

IDENTIFYING BUSINESS STRATEGY USING SWOT AND PESTEL ANALYSES

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ABSTRACT

As a business company, Lite n' Easy, Australia, This healthy food business company needs to develop in a business environment that is always changing at all times and always has challenges in the market. Therefore, identifying opportunities for company growth needs to be done. This study aims to identify growth opportunities through the integration of SWOT, PESTEL, and Product Life Cycle analysis. SWOT analysis is used to examine the business environment from both internal and external parties of the company consisting of Strengths, Weaknesses, Opportunities, and Threats. While PESTEL analysis is used to examine the external business environment which includes Political, Economic, Social, Technological, and Legal aspects. And for the Product Life Cycle includes the product life process in business. By combining the analysis in this study offers a solution to increase sales of this company's products. This study shows that the benefits of SWOT, PESTEL and Product Life Cycle analysis not only enrich the strategic planning process but also provide a detailed perspective to take advantage of emerging opportunities.

Keywords: SWOT Analysis, PESTEL Analysis, Product Life Cycle, External Environment, Internal Environment, Strategic business

INTRODUCTION

In the era of industrial 4.0 nowadays, world is facing environmental changing that impact almost every walk of life, including business. Business is facing more complex situation, not only come from the competitors, but also from the customers whose preferences are also changing. To stay competitive, business needs to adapt and innovate (Ellitan, 2020), therefore appropriate business strategy is needed.

In a business, a company needs a strong strategy to deal with its competitors. Effective business strategies contribute to revenue growth, increased profitability, and creation of value for shareholders. Business strategy is a necessary guide for an organization to achieve its goals and maintain the continuity of its operations in a changing market (Ricardianto et al., 2023). A good business strategy allows companies to allocate their resources efficiently which will not only help them avoid any waste but also ensure that every asset such as financial, workforce, or other resources, is utilized to the maximum.

To formulate a business strategy, a company needs to identify both the internal and external environment of the business. One effective method for this is SWOT analysis, which has become a fundamental instrument for organizations to assess their market position and is widely used to analyse the organization's internal and external factors (Ullah et al., 2024).

In its application, SWOT analysis as a management tool can be used combined with various other management tools (Richard et al., 2023). An example of a management tool that can be used in conjunction with a SWOT analysis is a PESTEL analysis. PESTEL is an abbreviation of Political, Economic, Social, Technological, Ecosystem, and Legal (Elsworth, 2023; Witcher, 2020). PESTEL analysis can be used to identify political, economic, social, and technological factors and ecosystems and significant legal issues that impact organizational transformation and helps to identify specific steps for each group factors to improve processes that can be used to develop programs and plans for organizations (Kurakova, 2021) or if an organization entering a new market arena or wanting to change markets (Sukiennik & Kowal,

2022). PESTEL analysis and SWOT analysis can be integrated to uncover the roots of the success and failure of past or current projects taking place, and this analysis provides valuable insight into opportunities and challenges caused by current issues (Yang et al., 2021).

A firm need a solid plan to cope with its competition. There are several types of strategies, including business strategy, human resource strategy, marketing strategy, and operational strategy. Human Resources (HR) plays a crucial part in a corporation. Meanwhile, buildings and infrastructure, systems, assets, and materials complement human resources. All of these complementing aspects will not work ideally if there are no human resources as movers, thinkers, and planners to reach organizational goals, both inside institutions and organizations that have served as assets, therefore they must be taught and developed. (Tuti, 2021)

This is library research in which the author collects the secondary data from library references such as books, journals and company website. The author has very little access to the management, this study does not involve informants to interview. Therefore, the SWOT analysis and PESTEL analysis may lack insight and viewpoints from internal stakeholders (employees, management, customers, etc.). Author didn't use the validity and reliability test to examine the finding so the result of the study cannot directly applicable to the specific situation of the company. The problem to be discussed in this study is limited to the use of SWOT Analysis and PESTEL Analysis of Lite n' Easy Healthy Food Business in Brisbane, Australia.

PROBLEM DELIMITATION

The problem to be discussed in this study is limited to the use of SWOT Analysis, PESTEL Analysis, and the strategic business of Lite n' Easy Healthy Food Business in Brisbane, Australia, from march to July 2024. SWOT analysis will evaluate the company's internal factors which consist of strengths, and weaknesses and external factors which consist of opportunities, and threats. Meanwhile, the PESTEL analysis will assess external factors such as political, economic, social, technological, environmental, and legal that affect the company's operations and strategies.

LITERATURE REVIEW

SWOT Analysis

SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis is one of the oldest and most widely used strategy tools in the world. But within the scholastic world, SWOT analyses (or approaches, systems, networks, models, methods, devices) are regularly alluded to with titles such as "SWOT investigation: It's time to discharge a item, halt utilizing SWOT investigation:" is regularly done (Richard et al, 2023).

The opportunity to maintain internal or external characteristics associated with a technology that increases demand for what the technology can offer users. Weaknesses are limitations or deficiencies associated with technology that hinder progress toward a particular goal. Finally, threats can take the form of unfavourable technological characteristics that hinder strategy and limit the achievement of goals by presenting barriers and obstacles (Mohammadreza et al., 2024).

PESTEL Analysis

PESTEL helps companies better understand the markets in which they operate. Factors such as consumer preferences, social trends, and technological changes can directly impact demand for a company's products and services. By considering all PESTEL Factors, companies

can manage risk better. For example, identifying due to regulatory changes or potential economic crises (Budur et al., 2023).

PESTEL analysis has two main goals for businesses. The first is that it makes it possible to determine the exact environment in which the business functions. The second fundamental goal is to provide information and insights that will help businesses anticipate future events and circumstances. Therefore, management strategies must use PESTEL analysis as a winning analysis. Although currently conducted PESTEL analysis offers a significant conceptual foundation for macro environmental analysis, it has several weaknesses in measurement and evaluation (Rashid Chnar., 2023).

Product Life Cycle

Based on Puji et al., (2023) The product life cycle is an important concept in marketing activities because it provides detailed insight into the competitive dynamics of a product. The product life cycle is an important concept in marketing because it helps provide an in-depth understanding of the competitive dynamics of a product. A well-managed product life cycle helps administrators ensure that product introductions, modifications, and retirements are carried out in an appropriate manner.

The product Life Cycle evolves to reflect product sales over time and helps companies manage these products effectively in changing market conditions. On the other hand, the product life cycle envelops the stages of the item lifecycle, counting conception, planning, fabricating, conveyance, and transfer is vital in present-day endeavours (Chidera et al., 2024).

Business Strategy and Strategic Management

A business strategy is a plan designed to achieve the goals of a company or organization in the long term. This strategy includes a series of decisions and steps that are determined to direct the company or organization toward achieving the desired goals. The strategic focus is serving certain market segments by becoming a cost leader or making a difference (Dalwi and Salehi, 2021).

A good business strategy helps a company improve its operational efficiency by identifying some changes that need to be optimized. A mature business strategy allows the company to better respond to changes in the external and internal environment and manage risks that may arise on the way to achieving company goals (Lucia et al., 2024)

Business Environment

The business environment may assist the business run. Not only can businesses benefit from happy vibes, but the environment may as well if handled appropriately, which can have a beneficial influence at all levels of business and society. The goal of adjusting to external influences can help businesses enhance their performance and survive in the market for a long period. Governments may support their development and progress by creating a stable trade environment, ensuring access to funding, empowering preparation and capacity building, enabling advancement and innovation, and supporting globalization. By using these strategies in accordance with global standards, governments may support the growth of small enterprises and private entrepreneurship while also contributing to the overall financial development of their countries (Olimjanovich et al., 2024).

Points of view included in shaping such an environment join, but are not compelled to, creating an organizational culture that progresses experimentation and emphasizes measured

risk-taking, making a collaborative climate among bunch people, and giving basically get to the resources and financing required to reasonably execute unused considerations (Rahindra et al., 2024)

COMPETITIVE ADVANTAGE

Competitive advantage alludes to a company's critical advantage over its competitors in a particular industry or advertise. This advantage permits a company to realize way better comes about, such as expanded advertise share, expanded benefit, and a stronger market position. One way to attain competitive advantage is through separation, where a company makes special items or administrations that separate it from competitors. Another way is through cost-effectiveness, where a company can offer competitive costs, pull in more clients, or accomplish higher benefits (Agustian et al., 2023). trade analytics plays a basic part in empowering companies to explore the complexities of rising markets and accomplish competitive advantage. As rising markets develop, the vital significance of trade investigation is anticipated to extend. By leveraging data-driven bits of information, organizations can recognize competitive inclinations, anticipate competitor strategies, and capitalize on promote openings, in this way finishing viable improvement and long-term triumph in rising markets (adama et al., 2024).

RESEARCH METHODOLOGY

This is library research in which the author collects the secondary data from library references such as books, journals and company website. This study includes SWOT analysis and PESTEL analysis to discuss about the internal and external business environment.

FINDING AND DISCUSSION

SWOT Analysis of Lite n' Easy

- a. Strengths: Lite n' Easy is a well-known and established brand in the health food industry. The company has built brand trust by being open about its manufacturing process, packaging, and ingredients. Lite n' Easy has also partnered with the Australian government to promote healthy eating habits among the elderly. Lite n' Easy offers ready-to-eat meals that prioritize consumer convenience. The company's products are safe, easy to consume, and save time. Lite n' Easy also provides clear guidelines on how to consume their products and information about the ingredients used. Lite n' Easy emphasizes nutritious food products with controlled portion sizes, which aligns with its brand image. The company's focus on healthy food products attracts health-conscious consumers. Lite n' Easy targets consumers who value comfort and prioritize health. The company's loyal customer base increases sales and strengthens its position in the market. Lite n' Easy has the necessary resources, including manpower, machinery, materials, money, and market knowledge, to ensure profitability and offer competitive pricing to customers.
- b. Weaknesses: Lite n' Easy maintains its branding as a quality product, which affects its production cost. The company's products are more expensive than some competitors, which could deter potential customers. Lite n' Easy products offer limited options for customers with specific dietary needs or preferences. The company's predefined menus and portion sizes may not meet the needs of all customers.
- c. Opportunities: Lite n' Easy can expand its market to other regions or international markets. The company's safe and durable packaging allows for easy distribution and increased product sales. Growing consumer interest in health and wellness provides an opportunity for Lite n' Easy to exploit this trend. The company can innovate in food

products and build a brand that is relevant to health and sustainability values. Lite n' Easy can collaborate with health professionals, fitness centres, or nutritionists to increase credibility and brand trust. The company can also work with high-quality and trusted raw material suppliers, distributors, and government organizations to ensure the quality of its products and expand access to consumers.

- d. Threats: Changes in food safety regulations and labelling requirements could affect product sales or consumer interest in Lite n' Easy products. Competitors who continually introduce new products or innovate their products can attract consumers who are looking for the latest and most relevant health-related options. Substitutes, such as meal kits, can also impact Lite n' Easy's position in the market.

PESTEL Analysis of Lite n' Easy:

- a. Political: Government policies and initiatives related to health promotion and nutrition can impact Lite n' Easy. In Australia, the Nutrition Information Panel (NIP) requires food packages to show nutritional content and accurate ingredient lists. The government's "eat for health" program emphasizes a balanced diet and healthy eating habits. These policies can increase consumer trust and demand for Lite n' Easy products.
- b. Economic: Economic growth can lead to increased costs of equipment, raw materials, transportation, and energy. Inflation and rising wages can also affect profit margins and consumer purchasing power. High poverty rates can decrease demand for premium food products like Lite n' Easy.
- c. Social: Increased consumer awareness about the importance of healthy food and lifestyle can increase demand for Lite n' Easy products. Changes in dietary habits, such as the growing trend of plant-based and vegan diets, can also impact the sales of Lite n' Easy products.
- d. Technology: Technology can improve operational efficiency, enable the development of new healthy food products, and facilitate marketing through digital platforms. Lite n' Easy can utilize technology to innovate products, increase brand trust, and interact with customers.
- e. Environment: Businesses have a responsibility to reduce their environmental footprint and implement sustainable practices. Lite n' Easy can implement waste management programs, use environmentally friendly packaging, and conduct environmental awareness campaigns.
- f. Legal: Compliance with environmental regulations, food safety standards, and labor regulations is essential for Lite n' Easy. Changes in food regulations, such as health claims and product labelling requirements, can impact the production of Lite n' Easy. Employment regulations in Australia protect workers' rights and require companies to comply with minimum wage, working hours, and leave policies.

Business Life Cycle of Lite n' Easy:

- a. Introduction, Growth, and Decline. In the Introduction phase, the company develops a business idea, creates a plan, and launches operations. The company focuses on building consumer awareness and securing seed funding.
- b. Growth phase involves expanding the target market, increasing revenue, and diversifying products or services.
- c. Maturity phase involves maintaining market share, optimizing efficiency, and maximizing profits. During this phase, competition intensifies, and Lite n' Easy must adapt to maintain market share and optimize operations.

- d. Decline phase involves adapting to market changes, new technology, or nutritional trends. Strategies may include restructuring, focusing on target markets, diversifying, cost-cutting measures, re-evaluating product offerings, or exploring new markets.

Business Strategy to Improve Sales

- a. To improve sales, a company should focus on its strengths and optimize them. The company's strengths include an established brand, products that prioritize consumer convenience, a focus that matches the brand image, and targeting consumers with innovative products.
- b. To optimize these strengths, the company should increase brand awareness, strengthen marketing campaigns through digital and social media, conduct regular market research, adapt to changing trends, innovate to meet market needs, and maintain consistency in every aspect of the business.
- c. The company also has weaknesses, such as high production costs and limited customization. To address these weaknesses, the company can use efficiency to choose cheaper suppliers, provide several choices of ingredients or product variants, and collaborate with retailers and distributors who have market access that matches the company's targets.
- d. Moreover, the company should take advantage of opportunities such as market expansion, health trends, and lifestyle. The company can learn new market demographics, monitor the latest health and lifestyle trends, and collaborate with high-quality raw material providers.
- e. Lastly, the company should be aware of threats such as regulation changes and competitors. The company should stay up to date with regulatory changes, continuously innovate products, and focus on unique features and high quality that differentiate them from competitors and substitute goods.

CONCLUSION

Based on this analysis, it can be concluded that business strategy is a long-term plan and action designed to achieve a specific goal or set of goals or objectives. It states how the business should be conducted to achieve the desired goal. Although SWOT and PESTEL Analysis can help business people in realizing important elements in business development, business development efforts do not stop at that stage. There needs to be a proper effort in applying the analysis that has been made such as:

- a. Lite n' Easy products have a fairly high price to be categorized as fast food that is easy to consume. Can open up opportunities for business competitors to sell similar products at lower prices.
- b. Lite n' Easy product has a specific target consumer, which makes it less flexible to meet the target consumer so that the Lite n' Easy product does not feel in a broad market.

RECOMMENDATION

The research suggests a strategic approach to increase product market coverage and brand awareness. It emphasizes the importance of providing excellent service, quality products, and clear information about their benefits. The strategy also suggests improving the quality of products, human resources, and technology to overcome declining sales. Despite having specific customers, Lite n' Easy can optimize sales by continuously innovating, offering new products or variations, and adjusting to diet trends. Feedback

from customers and continuous evaluations can provide valuable insights for better product development. This approach will help maintain customer loyalty and increase product market coverage.

a. For the Writers

This Research can increase the writer's understanding of company analysis. Apart from that, this research can be a means for the writer to implement the knowledge gained during college and fulfil the requirements for obtaining a bachelor's degree.

b. For the Companies

For the company, it is hoped that this research could be a tool to find out things that influence the level of sales and performance of the company, analysis will make this strategy more effective and become an incentive for customers to become loyal.

c. For the Reader

This study will provide readers with a better understanding of how to conduct SWOT, PESTEL and Product Life Cycle Analysis to evaluate the strength, weaknesses, opportunities, and threats facing the Lite n' Easy Company. Readers will gain insight into the development and improve the sales of company.

LIMITATION OF THE STUDY

- a. author has very limited access to this research, this research does not involve informants to be interviewed. Therefore, the SWOT and PESTEL analysts of this research may lack insight and perspective from internal stakeholders in a company (employees, company management, customers, etc.).
- b. The author did not use validity and reliability tests to test the findings so that the research results cannot be directly applied to the company's specific situation.

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