

DIFFERENTIATION DEVELOPMENT STRATEGY AT UNIVERSITY OF HKBP NOMMENSEN PEMATANGSIANTAR THROUGH THE SWOT METHOD (STRENGTH, WEAKNESSES, OPPORTUNITIES AND THREATS)

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Abstract:

This study was conducted with the aim of analyzing the achievement of product service differentiation and developing a differentiation development strategy at HKBP Nommensen University, Pematangsiantar. The urgency of conducting the research is that there has been a graph of declining productivity over the past 4 years (2021-2024), as seen from the failure to achieve the target number of new student registrants, namely 1200 new students per year. Therefore, the researcher took the differentiation development strategy indicator through the SWOT variable aspect (strengths, weaknesses, opportunities and threats) as a reference for improving service products and productivity, especially in increasing new student admissions. The targeted output in the study is the publication of a *sinta 4* (four) accredited journal. This study uses a qualitative-descriptive approach. The aim is to provide a complete picture and summarize various conditions and situations from various data that have been collected at HKBP Nommensen University, Pematangsiantar. The research subjects were selected by purposive sampling. The data collection techniques used were observation, interviews, and documentation.

Keywords: SWOT Analysis, Product Service Differentiation, Differentiation Strategy, Institutional Development

INTRODUCTION

Entering the era of disruption as well as the transition from industry 4.0 to industry 5.0 where technological advances are currently developing rapidly, making competition between companies or organizations increasingly tight. Given the intense competition, it is risky for a company to rely solely on existing products without actively working to develop them. In the face of increasingly tight competition, service product owners and stakeholders must produce the right products to meet the needs of their customers. Therefore, service product owners and stakeholders need to have a strategy to solve this problem. One strategy that can be used is a service product differentiation strategy. Differentiation strategy is a company's effort to create service products that are different from its competitors (Artana et al., 2023). The goal is to create a competitive advantage and meet unmet needs. Product differentiation strategy or product diversification is an effort made by entrepreneurs to create diverse products in terms of variety, shape, size, and taste.

HKBP Nommensen University Pematangsiantar is the largest university in the city of Pematangsiantar with a vision of "Becoming a Superior and Competitive University at the Global Level Based on Information Technology (online) Towards a Sustainable Industrial Generation Based on Love for God and Motherland. (Pro Deo Et Patria). HKBP Nommensen University Pematangsiantar, which was established in 2018, has a target of accepting 1000-1200 new students each year. However, in the last 3 years (2021-2023), there has been a decline in the number of student registrations or the failure to achieve the target of accepting new students. Therefore, researchers



see the need for analysis and strategy development in meeting the targets of PT HKBP Nommensen University Pematangsiantar by means of a service product differentiation development strategy.

Based on this background, the researcher is interested in conducting research titled "Differentiation Development Strategy at HKBP Nommensen University, Pematangsiantar, through the SWOT (Strength, Weakness, Opportunities and Threats) method."

Problem-Solving Approach. The researcher uses a management science approach, an empirical approach and a comparative approach by adhering to descriptive qualitative research. The management science approach is a method or procedure and methodology used to find out management in measuring, identifying, monitoring, and controlling every element of its business (Triyani et al., 2023). The empirical approach uses primary data sources, namely data obtained directly from respondents, which are used to find out precisely and correctly.

State of the Art and Novelty. Previous research analyzes and enriches the discussion of the research and differentiates it from the research I am currently conducting.

1. Abdul Salam and Sumarni conducted previous research titled "Differentiation Strategy in a Goods Delivery Service Company (descriptive study at J&T Express Sumbawa branch)."
2. The second research was conducted by Maulidatun and Siswahudianto in 2022, entitled "Differentiation Strategy to Create Competitive Advantage in UMKM catering Pawon Gusti, Surondakan Village, Trenggalek District, Trenggalek Regency."

Based on the presentation of the results of previous studies, the author's research is different from previous studies, namely:

1. The difference between the research conducted by Abdul Salam and Sumarni entitled "Differentiation Strategy in a Shipping company (descriptive study at J&T Express Sumbawa branch) " is that this research is a different case. Abdul Salam's research is on the shipping industry, while this research is on educational service products. In addition, the problem formulation used is the constraint in developing diversification. At the same time, this study has a problem formulation of determining the position of the IFE-EFE quadrant and determining the differentiation strategy.
2. The difference between the research conducted by Maulidatun and Siswahudianto in 2022 entitled "Differentiation Strategy to Create Competitive Advantage in UMKM catering Pawon Gusti, Surondakan Village, Trenggalek District, Trenggalek Regency" with this research is a different case, the previous research was a case on catering services while this research is a case on service products engaged in education. The next difference or the next innovation in this research is required to produce and develop strategies that are based on creativity and innovation.

Research roadmap for the next 5 years.

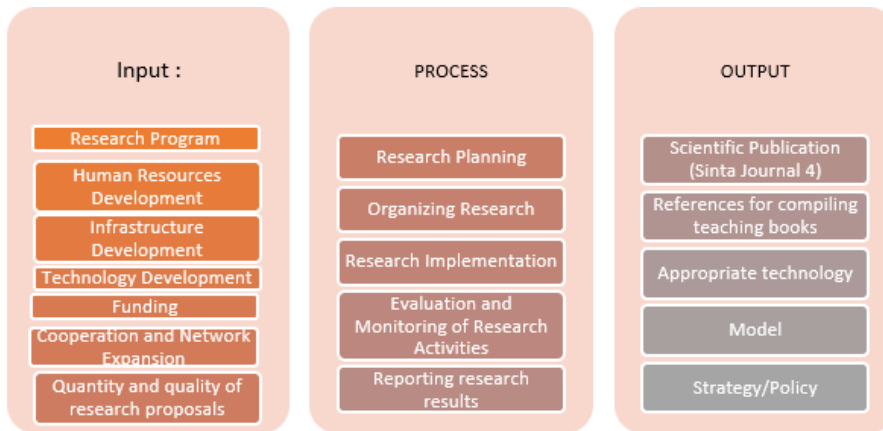


Figure 1. Research Strategy Flow

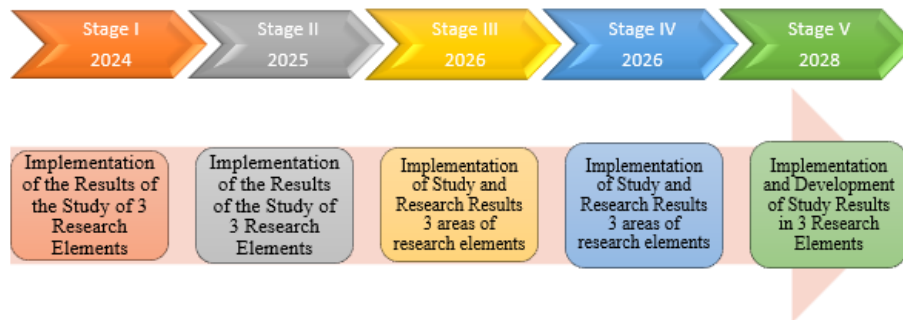


Figure 2. Research Road Map

Citation.

1. Definition of Product Development. Product development is an activity that a company must carry out. Innovative companies are usually well-known by their consumers. Product development efforts can be a suggestion to prevent consumers from switching to competitors' products. According to Rangkuti (2017) Product development is a marketing strategy that requires the creation of marketable products, the process of changing applications for new technology into new marketable products. From this definition, product development is carried out as a strategic step to create new products with new market targets to pursue company growth in a better direction. At any given time, the company will implement various programs to achieve various product development targets.
2. Product differentiation strategy. According to Sugiyanto et al. (2017), Differentiation means that a product or service has not only differences with existing products or services but also a point of excellence compared to others. So, according to him, differentiation strategy is a company's effort to differentiate its offerings on the market and this aims to achieve superior customer value. Differentiation is an integrated process between content, context and infrastructure of the offerings given to consumers or customers. One of a company's competitive advantages is having differences (differentiation) in its offerings that will provide value to consumers compared to other companies (Kotler, 2006). The company's offering to the market can be differentiated into various strategies, namely: a. product differentiation b. service quality differentiation c. personnel differentiation d. distribution channel differentiation, e., image differentiation.



METHODS

The research method of the management science approach, an empirical approach by adhering to descriptive qualitative research aims to find out how HKBP Nommensen University Pematangsiantar carries out the product diversification strategy in developing its company organization. The management science approach is a method or procedure and methodology used to find out management in measuring, identifying, monitoring, and controlling risks in every element of its business. It aims to answer the problems described in the formulation of the research problem (Mezaluna et al., 2024).

Population and Sample Sugiyono (2016) explained that the population is the entirety of the subjects studied, namely all students of HKBP Nommensen University Pematangsiantar class of 2022 and 2023, which is 1600 people. While the sample is part or representative of the population studied. In this study, the sample taken was 120 respondents. The sampling technique in this study is the simple random sampling technique or sampling carried out randomly without paying attention to the strata in the population. The aim is to ensure that the sample taken is representative of the population.

Data Collection Techniques This research uses primary and secondary data. Primary data is collected through observations, interviews and documentation conducted by the head of the proposer and members.

- Observation. The research object was observed in the environment of HKBP Nommensen University Pematangsiantar. The head of the proposer and members carried out initial observations by visiting several study programs directly to determine their potential for development.
- Interview. Primary data was obtained by conducting interviews by the head of the proposer with residents of HKBP Nommensen University Pematangsiantar, especially students of the Economic Education study program, Faculty of Teacher Training and Education, to determine the potential and problems in the development of service products in the education industry.
- Questionnaire. A questionnaire is a series of written questions used to obtain information or data directly from the source.
- Documentation. Documentation is used as evidence of the research conducted in the study. The data collected in the study using the documentation method is in the form of reports and statements that can support the research, documentation is used to collect data and then reviewed.

Program Preparation.



Figure 3. Program Development Flow

Researchers use the SWOT analysis method to determine the company's internal and external factors. Internal factors determine the company's strengths and weaknesses, and external factors determine its opportunities and challenges. According to Kotler (2019: 51), SWOT analysis (Strengths, Weaknesses, Opportunities, Threats) is a way to observe the external and internal marketing environment.



Figure 4. SWOT Analysis Diagram

The description of the SWOT Analysis Diagram is as follows:

QUADRANT 1: Aggressive is a very profitable situation. The organization has opportunities and strengths so that it can take advantage of existing opportunities. The strategy implemented in this condition is a strategy that supports an aggressive growth policy (growth oriented strategy).

QUADRANT 2: Differentiation Despite facing various threats, the organization still has internal strength. The strategy implemented is to use strength to take advantage of long-term opportunities through a diversification strategy (Product/Market).

QUADRANT 3: Turn Around The organization faces very big opportunities but also several internal constraints/weaknesses. The focus of this organization's strategy is to minimize the company's internal problems so that it can seize better opportunities.

QUADRANT 4: Defensive quadrant 4 shows a very unfavorable situation. The organization faces various internal threats and weaknesses. It must immediately find a defensive strategy (Wiradhana, 2012).

Furthermore, another source mentions an example of a SWOT analysis matrix. The SWOT matrix is a tool used in compiling strategic factors of an organization. This matrix clearly illustrates how the internal opportunities and threats faced can be adjusted to the internal strengths and weaknesses possessed. This matrix can produce four sets of possible strategic alternatives, as in the following Figure:

E F I E F E	STRENGTH (S) (Determine internal strength factors)	WEAKNESSES (W) (Determine internal weakness factors)
OPPORTUNITIES (O) (Determine external opportunity factors)	SO Strategy List of strengths to take advantage of existing opportunities	WO Strategy Register to minimize weaknesses by taking advantage of existing opportunities.
THREATS (T) (Determine external threat factors)	ST Strategy List of strengths to avoid threats	WT Strategy List to minimize weaknesses and avoid threats

Figure 5. SWOT Matrix

Based on the SWOT Matrix, the following 4 strategic steps were obtained:

- SO Strategy. This strategy is based on the organization's way of thinking, namely by utilizing all strengths to seize and utilize opportunities as much as possible. SO strategy uses the company's internal strengths to utilize external opportunities.
- ST Strategy. This strategy uses the organization's strengths to overcome threats. ST strategy uses the company's internal strengths to avoid or reduce the impact of external threats.
- WO Strategy. This strategy is implemented based on the utilization of existing opportunities by minimizing existing weaknesses. WO strategy to improve internal weaknesses by utilizing external opportunities.
- WT Strategy. This strategy is based on defensive activities and tries to minimize weaknesses and avoid threats. WT strategy aims to reduce internal weaknesses by avoiding external threats.

RESULT AND DISCUSSION

Researchers created a questionnaire to collect data based on the factors below.

1. Identification of Internal Factors. Internal factors are used to determine the strengths and weaknesses of the products produced by HKBP Nommensen University Pematangsiantar.

The following is the formulation of the identification of internal factors.

- Strength
 - HKBP Nommensen Pematangsiantar University Campus has a strategic location.
 - Lecturers have adequate competence.
 - Relatively cheap tuition fees
 - A very beautiful campus environment.
- Weaknesses
 - Poor lecture management.
 - Inadequate facilities and infrastructure
 - University and study program accreditation is still relatively low
 - The product menu is still limited.





2. Identification of External Factors. External factors are used to determine the opportunities and threats faced by PT Universitas HKBP Nommensen Pematangsiantar.

The following is the formulation of the identification of external factors:

- a. Opportunities
 - 1. Having a large market share.
 - 2. Advances in technology and information
 - 3. Government policy
 - 4. Toll road access
- b. Threats
 - 1. Having quite a lot of competitors.
 - 2. Recession 2025

The results of the questionnaire distribution were then processed to obtain the weight and rating values for internal and external factors.

Table 1. Identification to obtain IFAS and EFAS weighting and rating values

Factor	Integrity	Rating	Score
Strength			
1. Strategic location	3	5	15
2. Lecturers have adequate competence	2	3	6
3. Tuition fees are relatively cheap	3	4	12
4. Beautiful campus environment.	2	3	6
TOTAL			39
Weaknesses			
1. Poor lecture management	4	4	16
2. Inadequate facilities and infrastructure	3	5	15
3. University and study program accreditation is still low	1	3	3
4. Product Menu Little	2	2	4
TOTAL			38
Opportunity			
1. Large market share	4	5	20
2. The existence of technological and information advances	3	3	9
3. Government policy	2	4	8
4. Toll Road Access	1	4	4
TOTAL			41
Threats			
1. Competitors	7	5	35
2. Recession 2025	3	4	12
TOTAL			47

Based on the results of the SWOT analysis, the calculations and X and Y analysis graphs are produced as follows:



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(X,Y) : S-W/2 ; O-W/2,
 39-38/2 ; 41-47/2
 1/2 : -6/2
 0,5 ; -3

Based on the calculations above, the SWOT analysis graph x and y is as follows:

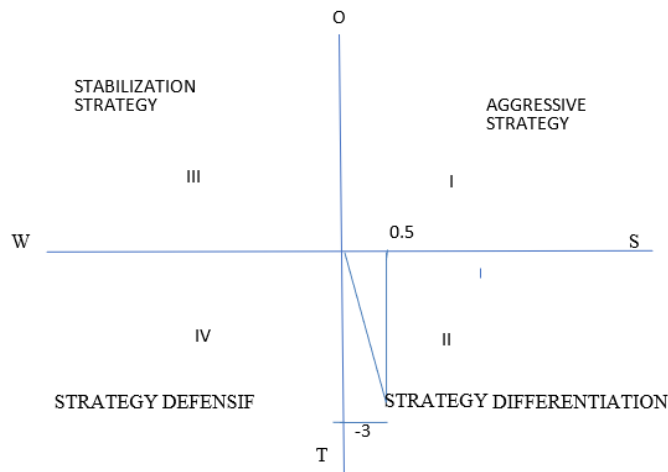


Figure 6. SWOT Analysis Chart

Based on the SWOT graphic analysis above, the Marketing strategy of HKBP Nommensen Pematangsiantar University. It is in the QUADRANT II position, which is in a differentiation position to face very large opportunities, but on the other hand, faces several internal obstacles/weaknesses. The focus of this Company's strategy is to minimize the company's internal problems and improve the quality of products/services so that they can seize better opportunities.

SWOT Analysis in Strategy Determination. After grouping internal and external factors, the researcher then divides them into strengths, weaknesses, opportunities, and threats to continue the analysis using the SWOT matrix, which describes how management can match the external opportunities and threats faced by a particular company with its internal strengths and weaknesses to produce four alternative series. The SWOT analysis conducted by the researcher resulted in a service quality improvement strategy that uses strengths to take advantage of opportunities (SO), takes advantage of opportunities to overcome weaknesses (WO), uses strengths to avoid threats (ST), and minimizes weaknesses and avoids threats (WT).

Table 2. SWOT Matrix

	(Strength)	(Weakness)
IFAS	<ol style="list-style-type: none"> 1. Strategic location 2. Lecturers have adequate competence 3. Tuition fees are relatively cheap 4. Beautiful campus environment 	<ol style="list-style-type: none"> 1. Poor lecture management 2. Inadequate facilities and infrastructure 3. University and study program accreditation is still low 4. The product menu is still limited
EFAS		



(Opportunities)	STRATEGI SO	STRATEGI WO
<ol style="list-style-type: none"> 1. Large market share 2. Advances in technology and information 3. Government policy 4. Toll road access 	<ol style="list-style-type: none"> 1. Maximizing strategic locations and internal dimensions in utilizing market share opportunities. 2. Maximizing marketing education through the use of good technology (website, social media) 3. Doing strong branding. 	<ol style="list-style-type: none"> 1. Improving the quality of the University through improving management. 2. Improving lecture facilities and infrastructure to support learning through the use of technology. 3. Improving Accreditation and adjustment to government policies. 4. Diversifying the product menu to attract a wider market share
(Threats)	STRATEGI ST	STRATEGI WT
<ol style="list-style-type: none"> 1. Competitors 2. Recession 2025 	<ol style="list-style-type: none"> 1. Utilizing the location and campus environment to attract potential customers to be able to face competitors 2. Providing discounts and scholarships in the face of inflation 	<ol style="list-style-type: none"> 1. Improve the dimensions of internal weaknesses (management, infrastructure) as a reputation improvement in facing competitor threats. 2. Conduct product differentiation and diversification in facing the 2025 recession.

CONCLUSION

Partners in this research, namely HKBP Nommensen University, Pematangsiantar, especially students of the Economic Education and Indonesian Language Education study programs, Faculty of Teacher Training and Education, have made good contributions during the research process in every stage so that this research can be realized well. In the continuation of the realization of the research, it is necessary to conduct ongoing research at HKBP Nommensen University, Pematangsiantar in massive improvements, especially in the field of educational services.

The constraints in implementing research are limited funds during the research and publication process.

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