

SWOT Analysis and Customer Satisfaction: Laundry Business Optimization Strategy

Vol. 1 No. 2 (2024), pp 88–93 DOI 10.31603/itej.11909

Carolus Andro Novalgi Putra, Firdaus Eka Kusumawardhana^{*}, Muhammad Wahid Akmal, Yosep Ferry Susanto

Bachelor of Industrial Engineering, Universitas Negeri Yogyakarta, Yogyakarta, Indonesia

*Corresponding author: Email: firdauseka.2022@student.uny.ac.id

Abstract

This research aims to analyse the company's vision, mission, and internal and external conditions while establishing a strategy for the Laundry business to improve the business and meet customer needs. The state of its business greatly influences an organization's business strategy. Organizations can better understand the company's internal and external conditions through SWOT analysis. It also allows companies to create strategies that suit industry competition. After analysing the SWOT, further analysis was carried out using the Internal Factor Evaluation (IFE) and External Factor Evaluation (EFE) methods. It is a foundation for organizations to exploit weaknesses and opportunities to reduce weaknesses and deal with threats. This research uses descriptive qualitative as an analysis method. The primary data for this research comes from interviews with laundry business owners in Kocoran, Caturtunggal, Kec. Depok, Sleman Regency, Special Region of Yogyakarta 55281. In general, the results of this research show that the strategy implemented can increase competitiveness and meet customer needs more effectively.

Keywords: SWOT Analysis; Laundry Business; IFE Methodology; EFE Methodology

Introduction

The laundry industry has experienced significant development over the past few decades, becoming essential to modern, fast-paced life. Initially, the laundry business was operated simply, with manual washing machines and services limited to local communities. However, the industry is undergoing a major transformation as the need for efficiency and convenience in keeping clothes clean increases. Growing urbanization, increasing urban population, and increasingly busy lifestyles drive demand for laundry services. Modern society wants practical solutions to save time and energy when washing clothes. This creates opportunities for laundry businesses to develop and innovate to provide better and more efficient services.

Technological innovation plays an important role in the transformation of the laundry industry. The use of automatic washing machines with energy and water-saving technology has become the new standard for laundry operations (Brilliant et al., 2024). Additionally, digitalization through mobile applications allows customers to easily book services, track the status of their clothes, and make payments online. This innovation improves operational efficiency and provides a better customer experience.

Shuttle services are also a significant innovation in this industry. Customers no longer need to bother delivering and collecting their clothes from the laundry because this service allows clothes to be taken from home and returned after being washed and ironed. This provides extra convenience for customers, especially those with busy schedules. Apart from technological and service innovations, the laundry industry is also starting to adopt environmentally friendly practices. The main focus is the use of detergents that are safe for the environment and save water, along with increasing awareness of the importance of preserving nature.

Even though the laundry industry shows rapid growth and various innovations, several challenges must be faced. Increasingly tight competition forces laundry businesses to innovate and improve service quality (Maharani et al., 2023). Maintaining a balance between operational efficiency and environmental sustainability is also a challenge in itself. Laundry businesses must be able to manage resources wisely to reduce environmental impacts while remaining competitive in the market. The challenges create gaps to improve optimization strategy, especially in the laundry industry.

This article will further discuss the evolution of the laundry industry, the innovations implemented, and the challenges faced in providing the best service to customers. By understanding the dynamics of this industry, we can see how laundry businesses adapt and develop amidst ever-changing customer needs and expectations.

Literature Review

Leadership Motivation

Leadership motivation is the process by which a leader inspires, encourages, and influences group or organisation members to achieve common goals. This includes the leader's ability to recognize the needs, aspirations and potential of individuals in the group and provide the necessary incentives to increase their performance and commitment. Good leaders can create and communicate a compelling and inspiring vision, which makes team members feel involved and enthusiastic about achieving common goals (Galbreath & Rogers, 1999). Rewarding and recognizing team members' contributions and achievements is an effective way to motivate them. This could be verbal praise, formal recognition, or other incentives. Honest and constructive feedback helps team members identify areas that need improvement and guides further development. According to Vroom's Expectancy Theory, motivation results from expectations that certain efforts will result in good performance, and the desired reward will follow that performance. Leaders must ensure that team members have realistic expectations and attractive rewards.

Marketing Optimization Strategy

Marketing optimization strategies aim to increase the effectiveness of marketing campaigns by maximizing the results from available resources. This strategy involves various tactics and approaches to reach target audiences, increase customer engagement, and increase sales and customer loyalty. Marketing optimization involves a combination of tailored approaches that fit the needs and characteristics of the target audience. By adopting this strategy, businesses can increase the effectiveness of marketing campaigns, reach more customers and achieve better results. The key to success in marketing optimization is a deep understanding of customers, effective use of data and analytics, and the ability to adapt to changing trends and technology (Akbar, 2022).

The following is an explanation of marketing optimization strategies:

1. Market Segmentation

Market segmentation involves separating audiences into groups based on certain characteristics. This strategy helps businesses target more targeted marketing campaigns such as Demographics, Age, gender, income, and education.

Psychographics: Lifestyle, values, interests. Behavioural: Purchase behaviour, product use.

2. Influencer Marketing

Work with influencers to promote products or services to a wider audience, such as Collaborating with influencers with a relevant audience and sponsored content: Create authentic and engaging sponsored content with influencers.

3. Digital Marketing Optimization

Optimizing digital marketing strategies to increase online visibility and interaction, such as SEO (Search Engine Optimization): Optimizing content and websites for search engines to increase organic visibility. PPC (Pay-Per-Click) Advertising: Carefully manage paid advertising campaigns, including keyword and bid targeting.

Research Method

Research Approach

This research uses a qualitative descriptive approach to analyze the company's vision and mission and the laundry business's internal and external conditions. This approach aims to understand the business strategies needed to improve business and meet customer needs.

Data Source

Primary data in this research was obtained through direct interviews with laundry business owners in Kocoran, Caturtunggal, Kec. Depok, Sleman Regency, Special Region of Yogyakarta 55281. This interview aims to collect in-depth information regarding the company's vision, mission, and internal and external conditions. In addition, secondary data was collected from various literature, industry reports, and other relevant sources that support the analysis. These secondary sources provide context and validation of the findings from the primary data and assist in understanding the trends and dynamics of the laundry industry more broadly. By combining primary and secondary data, this research obtains a comprehensive picture of the situation and challenges faced by the laundry business.

Research Location

This research was conducted at Bilal Laundry, located in Kocoran, Caturtunggal, Depok District, Sleman Regency, Special Region of Yogyakarta 55281. This industry employs 3 staff and has been established since 2014. Bilal Laundry offers six types of services: washing, folding clothes, dry cleaning, general linen washing, blanket washing, ironing, and express washing. With various services available, Bilal Laundry strives to meet various customer needs in terms of the care and cleanliness of clothes and household linen.

Data Collection Techniques and Documentation

In the data collection process, structured interviews were conducted with laundry business owners to gather information regarding the company's strengths, weaknesses, opportunities and threats. This interview uses a question guide that has been prepared previously, so that each answer can systematically support the required analysis. In addition, direct observations were carried out at the location to understand daily operations and real conditions in the field. Data from company documents, financial reports and other relevant sources are also collected to provide a more comprehensive picture of the company's situation. This combination of interviews, observations and document analysis provides a strong basis for developing more appropriate strategies for business development.

Data Analysing Techniques

Strengths, Weakness, and Opportunities in SWOT framework use the same measurement: 4 for very good, 3 for good, 2 for avarage, and 1 for not good. Lastly, Threats is used to understand the company's strategic position. IFE Analysis (Internal Factor Evaluation): Evaluating internal factors that influence company performance by giving a score and weight to each factor. EFE Analysis (External Factor Evaluation): Evaluating external factors that influence company performance by giving a score and weight to each factor. and weight to each factor. QSPM (Quantitative Strategic Planning Matrix) analysis: Identifying the most appropriate strategy for the company by scoring each alternative strategy based on the weight and rating of internal and external factors (Anindya & Iva Mindhayani, 2021).

Results and Discussion

EFE Metrics

The External Factor Evaluation (EFE) matrix is a strategy formulation tool used to evaluate a business's opportunities and threats (Kho et al., 2021). It is influenced by the external environment, specifically opportunity and threat factors (Table 1 and 2).

No		Strength	Value	Rating	Score	
1	Mark	et growth	0.30	3	0.90	
2	Technology Adoption		0.25	4	1.00	
3	Collaboration		0.20	3	0.60	
	Table 2. EFE Metrics (Threat)					
	No	Strength	Value	Rating	Score	
					-	
	1	Rapid competition	0.30	3	0.90	
	1 2	Rapid competition Economic shifting	0.30 0.25	0	0.90 0.75	
	1 2 3		0.25	3		
	-	Economic shifting	0.25	3 3	0.75	

Table 1. EFE Metrics (Opportunities)

The table above shows that the total EFE score is 4.55, indicating that the laundry business has good external opportunities. Market growth and technology adoption provide huge opportunities for business development. However, the threat of intense competition and economic changes must be anticipated with the right strategy.

IFE Metrics

The Internal Factor Evaluation (IFE) matrix is a strategy formulation tool used to evaluate strengths and weaknesses (David & David, 2017). The internals of the business influences the IFE Matrix (Table 3 and 4).

No	Strength	Value	Ratin	g Ni	lai
1	Strategic Location	0.30	4	1.	20
2	Service Quality	0.25	4	1.	00
3	Customer Service	0.20	3	0.	60
Table 4. IFE Metrics (Weaknesses)					
No	Strength		Value	Rating	Nilai
1	Limited Capital		0.25	3	0.75
2	Management Syste	em	0.20	2	0.40
3	Human Capital		0.15	4	0.60

Total

Table 3. IFE Metrics (Strengths)

4.55

1.35

The table above shows that the total IFE score is 4.55, indicating that the laundry business has significant internal strengths. Strategic location and service quality are the main factors that make the biggest contribution. However, several weaknesses must be corrected, especially regarding limited capital and management systems.

SWOT Metrics

Table 5 follows different strategies based on SWOT analysis, which combines Strengths, Weaknesses, Opportunities, and Threats.

Table 5	. SWOT	Analysis
---------	--------	----------

	Opportunities	Threats		
	 Market Growth Technology Adoption Collaboration 	 Rapid Competition Economy shifting Regulation Shifting 		
Strengths	S-O Strategies	S-T Strategies		
 Strategic Location Service Quality Customer Service 	 strategic to reach a wider market Improve product and service quality to attract new customers Utilize good customer service to build customer loyalty 	 build competitive advantages 2. Improve product and service quality to increase competitiveness 		
Weaknesses	Strategi W-O	Strategi W-T		
 Limited Capital Management System Human Capital 	 Overcome capital limitations by looking for alternative funding sources Improve the management system to increase efficiency and effectiveness Utilize existing human resources to adapt to market changes 	Efficient Cost 2. Utilizing Partnerships to Overcome Capital Limitations 3. Improve Human Resources Skills to Face Tight Competition		

Conclusion

In the context of the evolution of the laundry industry, this article provides an in-depth look at the business transformation from a traditional model to an entity that adopts advanced technology and service innovation. Increasing urbanization, changes in lifestyle, and demands for efficiency are the main drivers for the development of this industry. The laundry industry can provide more efficient and satisfying services to customers through modern technology, such as automatic washing machines and mobile applications (Khofiyah et al., 2024).

SWOT, IFE, and EFE analysis provide an in-depth understanding of a laundry company's internal and external conditions, enabling the development of appropriate strategies to maximize the potential for success and overcome the challenges faced (Lubis et al., 2023). In its overall analysis, this article emphasizes that the laundry business has great opportunities to develop in the future, especially by utilizing technological innovation, superior service quality, and effective marketing strategies.

By paying attention to market dynamics and changing customer needs, laundry companies can continue to develop and remain relevant in this competitive industry. In conclusion, this article provides a holistic view of the laundry industry's evolution and makes a valuable contribution to understanding business strategy and future industry developments.

Although this article provides an in-depth analysis of the evolution of the laundry industry, there are several shortcomings. This research does not address the environmental and regulatory challenges and social impacts of implementing advanced technology in the workforce. A case study of a specific laundry company and a more in-depth environmental impact analysis would be useful for further research.

In addition, to ensure long-term sustainability and success, laundry companies need to continue to innovate and adapt to changes in technology and regulations that may arise. A focus on environmentally friendly and socially responsible business practices will be an important key to maintaining a positive reputation and gaining customer trust. Therefore, integrating technological advances with environmental sustainability must be a top priority in developing future laundry industry strategies.

References

- Akbar, M. (2022). Analisis SWOT untuk Menentukan Strategi Pemasaran Jasa Laundry pada CV. Bos Clean Laundry Di Karawaci Tangerang. *JOEL: Journal of Educational and Language …*, *8721*, 1341–1346. https://www.bajangjournal.com/index.php/JOEL/article/view/2043%0Ahttps://www.bajangjournal.com/index.php/ JOEL/article/download/2043/1471
- Anindya, A. P., & Iva Mindhayani. (2021). Analisis Kepuasan Pelanggan De Laundry dengan Menggunakan Metode Customer Satisfaction Index dan Service Quality. *Jurnal INTECH Teknik Industri Universitas Serang Raya*, 7(2), 129–136. https://doi.org/10.30656/intech.v7i2.3954
- Brilliant, M., Nurhasanah, I. A., & Oktaria, H. (2024). Inovasi Desain E-Laundry untuk Mengoptimalkan Kinerja dan Keuntungan Bisnis UMKM Jasa Laundry di Kabupaten Pesawaran. SEAT: Journal Of Software Engineering and Technology, 4(1), 17-22. https://journal.instidla.ac.id/index.php/seat/article/view/174
- Galbreath, J., & Rogers, T. (1999). Customer relationship leadership: a leadership and motivation model for the twentyfirst century business. https://doi.org/10.1108/09544789910262734
- Kho, A., Rumanti, E. D., Sudibjo, N., & Nanda, K. A. (2021). University Strategy and Implementation Using the David Strategic-Management Model: a Case Study From Indonesia. *Milestone: Journal of Strategic Management*, 1(2), 81. https://doi.org/10.19166/ms.v1i2.3932
- Khofiyah, N. A., Novika, W., Kresna Ramadhan, D., Rizkia Feriaty, S., & Suri, A. (2024). Perbaikan Tata Letak Fasilitas untuk Meningkatkan Produktivitas dan Kepuasan Pelanggan pada UMKM Laundry. *Jurnal Pengabdian Kepada Masyarakat Nusantara*, 5(2), 2143–2150. https://doi.org/10.55338/jpkmn.v5i2.3193
- Lubis, F. S., Umam, M. I. H., & Nabila, S. (2023). Analisis Kelayakan Bisnis Pada Usaha Erina Laundry. *Jurnal Teknik Industri: Jurnal Hasil Penelitian Dan Karya Ilmiah Dalam Bidang Teknik Industri, 9*(1), 186. https://doi.org/10.24014/jti.v9i1.22331
- Maharani, N., Intan, K. P., Manilet, F. M., Adriansyah, A., & Reskianto, D. (2023). Peran Empati dalam Meningkatkan Kepuasan Pelanggan: Analisis Pada Industri Layanan Jasa Laundry Kota Makassar. *Jurnal Manajemen Dan Kewirausahaan (JUMAWA), 1*(1), 1–8.