



Analysis of the Sustainability of the Charcoal Business in Firdaus Village, Bilah Hulu District, Labuhan Batu Regency

Yeni Marlina Harahap^{1*}, Yusrizal², Budi Dharma³

^{1,2,3} Universitas Islam Negeri Sumatera Utara, Medan

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ABSTRACT

This research investigates strategies for the sustainability of the wood charcoal business in Firdaus Village, Bilah Hulu District, Labuhan Batu Regency. The primary objective is to identify strengths and opportunities within the charcoal industry and develop actionable strategies for entrepreneurs to enhance business sustainability. Employing a qualitative research methodology, the study utilizes purposive sampling to gather data from charcoal business owners, sellers, and consumers with significant industry experience. Data collection was conducted through in-depth interviews and direct observations over a six-month period. The findings reveal that the charcoal business is positioned in a profitable quadrant, indicating opportunities for growth through innovation in product development and marketing strategies. Key results suggest that maintaining high-quality production, diversifying products, and optimizing packaging can significantly enhance market competitiveness. Based on these findings, policy recommendations include fostering collaboration among local entrepreneurs, providing training on innovative practices, and promoting the use of charcoal ash as a fertilizer to expand product offerings. However, the research is limited by its focus on a single village, which may not fully represent broader industry dynamics. Future studies should consider expanding the sample size and geographic scope to validate findings and enhance the generalizability of results. This research contributes to the understanding of sustainable practices in the charcoal industry and offers practical insights for entrepreneurs seeking to improve their business operations

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Author correspondence:
E-mail: yeniharahap30@gmail.com

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INTRODUCTION

In the current era, entrepreneurs must be able to compete in various ways, from creating high-quality products to managing their own capital and human resources as efficiently as possible. Entrepreneurs employ a variety of tactics to generate profits in the short term and achieve long-term business viability. The business sector known as Micro, Small and Medium Enterprises (MSMEs) is one sector that is able to compete with other business industry sectors and continues to grow every year. MSMEs have the potential to have a significant impact on the nation's economic growth, fighting poverty, and resolving the problem of unemployment (Widiastuti, 2019).

The number of Micro, Small and Medium Enterprises (MSMEs) in Indonesia increases every year with an increase in labor absorption reaching 96.92% in the same period (Pranata et al., 2023). The significant increase in the number of MSMEs from year to year shows that the MSME sector has considerable potential for development. One of the MSME sectors that is developing rapidly and has the potential to be developed in Indonesia, including in Labuhan Batu Regency in particular, is the MSME charcoal industry. Charcoal is a product derived from rubber wood which is used for wood charcoal businesses in Labuhan Batu Regency which is divided into 9 sub-districts and 75 villages, one of which is Firdaus Village which has a wood charcoal business. This can be seen from data on the area of rubber plantations in Labuhan Batu Regency reaching 22,141 hectares. This is what makes the wood charcoal business sustainable and continues to develop. This wood charcoal management business started in the 1990s and was supported by farmers who wanted to cut down old (unproductive) rubber trees or farmers who wanted to replace rubber trees because they wanted to plant oil palm trees which had a better price

than the price of rubber latex. This treatment means that the main income of the residents of Firdaus Village, some villages, depend on this wood charcoal management business. Local people increase their family income through this business. Until now, the wood charcoal business continues to grow every year so that there is a lot of market demand. Most of the high demand for charcoal can be seen from the various Micro, Small and Medium Enterprises (MSMEs) in Labuhan Batu Regency which require wood charcoal as fuel, such as uduk rice stalls, grilled meatball sellers, coffee shops and various other MSMEs.

However, from this, the limitation of this charcoal business is that it is still produced on a micro scale, so far the average production of this charcoal business produces around sixty-four thousand plastic packages and four hundred thirty kg sacks every month. This growth certainly requires several production factors for the sustainability of this business. Because there continues to be an increase in the wood charcoal business in Firdaus Village. However, there is a problem faced by this charcoal business in meeting production needs, namely that production still takes a month, which makes the production process still small scale. According to charcoal entrepreneurs, the problem of expensive raw material prices is making charcoal production a little slow. The emergence of various competitions with other businesses that prioritize quality and quantity as well as unstable market price competition in business brings its own problems to the sustainability of the charcoal business in Firdaus Village.

Because price is something that Potential consumers really consider when buying an item, various external and internal factors have an impact on their desire to buy that product (Pranata et al., 2023), so that consumers make efforts to make decisions about the products they will buy and consume (Pranata et al., 2023).

To face a business environment full of uncertainty, various strategies need to be developed to improve business. There are several strategies, the first of which is a concentrated growth strategy, that is, a business may decide to focus only on expanding into one product category or market niche. This shows that the business is not too focused on overall growth. The goal of a concentrated growth strategy is to improve business performance. This is possible due to the following factors: effectiveness of advertising and promotions, customer price sensitivity, understanding of buyer behavior and the ability to evaluate market needs. A business can effectively implement a concentrated growth strategy if it is supported by the acquisition of knowledge and capabilities necessary to succeed in the market (Muntamah & Mulyanti, 2023).

In addition, the market expansion strategy means that businesses can market used or modified products to consumers in adjacent market areas as part of a market expansion strategy. This can be achieved by using additional distribution channels or changing advertising and promotional content. This tactic is used when a good, affordable and easily accessible distribution network is available. Moreover, this tactic is also effective when the business can produce more than required or the business is currently doing its job very well. This strategy is also relevant when new markets emerge or existing markets are not yet fully filled (Yusrizal & Lubis, 2020).

Then the Product Development Strategy is that Businesspeople often implement product development strategies to increase the lifespan of their current products, take advantage of their well-known brands, or both. Innovating can help improve efficiency, quality and product diversification, as well as expand the market and add value to a product or service. However, implementation of innovation still

faces challenges such as lack of access to capital and skilled human resources, as well as unsupportive regulations (Aji et al., 2023).

Operational management theory plays an important role in the analysis of the sustainability of charcoal businesses in Firdaus Village, Bilah Hulu District, Labuhan Batu Regency. Operational management helps entrepreneurs optimize the production process, from raw material procurement to final product distribution. By implementing efficient management practices, entrepreneurs can reduce production costs, improve product quality, and ensure the sustainability of business operations (Pranata et al., 2023). In addition, operational management can include effective human resource management, where skills and training for workers are crucial aspects in maintaining productivity. Furthermore, business development strategies are a factor in expanding the charcoal market. Entrepreneurs need to formulate the right strategy to attract more customers, such as product diversification or improving after-sales services. In the context of charcoal, innovation in products, such as more environmentally friendly charcoal or attractive packaging, can increase consumer appeal. In addition, collaboration with other parties, such as local communities or government agencies, can open up new opportunities for business development and access to a wider market. Business sustainability is an equally important aspect in this context (Rahmat Faris Hidayatullah, Suryati, 2024). Charcoal entrepreneurs need to consider environmental, social, and economic factors to ensure long-term business sustainability. Implementing sustainable business practices, such as responsible forest management and supporting the welfare of local communities, can improve the company's image and attract customers who care about sustainability issues.

Various previous studies have dis-

cussed small-scale businesses in Indonesia, especially in the charcoal production sector. (Nurhayati & Adalina, 2020) show that charcoal production from sawmill waste is technically and financially feasible, with a payback period of 32.9 months and a benefit-cost ratio of 1.08. Research by (Abidin et al., 2020) in Ranggung Luar Village found that 98 people operated 478 charcoal kilns, with an average yield of 20.3%. Meanwhile, (Yuliana et al., 2022) uses the Sustainable Livelihood Framework to analyze informal crimes such as bean sprout production, taking into account economic, institutional and environmental factors. Another research by (Widiastuti, 2019) revealed that increasing knowledge, skills and capabilities of human resources has a significant effect on the sustainability of SMEs such as batik production in Banyumas, with a contribution of 48.2%. Strategies such as knowledge transfer, technology implementation, mentoring, and regular training have been proven to increase business churn. (Syafirah, 2020) added that developing charcoal products using local raw materials and business experience can improve product quality and market demand. (Reza et al., 2020) shows that maintaining market opportunities with affordable product prices is an important strategy in charcoal business. In rural areas such as Labuhan batu and South Kalimantan, the charcoal business plays an important role in people's livelihoods (Januariyansah et al., 2021). (Fitriana & Febrina, 2021) assess palm oil agribusiness in Labuhan batu as "fairly sustainable", while (Gusti et al., 2023) highlights fluctuations in charcoal production which are influenced by market demand and government regulations. The charcoal industry has grown from a small scale to a larger operation with international connections, despite environmental challenges. Introduced charcoal production from coconut shells as a solution to overcome poverty and unemployment in Jampang Village, Bogor. How-

ever, in Campang Raya, Bandar Lampung, coconut shell charcoal production faces challenges such as lack of capital, labor and motivation. However, (Tohirin et al., 2020) emphasize that growth potential still exists through product diversification and market expansion, with prices varying between local and external markets. (Harbi et al., 2023) also confirms the technical and financial feasibility of a charcoal briquette business made from areca nut and coconut shell waste. (Rahmat Faris Hidayatullah, Suryati, 2024) found that training in making coconut shell charcoal using a furnace with a condensation system can increase the effectiveness of partners' production processes, making it safer, usable when it rains, and able to process pollution smoke into liquid smoke. This tool is an important reference for coconut shell managers in charcoal production. Research by (Nurhayati & Adalina, 2020) shows that activated charcoal production from sawmill industry waste is commercially viable, with a return on investment of 35.8 months and a maximum interest rate of 13%. Apart from that, the use of wood vinegar in rice cultivation provides greater profits for farmers, up to IDR 9,980,500 per hectare compared to without wood vinegar. And in research by (Fitriana & Febrina, 2021) entitled Analysis of the Potential of Bio-Charcoal Briquettes as a Renewable Energy Source, it shows that the potential for developing bio-charcoal briquette products from biomass as an alternative energy source is strong and has opportunities. The advantages of biocharcoal briquettes are that they are renewable, cheap raw materials, environmentally friendly, easy to pack, clean in the production process and efficient in transportation.

Different from previous studies, this study focuses on the sustainability of the charcoal business in Firdaus Village, Bilah Hulu District, Labuhan Batu Regency, with a specific local context. This study will use a qualitative approach through in-depth in-

interviews and SWOT analysis, thus providing deeper insight into the experiences and views of local business actors, in addition this study emphasizes sustainability strategies specific to the charcoal business, including product development and diversification, as well as utilizing local strengths and opportunities. In its renewal, this study uses SWOT in the context of the charcoal business in Firdaus Village to provide a systematic framework for identifying the strengths, weaknesses, opportunities, and threats faced by this industry and emphasizes the importance of product diversification and innovative development in the charcoal business, including the potential utilization of charcoal waste. Therefore, this study aims to construct a strategy that can be used by charcoal entrepreneurs to improve their business and better understand the charcoal business in Firdaus Village, by identifying strengths, weaknesses, challenges and opportunities for the sustainability of the charcoal business through SWOT analysis.

METHODOLOGY

The method used in this study is qualitative research that aims to gain an in-depth understanding of the sustainability strategy of charcoal businesses in Firdaus Village, Bilah Hulu District. This study uses a qualitative descriptive approach with a primary data collection method through direct observation and semi-structured interviews with business owners, sellers, and consumers of charcoal. Sample selection was carried out using a purposive sampling technique, where samples were selected based on certain criteria (Marliyah et al., 2023). The purposive sampling technique was chosen to ensure the relevance of the information obtained, because only respondents who met the criteria were selected. The criteria used were charcoal business owners who had at least 10 years of experience, sellers who store and distribute charcoal to consumers, and

consumers who routinely make purchases every week or month.

The data analysis used in this study is qualitative descriptive analysis by applying SWOT analysis. The stages in SWOT analysis begin by identifying internal and external factors that affect business sustainability. SWOT analysis consists of four main components: Strengths, Weaknesses, Opportunities, and Threats. Initially, researchers collected data from interviews and observations to identify the internal strengths and weaknesses of the charcoal business, such as the experience of the business owner, product quality, and business management. Furthermore, external factors in the form of opportunities and threats were analyzed, including market changes, government regulations, and the existence of competitors or substitute products. From the results of this identification, researchers continued by mapping the strengths and opportunities to formulate the right strategy.

Next, a SWOT matrix was created to determine the position of the charcoal business in the SWOT quadrant, namely whether it is in an aggressive, defensive, turn-around, or diversified position. The results of this SWOT analysis are used as a basis for developing a more appropriate strategy to increase the sustainability and demand for the charcoal business in Firdaus Village. In addition, descriptive statistics related to respondents were used to describe their basic characteristics and provide a general understanding of their profiles. Respondents consisted of 10 business owners, 5 sellers, and 10 consumers located in Firdaus Village, where charcoal is one of the main livelihoods of the community. The length of experience of the respondents in the charcoal business was also one of the focuses of the analysis, where their experience was grouped by the number of years, such as less than 5 years, 5-10 years, and more than 10 years. For consumers, charcoal

purchase frequency data was analyzed to find out how often they buy charcoal in a week or month, which can provide insight into consumption patterns. In addition, for business owners, the proportion of income from the charcoal business compared to other sources of income was also analyzed to understand how much they depended on this business.

In this context, Internal Factor Evaluation (IFE) and External Factor Evaluation (EFE) are also used to evaluate internal and external factors that affect business sustainability. IFE analyzes internal strengths and weaknesses, while EFE identifies external opportunities and threats. Each factor in IFE and EFE is weighted based on its level of importance to the business. The weighting method is carried out using a scale of 1 to 4, where 1 indicates that the factor has a low impact and 4 indicates a very significant impact. Weight is given to each factor based on its contribution or influence on business sustainability. After weighting is done, the score is multiplied by the rating to determine the weighted score of each factor. The total IFE and EFE scores are then calculated to identify the strategic position of the business in the SWOT matrix. The results of this matrix will be used to determine whether the charcoal business in Firdaus Village is in an aggressive, defensive, turn-around, or diversified condition, and will be the basis for entrepreneurs to formulate the most appropriate sustainability strategy.

RESULTS AND DISCUSSION

This research involved in-depth interviews with several charcoal business owners, namely Mr. Ilham, Mr. Roslim, and Mr. Basan. Mr. Ilham, who started his business in 1998, has extensive experience in the charcoal industry. He explained that the key to the success of his business lies in the ability to recognize high quality charcoal and build good relationships with

suppliers and consumers. Mr Roslim, who has been running the business since 2000, emphasized the importance of innovation in the production process and product diversification to remain competitive in the market.

Meanwhile Mr. Hasan, who started his business in 2012, revealed that adjusting and adapting to market changes is an important factor in maintaining the sustainability of his business. On the other hand, interviews were also conducted with several charcoal sellers, Mr. Nasir, who has been storing and selling charcoal for a long time, usually marketing his products to the Kota Pinang and Langga Payung areas.

Then, Mr Husein, who sells charcoal to the Gunung Tua, Tanjung Balai and Balam areas, gave a good picture of the distribution of charcoal. Apart from that, Mr. Aping, who markets charcoal to the Aek Kenopan and Bagan Batu areas, also made an important contribution to this research by explaining good strategies. This research not only involves charcoal producers and sellers, but also consumers who use charcoal in their daily activities. Jati's mother buys charcoal regularly every week for cooking purposes in her restaurant. Mr Gogon, who runs a coffee shop, also buys charcoal repeatedly to meet the operational needs of his coffee shop. Apart from that, Mr Selamat, who owns a Nasi Uduk restaurant business, also provided information. The following are the results of the reduction of question items regarding internal factors including product quality, product marketing and management.

Based on the internal factor analysis that has been carried out, we can see that the strengths possessed by this business are quite significant. Experience in business which received a rating of 4 with a weight of 0.16 resulted in a score of 0.64, indicating that experience is one of the greatest assets for this business Extensive experience in running a business not only

Table 1.
Summary of internal factor analysis (IFAS) of charcoal business

	Internal Factors	Rating	Weight	Score
Strength				
1	Experience in business	4	0,16	0,64
2	Affordable price	3	0,13	0,39
3	Quality product	3	0,13	0,39
4	Product marketing has reached outside the region	4	0,16	0,64
5	The product has regular customers	4	0,16	0,64
Weakness				
1	Limitations on business expansion	1	0,04	0,04
2	Business management is still simple	2	0,08	0,16
3	Promotion of the products produced is still lacking	1	0,04	0,04
4	Doesn't have a label/brand yet	1	0,04	0,04
5	The production process still takes months	1	0,05	0,05
Total			1	3,42
Contrast the strengths-weaknesses score				2,37

Source: Primary Data Processed, 2024

reflects the ability to manage daily operations, but also shows that the business has successfully overcome various challenges and market dynamics.

With deep experience, this business is able to develop effective strategies, understand customer needs better, and adapt to changing trends and market demands. This experience provides a strong foundation for building customer trust and expanding business networks, which ultimately contributes significantly to the long-term success of the business.

Apart from that, product marketing has reached areas outside the region with a score of 0.64, confirming that a wide reach

of curiosity is the main strength of this business. Success in reaching markets outside the area of origin shows the effectiveness of the marketing strategy implemented, as well as the ability to attract consumer interest in various locations.

Products that have regular customers with a score of 0.64, and good product quality with a score of 0.39, further strengthen this business's position in the market. High customer loyalty reflects consumer satisfaction with the products offered, while good product quality shows that this business is able to meet expected standards. The combination of extensive marketing, customer loyalty and good product quality

are the main pillars that support the growth and sustainability of this business in the future.

However, existing weaknesses also need to be considered. Limitations in business expansion and insufficient product promotion, each only getting a score of 0.04, indicate that there are significant obstacles in expansion and efforts to attract new customers. Business management which is still simple with a score of 0.16, and the absence of clear labels or brands on products (score 0.04), are also challenges that must be overcome to increase professionalism. A production process that takes a long time, getting a score of 0.05, is another obstacle that can reduce efficiency and customer satisfaction.

Overall, the total score from this internal factor analysis is 3.42. With a score difference between strengths and weaknesses of 2.37, it can be concluded that this business has strengths that are much more dominant than its weaknesses. This

shows great potential for further development, as long as existing weaknesses can be overcome with the right strategy. The following are the results of the reduction of question items regarding external factors including market conditions, competition and changes in consumer preferences.

The EFAS matrix produces a value with a total average score of 3.04. This is also shown by the opportunity score of 2.47 which is greater than the threat of 0.57. Based on the average of the overall strategic position in the wood charcoal business, take advantage of opportunities and avoid existing threats.

Analysis of internal factors of the charcoal production business shows that this company has considerable potential for development, supported by several very important opportunities. The increasing demand for charcoal earned a rating of 4 with a weight of 0.2, resulting in a score of 0.8, indicating that increasing market demand is the main factor that can encourage

Table 2.
External Factors analysis summary (EFAS)

Internal Factors	Rating	Weight	Score
Opportunity			
1 The demand for charcoal is increasing	4	0,2	0,8
2 Quite higt market opportunity	4	0,2	0,8
3 Raw materials are easy to obtain	3	0,16	0,48
4 This business can be developed in all locations/regions	3	0,13	0,39
Threat			
1 There are new competitors	2	0,08	0,16
2 There is no government assistance	2	0,08	0,16
3 Technology advances	2	0,1	0,2
4 There are substitutes for making charcoal other than wood	1	0,05	0,05
Total		1	3,04

Source: Primary Data Processed, 2024

shows a very profitable opportunity. Therefore, growth is a viable strategy (aggressive strategy). This shows that the company is in a good position and the owner can take advantage of every opportunity that exists by utilizing the company's strengths. The wood charcoal business in Firdaus Village has the potential to implement various aggressive strategies in the context of quadrant 1. This can be coordinates, to create a SWOT diagram. Next, determine the y-axis coordinates by subtracting the total opportunities from the total threats (difference). We can determine that $X > 2.37$ and $Y > 0$ which is 1.9 from the table. The following Cartesian coordinates show the coordinate positions.

Achieved by reducing prices, developing new products, increasing the quality of products or services, or increasing access to a wider market. Efforts that can be made are to minimize costs so that they can increase profits. A growth strategy is an activity to expand the charcoal business by building in other locations, and increasing the types of products and services. So it can open up job opportunities. The goal is to increase sales profits, meet market demand, and increase production output. Some steps that can be taken in using this strategy include:

1. Market Expansion Increase market reach by entering new geographic areas or new market segments (Aji et al., 2023). For example, opening a branch in a new city that was previously unreachable.
2. Product Development: Launching new products or improving existing products to meet unmet consumer needs. Product innovation can attract more customers and increase sales.

Internal and External Matirx

The results of the calculations show that the external factor evaluation (EFE) is 3.04 and the internal factor evaluation (IFE) is 3.42.

The results of the IE matrix calculation are in position cell I or growth. The computation results for IFE and EFE for the strategic position of the charcoal business are displayed in figure 2's IE matrices.

SO (Strength Opportunities) Analysis

To achieve the goals and objectives of the charcoal business, it is necessary to have alternative strategic steps based on IFAS and EFAS, the dominant value of each as the basis for the combination of strategies in this research is the SO strategy. Based on the SWOT diagram, what must be done in this charcoal business is to use the S x O Strategy, namely a strategy

Table 3.
Internal and External Matirx

		Tall 3,0-4,0	Strong 3,0-4,0	IFE total score Average 2,0-2,99	Weak 1,0-1,99
EFE total score	Currently 2,0-2,99	I	II	III	
	Low 1,0-1,99	IV	VI	VI	
	VII	VIII	IX	IX	

Table 4.
SWOT Matrix

<p>Internal Factors</p>	<p>Strength (S)</p> <ol style="list-style-type: none"> 1. Experience in business 2. Affordable prices 3. Quality products 4. Product marketing has reached outside the region 5. The product has regular customers 	<p>Weakness(w)</p> <ol style="list-style-type: none"> 1. Limitations on business expansion 2. Business management is still simple 3. Promotion of the products produced is still lacking 4. Doesn't have a label/brand yet 5. The production process still takes months
<p>External Factors</p> <p>Chance (O)</p> <ol style="list-style-type: none"> 1. Increasing demand for charcoal 2. Quite high market opportunities 3. Raw materials are easy to obtain 4. This business can be developed in all locations/regions 	<p>S-O Strategy</p> <ol style="list-style-type: none"> 1. Carry out product development by utilizing experience in business and raw materials that are easily available to optimize operasi produk. 2. Quality products, product marketing has reached outside the region and the increasing demand for charcoal can expand market penetration to new areas. 3. Take advantage of the high market opportunities by making the price of charcoal products affordable (S1, S3, S4, O2, O3, O4) 	<p>W-O Strategy</p> <ol style="list-style-type: none"> 1. Develop a strong brand and identity to gain a competitive advantage in the market. 2. Increase product promotions to reach more potential customers by taking advantage of the high demand for charcoal and quite high market opportunities (W3, W4, O1, O2)
<p>Threat (T)</p> <ol style="list-style-type: none"> 1. There are new competitors 2. No government assistance. 3. Technological progress 4. There are substitutes for making charcoal other than wood 	<p>S-T Strategy</p> <ol style="list-style-type: none"> 1. Leverage business experience to improve operational efficiency and product innovation to overcome the threat of new competitors. 2. Strengthen relationships with regular customers through superior customer service (S1, S5, T1, T3) 	<p>W-T Strategy</p> <ol style="list-style-type: none"> 1. Focus on improving business management to increase efficiency and product capacity to overcome limitations in business expansion and long production processes. This can also help deal with technological advances. 2. Seek cooperation with the government or related parties to obtain assistance or incentives that can help overcome several existing threats (W1, W2, T2, T3,

that utilizes the company's strengths to be able to seize existing opportunities to gain profits for the company (Reza et al., 2020). Alternative strategies that can be implemented in the S x O strategy based on the results of the SWOT analysis for wood charcoal management businesses are:

Carrying out product development by utilizing experience in business and raw materials that are easily obtained is a strategy that can significantly optimize product operations. By utilizing the experience that charcoal business entrepreneurs in Firdaus Village, Labuhan Batu Regency, have had in running a business for 20 years, entrepreneurs can identify market needs more precisely, as well as understand efficient production and distribution processes. Product development is carried out by making changes or new breakthroughs to charcoal packaging, this is in line with the SO strategy from research (Syafirah, 2020) which suggests product development through innovation in packaging, marketing and other aspects. Apart from that, entrepreneurs must maximize the marketing of charcoal ash as plant fertilizer. Product development strategy involves testing new products in the market to get feedback from consumers and making necessary adjustments before full launch. Entrepreneurs can trial charcoal ash products as fertilizer on a small number of customers to measure the response and effectiveness of the strategy. With this strategy, entrepreneurs can extend the life cycle of existing products and take advantage of reputation or favorite brands. By utilizing wood charcoal brands that are already known in the market, entrepreneurs can more easily attract consumer interest in the products they have developed.

Utilize experience in trying to explore new markets, both outside the region and outside the province. A business expansion strategy is an important step for business owners who want to expand their

market reach and increase profits (Mamengko, 2022). One way to make this happen is by utilizing the experience gained in running a business to explore new markets, both outside unreached areas and outside the province. In this case, the charcoal business utilizes marketing experience that has been successful in several areas such as Kota Pinang, Bagan Batu, Sidempuan, Tanjung Balai, and Aek Kenopan which can be used as valuable capital. With the demand for charcoal continuing to increase, entrepreneurs have a great opportunity to expand their distribution network and open branches of charcoal factories in new, unreached areas. This step is in line with the theory of business expansion strategy which emphasizes the importance of geographic diversification to reduce market risk and increase growth. Thus, expanding the distribution network outside the province will not only open new markets but also strengthen the business position in the charcoal industry as a whole.

Creating new markets with developed products such as charcoal ash products as plant fertilizer. The first step that needs to be taken is to provide education to the public regarding the benefits and uses of charcoal ash. This education can reach various aspects, starting from the correct way to use it, to the positive impact on plant growth. By providing in-depth knowledge, people will better understand the advantages of charcoal ash as a plant fertilizer. Apart from that, it can be done by providing education with direct demonstrations in the field or through social media to show real results from using charcoal ash.

With increasing demand and easy access to raw materials, charcoal entrepreneurs can increase production capacity to meet market needs. The first step that must be taken is to distribute labor at night to keep the fire burning. This step will speed up the combustion process and increase charcoal production. Apart from

that, companies must increase the number of charcoal stoves or tobongs to increase production capacity. With these steps, production volumes can be increased to meet increasingly high market demand. In capacity management, entrepreneurs must optimize the use of existing resources. By adding furnaces, entrepreneurs will increase production and reduce the risk of order delays. It is important to maintain customer satisfaction and maintain a competitive position in the market. In its implementation, the owner needs to manage production time effectively, distribute raw materials efficiently, and manage labor optimally (Cuandra et al., 2023).

S x T Strategy (Strength-Threat)

The S x T strategy is a strategy that uses the company's strengths to face threats related to business continuity. From the results of the SWOT matrix, the strategies that can be taken by wood charcoal businesses in Firdaus Village, Labuhan Batu Regency are

Leverage business experience to improve operational efficiency and product innovation to overcome the threat of new competitors. According to management theory, business experience brings a deep understanding of operational processes and market needs. By leveraging this experience, entrepreneurs can identify areas where operational efficiency can be improved, such as more efficient production processes, good supply chain management, or improvements in inventory management. Business experience also allows companies to gain broader insight into customer needs. In this way, product innovation can be driven based on existing knowledge about the market and experience in creating good solutions.

Strengthen relationships with regular customers through superior customer service. Strengthening relationships with regular customers through superior customer service is a strategy based on the concept of customer relationship manage-

ment (CRM). This theory emphasizes the importance of building and maintaining good relationships with customers as valuable assets for the company. By focusing on superior customer service, companies can increase customer loyalty and extend the life of relationships with them. By strengthening relationships with repeat customers, companies can minimize churn rates, increase customer retention, and even gain recommendations from satisfied customers to others, which in turn can help increase the customer base and long-term business growth.

W x O Strategy (Weakness x Opportunity)

The W x O strategy is a strategy that uses existing opportunities to overcome the weaknesses of the company. From the results of the SWOT matrix, the strategies that can be taken by the charcoal business in Firdaus Village, Labuhan Batu Regency are

Developing a strong brand and identity to gain competitive market advantages. Developing a strong brand and identity is a strategy based on marketing theory that emphasizes the importance of differentiating oneself in the market. A strong brand not only creates a strong impression on customers, but also forms positive associations and brand loyalty that can be a competitive advantage for the company. Brand theory suggests that a strong brand can influence customer perceptions of the quality, reliability, and added value of a product. A strong brand identity, which includes elements such as logos, colors, and messages, helps create consistency in the customer experience and builds an emotional connection with the brand.

This strategy combines an understanding of marketing with existing market potential. In marketing theory, promotion is one of the four elements of the marketing mix, which also includes product, price, and distribution. By increasing product promotion, companies can increase awareness

and knowledge of potential customers about the charcoal products offered. This can be done through various promotional channels such as advertising, sales promotions, and digital marketing strategies. Taking advantage of the high demand for charcoal and the market opportunity, which is quite high, allows companies to attract more potential customers to their products. The high demand for charcoal creates a strong momentum for promotion, because the product already has an established demand in the market. In addition, the fairly high market opportunity indicates the potential for large market growth, which can be utilized by increasing product promotion.

W x T Strategy (Weakness x Threats)

The W x T strategy is a strategy to minimize the weaknesses of the company to face the threats that will be faced. The strategy from the SWOT matrix results for the charcoal business in Firdaus Village, Labuhan Batu Regency is:

Focus on improving business management to increase efficiency and product capacity to overcome limitations in business expansion and long production processes. This can also help face technological advances. According to management theory, good management in all operational aspects is the key to achieving optimal performance. By improving business management, companies can identify and overcome various weaknesses in the production, distribution, and customer service processes. Increasing efficiency will help overcome limitations in business expansion, because companies can utilize existing resources more effectively. In addition, by optimizing production capacity, companies can meet increasing market demand.

Seeking cooperation with the government or related parties to get assistance or incentives that can help overcome some of the existing threats. The strategy to seek cooperation with the government or

related parties is the right response to the threats faced by the company. According to economic and management theory, such cooperation can bring a number of strategic benefits. First of all, governments often have policies and support programs for certain industries, including tax incentives, financial assistance, or infrastructure that support business growth. By establishing cooperation, companies can access these resources to address threats such as new competitors or technological advances. In addition, cooperation with the government or related institutions can open the door to dialogue and advocacy of company interests at the policy level.

CONCLUSIONS

From the results of research and discussion using SWOT analysis, the strategy chosen for the sustainability of the wood charcoal business in Firdaus Village, Bilah Hulu District, Labuhan Batu Regency is an aggressive strategy which is in quadrant I. This shows that wood charcoal has strengths that can be maximized to seize opportunities. which is profitable. By utilizing the strengths and opportunities (S-O) factors, the strategy used is to increase business experience, increase production capacity, and carry out product development to expand the business network. These steps ensure the continuity and growth of the wood charcoal business in Firdaus Village.

Suggestions for the wood charcoal business are to maintain the excellence of the charcoal business and take advantage of its current position which is in quadrant I. This shows that the charcoal business is in a profitable position because it has opportunities and strengths that must be utilized optimally. And for charcoal entrepreneurs to continue producing wood charcoal by creating more attractive packaging and being able to implement the strategy that has been chosen and socialize it to the workforce so that the strategy can run well to

maintain the sustainability of the charcoal business.

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