

A SWOT-Based Approach to Smartphone Marketing: Insights from Dunia Cell Surabaya

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Article History:

Received: 15-04-2025

Revised: 14-10-2025

Accepted: 30-10-2025

Keywords: SWOT analysis; smartphone marketing; sales strategy; competitive advantage; digital marketing

Abstract: This study analyzes Dunia Cell Surabaya's marketing strategies using a SWOT framework to assess internal and external factors affecting smartphone sales. Employing a qualitative descriptive approach, data were collected through interviews, observation, and documentation, and then analyzed thematically. Results reveal that product diversity, service quality, and employee competence serve as key strengths, while limited digital marketing and high prices are significant weaknesses. Opportunities arise from Indonesia's stabilizing economy and increasing smartphone adoption, whereas threats include fierce competition and shifting consumer behavior. The SWOT matrix positions Dunia Cell in Quadrant I, indicating a growth-oriented strategy. To sustain competitiveness, the firm should enhance its e-commerce presence, improve pricing strategies, and diversify product offerings. The study contributes to the SME marketing literature by integrating SWOT analysis with insights on digital transformation, offering actionable strategies for retail adaptation in Indonesia's dynamic smartphone market.

Introduction

The smartphone industry in Indonesia has experienced rapid growth over the past decade, driven by increasing digital connectivity, the rise of e-commerce, and consumer demand for mobile technology. As of 2021, smartphone penetration in Indonesia exceeded 70%, with urban centers such as Surabaya serving as hubs for both distribution and consumption (Statista, 2021). This environment has led to heightened competition among smartphone retailers, compelling businesses to refine their marketing strategies to capture and retain customers.

Small- to medium-sized enterprises (SMEs), such as Dunia Cell in Surabaya, play a crucial role in distributing smartphones to the public. However, these businesses often face resource constraints and intense market rivalry, especially from larger retail chains and online

platforms. As such, understanding and applying effective marketing strategies is essential for these SMEs to remain competitive and sustainable.

One widely used framework in marketing is the marketing mix, commonly referred to as the 4Ps—product, price, place, and promotion (Kotler & Armstrong, 2018). These four components interact to influence consumer behavior and purchasing decisions. For instance, the selection and quality of products offered, the pricing strategy employed, the convenience and location of sales channels, and the effectiveness of promotional activities all contribute to a company's overall market performance (Baines et al., 2017).

This study aims to analyze Dunia Cell's marketing strategies, focusing on how each component of the marketing mix is used to improve smartphone sales. It also seeks to evaluate customer responses to these strategies and identify which aspects are most influential in driving purchase decisions. The findings from this research are expected to contribute to a deeper understanding of practical marketing applications in the retail electronics sector and offer strategic recommendations for SMEs operating in similar competitive urban markets. By exploring Dunia Cell's approach, this study highlights the role of adaptive marketing in addressing local market challenges and consumer dynamics.

Although extensive research exists on the effectiveness of the marketing mix in retail (Kotler & Keller, 2016; Baines et al., 2017), few studies have applied SWOT analysis to assess marketing performance among local smartphone SMEs in Indonesia. Existing studies often focus on large corporations or online retailers, overlooking small physical stores facing digital disruption. This study fills that gap by integrating SWOT and marketing mix frameworks to evaluate Dunia Cell's strategic positioning within Surabaya's competitive smartphone market. The findings are expected to provide both theoretical enrichment for SME marketing literature and practical implications for sustainable business strategy in the digital economy.

Literature Review

Marketing strategy is crucial for achieving a sustainable competitive edge, particularly in fast-changing and highly competitive markets. A carefully designed marketing strategy helps businesses recognize customer needs, define effective positioning, and distinguish themselves from rivals (Kotler & Keller, 2016). For small and medium-sized enterprises (SMEs) like Dunia Cell, mastering marketing principles and their real-world applications is essential to maintain growth and boost sales performance.

The marketing mix concept, introduced by McCarthy (1960), remains one of the cornerstones of modern marketing. Known as the 4Ps (Product, Price, Place, and Promotion), it offers a systematic framework for creating strategies that align with consumer demands and market trends. Each component plays a distinct yet complementary role:

- A product is a good or service that meets consumer needs. Factors such as design, quality, brand, and warranty significantly influence buying decisions (Kotler & Armstrong, 2018).

- Price represents the value customers exchange for the product and serves both as a revenue driver and an indicator of positioning and quality. Strategic pricing (through discounts, credit options, or competitive rates) affects consumer perception and purchase behavior (Monroe, 2003).
- Place (distribution) ensures that products are available at the correct location and at the right time. For retailers, strategic store placement, layout, and ease of access are key elements that attract consumers (Berman & Evans, 2013).
- Promotion encompasses activities that communicate product value and persuade buyers, including advertising, personal selling, social media engagement, and promotional campaigns. In today's digital era, promotion has increasingly shifted toward online platforms (Kotler et al., 2021).

Empirical evidence supports the influence of the marketing mix on consumer satisfaction and loyalty. Ahmad et al. (2012) demonstrated that a well-implemented 4Ps strategy enhances customer relationships in retail, while Yelkur (2000) found that SMEs that effectively apply the framework achieve higher sales and stronger engagement.

In Indonesia's retail landscape—particularly in electronics and smartphone sales—consumer choices are shaped by price competition, promotional deals, and product variety (Rangkuti, 2002). With the proliferation of e-commerce and international brands, local businesses must innovate through targeted marketing to remain relevant. Analyzing Dunia Cell's marketing mix practices thus contributes valuable insight into how local retailers can strengthen their competitive position through strategic marketing.

Moreover, recent research underscores how digital transformation revolutionizes marketing strategy by integrating online channels, social media interaction, and data-driven decision-making (Dwivedi et al., 2021; Chaffey & Ellis-Chadwick, 2022). For SMEs, adopting e-commerce tools and digital marketing analytics can increase competitiveness—especially in developing economies like Indonesia (Haseeb et al., 2019; Nguyen & Simkin, 2023). By combining SWOT analysis with digital marketing perspectives, businesses can leverage traditional strengths while capitalizing on technological opportunities to achieve long-term success.

Research Methods

The research was conducted over three weeks in July 2023 at Dunia Cell in Surabaya, involving five key informants: the store owner, two sales staff, and two regular customers. A qualitative descriptive approach was employed, utilizing semi-structured interviews, non-participant observation, and document analysis for data collection. Thematic analysis was applied to categorize findings according to the elements of the marketing mix. Triangulation was carried out by comparing interview data, field observations, and supporting documents to ensure the reliability and validity of the results. At the same time, participant validation was performed by confirming the findings with the store owner. Through this combination of methods, the study provides a comprehensive understanding of how Dunia Cell implements marketing strategies.

Result and Discussion

The analysis conducted in this study utilized the SWOT framework to evaluate Toko Dunia Cell's strategic approach to increasing handphone sales. Key findings are summarized below:

Table 1. The SWOT Matrix

IFAS	EFAS	
	Opportunities (O)	Threats (T)
Strengths (S)	SO Strategies	ST Strategies
- High-quality products.	- Optimize product quality to meet increasing demands from young and older tech-savvy markets.	- Diversify product portfolio to stay competitive despite external market saturation.
- Customer-friendly service.	- Leverage positive economic growth to expand product lines.	- Enhance cost-efficiency to counteract price competition.
- Reward system for staff.	- Strengthen brand reputation by focusing on tech trends and customer needs.	- Maintain competitive pricing strategies to retain customers amidst rivals.
- Staff expertise.	- Utilize advancing technology trends to innovate product offerings.	- Bolster promotional strategies to counteract aggressive marketing by competitors.
Weaknesses (W)	WO Strategies	WT Strategies
- Limited digital marketing.	- Invest in e-commerce platforms to align with growing digital trends.	- Streamline operations to mitigate high operational costs.
- High product prices.	- Train staff in tech skills to adapt to a digital-first retail landscape.	- Adjust pricing strategies to appeal to more price-sensitive customers.
- Ineffective promotions.	- Collaborate with influencers to improve online visibility and brand appeal.	- Develop contingency plans to address declining consumer purchasing power due to economic shifts or pandemics.
- Technological skill gaps.	- Implement data-driven decision-making for targeted promotions.	- Increase customer retention strategies to ensure loyalty during uncertain market conditions.

Internal Factors Analysis Summary (IFAS)

The Internal Factors Analysis Summary (IFAS) assesses both the strengths and weaknesses of Dunia Cell's internal operations, emphasizing organizational capabilities that enhance performance and areas that require strategic reinforcement. Such internal diagnostics are vital for aligning managerial resources and operational strategies with dynamic market expectations (Kotler et al., 2021).

Strengths

Dunia Cell demonstrates significant competitive advantages through its extensive product portfolio, encompassing globally recognized smartphone brands such as Oppo, Vivo, Xiaomi, Samsung, and Apple. This product diversification enables the company to appeal to a heterogeneous customer base with varying income levels and technological preferences. Product quality consistency further reinforces customer trust and long-term satisfaction, establishing a foundation for sustainable brand loyalty (Dwivedi et al., 2021). Moreover,

employee competence plays a crucial role in maintaining sales performance, as trained and communicative staff effectively translate customer needs into purchasing decisions, fostering repeat transactions (Nguyen & Simkin, 2023).

The internal management structure is marked by efficient communication and operational coordination between leadership and employees, supporting an agile and responsive retail environment. Reward and recognition mechanisms for achieving sales targets not only boost morale but also cultivate a culture of performance excellence and shared accountability (Alalwan, 2023). Additionally, Dunia Cell's commitment to responsive customer service (evidenced by fast complaint handling and clear product information) strengthens its reputation. It enhances perceived service quality in a highly competitive retail market (Haseeb et al., 2019).

Weaknesses

Despite these strengths, the firm faces several internal limitations. The most evident challenge is its underdeveloped digital marketing infrastructure and absence from major e-commerce ecosystems. This deficiency restricts market visibility and hinders access to digitally savvy consumers who increasingly rely on online retail channels (Chaffey & Ellis-Chadwick, 2022). Furthermore, the company's pricing structure remains relatively high compared to competitors, which may discourage budget-conscious customers, a common issue among SMEs attempting to balance quality and affordability (Dwivedi et al., 2021). Inefficient promotional campaigns and a lack of data-driven segmentation also reduce the effectiveness of marketing communication efforts (Nguyen & Simkin, 2023).

A further weakness lies in the uneven technological literacy of employees. While customer-facing staff demonstrate strong interpersonal skills, limited expertise in digital sales systems and analytic tools constrains operational efficiency and real-time decision-making (Haseeb et al., 2019). Addressing these digital capability gaps is therefore essential to improving competitiveness and adaptive capacity in an increasingly technology-oriented retail environment (Alalwan, 2023).

Implications for Strategic Planning

The IFAS findings suggest that Dunia Cell should leverage its internal strengths (especially its customer service quality and diverse product offerings) to consolidate its market position while simultaneously addressing internal inefficiencies. Strategic initiatives should focus on strengthening digital marketing capabilities, implementing targeted employee upskilling programs, and developing competitive pricing models that attract cost-sensitive segments without compromising perceived value (Chaffey & Ellis-Chadwick, 2022). By integrating these approaches, Dunia Cell can foster both short-term adaptability and long-term resilience within Indonesia's evolving smartphone retail landscape. Aligning organizational capabilities with digital transformation priorities is a critical pathway to sustained competitive advantage (Kotler et al., 2021; Dwivedi et al., 2021).

External Factors Analysis Summary (EFAS)

The EFAS framework evaluates the external environment that impacts Toko Dunia Cell's operations, focusing on opportunities to be leveraged and threats to be mitigated. This analysis enables the company to position itself strategically within a competitive, evolving market landscape.

Opportunities

The broader economic environment presents significant opportunities for Toko Dunia Cell. Indonesia's economy has shown signs of stabilization in recent years, which supports increased consumer spending on discretionary items, including handphones. According to Kotler and Armstrong (2018), economic stability often correlates with higher consumer confidence, enabling companies like Toko Dunia Cell to benefit from increased purchasing power in the market.

Demographic trends further amplify these opportunities. The growing population of tech-savvy youth and older individuals alike reflects an expanding demand for mobile technology. As Tjiptono (2020) highlights, a diverse demographic base often accelerates market growth when companies align product offerings to consumer preferences. Additionally, mandatory requirements for mobile devices in accessing specific services or locations, such as COVID-era health-tracking applications, drive sustained demand for handphones (Rangkuti, 2018).

Technological advancements serve as another significant opportunity. The proliferation of digital communication tools necessitates high-quality devices, and the increasing reliance on smartphones for online purchases, work, education, and entertainment expands the potential customer base. Toko Dunia Cell can capitalize on this trend by ensuring its products cater to these emerging needs, as Sudaryono (2018) emphasizes, noting that aligning technology with customer needs often leads to increased brand loyalty.

A positive corporate reputation also enhances the company's ability to seize market opportunities. Toko Dunia Cell's favorable image among customers stems from its commitment to service excellence and product quality, enabling the company to maintain a strong position in a competitive market. This aligns with Rangkuti's (2018) findings, which show that a strong brand reputation often mitigates competitive pressures by fostering customer loyalty.

Threats

Despite these opportunities, Toko Dunia Cell faces significant external threats that could impede its growth. The market is inundated with competitors, including both domestic retailers and international brands, which exacerbates price wars and puts pressure on profit margins. Kotler and Armstrong (2018) note that intense competition often necessitates aggressive pricing strategies, which can erode profitability if not managed effectively.

Economic volatility also poses challenges. While the overall economy shows stability, fluctuations in currency values, particularly the Rupiah against foreign currencies, can impact the cost of imported handphones. This is compounded by high operational costs, including rent

and utility expenses, which place additional strain on the company's financial resources (Tjiptono, 2020).

The aftereffects of the COVID-19 pandemic continue to shape consumer behavior. Reduced spending power and shifting priorities have led to decreased foot traffic in physical stores, favoring online purchases. While this trend represents an opportunity for companies with strong digital presences, it is a threat for retailers like Toko Dunia Cell, whose e-commerce capabilities remain underdeveloped. Rangkuti (2018) emphasizes the importance of adaptive marketing strategies in navigating such paradigm shifts.

Additionally, the rapid pace of technological innovation creates the risk of obsolescence. Competitors with advanced products or aggressive innovation cycles may outpace Toko Dunia Cell unless the company consistently updates its inventory and offerings. This aligns with Sudaryono's (2018) observation that technological stagnation is one of the most critical threats in the consumer electronics market.

Implications for Strategic Planning

The EFAS analysis underscores the need for Toko Dunia Cell to act proactively in leveraging its external opportunities while addressing imminent threats. The company could strengthen its competitive positioning by focusing on the following actions:

- Diversifying its product portfolio to include innovative models that meet evolving consumer demands.
- Building a robust e-commerce platform to capitalize on the shift toward online shopping.
- Strategically managing costs, including leveraging economies of scale and optimizing supply chain operations.
- Enhancing customer retention strategies through loyalty programs and exclusive offers, capitalizing on its strong reputation.

By balancing seizing opportunities and mitigating threats, Toko Dunia Cell can navigate the complexities of its external environment to achieve sustainable growth.

SO Strategies (Maximizing Strengths to Seize Opportunities):

Toko Dunia Cell should utilize its strong operational and product-quality foundation to capture growing market opportunities. For example, focusing on increasing its product diversity can address the rising needs of diverse age groups, and leveraging current technological advancements ensures its relevance in the market.

WO Strategies (Addressing Weaknesses to Capitalize on Opportunities):

To tap into increasing digital trends, the company must improve its online presence through e-commerce adoption and digital marketing campaigns. Investing in employee training on technological tools will align workforce capabilities with market needs.

ST Strategies (Using Strengths to Mitigate Threats):

Effective cost management and competitive pricing strategies can offset price wars in a saturated market. Additionally, Toko Dunia Cell should reinforce its customer-friendly services through better promotional initiatives, ensuring customers choose it over competitors.

WT Strategies (Minimizing Weaknesses to Defend Against Threats):

Streamlining operations and focusing on high-demand products will help mitigate financial risks from unsold inventory and operational costs. Pricing strategies that cater to price-sensitive customers will also minimize losses from shifting consumer behavior.

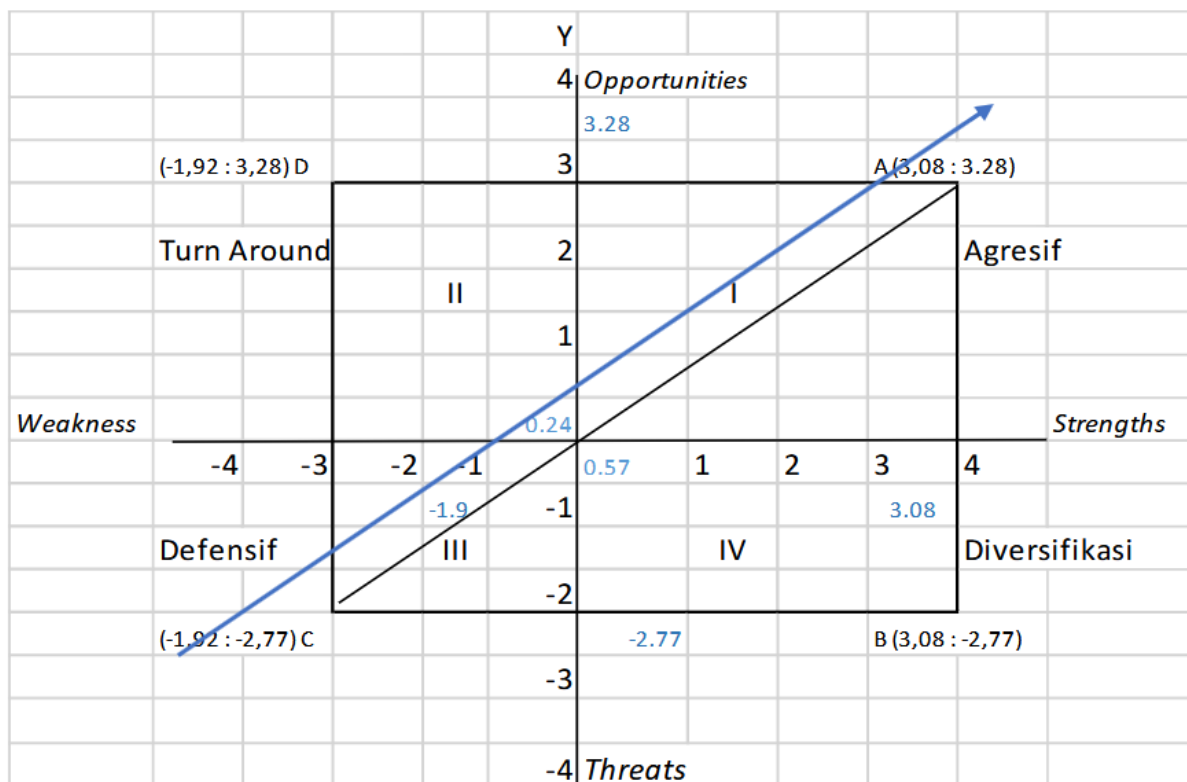


Figure 1. The SWOT diagram of Dunia Cell

The strategic positioning diagram developed from the SWOT framework situates Dunia Cell within Quadrant I, indicating an advantageous strategic stance that combines strong internal capabilities with promising external prospects. This positioning implies that the company possesses sufficient strengths to exploit market opportunities—an optimal condition for pursuing aggressive growth strategies (Gürel & Tat, 2017; Kotler et al., 2021). The diagram's coordinates, representing the firm's internal and external factors, are distributed across four quadrants: Point A (3.08, 3.28), Point B (3.08, -2.77), Point C (-1.92, -2.77), and Point D (-1.92, 3.28). These data points illustrate the multidimensional assessment of the firm's performance environment, providing a quantitative visualization of strategic equilibrium (Amini et al., 2021).

The computed intersection point (X), located at coordinates (0.57, 0.24), reveals that Dunia Cell maintains a central yet upward orientation within Quadrant I. This denotes a

balanced strategic posture, where internal strengths intersect effectively with favorable external forces such as technological diffusion and economic stabilization. This alignment confirms that the company is well positioned to capitalize on market opportunities through innovation, service enhancements, and digital integration (Dwivedi et al., 2021; Alalwan, 2023).

Nevertheless, the intersection's proximity to Quadrant IV, typically associated with diversification imperatives, underscores a latent need for strategic prudence. External risks (such as market saturation, price volatility, and competitive intensity) necessitate proactive diversification in product lines and service channels to preserve resilience in turbulent environments (Nguyen & Simkin, 2023). This insight reflects the dynamic equilibrium between exploitation and exploration strategies, as discussed in the contemporary strategic management literature, which emphasizes adaptability and flexibility for SMEs (Zhou et al., 2022).

Furthermore, quantitative evaluations indicate that Dunia Cell's Internal Factors Analysis Summary (IFAS) yields a positive aggregate score of +1.16, while its External Factors Analysis Summary (EFAS) yields a positive score of +0.51. Together, these metrics affirm the firm's potential for sustained competitiveness and growth under the Strengths–Opportunities (SO) strategic typology. However, the modest gap between internal and external scores also signals a need for continuous improvement in digital capabilities, cost control, and brand positioning (Chaffey & Ellis-Chadwick, 2022).

In essence, the strategic diagram encapsulates an opportunity-driven yet balanced growth trajectory. Dunia Cell must intensify its expansion strategies (such as strengthening e-commerce platforms, developing omnichannel marketing approaches, and enhancing customer retention systems) while concurrently diversifying to minimize exposure to market uncertainties. This visual representation thus functions not merely as a static analytical tool but as a strategic roadmap that aligns operational decisions with core strengths, environmental opportunities, and proactive mitigation of potential threats (Amini et al., 2021; Dwivedi et al., 2021).

Conclusion and Recommendation

The SWOT analysis places Toko Dunia Cell in an aggressive growth position (Quadrant I), highlighting strong internal capabilities and promising external opportunities. With strengths in product quality, service diversity, and customer orientation, the company is strategically positioned to capitalize on increasing market demand driven by Indonesia's stable economy and growing reliance on mobile technology. However, challenges such as limited digital marketing, high operational costs, and intense competition require proactive strategic responses to maintain competitiveness. Key recommendations include expanding e-commerce and social media marketing, implementing dynamic pricing strategies to attract price-sensitive consumers, and providing digital training for employees to enhance technological proficiency. Furthermore, diversifying the product portfolio with complementary offerings, such as accessories and warranty services, can strengthen revenue, while optimizing inventory and improving operational efficiency can reduce financial risks. By integrating digital innovation,

adaptive pricing, and human resource development, Dunia Cell can solidify its market position and ensure long-term resilience in a competitive retail environment.

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