

ANALYSIS OF BUSINESS DEVELOPMENT STRATEGIES IN THE DIGITAL ERA: STUDY OF START-UP COMPANIES

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ABSTRACT

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The development of digital technology has drastically changed the business landscape and provided new challenges and opportunities for companies, especially for start-up companies. This study aims to analyze business development strategies in the digital era with a focus on start-up companies. The research method used includes literature study and SWOT analysis (Strengths, Weaknesses, Opportunities, Threats). In this study, it was identified that the strengths of start-up companies include flexibility, innovation, and the ability to adapt quickly to market changes. Opportunities that exist in the digital era include the growth of e-commerce, the adoption of new technologies, and extensive online connectivity. However, the company also faces internal weaknesses such as limited resources, lack of experience, and limited infrastructure. Threats faced include intense competition, regulatory changes, and data security risks. Based on the SWOT analysis, several alternative business development strategies in the digital era were identified. Strategies based on strengths and opportunities include adopting new technologies quickly, correcting product or service innovation weaknesses, expanding connectivity through online networks and social media, and expanding the reach of products or services to new market segments or different industries. In addition, strategies based on weaknesses and opportunities include leveraging technological capabilities, investing in human resource development, and collaborating with third parties. Furthermore, strategies based on weaknesses and threats include improving data security, strengthening risk management, and increasing operational efficiency. The advice given in this research includes improving digital expertise, using data for decision making, focusing on customer experience, building, strengthening online presence, building partnership strategies, following market trends and developments, as well as maintaining sustainability and long-term development. This research contributes to start-ups in understanding the challenges and opportunities for business development in the digital era and provides strategic guidance to deal with them. Companies can adopt strategies that are relevant to their business characteristics and needs, so as to increase competitiveness, achieve sustainable growth, and achieve success in the digital era.

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1. INTRODUCTION

Growth in the Digital Age: The digital era has brought about major changes in the way we do business. Information technology and the internet have provided new opportunities and changed the business landscape significantly. Start-ups are business entities that emerged in the digital era and often utilize digital technology in their business models. Therefore, analysis of business development strategies in start-up companies is very important to understand how they operate in this digital era.

Start-ups are becoming increasingly popular as an alternative for entrepreneurs to realize their innovative ideas. Many start-up companies have succeeded in creating products or services that disrupt existing industries. In this context, it is important to understand the business development strategies used by start-up companies to achieve their success in the digital age.

The digital era has created a highly competitive business environment, especially in the technology and digital industries. Start-up companies have to compete with big companies and also with other start-ups operating in the same field. Therefore, an analysis of business development strategies will help identify the key factors that differentiate successful start-up companies from failed ones. According to [1] Many businesses start with small and creative innovations to answer the various needs of society, whose needs are increasingly diverse.

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The digital era also brings great opportunities for start-up companies to grow and develop [2]. However, this is also accompanied by new challenges that need to be overcome, such as dealing with rapid technological changes, creating added value for customers, building trust and strong brands, and managing resources effectively. An analysis of business development strategies will help identify these opportunities and challenges and provide insight into how best to manage them [3]. By understanding this phenomenon, research on business development strategy analysis in the digital era for start-up companies will provide a better understanding of the factors that influence the success of start-up companies in the digital era and provide practical guidance for entrepreneurs and business decision makers who want to be involved in the start-up industry.

2. LITERATURE REVIEW

Business in the digital age

Business in the digital era has undergone significant changes compared to a few decades ago. Developments in information technology and the Internet have opened doors for new opportunities, influenced the way businesses are run, and created an increasingly competitive environment. In this article, we will discuss business in the digital era, including its impact, changes that occur, and the strategies needed to operate successfully in this era.

The digital era has changed the way companies communicate, interact with customers, market products and manage business operations. Information technology and the internet have enabled companies to connect globally, reach wider markets, and improve operational efficiency. Customers have also become more connected and informed, with easy access to products, services and information through their digital devices.

Start-Up

Start-up development has come under significant scrutiny in recent years. Start-ups are start-ups that are focused on innovation, fast growth, and using technology to disrupt established industries. They are often founded by a group of entrepreneurs who are passionate about solving a problem or meeting an unmet market need. According to [4] A startup company is a business that is just running and applies technological innovation to run its core business and can solve a problem in society.

Here are some of the major developments taking place in the start-up ecosystem:

- **Investment Growth:** Start-ups have attracted investors with high growth potential. There has been a significant increase in the amount of investment allocated to start-ups in various sectors, including technology, healthcare, finance and more. Venture capital, private equity funds and giant corporations also participate in start-up investing.
- **Development of Start-up Ecosystems:** Many countries and cities have developed ecosystems that support the growth of start-ups. They provide co-working spaces, incubators, accelerators and other resources to help start-ups get started and grow. Apart from that, there is also an active start-up community, discussion forums, and networking events that facilitate collaboration and knowledge exchange between entrepreneurs.
- **Disruptive Innovation:** One of the hallmarks of start-ups is their ability to disrupt established industries through innovation. They create new solutions, change traditional ways of operating and create added value for customers. Examples include Uber, which disrupted the taxi industry with its ride-sharing app, and Airbnb, which changed the way people find accommodation.

Startup Development in Indonesia

Indonesia as a country that emerged in the midst of an increasingly rapid globalization era and includes very significant growth in Southeast Asia. This triggers digital entrepreneurship for human resource development. The booming growth of startups in Indonesia is followed by internet growth from year to year. The use of aspects of technology and digitization also intervenes and changes the paradigm of the conventional business model. The presence of startups with unicorn to decacorn status has also enlivened the atmosphere of the digital ecosystem in Indonesia. According to data reported by startupranking, in 2019 Indonesia has 2021 startups and occupies the fifth position in the world. This figure shows a very fast increase and will continue to grow promisingly. This increasingly widespread growth will encourage MSMEs and the business world to move towards massive digitization. This result is also expected for Indonesia to generate many innovations and increase national economic growth. In addition, the opening of many jobs that can prosper the lives of the people around it. On the other hand, startups can encourage increased productivity of the people who have competitiveness in the international market which drives various strategic sectors.

Conceptual framework

From the SWOT analysis, a strategy can be made using the SWOT matrix. namely SO Strategy (strengths-opportunities), WO strategy (weaknesses-opportunities), ST strategy (strengths-threats), and WT strategy (weaknesses-threats). After obtaining several strategies, we can conclude that the strategy is suitable for business development in the digital era for start-up companies in Makassar City. The conceptual framework in this study can be seen in the image below:

3. METHOD

This research was conducted at start-up companies in Makassar City where the research began in March-May. This study uses primary data and secondary data. Primary data were obtained from field observations and interviews based on questionnaires that had been made while secondary data were obtained from previous studies, books, data from related agencies and others. Secondary data collection is intended to find out information about the research location. Determination of respondents in this study was carried out using a purposive sampling technique with the consideration that the people selected had knowledge, experience, and understood the problems regarding the object to be studied [5]. This research was analyzed using the help of the Internal Factor Evaluation (IFE) and External Factor Evaluation (EFE) matrices to answer the strategic factors that become strengths and weaknesses as well as opportunities and threats, followed by a SWOT matrix analysis to formulate and set priorities for business development strategies in the Era Digital at a start-up company in Makassar City. Strategy formulation is carried out through two stages of analysis, namely: Stage 1 (called the Input Stage) to summarize the basic information needed to formulate a strategy; Stage 2 (called the Matching Stage) to create feasible alternative strategies by matching internal and external strategic factors.

4. RESULT AND DISCUSSION

Business in the digital era, companies must be ready to adapt quickly to changes in technology and changing markets. They need to have sensitivity to new trends and opportunities, as well as the flexibility to change their strategy if needed. By following these strategic steps, companies can position themselves well to successfully operate and grow in this challenging digital era.

In addition, traditional companies have also adopted digital strategies to stay relevant and competitive. For example, retail stores have developed their own e-commerce platforms to reach online consumers. Manufacturing companies use Internet of Things (IoT) technology to connect equipment and capture valuable operational data. The financial company launched a mobile banking application that makes it easier for customers to make transactions and manage their finances.

However, not all businesses can easily adapt to the digital era. There are several challenges that must be faced, such as a lack of understanding of technology, limited resources, and resistance to change. Therefore, it is important for companies to have the right strategy in dealing with the digital era.

Table 1. Internal Factor Evaluation (IFE) and External Factor Evaluation (EFE) Matrix

	Factor Internal	Bobot	Rating	Skor
Strength				
1	Ability to quickly adopt new technology.	0,13	4	0.52
2	Creativity and innovation in creating new solutions.	0,12	4	0.48
3	Flexibility in adapting the business to market changes.	0,12	4	0.48
4	Passionate and experienced team in digital technology.	0,12	3	0.36
5	Extensive connectivity through online networks and social media.	0,11	4	0.44
Weakness				
1	Limited financial resources to develop and market products or services.	0,11	2	0.22
2	Lack of experience in managing online business operations.	0,10	1,5	0.15
3	Possible lack of necessary technological infrastructure.	0,10	2	0.2
4	Depend on third parties for critical technology or services.	0,11	2	0.22
Total		1,00		3.07
Opportunity				
1	Fast growing market in e-commerce and mobile commerce.	0.14	4	0.56
2	High demand for innovative solutions in various sectors.	0.13	3,75	0.49

3	Global growth potential through international market penetration.	0.13	3,8	0.49
4	Strategic partnerships with technology companies that can expand reach and expertise.	0.12	3,5	0.42
Threat				
1	Intense competition from start-ups and large companies in the digital era.	0.13	2	0.26
2	Regulatory or policy changes affecting online businesses.	0.12	1,65	0.20
3	Increasing data security and privacy threats.	0.12	2	0.24
4	Rapid technological developments that require additional investment.	0.11	1,75	0.19
Total			1,00	2.85

Based on Table 1, the Internal Factor Evaluation (IFE) matrix analysis on strengths is selected with the highest score and on the weakness factor is selected with the lowest score. The main strength in the analysis of the internal environment for the development of Digital Diera Business in Start-up Companies is the ability to quickly adopt new technologies with the highest score of 0.52. These results show that the development of the Diera Digital Business in Start-up Companies that has been running so far, business people are able to easily adopt new technologies quickly. According to [6] business people, in facing the current Digital Era, must be able to quickly adopt new technologies, because current technology must always be updated so that they are not left behind by other business people. While the main weakness is the lack of experience in managing online business operations with the lowest score of 0.15. The results show that many business people still do not use online media in their operations, resulting in longer technology updates which can reduce the profits received by the company. The many opportunities in digital business have not been maximized due to various reasons, the lack of understanding of business actors regarding information technology, creativity and business innovation, as well as management in digital business and strategy.

For the analysis of the External Factor Evaluation (EFE) matrix, opportunities are selected with the highest scores and threats are selected with the lowest scores. The main opportunity in the analysis of the external environment for the development of the Digital Diera Business in Start-up Companies is the rapidly growing market in e-commerce and mobile commerce with the highest score of 0.56. This shows that by implementing market patterns that are growing rapidly in e-commerce and mobile commerce, business people provide more product innovation in e-commerce and mobile commerce because in the current Digital Era consumers prefer to carry out digital transactions. The presence of e-commerce in Indonesia has made changes to consumer behavior, which previously only shopped offline by coming directly to shopping centers, markets and shops, now it can be easily done online at home.

While the main threat is the rapid development of technology that requires additional investment with the highest score of 0.19. This indicates that rapid technological developments require additional investment. Rapid technological development is one of the threats companies must face in the digital era. To stay competitive and relevant, companies need to make additional investments in technology. According to [7] Often the problems that are often encountered in business are financial management and the use of technology such as requiring additional capital, bookkeeping that still uses manual methods, and not maximizing existing resources.

After knowing the position of the results of combining internal and external key factors, several alternative strategies for developing a partnership pattern can be formulated in supporting the rice distribution channel in Sidenreng Rappang Regency. These strategies are grouped into four cells namely, SO strategy, ST strategy, WO strategy, WT strategy. The results of the SWOT matrix analysis can be seen in

Table 2. SWOT matrix analysis

	Strengths (S)	Weakness (W)
Analisis Internal	<ul style="list-style-type: none"> • Ability to quickly adopt new technology. • Creativity and innovation in creating new solutions. • Flexibility in adapting the business to market changes. • Passionate and experienced team in digital technology. 	<ul style="list-style-type: none"> • Limited financial resources to develop and market products or services. • Lack of experience in managing online business operations. • Possible lack of necessary technological infrastructure.

- Extensive connectivity through online networks and social media
- Dependent on third parties for critical technologies or services.

Analisis Eksternal

Opportunities (O)	Strategi SO	Strategi WO
<ul style="list-style-type: none"> • Fast growing market in e-commerce and mobile commerce. • High demand for innovative solutions in various sectors. • Global growth potential through international market penetration. • Strategic partnerships with technology companies that can expand reach and expertise. 	<p>Adopt new technologies quickly by following market developments in e-commerce and mobile commerce.</p>	<p>Correcting Internal Weaknesses with Product or Service Innovation and Collaboration with Third Parties.</p>
Threats (T)	Strategi ST	Strategi WT
<ul style="list-style-type: none"> • Intense competition from start-ups and big companies in the digital era. • Regulatory or policy changes affecting online business. • Increasing data security and privacy threats. • Rapid technological developments that require additional investment. 	<p>Expanding Connectivity through online networks and social media in order to compete with big companies in the digital era.</p>	<p>Companies expand the range of products or services offered to new market segments or different industries</p>

The results of the SWOT matrix, several alternative business development strategies in the digital era can be obtained for start-up companies. SO strategy

Adopting new technologies quickly and following market developments in e-commerce and mobile commerce are alternative strategies that can help companies overcome internal weaknesses and take advantage of external opportunities [8]. There are several things that can be done, namely Market Research and Analysis, Conduct thorough market research to understand the latest trends and developments in e-commerce and mobile commerce. Review consumer trends, purchasing preferences and technology adoption in markets relevant to your business. By understanding the market well, you can identify opportunities that can be exploited. Furthermore Product and Service Innovation, adopting new technologies enables companies to develop products and services that are more relevant and appealing to digital consumers. Identify ways in which new technologies can be applied within your business to improve customer experience, operational efficiency and provide unique added value. Then finally the development of the E-Commerce Platform and Mobile Application, if the company does not yet have a strong digital presence, the first step is to build a responsive and user-friendly e-commerce platform and develop a mobile application that allows customers to easily access your products and services through mobile device. Ensure that the platforms and applications support secure payment integration and efficient delivery methods. This can be used to maintain strength by utilizing technology and must take advantage of existing opportunities, [9].

WO strategy

Correcting internal weaknesses with product or service innovation and collaboration with third parties is an effective strategy for dealing with internal challenges and leveraging external expertise. Here are some steps that can be taken, namely, Use internal weaknesses as inspiration for better product or service innovation. Focusing on developing solutions that can overcome these weaknesses and provide added value to customers. Involve product and service development teams in this process to create new

creative and relevant ideas [10], then according to [11] identify third parties who have expertise and resources that can complement the company's internal weaknesses. Establish partnerships or collaborations with these parties to overcome internal weaknesses and strengthen the company's capabilities. For example, a company could work with a technology start-up or an industry partner that has an advantage in an area where the company is weak.

Collaboration strategy is a choice of competitive strategy in the field of business that is considered the most optimal in running a business [12]. By combining product or service innovation with collaboration with third parties, companies can overcome existing internal weaknesses and strengthen their position in market competition. It will also provide an opportunity to develop a competitive advantage and better meet customer expectations.

ST Strategy

Expanding connectivity through online networks and social media is an effective strategy to compete with large companies in the digital era. According to [13] Companies must ensure a strong online presence by building and managing responsive and attractive websites. The website must present product or service information clearly, be easy to navigate, and provide convenience for customers to interact and transact. Strengthen Brand Awareness, A strong and active online presence on social media will help strengthen the company's brand awareness [14]. By interacting with followers and potential customers, sharing relevant content and building a consistent brand image, companies can build strong brand awareness and create a positive impact among consumers.

By expanding connectivity through online networks and social media, [15] companies can take advantage of digital power to compete with large companies in the digital era. This strategy can help companies increase their presence in the digital world and overcome any weaknesses they may face.

WT Strategy

Expanding the range of products or services to new market segments or different industries is a potential business development strategy in the digital era. [16]. By identifying opportunities outside of existing markets, companies can create new growth and expand their market share. Conduct market analysis to identify new market segments or industries that offer attractive growth potential [17]. Companies must consider factors such as market size, market growth, customer needs, and the level of competition in the segment. The company must consider adapting the marketing strategy for the target new market segment. This includes understanding the characteristics of customers in the segment, tailoring marketing messages, distribution channels and pricing strategies according to their needs and preferences.

Prior to expanding the range of a product or service, a company may conduct limited testing or trials in new market segments. This helps companies understand customer response, adjust strategy if necessary, and minimize risks in expanding into new segments.

5. CONCLUSION

Adopt new technologies quickly by following market developments in e-commerce and mobile commerce: This strategy will help companies stay relevant in the digital age and keep up with consumer trends turning to online platforms. By adopting new technologies, companies can improve operational efficiency, improve service quality and reach more customers. Improve internal weaknesses with product or service innovation and collaboration with third parties: This strategy helps companies overcome internal weaknesses and increase competitiveness. With product or service innovation, companies can attract new customers and meet growing needs. Collaboration with third parties can also bring additional expertise and resources needed to improve the quality and scope of the business. Expanding connectivity through online networks and social media in order to compete with big companies in the digital era: This strategy allows companies to expand their reach and increase their visibility in the digital world. By establishing a strong online presence, companies can reach a wider audience, build closer relationships with customers, and strengthen brand awareness. Expand the range of products or services offered to new market segments or different industries: This strategy opens up new growth opportunities by entering new market segments. By expanding the range of products or services, companies can reach a wider range of customers and take advantage of untapped business opportunities. This also helps reduce the risk of dependency on existing markets. In conclusion, these strategies show how companies can develop their business in the digital age with various approaches. By combining strategies that are relevant to the company's conditions and goals, companies can increase their competitiveness, achieve sustainable growth, and take advantage of the opportunities offered by digital change. It is important for companies to carry out a comprehensive and

thorough analysis to understand their business context, strengths, weaknesses, opportunities and threats, and take appropriate steps to implement these strategies.

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