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## Abstract

Fisheries are a superior commodity and are still a favorite on the world market. Processed seafood that is quite interesting to discuss is smoked fish. The smoking activity itself provides several benefits, including: providing a preservation effect on fish meat, improving the taste of fish, and utilizing excess catches during the abundant fishing season. In the journey of Smoked Fish UMKM, of course there are various obstacles faced, including decreased turnover, lack of technological capabilities and marketing networks. Porter's Five Forces can be used to identify industry-specific competitive strategies for businesses. For Jrahahpayung smoked fish MSMEs to overcome the challenging competitive environment, competitive strategy planning is very helpful. Based on the analysis, Jrahahpayung smoked fish MSMEs are not too affected by the threats posed by business competitors because there are only a few comparable MSMEs. However, because the quality of the raw materials used must always be maintained so that consumers are loyal to Jrahahpayung smoked fish products, the threat to buyers and suppliers is quite high. On the other hand, consumer purchasing power automatically decreases if suppliers do not provide high quality raw materials. This research uses a qualitative approach by conducting interviews with employees and owners of MSMEs. The total value of the threat of new entrants is 2.4 medium, the bargaining power of buyers is 3.5 high, the threat of substitutes is 1.9 low, the bargaining power of suppliers is 4.8 high, competition between existing competitors is 2.4 medium

**Keywords:** Porter's Five Forces; MSMEs; Competitive Strategy; Smoked Fish

## Introduction

The Unitary State of the Republic of Indonesia is an archipelagic country according to data from the Central Statistics Agency (BPS) published in 2023 showing that there are 17,001 islands spread across 34 provinces. Indonesia's natural wealth is very abundant, especially marine resources. Fisheries are a superior commodity and are still a favorite on the world market. Various kinds of processed seafood ranging from fish fillets, peeled crabs, dried seaweed, salted fish, cuttlefish fillets, smoked fish, and other preparations. Processed seafood that is quite interesting to discuss is smoked fish. The smoking activity itself provides several benefits, including: providing a preservation effect on fish meat, improving the taste of fish, and utilizing excess catches during the abundant fishing season. Processed smoked fish can be used for various types of cooking and has a fairly wide target market, including restaurant entrepreneurs, supermarkets and

household consumers. The majority of people who produce smoked fish are at the micro, small and medium enterprise (MSME) level. The important role of MSMEs is said to be one of the pillars of a region's economic strength. This is because MSMEs have the ability to adapt and are able to adapt to rapidly changing economic situations compared to organizations that have a broad scope. (Akbar & Darmaputra, 2022). In the journey of Smoked Fish UMKM, of course there are various obstacles faced, including decreased turnover, lack of technological capabilities and marketing networks. Lack of market understanding causes SMEs to not have a reasonable direction in developing their business and ultimately experience stagnation (Ohorella et al., 2023).

To balance and develop the smoked fish business, a business methodology that is effective and able to face competition is needed. To survive and compete in the ongoing era of globalization, organizations need to understand the harsh climate. One instrument that can be used to understand this serious climate is Porter's five forces model (Felix et al., 2024). This idea combines five important components that influence the level of competition in an industry, namely the danger of substitute goods, the level of industry competition, the bartering power of buyers, the transaction power of providers, and barriers to entry. (Gultom & Lumbanraja, 2022). To collect information related to this inspection, a combination of survey techniques and interviews with smoked fish MSME owners will be used. This survey will help in collecting quantitative information regarding the insights and views of smoked fish MSME players in relation to market competition (Neka Fatyandri et al., 2023). Meanwhile, the meeting will provide a deeper understanding of the difficulties faced by smoked fish MSMEs, as well as the procedures they use to keep pace with the development of their business. (Tohari, 2023).

As time goes by, the handling of smoked fish products cannot be separated from quite extensive marketing activities. This is due to the large number of farmers involved in selling smoked fish products (Wicaksana, 2022). This study is the main determinant of how serious and productive an organization is. However, this strength can decrease with the assumption that the company has many competitors, the product is not unique so buyers easily look for substitute products, and the buyer's contribution is also very important because consumer dependence can build the strength of this research (Felicia Fiorenita & Agustine Dwianika, 2021). The advantage of applying Porter's five forces model is that the organization can know its situation, whether it is in a troublesome position or at the top. This research aims to carry out tests by utilizing the five porter strengths in smoked fish MSMEs in Jrahahpayung village, so as to obtain a preferred system that can be used and implemented by organizations.

The capacity of Smoked Fish MSMEs to maintain survival and product development is extraordinary. The reason is, many MSMEs have entered similar industries but failed to develop. However, from the sources obtained, no one has listed or understood what methodology the Jrahahpayung smoked fish MSMEs use to maintain their business or compete with competitors. The appropriate marketing strategy to implement is to use Porter's five forces model by considering five strength criteria, namely the threat of new entrants, the bargaining power of suppliers, the bargaining power of buyers, the threat of substitute products, and competition with similar competitors.

## **Literature Review**

### *Business Environment*

To win every competition, every company must have a competitive strategy. A company is one of many business environments. Company methods must adapt to changing environmental conditions that continue to change. Everything in the business environment of a company or institution has an impact on all business activities (Neka Fatyandri et al., 2023).

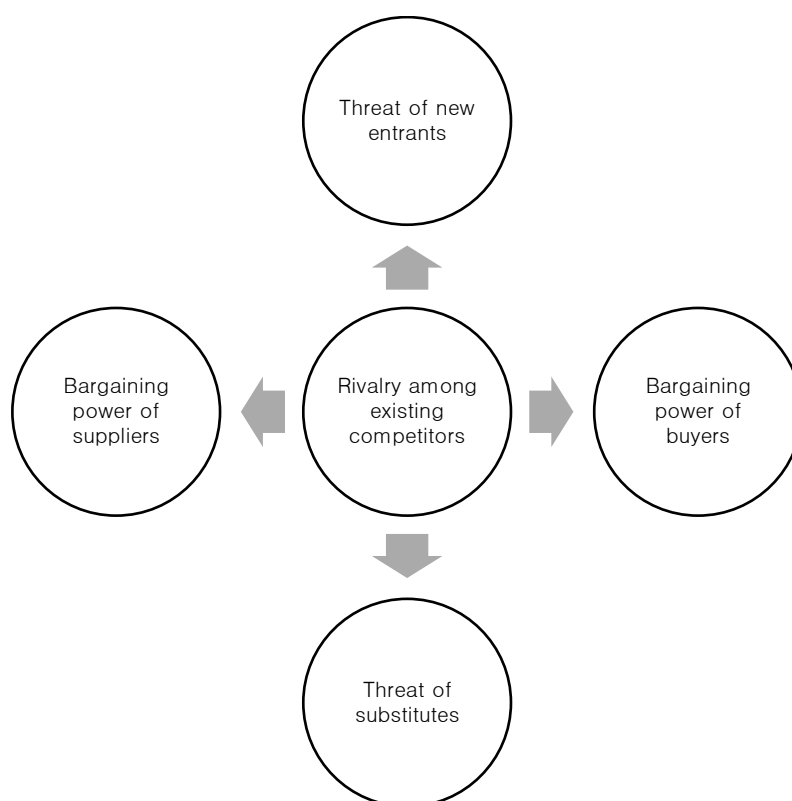
### *Business Environment*

The set of circumstances or capabilities that influence business operations is referred to as the business environment. There are two types of business environment: internal environment and external environment. Capacity, expertise, and resources are examples of internal factors. Meanwhile, external factors include threats from similar products, threats from substitute goods, offers from customers, offers from suppliers, and responses to challenges from competitors in the business world. Because they are all the same size and have the same capabilities, demand for the industry's products decreases, and prices fall, so more businesses compete. (Jimmy Foris dan Ronny Mustamu, 2015).

All external factors that have the potential to influence a company's operations and performance are included in the business environment. Economic, social, political, technological, legal and environmental factors are among them. The business environment is essentially the absolute value of individuals, associations and other external variables that cannot be limited by the organization but must be relied upon considering that it has the ability to influence the goals and implementation of the organization (Andarini et al., 2024).

### *Porter's Five Force*

Porter's Five Forces can be used to identify industry-specific competitive strategies for businesses. In many industries, Porter's Five Forces have been widely used to develop strategy (Hintoro et al., 2021). By using Porter's five forces as a foundation, businesses can learn the necessary steps, such as implementation, processes, and other techniques, that can help them create competitive value. (Rahma & Pradhanawati, 2018). Figure 1 shows five forces that influence the marketing of Jrahahpayung smoked fish MSME products.



*Figure 1. Porter's Five Forces Model*

Companies are faced with competition directly and indirectly through Porter's five forces model, which is related to five factors that significantly influence the strength of competition in an industry:

1. Threat of New Entrants

The ease or difficulty of entering a sector is determined by these threats. The decline in profits is a direct result of the threat posed by new competitors operating in a similar sector. The ability of new entrants to enter and compete with other similar businesses is used to measure the level of threat posed by new entrants (Felicia Fiorenita & Agustine Dwianika, 2021).

2. Bargaining Power of Suppliers

Due to their strong bargaining power, suppliers are able to sell low-quality or expensive raw materials to buyers. An organization's dependency on a service provider brings danger to the actual organization. As a result, businesses must choose the right supplier based on price and quality.

3. Bargaining Power of Buyers

This power assesses the bargaining power of buyers and consumers. The greater the bargaining power of buyers to demand lower prices, the less money the company makes. (Aprilia, 2020).

4. Threat of Substitutes

When consumers and buyers are faced with cheaper or higher quality substitute products with lower switching costs, these obstacles or threats arise (Widayani, 2018). This leads to an increase in the variety of items in the business which can affect the organization's revenue.

5. Rivalry Among Existing Competitors

In this model, competition with similar competitors is a fundamental calculation in business competition. When many businesses compete for the same market share, business competition becomes increasingly fierce. All aspects are needed to optimize the position, such as price competition tactics, promotions, and improving service or guarantees to customers (Limantoro et al., 2018).

## Research Method

### *Data and sample*

This smoked fish MSME is located in Jrahpayung Village, Tulis District, Batang Regency, around 1.4 kilometers from the main highway access. This smoked fish MSME was founded in 2010 and now has 4 permanent employees who help with the production process and help with sales at village markets. Types of fish that are processed into smoked fish include stingrays and etong fish. This type of fish was chosen because it has an abundant supply of raw materials and is easy to process. So it is an opportunity to optimize fish processing to produce higher selling prices.

Alternative marketing strategies include the following to analyze the various factors identified and formulated above so that mentoring can run smoothly: mentoring is carried out with an individual and classic approach. When providing theory regarding Porter's five forces model, a classical approach is used, and during mentoring an individual approach is used to look for indicators related to the variables in Porter's five forces model. Five variables from Porter's five

forces will be used to determine the competitive strategy of Jrahahpayung smoked fish MSMEs and determine the strategies that will be utilized by Jrahahpayung smoked fish MSMEs.

For Jrahahpayung smoked fish MSMEs to overcome the challenging competitive environment, competitive strategy planning is very helpful. The analysis process is carried out using various metrics from the lowest to the highest score, ranging from 1 to 5. The stages of assessing each element in Porter's five forces model are as follows :

1. Giving weight to each factor according to the importance of the influence of that factor, the weight is assessed from 0.0 (not important) to 1 (very important).
2. Giving a rating or ranking from 1 to 5 for each variable is based on the current external conditions of smoked fish MSMEs which affect the business directly or indirectly.
3. Multiply the weights by the rankings to get the values for those factors. This value will later be used to obtain the position of smoked fish MSMEs in the external environment.

Table 1. Strength Assessment Criteria

Weight Value	Rank	Total Value
1.00 = Very important	5 = Very Related	Total Value = Weight Value * Rank
0.75 = Important	4 = Related	
0.50 = Standard	3 = Standard	
0.25 = Not important	2 = Not Related	
0.10 = Very unimportant	1 = Completely unrelated	
		LOW : if the value is between 0 – 2
		MEDIUM : if the value is between 2,1 – 3
		HIGH : if the value is between 3,1 – 5

## Results and Discussion

Table 2 shows a description of the variables and indicators of each strength. Determining the value given to the weight and ranking is carried out through an individual approach to look for indicators related to the variables in Porter's five forces model.

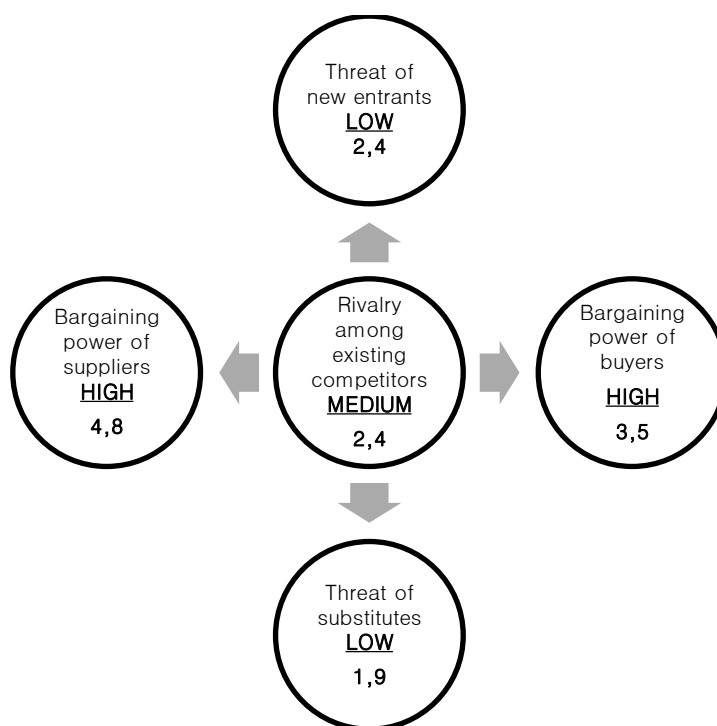


Figure 2. Parameter Porter's Five Forces Model

Table 2. Total Value of Five Strengths

No	Variable	Indicator	Weight Value	Rank	Total Value	Amount	Category	Force
1	Customer loyalty level	Flexible loyalty levels depending on consumer compatibility with the company	0,3	2	0,6			
2	Capital requirements	Ease of capital required to build a company	0,4	3	1,2	2,4	Medium	<b>Threat of new entrants</b>
3	Number of competitors	The level of competition is tight by companies that are already present in the industry	0,3	2	0,6			
4	Supplier's product quality level	The level of difficulty in getting quality supplier products	0,8	5	4			
5	Level of supplier market competition	Suppliers compete on price by raising prices when raw material prices rise	0,1	5	0,5	4,8	High	<b>Bargaining power of suppliers</b>
6	Alternative supplier	The company has 5-7 core suppliers	0,1	3	0,3			
7	Level of buyer dominance	Buyers are dominated by household consumers and restaurant businesses	0,3	4	1,2			
8	Product information	Buyers have information about the product	0,1	5	0,5	3,5	High	<b>Bargaining power of buyers</b>
9	Consumer purchasing power	The level of buyer dependence on the services provided	0,6	3	1,8			
10	Ease of getting replacement products	Ease of customers in obtaining replacement products	0,3	2	0,6			
11	Replacement product requirements	The need for replacement products offered	0,3	3	0,9	1,9	Low	<b>Threat of substitutes</b>
12	Product market share replacement	Substitute products have a good market share	0,4	1	0,4			
13	Number of competitors	The level of number of competitors in the Batang Regency area	0,5	2	1			
14	Increase in the number of competitors	Increase in the number of new competitors every year	0,2	4	0,8	2,4	Medium	<b>Rivalry among existing competitors</b>
15	Raw material differentiation	Similarity of raw materials needed by the company	0,3	2	0,6			

After analyzing one by one 5 influences that affect the industry (Jrakahpayung smoked fish MSMEs). Based on the assessments and parameters, the model resulting from Porter's five forces analysis can be described on Figure 2.

The threat of new entrants has a moderate influence on Jrakahpayung smoked fish MSMEs seen from the consumer suitability factor for similar products from other MSMEs which is still low. The number of smoked fish MSMEs in Batang Regency is still small so the threat of new arrivals can still be faced. The bargaining power of suppliers poses a high threat to the sustainability of Jrakahpayung smoked fish MSMEs, the contributing factor is the difficulty of finding quality raw materials. The bargaining power of buyers has a high threat because of the level of buyer dependence on the services provided. The threat of substitute products appears to be low and does not have much influence on smoked fish MSME businesses, because consumers do not easily find similar substitute products because smoked fish has the characteristics of traditional smoking production and has an authentic taste. The threat of competition with similar competitors is at a moderate level because smoked fish MSME competitors are still few and have not affected the marketing of products from Jrakahpayung smoked fish MSMEs (Felicia Fiorenita & Agustine Dwianika, 2021).

## Conclusion

Jrakahpayung smoked fish UMKM produces stingrays and etong fish. In the journey of Smoked Fish UMKM, of course there are various obstacles faced, including decreased turnover, lack of technological capabilities and marketing networks. This research aims to conduct tests by utilizing Porter's five forces in smoked fish MSMEs in Jrakahpayung village, to overcome challenging environmental competition and plan competitive strategies.

Based on Porter's Five Forces analysis, Jrakahpayung smoked fish MSMEs are not too affected by threats posed by business competitors because there are only a few comparable MSMEs. However, because the quality of the raw materials used must always be maintained so that consumers are loyal to Jrakahpayung smoked fish products, the threat to buyers and suppliers is quite high. On the other hand, consumer purchasing power automatically decreases if suppliers do not provide high quality raw materials. This can be seen based on the following assessments and parameters.

For the threat of new entrants, the results obtained are LOW, these results provide the conclusion that the threat of new entrants entering this industry is not a big thing that needs excessive attention. Because, in the near future there will be no more new immigrants coming to Batang Regency. The bargaining power of Jrakahpayung smoked fish MSME suppliers towards the industry is classified as HIGH, because in this industry the supplier has an interest in the industry, namely the supplier acts as a player in this industry, so that the supplier has high bargaining power towards the industry. industry, this will result in the industry having strong bargaining power against buyers.

For the bargaining power of buyers (potential consumers of Jrakahpayung smoked fish) towards the industry, a HIGH assessment result was obtained, because there is a close relationship between the threat of substitute products and the bargaining power of buyers. Every consumer will of course choose products and services that have the best quality at an economical price. So if there is a substitute product that offers a better price and can increase the buyer's income, then the buyer will have high bargaining power. For the threat of substitute products to the industry, the results are LOW, with the understanding that substitute products will threaten the industry with a small threat effect, so the threat of substitute products is not the main thing that needs excessive attention. Jrakahpayung Smoked Fish UMKM. Competition between competitors in the same industry has MEDIUM results, because currently competition in the industry does not experience obstacles between fellow competitors.

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