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MARKET DEVELOPMENT BUSINESS STRATEGY OF ECO-FRIENDLY CRAFT FROM PALM OIL STAND WASTE IN ROKAN HILIR, RIAU

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Abstract: *This study aims to produce an analysis of the strategic position of the market development of the palm oil sticks waste craft industry and to determine an analysis of alternative strategies for the development of the palm-oil sticks waste craft market in Rokan Hilir Riau. This research method uses the QSPM (Quantitative Strategic Planning Matrix) method. The results of the QSPM analysis in this study to the formulation of alternative design strategies. Determine what, how, when, where and who runs QSPM. This study indicates that IFAS and EFAS are in the quadrant II position with coordinate values between 2.00 – 2.99. This position indicates that the palm-oil stick waste craft industry in Rokan Hilir Riau is positively strong. However, it faces significant challenges, so it must be managed with a market development strategy. While the results of the QSPM analysis show that the priority of alternative market development strategies is to increase the value of product uniqueness, product added value, knowledge capabilities, and craftsman skills. The industry is advised to increase its tactical strategy variations in demanding challenges. The business challenges are marketing, business network, technological innovation, and capital issues. The improvement of production facilities and infrastructure and increasing knowledge and skills of diversified processing artisans increase the unique value of the product and the added value of the product being more different than competitors. The research implications contribute to determining the market development strategy and theoretical implications related to the market development strategy concept.*

Keywords: *business strategy, market development, QSPM, creative economy, ecofriendly*

Abstrak: Penelitian ini bertujuan untuk menghasilkan analisis posisi strategi pengembangan pasar industri kerajinan limbah lidi kelapa sawit dan untuk menentukan analisa alternatif strategi pengembangan pasar kerajinan limbah lidi kelapa sawit di Rokan Hilir, Riau. Metode penelitian ini menggunakan Metode QSPM (*Quantitative Strategic Planning Matrix*). Hasil analisa QSPM pada penelitian ini menghasilkan rumusan desain alternatif strategi untuk menentukan apa, bagaimana, kapan, dimana serta siapa yang menjalankan QSPM. Hasil penelitian ini menunjukkan IFAS dan EFAS berada pada posisi kuadran II dengan nilai koordinat diantara 2.00 – 2.99 artinya posisi ini menunjukkan industri kerajinan limbah lidi kelapa sawit di Rokan Hilir, Riau positif kuat tapi menghadapi tantangan besar maka harus dikelola dengan strategi pengembangan pasar. Sedangkan hasil analisis QSPM menunjukkan bahwa prioritas alternatif strategi pengembangan pasar pada peningkatan nilai keunikan produk, nilai tambah produk, kemampuan *knowledge* dan ketrampilan pengrajin. Industri disarankan untuk memperbanyak variasi strategi taktisnya dalam menghadapi tantangan berat. Tantangan bisnis terdapat pada masalah pemasaran, jaringan bisnis, inovasi teknologi, dan permodalan. Peningkatan sarana dan prasarana produksi serta peningkatan pengetahuan dan ketrampilan pengrajin diversifikasi pengolahan untuk meningkatkan nilai keunikan produk dan nilai tambah produk lebih berbeda dibanding pesaing. Implikasi penelitian berkontribusi menentukan *market development strategy* dan implikasi teori terkait konsep *market development strategy*.

Kata kunci: strategi bisnis, pengembangan pasar, QSPM, ekonomi kreatif, ramah lingkungan

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INTRODUCTION

Changes in the dynamic business environment lead to remarkably high competition, which requires business actors to act creatively and innovatively. Especially for the palm oil stick woven handicraft industry still needs alternative market development strategies to continue to grow and is ready to face tough challenges. One of Indonesia's largest palm oil-producing areas is Rokan Hilir, Riau. Where this area has an abundance of sources of palm oil stick waste as raw material for eco-friendly woven crafts. Riau Province is one of the provinces with the most extensive oil palm plantations reaching 4.02 million ha and produces the largest only product commodity from oil palm plantations and their derivative products in Indonesia. Commodities from oil palm plantations in the era of free trade became one of the leading commodities in Indonesia, which contributed quite a lot to the country's foreign exchange. Data from the Pekanbaru Agricultural Quarantine Service in 2020 shows that the export performance of palm oil and its derivative products in the global market has increased by 150% from the previous year's target achievement, which reached 1,283,251 tons, equivalent to a value of Rp 6.7 trillion. Riau Province has six districts that dominate the growth of the largest oil palm plantations, namely Rokan Hilir, Rokan Hulu, Kampar, Bengkalis, Indragiri Hulu and Indragiri Hilir.

Rokan Hilir, one of the regencies that dominate the growth of oil palm plantations in Riau Province, is in a geostrategic position directly opposite the Melaka Strait. Based on its geo-economic position, Rokan Hilir has the opportunity to develop regional economies for economic progress and the welfare of local communities. Rokan Hilir Regency, the capital city, is Bagansiapiapi, divided into 18 sub-districts, 25 sub-districts, and 173 villages. The growth of oil palm plantations with a high volume of production has made Rokan Hilir an area that produces superior palm oil products and gives birth to the potential for the development of the downstream oil palm industry with its derivative products. This potential has an impact on the amount of palm oil waste that has not been processed optimally. Economic development can pose a threat if economic growth ignores environmental conditions. Utilization of palm oil waste so far for solid waste and liquid waste. Briquettes, biogas, paper pulp raw materials utilize palm oil solid waste, and the liquid waste is used for fertilizer. Meanwhile, palm oil stick waste is still not optimally utilized as an innovative,

superior product with high economic value. So that the utilization of palm oil stick waste is not only to achieve profit-oriented, this is also an effort to care about saving the environment from unproductive waste.

Palm oil sticks waste in Rokan Hilir Regency, which has high economic potential so far, is still used, for example, only used as stick brooms and simple woven plates, and many are left up less productively. Meanwhile, palm oil sticks can be used as raw materials to make various creative handicraft products that have high economic to improve the community's welfare (Irianti et al. 2018; Adrian et al. 2021). However, the people of Rokan Hilir around the plantations have begun to look at potential opportunities to export palm oil stick waste. So that the waste of palm oil sticks is used as a broomstick and becomes an export commodity to several neighboring countries such as Pakistan and India with a selling price of around Rp. 2,000 per kilogram at the collector.

This condition has not provided optimal benefits as a potential export commodity of higher economic value and functional and aesthetic value. Palm sticks waste is more negligible in size and has a more robust texture than coconut sticks, and is greener in color than coconut sticks which are dark brown. So that the palm oil sticks, when woven, will produce a smoother texture. Unfortunately, the unique potential of this palm oil stick is still not optimally developed by creative craft small and medium industry craftsmen in Rokan Hilir Regency, Riau Province. Meanwhile, the great potential of this palm oil stick waste can be utilized to become a great potential for leading cultural-based regional businesses in the international market. The attractiveness of regional products based on local culture is in higher demand in the international market.

However, this does not mean that the potential opportunities for the domestic market are closed. Efforts to develop more attractive products with different added value than competitors are essential so that consumer preferences for processed handicraft products from palm oil stick waste are high (Setyawati et al. 2019; Setyawati et al. 2020). The availability of raw materials for palm oil stick waste is easy to obtain in Rokan Hilir, but it has not been optimized. However, this has been used as a creative economy product for some small and medium industry artisans in Rokan Hilir. Artisans of palm oil sticks from Rumah Tamadun, Rokan Hilir, and Riau Province have processed them into woven crafts such as tissue boxes, table cloths, and woven bags. At

the beginning of its development, the local government supported Rumah Tamadun by participating in handcraft training. Competitiveness can be done by increasing the strengths of existing opportunities and making weaknesses a concern in facing business challenges so that the right competitive strategy can be formulated. Effective and efficient resource management is adjusted to the activities of the company's functions so that the company's performance will provide added value that competitors cannot do (Indris & Primiana, 2015; Ariani & Utomo, 2017).

The problem is that there is still a limited number of workers who have the knowledge and skills of weaving. Weaving is a job that requires perseverance and patience with special techniques that must be learned. This palm oil stick woven craft product provides unique value because it comes from eco-friendly products with a touch of local culture. In addition, it also provides added value to the benefits of products that are different from competitors. These handcraft products are not only used as everyday items such as plates, bags, and accessories but also provide value for the benefits of loving the environment by using eco-friendly products. Limited capital is also a problem for developing production technology because this craft requires supporting technology infrastructure facilities to increase industrial productivity. Due to limited marketing distribution channels and networking, broad global market opportunities have not been optimally reached. Meanwhile, the market potential in foreign countries is enormous, considering that this product provides a unique value based on a robust local culture to target the global market with consumer segmentation that loves eco-friendly ethnic products.

However, based on previous research, it is stated that highly competitive SMEs can be seen from the ability of reliable human resources (HR) and mastery of knowledge and skills that are not quickly owned by competitors (Astuti & Kusumawijaya, 2013; Widodo, 2015; Indris & Primiana, 2015). In another view, Irianti (2007) states that an integrated innovation value chain model for sustainable competitive advantage can improve business competitiveness. However, the latest research results are stated by Aghashahi et al. (2020) that prioritizing a company's knowledge management process strategy is essential to formulate so that knowledge sharing activities can be carried out to achieve business competitiveness.

Previous research has not focused on business market development strategies seen from the potential opportunities and challenges. Analysis of the internal and external environment to increase the competitiveness of IKM palm oil sticks because they are still limited to discussing the use of palm oil sticks waste in general (Gamasih, 2020; Adrian et al. 2021). Therefore, this research is urgently carried out in order to produce an analysis of alternative strategies. This research aims to analyze the strategic position of the market development and determine an analysis of alternative strategies for the development of the palm-oil sticks waste craft market in Rokan Hilir Riau. SWOT analysis and QSPM method is used to solve research problems and identify a position of industry whose will be used for strategy formulation. Furthermore, other strategies can be formulated to develop the industry of woven palm oil stick waste.

METHODS

This research method systematically uses the Quantitative Strategy Planning Matrix (QSPM), a derivative of SWOT analysis, to solve the research problem and identify a position of internal and external environmental factors whose results will be used in strategy formulation. QSPM results are used in the formulation of alternative design strategies. Determine what, how, when, where and who runs QSPM. The basic logic in this SWOT analysis technique looks at strengths and opportunities (opportunities) and also looks at weaknesses (weaknesses) and threats (threats) (Rangkuti, 2013). The research location at Ecocraft Industry Rumah Tamadun Rokan Hilir, Riau, was carried out for 6 months starting from July - December 2021.

Questionnaires and interviews were conducted for primary data for research analysis conducted on one person from the Rumah Tamadun business actor and one person from the development department at the Rokan Hilir Industry and Trade Office, Riau Province. Other data sources were obtained through observation, interviews, and documentation from books and journals literature. Respondents were determined by using purposive sampling technique. Determination of respondents based on certain considerations that are considered the most knowledgeable and relevant to the object of research, namely the Tamadun House entrepreneur, the government of the industrial office.

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Based on the research problem, the framework of this research is in accordance with Figure 1.

This research framework is motivated by the issue of competitive global market competition, which requires business actors to carry out the right strategy. It is essential to analyze the company's internal and external environmental factors to find out the factors of strength, weakness, opportunity, and threat. The results of this analysis are to determine the company's position in the face of competition. Next, it is necessary to determine the most critical factors affecting the strategy to be carried out. It is helpful as a guide for companies in formulating alternative strategies.

RESULTS

Rumah Tamadun is a industry center for various creative economy crafts established in 2017 centered in Bagansiapiapi, Bangko District, Rokan Hilir Regency, Riau Province. Rumah Tamadun is one of the Small and Medium Industries, under the Department of Industry and Trade, Rokan Hilir Regency, Riau Province. Rumah Tamadun has received training and support from the local government, which significantly helps it develop handicraft products with the nuances of local wisdom. The first handicraft product is "Tanjak" as a characteristic of Riau Malay products. The Tanjak produced by Rumah Tamadun is the first in Rokan Hilir through *The Bertanjak Spiritual Culture Movement* since 2017.

The development of Rumah Tamadun's business can be seen from the increasing variety of various creative economy craft products it has produced to dates, such as woven bags, wallets, tissue boxes, and various other souvenirs. The product utilizes palm oil stick waste in Rokan Hilir Regency, which has been successfully processed into various creative economy craft products by Rumah Tamadun. This palm oil stick waste gave birth to a new industrial potential for the community and being profit-oriented and an effort to care about saving the natural environment from unproductive environmental waste (Irianti et al. 2018). Previously, palm oil stick waste was only used, while the economic potential of this palm oil stick waste was very high, but it had not been utilized optimally. For example, it was generally only used as broomsticks and simple woven plates, and many were left unproductive.

The potential of this palm oil stick waste is helpful as a raw material for the manufacture of various creative handicraft products with high economic value to improve people's welfare (Chen, 2007; Widodo & Shahab, 2015; Irianti et al. 2018; Adrian et al. 2021). The following are the results of the internal environment matrix for Rumah Tamadun, which can be seen in Table 1.

Rumah Tamadun's creative journey to produce eco-green products from palm oil stick waste has succeeded in achieving. Rumah Tamadun won 1st Winner of the Adikriya Governor's Cup in Riau in 2029 by the Riau Provincial Industry Office, Won the Shiddakarya Award in 2020 Riau Province, Riau Province Representative Exhibition to Melaka 2019 GCF Activities, Kuala Mud Business Matching 2019. This Tamadun Housecraft product gets high preference from global market consumers because its products are eco-friendly, environmentally friendly, and have traditional authentic values. It can be seen from Rumah Tamadun to penetrate national and international markets such as Jakarta and export to Macau and Malaysia.

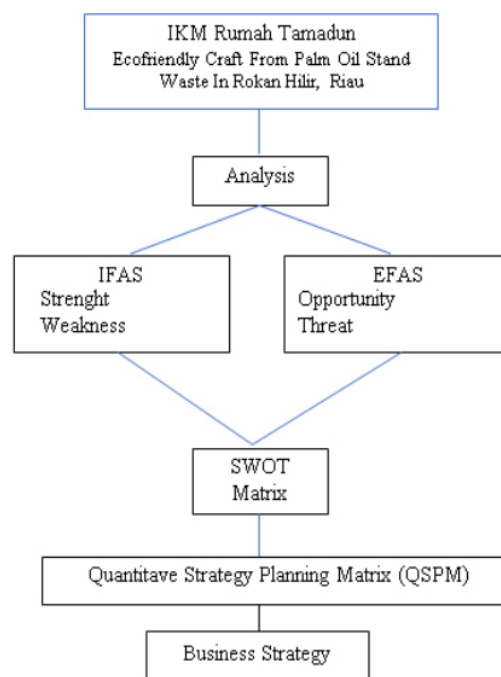


Figure 1. Research framework

Table 1. IFAS (Internal Factor Analysis Strategy)

Internal Factor	Total	Weight	Rating	Weight X Rating
Strenght				
Knowledge and Skills	3	0.111	3	0.333
Product Diversification	3	0.111	3	0.333
Product Unique Value	4	0.148	4	0.592
Value Added Products	4	0.148	4	0.592
Company reputation	3	0.111	3	0.333
Total Strenght	17	0.63		2.183
Weakness				
Capital	2	0.074	2	0.148
Production Facilities & Infrastructure	2	0.074	2	0.148
Lack of a workforce that suits business needs	2	0.074	2	0.148
Marketing Distribution Network & Partnership	2	0.074	2	0.148
Lack of Information Systems Management & Technology (Operations, Finance & Marketing)	2	0.074	2	0.148
Total Weakness	10	0.37		0.74
Total Internal Factor	27	1		2.923

The raw material for palm oil stick waste is obtained from own plantations and oil palm farmers in Rokan Hilir Regency. Production of woven bags of palm oil sticks waste per month is between 100,000 – 300,000 pieces, plates of palm oil sticks are 5,000 – 9,000 pieces, and tissue boxes are 50,000 – 100,000 pieces. So far, Rumah Tamadun uses production equipment for cleaning or sharpening simple palm oil sticks. Rumah Tamadun also empowers the surrounding community who have oil palm sticks. Own sewing machine is used to sew woven sticks but does not yet have a leather sewing machine. As for the weaving process for the raw material of palm oil sticks, Rumah Tamadun has not done it themselves because they do not have Non-Machine Weaving Equipment (ATBM). ATBM used is still manual and straightforward. The raw materials that have been woven for Rumah Tamadun craft products are obtained from partners who already have ATBM. The following process is carried out by Rumah Tamadun as a refinement process, such as designing, cutting patterns, and tidying up parts of sticks. are not used to look neat until the raw materials are ready-used to manufacture various products palm oil sticks.

Rumah Tamadun can be a new industrial business to absorb many job opportunities and improve community welfare and local revenue. So it is essential to be a priority to continue to strive for further development. However, along the way, there are several obstacles faced by Rumah Tamadun related to limited resources. The government's attention and support have been given, but it is still not optimal in providing technical training guidance, guidance

and supervision, and capital participation assistance. It will certainly further enhance Rumah Tamadun's business development as one of the industry that produces superior regional products to be more advanced.

Table 1 and Table 2, The Internal and External Analysis matrix shows (Figure 2) that the position of the Palm Oil Stick Waste Handicraft Industry in Rokan Hilir, Riau, is in Quadrant II (Grow and Development) with a score range between 2.00 - 2.99, which has internal capabilities of medium and moderate external. Organizations that fall into this quadran should be managed with a market development strategy.

Some of the obstacles faced by Rumah Tamadun in developing its business are not yet optimal technological intervention for the production process of processing raw material for palm oil stick waste to provide added value to products for handcrafted products of woven palm oil sticks. Rumah Tamadun, the availability of facilities and infrastructure, simple business machines, The number is limited and does not have a stick weaving machine either ATBM is a challenge in efforts to develop its business in the future. Meanwhile, the ATBM machine innovation strategy with automatic movement using a Programmable Logic Controller (PLC) can help product production become more effective and efficient. Limited conditions in terms of facilities and infrastructure will make it difficult if consumer demand increases . It is feared that Rumah Tamadun cannot provide it because the machine tools are still not optimal.

Table 2. EFAS (External Factor Analysis Strategy)

Eksternal Factor	Total	Weight	Rating	Weight X Rating
Opportunities				
Government's Attention to Business Development in terms of Guidance	3	0.096	3	0.288
Ecofriendly Products Interested in International Markets	4	0.129	3	0.387
Good Relationship With Customers	4	0.129	3	0.387
Cheap Raw Material Prices	4	0.129	4	0.516
Safe investment environment	3	0.096	3	0.288
Total Opportunities	17	0.59		1.866
Threats				
Lack of Technical Guidance and Government Supervision	3	0.096	3	0.288
Global competition	2	0.064	2	0.128
Technological development	3	0.096	2	0.128
Lifestyle Behavior of Local Consumers	3	0.096	3	0.288
Small business financing regulations	2	0.064	2	0.128
Total Threats	16	0.41		0.96
Total Eksternal Factor	33	1		2.826

3		
Strong (3.0-4.0)	Medium (2.00-2.99)	Low (1.00-1.99)
I Grow and Develop	II Grow and Develop	III Take care and maintain
IV Grow and Develop	V Take care and maintain	VI Sell and Divest
VII Take care and maintain	VIII Sell and Divest	IX Sell and Divest

Figure 2. Matrix IFE/EFE (Rangkuti, 2013)

The next obstacle is the lack of skilled workers for palm oil stick waste. The efforts to regenerate knowledge-sharing knowledge and skills in producing handicrafts are not yet optimal. As a result, if a worker stops working for one reason, it will result in reduced knowledge and skills of the company. While Knowledge sharing is an effort to encourage the ability of human resources in terms of innovation and can then find creative business ideas (Irianti et al. 2018; Sabri & Odeh, 2019; Kehek et al. 2022) this is very important for Rumah Tamadun partners in developing their business (Indris & Primiana, 2019; Sabri & Odeh, 2019). The understanding of knowledge management in small industries has not been optimal.

Meanwhile, knowledge management can be applied to large companies because, in small industries, the impact of centralized decision-making and fewer management levels will be more profitable. Because the decision-making process is faster than large companies. It is essential to do so that knowledge of human resources, the workforce is not lost so that jobs requiring special knowledge and skills are maintained well (Astuti &

Kusumawijaya, 2013; Widjajanti & Widodo, 2016; Siswanto et al. 2019).

Management of business information systems and technology that is still simple is also still a problem for Rumah Tamadun partners to be further improved because it can improve business competitiveness and marketing performance (Gamasih, 2016; Indriyaningrum & Fachrunnisa, 2021). This condition has not provided optimal benefits as a potential export commodity of higher economic, functional, and aesthetic value. Palm sticks waste is more negligible in size and has a more substantial texture than coconut sticks, and is greener in color than coconut sticks which are dark brown. Furthermore, when woven, the palm oil sticks will produce a smoother texture. Unfortunately, the unique potential of this palm oil stick is still not optimally developed by creative craft craftsmen in Rokan Hilir Regency, Riau Province. Meanwhile, according to research by Yudana et al. (2017), the uniqueness of local culture can provide different added value compared to competitors to be more competitive.

The great potential of this palm oil stick waste can be utilized to become a great potential for leading eco-friendly, culture-based businesses in the international market. The attractiveness of regional products based on local culture is in higher demand in the international market (Mardatillah, 2021). However, this does not mean that the potential opportunities for the domestic market are closed. The development of international market reach such as Europe, America, the Middle East, and so on can be done as a marketing strategy step. Furthermore, efforts to develop more attractive products with different added values than competitors are essential so that consumer preferences for processed

handicraft products from palm oil stick waste are high (Setyawati et al. 2019; Setyawati et al. 2020).

The matrix results show (Table 3) that the market development strategy number is higher than the forward integration strategy. Furthermore, its priority show market development strategy can increase competitiveness. The indicator of the strength of the value of the uniqueness of the product, the added value provided by the product is different from competitors, and the knowledge and skills of the artisans are the attractiveness of the highest determining factors that impact the chosen strategy.

Table 3. Quantitative Strategic Planning Matrix (QSPM)

Key Internal Strategy	Weight	Forward Integration Strategy		Market Development Strategy	
		AS	TAS	AS	TAS
Strengths					
Knowledge and Skills	0.111	4	0.444	4	0.444
Product Diversification	0.111	3	0.333	3	0.333
Product Unique Value	0.148	4	0.592	4	0.592
Value Added Products	0.148	3	0.444	4	0.592
Company reputation	0.111	3	0.333	3	0.333
Weakness					
Capital	0.074	2	0.148	3	0.225
Production Facilities & Infrastructure	0.074	3	0.225	4	0.296
Workforce that suits business needs	0.074	3	0.225	4	0.296
Marketing Distribution Network & Partnership	0.074	4	0.296	4	0.296
Lack of Information Systems Management & Technology (Operations, Finance & Marketing)	0.074	3	0.225	3	0.225
	1.00		3.265		3.632
Key External Strategy	Weight	Forward Integration Strategy		Market Development Strategy	
		AS	TAS	AS	TAS
Opportunities					
Government's Attention to Business Development in terms of Guidance	0.096	3	0.288	3	0.288
Ecofriendly Products Interested in International Markets	0.129	3	0.387	4	0.516
Good Relationship With Customers	0.129	4	0.516	4	0.516
Cheap Raw Material Prices	0.129	3	0.387	4	0.516
Safe investment environment	0.096	3	0.288	3	0.288
Threats					
Technical Guidance and Government Supervision	0.096	3	0.288	3	0.288
Global competition	0.064	3	0.192	3	0.192
Technological development	0.096	3	0.299	4	0.384
Lifestyle Behavior of Local Consumers	0.096	2	0.192	3	0.288
Small business financing regulations	0.064	2	0.128	3	0.192
	1.00		3.44		3.756
Total			6.705		7,388

Based on the results of SWOT and QSPM, this research shows that business actors must have strengths that are used as strategies and take advantage of opportunities and continue to explore the right opportunities simultaneously to avoid weaknesses and threats. Factors that provide support as industry guidelines in developing and changing the QSPM results with the highest number in product unique value, value added products, knowledge and skill. This is in line with Yudana et al. (2017); Siswanto et al. (2019). Products with special uniqueness from local culture can provide different added value from competitors so that the strategies undertaken can focus more on prioritizing this. Practical innovation is carried out if the workforce has good knowledge and skills to make it easier to produce innovative products. Alternative strategi in Table 4.

Managerial Implication

The implication of this research is to contribute to the Rumah Tamadun Industry in implementing alternative business strategies for market development strategies. Providing guidelines for the industry in continuously improving related to the most powerful influencing factors such as unique value products, value-added products, knowledge, and skills. This study provides implications for strengthening the theory related to the concept of market development strategy. The power factor of knowledge sharing and knowledge provides positive support for companies to produce unique product innovations and have different added values than competitors.

Table 4. Alternatif strategi

Strategy SO (Support Growth)	Strategy ST (Diversifikasi)	Strategy WO (Strategy Turn-Around)	Strategy WT (Strategy Defensif)
Improving Growth Product Quality (quality of raw materials, design, uniqueness).	Improve technologically advanced and efficient production equipment,	Provide training for employees.	Following economic conditions, culture, consumer lifestyle, regulations, as the basis for formulating plans for business development
Improving Growth the Quality of Human Resources (Craftsmen).	Innovating culture-based products by prioritizing originality	Improving marketing network infrastructure and information system technology	Maintain stabilization of the availability of raw materials, marketing, labor to government regulations
Establish a competitive pricing strategy	Improve communication with all stakeholders	Increase equity participation with funding from government assistance and financial institutions	Studying and making patent licenses for business protection.
Increase creative promotion by expanding the reach of marketing distribution partnership network (European market etc.)	Using the power of a good company reputation caring for the environment as a brand image	Active in regional creative craft entrepreneur associations	Improve internal financial management to make it easier to get funding.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

This study uses a QSPM Methods which derivative of SWOT analysis technique to conclude that there are opportunities and challenges in analyzing the internal and external environment of the palm oil stick craft industry Rumah Tamadun in Rokan Hilir Regency, Riau Province. Based on the results of IE, it is known that the palm oil stick waste weaved industry at Rumah Tamadun is in quadrant II (Positive Strength) but faces serious challenges. QSPM analysis result shown priority of a market development strategy needs are done. The business growth as a market development strategy is carried out by utilizing all the potential strengths of the business by improving product quality in terms of the quality of raw materials, designs, and uniqueness to provide added value that is different and different from competitors. It is necessary to improve the quality of human resources, such as providing skills training, setting competitive prices and increasing creative promotions, expanding partnership networks, and international marketing as a development growth strategy. Constraints from weaknesses consist of limited working capital, limited production facilities & infrastructure, lack of human resources that suits business needs, limited marketing partnerships & distribution networks, and lack of information systems and technology management. Constraints that arise in business development can use a WO strategy where this is done by taking advantage of existing opportunities and minimizing weaknesses.

Furthermore, the WT strategy is carried out with a priority focus on future planning conditions, referring to economic conditions, culture, lifestyle, and government regulations for planning future business development. The implication of this research is to contribute to the Rumah Tamadun Industry in implementing alternative business strategies for market development strategies. Providing guidelines for the industry in continuously improving related to the most powerful influencing factors such as unique value products, value-added products, knowledge, and skills. This study provides implications for strengthening the theory related to the concept of market development strategy. The power factor of knowledge sharing and knowledge provides positive support for companies to produce unique product innovations and have different added values than competitors.

Recommendations

This research only focuses on analyzing the industry's internal and external environment to see the industry's position and the formulation of alternative market development strategies. Further researchers can see the relationship of other factors that influence the market development strategy, such as innovation and financial variables. This research also suggests that the Rumah Tamadun industry focuses on market development strategy by increasing the ability sharing knowledge so that the quality of product innovation is higher. The product has unique value and provides different added value than competitors.

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