

The Analysis of Kiwari Farmers Bandung's Competitive Strategy

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Conflicts of Interest

There are no conflicts to declare.

ABSTRACT

The creative economy (EKRAF) is one of the strategic sectors in national development due to its significant contribution to the Indonesian economy. There are three EKRAF subsectors that grow rapidly and become prima donnas, they are, culinary, fashion, and craft. The culinary industry is the subsector of the creative economy with the fastest growth. The number of new competitors who moved into the same industry makes the competition in this market becomes too tight. One of the culinary industries focused on coffee commodities is Kiwari Farmers. Kiwari Farmers has its own concept in producing and packaging its products. This research is qualitative descriptive-analytical with case study research methods, which focus on evaluating the effectivity of the strategy used to see how that strategy can attract consumers by achieving the intended target market; the consumers with age range 18-28 years old and supporting the company's long-term goals, as well as designing future strategies by analysing the data obtained using the company's internal environmental analysis, namely value chain analysis, and external environmental analysis using PESTLE analysis and Porter's 5 Forces analysis combined to formulate advantages, disadvantages, opportunities, and threats (SWOT) for the company. This research shows that the differentiation strategy used so far is effective, while in anticipation of the upcoming competition the company can implement the new strategy namely best cost provider. This is aimed at the consumer response with the volume of product sales and reports of consumer visit volume. Then the results of this analysis show how to maximize the opportunity to focus on the company's long-term goals.

Keywords: STRATEGY, BUSINESS STRATEGY, EFFECTIVITY

Introduction

Strategy is an archetype of current and planned goals by managing resource deployment and interaction between organizations with markets, competitors, and other environmental factors (Mullins, 2012). A strategy for managers is a large-scale plan with a future orientation to interact with competitive conditions to achieve company goals (John A. Pearce II, 2011). A business strategy is a way to achieve long-term goals that can include geographic, diversification, acquisition, product development, networking, market penetration, savings, divestment, liquidation, and joint ventures (David, 2011). The Central Bureau of Statistics and the Creative

Economy Agency assess that the creative economy (*ekraf*) is one of the strategic sectors in national development with a significant contribution to the economy in Indonesia (*Statistika, BPS-Bekraf Lanjutkan Kerja Sama Penyusunan Data Statistik Ekonomi Kreatif, 2018*). The three subsectors of the creative economy that are growing rapidly and becoming prima donnas are culinary with the growth of 67.66%, fashion 15.01%, and craft 14.56%. There are 396 restaurants, 372 restaurants, 14 cafés, and 13 bars in Bandung that have been listed by The Central Statistics Agency (*Statistika, BPS-Bekraf Lanjutkan Kerja Sama Penyusunan Data Statistik Ekonomi Kreatif, 2018*).

Kiwari Farmers is one of the subsectors of the creative economy engaged in culinary which focuses on coffee commodities. The name Kiwari Farmers is taken from a Sundanese word, Kiwari which means young, and Farmers from English. The owner intends to change people's viewpoint of farmers which are identical to old-fashioned oldsters into something more modern. Starting from the knowledge of growing green coffee beans and having its own coffee garden, the company began selling its coffee beans to coffee middlemen and several coffee shops around Bandung. With the business model of upstream to downstream products, the company feels the need to have its own place to serve its coffee beans to be directly enjoyed by its customers. The company, which is located in Bandung and started its business in 2009, is a farming group that runs the business process in managing several business activities including Kiwari Coffee Shop, Bumi Kiwari Café, agrotourism, selling packaged products, and mongoose breeding. Kiwari Farmers can compete and develop well to date when compared to competitors with the same business processes.

There are some competitors who share a similar business process model with Kiwari Farmers, they are Kopi Arjuna, Kopi Palasari, Mahkota Java Coffee, and Kopi Puntang. Despite the intense competition in the creative economy subsector, Kiwari Farmers can compete and thrive in this industry. This is evidenced by the fulfillment of the accuracy of the target market and the implementation of long-term goals that have been determined by the company. In the development of the business, the researcher tries to comprehend the strengths and weaknesses of the company which can be analysed from the internal conditions of the company, and the opportunities and threats which can be analysed from the external conditions of the company environment. On the basis presented, the researcher is interested in knowing more about the strategies implemented by Kiwari Farmers and how they can be considered effective. Therefore, this research will take “The Analysis of Kiwari Farmers Bandung’s Competitive Strategy” as the title of the research.

Literature Review

Strategy

Strategy is defined as a comprehensive and integrated unit, action plan, and pattern in the flow of actions and decisions that guides the organization towards predetermined goals and objectives (*Jukka, 2021*). Strategy refers to the policy level for decision-making in achieving goals to determine the types of tactics and outputs that will be produced by the organization (*Juliana Raupp, 2010*). Strategy is a set of different actions or activities in delivering unique values with full competitiveness and business approaches to achieve satisfactory

performance in accordance with the specified targets (Rachmat, 2014). According to (Assauri, 2013) the strategy works for; (1) communicating the vision to be achieved; (2) linking the strengths of the organization to the opportunities of its environment; (3) taking advantage of successes and exploring new opportunities; (4) developing existing resources; (5) coordinating future organizational activities; and (6) responding to and reacting to new situations encountered all the time. According to (Yahya N. Al Serhan, 2015) the four levels of strategy are; (1) industry level, key strategic issues related to investment incentives and trade barriers; (2) the corporate level, the strategy is faced with the acquisition and allocation of resources to different business units; (3) the business-level strategy covers the scope or boundaries of each business and the operational relationship with the corporate strategy together with the basis on which each business unit can achieve and maintain a competitive advantage from within the industry; (4) functional level strategy is conceptualized by those at the functional level to assist companies in forming and implementing strategies in one goal, namely achieving the main strategy. Based on (David, 2011) there are three strategic processes, they are; (1) strategy formulation, namely developing the company's vision and mission, determining the company's strengths and weaknesses, building long-term goals, and making alternative strategies; (2) strategy implementation, including developing a strategic culture, creating an effective organizational structure, preparing budgets, and utilizing information systems; (3) strategy evaluation, where the activities involved in strategy evaluation are reviewing external and internal factors that form the basis of the current strategy, measuring performance, and taking corrective action.

Business Strategy

Business strategy refers to a group of decisions and actions that management uses to achieve superior company performance and gain an advantage over competitors (Shafique Ur Rehman, 2021). Business strategy is how companies compete in their respective market environments and strive to achieve superior performance (Jukka, 2021). Companies use business strategies to overcome strategic uncertainty and risks associated with a work environment that emphasizes business on efficiency or market effectiveness (Tamanna Dalwai, 2021). Business strategy can be concluded as; (1) innovative quality strategies to satisfy the premium market segment with a focus on product development; (2) a lean cost strategy that allows for cost leadership and is required to meet market segment budgets; (3) a service strategy with service leadership required to satisfy standard product configurations; (4) a fast delivery strategy allows the leadership of the delivery service and is required to satisfy custom product configurations (Hertog, 2014). According to (Irwin, 2011) Porter's generic strategy has been developed, where initially there were only 3 generic strategies into 5 generic strategies including; (1) low-cost provider strategy, where the company becomes the lowest cost provider in its industry; (2) board differentiation strategy, the company offers unique products offered to various segments of buyers; (3) focused low-cost strategy, i.e. low cost aims to have a competitive advantage by serving buyers in a narrow target market at a lower cost than its competitors; (4) focused differentiation strategy, which involves offering superior products or services designed to appeal to the unique preferences and needs of a narrow buyer segment; (5) best cost provider, the best cost provider aiming for a middle ground between pursuing low-cost profits, differentiation

advantages, and attracting the broad market as a whole and narrow market.

SWOT

SWOT analysis is a well-known historical technique where managers create a quick overview of the strategic situation of the company (David, 2011). SWOT analysis is an acronym for Strength, Weakness, Opportunity, and Threat of the environment it faces.

- Strengths; is a resource or capability controlled by or available to a company that makes the company relatively superior to its competitors in meeting the needs of the customers it serves. Strength arises from the resources and competencies available to the company.
- Weaknesses; is a limitation or deficiency in one or more resources or capabilities of a company against its competitors that becomes an obstacle in meeting customer needs effectively.
- Opportunities; is a major favourable situation in a company's environment. Trend is one of the parts of opportunities. Identifying previously missed market segments, the change in competition or regulatory conditions, the change in technology, and improving relationships with buyers or suppliers can be opportunities for the company.
- Threats; is a major unfavourable situation in a company's environment. Threats are the major barrier to a company in achieving its current or desired position. The entry of new competitors, sluggish market growth, the increase of bargaining power of key buyers or suppliers, technological changes and its renewals, can be obstacles to the success of a company.

Value chain analysis

The term value chain describes the way a company converts inputs into outputs that have value for customers. The value for customers comes from three sources namely; (1) activities that differentiate products; (2) activities that reduce product costs; and (3) activities that can immediately meet customer needs (John A. Pearce II, 2011). Value chain analysis seeks to understand how a business creates value for customers by examining the contribution of the different activities in the business to that value. This framework divides activities within a company into two general categories; (1) main activities and (2) support activities.

1. Primary activities are the activities involved in the physical creation of the product, marketing, and buyer transfer, also selling services. The main activities consist of;
 - Procurement of logistics within the company; activities, costs, and assets related to obtaining fuel, energy, raw materials, spare parts, merchandise, and other equipment from suppliers, receiving, storing, and distributing inputs from suppliers, inspection, and management.
 - Operation; activities, costs, and assets associated with converting inputs into final forms (production, assembly, packaging, maintenance, facility operations, quality assurance, environmental protection).

- Procurement of logistics outside the company; activities, costs, and assets associated with the physical distribution of products to buyers (finished goods storage, order processing, order packing, shipping, delivery vehicle operations).
 - Marketing or sales; activities, costs, and assets related to salesforce efforts, advertising and promotion, market research and planning, and support for distributors.
 - Service; activities, costs, and assets related to providing assistance to buyers, such as installation, delivery of spare parts, maintenance and repair of technical assistance, handling buyer inquiries and complaints.
2. Supporting activities, help the company as a whole by providing the infrastructure or inputs that enable the main activities to be carried out on an ongoing basis. Supporting activities consist of;
- General Administration; activities, costs, and assets related to general management, accounting and finance, legal and regulatory issues, safety and security, management information systems, and other overhead functions.
 - Human Resource Management; activities, costs, and assets related to the recruitment, training, development, and compensation of all types of employees, employee relations activities, knowledge-based skills development.
 - Research, technology, and systems development; activities, costs, and assets related to product R&D, process R&D, process design improvement, equipment design, computer software development, telecommunication systems, computer-aided design and engineering, new database capabilities, and development of computerized support systems.
 - Infrastructure; the activities, costs, and assets associated with accounting, finance, planning, GM, etc. functions that serve the needs of the organization and tie the parts together.

Pestle

PESTLE is an analytical tool used by companies to describe their external environment. PESTLE provides a framework that can be used to analyze the external environment. PESTLE analysis can be used when launching a product, entering a new market territory, considering a new route to a target market, or when working in teams to strategize. According to (John A. Pearce II, 2011) the factors in PESTLE are;

- Politics, companies must be able to follow changes in policies issued by the government because even in a stable government system there will be policy changes that may affect the company. Such changes can be in the form of employment laws, legislation, consumer protection, environmental regulations, taxation, trade restrictions or reforms, occupational health, and safety requirements.
- Economics, companies are always trying to create strategies that can be modified to suit the changes in the economy. These changes include changes in the rate of economic inflation, taxes, interest rates,

exchange rates, trade, and customs regulations. Companies also need to pay attention to skill levels, wage patterns, work practices, and trends in labor costs for the company's operational efficiency.

- Social, social factors and cross-cultural communication play an important role in international and global trade. Social factors that need to be considered are age distribution, employment level, income statistics, religious beliefs, and cultural and social conversion.
- Technology, technological advances can make it easier for companies to manage their operations. By taking advantage of opportunities to renew its production activities, a company can gain market share, thereby achieving a strong competitive advantage.
- Legal, organizationally influential, and functionally implies costs that need to be taken into account when formulating a business strategy. The legal factor that must be considered is the existing laws that can affect the company's current activities.
- Environment, the issue of environmental protection in the company's operational activities becomes the company's consideration in product safety and waste disposal.

Porter's 5 forces

This analytical tool is used to analyse the competitive environment in a competitive market, Porter's 5 forces include several things according to (John A. Pearce II, 2011) they are;

- Threat of new entry, refers to the possibility that an established company's advantage in its industry may be eroded by new competitors. The main sources of barriers for new entrants are economies of scale, product differentiation, capital requirements, switching costs, access to distribution channels, cost disadvantage independent of scale, government policies.
- Intensity of rivalry among existing competitors, competition occurs when competitors feel pressure from the company when it uses tactics such as price competition, advertising battles, product introductions, and customer service or warranty enhancements.
- Pressure from substitute products and services, all industries compete with the industries that produce the same product or service. Substitute products are products or services that can perform the same functions as industry offerings. The more attractive the price of an item, the tighter the profit that will be obtained by the industry.
- Bargaining power of buyers, buyers threaten the industry by forcing lower prices, bargaining for higher quality or more services, and acting as rival competitors.
- Bargaining power of suppliers; suppliers can threaten to increase prices or reduce the quality of the goods and services.

Effectivity

Effectivity is the relationship between output and goals or can also be said as a measure of how far the

level of output, policies, and organizational procedures (Beni, 2016). Effectivity relates to the degree of success of an operation in the public sector so that an activity is said to be effective if the activity has a major influence on the ability to provide public services which is a predetermined target. Effectivity is a measure of the success or failure of achieving the goals of an organization in achieving its goals (Mardiasmo, 2017). Some indicators of effectiveness according to (Makmur, 2011) include:

- a. Punctuality can determine the success of an activity carried out in an organization but can also result in the failure of organizational activity. The right use of time will create the effectivity of achieving the goals that have been determined previously.
- b. The accuracy of cost calculations, related to the use of costs in the sense that there are no shortages or vice versa until the activity objectives can be implemented and completed properly. Accuracy in setting unit costs is part of effectivity.
- c. The accuracy of the measure, a description of the effectivity of the activities that become the responsibility within an organization.
- d. Accuracy in making choices, finding the best among the good or the most honest among the honest, or both the best and the most honest.
- e. Accuracy in thinking, the effectivity of success, and always expected to be able to carry out a form of cooperation can provide maximum results.
- f. The accuracy of carrying out orders, the success of an organization's activities is very much influenced by the ability to give clear orders that are easily understood by subordinates. The inability of the orders given to be understood and comprehended will lead to failure which will harm the organization.
- g. Accuracy in setting goals is an organizational activity to achieve the predetermined goals. Properly predetermine the goals will greatly support the effectivity of the activities implementation, especially those that are long-term oriented.
- h. Accuracy of targets, determined individually or organizationally, will determine the success of organizational activities. On the other hand, if the targets set are not appropriate, it will hinder the implementation of various activities.

Research methodology

This research is descriptive research that is defined as one form of research aimed at describing phenomena that exist both natural and man-made. Phenomena can be forms, activities, characteristics, changes, relationships, similarities, and differences between each phenomenon (Husaini Usman, 2011). This research is descriptive data collected in the form of words or images, so it does not emphasize numbers and is then described for readers to understand (Sugiyono, 2017). The study used a qualitative approach where the data obtained was not measured on a numerical scale and presented in verbal form. Qualitative research generally takes examples of smaller samples and the sampling tends to be purposeful rather than random and limited to a

single case.

The method used in this research is case study. This method aims to understand the development of individuals, groups, institutions, and developments in a problem. Case studies also seek in the search for valid scientific truths of the objects studied. This research means looking for valid scientific truth network strategies in the development of Kiwari Farmers business in Bandung.

Data collection technique

This study conducted several techniques in the collection of data needed including: (1) Interviews are used to collect primary data in getting information on the issues to be discussed. By interviewing participants, they will share their experiences with researchers. (2) Observation is part of the technique of data collection by being involved directly in the field. The observation process begins by identifying the place to be studied and continued by mapping. And (3) document study is material that discusses the topic to be studied. Document studies show ideas, opinions, and criticisms about a topic that has previously been analysed by former researchers.

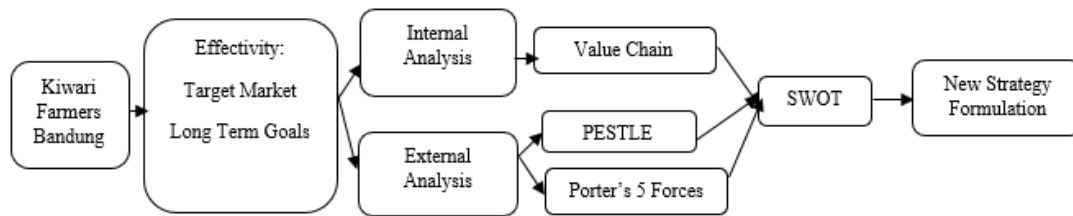
Data sources

Primary data is data that has never been collected by anyone before. In this study, primary data was obtained through direct interviews and observations at Kiwari Farmers Bandung. Secondary data is data that has been collected and compiled by former researchers so that it can be used as information for researchers to conduct their research. In this study, secondary data was obtained through document studies.

Data analysis techniques

Internal analysis is used to analysed a company's internal condition using value chain analysis consisting of primary and supporting activities. The internal analysis aims to find out the strengths and weaknesses of Kiwari Farmers Bandung. External analysis is used to analyse a company's external conditions using PESTLE and Porter's 5 Forces analysis. This external analysis aims to find out the opportunities and threats that occur to Kiwari Farmers Bandung. After conducting an internal and external analysis of Kiwari Farmers, the strengths, weaknesses, opportunities, and threats will be known and formulated in swot analysis, and there will be an alternative strategy formulation for the company.

Research model



Analysis

The company established in 2010 has several business activities, namely agrotourism, Bumi Kiwari Café, Kiwari Coffee Shop, and packaged coffee, all of which come from the Kiwari Farmers coffee plantation. In an interview with the owner of Kiwari Farmers, the owner stated that the strategy being used by the company is differentiation strategy. The owner belief differentiation strategy is the most suitable strategy for his company that sells coffee with an upstream and downstream business model, which means all the business processes from start to finish are done by Kiwari Farmers. Kiwari Farmers carries out several activities that are considered superior compared to similar types of business:

Kiwari Farmers	Kopi Arjuna	Palasari Farmers	Mahkota Java Coffee	Puntang Coffee
Coffee plantation	Coffee plantation	Coffee plantation	Coffee plantation	Coffee plantation
Coffee shop	Coffee shop	Coffee shop	Coffee shop	Coffee shop
Café				
Packaged products		Packaged products		Packaged products
Agrotourism				
Mongoose breeding				

By cutting the supply chain and managing the single origin of their coffee products, Kiwari Farmers has survived to this day. As can be seen from the advantages compared to its competitors, the differentiation strategy can still be applied in this company. In addition, in measuring the effectiveness of the differentiation strategy, an effectivity analysis is carried out by analysing the target market and the company's long-term goals. So far, the sale of the flagship product Kopi Arabika Manglayang Karlina and the visits of consumers aged 18-28 years have been right on target. In addition, several long-term goals such as becoming a supplier for coffee shops, collaborating with competitors, developing coffee trip agrotourism, have begun to be implemented, although not optimally. Based on the analysis of the target market and long-term goals, the strategies implemented by

the company are still considered effective. However, researcher is trying to assist Kiwari Farmers in formulating new strategies to be able to support it to survive in a longer period of time. Then an internal and external analysis is carried out to determine the strengths, weaknesses, opportunities, and threats which will then be formulated in a SWOT analysis for the company's new strategy.

Internal analysis carried out using value chain analysis divides activities within the company into main activities and supporting activities:

1. Main activities

- Inward logistics, this activity is carried out by Kiwari Farmers by producing their own raw materials. The existence of supply chain cuts minimizes production costs and speeds up production time.
- Operations management, by carrying out the process by the company itself collaborated by processing machines that convert green beans into roast beans into ground beans.
- Outward logistics, the sales of Kopi Arabika Manglayang Karlina produced from the single-origin sold in packaged form and sold at coffee shops and cafes owned by Kiwari Farmers.
- Marketing and sales, the company has a target market of Bandung residents aged 18-28 years old with marketing methods using both advertisings on social media and promotions by participating in several coffee events in Indonesia.
- Service, Kiwari Farmers provides customer service by including telephone number on their website. In addition, customers can also contact Kiwari Farmers via Instagram and email.

2. Supporting Activities

- General administration, the company only relies on profits as financial capital to survive and hasn't considered inviting investors in developing the business.
- Human resource management, Kiwari Farmers prioritizes resources from the area around the company. Some positions such as barista, waitress, and chef must be trained in short courses.
- Research, technology, and system development, the company's daily operations are supported by the technology of coffee grinders, drip coffee makers, mocha pots, and roasting machines. However, the company still does not have a temperature control device to be able to determine the maturity of coffee beans which affects the selling price.
- The company's infrastructure, Kiwari Farmers owns a coffee plantation, coffee shop, and Bumi Kiwari café building. For the access to Kiwari Farmers, the roads are quite good and can be passed either by motorbike or car.

External analysis to be carried out by analysing PESTLE and Porter's 5 Forces:

PESTLE Analysis

- Politic, the decrease in the PPh Final UMKM rate to 0.5%. The government also encourages ease in terms of capital, decrease in loan interest which was initially 22% to 7% which has been decreasing in order to optimize businessmen.
- Economic, the Economic Growth Rate (LPE) of Bandung City is considered high every year with an average of 7% and the culinary business contributing 34%.
- Social, a hangout lifestyle that promotes people to buy drinks at cafes and coffee shops for their social media needs. In addition, Bandung's supportive demographics make the hanging out lifestyle even more popular.
- Technology, the use of social media such as Youtube, Instagram, Facebook, and WhatsApp work as endorsements for the company. It is also supported by the use of e-wallet in payments and collaboration with GoFood and GrabFood.
- Legal, Article 14 of Law 10/2009 concerning Tourism and Regulation of the Minister of Culture in conjunction with Tourism Number PM.87/HK.501/MKP/2010 concerning Procedures for Registration of Food and Beverage Services Business.
- Environment, Kiwari Farmers has been involved in preserving the environment by using stainless steel and glass bottles in serving their products.

Porter's 5 Forces Analysis

- Threat of new entry, Indonesia has 5,758 coffee shops and an estimated 600 coffee shops in Bandung. Business growth with a focus on coffee commodities increased by 15% -20%. Recently, several coffee businesses that have been established in Bandung include Yumaju 2.0, Corner Coffee, Serantau Coffee, Kopi Koma, and Musat.
- Intensity of Rivalry Among Existing Competitors, competitors with similar business concepts include Arjuna Coffee, Palasari Coffee, Mahkota Java Coffee, and Puntang Coffee.
- Pressure from Substitute Products and Services, not only competing with coffee businesses, but this type of business also competes with substitute products such as Xing Fu Tang, Co.Choc, Xi BoBa, and Kokumi.
- Bargaining power of buyers is considered high due to substitute products as alternatives for the consumers that companies cannot get the full loyalty of consumers.
- Bargaining power of suppliers is considered low due to the self-produced raw materials.

Kiwari Farmers's SWOT Analysis:

1. Strengths

- Kiwari Farmers with the concept of upstream and downstream products.
- The flagship product, Kopi Arabika Manglayang Karlina, is sold in various forms and packaging innovations.

- The coffee shop and café offer city light views of Bandung City and nature tourism.
- The company is vigorously promoting both traditionally and non-traditionally.

2. Weaknesses

- The owner's commitment is not focused due to too many processes carried out by the company.
- Research development at the roasting stage has not been implemented.

3. Opportunities

- Consumptive behavior of society with the emergence of the trend of hanging out.
- West Java is the largest Arabica coffee producer on Java Island, and Kabupaten Bandung contributes the most Arabica coffee production on Java Island.
- Collaborating with GoFood and GrabFood and using e-wallet as a means of payment.

4. Threat

- Intense competition in downstream and substitute products.

SWOT Matrix	Strengths (S)	Weaknesses (W)
Opportunities (O)	<ol style="list-style-type: none"> 1. Developing the shops by opening branches outside Bandung. 2. Developing the company by providing educational service about coffee through regular workshop for coffee lovers. 	<ol style="list-style-type: none"> 1. Maintaining the upstream to downstream concept. 2. Expanding partnership and inviting investors. 3. Advertising.
Threat (T)	<ol style="list-style-type: none"> 1. Becoming a supplier for coffee shops. 2. Holding event on holidays and offering discount. 3. Legalizing the company's name and brand. 	<ol style="list-style-type: none"> 1. Relying on the existing workforce and providing training to increase competency.

The company has implemented a good strategy. However, after conducting an internal and external analysis which resulted in indications of strengths, weaknesses, opportunities, and threats, it can be seen that the design of a new strategy for the company is Best Cost Provider strategy. This strategy becomes the best cost provider and seeks a middle ground between the benefits of low costs and the benefits of product differentiation that focus on a broad market. This allows the company to precisely target the number of consumers who are looking for a superior product or service at a more economical price. Being the best-cost provider is different from being the lowest-price provider in that providing additional attributes requires additional costs. The target market for the best-cost providers is value-conscious consumers, and the consumers looking for interesting additions and functionality at relatively low prices.

Conclusion

The strategy used by Kiwari Farmers is differentiation strategy with the concept of coffee production from upstream to downstream along with the innovation of product presentation offered. The company states that it must be superior to its competitors in order to survive the market. The differentiation done can be seen from the business processes and business activities that are not carried out by the coffee commodity business in general. This study shows that Kiwari Farmers is superior to its competitors. The differentiation strategy applied by Kiwari Farmers is effective because it can support the achievement of the intended target market and support its long-term goals. However, to anticipate competition in the future the company needs to formulate a new strategy. The strategic design for the future is the Best Cost Provider strategy which is generated after conducting several analyses of the internal and external environment. After formulated the strengths, weaknesses, opportunities and threats it can be concluded that it will be more effective if Kiwari Farmers becomes the best cost provider that seeks a middle ground between cost advantages and product differentiation advantages.

Recommendation

Conducting an evaluation by holding a monthly work meeting to make it easier for the company to discuss things that need to be improved and maintained. Developing business carefully and not relying on profit alone. Company can invite investors to invest, cooperate more with agencies and other companies, and do bank loans for capital with sufficient guarantees. Creating a superior product or service designed to narrow the target market and better support long-term goals. This can be done by entering into the modern retail market and collaborating with coffee-producing companies like Nestle.

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