

analysis comparing the chances of external factors, opportunity and threats and internal factors force, strength and weakness. To analyze more deeply about the SWOT, it is necessary to external and internal factors seen as an important part of a SWOT analysis (Irham Fahmi, 2013).

These external factors affecting the formation of opportunities and threats (O and T). Where these factors are concerned with the conditions that occur outside the company that affects the decision making of the company. The internal factors affecting the formation of strengths and weaknesses (S and W). Where these factors are concerned with the conditions that occur in the company, which also influenced the formation of decision-making companies (Nisak).

SWOT analysis used to formulate the development of creative industry strategies, especially for sub-sector of fashion, culinary and craft. The analysis of creative industry development strategies not only includes the strategy to maximize the strengths and opportunities of the creative industry but also about the strategies of minimizing threats and weakness.

## **B. Previous Research**

1. The first reference is the study of the development model of competitiveness for SMEs (Small and Medium Enterprises), especially in the creative industries in Bandung (Utami & Lantu, 2013). In this research explained that competitiveness is a comprehensive concept comprising a potential dimension, the dimension of the process, and the dimensions of execution

or performance. In the dimension of potential consists of internal capabilities (financial capacity, human resource capacity, and the ability of innovation), the external environment (the general environment, competitiveness environment, and supportive environment), the character of the owner (a passion, motivation, personality, knowledge, talent, experience, and leadership), and the character of the company (vision, mission, and values). While the dimensions of strategies mean that the strategy used to make the business to achieve the target. And the last is the dimension of performance which means the object of competitiveness, which is divided into two measurements: financial performance (the performance of markets and assets) and non-financial performance (quality of products, customer satisfaction, market expansion, improvement of human resources, and reputation).

2. This study argues that innovation is a key element or a major boost in the competitiveness of a business. The purpose of this study is to identify the key factors of success in innovation to accelerate the progress of the creative industries (Azis, et al, 2014).
3. This study aimed to analyze the index of competitiveness of SMEs in Yogyakarta and to analyze the state of SMEs in DIY, both internally and externally. The method used to calculate the competitiveness index is a theoretical diamond Porter and a Likert Scale. Another analysis tool used is the SWOT (Strength, Weakness, Opportunity, and Threat). By using the SWOT analysis method, expected outcomes is that researchers can offer

strategies for SMEs in Yogyakarta with a view to being able to compete in AEC (Azizah, 2016).

4. This research aims to analyze the small and medium industries competitiveness in the manufacturing sector in Central Java by using the framework of Porter's diamond model. Measurement of the competitiveness index is using the value established in the industry rankings, the company, dimensions and elements. The ranking of dimensions and elements based on the weight were obtained from the Eigenvalue in each elements and dimension. Based on the results of the index values calculated, small and medium industries in the manufacturing sector in Central Java are highly competitive both for each dimension and overall dimensions (Wiyadi, 2009).