

Swot Analysis: Internal and External Factors on Increasing Consumption of Traditional Medicine in Medan City

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ABSTRACT

The level of public awareness of the importance of maintaining health is increasing. In addition, it also affected the standards and quality of medicine that people consumed. As a result, the need for medicines was getting higher, including traditional medicines, where the use of traditional medicines was generally considered safer and hereditary. In fact, the level of public consumption of traditional medicine was lower than traditional medicine. The objective of the study was to analyze internal and external factors in increasing the consumption of traditional medicine in Medan City. Respondents in this study were sellers of traditional medicine, the consumer of traditional medicine, the leader of Jamu's entrepreneur Association, and the supervisor of food and medicine in The National Agency of Drug and Food Control (NA-DFC). The data analysis method used is SWOT analysis. The results show that the strategic position of increasing the consumption of traditional medicines in Medan is in quadrant I. Under these conditions, in general the strategy to increase the consumption of traditional medicines in the city of Medan is an aggressive strategy, namely by maximizing strengths to take advantage of existing opportunities. In detail, there were 11 alternative strategies that could be done which consist of SO strategy, WO strategy, ST strategy and WT strategy

Keywords : *traditional medicine, business actors, internal and external factors, and strategy*

INTRODUCTION

According Litbang Depkes (2007) stated that Indonesia is the second country that has the largest biodiversity in the world after Brazil. There are 30,000 types of medicinal plants whose quality is equivalent to modern medicine and is beneficial for the benefit of society. This is one of the potentials for the development of herbal products. However, these medicinal plants have not been utilized optimally. It was known that there were about 1200 species of medicinal plants that were used and researched as traditional medicine.

The use of traditional medicine was a national cultural heritage that needs to be continue to be preserved and developed to support development health as well as to increase the economy of society. This traditional medicine has certainly been tested for years and even centuries in accordance with the development of Indonesian culture. Therefore, the community still maintains the use of traditional medicine even though there are health facilities and modern medicine due to higher prices economical.

Another reason is that the use of traditional medicine is generally considered safer than

the use of modern medicine. Traditional medicine has relatively smaller side effects than modern medicine. Thus the role of traditional medicine in Indonesian society becomes important and its benefits can be felt.

Based on the results of the informal meeting on Strategic Planning on Traditional Medicine in Manila, research data was obtained which explained that the use of traditional medicine in Australia reached 48.50%, China 90%, Hong Kong 60%, Japan 49%, Nauru 60%, Republic of Korea 69%, The Philippines is 57.30%, Singapore is 45%, and Vietnam is 50%, while based on data from the last 15 years, traditional medicine users in Indonesia as much as 5% often use herbal medicine and 45.17% sometimes use it (Waspada, 2013).

Based on the Strategic Plan of NA-DFC in Medan (2015), it describes data related to the percentage of the number of people in the city of Medan who consumed medicine. The results obtained indicate that most of the population still consume modern medicine compared to traditional medicine. In 2015 consumers of modern medicine reached 91.40%, while traditional medicine was only 24.33%. It showed that the consumption of the people of Medan for traditional medicine is still low compared to modern medicine.

Some traditional medicine industries in Indonesia have not work optimally and still fulfil their own needs. The industry still pays less attention to and utilizes the results of scientific research in product and market development. In terms of market development, the industry still places more emphasis on promotional activities than scientific support related to the efficacy, safety and quality of traditional medicines.

The increase in population in the city of Medan has resulted in an increasing demand for drugs. Likewise, the supply of traditional and modern medicines has also increased. The large market potential causes manufacturers to increase the amount of medicine production.

Traditional medicine business actors play a role in producing traditional herbal medicine products as an alternative treatment for most of the people of Medan city. Traditional medicine businesses must compete with their competitors to attract customers in order to expand their business. The main competitors of traditional herbal medicine are modern medicine. Therefore, a strategy is needed for traditional medicine business actors to increase the availability and quality and quality of traditional medicines and expand market share. This strategy is expected to increase the consumption of the people of Medan city towards traditional medicine amid the presence of chemical drugs.

METHODS

Determination the location of the research was purposively in Medan because it is one of the areas where there are still consumers who consume traditional medicine (herbal medicine) to overcome health problems. One of those who develop traditional medicine is a businessman who set up a small business of traditional medicine in the city of Medan. Traditional medicine small business data was obtained from The National Agency of Drug and Food Control (NA-DFC) in Medan.

Respondents are people who act as informants to provide information about something in the form of facts or opinions about the problem being examined. The information can be conveyed in the form of writing, namely when filling out the questionnaire or by oral when answering the interview.

Purposive sampling was used in determining the sample in this study, which consist of

business actors of traditional medicine, consumers of traditional medicine, leader of Jamu's entrepreneur Association, and the supervisor of food and medicine in The National Agency of Drug and Food Control (NA-DFC).

Table 1. List of Research Respondents

No	Respondent	Number of Respondent	Description
1.	Business actor	5	Small business of traditional medicine
2.	The National Agency of Drug and Food Control (NA-DFC).	1	Person in charge of certification and consumer information services
3.	Consumers of traditional medicine	30	Consumers of traditional medicine
Total Respondents		36	

The data collected in this study is primary data and secondary data. Primary data is obtained from the results of live interviews and the dissemination of questionnaires to research respondents. While secondary data was obtained from the National Agency of Drug and Food Control (NA-DFC), related institutions and literature that supported this research.

Swot analysis methods are used to solve problems in this study. The goal is to identify and analyze internal and external factors on the increase in consumption of traditional medicine in the Medan City area. In accordance with the theory that has been put forward, the tool used to compile strategic factors is swot matrix. This matrix clearly illustrates how external opportunities and threats faced can be adjusted to the strengths and weaknesses possessed.

RESULTS AND DISCUSSION

Results

Analysis of Strategies for Increasing The Consumption of Traditional Medicine

Scoring of Internal and External Factors

Scoring is identifying between internal (strengths and weaknesses) and external factors (opportunities and threats), then compiling questionnaires to determine the score of each factor. The score determines whether the factor is included in internal factors as strengths or weaknesses and as external factors into opportunities or threats.

Table 2. Scoring of Internal and External Factors

Strategics Factors	Averages Score	Score Distribution (%)			
		1	2	3	4
Internal Factors					
1. The availability of the raw material	3,8	0	0	60	40
2. The availability of appropriate labor	3,6	0	0	40	60
3. The availability of buildings, machines and production equipment of traditional medicine.	4	0	0	0	100
4. Process of traditional medicine production	3,6	0	20	0	80

5. Marketting of traditional medicine	2,2	0	80	0	20
6. Knowledge of business actor	4	0	0	0	100
7. Information completeness on packaging	3,6	0	0	40	60
8. The number of variations of traditional medicine	1,2	80	20	0	0
External Factors					
1. The accuracy of the consumer using traditional medicine	2,8	0	33,3	46,7	20
2. Consumer assessment of the quality of traditional medicine	3,0	0	26,7	56,7	16,7
3. The avability of traditional medicine	3,4	0	0	37,1	62,9
4. Consumer trust to traditional medicine	3,1	0	13,3	63,3	23,3
5. The Role of the the National Agency of Drug and Food Control (NA-DFC)	4	0	0	0	100
6. The role of the jamu's entrepreneur association	2	0	100	0	0
7. The opinion of consumers about the taste of traditional medicine	1,8	37,1	45,7	14,3	2,86
8. Consumer income	1,7	33,3	53,3	10	3,3
9. The Dangers of Chemical Medicine	3,0	0	26,7	56,7	16,7

Source : Analysis of primary data

Based on Table 2, on internal strategic factors, the availability factor of raw materials is the factor that has the highest average score of 3.8 and the number and variety of traditional medicine is the factor that has the lowest average score of 1.2.

Internal factors that have an average score of 3-4 are included in the strengths and factors that have an average score of 1-2 are included in the weakness. External factors that have an average score of 3-4

Table 3. Strengths, Weaknesses, Opportunities and Threats of Strategies to Increase the Consumption of Traditional Medicine.

Strategic Factor	Parameter	Description
Internal Strategic Factors		
• Strengths	1. The avability of raw material	➤ Raw materials are highly available
	2. The avability of labours	➤ Labor available and in accordance with the needs
	3. The Availability of Buildings, Machines and Production Equipment	➤ Facilities and production tools are very available
	4. Process of production	➤ The production process in accordance with CPOTB standards
	5. Knowledge of business actors	➤ Business actors are well aware of
	6. Information completeness on packaging	➤ Information on packaging is complete
• Weaknesses	1. Marketting of traditional	➤ Marketing of traditional medicine

	medicine	is underdeveloped
	2. The number of variations of traditional medicine	➤ The number and variety of traditional medicine is still small
External Strategic Factors	1. Consumer assessment of the quality of traditional medicine	➤ The traditional has a good quality
• Opportunities	2. The availability of traditional medicine	➤ The traditional medicine is available
	3. Consumer trust to traditional medicine	➤ Consumers trust to consumed traditional medicine
	4. The Role of NA-DFC	➤ NA-DFC supported
	5. The Dangers of Chemical Medicine	➤ Chemical medicine is danger for health
• Threats	1. The accuracy of the consumer using traditional medicine	➤ Consumers are less aware of the use of using traditional medicine properly
	2. The role of the jamu's entrepreneur association	➤ Role of the jamu's entrepreneur association is less
	3. The opinion of consumers about the taste of traditional medicine	➤ The taste of traditional medicine is not good and satisfying
	4. Consumer income	➤ The income of consumer is affected

Source : Analysis of primary data

Weighting of Internal and External Factors

Weighting is done using a paired comparison technique with a scale value of 1,2 and 3. After obtaining the value of each respondent's interests, a matrix of assessments of each respondent will be the weight of each factor. This value is the weight of each factor. Weighting internal and external factor is presented in Table 4.

Table 4. Weighting of Internal Factors (IFAS) and External Factors (EFAS)

No	Description Internal Factors (IFAS)	Weight
1	The availability of the raw material	0.19
2	The availability of appropriate labor	0.09
3	The availability of buildings, machines and production equipment of traditional medicine.	0.15
4	Process of traditional medicine production	0.14
5	Marketing of traditional medicine	0.09
6	Knowledge of business actor	0.17
7	Information completeness on packaging	0.11
8	The number of variations of traditional medicine	0.06
Total		1
No	Description External Factors (EFAS)	Weight

1	The accuracy of the consumer using traditional medicine	0.09
2	Consumer assessment of the quality of traditional medicine	0.18
3	The availability of traditional medicine	0.08
4	Consumer trust to traditional medicine	0.13
5	The Role of the the National Agency of Drug and Food Control (NA-DFC)	0.16
6	The role of the jamu's entrepreneur association	0.07
7	The opinion of consumers about the taste of traditional medicine	0.11
8	Consumer income	0.05
Total		1

Source : Analysis of primary data

Determination of Strategies to Increase Traditional Medicine Consumption in Medan City Based on SWOT Analysis

The next step is evaluating the strategies to increase the consumption of traditional medicine in the city of Medan. Evaluation of internal and external factor strategy is done by creating a combined table of internal strategic factor evaluation matrix and external strategic factors. The steps taken in the evaluation of internal and external factors are to make weighting, score and look for weighted scores (weight x score).

The amount of weight value is obtained through the comparison of paired combinations. While the number of scores is determined by the researcher based on the parameters that have been set, the parameters are determined based on the data obtained through the results of the interview. At the scoring stage, the score is given to internal factors to determine which factors indicate strengths and weaknesses. After that, the calculation of the score results is done by multiplying the weight and score..

Table 5. Combination Evaluation Matrix of Internal and External Strategic Factors to Increase The Consumption of Traditional Medicine in Medan City

Strategic Factors	Weight	Score	Weight x Score
Internal Strategic Factors			
Strengths			
1. The availability of the raw material	0,19	3,8	0,72
2. The availability of appropriate labor	0,09	3,6	0,32
3. The availability of buildings, machines and production equipment of traditional medicine.	0,15	4	0,6
4. Process of traditional medicine production	0,14	3,6	0,5
5. Knowledge of business actor	0,17	4	0,68
6. Information completeness on packaging	0,11	3,6	0,39
Score Total of Strengths	0,85		3,21
Weaknesses			
1. Marketing of traditional medicine	0,09	2,2	0,19
2. The number of variations of traditional medicine	0,06	1,2	0,07
Score Total of Weaknesses	0,15		0,26

Difference (Strenghts - Weaknesses)			2,95
External Strategic Factors			
Opportunities			
1. Consumer assessment of the quality of traditional medicine	0,18	3,0	0,54
	0,08	3,4	0,27
2. The avability of traditional medicine	0,13	3,1	0,40
3. Consumer trust to traditional medicine			
4. The Role of the National Agency of Drug and Food Control (NA-DFC)	0,16	4	0,64
	0,13	3,0	0,39
5. The dangers of chemical medicine			
Score Total of Oppurtunities	0,68		2,24
Threats			
1.The accuracy of the consumer using traditional medicine	0,09	2,8	0,25
2. The role of the jamu's entrepreneur association	0,07	2	0,14
3. The opinion of consumers about the taste of traditional medicine	0,11	1,8	0,19
4. Consumer income	0,05	1,7	0,08
Score Total of Threats	0,32		0,66
Difference (Opportunities- Threats)			1,58

Source : Analysis of primary data

Table 5 above shows that the difference in internal strategic factors (weakness-strength) is 2.95, this means that the influence of strength is greater on the influence of weakness on the increase in consumption of traditional medicine in the city of Medan. This means internal strength factors which consists of the availability of the raw material, the availability of appropriate labor, the availability of buildings, machines and production equipment of traditional medicine, process of traditional medicine production, knowledge of business actor and information completeness on packaging become a strength for small business people of traditional medicine and able to balance with internal weakness factors owned by business actors. This means that small businesses of traditional medicine in the city of Medan have developed and can be a reference in increasing the consumption of traditional medicine.

The difference in external factors (opportunities - threats) is 1.58, this means that the influence of opportunity is greater than the influence of threats on the increase in consumption of traditional medicine in the city of Medan. This means external opportunity factors in the form of the quality of traditional medicine, the availability of traditional medicine, consumer confidence in taking traditional medicine, the support and role of National Agency of Drug and Food Control (NA-DFC) and the dangers of modern medicine are able to minimize external threat factors that inhibit in increasing the consumption of traditional medicine in the city of Medan.

The next step, looking for and determining the position of the strategy of increasing the consumption of traditional medicine in the city of Medan by using the position matrix. The position of the development strategy is indicated by the coordinate point (x,y). The value x is

derived from the difference in internal factors (strength-weakness) and the value is obtained from the difference in external factors (opportunity-threats). Based on the table above we obtained the value $x > 0$ is 2.95 and the value of $y > 0$ is 1.58. The position of the x and y coordinates can be seen in the Cartesian diagram in Figure 1.

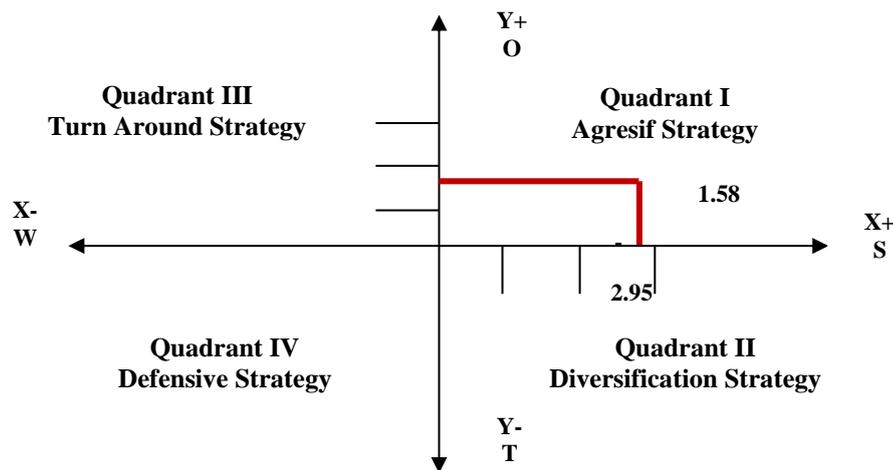


Figure 1. Matrix of Positioning Strategy to Increase Consumption of Traditional Medicine

The position matrix indicates the position of the strategy to increase the consumption of traditional medicine in Medan city is in quadrant I which means the position of the strategy of increasing the consumption of traditional medicine in the city of Medan has great strength and opportunity in increasing the consumption of traditional medicine.

According to Rangkuti (2015) states that quadrant I is a favorable situation. The company has the opportunity and the power so that it can take advantage of the greatest power and opportunity. The strategy that must be applied in this condition is to support an aggressive growth policy (growth oriented strategy).

The strategy of increasing the consumption of traditional medicine in the city of Medan is in quadrant I meaning that business actors have factors that are the availability of the raw material, the availability of appropriate labor, the availability of buildings, machines and production equipment of traditional medicine, process of traditional medicine production, knowledge of business actor and information completeness on packaging but business actors have not taken advantage of existing opportunities to increase the consumption of traditional medicine. The focus of the strategy that must be done is to maximize strength and take advantage of the greatest opportunities.

Alternative Determination of Strategies to Increase Traditional Medicine Consumption in Medan City

The final stage is the determination of alternative strategies for increasing the

consumption of traditional medicine in the city of Medan can be seen based on SWOT analysis that is made based on strategic factors, both internal (weaknesses) and external (threat-opportunities). Based on the swot analysis position matrix, it can be determined the alternative strategy compiled on 4 (four) main strategies, namely Strengths-Opportunities (SO), Weakness-Opportunities (WO), Strengths-Threats (ST), and *Weaknesses-Threats* (WT). The determination of alternative strategies for increasing the consumption of traditional medicine in the city of Medan is presented on the Table 6.

Tabel 6. Alternative Determination of Strategies to Increase Traditional Medicine Consumption

<p style="text-align: center;">IFAS</p> <p style="text-align: center;">EFAS</p>	<p>(Strength)</p> <ol style="list-style-type: none"> 1. The availability of the raw material 2. The availability of appropriate labor 3. The availability of buildings, machines and production equipment of traditional medicine. 4. Process of traditional medicine production 5. Knowledge of business actor 6. Information completeness on packaging 	<p>(Weakness)</p> <ol style="list-style-type: none"> 1. Marketting of traditional medicine 2. The number of variations of traditional medicine
<p>(Opportunity)</p> <ol style="list-style-type: none"> 1. Consumer assessment of the quality of traditional medicine 2. The avability of traditional medicine 3. Consumer trust to traditional medicine 4. The Role of the National Agency of Drug and Food Control (NA-DFC) 5. The dangers of chemical medicine 	<p><u>SO Strategies</u></p> <ol style="list-style-type: none"> 1. Utilizing the availability of raw materials to increase the availability of traditional medicine (S1, O2) 2. Utilizing the availability of labor to increase the availability of traditional medicine (S2, O2) 3. Utilizing standardized traditional medicine production processes to improve quality and increase consumer confidence in traditional medicine (S4, O1, O3) 4. Utilizing the knowledge of business actors to improve the quality of traditional medicine (S5,O1) 	<p><u>WO Strategies</u></p> <ol style="list-style-type: none"> 1. Increase marketing networks to increase the availability of traditional medicine (W1, O2) 2. Increase the number and variety of traditional medicine and utilize the role of BBPOM in its assessment and supervision process (W2, O4).

	5. Utilizing the completeness of information on traditional medicine packaging to increase consumer confidence in traditional medicine (S6, O3)	
(Threats) 1. The accuracy of the consumer using traditional medicine 2. The role of the jamu's entrepreneur association 3. The opinion of consumers about the taste of traditional medicine 4. Consumer income	<u>ST Strategies</u> 1. Optimizing the knowledge of traditional medicine business actors to provide education and counseling to increase consumer awareness in taking traditional medicine in accordance with the rules of use of good and correct traditional medicine (S5, O1) 2. Optimizing the knowledge of traditional medicine business actors and the availability of labor to create product innovations to change consumers' perception of the taste of traditional medicine that is not good (S5, O3)	<u>WT Strategies</u> 1. Improve the marketing network of traditional medicine by optimizing the combined role of herbal medicine entrepreneurs (W1, T2) 2. Increase the number and variety of traditional medicine by optimizing the combined role of herbal medicine entrepreneurs (W2, T2)

Source : Analysis of primary data

Discussion

Evaluation the Strategy to Increase the Consumption of Traditional Medicine in Medan SO Strategies

SO strategies are needed by optimizing some strengths and by taking advantage of the greatest opportunities so that the goal to increase consumption can be achieved. In line with the circulation of traditional medicine products and natural ingredients in the market, there are problems regarding the guarantee of safety and efficacy of the products in circulation.

The problem faced today is the unavailability of standards and methods as instruments for quality evaluation that can provide quality assurance of both safety and efficacy in the field of traditional medicine. While research on factors that affect the benefits and quality of traditional medicine is very limited which ultimately leads to limited data, standards, and methodologies (Depkes, 2007).

The basic requirement to implement this quality and safety assurance system is to apply the Way of Making Good Traditional Medicine to all aspects of traditional medicine activities and production. The production process is one of the key stages where quality control is required to ensure the quality of natural ingredients produced.

WO Strategies

These strategies can be done to increase the consumption of traditional medicine in Medan city by looking at the weaknesses and opportunities that have been. WO strategies need to be done to ensure the availability of traditional medicine by optimizing the traditional medicine marketing network by entering into partnerships with sales freelance so that product marketing can be carried out evenly in the city of Medan. In addition, small businesses of traditional medicine can also increase the number and variety of traditional medicine and demand the role of BBPOM in ensuring safety against the quality of traditional medicine.

ST Strategies

The strategies is carried out to increase the consumption of traditional medicine in Medan city by looking at the power and threats. These strategies are needed by optimizing the role of business actors based on knowledge that has been owned for generations in running a small business of traditional medicine in order to provide education to traditional medicine users about how to use good and correct traditional medicine. This means that business actors are willing to serve traditional medicine users in the city of Medan to improve consumer knowledge how to use traditional medicine.

According to the WHO (World Health Organization) theory cited by Notoatmodjo (2007), one form of health object can be spelled out by knowledge gained from one's own experience. Therefore, these strategies are expected to increase the consumption of traditional medicine in the city of Medan.

WT Strategies

WT strategies are carried out to increase the consumption of traditional medicine in medan city by looking at the weaknesses and threats that are owned. By increasing network marketing in marketing traditional medicine products not only utilizing distributors but such as freelance salesmen, the type of work that is not tied to just one place or company but salesmen can work anywhere for anyone according to their needs.

In addition, business actors can also take advantage of online information technology in marketing traditional medicines. The role of the jamu's entrepreneur association should also be optimized as a forum and a means of exchanging information about problems in the world of herbal medicine, both processing and marketing problems and the development of research efforts.

CONCLUSION

The factors that influence the increase in the consumption of traditional medicines in the city of Medan include internal and external factors. Internal factors consist of the availability of the raw material, the availability of appropriate labor, availability of buildings, machines and production equipment of traditional medicine, process of traditional medicine production, knowledge of business actor and information completeness on packaging, marketing of traditional medicine, and the number of variations of traditional medicine.

While external factors consist of quality of traditional medicine, availability of traditional medicine, consumer confidence in taking traditional medicine, support and role of

National Agency of Drug and Food Control (NA-DFC), dangers of modern medicine, accuracy of the consumer using traditional medicine, role of the jamu's entrepreneur association, opinion of consumers about the taste of traditional medicine, consumer income, accuracy of the consumer using traditional medicine, role of the jamu's entrepreneur association and the opinion of consumers about the taste of traditional medicine and consumer income.

An alternative strategy that can be done is an aggressive strategy by maximizing strengths to take advantage of existing opportunities. In detail, there are 11 alternative strategies that can be done which consist of SO strategies, WO strategies, ST strategies and WT strategies.

RECOMMENDATION

Based on this finding study, we suggest to business actors of traditional medicine to implement product development strategies to increase the consumption of traditional medicines by increasing the number and variety of types of traditional medicines that have good taste, practice and have high efficacy. In addition, business actors should also provide education to consumers about the efficacy and proper use of traditional medicines. Small traditional medicine business actors also need to get increased capabilities and competencies such as training related to traditional medicine products and production.

Jamu's entrepreneur association in Medan can also reactivate the members of the traditional herbal medicine entrepreneurs work together to build a traditional herbal medicine business. it is intended that the traditional herbal medicine business in the city of Medan can be more developed and become a forum for herbal medicine entrepreneurs to receiving information and problems regarding the development of the herbal medicine business.

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