

Marketing Strategy to Increase Sales Volume: A SWOT-Based Analysis of a Sharia Multilevel Marketing Health Product Distributor

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Abstract: *This study examines marketing strategies employed by a Sharia-based multilevel marketing health product distributor in Kendari to enhance sales performance. A descriptive qualitative methodology was applied, incorporating SWOT analysis through Internal Factors Analysis Summary (IFAS) and External Factors Analysis Summary (EFAS) matrices. Data were gathered via interviews, direct observation, structured questionnaires, and document review. Findings reveal that the distributor experienced a notable downturn in sales at the beginning of the observed period, despite operating in a market characterized by heightened health awareness during the COVID-19 pandemic. SWOT analysis identified internal strengths, particularly halal-certified products and a committed agent network, alongside weaknesses related to limited digital marketing adoption. External analysis highlighted growing consumer health consciousness as a key opportunity, while intensifying competition among Sharia-certified MLM companies posed the primary threat.*

Abstrak: *Penelitian ini mengkaji strategi pemasaran yang diterapkan oleh distributor produk kesehatan berbasis MLM Syariah di Kendari dalam upaya meningkatkan kinerja penjualan. Metode deskriptif kualitatif diterapkan dengan menggunakan analisis SWOT melalui matriks IFAS dan EFAS. Data dikumpulkan melalui wawancara, observasi langsung, kuesioner terstruktur, dan telaah dokumen. Temuan menunjukkan bahwa distributor mengalami penurunan penjualan yang signifikan pada awal periode pengamatan, meskipun beroperasi di pasar yang ditandai dengan meningkatnya kesadaran kesehatan selama pandemi COVID-19. Analisis SWOT mengidentifikasi kekuatan internal berupa produk bersertifikat halal dan jaringan agen yang berkomitmen, serta kelemahan terkait terbatasnya adopsi pemasaran digital. Analisis eksternal menyoroti meningkatnya kesadaran kesehatan konsumen sebagai peluang utama, sementara meningkatnya persaingan di antara perusahaan MLM bersertifikat Syariah menjadi ancaman utama.*

Keywords: *Marketing Strategy; SWOT Analysis; Sales Volume; Sharia MLM; Halal Products*

INTRODUCTION

The health products industry has undergone remarkable transformation in recent decades, driven by increasing consumer awareness of wellness and a growing preference for products that are both efficacious and compliant with Islamic principles. Within this landscape, the Sharia-based Multilevel Marketing (MLM) business model has emerged as a distinctive channel for distributing halal health products, enabling companies to reach consumers through a network of independent agents rather than conventional retail infrastructure.

PT Herba Penawar Alwahida Indonesia, widely known as HNI-HPAI, exemplifies this model. Established in early 2012, the company operates on the principles of Tibbunnabawi (prophetic medicine) and positions itself as a pioneer of Islamic economics through entrepreneurship. Its distribution framework encompasses Business Centers, Agency Centers, Stock Centers, and Distribution Centers, collectively referred to as Halal Marts, each serving as a certified halal product access point across Indonesia. One such Stock Center has been operating in Kendari, Southeast Sulawesi, and serves as the locus of the present study.

Despite operating within a market characterized by growing public interest in health and halal-certified products, the Kendari Stock Center encountered a pronounced and sustained decline in sales performance during the early months of the observed period. This deterioration was particularly paradoxical given that it coincided with the peak of the COVID-19 pandemic, a period during which demand for immune-boosting and health-related products was generally elevated at the national level. The persistence of this downward trend, even against a backdrop of favorable market conditions, strongly suggests the presence of internal strategic deficiencies requiring systematic examination.

Marketing strategy, as articulated by Kotler and Keller (2016), must achieve coherence between a firm's internal competencies and the prevailing external market environment. Failure to align these dimensions frequently results in suboptimal commercial outcomes, regardless of the inherent quality or market positioning of the products themselves. The case of Stock Center HNI HPAI Kendari illustrates this challenge: while the company possesses recognized halal certification and an established distribution network, these strengths appear insufficient to counteract competitive pressures and behavioral shifts in consumer purchasing patterns.

Prior scholarship has extensively validated the utility of SWOT analysis as a strategic diagnostic tool for organizations operating in dynamic and competitive environments. Nofiar (2017) demonstrated that firms employing SWOT-based strategic frameworks tend to identify actionable pathways toward growth even in the face of environmental turbulence. Makmur and Saprijal (2015) further established that small and medium enterprises can materially improve sales outcomes by systematically exploiting internal strengths in tandem with prevailing market opportunities. Ratini (2014) reinforced these findings by documenting how growth strategies combining product diversification with enhanced promotional activities produced measurable improvements in retail sales volume.

The present study contributes to this body of literature by investigating a Sharia-compliant MLM distributor operating in a regional Eastern Indonesian market during an unprecedented public health crisis. This context introduces a unique confluence of elevated consumer health demand, escalating competition among certified Sharia MLM enterprises, and inadequate digital marketing capability—a combination that has not been comprehensively addressed in existing literature. The study addresses

three principal research questions: (1) What internal factors shape the marketing strategy effectiveness of Stock Center HNI HPAI Kendari? (2) What external environmental factors influence its market position? (3) What strategic recommendations are most appropriate for improving sales volume in light of these findings?

METHOD

This study adopts a descriptive qualitative research design, selected for its capacity to explore complex organizational phenomena within their natural operational settings while generating rich, contextually grounded insights. As articulated by Nurdin and Hartati (2019), descriptive research is oriented toward obtaining detailed information about the current status of a phenomenon or situation, making it particularly well-suited to the diagnostic objectives of the present inquiry. The study further employs a replication design, applying the same variables, indicators, and analytical instruments as prior comparable investigations to ensure methodological consistency and facilitate cross-study comparability.

The research was conducted at Stock Center HNI HPAI Kendari, located in Kendari City, Southeast Sulawesi Province, Indonesia. Data collection extended across a defined period spanning early to mid-year, encompassing multiple rounds of fieldwork to capture both quantitative patterns and qualitative nuances of the company's strategic context. The study population comprised all consumers and business agents associated with the Stock Center HNI HPAI Kendari. Respondents were selected through incidental sampling, a nonprobability technique in which participants are chosen based on availability and willingness to engage at the time of the researcher's visit. Sample size was determined in accordance with the Isaac and Michael guideline, ensuring an appropriately representative sample relative to the size of the accessible population.

Data collection employed four complementary methods to achieve methodological triangulation: (1) In-depth interviews with the Stock Center manager, designed to elicit qualitative insights into business conditions, strategic priorities, and competitive challenges; (2) Direct observation of operational activities, including product display, distribution processes, and agent interactions; (3) Closed-format SWOT questionnaires distributed to consumer and agent respondents, providing quantitative assessments of perceived internal and external factors; and (4) Documentation review of sales records, organizational reports, and company communications to furnish an empirical foundation for trend analysis.

The central analytical framework is SWOT Analysis, operationalized through two complementary matrices: the Internal Factors Analysis Summary (IFAS) and the External Factors Analysis Summary (EFAS). Within the IFAS matrix, internal organizational factors are systematically classified as either strengths or weaknesses; each factor is then assigned a relative weight reflecting its importance and a

performance rating capturing the company's current response capacity. Analogously, the EFAS matrix classifies external factors as opportunities or threats, weighted and rated according to their environmental significance and the organization's ability to respond. Aggregate weighted scores from both matrices are used to position the company within the four quadrants of the SWOT diagram, thereby indicating the most appropriate strategic orientation, following the methodology described by Suci (2015).

The operational variables of the study are: (1) Marketing Strategy, conceptualized and measured through the four dimensions of the Marketing Mix framework – Product, Price, Promotion, and Place each assessed through specific indicators relevant to HNI HPAI's distribution and marketing operations; and (2) Sales Volume, defined as the quantitative record of product units sold at the Stock Center during the observation period.

RESULTS AND DISCUSSION

Analysis of sales records from Stock Center HNI HPAI Kendari over the observed period reveals a clear and consistent pattern: an initial phase of progressive sales growth, followed by a sharp and sustained reversal. Sales performance rose steadily through the final months of the preceding year, reaching a peak in December before entering a precipitous decline through the early months of the subsequent year. The magnitude of this reversal was substantial, with sales volumes and aggregate revenue contracting markedly over a span of only two months. Table 1 provides a summary of the sales performance trend across this period.

Table 1. Sales Performance Trend of Stock Center HNI HPAI Kendari

No	Month	Year	Items Sold	Revenue
1	October	2020	Moderate	Moderate
2	November	2020	Increasing	Increasing
3	December	2020	Peak	Highest
4	January	2021	Declining	Declining
5	February	2021	Lowest	Lowest

Source: Stock Center HNI HPAI Kendari (2021)

The inverted-V trajectory evidenced in Table 1 is particularly concerning in light of the broader epidemiological context. The COVID-19 pandemic, which was still ongoing during the period of sharpest sales decline, had generated substantial national demand for health supplements and immunity-enhancing products. The fact that the Kendari Stock Center experienced a deterioration in sales precisely during this period of elevated demand points strongly toward internal strategic factors as the primary drivers of underperformance rather than adverse external market conditions.

Internal Factors Analysis (IFAS)

The IFAS matrix was constructed through structured consultation with key informants and consumer respondents. Drawing on the four dimensions of the Marketing Mix, the following internal factors were identified and assessed.

In terms of strengths, HNI HPAI products carry official halal certification issued by DSN-MUI, which confers a meaningful competitive advantage in Indonesia's predominantly Muslim market. The product portfolio spans health supplements, personal care items, and household products, reflecting a degree of diversification that reduces dependence on any single product category. The brand's association with Tibbunnabawi (prophetic medicine) lends it distinctive spiritual and cultural positioning among health-conscious Muslim consumers. Pricing structures incorporate agent-specific discount mechanisms, reinforcing loyalty within the distribution network. Furthermore, the company maintains a cadre of dedicated and trained agents who are ideologically aligned with the Sharia business model, constituting a resilient human resource base.

Conversely, several internal weaknesses were identified. The most consequential of these is the limited adoption of digital marketing tools and social media platforms, which has constrained the company's ability to reach digitally engaged consumer segments. Distribution coverage within Kendari City remains geographically narrow, leaving potentially significant market segments unserved. Promotional activities are heavily reliant on personal selling and face-to-face interactions, rendering the company vulnerable to disruptions such as social distancing measures. Inventory management practices exhibit periodic inefficiencies, occasionally resulting in product stockouts. Finally, the absence of systematic data-driven approaches to sales performance monitoring has impeded timely strategic adjustments.

External Factors Analysis (EFAS)

The EFAS matrix was developed through assessment of the macroeconomic, social, and competitive environment surrounding the Kendari Stock Center. Several significant opportunities were identified. The COVID-19 pandemic substantially amplified public awareness of and demand for health-protective products, creating a favorable market environment that, under more effective strategic conditions, could have been more fully capitalized upon. The broader trend toward halal product awareness among Indonesian Muslim consumers represents a durable structural opportunity for Sharia-certified health brands. The rapid expansion of digital technology and social commerce platforms offers cost-effective pathways to broader market reach. Government regulatory support for Islamic economic

enterprises provides a facilitative policy environment. Additionally, the expansion of the middle class in Kendari and surrounding regions has augmented the pool of consumers with discretionary income available for health-related expenditures.

Regarding threats, the proliferation of Sharia-certified MLM companies within Indonesia's health products market has intensified competitive pressure at multiple levels. Table 2 provides an illustrative overview of key competitors operating within the certified Sharia MLM segment. Beyond direct competitors, mainstream health product brands with larger marketing budgets and established retail networks pose a persistent competitive challenge. Economic instability and reductions in household purchasing power, both exacerbated by the pandemic, have constrained consumer spending. Potential regulatory shifts affecting MLM business practices represent a source of policy risk. Lastly, lingering consumer skepticism toward MLM business models in certain demographic segments constitutes a reputational challenge.

Table 2. Certified Sharia MLM Companies in Indonesia

No	Company	Main Products	Cert. Validity
1	PT Nusa Selaras Indonesia	Supplement, Cosmetics	Sept 2023
2	PT Arminareka Pharmasia	Supplement, Lifestyle	Feb 2023
3	PT K-Link Nusantara	Health Products	March 2023
4	PT Singa Langit Jaya (TIENS)	Health Products	Feb 2022
5	PT Nusantara Sukses Selalu	Health Products	July 2022

Source: DSN-MUI (2021), <https://dsnemui.or.id>

SWOT Matrix and Strategic Recommendations

Aggregation of IFAS and EFAS scores positions Stock Center HNI HPAI Kendari in the first quadrant of the SWOT diagram, where internal strengths outweigh weaknesses and external opportunities exceed threats. This positioning is indicative of a favorable strategic condition that supports an aggressive growth orientation, as described in Suci (2015). The SWOT matrix generated four categories of strategic recommendations aligned with different combinations of internal and external factors.

SO Strategy (Strength-Opportunity): The company should actively leverage its halal certification and prophetic medicine brand identity to capitalize on the pandemic-driven surge in health product demand. Maintaining competitive pricing while broadening the product portfolio to encompass emerging consumer health needs will reinforce market positioning. Deepening engagement with agents and

regional distributors through structured support and incentive programs will further consolidate the distribution network during a period of heightened market activity.

ST Strategy (Strength-Threat): The company's Sharia-compliant brand identity should be utilized as a primary differentiator from both mainstream competitors and other halal MLM operators. Continuous monitoring and enhancement of product quality and certification standards will sustain consumer confidence in the face of competitive challenges. Relationship-based marketing and personalized selling approaches should be preserved and refined as foundational competitive tools that align with the ethical dimensions of the Sharia business model.

WO Strategy (Weakness-Opportunity): Adoption of digital marketing platforms including social media channels, e-commerce integrations, and business messaging applications should be pursued as a priority to close the gap between the company's promotional capabilities and the opportunities presented by Indonesia's rapidly digitalizing consumer base. Concurrent improvements to sales monitoring through digital reporting tools will enhance strategic responsiveness. Geographic expansion through the recruitment of new agents in underserved areas of Kendari and adjacent regions will widen the distribution footprint.

WT Strategy (Weakness-Threat): During peak competitive periods, promotional activities should be intensified to defend market share. Expansion of the sales force through the recruitment and training of additional agents will increase coverage and the frequency of product demonstrations. Development of a structured customer retention program, incorporating loyalty incentives and after-sales support, will reduce attrition risk and sustain the company's relationship-based competitive advantage.

These findings align substantively with the conclusions of Makmur and Saprijal (2015), who established that organizations with clearly identifiable internal strengths and systematically mapped market opportunities are well-positioned to reverse sales declines through strategic realignment. Ratini (2014) similarly documented how a combination of product portfolio diversification and distribution network enhancement generated measurable sales improvements in a retail context.

The distinctive contribution of this study lies in its application of SWOT analysis to a Sharia-compliant MLM distributor operating within a regional Indonesian market under the unusual conditions of a global public health emergency. The coexistence of elevated consumer demand for health products with internal strategic limitations most notably the digital marketing gap creates a strategic paradox that has not been extensively examined in the prior literature on Islamic business management.

The digital marketing deficit identified in this study warrants particular attention. While the external environment clearly presented significant opportunities for digitally mediated product

promotion and distribution, the company's entrenched reliance on personal selling and direct interactions prevented effective exploitation of these opportunities. The transition toward a digitally augmented promotional model, while preserving the relationship-centric culture that is intrinsic to the Sharia MLM framework, represents the most critical strategic imperative for the company going forward.

Furthermore, the halal certification held by HNI HPAI products formally recognized by DSN-MUI constitutes a durable and transferable competitive asset. Kotler and Armstrong (2018) emphasize that product positioning must be communicated clearly and persuasively to target consumer segments; in the context of Muslim consumers, halal certification functions as a powerful positioning signal that, if effectively conveyed through digital channels, has the potential to significantly elevate brand visibility and consumer trust at scale.

CONCLUSION

This study analyzed the marketing strategies of Stock Center HNI HPAI Kendari through a SWOT analytical framework, with the objective of identifying strategic improvements capable of reversing a significant decline in sales performance. The research identified a clear and sustained deterioration in sales volume during the early months of the observation period, attributable primarily to the absence of a comprehensive and adaptive marketing strategy in the face of mounting competitive pressure and shifting consumer behavior. SWOT analysis revealed that the company's principal internal strengths reside in its halal-certified, Sharia-compliant product portfolio and its established network of committed agents, while its most critical weakness is the limited adoption of digital marketing tools and platforms. Externally, the pandemic-induced heightening of health consciousness presents a substantial opportunity, whereas the proliferation of certified Sharia MLM competitors constitutes the most immediate and consequential threat to market position.

Positioning within Quadrant I of the SWOT matrix indicates a strategic environment conducive to aggressive growth, underpinned by the SO strategy framework. The recommended strategic actions are: (1) systematic adoption of digital marketing across social media and e-commerce platforms to reach wider and more digitally engaged consumer audiences; (2) diversification of the product portfolio to accommodate evolving consumer health preferences; (3) geographic expansion of the distribution network to penetrate underserved market segments; and (4) reinforcement of agent motivation and capability through structured training and incentive programs to sustain the effectiveness of personal selling as a core competitive tool.

Consistent implementation of these strategies is expected to reverse the observed sales decline and strengthen the competitive positioning of Stock Center HNI HPAI Kendari as a regional distributor within Indonesia's Sharia health products market. Future research is recommended to quantify the impact of specific marketing mix interventions on sales outcomes through experimental or longitudinal designs,

and to examine the consumer behavioral dynamics that are particular to Muslim health product purchasers in Eastern Indonesian regional markets.

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