



FIVE FORCES ANALYSIS OF COFFEE BUSINESS INDUSTRY IN TEMANGGUNG REGENCY OF CENTRAL JAVA

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Abstract. *Coffee is a valuable commodity whose popularity is increasing and substantially contributes to economic growth. Coffee is an essential asset on a global scale, and the market has been continuously rising over the past 30 years. Temanggung, in Central Java, is one of the most well-known coffee-producing regions with a unique character. Temanggung is remarkable because it has two geographical indication certificates, Sindoro Sumbing Arabica, and Temanggung Robusta, and is the largest Arabica and Robusta coffee-producing area in Central Java. This study aimed to investigate the competitive landscape using Porter's Five Forces by applying qualitative research to the coffee business in Temanggung. The study's findings revealed that by understanding the capabilities of each force in the industry for each category of business actor and coffee bean type, stakeholders could gain unique knowledge about the coffee industry, particularly the problems throughout the value chain. This research is useful in assisting business actors and other stakeholders in making the best possible decisions. Finally, this research can assist central and local governments in efficiently promoting Indonesia's increasingly promising coffee sector in the future.*

Keywords: *Entrepreneurial Capital, Porter's Five Forces, Value Chain*

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INTRODUCTION

Coffee is a valuable commodity with growing popularity and contributes significantly to the national economy (Ervina & Meitriana, 2021). On a global level, coffee is one of the major commodities, and the market has been steadily growing over the past 30 years, as seen by the rising expansion of coffee production and exports (ICO - International Coffee Organization, 2020). From 1991 to 2018, the value of cross-border coffee exports in various forms, such as green beans, roasted beans, and soluble coffee, quadrupled, reaching USD 35.6 billion (ICO - International Coffee Organization, 2020). Indonesia is one of the world's top five coffee exporters. In 2019, Indonesia's coffee land area, which includes smallholder plantations, private plantations, and state plantations, surpassed 1.2 million hectares (Jateng, 2020). South Sumatra, Lampung, North Sumatra, Nanggroe Aceh Darussalam, East Java, Bengkulu, South Sulawesi, East Nusa Tenggara, Central Java, and West Java are the ten largest coffee-producing provinces in Indonesia, according to data from the Ministry of Agriculture (Kementan, 2019). This situation shows that Indonesian coffee production influences aggregate coffee production (Wulandari et al., 2019).

Kintamani Bali Arabica Coffee, Gayo Arabica Coffee, Flores Bajawa Arabica Coffee, Sindoro Sumbing Arabica Coffee, and other coffee-producing regions in Indonesia today have superior qualities acknowledged by the state through identifying geographical indicators. The geographical indication certification is beneficial to increase the coffee business's selling value in the perspectives of the market because the lineage of quality and specialty coffee can be traced more responsibly. It indicated that Indonesia coffee farming has a variety of inclusive business practices (Mulyati & Indrawan, 2021).

Temanggung, Central Java, is among the most notable coffee-producing areas with a distinct character. Temanggung is unique because it has two geographical indication certifications, Sindoro Sumbing Arabica and Temanggung Robusta, and Central Java's largest Arabica and Robusta coffee production area. Robusta coffee output in Temanggung reached 895.33 tons in 2020 (BPS-Jateng, 2020), while Arabica coffee production accounted for 22.16 percent of Central Java's total production (Oelviani & Hermawan, 2017). According to field data from the Temanggung Regency's Industry, Trade, and Cooperatives-UMKM Office, there were more than 240 coffee brands registered as part of coffee entrepreneurs in the Temanggung Regency area from January to October 2019. (Kusmulyono, Muhammad Setiawan et al., 2019).

The initial research question was to determine how large the potential of coffee brand owners with roasters is in Temanggung Regency. The owner of a coffee brand at this point in the chain is commonly referred to as a roaster. The roaster's duty is critical in preparing raw coffee beans (green beans) for consumption by the audience. Roast beans (coffee beans that have been roasted) or ground coffee can be produced as a result of this roasting (coffee beans that have been roasted and made into the ground). Homebrewers or people who like to brew coffee at home and are also shop owners are generally in the market for roasters.

According to several discussions with coffee practitioners, the roaster will typically be closer to the market than the plantation. Based on this, the research team hypothesizes that roasters in Temanggung may be found in urban areas or even outside the Temanggung City region and in the vicinity of major cities. This proposition is referred to because no official

data can be obtained regarding the statistics on the number of roasters in Temanggung Regency.

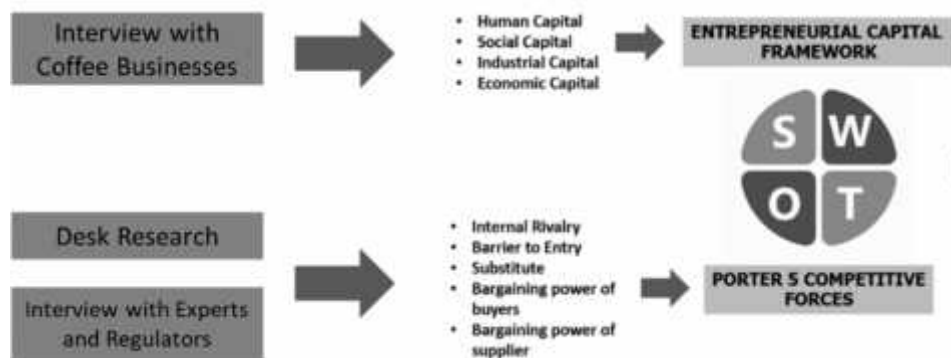
Therefore, this initial exploratory study aims to evaluate coffee centers' strengths, weaknesses, opportunities, and threats in the Temanggung Regency area to face national and global coffee competition. The novelty of this study is that it identifies not only the downstream sector of the coffee business, such as coffee shops or coffee brand owners but also the upstream segment, which includes farmers and processors. By conducting this exploratory study, a comprehensive analysis of the coffee industry from various perspectives will be discovered, which will aid in formulating government policies and mapping new business opportunities by prospective coffee entrepreneurs. This research can contribute to developing knowledge about coffee business management by employing the Porter Five Forces analysis tool.

This exploratory approach will use concepts introduced by Michael Porter. Michael Porter provides an initial framework for building competitive strength that comes from five forces, namely the threat of new entrants, the bargaining power of buyers, the bargaining power of suppliers, the threat of substitute products or services, and competition among existing competitors (Porter, 1979, 2008). This framework, known as Porter's Five Competitive Forces, became popular and the definitive tool for identifying the driving forces in industry competition (Isabelle et al., 2020; Porter, 1979). The concept of Porter's Five Forces helps managers and entrepreneurs to identify situations that occur in the industry and then reflect on the capabilities possessed by the company (Isabelle et al., 2020).

Porter's Five Forces have also become one of a company's strategic options because company must demonstrate a strong attraction (Anastasiu et al., 2020). This situation is also relevant to industries that have their unique qualities. Hence changes in business practices are needed (Anastasiu et al., 2020). Furthermore, external factors such as political, demographic, social, and pandemic uncertainty have altered business practices (Balan et al., 2021). Organizational complexity and dynamics must be considered to boost organizational efficiency and compete in the industry (Kusmulyono & Agustiawan, 2020; Lubis et al., 2021). Matters connected to technology, communication, branding, and promotion become crucial as small and medium company units' level of competitiveness increases the business position in the industry (Zahra et al., 2021). The Porter Five Forces model has also been criticized. One objection to the Porter Five Forces is that they are static, ignoring the importance of change in a competitive environment, such as aspects of internationalization (Isabelle et al., 2020). The critic is understandable given that the state of digital information in 1978, when the Porter Five Forces idea was introduced, was slower than it is now. Furthermore, the Porter Five Forces have been reprimanded for being difficult to put into practice (Lee et al., 2012) and only being useful in large organizations and corporations (Bruijl, 2018; Kusmulyono & Agustiawan, 2020; Zulganef & Nilasari, 2022). Apart from that, Downes (1997) enhanced the Porter Five Forces by suggesting new factors, including globalization, digitization, and deregulation. Despite its numerous criticisms, Porter's Five Forces are still very relevant for documenting the position of a rising sector.

RESEARCH METHODS

This exploratory study project aims to learn more about conditions that have never been studied. This exploratory study used a qualitative method to gain meaningful information from key IKM Kopi Temanggung ecosystem sources. However, to better grasp the coffee sector, the research team interviewed national-level coffee practitioners and analyzed literature using secondary data. The research team developed profiles of source people who may contribute to a better understanding of the coffee industry in general and the management of the Temanggung Regency's coffee company in particular. Some of the respondents who participated in this study as informants are as follows: Temanggung Regency's IndagkopUKM Office Head, Temanggung Regency's Coffee Brand Owner, Temanggung Regency's Coffee Farmers, and National Coffee Business Practitioner.



Sources: Internal model developed by researcher and Porter (1990)

Figure 1. Steps in Identifying Steps to Map Potential and Competitiveness of IKM Kopi Temanggung

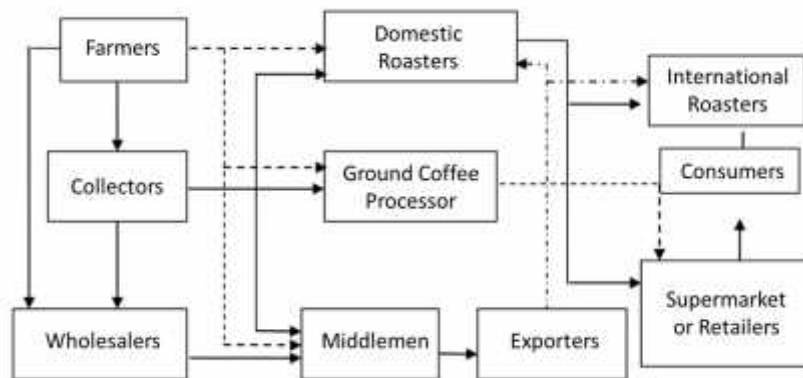
Referring to the above conceptual framework, the research team determined the steps necessary to complete the mapping of IKM Kopi Temanggung's potential and competitiveness: Step 1: Using the Entrepreneurial Capital Framework and Problem Identification, identify the strengths and weaknesses (S and W) of coffee brand owners in Temanggung. Step 2: Using Porter's 5 Competitive Forces framework, identify the opportunities and challenges (O and T) of the coffee business in Temanggung. The information gathered was subsequently evaluated using a thematic analysis approach. Interview transcripts would be created from the non-numeric data collected during the interviews. In addition, interview transcripts will be processed into code based on factual findings (Saunders et al., 2016). The coding results are then exhibited according to Porter's Five Forces categorization of the theoretical framework.

RESULTS AND DISCUSSION

One local government representative and 23 coffee brand owners in Temanggung Regency were interviewed. Kledung, Kandangan, Kedu, Tretep, Wonobojo, Gemawang, Ngadirejo, and Bejen are the sub-districts with representative samples. The research team also spoke with two national coffee entrepreneurs who have worked in the sector for a long time to grasp industry analysis better.

Temanggung Coffee Supply Chain

The initial research question was determining how many potential coffee brand owners owned roasters in Temanggung Regency. A roaster is a person that owns a coffee brand at this point in the supply chain. The roaster's duty is critical in preparing raw coffee beans (green beans) for consumption by the public. Roast beans (coffee beans that have been roasted) or ground coffee can be produced as a result of this roasting (coffee beans that have been roasted and made into the ground). Homebrewers or people who like to brew coffee at home and shop owners make up the majority of the market for roasters. According to multiple discussions with coffee practitioners, the roaster will typically be closer to the market than the garden. Based on this, the research team hypothesizes that roasters in Temanggung may be found in metropolitan areas or even outside the Temanggung City region and in the vicinity of major cities. This idea is being considered because no official data on the number of roasters in Temanggung Regency can be provided.



Sources: Kusmulyono, et al. (2019)

Figure 2. Initial Hypothesis of Coffee Supply Chain

The above framework guided the research team to collect data and information when heading out into the field. The research team discovered diverse supply chains in the coffee business in Temanggung Regency after conducting in-depth interviews with coffee brand owners. In Temanggung Regency, the coffee industry's supply chain begins with coffee plantations, coffee bean processing, coffee roasters, and coffee shops. The graphic below depicts the supply chain in its entirety:

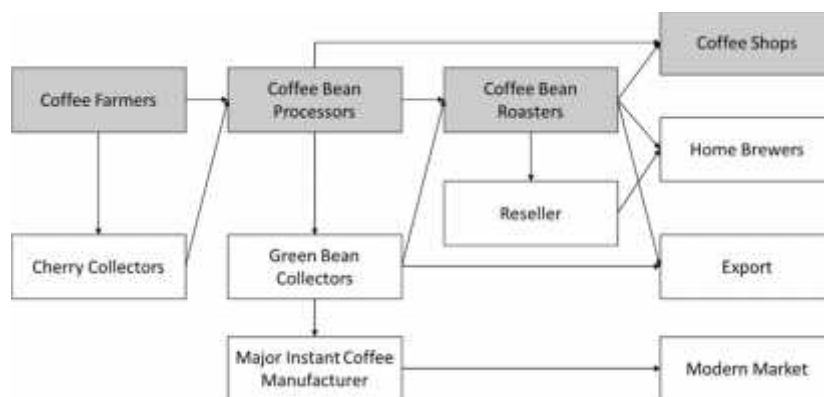


Figure 3. Coffee Supply Chain in Temanggung Coffee Industry

The research team also created a table identifying each supply chain, the output at each step, and the potential added value at each point.

Table 1. Chain Analysis in Temanggung Coffee Business Industry

Chain	Activity	Activity /Entity	Activity Result	Value Added Potential	Risk in Process
1	Picking coffee cherries	Coffee farmer	Red-picked coffee cherries	The cherry-picking process is the first step in ensuring coffee quality. Cherry-picking is the first step in producing high-quality coffee.	Fresh-picked coffee cherries should be processed in less than 8 hours.
2	Processing coffee cherries	Processor	Green bean	Green beans have a high added value since they may be preserved in an airtight bag for several years.	Processing coffee beans requires various facilities and infrastructure, including a fermentation tank, a big drying area, and low-cost equipment such as a pulper and huller.
3	Roasting coffee beans	Roaster	Roast bean and ground coffee (roast bean that had been ground)	Roasting is one of the most important steps in extracting the best aroma from coffee.	Modern roasters are usually rather costly. However, some local manufacturers have made their models. Unfortunately, most of them still use harmful materials, such as iron, which are potentially carcinogenic.
4	Selling brewed coffee	Coffee shop owner	A coffee shop that provides brewed coffee to drink on-site or order delivery.	Coffee shops offer the largest margin potential, assuming the lowest production quantities, compared to other chains.	The coffee shop poses the most risk because it requires significant capital to establish.

Source: An Internal Model Developed by the Researcher After Data Processing (2023)

The series of coffee supply chains above is a general supply chain by considering the ideal conditions in which different people carry out the four chains. In reality, the supply chain is ineffective and inefficient, resulting in gaps such as: some farmers try to integrate processes from the upstream to downstream chains, starting with their coffee plantations, processing coffee cherries, roasting coffee, and selling coffee in their coffee shops. Brokers,

such as cherry traders and green bean collectors, can enter the market at the upstream level. The necessity for new cash for farmers who wish to earn money right away by selling cherries or green beans without having to process them led to the creation of this broker. Brokers can also exist due to an excess supply of green bean products, requiring funding from processors to roll out "stagnated" capital in green bean supplies. The rise of new coffee entrepreneurs who do not require the ownership of a physical coffee plantation. Without owning a garden, several entrepreneurs start as coffee roasting service providers, shop operators, and sellers of green beans, roast beans, and ground coffee. Some coffee entrepreneurs utilize a brand name, while others do not.

The coffee supply chain above applies to Arabica Coffee, Robusta Coffee, and Excelsa Coffee in Temanggung Regency. However, the features of each coffee will be explored in the next subchapter in terms of its effectiveness and efficiency. From the ideal standpoint, an ineffective and efficient supply chain is a good thing. This element of the market process is identified by innovative people who identify potential.

Discussion

Michael Porter's 5 Competitive Forces framework is the conceptual framework used to map the coffee sector in Temanggung. This industrial analysis approach can produce an overview of the coffee industry in the Temanggung Regency area. Meanwhile, the 5 Competitive Forces framework data was obtained through interviews with Temanggung coffee brand owners, the Head of the Temanggung Regency's Indagkop-UKM Office, the Paprigan Market Community Coordinator, and coffee practitioners.

The Threat of New Entrants

Coffee, along with tobacco, is one of Temanggung Regency's most important commodities. Temanggung coffee products account for 30% of Java's total coffee exports and more than 40% of Central Java province's total robusta coffee production. Several internal and external factors contribute to the growth of the coffee business in Temanggung Regency. First, the Temanggung Regency's geography is a highland with many surface elevations. Still, it is generally between 400 and 3,000 meters above sea level, ideal for coffee and tobacco growth. Second, Temanggung Regency benefits from its location in the heart of Central Java's province, which offers advantages in terms of marketing potential to major cities such as Semarang, Solo, Yogyakarta, Magelang, Purwokerto, Wonosobo, and others. The relatively low level of labor wages in Temanggung Regency, when compared to the Regional Minimum Wage (UMR) in other districts across Central Java, is another element that supports the expansion of the coffee industry (BPS, 2018). Based on these factors, the coffee industry in Temanggung generally has promising opportunities and potential. However, the threat of new entrants into the Temanggung coffee business is moderate. More specifically, the threat of new entrants in the Temanggung coffee sector can be assessed based on the following sub-industry:

Table 2. The Threat of New Entrants in the Temanggung Coffee Business Industry

<p>Farmers: New players are unlikely to enter the green bean market. It is because the scarcity of land suitable for coffee farming, particularly land with a high surface elevation of more than 1,200 meters above sea level. Furthermore, purchasing agricultural land necessitated a significant financial investment.</p>	<p>Processors The potential for new competitors in the processor sub-industry is moderate for both robusta, arabica, and excelsa types of coffee, which all share a similar processing method.</p>
<p>Roaster Based on these considerations, the threat of new entries for roasters in Temanggung Regency is moderate for robusta, arabica, and excelsa varieties. Because this roasting machine isn't developed for specific coffees, all three types of coffee use the same machine.</p>	<p>Coffee Shops The coffee shop industry in Temanggung could be more appealing, and the threat of new participants in the coffee shop market for robusta, arabica, and excelsa coffee varieties could be much higher.</p>

Bargaining Power of Buyers

Coffee is a commodity with growing demands year after year. Temanggung coffee products were included in the Specialty Association of America (SCAA) event in Atlanta, Georgia, in 2016, according to data released by the online daily Temanggung News Association of Temanggung Regency Government (<http://hebat.temanggungkab.go.id/> dated September 30, 2019). Temanggung's Robusta Coffee also won the Indonesian Specialty Coffee Contest in Jakarta in 2017, boosting its popularity today. Temanggung coffee, both robusta, and arabica, has a distinct flavor since it is grown intercropping with tobacco plants in the dry season and crops in the rainy season. Despite the demand for Temanggung coffee products increasing locally and internationally, consumers have a wide variety of other varieties of coffee to choose from, resulting in moderate negotiating power for various Temanggung coffee products.

Table 3. Bargaining Power of Buyers in the Temanggung Coffee Business Industry

<p>Farmers: Because some coffee fruit farmers sell cherries to intermediaries and others sell them to other entities with coffee processing facilities, cherry buyers have a moderate negotiating position.</p>	<p>Processors As a result, buyers of robusta and arabica green beans have moderate bargaining power. The bargaining power of green bean purchasers in Temanggung for all types of coffee can be described as moderate.</p>
<p>Roaster As a result, despite a significant supply of roast beans, the uneven quality of roasts results in moderate bargaining power for robusta, arabica, and excels roast-bean buyers.</p>	<p>Coffee Shops However, purchasers' bargaining power is limited in some coffee shops that are strategically positioned and serve good-tasting coffee drinks. Considering these factors, buyers' bargaining power for robusta, arabica, and excelsa varieties is moderate.</p>

Bargaining Power of Suppliers

According to the narrative of Mr. Ardhi Wiji Utomo, Chairperson of the Temanggung Coffee Association (AKT), which was published in various online news outlets, including Suara.com (1 October 2019), Temanggung coffee products they contributed 30% of total coffee exports to Java and over 40% of robusta coffee exports in Central Java province. According to interviews with 23 Temanggung coffee brand owners, they can produce 400 quintals to 20 tons of green beans per year, 400 kg to 9 tonnes of roast beans per year, and 20 kg to 500 kg of ground coffee annually. Suppliers of various coffee goods in Temanggung generally have moderate bargaining power.

Table 4. Bargaining Power of Suppliers in the Temanggung Coffee Business Industry

Farmers:	Processors
Therefore, the bargaining power of garden land suppliers whose height is moderate for the robusta species, while the land for arabica and excels is higher.	Generally, for all types of coffee, the bargaining strength of cherry suppliers in Temanggung can be classified as moderate.
Roaster	Coffee Shops
The bargaining power of robusta green bean suppliers is moderate, but the bargaining power of Arabica green bean suppliers is relatively high.	Roast coffee and ground coffee providers' bargaining power for coffee shops can be considered low to moderate.

The Threat of Substitute Products

Temanggung coffee connoisseurs can consist of local Temanggung and outside Temanggung residents who have a diverse selection of drinks. Other drinks, such as mineral water and tea, can be classified as substitute products besides coffee. On the other hand, Temanggung residents have made coffee consumption a daily habit that is hard to break. On September 19, 2019, the Regent of Temanggung, Mr. M. Al Khadziq, issued a Circular Letter of the Regent of Temanggung No. 500/513/IX/2019, declaring Friday to be Coffee Drinking Day, encouraging the public, government, and private institutions to enjoy authentic coffee produced in their region. As a result, in Temanggung Regency, the threat of substitute products for various coffee products is relatively low for both robusta, arabica, and excelsa varieties. Ground coffee or coffee drinks created by coffee brand owners in Temanggung Regency as the final result of the coffee production process have a substitute product, namely manufactured coffee (*kopi pabrikan*). The manufactured coffee is a challenge for coffee shop owners specializing in Temanggung specialty coffee, which is more expensive than factory coffee. Although Temanggung coffee goods have a distinctive aroma that is primarily due to intercropping with tobacco plants, coffee products from other cities or regions, such as Bali, Aceh, Toraja, and so on, can be a substitute for Temanggung coffee products. As a result, alternative items for Temanggung coffee products pose a moderate threat.

Internal Rivalry

According to data from Temanggung Regency's Department of Industry, Trade, and Cooperatives-MSMEs, there were 240 coffee brand owners in Temanggung Regency as of October 2019, spread among 20 sub-districts, or an average of 12 business actors per sub-district. As a result, the Temanggung coffee sector has a relatively high level of competition.

However, competition in the coffee business in Temanggung can be broken down into many types of sub-industries as follows:

Table 5. Internal Rivalry in Temanggung Coffee Business Industry

<p>Farmers: Many farmers grow cherries for this robusta, resulting in high competition and relatively competitive costs. Farmers growing arabica, on the other hand, face less competition and even less for excelsa, which has a restricted amount of land.</p>	<p>Processors Temanggung Regency has many robusta and arabica green bean processors, resulting in a fierce rivalry.</p>
<p>Roaster Due to many competitors, the degree of competition in roasteries in Temanggung Regency can be considered high for robusta, arabica, and excelsa varieties. This high competition has resulted in a price war, particularly for ground coffee.</p>	<p>Coffee Shops Because of the relatively low demand, there are few coffee shops in Temanggung Regency, resulting in low competition for robusta, arabica, and excelsa coffee varieties.</p>

Implications

This research utilized Porter's Five Forces framework to examine an organization's existing position and a position it may aspire to pursue among its competitors in a certain industry. Apart from the various criticisms of Porter's Five Forces, such as that it is more suitable for large organizations and less applicable to small businesses (Bruijl, 2018; Kusmulyono & Agustawan, 2020), each force analyzed in this framework can provide an overview of the impact on organizational profitability that can be adequately applied to all types of industries with varying levels of technology development, economic and country development, as well as government interdependence (Porter, 2008).

This framework is specifically used to understand the attractiveness of the coffee industry in the Temanggung Regency, which includes a variety of business players ranging from coffee farmers, processors, roasters, and coffee shop owners for various types of coffee beans such as arabica, robusta, and excelsa. Analyzing each business actor category along the value chain in the Temanggung coffee industry based on first-hand field observation may provide a deeper and more comprehensive examination. The findings of this study may be useful in observing the business climate in the Temanggung coffee sector and other places outside of Temanggung. The benefit is acquired because the coffee industry's structure is generally similar, although other factors may influence the strength of each force in the sector.

Stakeholders can get unique knowledge about the coffee industry, particularly the challenges along the value chain, by understanding the capabilities of each force in the industry for each category of business actors and coffee bean kinds. Stakeholders include not only capital owners and regulators but also other connected institutions and organizations, as well as coffee industry actors. For example, given that new entrants in the Temanggung coffee business pose a low threat to growers and coffee shop owners but a moderate threat to processors and rosters, the current or potential player should devise a plan to survive or enter the market. Another example is if the present player knows that internal competition for arabica and robusta farmers is significant, but competition for excelsa farmers is relatively

low, the current player may adopt a different pricing strategy for each bean. As a result, this research is useful in assisting business actors and other stakeholders make the best decisions possible. Finally, this study can aid central and local governments in promoting Indonesia's coffee sector, which is becoming increasingly promising in the future, particularly for micro, small, and medium businesses.

Michael Porter introduced a framework for developing competitive forces based on five elements: the threat of new entrants, the bargaining power of buyers, the bargaining power of suppliers, the threat of substitute products or services, and competition among existing competitors (Porter, 1979, 2008). Porter's Five Competitive Factors framework later became a popular and definitive instrument for identifying the driving forces of competitiveness (Isabelle et al., 2020; Porter, 1979). The Porter Five Forces concept assists managers and entrepreneurs in identifying industry conditions and then reflecting on the company's capabilities (Isabelle et al., 2020).

Every aspect of Porter's Competitive Five Forces relates to company profitability (Isabelle et al., 2020). As a result, every level of management in the business must emphasize strategically understanding the relationships between organizations and structures that can determine the company's performance (Mahat, 2019). The strategic review is significant for the organization because the Five Forces framework considers external and internal factors (Ambarwati et al., 2019). In the long run, the company's performance will improve if these Five Forces can be correctly optimized (Anastasiu et al., 2020). If the strategy optimization correctly tuned, the Porter Five Forces might be a useful control tool for increasing organizational performance.

CONCLUSION AND SUGGESTIONS

To summarize the Temanggung coffee industry's competitive environment, the Temanggung Regency's terrain, geographical location, and lower labor wages make the threat of new entrants low to moderate. The scarcity of high terrain required for coffee farming, particularly arabica, has hampered the entry of new competitors into the business. Nonetheless, the roasters in the Temanggung region use traditional roasting methods that are relatively inexpensive. Regarding internal rivalry, Temanggung Regency has 240 coffee brand owners split across 20 sub-districts or an average of 12 business actors per sub-district as of October 2019. The Temanggung coffee sector is unquestionably competitive due to the many producers, processors, roasters, and shop owners. Furthermore, the surge in popularity of Temanggung coffee following its participation in the Specialty Coffee Association of America (SCAA) event in Atlanta, Georgia, in 2016 and winning the Indonesian Specialty Coffee Contest in Jakarta in 2017 is a confirmation of its superiority and distinct flavor. However, buyers' bargaining power for Temanggung coffee is moderate due to the variety of coffee available in local and international markets. Regarding supplier bargaining power, the Temanggung coffee sector is reported to have a modest level. This is because coffee brand owners in Temanggung can grow enough green beans to make 400 quintals to 20 tons per year, 400 kg to 9 tons of roasted beans yearly, and 20 kg to 500 kg of ground coffee annually. Finally, Temanggung coffee connoisseurs are people of Temanggung and the surrounding area who like various drinks and coffee types. Temanggung locals, on the other hand, have made coffee a daily habit. Furthermore, in September 2019, the Regent of Temanggung

published a Circular Letter designating Friday as Coffee Drinking Day in Temanggung Regency, urging the public, government, and commercial organizations to consume authentic Temanggung coffee. As a result, in Temanggung Regency, the threat of alternative products for various coffee products is quite minimal.

This framework is specifically used to understand the attractiveness of the coffee industry in Temanggung Regency, which includes various business actors ranging from coffee farmers, processors, and roasters to coffee shop owners for various coffee beans such as arabica, robusta, and excels. Stakeholders can gain unique knowledge about the coffee industry, particularly challenges along the value chain, by understanding the capabilities of the respective strengths in the industry for each category of business actor and type of coffee bean. Stakeholders are not only investors and regulators but also other related institutions and organizations, as well as coffee industry players. For example, given that new entrants to the Temanggung coffee business pose a low threat to farmers and coffee shop owners but a moderate threat to processors and roasters, current or potential players should develop a plan to survive or enter the market. Another example is if current players know that internal competition for arabica and robusta growers is significant, but competition for excels growers is relatively low, current players may apply different pricing strategies for each bean. As a result, this research is useful in assisting business actors and other stakeholders make the best possible decisions. Finally, this research can assist central and local governments in promoting Indonesia's increasingly promising coffee sector in the future, especially for micro, small, and medium enterprises.

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