narrative of the seller during the broadcast. By understanding the bargaining power of buyers, potential threats from substitute products, and low barriers to entry, Faeyza Gallery needs to formulate competitive pricing strategies, maintain long-term relationships with customers, and build partnerships with flexible and responsive suppliers.

Another finding with major implications is internal weaknesses such as limited technology and low human resource capacity in managing live broadcasts. The implication of this condition is the need for strategic investment in the development of human resources and supporting technology. According to the Resource-Based View approach (Barney, 1991), sustainable competitive advantage can only be achieved through the utilization of internal resources that are valuable and not easily imitated. Faeyza Gallery is advised to conduct technical training for the sales team to maximize the potential of interaction in live streaming, as well as update technological infrastructure such as lighting, cameras, and audience analytics systems to measure broadcast effectiveness. Equally important, the good reputation and customer trust that have been established are strategic assets for building promotional collaborations with local influencers and other seller partners on Shopee, as supported by Nurmutia's (2024) findings that collaborative live streaming can significantly increase audience traffic and customer engagement.

Overall, the results of this study show that SWOT and Porter's Five Forces-based business strategy formulation is not only useful for understanding the company's competitive position, but also provides concrete guidance for MSME businesses in developing data-based strategic steps and the actual conditions of the digital market. The implications of these findings can be used as a basis for decision-making in improving competitiveness, promotional effectiveness, and business sustainability in the midst of increasingly dynamic competition.

CONCLUSION

Based on the results of data analysis and discussion that has been carried out, it can be concluded that competitiveness is a strategic ability possessed by a company to produce products or services that are superior to its competitors. In the context of Shopee Live, Toko Faeyza Gallery demonstrates this ability through optimizing digital platforms to attract audiences, increase visibility, and drive sustainable sales and business growth. The SWOT analysis places Faeyza Gallery in Quadrant I, which indicates strong internal conditions and promising external opportunities, so a progressive growth strategy is the right choice to improve business performance. Meanwhile, Porter's Five Forces analysis shows that the store is able to understand the dynamics of external competition, including the threat of new entrants, bargaining power of suppliers and buyers, and substitute products, which can be used as a basis for building a more adaptive and sustainable competitive strategy. These findings make an important contribution to understanding the formulation of data-

driven MSME strategies in the digital era, and can be the basis for developing business strategies that are relevant to the changing online business landscape.

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