

SWOT Analysis of Laundry Business in Jakarta, Indonesia

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Abstract:

This study aims to analyze the strengths, weaknesses, opportunities, and threats (SWOT) that affect the development of laundry businesses in Jakarta as one form of micro and small businesses that are growing rapidly in urban areas. The approach used is descriptive qualitative with data collection techniques through semi-structured interviews with laundry business owners and managers in five areas of DKI Jakarta. Data were analyzed using the IFAS and EFAS matrices to identify internal and external factors, which were then formulated into a SWOT matrix as the basis for development strategies. The results of the study indicate that the main strengths of laundry businesses lie in their strategic locations, pick-up and delivery services, and trained workers, while their weaknesses include limited capital, manual equipment, and suboptimal digital marketing. On the external side, opportunities such as government support and the development of digital technology can be utilized to overcome threats such as business competition and regulatory uncertainty. The conclusion of this study shows that the ST (Strength-Threat) and WT (Weakness-Threat) strategies are dominant strategies that need to be implemented. It is recommended that business actors adopt digital innovation, increase production capacity, and strengthen business networks to face competitive and sustainable market dynamics.

Keywords: SWOT, competitiveness analysis of laundry business, small and medium enterprises

1. Introduction

Laundry service business has become one of the micro and small businesses that are growing rapidly in urban areas such as Jakarta. Changes in urban lifestyles that are increasingly dynamic, dense, and demands for efficiency have led to an increase in demand for practical and reliable laundry services. Jakarta, as the nation's capital with a population of more than ten million people, provides a very potential market for laundry business actors. However, this high demand is also accompanied by a high level of business competition, especially in densely populated areas such as South Jakarta, West Jakarta, and East Jakarta. Amid these challenges, laundry business actors need to have the right strategic management and marketing in order to survive and develop sustainably. One of the most relevant strategic analysis tools used is the SWOT analysis, which explains the strengths, weaknesses, opportunities, and threats in business operations.

The application of SWOT analysis in the context of the laundry business has become a fairly common approach used in various countries. For example, Al Farisi and Rahmi's (2025) research presents a case study of the development of laundry MSMEs in Indonesia with a SWOT approach combined with the Business Model Canvas. The study shows how internal strengths such as service quality and location strategy, as well as external opportunities such as increasing customer trends due to urbanization, can be optimized to design adaptive business strategies. Meanwhile, weaknesses such as lack of capital and threats from major competitors are the focus in compiling mitigation strategies. The findings of this study demonstrate the importance of systematic mapping of business situations so that business actors not only survive but are also able to innovate in a competitive ecosystem.

In addition, Muhammad, Aldisa, and Herdjiono (2022) in their research on Ok Clean Laundry's marketing strategy, emphasized the importance of analyzing the external environment through the IFE (Internal Factor Evaluation) and EFE (External Factor Evaluation) matrices as a complement to the SWOT analysis. They found that external factors such as changes in people's consumption patterns and

digitalization trends significantly affect the strategic position of the laundry business. Thus, the application of SWOT is not only a descriptive tool, but also a data-based decision-making tool that is responsive to market changes. The strategies resulting from this approach include optimizing pick-up services and expanding customer segments through social media and digital platforms.

Another study was conducted by Giawa and Sirait (2025) in Batam, which focused on operational efficiency and increasing competitiveness through SWOT. This study found that efficiency in the use of air and electricity, employee training, and technology adaptation are the main strengths that support the sustainability of the laundry business. However, the challenges of suppressing raw material prices and limited access to funding are still weaknesses that need to be overcome. This is in line with the results of a global study by DojoBusiness (2023), which examined the SWOT of laundromats in the United States, and found that technological innovations such as ordering services through applications and non-cash payment systems are great opportunities that have not been widely utilized by micro-business actors in developing countries.

Looking at various previous studies, it can be concluded that SWOT analysis is an effective framework in helping laundry businesses understand their strategic position in the market and develop adaptive strategies to the dynamics of the business environment. However, until now there has not been much research that specifically examines the application of SWOT analysis to laundry businesses in Jakarta as a metropolitan city that has its own uniqueness in terms of demographics, lifestyle, and consumer behavior. Therefore, this study aims to fill this weakness by deeply analyzing the strengths, weaknesses, opportunities, and threats faced by laundry business actors in Jakarta. The results of this study are expected to provide real contributions in strategic decision making for MSME actors and become a reference in developing micro-business policies in the urban service sector.

2. Literature Review

SWOT analysis has been proven to be an effective tool in identifying internal and external factors of an organization, including in small businesses such as laundry businesses. In this context, a study by Pratama Putra et al. (2024) specifically analyzed the competitive strategy of the Yakusa Laundry business using the SWOT approach. This study revealed that the main business strengths lie in service quality and competitive prices, while also covering the weaknesses of limited digital promotion. Opportunities are identified in the increasing trend of laundry service needs due to busy urban lifestyles, while threats arise from high levels of competition in densely populated areas. With this exposure, the study recommends a focus-differentiation development strategy to strengthen market position. This approach shows that SWOT is not only useful as an evaluation instrument, but also as a foundation for formulating systematic and adaptive strategies in service business competition.

In another study conducted by Giawa and Sirait (2025), the SWOT approach was used to design a business development strategy for Doc Laundry in Batam. This study not only examines the managerial dimension, but also explores aspects of operational efficiency and the marketing system being run. One important contribution of this study is the finding that the integration of digital technology in customer service, such as online ordering systems and pick-up and drop-off services, is a major force capable of driving business competitiveness. This study also highlights the analysis of the importance of the external environment, especially changes in regional policies and rising utility costs, as threats that need to be anticipated strategically. Recommendations from this study include strengthening local partnerships and increasing employee training as mitigation measures against potential long-term threats.

Setyorini and Rey (2017) developed a more holistic approach by combining SWOT analysis and Business Model Canvas in analyzing the Eighteen Nineteen Laundry business model. This approach allows researchers not only to identify the strengths and weaknesses of the business, but also to map the nine main elements of the business model such as customer segments, distribution channels, and revenue streams. The research findings show that the key to the success of a laundry business lies in service consistency, partnership strategies, and efficient resource management. In addition, this study shows how restructuring the business model based on SWOT results can be an innovative strategy in dealing with rapidly changing market pressures, especially during the transition to digitalization of the local economy.

Research by Muhammad, Harahap, and Indrawati (2021) examines the development strategy of a shoe laundry business in Pekanbaru, by combining SWOT analysis and the IFAS-EFAS matrix. This study emphasizes the importance of service diversification in response to external challenges such as competition and volatility in customer demand. This study found that the main strength of business actors lies in the specialization of services that are rarely available in the local market, while weaknesses arise from limited production capacity and access to business capital. The results of the matrix indicate that the right strategy is an aggressive strategy (SO strategy), namely utilizing internal strengths to capture market opportunities. This study provides a conceptual contribution in expanding the application of SWOT analysis to more specific and niche-oriented laundry services, and offers practical impacts for novice entrepreneurs in similar sectors.

3. Research Method

This study uses a qualitative descriptive approach, with the aim of systematically and factually describing the internal and external conditions faced by laundry business actors in Jakarta. This approach was chosen because it allows researchers to explore phenomena in depth through non-numerical data, as well as providing space for contextual interpretation of business dynamics that occur in the field.

The types of data used in this study are primary data and secondary data. Primary data were obtained through in-depth interviews with laundry business owners and managers spread across five administrative areas of DKI Jakarta. Secondary data were obtained from documentation studies, industry reports, government publications, scientific journal articles, and relevant literature on SWOT analysis in the service business sector. The combination of these two types of data is expected to provide a comprehensive understanding of the object of study.

The main data collection technique in this study was semi-structured interviews, designed to provide freezing in in-depth exploration but still referring to the SWOT (Strengths, Weaknesses, Opportunities, Threats) information framework. Interviews were conducted directly or boldly, with open-ended questions based on theory and literature study results. In addition, direct observation of laundry business operations and visual documentation were also used as a complement to confirm field data.

The data obtained were analyzed using the SWOT analysis technique. The first stage is the categorization of data into four main elements of SWOT. The second stage is the preparation of a SWOT matrix that combines internal and external factors to identify the positioning strategy of the laundry business being studied. This analysis is then used to formulate alternative business strategies that are in accordance with empirical conditions in the field. Data validity is maintained through source triangulation techniques, namely by comparing data from various sources and different documents to ensure the validity of the findings.

4. Result and Discussion

Table 1. IFAS Matrix of Laundry Business in Jakarta

No	Strength	Weight	Rating	Score
1	Strategic business location near organizational and office areas	0.10	4	0.40
2	Pick-up and delivery service that makes it easy for customers	0.09	4	0.36
3	Competitive and affordable service prices	0.08	4	0.32
4	Skilled workers with expertise in various types of clothing materials	0.07	4	0.28
5	Flexible payment system and use of e-wallet	0.05	3	0.15
6	Active promotion via WhatsApp and social media	0.04	3	0.12
7	Some laundry units already use energy-efficient industrial washing machines.	0.04	3	0.12
8	There is cooperation with boarding houses and apartments for services regular	0.03	3	0.09
Strength Total		0.50		1.84
No	Weakness	Weight	Rating	Score
1	Reliance on manual labor during high loads	0.07	4	0.28
2	Limited capital to purchase additional washing machines	0.07	4	0.28

No	Strength	Weight	Rating	Score
3	Not all laundries implement a consistent cleanliness management system	0.06	4	0.24
4	Lack of ongoing training for employees	0.06	4	0.24
5	Promotions have not been professionally integrated through digital platforms	0.07	4	0.28
6	Knowledge of business regulations and licensing is still low	0.06	3	0.18
7	Seasonal dependence (weather influence on drying)	0.06	3	0.18
8	Customer satisfaction levels have not been measured systematically	0.05	3	0.15
Weakness Total		0.50		1.83
Strength Total + Weakness Total		1.00		3.67

Source: Data processed by researchers (2025)

The IFAS table of laundry businesses in Jakarta shows that internal strengths are slightly more dominant than weaknesses, with a total strength score of 1.84 and a weakness score of 1.83. The main strengths of laundry businesses in Jakarta lie in their strategic locations close to dense residential areas and activity centers, shuttle services that provide additional convenience, and competitive prices. On the other hand, significant weaknesses are dependence on manual labor, limited capital for equipment expansion, and suboptimal digital promotion.

These findings indicate that laundry businesses in Jakarta have strong internal potential to continue growing, but must be accompanied by strategies that focus on improving key weaknesses. For example, through regular training for employees, technology investment, and strengthening promotions based on social media and digital applications. By optimizing strengths and reducing the impact of weaknesses, laundry businesses can improve their competitive position in the growing middle market in metropolitan areas.

Table 2. EFAS Matrix of Laundry Business in Jakarta

No	Opportunity	Weight	Rating	Score
1	Increasing public awareness of cleanliness and hygiene of clothing post-pandemic	0.06	4	0.24
2	Government support through MSME empowerment programs, training such as and capital assistance	0.06	4	0.24
3	The development of digital technology and e-commerce makes it easier to promote and order laundry services.	0.05	4	0.20
4	The potential for utilizing social media (Instagram, TikTok) to expand marketing reach	0.05	4	0.20
5	The busy lifestyle of urban communities opens up opportunities for demand for shuttle services.	0.05	4	0.20
6	Collaboration opportunities with vertical housing, boarding houses, and housing for permanent customers	0.05	3	0.15
7	Demand increases during certain seasons such as long holidays, Eid, and the rainy season.	0.05	3	0.15
8	The existence of entrepreneurship training from educational institutions and local startup communities	0.04	3	0.12
9	Availability of access to MSME capital loans from fintech and digital cooperatives	0.05	3	0.15
10	Improved transportation infrastructure facilitates the distribution and mobility of services.	0.04	3	0.12
Opportunity Total		0.50		1.77

No	Threat	Weight	Rating	Score
1	Competition in the laundry business is getting tighter, including from large franchises.	0.10	4	0.40
2	Uncertainty of government policy regarding licensing and taxes for MSMEs	0.09	4	0.36
3	Limitations of MSME actors in adopting the latest digital technology	0.08	4	0.32
4	Dependence on digital platforms that can change their algorithms at any time	0.08	4	0.32
5	Rapid changes in consumer preferences, for example switching to instant, application-based services	0.08	3	0.24
6	Limited business capacity to build sustainable partnerships with large companies	0.07	4	0.28
Threat Total		0.50		1.92
Opportunity Total + Threat Total		1.00		3.69

Source: Data processed by researchers (2025)

Based on the EFAS Table, it can be concluded that laundry businesses in Jakarta face a complex combination of opportunities and threats. The total opportunity score reached 1.77, indicating several positive factors that can be utilized by business actors, such as increasing public awareness of cleanliness, government support through MSME empowerment programs, and easy access to digital technology and e-commerce for marketing and services. In addition, urban lifestyle trends and opportunities for collaboration with the housing segment are important catalysts for the development of laundry businesses.

However, the threat score of 1.92 shows that external challenges are more dominant and have the potential to hinder business growth if not anticipated strategically. Tight competition, both from fellow MSMEs and large franchises, and disruptive government regulations are crucial issues. Other threats include limitations in the application of technology, dependence on digital algorithm platforms, and the dynamics of rapidly changing consumer preferences.

However, despite the wide open market opportunities, laundry businesses in Jakarta need to implement strong and agile risk mitigation strategies. Strengthening digital literacy, diversifying services, and strategic collaboration with communities or other business institutions are important steps to balance potential opportunities and threats. Only with adaptive and responsive strategies can laundry business actors increase competitiveness and maintain their existence amidst ever-changing market dynamics.

Table 7. SWOT of Laundry Business in Jakarta

IFAS	Strength	Weakness
EFAS		
Opportunity	SO Strategy	WO Strategy
	1.84 + 1.77 = 3.61 (I)	1.83 + 1.77 = 3.60 (III)
Threat	ST Strategy	WT Strategy
	1.87 + 1.92 = 3.79 (II)	1.83 + 1.92 = 3.75 (IV)

Source: Data processed by researchers (2025)

Based on Table 3, there are four main strategies that can be implemented by laundry business actors in Jakarta in facing a competitive and dynamic business environment:

1. SO (Strengths-Opportunities) Strategy with a Score of 3.61 (Quadrant I)

This strategy utilizes internal strengths such as strategic business locations, shuttle services, and trained workers to take external opportunities such as increasing public awareness of the importance of cleanliness, as well as advances in digital technology and social media. Business actors are advised to expand their marketing reach through the integration of social media and e-commerce, and to implement the same work strategy with apartments, offices, and boarding houses. The goal is to strengthen market position and increase the number of customers sustainably.

2. ST Strategy (Strengths - Threats) with a score of 3.76 (Quadrant II)
This strategy emphasizes the use of internal strengths to face various external threats such as fierce competition from large franchises, changes in consumer preferences, and intimidation of government policies. Laundry businesses can improve service quality and operational efficiency, as well as strengthen relationships with local communities and regulators. In addition, business actors are advised to continue updating their supporting technology in order to compete with competitors that are already digital-based.
3. WO Strategy (Weaknesses-Opportunities) with a score of 3.60 (Quadrant III)
This strategy focuses on reducing internal weaknesses, such as limited production equipment and less than optimal use of digital promotions, by taking advantage of existing opportunities. Business actors need to participate in entrepreneurship and digital marketing training programs provided by the government and local business communities. Strengthening HR competencies and diversifying services, such as express services and special washing (suits, carpets, shoes), are some of the relevant strategic options.
4. WT Strategy (Weaknesses-Threats) with a score of 3.75 (Quadrant IV)
This strategy is designed to address a combination of internal weaknesses and external threats simultaneously. The focus is on ending dependence on certain digital platforms, increasing production capacity through investment in more efficient tools, and increasing business regulatory literacy (licenses, taxes, operational standards). Business actors also need to develop customer management systems and data-based services to strengthen customer loyalty and face increasingly fierce competition.

5. Other recommendations

This study shows that laundry businesses in Jakarta have strong development potential through strategic utilization of internal and external factors. The results of the SWOT analysis show that strengths such as location strategy, pick-up and drop-off services, and tracking workforce can be maximized to respond to opportunities in the form of digitalization trends, government support, and changes in urban lifestyles that increasingly require practical services. However, weaknesses such as limited capital, technology, and dependence on manual labor remain challenges, especially amidst the threat of increasingly tight business competition and obstructive regulations. Therefore, the SWOT map provides a comprehensive overview for the preparation of responsive and sustainable development strategies for laundry business actors.

Based on the research findings, it is recommended that laundry business actors in Jakarta adopt a strategy of strengthening digitalization services, improving the quality of human resources, and expanding partnership networks, especially with vertical housing and local agencies. Local governments and entrepreneurial communities are also expected to provide more intensive support through technical and managerial skills training, inclusive access to financing, and simplification of licensing procedures. In addition, to face rapid market changes, business actors need to build a routine internal evaluation system to improve competitiveness, operational efficiency, and customer satisfaction in a sustainable manner.

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