



Original Article

## Supply Chain Integration and Brand Diplomacy in the Market Dominance Strategies of Kopi Candy

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**Abstract:** This study examines how supply chain integration and brand diplomacy interact to support the global market dominance of Kopi Candy within the highly competitive Fast-Moving Consumer Goods (FMCG) sector. While existing research typically analyzes supply chain management and marketing strategies separately, this study addresses the gap by integrating these perspectives into a unified framework. A qualitative, descriptive case study approach is employed, focusing on the Kopi Candy ecosystem, including PT Mayora Indah Tbk and its related subsidiaries. Data is collected through triangulation of corporate documents, financial reports, and relevant academic literature, and analyzed using value chain analysis supported by theoretical frameworks such as Porter's Diamond Model, Transaction Cost Economics, and corporate diplomacy. The findings reveal that supply chain integration through vertical coordination, structured supplier selection, and efficient distribution ensures product consistency, cost efficiency, and scalability. Simultaneously, brand diplomacy strategies, particularly through product placement in Korean dramas and international market engagement, significantly enhance brand awareness, consumer trust, and global reach. Importantly, the study finds that the interaction between these two dimensions creates a synergistic effect, where operational capabilities reinforce marketing effectiveness and vice versa. This integrated approach enables Kopi Candy to sustain its competitive advantage and expand across diverse international markets. The study concludes that market dominance in the global FMCG industry is best explained by the alignment of internal supply chain capabilities with external brand diplomacy strategies, offering both theoretical contributions and practical insights for firms in emerging economies seeking global expansion.

**Keywords:** Supply Chain Integration; Brand Diplomacy; Market Dominance; FMCG Industry; Product Placement.



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### 1. Introduction

The global Fast-Moving Consumer Goods (FMCG) industry is characterized by intense competition, rapid product turnover, and increasing pressure to improve operational efficiency and drive innovation. Firms operating in this sector must simultaneously optimize supply chain performance and develop strong branding strategies to sustain competitiveness in international markets (Haeruddin et al., 2023). Within this highly dynamic environment, the

confectionery segment, particularly coffee-based candy, presents unique challenges due to volatility in coffee commodity prices, inconsistent quality, and the technical difficulty of preserving authentic coffee flavor in a shelf-stable format. Indonesia, as the fourth-largest coffee producer globally after Brazil, Vietnam, and Colombia, holds a strategic position in the global coffee value chain (Putra & Wonoadi, 2023). However, the country has historically relied on exporting raw coffee beans rather than developing high-value processed products, limiting its ability to capture greater economic value (Apriani et al., 2022). This structural limitation highlights the importance of industrial upgrading through value-added manufacturing and integrated supply chain strategies. In this context, PT Mayora Indah Tbk emerges as a notable case, successfully transforming domestic coffee resources into globally competitive products such as Kopi Candy (Kopiko), which has achieved significant international market penetration.

The success of Kopi Candy cannot be attributed solely to product quality or branding. Instead, it reflects a sophisticated integration of supply chain management, global marketing strategies, and what can be conceptualized as brand diplomacy. Supply chain integration plays a crucial role in ensuring consistent product quality, cost efficiency, and timely distribution across diverse international markets. Studies on supplier selection and procurement strategies within PT Mayora Indah demonstrate the importance of structured decision-making frameworks, such as the Analytical Hierarchy Process (AHP), in optimizing raw material sourcing and maintaining production efficiency (Prima Dewi & Zusi, 2019). Furthermore, Indonesia's coffee competitiveness, while strong in comparative terms, faces challenges in operational efficiency, necessitating firm-level strategic interventions to overcome systemic constraints (Apriani et al., 2022). Beyond operational efficiency, Kopi Candy's global success is strongly linked to innovative marketing and brand positioning strategies. Product placement in Korean dramas, such as *Vincenzo*, *Taxi Driver*, and *My Demon*, has emerged as a powerful tool for increasing brand awareness, shaping consumer attitudes, and influencing purchasing decisions (Iqlima & Saraswati, 2022; Nadeak & Setiawan, 2024; Devina et al., 2024). These strategies leverage the global popularity of Korean entertainment to create emotional and cognitive engagement with consumers, effectively transforming entertainment media into a platform for international brand communication (Permana et al., 2024). Empirical findings indicate that such product placement significantly enhances brand awareness and consumer response, contributing to measurable increases in purchase intention and market expansion.

This phenomenon aligns with the broader concept of business and corporate diplomacy, in which firms employ non-market strategies to influence stakeholders, build international legitimacy, and expand market presence (Salam et al., 2023; Li et al., 2022). In the case of PT Mayora Indah, business diplomacy is manifested through strategic collaborations with media producers, investment in foreign markets such as the Philippines, and alignment with global cultural trends. At the macro level, Indonesia's coffee diplomacy, through initiatives such as international exhibitions, barista training for diplomats, and promotional events, further reinforces the global positioning of Indonesian coffee products (Pertiwi et al., 2023; Putra & Wonoadi, 2023). These efforts demonstrate the interconnected roles of state and corporate actors in shaping international market dynamics. In addition, cultural factors and consumer engagement play a critical role in sustaining international business success. Research shows that adapting marketing strategies to cultural contexts and enhancing consumer involvement are essential for maintaining competitiveness in global markets (Wistiasari et al., 2024; Noviana, 2023). Brand credibility strengthens consumer trust and facilitates successful brand extension strategies, enabling companies like PT Mayora Indah to introduce new product variants while maintaining market dominance.

Despite the growing body of literature on coffee competitiveness, product placement, and business diplomacy, several critical gaps remain. First, existing studies tend to examine supply chain management and marketing strategies in isolation, without integrating them into a unified framework. While supply chain studies focus on efficiency and procurement optimization (Prima Dewi & Zusi, 2019), marketing research emphasizes consumer behavior and brand communication (Nadeak & Setiawan, 2024; Devina et al., 2024). Although the concept of business diplomacy has been explored in the context of multinational corporations (Li et al., 2022; Salam et al., 2023), its application at the product or brand level, particularly in the FMCG sector, remains underdeveloped. The role of brand diplomacy as a bridge between global marketing and geopolitical or cultural engagement has not been sufficiently examined in relation to specific products such as Kopi Candy. Prior studies on Indonesian coffee largely focus on commodity exports and macro-level policies (Apriani et al., 2022; Pertiwi et al., 2023), with limited attention to how firms successfully transition from commodity-based production to high-value branded products in global markets. This leaves a gap in understanding how integrated strategies at the firm level can overcome structural limitations in developing economies. This study aims to evaluate Kopi Candy's end-to-end supply chain integration and brand diplomacy strategies and analyze how their interaction contributes to sustained market dominance in the global FMCG industry.

## **2. Literature Review**

### **2.1. Global Coffee Competitiveness and Value Chain Upgrading**

The global coffee industry is characterized by asymmetric value distribution, in which producing countries often capture a limited share of value compared to firms engaged in processing, branding, and distribution. Indonesia, despite being the fourth-largest coffee producer globally, continues to rely heavily on the export of raw coffee beans, thereby

limiting its participation in higher value-added segments of the global value chain (Apriani et al., 2022; Putra & Wonoadi, 2023). Empirical evidence shows that Indonesia possesses a strong comparative advantage, as reflected in high Revealed Comparative Advantage (RCA) values, yet faces constraints in competitive advantage due to inefficiencies in supply chain structures and market coordination (Apriani et al., 2022). While macro-level strategies such as coffee diplomacy and export promotion have been implemented to enhance international competitiveness (Pertiwi et al., 2023), these approaches predominantly focus on state-led initiatives rather than firm-level strategic capabilities.

Coffee diplomacy initiatives, including international exhibitions, business matching, and gastrodiploacy, have demonstrated effectiveness in increasing export performance (Putra & Wonoadi, 2023; Pertiwi et al., 2023). However, these studies largely overlook how private firms internalize these macro-level advantages into sustainable competitive strategies. This limitation highlights a critical gap: the transition from commodity-based competitiveness to firm-level value creation remains underexplored. In this regard, companies such as PT Mayora Indah represent a significant departure from traditional models by transforming raw coffee inputs into branded consumer goods, thereby capturing greater value within the domestic economy. However, existing literature provides limited theoretical integration between global competitiveness and firm-level operational strategies, particularly in the FMCG sector.

## 2.2. Supply Chain Integration and Operational Efficiency

Supply chain integration is widely recognized as a critical determinant of firm performance in the FMCG industry, where efficiency, consistency, and responsiveness are essential (Haeruddin et al., 2023). In the context of coffee-based products, supply chain complexity is heightened by the variability of raw materials, quality control challenges, and the need for scalable production processes. Research on PT Mayora Indah's procurement practices highlights the importance of structured supplier selection mechanisms, particularly the use of the Analytical Hierarchy Process (AHP), which prioritizes criteria such as quality, price, delivery reliability, and supplier credibility (Prima Dewi & Zusi, 2019). This approach demonstrates how firms can mitigate upstream uncertainties by formalizing decision-making processes and aligning supplier capabilities with production requirements. However, existing studies on supply chain management tend to adopt a technical and operational perspective, focusing primarily on efficiency metrics without linking these processes to broader strategic outcomes such as market expansion or brand positioning. For example, while supplier selection models improve procurement efficiency, they do not explain how such efficiencies translate into global competitiveness or market dominance. Moreover, national-level analyses suggest that Indonesia's coffee supply chain suffers from fragmentation and inefficiencies (Apriani et al., 2022). Yet, there is limited exploration of how individual firms overcome these systemic constraints through vertical integration, internal coordination, or strategic partnerships. This creates a theoretical disconnect between macro-level inefficiencies and micro-level firm success, which this study aims to address by examining how supply chain integration supports global market leadership.

## 2.3. Brand Diplomacy, Product Placement, and Global Marketing

The concept of brand diplomacy extends beyond traditional marketing by incorporating elements of cultural engagement, stakeholder management, and international positioning. In the FMCG sector, this is increasingly manifested through innovative promotional strategies such as product placement in global media. A growing body of literature highlights the effectiveness of product placement in Korean dramas as a marketing tool for Kopi Candy. Studies demonstrate that such placements significantly influence consumer purchase intentions by enhancing brand visibility and emotional engagement (Iqlima & Saraswati, 2022). Further research using Structural Equation Modeling (SEM) confirms that product placement positively affects both brand awareness and brand attitude, although the mediating role of awareness remains inconclusive (Nadeak & Setiawan, 2024).

Additionally, the effectiveness of product placement is reinforced by its multi-dimensional execution visual, auditory, and narrative integration, which enhances consumer response across cognitive and behavioral stages (Devina et al., 2024). These findings suggest that product placement operates not merely as advertising but as a strategic communication tool embedded within cultural content. Despite these contributions, the literature on product placement is largely consumer-centric, focusing on psychological responses rather than strategic implications. There is limited discussion on how such marketing practices contribute to long-term competitive advantage or interact with other organizational capabilities, such as supply chain efficiency. Furthermore, qualitative studies emphasize the role of Korean drama as a platform for promoting local brands globally, leveraging cultural popularity to generate international exposure (Permana et al., 2024). However, these studies tend to be descriptive and lack a robust theoretical framework linking media strategy to broader concepts such as brand diplomacy or corporate strategy.

## 2.4. Business and Corporate Diplomacy in International Expansion

The concept of business diplomacy provides a broader lens for understanding how firms navigate complex international environments. Defined as the use of non-market strategies to influence stakeholders and align with

geopolitical dynamics, corporate diplomacy has become increasingly important amid globalization and geopolitical uncertainty (Li et al., 2022). Empirical studies on PT Mayora Indah illustrate how business diplomacy is operationalized through strategic investments, international partnerships, and engagement with cultural industries such as Korean drama production (Salam et al., 2023). These strategies enable firms to build legitimacy, enhance brand recognition, and facilitate market entry in foreign countries. At the same time, research on cultural factors highlights the importance of adapting marketing strategies to diverse consumer preferences and socio-cultural contexts (Wistiasari et al., 2024). Brand credibility and consumer engagement further reinforce this process by fostering trust and loyalty, which are critical for successful brand expansion (Noviana, 2023).

However, the literature on corporate diplomacy is predominantly macro-theoretical, focusing on multinational enterprises in geopolitical contexts (Li et al., 2022), while empirical studies on business diplomacy in the FMCG sector remain limited. Moreover, there is insufficient integration between corporate diplomacy and marketing strategies, particularly in explaining how firms translate diplomatic engagement into tangible market outcomes. The reviewed literature reveals three major insights. First, while Indonesia has a strong comparative advantage in coffee production, the transition to value-added products requires firm-level strategic innovation (Apriani et al., 2022; Putra & Wonoadi, 2023). Second, supply chain integration is essential for operational efficiency but has not been sufficiently linked to global market performance (Prima Dewi & Zusi, 2019; Haeruddin et al., 2023). Third, brand diplomacy, manifested through product placement and cultural engagement, plays a critical role in shaping consumer perceptions and expanding market reach (Iqlima & Saraswati, 2022; Salam et al., 2023). Nevertheless, these streams of literature remain fragmented. Supply chain studies focus on internal efficiency, marketing studies emphasize consumer response, and diplomacy studies address external engagement. There is no integrated framework that explains how these elements interact to sustain market dominance.

### 3. Materials and Methods

This study employs a qualitative, descriptive case study design to examine how supply chain integration and brand diplomacy interact to support Kopi Candy's global market dominance. The case study approach is particularly appropriate given the research objective, which seeks to understand a complex, context-dependent phenomenon involving the integration of operational processes and strategic marketing practices within a real-world setting. Rather than isolating variables, this approach enables a holistic examination of how supply chain structures, corporate strategies, and international branding efforts are interconnected. The unit of analysis is defined as the Kopi Candy brand ecosystem, which includes its parent company (PT. Mayora Indah Tbk), its key manufacturing and processing subsidiary (PT. Torabika Eka Semesta), and its distribution networks (e.g., Inbisco). This ecosystem perspective allows for a comprehensive analysis of both internal operations and external market engagement.

Data collection is based on a triangulation strategy to enhance validity, reliability, and analytical depth. First, primary corporate documentation is utilized to understand the technical and operational aspects of Kopi Candy, including product composition, manufacturing workflows, and logistical arrangements. These documents provide insight into how supply chain integration is structured and implemented at the firm level. Second, financial and operational disclosures, such as annual reports and industry analyses (e.g., Verdhana Research), are employed to assess performance outcomes, including market share, export growth, and international expansion. These data enable the study to link operational strategies with measurable business performance. Third, the study incorporates academic literature and theoretical frameworks to support interpretation and conceptual development. Porter's Diamond Model is used to contextualize Indonesia's competitiveness in the global coffee industry, while the Analytical Hierarchy Process (AHP) informs the analysis of supplier selection and procurement efficiency. Transaction Cost Economics (TCE) is applied to explain the rationale behind vertical integration and internal coordination, and the business (or corporate) diplomacy framework is used to analyze how Kopi Candy leverages cultural platforms and international engagement strategies to strengthen its global presence.

The analytical process follows a value chain-based framework aligned with the objective of examining end-to-end integration. The analysis begins with the upstream stage (inbound logistics), focusing on the sourcing of key raw materials such as coffee, sugar, glucose, and palm oil, with particular attention to supplier selection criteria, quality control, and agricultural risks. It then proceeds to the midstream stage (operations), where manufacturing processes, extraction technologies, and quality assurance mechanisms are examined to understand how product consistency and efficiency are achieved. The downstream stage (outbound logistics) analyzes distribution systems, including warehousing, transportation modes, and channel strategies across domestic and international markets. Finally, the analysis incorporates the market interface, where brand diplomacy and marketing activities, such as product placement in Korean dramas, are examined as feedback mechanisms that influence demand patterns and, consequently, supply chain responsiveness.

#### 4. Results and Discussion

Table 1 presents a micro-level view of Kopi Candy’s input structure, linking ingredient functionality with sourcing strategies and their broader strategic implications. This perspective is critical for understanding how supply chain integration contributes to product consistency, cost efficiency, and ultimately, global market competitiveness. Rather than being a purely technical formulation, the ingredient composition reflects deliberate strategic decisions that align upstream procurement with downstream branding and market expansion.

**Table 1.** Key Ingredients, Functions, and Strategic Implications

Ingredient	Functionality	Sourcing Origin	Strategic Implication
Coffee Extract (4.9%)	Core flavor and caffeine delivery	Indonesia (Lampung/Java) via PT Torabika	Key differentiator: vertical integration ensures a consistent and proprietary taste profile.
Sugar	Sweetness and bulk	Indonesia (domestic mills)	Subject to domestic price volatility; requires a multi-sourcing strategy.
Glucose Syrup	Texture (chewiness and hardness)	Derived from corn starch processing	Dependent on corn supply; requires structured supplier selection (e.g., AHP method).
Vegetable Oil	Mouthfeel and lubrication	Indonesia (palm oil)	Leverages Indonesia’s position as a leading palm oil producer, providing cost advantages.
Soy Lecithin (E322)	Emulsifier	Global and domestic suppliers	Ensures stable dispersion of oil and water phases, maintaining product consistency.

Table 1 shows that the coffee extract (4.9%) is the primary value driver for Kopi Candy, delivering both flavor authenticity and caffeine functionality. Its sourcing from Indonesian regions such as Lampung and Java, facilitated through PT Torabika Eka Semesta, demonstrates a clear strategy of backward integration. This aligns with the need to secure consistent raw material quality in a sector characterized by variability in agricultural outputs. From a competitiveness perspective, Indonesia possesses a strong comparative advantage in coffee production (Apriani et al., 2022). However, this advantage does not automatically translate into a competitive advantage due to inefficiencies in the broader supply chain. By internalizing processing activities, PT Mayora Indah effectively mitigates these inefficiencies, ensuring quality control and reducing dependency on fragmented supplier networks. Moreover, this integration supports brand credibility and product differentiation, which are essential for consumer trust and global brand expansion (Noviana, 2023). The ability to maintain a proprietary taste profile reinforces Kopi Candy’s positioning as a “real coffee” product, distinguishing it from competitors that rely on artificial flavoring. Thus, coffee extract is not merely an ingredient but a strategic asset linking upstream resources with brand identity.

Sugar functions as both a sweetening agent and a bulk component, making it a critical cost driver in confectionery production. Its sourcing from domestic mills exposes the firm to price volatility and regulatory fluctuations, which are common in commodity-based inputs. This necessitates adopting a multi-sourcing strategy, enabling the firm to diversify risk and stabilize input costs. From a supply chain perspective, such strategies are consistent with the need for flexibility and resilience in FMCG operations (Haeruddin et al., 2023). However, existing literature on supply chain management often underemphasizes the strategic role of commodity inputs in shaping competitive outcomes. In the context of global market competition, effective cost management directly influences pricing strategies and market accessibility. Given the thin margins in the FMCG sector, the ability to control input costs becomes a key determinant of market dominance. Therefore, sugar sourcing highlights the importance of balancing cost efficiency with supply security, particularly in volatile domestic markets.

Glucose syrup, derived from corn starch, plays a crucial role in determining the texture and structural integrity of Kopi Candy. Unlike coffee extract, which is closely tied to brand identity, glucose syrup represents a process-critical input that influences product quality and consumer experience. The reliance on corn-based inputs introduces additional supply chain complexity, particularly regarding supplier reliability and consistency in quality. Research on PT Mayora Indah’s procurement practices emphasizes the use of structured decision-making tools such as the Analytical Hierarchy Process (AHP) to evaluate suppliers based on criteria including quality, price, and delivery performance (Prima Dewi & Zusi, 2019). This highlights a key insight: operational excellence in FMCG production depends not only on core ingredients but also on auxiliary inputs that ensure product stability. However, prior studies tend to treat supplier selection as a technical exercise, without linking it to broader strategic outcomes. In this study, glucose syrup sourcing is interpreted as part of a systematic supply chain integration strategy, where procurement decisions directly support product consistency and scalability.

Vegetable oil, primarily sourced from Indonesia’s palm oil industry, contributes to the product’s mouthfeel and sensory experience. Its strategic significance lies in the firm’s ability to leverage Indonesia’s position as one of the world’s largest palm oil producers, thereby achieving cost advantages and supply stability. This reflects the application of Porter’s Diamond Model, where factor conditions, such as abundant natural resources, enhance national competitiveness (Apriani et al., 2022). However, unlike traditional commodity exports, PT Mayora Indah integrates these resources into value-added products, capturing greater economic value within the domestic economy. From a strategic perspective, the use of domestically abundant inputs supports both cost leadership and supply chain resilience. It also aligns with broader economic diplomacy efforts to strengthen Indonesia’s position in global markets (Pertiwi et al., 2023). Nevertheless, the existing literature has not sufficiently explored how firms operationalize national resource advantages at the product level, thereby creating a gap that this study addresses.

Soy lecithin functions as an emulsifier, ensuring the stable integration of oil and water phases within the product. Although it represents a relatively small volume, its role is critical for maintaining product consistency and shelf stability, particularly in international markets with varying climatic conditions. The sourcing of soy lecithin from both global and domestic suppliers reflects a strategy of standardization and quality assurance, which is essential for global FMCG distribution. This aligns with the need to meet international regulatory standards and consumer expectations across diverse markets. From a broader perspective, this ingredient underscores the importance of global supply chain connectivity, in which firms combine local and international sourcing to optimize performance. However, the literature on global marketing and product placement (e.g., Iqlima & Saraswati, 2022; Devina et al., 2024) rarely considers the underlying operational requirements that enable consistent product delivery. This disconnect underscores the need for an integrated approach that links product quality with brand communication.

Table 1 reveals that each ingredient plays a dual role: a functional role in product formulation and a strategic role in supply chain integration. Coffee extract drives differentiation and brand identity; sugar and glucose syrup influence cost structure and operational efficiency; vegetable oil leverages national resource advantages; and soy lecithin ensures global quality standards. More importantly, these elements collectively demonstrate how upstream decisions are directly linked to downstream outcomes, including brand positioning and market expansion. For instance, consistent product quality enabled by integrated sourcing and production supports the effectiveness of brand diplomacy strategies such as product placement in global media (Nadeak & Setiawan, 2024; Permana et al., 2024). Without a reliable supply chain, such marketing efforts would fail to translate into sustained consumer trust and repeat purchases. This integrated perspective addresses the key research gap identified earlier: the lack of connection between supply chain management and brand diplomacy. While previous studies examine these domains separately, this analysis shows that they are inherently interdependent. Supply chain integration provides the operational foundation, while brand diplomacy amplifies market visibility and consumer engagement.

**Table 2.** Market Entry Strategies and Strategic Rationale

Market Type	Entry Strategy	Example Markets	Strategic Rationale
Core Growth Markets	Wholly Owned Subsidiaries	Philippines, Vietnam, India, China	High market demand justifies significant capital investment; enables full control over pricing, operations, and marketing strategies.
Established/Distant Markets	Distributor Partnerships	United States, Germany, Nigeria, Middle East	Leverages local partners’ expertise to navigate regulatory environments, distribution networks, and retail dynamics.
New Frontier Markets	Export Agents	Small island nations, parts of Africa	Low-risk, low-commitment entry strategy to test market potential before deeper investment.

Table 2 outlines a tiered internationalization strategy that aligns market characteristics with appropriate entry modes. This structure reflects a deliberate combination of control, risk management, and market responsiveness, consistent with the study’s objective of explaining how supply chain integration and brand diplomacy jointly support Kopi Candy’s global market dominance. Rather than adopting a uniform expansion model, PT Mayora Indah tailors its approach to market maturity, demand potential, and institutional complexity. In core growth markets such as the Philippines, Vietnam, India, and China, the firm adopts a wholly owned subsidiary (WOS) model. This strategy involves a significant capital investment but provides full control over production, pricing, distribution, and marketing. Such control is essential in high-volume markets where operational efficiency and brand consistency directly influence competitive positioning. From a supply chain perspective, WOS enables deep integration across upstream and downstream activities, reducing transaction costs and enhancing coordination. This aligns with Transaction Cost Economics (TCE),

which suggests that firms internalize operations when market transactions are inefficient or uncertain. Given the complexity of FMCG distribution and the need for rapid responsiveness, internalization becomes a rational strategic choice.

Empirical evidence supports the importance of such integration. Studies on supplier selection and procurement within PT Mayora Indah highlight the need for structured coordination to ensure quality and efficiency (Prima Dewi & Zusi, 2019). At the same time, strong domestic capabilities supported by Indonesia's comparative advantage in coffee production to provide a foundation for international scaling (Apriani et al., 2022). From a brand diplomacy perspective, establishing a physical presence in key markets enhances legitimacy and facilitates closer engagement with local stakeholders. This is consistent with the notion of business diplomacy, where firms actively shape their external environment through investment and collaboration (Salam et al., 2023). By embedding themselves in these markets, firms can align marketing strategies with local cultural contexts, an important factor in international business success (Wistiasari et al., 2024). However, existing literature tends to treat foreign direct investment (FDI) primarily as an economic decision, without adequately considering its role in integrating supply chain efficiency with brand positioning. This study addresses this gap by demonstrating how WOS strategies simultaneously support operational control and brand diplomacy.

In established or geographically distant markets such as the United States, Germany, Nigeria, and the Middle East, PT Mayora Indah relies on distributor partnerships. This approach reduces the need for direct investment while leveraging the expertise of local partners who possess in-depth knowledge of regulatory frameworks, consumer behavior, and retail structures. This strategy reflects a hybrid governance model that balances control and flexibility. While the firm relinquishes some operational control, it gains access to established distribution networks and local market intelligence. Such partnerships are particularly valuable in markets characterized by complex regulations and high entry barriers. From a marketing perspective, distributor partnerships facilitate localized brand adaptation, which is critical in culturally diverse markets. Research shows that cultural factors significantly influence international business performance, requiring firms to tailor their strategies to local contexts (Wistiasari et al., 2024). In this regard, distributor networks act as intermediaries that translate global brand identity into locally relevant offerings. Moreover, brand diplomacy is reinforced through these partnerships. By collaborating with local distributors, firms engage in stakeholder management and relationship-building, which are central elements of corporate diplomacy (Li et al., 2022). This approach allows firms to navigate institutional complexities while maintaining a consistent global brand presence. However, prior studies on product placement and global marketing (Iqlima & Saraswati, 2022; Nadeak & Setiawan, 2024) often overlook the role of distribution networks in sustaining market presence. While product placement may generate initial demand, effective distribution is necessary to convert awareness into actual sales. This highlights the importance of integrating marketing strategies with distribution capabilities, a linkage that remains underexplored in the literature.

For new or emerging markets, particularly small island nations and parts of Africa, the firm adopts a low-commitment entry mode through export agents. This strategy minimizes financial risk while allowing the firm to explore market potential and gather information about consumer preferences and competitive dynamics. Export agents serve as a flexible mechanism for market testing, enabling firms to evaluate demand before committing to more resource-intensive entry modes. This approach is consistent with incremental internationalization theories, which hold that firms gradually increase their level of involvement as market knowledge improves. From a supply chain perspective, this strategy relies on existing production and distribution capabilities, without requiring significant modifications. It allows the firm to extend its global reach while maintaining operational efficiency. However, the lack of direct control may limit the firm's ability to enforce brand standards and ensure a consistent customer experience. Despite these limitations, export-based entry plays a crucial role in supporting global brand visibility, particularly when combined with brand diplomacy strategies such as product placement in international media. Studies have shown that exposure through Korean dramas can generate global consumer interest, even in markets where the product is not yet widely distributed (Devina et al., 2024; Permana et al., 2024). In such cases, export agents act as an initial channel to meet emerging demand. Nevertheless, the literature has not sufficiently examined how low-commitment entry modes interact with global marketing strategies. This creates a gap in understanding how firms manage the transition from market entry to market consolidation, which this study addresses through a staged strategic framework.

The three market entry strategies presented in Table 2, wholly owned subsidiaries, distributor partnerships, and export agents, represent a graduated approach to international expansion, where the level of control and resource commitment increases with market potential and strategic importance. This framework highlights several key insights: First, supply chain integration varies across market types. In core markets, integration is deep and internalized; in established markets, it is coordinated through partnerships; and in frontier markets, it remains external and flexible. This variation reflects the need to balance efficiency, control, and adaptability. Second, brand diplomacy operates across all entry modes, but its form differs. In core markets, it is institutionalized through local presence and stakeholder engagement; in established markets, it is mediated through partnerships; and in frontier markets, it is driven by global media exposure and initial market testing. This demonstrates that brand diplomacy is not confined to marketing activities

but is embedded within broader strategic decisions. Third, the interaction between the supply chain and brand diplomacy creates a feedback loop. Marketing initiatives, such as product placement in Korean dramas, generate demand, which must be supported by appropriate distribution strategies. Conversely, efficient supply chains enable firms to capitalize on marketing success by ensuring product availability and consistency. This study shows that Kopi Candy's international expansion is not driven by a single strategy but by a dynamic, context-sensitive approach that integrates market entry modes with supply chain capabilities and brand diplomacy. This multi-layered strategy enables PT Mayora Indah to balance risk and control, adapt to diverse market conditions, and sustain its competitive advantage in the global FMCG industry.

## 5. Conclusions

This study examines how supply chain integration and brand diplomacy interact to drive Kopi Candy's global market dominance in the highly competitive FMCG industry. Drawing on a qualitative case study approach and integrating insights from prior literature, the findings demonstrate that Kopi Candy's success is not the result of isolated operational efficiency or marketing innovation, but rather the outcome of a strategically aligned and mutually reinforcing system. First, the study confirms that supply chain integration serves as the operational backbone of market dominance. Through vertical integration, structured supplier selection (e.g., AHP), and value chain coordination, PT Mayora Indah ensures product consistency, cost efficiency, and scalability across diverse international markets. This allows the firm to overcome structural inefficiencies commonly associated with commodity-based industries in developing economies. Second, the study highlights the critical role of brand diplomacy as a strategic extension of marketing and non-market engagement. By leveraging cultural platforms such as Korean dramas, international partnerships, and global promotional activities, Kopi Candy effectively builds brand awareness, legitimacy, and consumer trust. These strategies go beyond traditional advertising, positioning the brand within global cultural narratives and strengthening its international appeal. Third, and most importantly, the study demonstrates that the interaction between supply chain integration and brand diplomacy creates a synergistic effect. Efficient supply chains enable the firm to respond to demand generated by global marketing initiatives, while brand diplomacy amplifies market reach and accelerates international expansion. This integrated approach explains how Kopi Candy sustains its competitive advantage and achieves long-term market dominance.

### 5.1. Research Limitations

Despite its contributions, this study has several limitations. First, the research adopts a single-case study design, which may limit the generalizability of the findings to other firms or industries. While Kopi Candy provides a rich and illustrative case, future studies could employ comparative or multi-case approaches to enhance external validity. Second, the study relies primarily on secondary data and qualitative analysis, which may limit the ability to quantify causal relationships among supply chain integration, brand diplomacy, and market performance. Future research could incorporate quantitative methods, such as structural equation modeling or panel data analysis, to empirically test the proposed relationships. Third, the analysis focuses predominantly on the firm level, with limited exploration of consumer-level behavioral data across different international markets. Given the importance of cultural and regional differences, further research could investigate how consumer perceptions vary across contexts and how these variations influence the effectiveness of brand diplomacy strategies.

### 5.2. Policy Implications

#### 5.2.1. Theoretical Implications

This study contributes to the literature by bridging the gap between supply chain management and corporate/brand diplomacy, which have traditionally been examined as separate domains. It advances a more integrated framework in which:

- Supply chain integration is not only an operational mechanism but also a strategic enabler of global competitiveness.
- Brand diplomacy extends beyond communication strategies to include non-market interactions, cultural engagement, and geopolitical alignment.

Furthermore, the study enriches existing theories such as Porter's Diamond Model, Transaction Cost Economics, and corporate diplomacy theory by demonstrating how these frameworks can be combined to explain firm-level success in emerging markets. This integrated perspective provides a more comprehensive understanding of how firms can transition from commodity-based production to high-value global branding.

#### 5.2.2. Practical Implications

For practitioners, particularly in the FMCG sector, the findings offer several strategic insights:

- Firms should prioritize end-to-end supply chain integration, ensuring that procurement, production, and distribution are aligned with global market demands.
- Marketing strategies should evolve toward brand diplomacy, leveraging cultural platforms, international collaborations, and media integration to enhance global visibility.
- Companies operating in emerging economies should focus on value-added transformation, moving beyond raw material exports to develop branded consumer products with international appeal.
- A tiered market entry strategy by combining wholly owned subsidiaries, partnerships, and export mechanisms can help balance risk and control in global expansion.

### 5.2.3. Policy Implications for Governments

From a policy perspective, the findings suggest that governments in coffee-producing and emerging economies should:

- Promote downstream industrialization to increase value-added exports rather than relying on raw commodity trade.
- Support firms through economic diplomacy initiatives, including trade promotion, international exhibitions, and cultural exchange programs.
- Strengthen supply chain infrastructure and institutional support, enabling firms to compete more effectively in global markets.

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