BUSINESS DEVELOPMENT STRATEGY THROUGH SWOT ANALYSIS AND HUMAN RESOURCE MANAGEMENT IN FOOD AND BEVERAGE INDUSTRY: A CASE STUDY OF XO CAFE RESTAURANT & BAR

Arifmanuel Kolondam[1*], Melky K. E. Paendong[2], Diana R. Maramis[3], Adelaida Joroh[4]

[1] *Department of Business Management Program, Manado State Polytechnic, Manado, Indonesia,*
arifmanuel@polimdo.ac.id
[2] *Department of Business Administration Program, Manado State Polytechnic, Manado, Indonesia,*
melky.paendong@gmail.com
[3] *Department of Marketing Management Program, Manado State Polytechnic, Manado, Indonesia,*
ab@polimdo.ac.id
[4] *Department of Business Management Program, Manado State Polytechnic, Manado, Indonesia,*
jorohadelaida84@gmail.com
*Correspondent author

Abstract	This research delves into the strategic landscape of XO Cafe Restaurant & Bar, employing a SWOT analysis to dissect its internal and external factors. Questionnaires distributed to 38 customers and 15 employees, combined with observational data, formed the basis of this analysis. The study identified key strengths such as varied beverage offerings, satisfactory service, affordable pricing, strong customer loyalty, and well-trained staff. Conversely, weaknesses were noted in the limited food variety, room layout, and aesthetics. Opportunities for XO Cafe lie in its diverse beverage selection, potential for repeat business, and flexible pricing. However, the business faces threats from competition and competitor menu variations. To formulate effective marketing strategies, the research utilized IFAS and EFAS matrices and a quantitative SWOT matrix. The IFAS matrix highlighted that XO Cafe's strengths outweigh its weaknesses, with "Trained Employees" and "Affordable Prices" being significant assets. The EFAS matrix revealed that opportunities exceed threats, particularly in "Varied Beverage Product Options" and "Repeat Purchases from Customers." Furthermore, a workforce analysis assessed employee performance, revealing a "Good" rating but also a 34% gap needing improvement. Recommendations include targeted training and regular performance evaluations. Ultimately, the study concludes that XO Cafe is viable for an alcoholic beverage sales license and suggests strategies for growth.
Keywords	*Keywords: SWOT analysis, workforce analysis, F&B strategy*

INTRODUCTION

Research Background

Informal social interaction is a deeply rooted cultural practice in Manado, North Sulawesi, which taken an integral part to daily life across generations. These communal gatherings in public spaces, such as cafes and restaurants, serve as vital mechanisms for fostering social cohesion and strengthening community bonds, aligning with the strong regional emphasis on kinship. This tradition of spending leisure time together is a prominent feature of the local social fabric in Manado.

The prevalence of these social practices significantly influences the food and beverage (F&B) industry in Manado. Establishments like cafes and restaurants function not only as places to eat and drink but also as key social hubs catering to this inherent communal inclination. Furthermore, the consumption of alcoholic beverages is often intertwined with these social gatherings, holding cultural significance as a symbol of solidarity and shared experience within the local social environment. Understanding these social dynamics is crucial for comprehending consumer behavior within the F&B sector in Manado.

Recognizing the economic importance of the service and tourism sectors, the Regional Government of North Sulawesi has strategically identified them as key drivers of regional development plan. The F&B industry in Manado plays a direct and supportive role in bolstering both these sectors by providing essential amenities and contributing to the overall attractiveness of the city for both residents and visitors. Consequently, businesses operating within this space have the potential to capitalize on this regional focus and the inherent social practices of the local population.

However, the growing opportunities within the F&B sector in Manado are accompanied by increasing competition. To achieve sustainable success, businesses must develop nuanced strategies that resonate with the prevailing socio-cultural norms and preferences. This necessitates a deep understanding of local social interaction, including desired ambiance and the role of beverages in shaping the overall social experience.

The purpose of the research is to analyzing the business viability and strategic positioning by addressing socio economic business aspects, by using SWOT analysis to assess the internal strengths and weaknesses of XO Cafe, as well as the external opportunities and threats it faces. This analytical approach goes beyond the permit requirement by providing a systematic evaluation of the business's current position and its potential for growth and sustainability.

Ultimately, this research contributes to a deeper understanding of the interplay between socio economic practices and business strategy in a regional context, offering valuable implications for both academic inquiry and industry practitioners within the F&B and tourism sectors in Manado and similar urban centers.

LITERATURE REVIEW

This research, focusing on the interplay between social gatherings and business strategy within the Food & Beverage (F&B) sector in Manado, North Sulawesi, draws upon several key areas within business and socio-economic studies. Understanding how cultural practices shape consumer behavior and influence business operations is crucial in developing effective strategies, particularly within localized contexts.

Business Strategy and Cultural Context

Contemporary strategic management research continues to emphasize the embeddedness of business strategy within its socio-cultural environment. For instance, studies by Torfing et al. (2019) highlight the importance of understanding local contexts and stakeholder values in developing adaptive and resilient business models. Furthermore, a firm's ability to adapt its offerings and operations to align with local customs and values can be a significant source of competitive advantage (Hofstede, 2001). Recent scholarship further reinforces this, with Hall and Khan (2021) exploring how cultural intelligence impacts the success of F&B ventures in diverse markets, and Chen and Lee (2022) demonstrating the positive correlation between localized marketing strategies and consumer engagement in culturally-sensitive industries. In the context of the F&B industry in Manado, recognizing and catering to prevalent social practices is paramount for building strong customer relationships and achieving market relevance. This condition is coherent with Wong and Lim (2023) specifically analyzing the strategic importance of community engagement for F&B businesses in Southeast Asia, underscoring the role of social gatherings.

Socio-Economic Influences on Consumer Behavior:

Recent socio-economic business studies continue to explore the multifaceted influences on consumer behavior. Research by Sheth (2020) emphasizes the evolving role of social identity and community affiliation in shaping consumption patterns. Cultural norms, social interactions, and economic conditions shape consumer preferences, purchasing decisions, and consumption patterns. By understanding these socio-economic drivers is essential for F&B businesses to tailor their offerings and marketing efforts effectively. Kim and Park (2021) investigate the influence of social media trends on dining choices and restaurant patronage, emphasizing the virtual extension of social gatherings. Davies and Jones (2018) analyze how economic shifts and changing leisure patterns impact consumer spending in the F&B sector, particularly in emerging economies. By understanding these socio-economic drivers is essential for F&B businesses to tailor their offerings and marketing efforts effectively. Gupta and Sharma (2022) provide a comprehensive review of the socio-cultural factors influencing food consumption patterns in Asian markets, offering valuable insights for the Manado context.

The Food & Beverage Industry as a Social Space: The F&B industry's role as a vital social space has been further examined in recent literature. Quan-Haase & Wellman (2020) discuss the concept of "networked hospitality," where physical spaces like cafes and restaurants become nodes in broader social networks, both online and offline. This perspective is particularly relevant in understanding how F&B establishments in Manado can leverage their physical spaces to foster community and cater to the social needs. Smith and Brown (2019) explore the design of F&B spaces to facilitate social interaction and enhance customer experience, a crucial aspect for businesses aiming to capitalize on social gatherings. Miller and White (2020) delve into the concept of "third places" in urban environments, highlighting the significant role of F&B establishments in fostering community bonds and social capital. Johnson and Williams (2024) specifically investigate the role of F&B businesses in community building in post-pandemic urban settings, showing an increased appreciation for physical social spaces.

Business Administration and Strategic Adaptation

The principles of business administration emphasize the need for organizations to strategically adapt to their operating environment (Pearce & Robinson, 2018). For an F&B business like XO Cafe in Manado, understanding and leveraging the local culture of social gatherings is not merely a peripheral consideration but a core element of strategic alignment. Porter and Kramer (2019) discuss the concept of shared value, where businesses can create economic value by addressing societal needs and challenges, which in this context would involve aligning with local social practices. Hart and Christensen (2023) offer contemporary perspectives on disruptive innovation and strategic agility, highlighting the need for businesses to continuously adapt to evolving consumer behaviors and cultural shifts.

METHODS

This study is a form of qualitative descriptive research, as it aims to describe the state of a phenomenon. According to Sugiyono (2016), descriptive research is a method used to analyze data by describing or illustrating the collected data as it is, without intending to draw conclusions that apply generally or to generalize. Similarly, Creswell (2014) highlights that qualitative descriptive research provides a detailed account of a phenomenon, situation, or event without predetermined hypotheses, focusing on understanding "what is." Meanwhile, qualitative research methods, as defined by Sugiyono (2016), are research based on post positivism philosophy, used to study natural conditions where the researcher is the key instrument, data collection techniques are conducted through triangulation (a combination), data analysis is inductive/qualitative, and qualitative research results emphasize meaning over generalization.

The population in this study consists of customers and employees of XO Café Restaurant and Bar, with a sample size of 38 customers and 15 employees. Data collection techniques in this study

include interviews, questionnaires, and observation. The research method used is descriptive quantitative. The analyses used in this study are:

    a. SWOT analysis, which employs descriptive analysis methods, SWOT Matrix, and SWOT diagram analysis.

    b. Workforce Analysis.

RESULT AND DISCUSSION

SWOT analysis is a tool used to evaluate factors influencing the success opportunities of a project, business, or individual. This analysis is based on logic that can maximize strengths (Strengths) and opportunities (Opportunities), while simultaneously minimizing weaknesses (Weaknesses) and threats (Threats) (Rangkuti, 2013). Pearce and Robinson (2011) also define SWOT analysis as a critical tool for strategic planning, enabling organizations to assess their internal capabilities and external environment to formulate effective strategies.

Based on the analysis of questionnaires distributed to 38 customers and 15 employees, combined with observation results, the following indicators of Strengths (S), Weaknesses (W), Opportunities (O), and Threats (T) for XO Café Restaurant & Bar have been identified:

Strengths:
1. Variety of Beverage Products
2. Service Satisfaction
3. Affordable Prices
4. High Customer Loyalty
5. Trained Employees

Weaknesses:
1. Lack of Variety in Food Products
2. Room Layout Decoration
3. Room Aesthetics Still Lacking

Opportunities:
1. Varied Beverage Product Options
2. Repeat Purchases
3. Varied Pricing Strategies

Threats:
1. Competition from Similar Businesses
2. Menu Variety from Competitors

To apply the SWOT analysis in this study, IFAS and EFAS analyses will be used to determine suitable marketing strategies for the company, using the Quantitative SWOT Matrix (4 Quadrants).

IFAS Matrix (Internal Factors Analysis Summary)

After identifying internal strategic factors, the IFAS (Internal Factors Analysis Summary) matrix is used to determine the role of internal factors in the company by formulating these factors into strengths (Strengths) and weaknesses (Weaknesses) (Qanita, 2020). The Internal Analysis for XO Café Restaurant & Bar is as follows:

Table 1. Strength - Weakness Analysis Table

No	Internal Factors	Weight	Rating	Score
	STRENGTH			
1	Variety of Beverage Products	0,13	4	0,53
2	Service Satisfaction	0,20	3	0,60
3	Affordable Prices	0,27	4	1,07
4	High Customer Loyalty	0,07	4	0,27
5	Trained Employees	0,33	4	1,33
	SUB TOTAL	1		**3,80**
	WEAKNESS			
1	Lack of Variety in Food Products	0,50	3	1,50
2	Room Layout Decoration	0,33	2	0,67
3	Room Aesthetics Still Lacking	0,17	3	0,50
	SUB TOTAL	1		**2,67**
	S-W			**1,13**

From the results in Table 1, XO Café Restaurant & Bar has a score of 3.80 for strengths (Strengths) and 2.67 for weaknesses (Weaknesses), with a difference of 1.13. This means XO Café Restaurant & Bar currently has more strengths than weaknesses. The most significant strengths are Trained Employees with a score of 1.33 and Affordable Prices with a score of 1.07.

EFAS Matrix (External Factors Analysis Summary)

After identifying external strategic factors, the EFAS (External Factors Analysis Summary) matrix is used to determine the role of external factors in the company by formulating these factors into opportunities (Opportunities) and threats (Threats) (Qanita, 2020). The External Analysis for XO Café Restaurant & Bar is as follows:

Table 2. Opportunity - Threat Analysis Table

No	Internal Factors	Weight	Rating	Score
	OPPORTUNITY			
1	Varied Beverage Product Options	0,50	4	2,00
2	Repeat Purchases	0,33	4	1,33
3	Varied Pricing Strategies	0,17	3	0,50
	SUB TOTAL	1		**3,83**
	THREAT			
1	Competition from Similar Businesses	0,33	3	1,00
2	Menu Variety from Competitors	0,67	2	1,33
	SUB TOTAL	1		**2,33**
	O-T			**1,50**

From the results in Table 2, XO Café Restaurant & Bar has a score of 3.83 for opportunities (Opportunities) and 2.33 for threats (Threats), with a difference of 1.50, which is positive. This means XO Café Restaurant & Bar currently has more opportunities than threats. The most significant opportunities identified are *Varied Beverage Product Options* with a score of 2.00 and *Repeat Purchases from Customers* with a score of 1.33.

From the arrangement of internal and external factors above, the following scores are obtained: Strengths (S) = 3.80, Weaknesses (W) = 1.13, Opportunities (O) = 3.83, and Threats (T) = 1.50.

Table 3. Score Sequence Table

Internal Score	External Score	Strategy Choice
S > W (+) 3,80 > 1,13 (+)	O > T (+) 3,83> 1,50(+)	*Growth*
S >W (+)	O < T (-)	*Diversification*
S < W (-)	O >T (+)	*Turn around*
S <W (-)	O <T (-)	*Defensive*

To determine a more specific strategy based on the values entered in the strategy choice diagram, the results from the table indicate that the scores point to a growth strategy. Based on the scores, strengths (S) are smaller than opportunities (O), as shown in the following diagram:
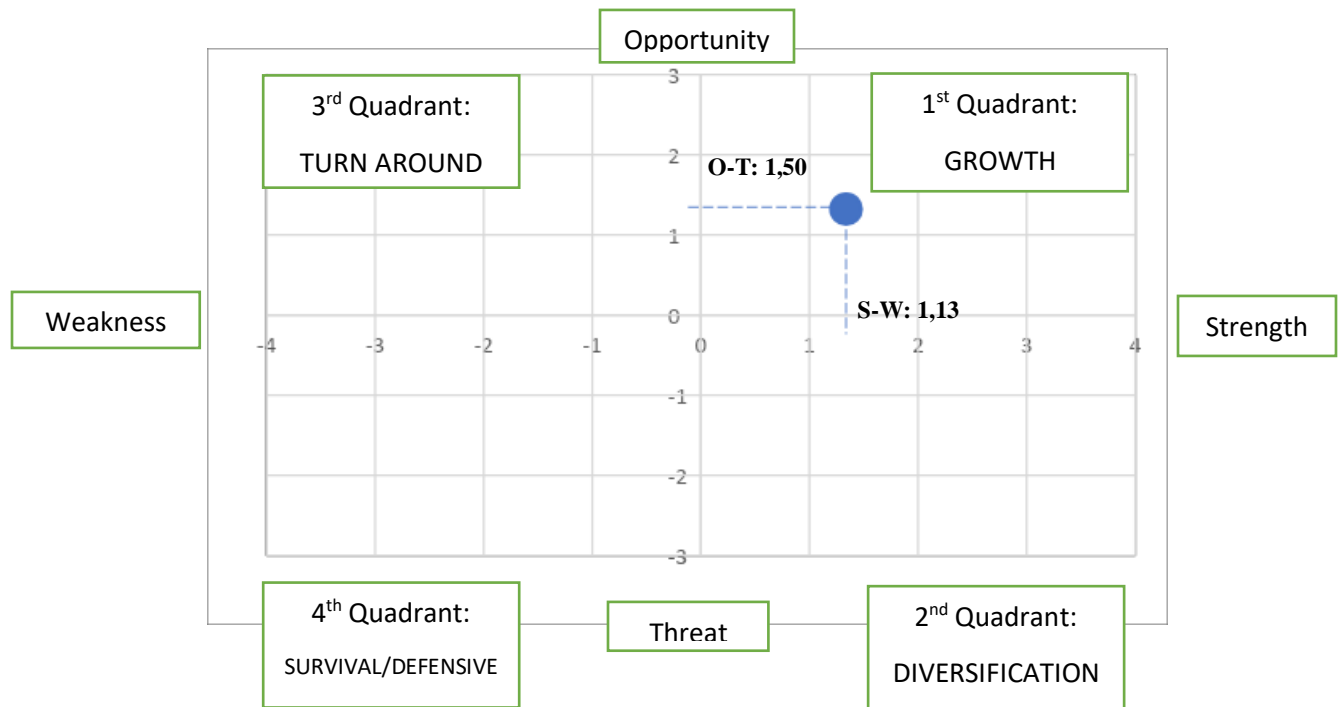
Figure 1. SWOT Quadrant Analysis

Based on the results of the quantitative SWOT quadrant analysis, XO Café Restaurant & Bar is positioned in Quadrant I, the Growth quadrant, which is a highly favorable situation as it has opportunities (O) and strengths (S) that can be leveraged.

From the figure above, based on SWOT calculations, XO Café Restaurant and Bar has S < O, meaning opportunities outweigh strengths, indicating that the company's policy direction is in a *growth strategy*. Growth strategies are designed to achieve growth in sales, profit, or a combination of both. Therefore, the recommended strategies to consider include:

1. Lowering prices to increase repeat purchases.
2. Developing new products, such as varied food and beverage options.
3. Improving product or service quality or expanding market access.
4. Implementing varied pricing strategies to maximize diverse market segments.

Workforce Analysis

A growth strategy outlines how a business expands—through market penetration, new products, or acquisitions—while SWOT analysis evaluates strengths, weaknesses, opportunities, and threats to guide decisions. Both rely on workforce analysis, which assesses employee skills, hiring needs, and retention risks to ensure the right talent supports growth.

After conducting observations and distributing questionnaires to 15 employees, a workforce analysis for XO Café Restaurant & Bar was compiled. This analysis evaluates the extent of *employee performance* in their work to improve the quality of service at XO Café Restaurant & Bar (Wijaya, 2021). The indicators of employee performance obtained include:

1. Employee Performance Targets.
2. Employee Job Descriptions.
3. Income Suitability with Work Results.
4. Work Motivation.
5. Income Suitability Contributing to Family Needs.
6. Performance According to Standards Set by XO Café Restaurant & Bar.

Six statements were included in the questionnaire distributed to 15 respondents. A scoring system of 1–5 was used, with five answer options. The maximum possible score (if all answers received the highest score) was calculated as 5 X 6 X 15 = 450, where 5 is the highest score, 6 is the number of statements, and 15 is the number of respondents. Based on employee responses, the total score obtained was 297. After analyzing the data using Excel, where the total score was divided by the maximum possible score and multiplied by 100, the result was 66% (297 ÷ 450 x 100 = 66%). The analysis results are presented in the following table:

Table 4. Workforce Analysis Table

No.	Total Score	Results	Notes				
1	Highest Score	5					
2	Number of Questions	6					
3	Number of Respondents	15					
4	Maximum Possible Score	**450**	Maximum Possible Score = 5 X 6 X 15 = 450				
5	Total Response Score	**297**					
6	Total Score Percentage	**66,00**					
7	Quartile	**112,5**					
8	Quartile Line Breakdown	4	**Q0**	**Q1**	**Q2**	**Q3**	**Q4**
			0	**112,5**	**225,0**	**337,5**	**450,0**

Based on respondent feedback, employee performance falls between quartiles 2 and 3 (Q2 and Q3), indicating a "Good" interval. However, there is still a 34% gap that needs attention and improvement. This data shows that employee performance at XO Café Restaurant & Bar is **Good**, but further development and performance improvements are needed to address the 34% gap.

Proposals for employee performance development include:

1. Basic skills training, including training on how to use café equipment, take orders, and provide good customer service.

2. Product and service training to help employees learn about the menu, ingredients, and latest promotions.

3. Regular performance evaluations to help employees understand their work and identify areas for improvement.

4. 360-degree feedback, allowing employees to receive feedback from colleagues, supervisors, and customers.

CONCLUSION

After conducting various analyses of the XO Café Restaurant and Bar business, the following conclusions can be drawn:

1. Based on the SWOT Matrix Analysis yielded the following results:

a. Based on the quantitative SWOT quadrant analysis, XO Café Restaurant & Bar is positioned in Quadrant I, the Growth quadrant, which is a highly favorable situation as it has opportunities (O) and strengths (S) that can be leveraged.

b. The policy direction for XO Café Restaurant and Bar is a *growth strategy*. Proposed strategies include: lowering prices to increase repeat purchases; developing new products, such as varied food and beverage options; improving product or service quality or expanding market access; and implementing varied pricing strategies to maximize diverse market segments.

2. Based on the workforce analysis, the following findings were identified:

a. Employee performance falls between quartiles 2 and 3, indicating a "Good" interval. However, there is still a 34% gap that needs attention and improvement. This shows that employee performance at XO Café Restaurant & Bar is Good.

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