

Industry analysis of PT. Mayora Indah, Tbk. (Case Study)

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ABSTRACT

This study aimed to examine forces that determined the strategic position of PT. Mayora Indah Tbk. in the Indonesian food and beverage industry by using the modified Porter's five forces model. This model assists in analyzing the industry based on the positioning of the companies strategically based on the strength of industry stakeholders, competition between existing companies, bargaining power over buyers and suppliers, the threat of new entrants and substitute products or services, and the forces from other stakeholders. This research employed the case study method, focusing on a particular case requiring careful observation and analysis. The results indicated that the food and beverage industry relied on a company's ability to maintain a substantial competitive advantage and business profitability in the Indonesian food and beverage industry. Hence, the company could preserve its position in the market and have the opportunity to continue its growth in the future. This study combines Porter's five forces and financial analysis as the case study in external factors industry analysis of PT Mayora Indah Tbk. Porter's forces analysis revealed that PT Mayora had a solid and quite profitable competitive advantage in Indonesia's food and beverage industry. Therefore, the company could maintain its position in the market and have the opportunity to continue growing.

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INTRODUCTION

The food and beverage industry is experiencing constant changes due to globalization and urbanization, necessitating the fulfilment of increasing demands (Nasution et al., 2023). Companies engaged in the food and beverage industry are among the leading producers contributing to the national economy (Andriani & Rudianto, 2019). Another supporting factor is Indonesia's population growth, which increases the demand and eventually encourages the development of food and beverage companies in Indonesia, leading to intense competition between companies (Yanti & Darmayanti, 2019). In 2022, the Indonesian food and beverage industry witnessed a growth rate of 3.57%, generating export profits of US\$36 billion in the third quarter of that year (Indonesian Ministry of Finance, 2022). The industry's current value reached IDR 1.12 trillion in 2021, accounting for a substantial portion of the national GDP (Central Bureau of Statistics, 2021). Furthermore, Indonesia's overall economy experienced a growth rate of 5.76% in the third quarter of 2022, with the transportation and warehousing industry showing significant growth of 20.97% (Central Bureau of Statistics, 2022).

To address these economic concerns, companies must realign their internal structures, prepare for external challenges, and adapt their business models (Nasution et al., 2023). The dynamic external

environment needs to be evaluated to understand potential threats. Michael Porter's five forces model, developed in the 1980s, analyzes the company's strategic position in the industry by considering factors such as new entrants, competition, bargaining power, and threats to goods and services (Porter, 1981). Industries typically undergo stages of growth, maturity, and decline, influenced by factors like globalization, market internationalization, and the integration of companies (Wheelen et al., 2018). The industrial revolution, known as Industry 4.0, has also played a significant role in transforming the operations of companies (Kohnová & Salajová, 2023). In an industrial setting, the environment directly influences a company's survival and development (Huang, 2019), making it a vital element in the food and beverage industry (Singh et al., 2019), which is the focus of this research. Other factors driving change include lifestyle and food consumption patterns, prompting companies to align with market demands (Ismail & Yusop, 2014).

The company investigated in this study, PT Mayora Indah Tbk., faced intense business competition due to globalization, reduced trade barriers, and technological advancements. Therefore, this research analyzed the company's industrial strength determinants based on Porter's model. Before discussing the factors, this section will explain the company profile based on its profitability performance.

The following is a quarterly financial performance table of PT. Mayora Indah Tbk. from 2017 – 2022

Table 1. Financial performance of PT. Mayora Indah Tbk (In million rupiah.)

Description	2022	2021	2020	2019	2018	2017
Net Sales	30,669,405	27,904,558	24,476,953	25.026.739	24.060.802	20,816,674
Operating Expenses	4,406,308	5,150,667	4,468,194	4,744,976	3,768,761	2,514,495
Operating Profit	2,433,114	1,772,315	2,830,928	3,172,264	2,627,892	2,460,559
Operating Income	2,506,057	1,549,648	2,683,890	2,704,466	2,381,942	2,186,884
EBIT	1,897,122	2,110,911	3,416,649	3,837,326	3,249,399	2,742,814
EBITDA	2,007,764	1,295,324	2,007,479	2,020,050	1,804,748	1,570,140
Profit for The Year	1,970,064	1,211,052	2,098,168	2.039.404	1.760.434	1,630,953
Total Comprehensive Income	1,979,226	1,270,289	2,044,604	1.968.621	1,760,263	1,534,112

Source: Annual report of PT Mayora Indah Tbk. and the Indonesia Stock Exchange (IDX).

Recorded net sales in each quarter increased more than the previous year. Operating profit was likely stable in 2022; the difference was around 37.28%, 2.4 trillion. Profit before tax increased due to operating expenses which were getting higher per quarter. However, it decreased by 744.359 billion in 2022. Earnings before interest and taxes experienced an improvement per quarter, but the results were still greater than the previous year, namely 2021, with a difference of 213.789 billion. Earnings before interest, tax, and amortization increased by 712.440 billion in 2022. Profit for the year grew by 759.012 billion from the previous due to the efficiency in using operating expenses to improve products and packaging, increasing the company's net profit.

The competitive development of the food and beverage industry has made Mayora one of the dominant companies in the Food and Beverage industry. However, it must continue to innovate and expand its products by evaluating market developments and trends. PT Mayora Indah Tbk. was founded in 1977, with its first factory in Tangerang and a target market around Jakarta. Mayora listed its shares on the Indonesia Stock Exchange on July 4, 1990. After becoming a public company, Mayora expanded its market share to Asian countries. Its products are currently expanding to five continents of the world. Mayora classifies its products into two categories, processed food and beverages, with six built-in divisions, including cookies, candy, waffles, chocolate, coffee, and healthy food (Astuti, 2022). As a global Fast Moving Consumer Goods (FMCG) company, PT Mayora Indah Tbk. has varied competitive products compared to other competitors. This study also illustrates by (Cravens et al., 2009) the four-level of competition challenges by the company depicted in the following figure: firstly, the product from the competition (in the industry of biscuits and wafers); secondly, product category

competition (in the industry of coffee candy); then, the generic competition (in the industry of confectionery); and finally, the budget competition (in the foods and entertainment industries).

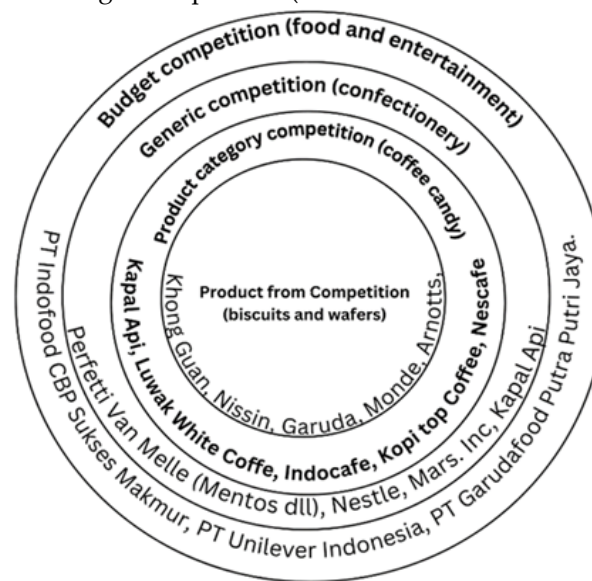


Figure 1 The four levels of competition challenged by PT. Mayora Indah Tbk.

Organizations must have sufficient information about their competitors in the face of competition. Thus, they must know their rivals' strengths and weaknesses to succeed and survive (Asemi et al., 2022). A company can achieve superior performance by creating cost leadership by differentiating its products and services from its competitors (Porter, 1990; Afzal et al., 2019). Hence, the company must build 'core competence' by enforcing quality, effective competitive pricing policies, internet marketing, good corporate strategy, product innovation, and predicting buyer behaviour for high customer satisfaction. This strategy successfully improves companies' performance, offering them an advantage over their competitors to obtain higher profits. In this regard, strategies constructed using particular scarce, valuable, and hard-to-imitate resources are proven more efficient than others and are considered key drivers for creating sustainable competitive advantage (Gupta & Nanda, 2015).

The problem discussed in this study is the intense business competition faced by PT Mayora Indah Tbk, which is involved in the food and beverage industry. The observation was carried out at PT Mayora Indah Tbk because the company has been established for quite a long time and has become one of the major companies leading in the food and beverage industry and has remained successful until now. Of course, PT Mayora Indah Tbk. must also study the factors of its industrial strength in order to avoid risks and expand the firm even further. To do this, this research intends to employ a modified version of Porter's five forces model. To achieve this, this study aims to use a modified version of Porter's five forces model. By applying this model, this study seeks to evaluate the competitive forces in the industry that impact PT Mayora Indah Tbk. These forces include the threat of new entrants, the level of competition, the bargaining power, the threat posed by substitute products or services, and the fluidity of other stakeholders.

PT Mayora Indah Tbk. must develop a strong competitive strategy to meet the challenges of intense competition. These strategies could include gaining a cost advantage, differentiating its products and services from competitors, developing sound corporate strategies, encouraging product innovation, and predicting customer behaviour to ensure high levels of customer satisfaction. PT Mayora Indah Tbk. can gain a long-term competitive advantage over its competitors by identifying and utilizing its core competencies. This study aims to evaluate the industry using Porter's modified five forces model to company's competitive strategy and strengthen its market position.

LITERATURE REVIEW

An industry is a group of companies that produce similar goods or services, such as financial services or soft drinks. Identifying the significance of groups that directly affect an organization's external environment is often called industry analysis (Rufaidah, 2014). Two factors play an essential role in the business industry: 1) industry-specific factors such as industry concentration, entry barriers, and bargaining power of buyers and suppliers, determining the structure and level of competition; 2) proper management of company resources, so that good use of capital, technology, and human resources can significantly impact company profitability. According to previous research, the bargaining power of buyers has a substantial impact on profitability. High customer expectations, low switching costs, a high number of influential buyers, and insufficient knowledge of their products have been identified as the main threats confronting this industry. The threat of market entry is dominated by the strong impact of economic scale and cost advantages of stakeholders. Meanwhile, government intervention is a significant threat to industry profitability. Industry-specific policies, norms, and standards, which in most cases are set and controlled by institutions, make them a real threat force, indicating the importance of expanding the framework (Wellner & Lakotta, 2020).

Good industry analysis looks closely at the structural foundations of profitability (Porter, 2008). Porter (1980 & 1985), the originator of competitive strategy, claims that companies pay more attention to their competitors in the industry. There are five main elements that cause competitive forces in the industry as well as other types of forces (namely other interest groups such as the government and labor unions). Competition forces determine the competition level in the industry that companies face directly or indirectly (Rufaidah, 2014, p.144). The expanded competition resulting from these five forces defines the industry's structure and shapes the nature of competitive interactions. Differences may appear on the surface, but the underlying profitability is the same (Porter, 2008). Improvements can be made by encouraging competitiveness to enhance the performance of supporting industries and logistics infrastructure (Constantin et al., 2022).

Research by (Ismail & Yusop, 2014) shows that the processed food industry has a comparative advantage, but the extent varies. Time trends produce dynamic indices, with positive trends indicating increased competitiveness. At the same time, the bargaining power of suppliers (union, government, etc.) is very strong and the boundaries are very tight, making it unattractive to new competitors (Gómez Ortega et al., 2014). For example, in Pakistan, there are few companies with high competitiveness, innovation, and creativity, and companies with stable products from cross-industry analysis, comparison, and forecasting of firm and industry size effects is an important consideration (Anwar & Hasnu, 2016). Such conditions are significantly influenced by intangible resources that are difficult for competitors to imitate, demanding conditions, followed by the strategy, structure, and competition of companies and industries. Identifying the drivers of competitiveness in each location and developing innovative strategies for sustainable competitive advantage are the crucial goals of every organization and perhaps the vital characteristics to focus on (Kharub & Sharma, 2017). The present study results are expected to help find cause-and-effect relationships between factors influencing the focus on sustainability in the food industry. To improve resource management and strategic performance, food managers must analyze the arising causal factors (Singh et al., 2019). It reveals that the main effects of Industry 4.0 in Porter's five forces are content changes and new product creation based on new technologies and innovations, much bigger than the effect of competition between competitors (Kohnová & Salajová, 2023).

Meanwhile, according to research (Rajasekar & Raee, 2013), Porter's Five Forces shows that there is well-processed food in the country, supported by various institutions throughout the supply chain. It certainly creates an excellent environment to increase the competitiveness of the food and beverage industry. The analysis shows that the forces leading to the most intense competition in the industry are competition between competitors and the threat of substitute products. Threats to market entry and purchasing power also have a significant impact, but only to a minimal degree. Therefore, these five forces affect all market participants equally and have essential strategic consequences for all. Hence,

Porter's external analysis of the five forces focuses on the company's relationship with its external environment (Vining, 2011).

The following is a figure of a modified Porter's Five Forces Model.

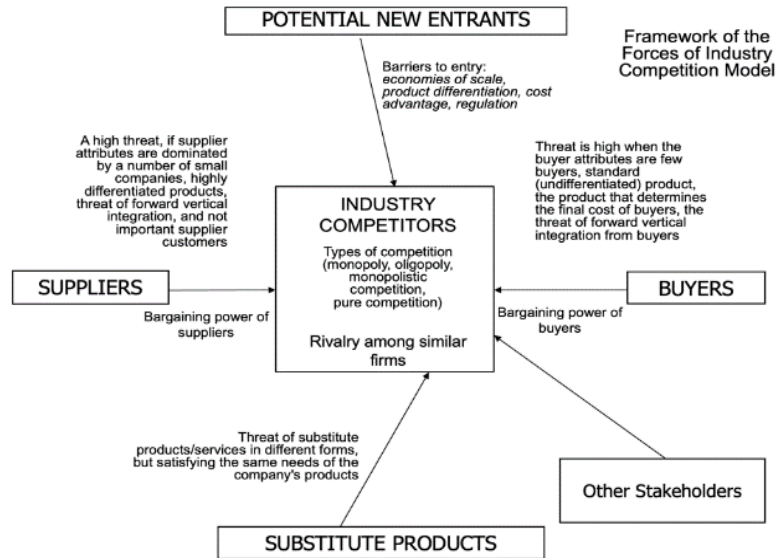


Figure 2. Porter's five forces model: modified (Rufaidah, 2014, p. 144).

The modified model of Porter's Five Forces Model (Rufaidah, 2014, p.144) that added one additional force, namely, the other stakeholders in the industry is incorporated to explore data on the competitive forces that companies encounter which are later examined using criteria, sub-criteria, alternatives, and the relationship between the two and subsequently drawn using an analytical decision model (Constantin et al., 2022). Afterwards the priorities and weights of each class are calculated (Asemi et al., 2022). Heavy forces can be seen as a threat as they will likely decrease profits. On the other hand, light forces are treated as an opportunity because they allow the company to make more profits. In the short term, these expenses limit the company's operations. However, companies can turn one or more of these forces into an advantage over the long term (Wheelen Thomas & David Hunger, 2020). In the journal of (Rajasekar & Raee, 2013), Porter says that the model presented explains how the economy gains a competitive advantage through the interaction of several determinants. Hence, one relevant industry classification measure is the five forces model, providing a framework for examining industry structure in terms of competitive forces. Moreover, the analysis can be carried out by identifying the five forces that drive industry competition and analyzing other stakeholders' roles (associations and government).

METHOD

To answer the research objective, this study adopts Yin's descriptive case study research design (Yin, 2018) in describing the occurrence or prevalence of a phenomenon or tracking certain results (Danese et al., 2006). A "case study," is best defined as an intensive study of a single unit with an aim to generalize across a larger set of units. Case studies rely on the same sort of covariational evidence utilized in non-case study research (Gerring, 2004). Although the findings from the case study cannot be generalized (Adikorley et al., 2017), this method has the advantage of illustrating in a deep manner certain topics (i.e., various forces in industry competition in certain periods) in a descriptive mode (Ortt et al., 2020). In comparison to previous studies, we conducted observations by examining financial data from the official websites of Indonesian state-owned companies over the last five years. We refer to previous journals, annual report documents from the central statistics agency, company brochures, and news articles related to PT Mayora Indah Tbk. regarding the development and competition in the food and beverage industry to understand how Porter's five forces operate. This study also includes searches in

the SCOPUS and Google Scholar databases for the phrases "Mayora 2024 Strategy," "Mayora strategic partnerships," "Mayora partnership agreements," and "Mayora products." As a consequence, secondary data was used in the study. Then, the modified Porter's forces model was examined, consisting of six forces that were weighted and ranked based on strategic importance to the firms. The total score of each force in the dimension was multiplied to get the final score (Rufaidah, 2014). The descriptive case study method applied in this study enabled the exploration of the strategies applied by the firms (Filiari, 2013).

RESULT AND DISCUSSION

Companies should carefully monitor and assess their industry based on the six forces to succeed (Wheelen Thomas & David Hunger, 2020). Industry analysis is the crucial determinant of success, as it can assist in measuring earning potential in terms of duration of return on investment (Porter, 1981). In this regard, it can be accomplished using Porter's Five Forces Model to examine the competitive micro-industry environment affecting product marketing (Wheelen et al., 2018). Furthermore, the management must also consider the company's external environment to determine the factors that support or threaten the company. According to Porter's five forces theory, the external environment consists of the threat of new entrants, the bargaining power of suppliers and buyers, the threat of substitute products, and competition between industry players (Muliadi, 2023). Thus, Porter's Diamond Model could be the first analysis to identify and assess the general business conditions of companies (Porter, 2008). The following are industry forces encountered by PT. Mayora Indah Tbk:

The threat of new entrants

Economies of scale in PT Mayora Indah Tbk. was a cost-saving strategy to increase its production scale, allowing it to sell products cheaper than other competing companies. However, to survive in the food and beverage industry with cheap and quality products, PT Mayora Indah Tbk. needed to improve its production efficiency. Differentiated products refer to products or services with uniqueness and perceived value distinct from others (Nasrudin, 2022). The products of PT Mayora Indah Tbk were highly differentiated because of their unique taste. Besides, they were considered pioneers in product innovation, yet could still be imitated by competing companies, such as Beng-Beng, Choki-Choki, Energen, Super Bubur, Bakmi Mewah, Kopiko, etc. The ease of imitation urged PT Mayora Indah Tbk to carry out various product innovations. The 46 years of experience provided the company with several benefits over newcomers, namely cost advantages, especially in technology. Mayora's company had sufficient capital to invest and implement the smart factory to improve production time efficiency at lower costs. High management experience in dealing with and managing risks as well as implementing the quality and values made PT Mayora survive until today. Furthermore, an extensive network of 6,784 distributors in various parts of the world allowed PT Mayora Indah Tbk to monopolize profits, making it difficult for new entrants to penetrate the food and beverage industry.

Government regulations do not have a significant influence on companies. However, export restrictions due to economic and political conditions can affect the company's profits. Meanwhile, the threat of government regulations does not influence newcomers who want to enter the food and beverage industry, such as Micro, Small, and Medium Enterprises (MSMEs), because small manufacturing businesses with narrow target market share only require a trading license. On the other hand, newcomers with packaged food and beverage products who expect to export must pay attention to the trading business license, building construction permit, Indonesian National Standard (SNI) permit, and halal product certification from the Indonesian Ulema Council (MUI) as a form of the company's responsibility to the community, as well as the cost of customs clearance for the goods to be exported.

Rivalry among existing firms

Based on the data collected, the growth rate of the packaged food and beverage industry increased by 3.5% in 2022, compared to 3.47% in 2021 (Ministry of Industry, 2022). Due to increasing market demand,

the number of competitors in packaged food and beverage companies with similar products has extended. This phenomenon led to a perfectly competitive market in the food and beverage industry, in which large companies dominated the competition in various regions of Indonesia. There were around ten national and multinational companies listed on the Indonesia Stock Exchange (IDX). The following are some competitors of PT Mayora Indah Tbk.

Table 2. Competitors of PT Mayora Indah Tbk

No	Company name	Enterprise scale	Operating profit*	Net sales*
1	PT Jaya Swarasa Agung Tbk	National	27.294	332.022
2	PT Indofood CBP Sukses Makmur	Multinational	9.551.799	48.909.059
3	PT Garudafood Putra Putri Jaya	Multinational	521.714	10.510.942
4	PT Sariguna Primatirta	National	150.945	1.014.516
5	PT Unilever Indonesia	Multinational	7.068.808	41.218.881
6	PT Siantar Top	National	419.292	3.575.254.
7	PT Tri Banyan Tirta	National	13.792	323.016
8	PT Diamond Food Indonesia	Multinational	107.926	2.014.143
9	PT FKS Food Sejahtera	Multinational	-15.555	1.305.626
10	PT Akasha Wira International	Multinational	297,335	924,193

Source: Indonesia Stock Exchange (IDX) website.

*In millions of rupiah, up to Quarter IV of 2022.

Based on the table above, PT Mayora Indah Tbk had diverse competitors, considering that it focused on eight divisions in 2022: biscuits, confectionery, wafers, chocolate, coffee, healthy food, packaged drinks, and noodles. As the impact of the continuous innovation made by PT Mayora Indah Tbk., many companies followed the trend of products they launched, making it impossible to avoid trade competition.

The threat of substitute products or services

Threats for substitute products for PT Mayora Indah Tbk were very high because food and beverages are easy to replace, especially the biscuit, which must follow new trends and tastes. Some examples of product threats were limited edition items such as Oreo Supreme, Tango Waffle King size, etc. Hence, the company's goal was to make exclusive products. In this case, if the supply is small but the demand is high, the profits or collaborations with current trends can help companies in promotional activities. PT Mayora Indah Tbk had not implemented this strategy on its products because the company was pursuing to innovate, follow the trend, and launch products and promotions on various platforms. For example, in 2021, PT Mayora Indah Tbk carried out a promotion on a Korean drama. As a result, the product's sales grew by 14%, up to 3.4 trillion more than the previous year. Besides, it helped the company expand its promotion to various countries. However, consumers could still turn away from PT Mayora Indah Tbk due to existing substitute products, such as coffee candy and coffee milk candy from PT Santos Jaya Abadi, and world cream blend coffee candy and world passionate blend coffee candy from PT Nestle Indonesia. These two are multinational companies dominating Indonesia's food and beverage industry.

Bargaining power of buyer

A condition that strengthens the position of buyers in the food and beverage industry is that consumers can choose what product they will buy. As a result of the large number of competitors and the variety of products, consumers can select the products of the companies they will consume. Thus, the threat to PT Mayora Indah Tbk's products was high due to many product variants from other companies,

especially the biscuit division such as Oreo and Khong Guan biscuits, beverage products such as Pocari Sweat, milk, and yogurt, and other products such as Bakmi Mewah, ramen, Samyang, etc. Buyers can also carry out vertical integration of food and beverage products by making them at home or reselling them at Micro, Small, and Medium Enterprises (MSMEs). As a result of technology advancements such as YouTube, which demonstrates how to make food and beverage products, consumers may prefer to make their own at home at relatively affordable prices, which can also be adjusted according to their preferred flavour.

Bargaining power of supplier

The threat of suppliers for the products of PT Mayora Indah Tbk was high due to the main raw materials of food and beverages, such as Crude Palm Oil (CPO), sugar, and oil, which could not be predicted as they fluctuate quickly. However, to minimize costs, PT Mayora Indah Tbk operated a backward integration strategy, in which it held greater control of around 14,975 suppliers of its raw materials worldwide. As suppliers to PT Mayora Indah Tbk, they had to prioritize the quality of the raw materials and delivery time. Moreover, as a global company, PT Mayora Indah Tbk must consider the value of its suppliers and improve production efficiency. In this regard, the suppliers chosen by PT Mayora Indah Tbk implemented the selection of environmentally friendly raw materials and minimized production waste and emissions.

Relative power of stakeholders

The largest shareholder of PT Mayora Indah Tbk was PT Unita Branindo, precisely 32.93%. In this regard, the company must consider the opinions of the largest shareholder. Government regulations also influenced companies, especially on the license of the packaged food and beverage industry, namely: 1) food and beverage products must have been licensed by the Indonesian National Standard (SNI) and declared Halal by the Food and Drug Supervisory Agency (BPOM) after at least three months of the licensing process; 2) restrictions on the export of products and imports of raw materials due to political conditions. Another impact was the economic regression in 2022 that would affect changes in raw material prices for product packaging, thereby increasing companies' operating expenses. The following table summarizes an analysis result of industrial forces at PT. Mayora Indah Tbk

Table 3. Industry strength analysis of PT. Mayora Indah Tbk.

Forces	Weight	Rating	Score	Logic
Threat of New Entrants	0.1	4	0.4	Economies of scale, saving costs, and affordable prices offer advantages for giant companies like PT Mayora Indah Tbk. Highly differentiated products are easy to imitate. However, they can make the company a pioneer in the innovation of food and beverage products. Moreover, PT Mayora Indah Tbk has no cost issues, allowing it to focus on investment, product innovation, and promotion. The cost advantage of PT Mayora Indah Tbk helps it invest in innovative technology to accelerate production. Besides, 46 years of management experience allow PT Mayora Indah Tbk to monopolize profits. Government regulations do not have a significant influence on companies. However, export restrictions due to economic and political conditions can affect the company's profits.
Rivalry among	0.2	4.5	0.9	There are many national and international companies in this industry due to the trend of high

Existing Firms.				public consumption, leading to a perfectly competitive market dominated by large companies. The threats of competing companies for PT Mayora Indah Tbk include PT Jaya Swarasa Agung Tbk, PT Indofood CBP Sukses Makmur, PT Garudafood Putra Putri Jaya, PT Sariguna Primatirta, PT Unilever Indonesia, PT Siantar Top, PT Tri Banyan Tirta, PT Diamond Food Indonesia, PT FKS Food Sejahtera, and PT Akasha Wira International.
Threat of Substitute Products or Services	0.3	2	0.6	The threat of substitute products for PT Mayora Indah Tbk is very high because food and beverages are easy to replace, especially the biscuit, which must follow trends and preferred flavours. One of the threats comes from limited edition items like <i>Oreo Supreme</i> , <i>Tango Waffle King Size</i> , etc. PT Mayora Indah Tbk has not implemented this strategy on its products because its current strategy is to innovate, follow the trend, and launch products and promotions on various platforms. However, consumers can still turn away from PT Mayora Indah Tbk because of substitute products, such as coffee candy and coffee milk candy from PT Santos Jaya Abadi and <i>Fox's</i> world blend coffee cream candy and <i>Fox's</i> world passionate blend coffee candy from PT Nestle Indonesia.
Bargaining Power of Buyer	0.14	4.5	0.7	The threat to PT Mayora Indah Tbk's products is relatively high, with many substitute product variants from other companies, especially the biscuit division such as <i>Oreo</i> and <i>Khong Guan</i> biscuits, beverage products such as <i>Pocari Sweat</i> , milk, and yoghurt, and other products such as <i>Bakmi Mewah</i> , <i>Samyang</i> , <i>Ramen</i> , etc. Moreover, buyers can conduct forward vertical integration of food and beverage products by making them at home or reselling them at Micro, Small, and Medium Enterprises (MSMEs).
Bargaining Power of Supplier	0.18	2.5	0.5	The threat of suppliers for PT Mayora Indah Tbk is high because the main raw material supplies for manufacturing food and beverages like Crude Palm Oil (CPO), sugar, and oil are not easy to predict. After all, they fluctuate quickly, and there are quite a few supply companies for these raw materials. However, to minimize costs, PT Mayora Indah Tbk uses a backward integration strategy in which PT Mayora Indah Tbk has greater control of around 14,975 suppliers worldwide.
Relative Power of Stakeholders	0.3	3.5	1.1	The largest shareholder of PT Mayora Indah is PT Unita Branindo, precisely with 32.93%, providing it with the power to give opinions to PT Mayora Indah Tbk regarding innovations and products to launch. There are still other threats, such as government regulations in licensing and export supervision and

		production permits for food and beverage companies.
Total	1.0	4.4

Source: the modified forces of Porter's Model were analyzed from various sources, *the weighted score of 0.0-1.0; **the rating of 1-5, ***the score obtained: multiplication of weight and rating

The basic statistical analysis employed in the journal paper is descriptive analysis, as well as the usage of Excel to create Table 3. PT. Mayora Indah Tbk's Industry Strength Analysis examines the strength of Porter's Five Forces by employing scale calculations, where the scale in Porter's Five Forces table is utilized to generate a comprehensive picture of a company's rivalry in the industry. The scale provides more systematic measurement and simpler comparison of varied forces.

Based on the analysis of the six factors above, the food and beverage industry would continue to grow following innovations in packaged food and beverage products. Hence, companies must follow the market trend in innovation and creativity, improving quality and quantity, and investing in technology required by the company to attract consumers. It was estimated that profits in this kind of industry could increase with the assumption of a broader export market and a higher demand for packaged food and beverage products, according to the Ministry of Industry of the Republic of Indonesia (Ministry of Industry, 2022). The food and beverage industry still indicated resilience and grew by 3.68%. Besides, the exports reached USD 21.3 billion in 2022. Thus, there were still opportunities for PT Mayora Indah Tbk to expand its exports and innovate in the latest products, especially those with the trending theme of green innovation, implying the use of product sustainable packaging as a company's long-term investment.

CONCLUSION

By applying the modified model of Porter's Five Forces on industry analysis, it can be concluded that PT Mayora Indah Tbk has achieved strategic positioning in adjusting to facing forces in Indonesia's food and beverage sector. However, like other companies, PT Mayora Indah Tbk also encountered threats that must be addressed. Porter's model divided the strategic factors that put forces on PT Mayora Indah Tbk into several points.

Based on the analysis results, the most significant threat to PT Mayora Indah Tbk was in the form of forces from stakeholders, especially those related to government regulations concerning export and import restrictions, which affected the changes in raw material prices in packaging and increased the company's operating expenses. To sum up, a high forces score indicated a significant influence of this factor on PT Mayora Indah Tbk.

Firstly, competition among existing companies in the food and beverage industry played a role in the value of Porter's forces analysis, given the large number of companies working in such an industry.

Secondly, the bargaining power of buyers, with the wide variety of companies in the food and beverage industry, gave consumers many alternatives and variants of food. Furthermore, they could carry out vertical integration of food and beverage products by making them at home or reselling them.

Then, as presented in the table above, the threat of substitute products or services, or product replacement, had a considerable influence. Because of expensive and limited-edition products made by other companies, PT Mayora Indah Tbk had never implemented this strategy. However, its products have always been pioneers in product innovation, eventually increasing loyal consumers.

Next, the bargaining power of suppliers and buyers was required to obtain quality and price per the vision and mission of PT Mayora Indah Tbk; the quality of raw materials must be maintained and improved to satisfy consumers.

Furthermore, the threat of new entrants or the emergence of new competitors certainly added to the competition. However, it did not have a significant score value in Porter's model because PT Mayora Indah Tbk had the technology, qualified management experience, cost advantages for investment in product innovation, etc.

According to the findings of this study, PT Mayora Indah Tbk should do consumer research, supply chain analysis, market trend analysis, and a longitudinal study. These studies will assist the company in better understanding consumer preferences, purchasing behavior, and brand perceptions, as well as identifying areas for product innovation and developing strategies to mitigate risks and increase bargaining power with suppliers. Additionally, conducting a longitudinal study over a significant period can provide insights into the long-term effects of industry forces on PT Mayora Indah Tbk's strategic positioning.

Several industry forces have been identified based on the analysis conducted using Porter's Five Forces Model for PT Mayora Indah Tbk in Indonesia's food and beverage industry. To further enhance the research and provide avenues for future study, the following suggestions can be considered:

1. PESTEL Analysis: In addition to assessing Porter's five forces, it is necessary to include the political, economic, social, technical, environmental, and legal variables that may impact PT Mayora Indah TBK. A PESTEL study gives a more thorough picture of the firm's external environment.
2. SWOT Analysis: Conducting a strengths, weaknesses, opportunities, and threats (SWOT) analysis will assist in identifying internal and external elements that may impact PT Mayora Indah TBK's performance. This research allows for the creation of plans that capitalize on the company's internal strengths and current market prospects

By pursuing these research directions, researchers can enhance the understanding of PT Mayora Indah Tbk's strategic positioning within the food and beverage industry. The findings can inform the development of tailored strategies to address industry forces, identify growth opportunities, and enhance the company's long-term success.

Finally, Porter's forces analysis revealed that PT Mayora had a solid and profitable competitive advantage in Indonesia's food and beverage industry. Therefore, the company could maintain its position in the market and have the opportunity to continue growing.

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