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Building Competitive Advantage for Local Coffee Products in North Sumatra: A SWOT-Based Analysis of Digital Marketing and Value-Added Innovation

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ABSTRACT
This study aims to analyze marketing management strategies for local agricultural products using the SWOT (Strengths, Weaknesses, Opportunities, and Threats) framework to enhance local competitiveness. A descriptive qualitative approach was employed using observations, semi-structured interviews, and documentation. The collected data were analyzed by identifying internal and external factors and formulating strategic alternatives through the SWOT matrix. The results indicate that local agricultural products have strengths in product quality, natural resources, and regional uniqueness. However, limited marketing capabilities, inadequate branding, and low adoption of digital technology remain major weaknesses. Opportunities include the growth of digital marketing and government support, while competition from imported products, price fluctuations, and climate change pose significant threats. The study concludes that the Strength–Opportunity (SO) strategy is the most appropriate approach to improve competitiveness by utilizing product strengths, expanding market access, adopting digital marketing, and developing value-added products.

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INTRODUCTION

The agricultural sector plays a crucial role in Indonesia's economy, particularly as a provider of food, employment, and livelihoods for rural communities (Abidin & Ramli, 2025). In addition to contributing to national food security, the agricultural sector plays a significant role in increasing household income, reducing poverty, and promoting regional economic growth (Sari et al., 2025). Indonesia's abundant natural resources make agriculture one of the country's strategic sectors, capable of supporting sustainable economic development when managed effectively and focused on generating added value (Julsari et al., 2025).

At the regional level, local agricultural products represent valuable economic resources with strong potential to enhance regional competitiveness (Amelia et al., 2025). Various commodities, including rice, horticultural products, fruits, vegetables, spices, and plantation crops, possess distinctive characteristics and comparative advantages across different

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regions (Setiawan et al., 2026). This diversity provides a solid foundation for creating competitive advantages, particularly when supported by product innovation, quality improvement, and effective marketing strategies (Butarbutar et al., 2026). Furthermore, local agricultural products not only contribute to economic development but also reflect regional identity and cultural heritage, making them attractive to both domestic and international markets (Nurbayan et al., 2025).

However, local agricultural products continue to face significant challenges in terms of marketing. These challenges include limited access to modern markets, inadequate branding and product differentiation strategies, low adoption of information technology and digital marketing, weak distribution networks, insufficient market information, and intense competition from imported products and agricultural commodities originating from other regions. In addition, price fluctuations, changing consumer preferences, and the limited marketing capabilities of agricultural producers further reduce the competitiveness of local agricultural products. As a result, these products often fail to generate optimal added value, leading to lower selling prices and limiting improvements in farmers' welfare (Hasibuan, 2025). From a management perspective, successful marketing largely depends on the implementation of appropriate strategies developed through comprehensive analyses of both the internal and external business environment (Noviana, 2025). Effective marketing strategies are not solely aimed at increasing sales but also at creating sustainable competitive advantages, strengthening relationships with customers, and identifying promising market opportunities (Ayuni et al., 2026). Therefore, an analytical approach that provides a comprehensive understanding of the business environment is essential for developing strategies that are responsive to market conditions and organizational challenges (Fransiska, 2025).

One of the most widely used strategic planning tools is the SWOT analysis, which examines Strengths, Weaknesses, Opportunities, and Threats (Bhat & Reddy, 2021). SWOT analysis enables organizations to identify their internal strengths and weaknesses while simultaneously evaluating external opportunities and threats. Through this framework, business actors can formulate strategies that capitalize on strengths to seize market opportunities, minimize internal weaknesses, and mitigate potential external threats. In the agricultural sector, the application of SWOT analysis is particularly relevant because it provides a systematic basis for designing marketing strategies that are more effective, adaptive, and focused on enhancing the competitiveness of local agricultural products in an increasingly dynamic and competitive market environment.

Based on the above discussion, SWOT analysis represents an essential strategic approach for developing agricultural marketing management strategies. The findings derived from SWOT analysis are expected to serve as a reference for farmers, agribusiness practitioners, and local governments in formulating more effective marketing policies and strategies. Ultimately, these strategies are expected to enhance the competitiveness of local agricultural products, expand market opportunities, increase product value, improve farmers' welfare, and contribute more significantly to regional economic development.

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METHODS

This study employed a descriptive qualitative research design to analyze marketing management strategies for local agricultural products using the SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis framework. The qualitative approach was selected because it enables a comprehensive understanding of the internal and external factors influencing the competitiveness of local agricultural products. Through this approach, the study aims to identify strategic issues affecting agricultural marketing and formulate appropriate marketing strategies to enhance local competitiveness. The object of this research consisted of local agricultural products produced by farmers and agribusiness actors. The study focused on identifying the strengths and weaknesses of local agricultural products as internal factors, as well as the opportunities and threats originating from the external environment that influence marketing performance and business competitiveness. Understanding these factors is essential for developing strategic marketing recommendations that are relevant to current market conditions.

The research utilized both primary and secondary data. Primary data were collected through semi-structured interviews with farmers, agribusiness owners, agricultural extension officers, local government representatives, and other stakeholders directly involved in agricultural marketing. In addition, direct observations were conducted to examine production activities, product quality, packaging, distribution systems, and existing marketing practices. Secondary data were obtained from scientific journals, books, government publications, statistical reports, and other relevant documents concerning agricultural marketing, competitiveness, and strategic management. Data collection was carried out through observation, interviews, and documentation. Observation was conducted to obtain direct information regarding the actual conditions of agricultural marketing activities. Semi-structured interviews were used to gather in-depth information on internal capabilities, marketing constraints, and external environmental conditions. Documentation served as supporting evidence by providing relevant information from previous studies, institutional reports, and official statistical publications. The use of multiple data collection techniques facilitated data triangulation and improved the credibility of the research findings. The collected data were analyzed using the SWOT analysis framework. The analysis began with the identification of internal factors, namely strengths and weaknesses, followed by the identification of external factors, including opportunities and threats. These factors were then systematically organized into a SWOT matrix to generate four strategic alternatives: Strength Opportunity (SO), Weakness Opportunity (WO), Strength Threat (ST), and Weakness Threat (WT) strategies. The resulting strategies were subsequently interpreted to determine the most appropriate marketing management strategies for improving the competitiveness of local agricultural products.

To ensure the validity and reliability of the findings, this study applied source triangulation by comparing information obtained from different respondents with supporting documentary evidence. Cross-checking among multiple data sources and repeated verification during the data collection process were conducted to ensure consistency and

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accuracy. This approach enhanced the credibility of the analysis and strengthened the validity of the strategic recommendations generated through the SWOT framework.

RESULTS AND DISCUSSION

The findings of this study indicate that local agricultural products possess considerable internal strengths that can be utilized to improve their market competitiveness. The primary strengths identified include the high quality and freshness of agricultural products, the availability of fertile agricultural land, abundant natural resources, and the extensive farming experience of local producers. In addition, many local agricultural products have unique characteristics and regional identities that distinguish them from competing products. These strengths provide a solid foundation for developing value-added products and establishing a stronger market position (Nurhidayah et al., 2025).

Despite these strengths, several internal weaknesses continue to limit the competitiveness of local agricultural products. The results reveal that many farmers still rely on conventional marketing methods and have limited knowledge of branding, product packaging, and digital marketing strategies. Limited financial resources, inadequate post-harvest technology, and insufficient access to market information further constrain marketing performance. Furthermore, weak collaboration among farmers, distributors, and marketing institutions often results in inefficient distribution systems and reduced bargaining power (Bhastary et al., 2025).

The external environment presents numerous opportunities that can support the development of local agricultural marketing. Increasing consumer awareness of healthy and locally produced food, the rapid growth of digital commerce platforms, and government programs supporting agricultural development provide favorable conditions for expanding market access. Advances in information and communication technology also enable farmers to promote their products through social media and online marketplaces, thereby reaching a broader consumer base while reducing dependence on traditional distribution channels. These opportunities can significantly improve the competitiveness of local agricultural products when supported by appropriate marketing strategies.

However, the study also identifies several external threats that may hinder marketing performance. Competition from imported agricultural products, fluctuating market prices, climate change, rising production costs, and changing consumer preferences create substantial challenges for local producers. In addition, the increasing availability of substitute products and the growing demands for standardized quality require farmers to continuously improve product quality and marketing capabilities. These threats highlight the importance of developing adaptive and sustainable marketing strategies capable of responding to dynamic market conditions (Raza et al., 2022; Tambunan et al.,2025).

Based on the SWOT analysis, four strategic alternatives were formulated. The Strength Opportunity (SO) strategy emphasizes utilizing high-quality local products, regional uniqueness, and farmers' experience to capitalize on expanding market opportunities through digital marketing, product diversification, and market expansion. The Weakness Opportunity (WO) strategy focuses on improving farmers' marketing competencies through training

programs, enhancing packaging quality, strengthening branding activities, and increasing the adoption of digital technologies. The Strength Threat (ST) strategy recommends maintaining product quality, strengthening customer relationships, and promoting product differentiation to withstand increasing market competition and changing consumer preferences. Meanwhile, the Weakness Threat (WT) strategy highlights the importance of improving institutional collaboration, strengthening farmer cooperatives, increasing production efficiency, and minimizing operational weaknesses to reduce the impact of external threats.

The findings demonstrate that SWOT analysis provides a comprehensive framework for identifying strategic priorities in agricultural marketing management. The integration of internal strengths with external opportunities enables stakeholders to formulate proactive strategies for improving competitiveness, while simultaneously addressing existing weaknesses and mitigating potential threats. These results are consistent with strategic management theory, which emphasizes the importance of aligning organizational capabilities with environmental conditions to achieve sustainable competitive advantage.

Furthermore, the findings are consistent with previous studies that emphasize the effectiveness of SWOT analysis in developing marketing strategies for agricultural products. The study confirms that competitiveness is influenced not only by product quality but also by the ability of producers to adopt innovation, utilize digital technology, strengthen branding, and respond effectively to market dynamics. Therefore, collaboration among farmers, government institutions, agricultural extension agencies, and private sector stakeholders is essential to create an integrated marketing system capable of enhancing the competitiveness of local agricultural products. By implementing the recommended strategies, local agricultural products are expected to achieve broader market penetration, higher added value, increased consumer trust, and ultimately contribute to improving farmers' income and supporting sustainable regional economic development.

CONCLUSION

This study concludes that SWOT analysis is an effective strategic tool for developing marketing management strategies aimed at enhancing the competitiveness of local agricultural products. The analysis reveals that local agricultural products possess significant strengths, including high product quality, abundant natural resources, and unique regional characteristics. However, several internal weaknesses, such as limited marketing capabilities, inadequate branding, insufficient digital technology adoption, and restricted market access, continue to hinder their competitiveness. Externally, increasing consumer demand for local products, the expansion of digital marketing platforms, and government support present valuable opportunities, while imported products, climate change, price fluctuations, and intense market competition remain significant threats.

Based on the SWOT analysis, four strategic alternatives Strength Opportunity (SO), Weakness Opportunity (WO), Strength Threat (ST), and Weakness Threat (WT) were formulated to support sustainable marketing development. Among these, the SO strategy is considered the most appropriate approach, as it leverages the existing strengths of local agricultural products to capitalize on emerging market opportunities through product

differentiation, digital marketing, market expansion, and value-added product development. At the same time, improving farmers' marketing competencies, strengthening institutional collaboration, and adopting modern marketing technologies are essential to overcome existing weaknesses and respond effectively to external challenges.

The findings of this study provide practical implications for farmers, agribusiness practitioners, and policymakers in designing more effective marketing strategies to strengthen the competitiveness of local agricultural products. Future research is recommended to integrate SWOT analysis with other strategic decision-making tools, such as the Internal Factor Evaluation (IFE), External Factor Evaluation (EFE), and Quantitative Strategic Planning Matrix (QSPM), in order to establish more objective strategic priorities and improve the accuracy of strategic recommendations across different agricultural commodities and regions.

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