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The adaptation strategy of PT Charoen Pokphand Indonesia (Food Division) in facing the dynamics of the processed chicken industry

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ABSTRACT

This study aims to identify the current business model of PT Charoen Pokphand Indonesia (Food Division), analyze internal and external business environmental factors affecting it, and design a new business model to adapt to the competition in the processed chicken industry in Indonesia. This study uses nonprobability sampling method with purposive sampling technique to select respondents, selected based on special expertise and knowledge in the field studied. This research uses data processing and analysis techniques involving mapping the company's business model into 9 elements of the business model canvas (BMC) and formulate adaptation strategies and develop new business models with a blue ocean strategy perspective through a framework of four actions: elimination, subtraction, improvement, and addition. The SWOT analysis revealed that CP FOOD's strengths lie in its value proposition, while weaknesses are in its marketing activities. The research will provide input and advice for future strategies and serve as a reference for academics to develop strategies for increasing competitiveness in the processing chicken industry.

Keywords:

Adaptation strategy

Food division

Chicken industry

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INTRODUCTION

In Indonesia, there are many poultry companies involved in the processed chicken meat business with various brands that offer the advantages of their respective products. These companies include: PT Charoen Pokphand Indonesia (Food Division), PT So Good Indonesia, PT Belfoods Indonesia, PT Macroprima Panganutama Semarang, PT Malindo Feedmill, PT Wonokoyo Jaya Corporindo, PT Madusari Nusaperdana, PT Dagsap Endura Eatore, PT Jaya Utama Santikah, and so on (Indonesia Data 2023). Processed chicken meat is a food product processed by chicken meat that is printed and has a certain taste, and contains protein, fat, sodium, and a little carbohydrate. Processed chicken meat is a product made from chicken meat mixed with wheat flour/bread flour and milk which has high nutritional value (Rusman, 2019). It is a processed chicken meat product that uses meat restructuring technology, which is a meat processing technique by utilizing relatively small and irregular pieces of meat to be reattached to a larger size so as to increase the added value of the meat (Prastiwi et al., 2017).

Processed chicken meat has added economic value and use value for producers and consumers so that it can be an alternative solution in increasing chicken meat consumption in Indonesia. In making processed chicken meat, other spices and binders are needed that function as emulsion stabilizers, increase water binding, minimize shrinkage, add product weight, and reduce costs (Usmiati & Priyanti, 2012). Processed chicken meat is a ready-to-eat processed chicken meat product that has developed and is in demand by the wider community, ranging from children to the elderly (Hasbi, 2019; Putri, 2016). Currently, there is a trend of people's food consumption that leads to frozen food consumption because it is considered to present practicality and increase the added value of processed meat products (Prastiwi et al., 2017). Among the many companies in the poultry industry that have now begun to expand their downstream business by producing processed chicken meat in Indonesia, according to a survey from the BPS (2022), there are several companies that dominate the processed

chicken meat market in Indonesia, including PT Charoen Pokphand Indonesia, PT So Good Indonesia, and PT Belfoods Indonesia.

PT Charoen Pokphand Indonesia (Food Division) is a company in the field of chicken meat processing with its products, namely Fiesta, Champ, Akimo, and Okey. PT Charoen Pokphand Indonesia (Food Division) is a company with a market share percentage of 56.40%. However, to be able to maintain and improve the company's position, companies need to formulate the right strategy to continue to adapt. The market opportunity for processed chicken meat makes many large companies in the poultry industry develop their business by having a good strategy to be able to continue to compete in the processed chicken meat market in Indonesia.

In their research, Qistiya et al. (2017) and Susanto (2020) stated that the development of an increasingly modern era requires companies to have a more creative and innovative business strategy than before, to make their business products the best and most in demand by consumers. Strategy has an important role and is also key in the development of a company's business, especially if there are many similar competitors (Ramadhanti, 2020). Companies must have good strategic management in order to survive in the market and compete with their competitors. The implementation of strategic management in an organization/company has consequences in decision making by top management, so it requires proper assessment of the impact of strategy formulation on organizational performance (Razak, 2019). In their research, Pearce and Robinson (2013) explained the benefits of strategic management, among others, to strengthen the company's ability to strengthen the company's ability to prevent problems from arising, bring up the best alternative from a different strategic point of view, reduce gaps and overlapping activities between individuals due to clarity in role differences, and reduce resistance to change. According to David & David (2017), several stages that can be done in formulating a strategy include knowing and understanding in advance the company's business environment, namely by mapping the nine elements of the business model canvas to conduct external and internal assessments of the company, then knowing the company's strengths, weaknesses, opportunities, and threats, formulating strategies, and determining alternative strategies that suit the company to achieve the vision and mission company.

Based on the literature review that has been conducted, there is not much research that discusses the company's strategy in companies engaged in the processed chicken industry in Indonesia. This research design is expected to complement previous research by understanding the company's business conditions so that it can find out the right strategy for PT Charoen Pokphand Indonesia (Food Division), to be able to continue to compete in facing the dynamics in the processed chicken industry and meet people's needs for chicken meat consumption. The formulation of strategies in research at PT Charoen Pokphand Indonesia (Food Division) using BMC, SWOT, and BOS is a novelty that has never been done in previous studies in the frozen chicken meat industry.

This study aims to identify the current business model of PT Charoen Pokphand Indonesia (Food Division), analyze internal and external environmental factors affecting it, and design a new business model to adapt to the competition in the processed chicken industry in Indonesia. The research will provide input and advice for future strategies and serve as a reference for academics to develop strategies for increasing competitiveness in the processing chicken industry.

METHOD

This research was conducted at PT Charoen Pokphand Indonesia (Food Division) headquartered at Jalan Ancol Barat VIII No.1, Ancol, Pademangan, North Jakarta. PT Charoen Pokphand Indonesia (Food Division) is a company engaged in the frozen food processing industry made from chicken. The data collection of this study was carried out from April 2024 to May 2024.

The types of data used in this study are primary data and secondary data, both qualitative and quantitative. Primary data is data collected and processed by the author himself for the purpose of this study. Primary data is obtained directly by researchers based on direct observations to the company through in-depth interviews. While secondary data is data to support primary data obtained from strategic management literature studies such as journals, books, data from related agencies, and various other sources.

Data collection in this study aims to obtain information relevant to the research topic, which is then analyzed for each aspect studied. Secondary data are obtained through the study of literature such as journals, theses, the internet, and other relevant sources. Meanwhile, primary data were obtained through direct observation at PT Charoen Pokphand Indonesia (Food Division) in Ancol, North Jakarta, as well as through questionnaires and in-depth interviews to understand the company's business activities. The interview results were used to map the company's business model into 9 elements of the business model canvas (BMC) and formulate adaptation strategies and develop new business models with a blue ocean strategy perspective through a framework of four actions: elimination, subtraction, improvement, and addition. Literature studies are also used to supplement data from interviews and observations, with internal sources in the form of official

company and external documents from the internet, scientific journals, articles, theses, other publications, as well as data from government agencies such as the Central Statistics Agency and the Ministry of Industry.

This study uses non-probability sampling method with purposive sampling technique to select respondents, selected based on special expertise and knowledge in the field studied. Expert selection criteria include length of work, job title, and knowledge of the development of the processed chicken industry. The selected respondents consisted of internal respondents, such as Vice President, marketing division, and production division, as well as external respondents from livestock practitioners, to analyze the adaptation strategy of the processed chicken industry in facing business dynamics.

This research uses data processing and analysis techniques involving mapping the business model of PT Charoen Pokphand Indonesia (Food Division) with Business Model Canvas (BMC) analysis as well as analysis of internal and external business environmental factors that affect the company. This process includes SWOT analysis and Blue Ocean Strategy analysis to evaluate and design a new, more competitive Business Model Canvas in the future. BMC analysis consists of nine elements that include customer segmentation, value proposition, distribution channels, customer relationships, revenue streams, key resources, key activities, key partnerships, and cost structure, all of which are analyzed to understand the company's business conditions and strategies.

The research also includes the identification of internal and external factors using IFE and EFE matrices, which help formulate corporate strategies based on strengths, weaknesses, opportunities, and threats. The IE matrix is used to assess the company's strategic position and determine the appropriate strategy, while SWOT analysis produces four strategic perspectives: SO (Strengths-Opportunities), WO (Weaknesses-Opportunities), ST (Strengths-Threats), and WT (Weaknesses-Threats). Furthermore, the design of the new BMC is carried out with the perspective of Blue Ocean Strategy, which involves eliminating, reducing, increasing, and creating business elements to produce value innovation and effective adaptation strategies for PT Charoen Pokphand Indonesia (Food Division).

RESULTS AND DISCUSSION

Identification of Business Model Canvas Elements of PT Charoen Pokphand Indonesia (Food Division)

The right business model can be when the company finds the right way to package solutions made by the company with value offered to the market / consumers. The first stage that can be done is to identify the business model of PT Charoen Pokphand Indonesia (Food Division) using the business model canvas. The business model canvas consists of nine elements that are used to see the big picture of the existing business model, by identifying every important point and all components of the business, and minimizing risks and errors when identifying the business model. Identify the current business model canvas elements of PT Charoen Pokphand Indonesia (Food Division), as follows.

Customer Segments

Customer segments or customer segments are the most important element in the development of a business model. Without a customer segment, a company will not be able to survive for a long time. The products produced by CP FOOD are processed chicken products packaged in frozen form with various trademarks, namely Golden Fiesta, Fiesta, Champ, Akumo, and Asimo. CP FOOD segments its product marketing based on product and consumer characteristics. In addition to large-scale buyer groups such as restaurants and cafes, potential consumers targeted by CP FOOD are housewives and working women who like practical processed meat products with guaranteed quality.

Value Propositions

CP FOOD offers value propositions in the form of products and services, catering to both quantitative and qualitative needs. As a pioneer in processed chicken products, CP FOOD ensures quality raw materials and safety, adhering to FSSC 22000 International Quality and Food Safety Management System and Halal Certification Standards. The company offers various product variants, including Golden Fiesta, Fiesta, Champ, Akumo, and Asimo, catering to different consumer segments. Fiesta, the largest brand value, offers over 50 processed chicken product variants, while Champ, Akumo, and ASIMO have a few variants. CP FOOD's products are easily accessible in various locations, including key outlets, retailers, hypermarkets, supermarkets, minimarkets, and e-commerce marketplaces. The company continues to innovate its products to meet changing consumer preferences.

Channels

Channels or marketing/distribution channels are ways used by companies in delivering products to consumers. The channels used by CP FOOD are using direct distribution channels, where CP FOOD sells its products through hypermarkets, supermarkets, minimarkets, key outlets, and retailers spread throughout

Indonesia. CP FOOD also markets its products online through marketplaces/e-commerce. Currently CP FOOD has a retail store, namely Prima Freshmart, which sells CP Group products such as fresh chicken products, processed chicken brands Golden Fiesta, Fiesta, Champ, Akumo, and Asimo, chicken eggs, spices, and other kitchen needs. As a source of distribution, CP FOOD has several factories spread across several regions, namely Cikande, Majalengka, Salatiga, Kebumen, Ngoro, Tabanan, Medan, and Palembang. CP FOOD also participates in bazaars or exhibitions, especially those related to food products and poultry products.

Customer Relationship

Customer relationship is a strategy used to maintain the stability of company operations by maintaining good relations with consumers. Consumers have confidence in CP FOOD products because CP FOOD always tries to maintain quality and continue to develop innovations in its products. In order to maintain satisfaction, consumers can find CP FOOD's processed chicken products easily because in addition to CP FOOD products available in hypermarkets, supermarkets, minimarkets, and key outlets, CP FOOD also has retail stores that are widespread in various regions, especially in Java, Bali and Nusa Tenggara, and Sumatra.

In maintaining consumer trust and satisfaction, the public can also conduct a factory group visit to the processed chicken processing plant to find out how the safe process in making CP FOOD's processed chicken products. Factory group visit was conducted by visiting one of CP FOOD's factories located in Cikande, Surabaya, Medan, and Salatiga. This activity has a minimum group quota and is free of charge. In addition to factory group visits, in order to maintain customer satisfaction, CP FOOD also has an active call center service to make reports or complaints against processed chicken products that have been purchased. Consumer reports or complaints are usually processed and must be resolved within a maximum period of 1x24 hours. In addition to factory group visits and call center services, CP FOOD also regularly conducts gatherings with consumers, and holds free Umrah for lucky consumers every year.

Revenue Streams

Revenue streams describe the revenue earned by the company received from consumers for the products or services offered. CP FOOD has revenue streams that come in from various sources, such as new product development/launch, product sales, retail store procurement, events, and so on. In 2023, CP FOOD will earn net sales of IDR 10 trillion.

Key Resources

CP FOOD, a company engaged in chicken meat processing, has a strong focus on key activities to achieve business goals and maintain relationships with consumers. These activities include production, marketing, and development of processed chicken products. The company has facilities, infrastructure, and representative offices in various regions, including Banten, Bandung, Salatiga, Surabaya, Medan, Palembang, Banjarbaru, Makassar, and Bali. It also has a retail store called Prima Freshmart, which has over 1000 outlets in Java, Bali, Nusa Tenggara, and Sumatra.

Human resources, consisting of 2,200 people, are divided into several divisions, including Marketing, Sales, Retail, Purchasing, Export, Production, PDQC (Process Development and Quality Control) Division, and Supply Chain Division. The company has a reliable R&D team of young people with innovative ideas for product development, who participate in exhibitions and training to enhance their knowledge and ideas.

Key activities include achieving business goals by creating and conveying value proportions to consumers, fostering and maintaining relationships with consumers, and regulating revenue streams. CP FOOD's production process follows international standards, using selected chicken meat and spices, and implementing strict quality control supervision. The company's products are marketed directly through supermarkets, minimarkets, distributors, and its retail stores, Prima Freshmart, throughout Indonesia.

Key Partnerships

According to Osterwalder and Pigneur (2016), companies establish partnership relationships with the aim of maximizing business models, forging alliances, reducing risks, and obtaining resources. The main partners who cooperate with CP FOOD are partner farms as suppliers of the main raw materials for the manufacture of processed chicken products. Poultry farms that partner with CP FOOD are spread across several regions of Indonesia such as North Sumatra, Riau, Jambi, Bengkulu, South Sumatra, Lampung, Banten, West Java, Central Java, East Java, Bali, West Nusa Tenggara, South Sulawesi, and South Kalimantan. Other CP FOOD partners are traditional markets (key outlets and retailers), modern markets (hypermarkets, supermarkets, and minimarkets), as well as restaurants and cafes where CP FOOD distributes its products.

Cost Structure

Cost structure is a cost structure incurred by CP FOOD in carrying out business activities, covering all cost needs related to channel elements , key resources, and key activities. Cost structure includes the overall costs planned by the company in carrying out its business model.

The costs incurred by CP FOOD consist of variable costs and fixed costs. Variable costs are costs that are influenced by the number of products produced, while fixed costs are not affected by the number of products. Variables in the cost structure incurred by CP FOOD include production costs (raw materials and factory operational costs), distribution and logistics costs (transportation and storage of products), marketing and sales costs (advertising and promotion, and marketing distribution (brochures, exhibition stands, etc.)), research and development costs (new product development costs and technological innovation), operational costs (employee salaries and office administration), and technology and infrastructure costs. The amount of costs incurred by the company is influenced by the addition of production activities, the addition of employees, and technological development carried out by the company.

Nine elements of the business model canvas at PT Charoen Pokphand Indonesia (Food Division) have been identified, then each element will be mapped in the business model canvas. This mapping is done to make it easier for the company to see business conditions simply and thoroughly. In addition, the business model canvas can also be used as a medium for companies to evaluate business models and determine alternative strategies that will be carried out next. The business model mapping of PT Charoen Pokphand Indonesia (Food Division) can be seen in the following table.

Table 1. The business model mapping of PT Charoen Pokphand Indonesia (Food Division)

<table>
<tr><th colspan="2">Key Partnerships</th><th colspan="2">Key Activities</th><th>Value Propositions</th><th colspan="2">Customer Relationship</th><th>Customer Segments</th></tr>
<tr><td colspan="2" rowspan="2">• Poultry farm (partner)
• Traditional markets (key outlets and retailers)
• Modern markets (hypermarkets, supermarkets and minimarkets)
• Restaurants and cafes</td><td colspan="2">• Production
• Marketing
• Distribution
• Product development</td><td rowspan="2">• Quality raw materials
• Product quality standards
• Wide range of products
• Ease of access to product purchases
• Product innovation</td><td colspan="2">• Factory group visit
• Call center services
• Gathering</td><td rowspan="2">• Housewives
• Working woman</td></tr>
<tr><td colspan="2">Key Resources
• Office
• Factories spread in many regions
• Toko retail
• Freezer
• Vehicles for distributing products
• Expert HR</td><td colspan="2">Channels
• Hypermarket
• Supermarket
• Minimarket
• Key outlet
• Retail store (Prima Freshmart)
• Marketplace/e-commerce</td></tr>
<tr><td colspan="5">Cost Structure</td><td colspan="3">Revenue Streams</td></tr>
<tr><td colspan="5">• Production
-Raw material
-Production process
• Distribution and logistics
-Transportation
-Product storage
• Marketing and sales
-Advertising and promotion
-Marketing distribution: brochures, exhibition stands, etc
• Research and development (R&D)
-New product development
-Technological innovation
• Operating costs
-Employee salaries
-Administration
• Technology and infrastructure</td><td colspan="3">• New product development/launch
• Product sales
• Procurement of retail stores</td></tr>
</table>

Evaluation of Internal Factors

Table 2. Matrix of IFE CP FOOD

No.	Factor	Weight	Rating	Score
	Strength			
1	Quality raw materials	0.12	4	0.48
2	Wide market reach and ease of obtaining products	0.09	2	0.18
3	Advanced, modern and hygienic technology	0.12	4	0.48
4	Skilled HR	0.09	2	0.18
5	Has representative offices and factories spread across many regions	0.11	2	0.22
6	Have a retail store (Prima Freshmart)	0.11	3	0.33
	Weaknesses			
1	Suboptimal promotion	0.1	3	0.3
2	Processed chicken products are easily damaged in case of miss-handling	0.12	3	0.36
3	Lack of utilization of retail stores for maximum sales	0.08	3	0.24
4	Product prices are determined by top management	0.06	1	0.06
	Total	**1**		**2.83**

Table 2 illustrates the internal condition of CP FOOD with a total score of 2.83 obtained from the sum of weights on each strength and weakness factor multiplied by the rating of each strength and weakness factor. CP FOOD has internal conditions that are not too strong, but based on the total score and also the average value of the company's strength factor is higher than the average value of the company's weaknesses.

The strength factor with the largest value is quality raw materials and the use of sophisticated, modern, and hygienic technology with a score value of 0.48 each. Then, having a retail store (Prima Freshmart) has a score value of 0.33, has representative offices and factories spread across many regions has a score value of 0.22, and skilled human resources as well as wide market reach and ease of getting products have a score value of 0.18 each. In the weakness factor, processed chicken products are easily damaged if there is miss-handling, suboptimal promotion, lack of utilization of retail stores for maximum sales, and product prices determined by top management are factors that must be considered and improved so that CP FOOD can always provide the best products and adapt in facing the dynamics that occur in the processed chicken industry.

Evaluation of External Factors

Table 3. Matrix of EFE CP FOOD

No.	Factor	Weight	Rating	Score
	Opportunity			
1	Increased consumption of processed food products	0.08	4	0.32
2	Increased public awareness of product quality	0.03	4	0.12
3	Ease of people to try new products	0.07	4	0.28
4	The development of digital information technology	0.06	4	0.24
5	The role of social media in marketing	0.06	4	0.24
6	Development of lifestyle trends	0.05	4	0.2
7	Number of potential residents	0.01	1	0.01
8	The increasing openness of the community (Millennials and Gen Z) to practical processed products	0.07	4	0.28
	Threat			
1	Fickle consumer tastes / Disloyal consumers	0.12	4	0.48
2	Differences in consumer preferences in each region	0.05	1	0.05
3	Growing competition	0.14	4	0.56
4	Fluctuations in raw material prices	0.04	2	0.08
6	Lower prices of competitors' products	0.12	4	0.48
7	Price-sensitive consumers	0.1	3	0.3
	Total	**1**		**3.64**

The total score on the EFE matrix of CP FOOD is 3.64 obtained from the sum of the point weighting on each indicator of opportunity and threat factors. The total score shows that the external factors owned by CP

FOOD are high, especially the average value of the company's threat factors is higher than the average value of opportunity factors. In the threat factor, the increasingly fierce competition in the processed chicken industry is the point that gets the highest score of 0.56. In responding and facing this, of course, companies must continue to have innovation in order to adapt in the face of business competition and dynamics that occur in the processed chicken industry.

The results of internal factor analysis using the IFE matrix showed a score of 2.83, and the results of external factor analysis using the EFE matrix showed a score of 3.64. Based on this, it can be seen from the IE matrix that the company's position is in quadrant II with category positions that can be seen in Figure below.

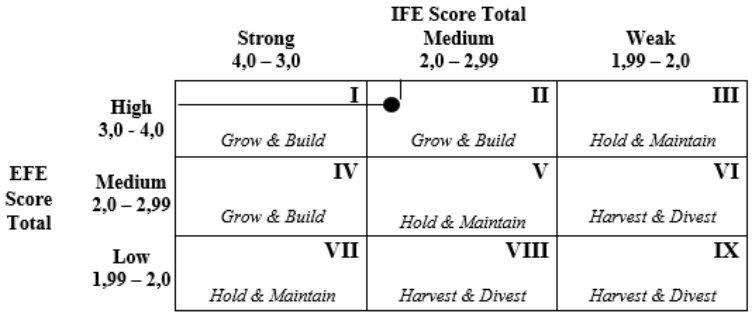

Figure 1. Matrix of IE CP FOOD

Figure 1 explains that CP FOOD's condition is in cell II, where companies in that cell can implement grow and build strategies, such as intensification strategies (market penetration, market development, and product development), as well as horizontal integration strategies.

SWOT Analysis of Business Model Canvas (BMC) Elements PT Charoen Pokphand Indonesia (Food Division)

SWOT analysis is one of the methods used to systematically identify various business elements to formulate corporate strategies (Kotler & Keller, 2016). SWOT analysis is carried out by comparing the analysis of internal company factors, namely strengths and weaknesses with the analysis of external factors, namely opportunities and threats. Business model evaluation is very important, one of which is by using SWOT analysis because it provides 4 (four) perspectives, namely strengths, weaknesses, opportunities, and threats, and allows a fixed assessment of each element of the business model canvas (Osterwalder & Pigneur, 2016). Strengths and weaknesses in business model elements describe the current position of the business, while opportunities and threats provide direction for the company to continue to grow.

SWOT analysis of CP FOOD's business model canvas aims to evaluate the business model that the company is running. The results of the business model identification produce the information needed in developing the right alternative strategy.

Strengths (S)

CP FOOD is a leading Indonesian company that specializes in the production of chicken products. The company uses high-quality raw materials, including chicken, which are declared healthy and fit for consumption. The processing process is hygienic and in compliance with FSSC 22000 International Quality and Food Safety Management System and Halal Certification Standards. CP FOOD products are easily accessible to the public through supermarkets, minimarkets, distributors, agents, and retail stores like Prima Freshmart.

The company has advanced, modern, and hygienic technology in its chicken processing plant, which minimizes the role of employee hands and implements the HACPP system and FSSC 2000 food safety certification. The chicken processing is carried out at controlled temperatures, matured at high temperatures, and immediately frozen at very low temperatures.

CP FOOD's skilled human resources, consisting of 2,200 people, support business processes and increase productivity. They have a reliable R&D team of young people with innovative ideas for product development. The company has representative offices and factories spread across various regions, facilitating product distribution. Currently, CP FOOD has a retail store called Prima Freshmart, which has over 1000 outlets across Indonesia.

Weaknesses (W)

CP FOOD, a well-known Indonesian processed chicken company, has been criticized for its suboptimal promotion of its products through television commercials and digital platforms like Instagram, X, Facebook,

and TikTok. This lack of promotion is considered less than optimal, as the company's products are well-known and can be easily damaged by mishandling. The company also lacks the utilization of its retail stores, such as Prima Freshmart, which has over 1000 outlets and an application called "Prima Freshmart" / PFM, which can be downloaded on Google PlayStore for Android users and AppStore for Apple users. The PFM application provides discounts and discounts for customers who purchase processed chicken products, but the store's employees often act as salesmen, chicken cutters, cashiers, and couriers.

CP FOOD's product pricing is determined by top management after conducting analyses such as CP FOOD's break-even point (BEP), competitor analysis, and market demand research. This results in a lack of optimal promotion and a potential loss of market share for the company.

Opportunities (O)

The increase in processed food consumption and public awareness of product quality are positively impacting the sales of processed chicken products. Governments and influencers play a crucial role in increasing public awareness of quality standards in food. Consumers are increasingly looking for new brands due to increasing income levels in developing countries, with 38% of consumers in Indonesia saying they like to try new things.

The development of digital information technology, such as marketing platforms and product sales, will have a positive impact on product sales. CP FOOD can use digital information technology to communicate with consumers and increase brand value. Social media plays a significant role in marketing, especially for increasing public brand awareness of CP FOOD's processed products.

The pandemic has also shaped people's shopping behavior, with some preferring an instant lifestyle while others enjoy face-to-face shopping experiences. Social sensitivity and open-mindedness make people more likely to buy from brands that support values aligned with their life principles.

Indonesia's population, currently 280.73 million, is dominated by generation Z (born 1997-2012), followed by the Millennial generation (born 1981-1996) and generation X (born 1946-1964). Gen Z will gradually become an industry priority in the coming years. The increasing openness of the community to practical processed products, particularly among millennials and Gen Z, presents an opportunity for CP FOOD to continue innovating in its products for public consumption.

Threats (T)

Consumer preferences play a significant role in the decision-making process of purchasing products. Changes in consumer tastes can lead to decreased demand over time, especially in developing countries where public loyalty is increasing. CP FOOD must adapt to these changes by continuously innovating and embracing new brands. Differences in consumer preferences in each region are also crucial for a company's success in the processed industry. Factors such as taste, price, product quality, and brand are essential for consumers to make purchases. The growing competition in the processed industry also poses a challenge for CP FOOD.

Fluctuations in raw material prices are a significant factor in the production costs of processed chicken products. Rising raw material prices can impact the continuity of CP FOOD's production process, and adaptation to price increases is necessary. Competitors often set lower prices for their products, allowing consumers to choose from various brands based on their financial conditions. Price-sensitive consumers, who are disloyal to brands that do not match their preferences, can pose a threat to CP FOOD.

In conclusion, understanding consumer preferences, adapting to changing trends, and addressing price-sensitive consumers are essential for CP FOOD to succeed in the processed chicken industry.

SWOT Matrix

Table 4. SWOT CP FOOD Matrix (1)

Internal Factors	**Strength(s)**	**Disadvantages (W)**
External factors	1. Quality raw materials (VP) 2. Wide market reach and ease of obtaining products (CR) 3. Advanced, modern and hygienic technology (KA) 4. Skilled HR (KR) 5. Has representative offices spread across many regions (CH) 6. Have a retail store (Prima Freshmart) (CH)	1. Suboptimal promotion (CH) 2. Processed chicken products are easily damaged (VP) 3. Lack of utilization of retail stores (R$) 4. Product prices are determined by top management (C$)

Opportunity (O)		
1 Increased consumption of processed food products (VP) 2 Increased public awareness of product quality (CR) 3 Ease of people to try new products (CS) 4 The development of digital information technology (KA) 5 The role of social media in marketing (CH) 6 Development of lifestyle trends (VP) 7 Number of potential population (CS) 8 Increasing public openness to practical processed products (CS)	**SO Strategy** 1. Market expansion (domestic &; international) (S2, S5, S6, O1, O2, O7) 2. Innovating new and healthy products (S1, S3, O1, O6) 3. Strengthening branding and marketing through Prima Freshmart (S4, S6, O4, O5, O6, O8)	**Strategy WO** 1. Improve digital promotion (W1, W3, O4, O5) 2. Increase sales through e-commerce (W3, O4, O5, O6) 3. Develop mobile applications and increase consumer loyalty (W3, O4, O5)

Information:

CS: Customer Segments	CR: Customer Relationship	KA: Key Activities
VP: Value Propositions	R$: Revenue Streams	KP: Key Partnerships
CH: Channels	KR: Key Resources	C$: Cost Structure

Table 4. SWOT CP FOOD Matrix (2)

Internal Factors	**Strength(s)** 1. Quality raw materials (VP) 2. Wide market reach and ease of obtaining products (CR) 3. Advanced, modern and hygienic technology (KA) 4. Skilled HR (KR) 5. Has representative offices spread across many regions (CH) 6. Have a retail store (Prima Freshmart) (CH)	**Disadvantages (W)** 1. Suboptimal promotion (CH) 2. Processed chicken products are easily damaged (VP) 3. Lack of utilization of retail stores (R$) 4. Product prices are determined by *top management* (C$)
External factors		
Threat (T)	**ST Strategy**	**WT Strategy**
1. Changing consumer tastes/Disloyal consumers (CS) 2. Differences in consumer preferences in each region (CS) 3. Growing competition (CS) 4. Fluctuations in raw material prices (KA, C$) 5. Lower price of competitor products (VP) 6. Price-sensitive consumers (CS)	1. Improving product differentiation (S1, S3, T3) 2. Collaborate with local partners (S4, S5, T2, T3) 3. Offer special promotions (S1, S2, T5, T6) 4. Make investments in technology and R&D (S3, S4, T1, T2, T3)	1. Improve product quality and safety (W2, T3) 2. Increase consumer confidence (W1, W2, W3, T1, T2, T6) 3. Conduct employee training and development (W1, W3, T3)

Information:

CS: Customer Segments	CR: Customer Relationship	KA: Key Activities
VP: Value Propositions	R$: Revenue Streams	KP: Key Partnerships
CH: Channels	KR: Key Resources	C$: Cost Structure

S – O Strategy

The Strengths-Opportunities (S-O) strategy for PT Charoen Pokphand Indonesia (Food Division) includes several key initiatives. First, expanding domestic and international markets (S2, S5, S6, O1, O2, O7) by utilizing existing distribution strengths in Indonesian territory and exports to countries such as Timor Leste, Papua New Guinea, and Singapore. This expansion aims to expand market reach, increase sales, and strengthen the company's position in the global market. Second, innovating new and healthy products (S1, S3, O1, O6) by developing healthier variants of processed chicken products, such as low-fat or gluten-free, to meet market demand that is increasingly moving towards a healthy lifestyle.

Furthermore, the strategy of strengthening branding and marketing through Prima Freshmart (S4, S6, O4, O5, O6, O8) is carried out by utilizing digital platforms and social media for creative and interactive marketing, so as to attract new consumer segments, especially millennials and generation Z. In addition, through Prima Freshmart, CP FOOD can hold programs such as cooking demos, product sampling, and workshops on the benefits of processed chicken products, which will increase public awareness and trust in CP FOOD products. This strategy combines the company's internal strengths with external opportunities to strengthen branding and increase engagement with consumers.

W – O Strategy

Strategies to improve digital promotion (W1, O4, O5) address weaknesses in internal promotion by taking advantage of opportunities in digital marketing. CP FOOD can increase activity on digital platforms by using marketing technologies such as social media ads and influencer campaigns. Collaboration with influencers and well-known figures, as well as appointing reputable brand ambassadors, can increase brand awareness of CP FOOD's processed products. In addition, the use of data analytics to understand consumer behavior will lead marketing campaigns to be more effective and segmented.

Increasing sales through e-commerce (W3, O4, O5, O6) and mobile application development (W1, W3, O3, O4, O5) is also a key strategy. CP FOOD can establish strategic partnerships with e-commerce platforms to expand product distribution, ensure complete and attractive product descriptions, and offer discounts and flash sales to attract consumers. Mobile application development, such as the Prima Freshmart Application (PFM App.), enables product sales, provides product information, recipes, and special offers to increase consumer engagement. The integration of consumer loyalty programs with reward points or discounts for repeat purchases will also increase customer loyalty through both retail stores and applications.

S – T Strategy

The strategy of improving product differentiation (S1, S3, S4, T3) and collaboration with local partners (S4, S5, T2, T3) focuses on leveraging CP FOOD's internal strengths to address external threats. Increasing product differentiation is carried out by using quality raw materials and advanced technology to create products with superior taste and quality that are difficult to replicate by competitors. Consistent and effective branding, as well as product innovation that attracts consumers, will strengthen this strategy. Meanwhile, collaborations with local partners, such as Prima Freshmart, allow CP FOOD to better understand consumer preferences in different regions and tailor products and marketing strategies to suit local needs.

Offering special promotions (S1, S2, T5, T6) and investing in technology and R&D (S3, S4, T1, T2, T3) are other important strategies. Special promotions, such as limited-time discounts, bundle deals, and membership discounts, aim to drive sales and attract price-sensitive consumers, while still emphasizing product quality. Investment in technology and research and development (R&D) is required to ensure CP FOOD remains ahead of product innovation and adaptation to changing consumer preferences and new technologies. The development of skilled human resources is also a key aspect of this strategy.

W – T Strategy

Strategies to improve product quality and safety (W2, T3) and increase consumer confidence (W1, W2, W3, T1, T2, T6) focus on addressing internal weaknesses and external threats. CP FOOD must tighten quality control and improve production efficiency with advanced monitoring technology. In addition, employee training and performance evaluation are very important to ensure the production process runs safely and hygienically. To increase consumer trust, CP FOOD needs to focus on transparency, provide complete information about nutritional content, maintain product quality, educate consumers about the benefits of processed chicken products, and increase interaction with consumers through social media.

The employee training and development strategy (W1, W3, T3) is also an important step taken by CP FOOD to deal with weaknesses and threats. Investment in employee training aims to improve their skills and adaptability to changing technologies and market needs. This training covers product understanding, food safety, use of production equipment, quality control, and applicable industry regulations and standards. With well-trained employees, CP FOOD can ensure that product quality remains high and in accordance with established standards.

Business Model Canvas Design with Blue Ocean Strategy Perspective

Blue ocean strategy is one method used to create new markets by offering unique value to consumers. Blue ocean strategy complements the business model canvas by providing a visual big picture to help understand how changes that occur in one element of the business model affect other elements. Blue ocean strategy will analyze more deeply what value innovations must be developed to create new markets. The combination of business model canvas with blue ocean strategy will produce a solid foundation in creating business strategy (Osterwalder & Pigneur, 2016). Through the perspective of blue ocean strategy, companies can create new markets by creating new value so as to make competition or competition no longer relevant (Kim & Mauborgne, 2005).

Table 5. Blue Ocean Strategy

Blue Ocean Strategy	Eliminate	Reduce	Upgrade	Create
BMC elements				
Customer Segments			New consumer segment: generation Z society (students, workers with high mobility) Market expansion (domestic &; international) (SO1)	
Value Propositions			Product quality and safety (WT1) Branding (SO3)	New and healthy product innovation (SO2)
Channels			Digital promotion (WO1) Sales through e-commerce (WO2) Sales force/retail store employee – WT3	Optimizing PFM (WO3) mobile application development
Customer Relationship			Consumer confidence (WT2) Offer special promotions (ST3)	Provide rewards and promos (WO3)
Revenue Streams			Sales of processed chicken products CP FOOD – SO2	
Key Resources			Marketing through Prima Freshmart (SO3) Investment in technology and R&D (ST4) Employee training and development (WT3)	
Key Activities			Product differentiation (ST1) Digital promotion (WO1)	New and healthy product innovation (SO2)
Key Partnerships			Collaboration with local partners (ST2)	
Cost Structure			Application development cost – WO3 Cost of social media advertising – WO2 Cost of influencer collaboration – WT2, SO3	

Evaluation of the SWOT analysis strategy using the four action frameworks from the blue ocean strategy shows that there are changes in the nine elements of the business model canvas from CP FOOD. CP FOOD or PT Charoen Pokphand Indonesia (Food Division) is a company engaged in the food processing industry made from chicken. CP FOOD is a subsidiary of PT Charoen Pokphand Indonesia (CPI), a giant in the agribusiness industry (especially poultry) in Indonesia so that the resulting evaluation strategy is more directed at a strategy to develop and maintain its position in a competitive market. Based on the results of the evaluation using the four action frameworks from the blue ocean strategy, changes have been made to the elements of the business model that illustrate that each element of the business model has a related relationship that results in direct or indirect implications for other elements.

In CP FOOD's business model, the strategy focuses more on improvement and creation. SO1 strategies can have a direct influence on customer segments and indirect influences on value propositions, channels, customer relationships, revenue streams, and key activities. Market expansion is done by identifying and understanding in advance consumer preferences in new markets. In addition, market expansion is also carried out to target new consumer segments, one of which is generation Z. The SO2 strategy has a direct impact on value propositions and key activities by creating new and healthy product innovations for the consumer segment and has an indirect impact on customer segments, revenue streams, and key resources. SO3's strategy, namely strengthening branding and optimizing marketing through Prima Freshmart, has an impact on elements of value propositions and key resources, and can indirectly affect customer relationships or relationships with consumers through strategies to be implemented and revenue streams. Furthermore, WO1, WO2, and WO3

strategies are closely related in influencing elements of channels, customer relationships, and key activities. ST1's strategy of increasing product differentiation is directly related to elements of value propositions, revenue streams and key activities.

ST2's strategy of collaborating with local partners can influence key partnerships. ST3's strategy has a direct impact on customer segments in the form of special promotional offers that are expected to appeal to the consumer segment. ST4's strategy, investing in technology and R&D, affects key resources and cost structures. WT1's strategy of improving product quality and safety is directly related to value propositions. The WT2 strategy has a direct impact on customer relationships elements in the form of increasing consumer trust and has an indirect impact on cost structure elements. WT3's strategy of employee training and development has a direct impact on key resources, and has an indirect impact on channel elements.

Business Model Canvas Baru PT Charoen Pokphand Indonesia (Food Division)

The design of a new business model canvas from PT Charoen Pokphand Indonesia (Food Division) or CP FOOD using a blue ocean strategy perspective is a means of combining business models with strategies developed through SWOT analysis. The blue ocean strategy's four action frameworks help analyze in depth the elements of the business model that CP FOOD aims to maintain and improve. The new business model canvas is a development of the results of SWOT analysis and evaluation from the perspective of blue ocean strategy, as follows.

Customer Segments

Customer segments in CP FOOD's new business model canvas explain about potential consumers who can be used as new targets for the company. Currently, potential consumers targeted by CP FOOD are housewives and working women who like practical processed meat products with guaranteed quality. CP FOOD can expand its consumer segmentation by making generation Z as a potential target consumer, considering that people from generation Z have now begun to enter the workforce and tend to adopt a practical lifestyle. However, making generation Z as a potential target consumer also affects other elements of the business model canvas, considering that generation Z grew up with a very high influence of digital and information technology.

Value Propositions

Value propositions What CP FOOD offers to its consumers are quality raw materials, product quality standards, product variant diversity, easy access to product purchases, and product innovation. In the point of product innovation, CP FOOD needs to create new and healthy innovations, as a solution for people who currently have health and fitness awareness, and tend to choose healthy foods, but still convenient and easy to obtain/process. Value proposition which can further be improved by CP FOOD is branding Products that are expected to improve brand image and brand awareness The company for its products, where nowadays people are more likely to trust reviews and recommendations from others before making a product purchase. Some people also care about environmental issues and are more supportive of brands that show social responsibility and sustainability.

Channels

Channels or marketing / distribution channels are ways used by companies in delivering products to consumers. The channels used by CP FOOD are using direct distribution channels, where CP FOOD sells products through hypermarkets, supermarkets, minimarkets, key outlets, and retailers spread throughout Indonesia. CP FOOD needs to improve its product marketing online through marketplaces/e-commerce, through Prima Freshmart as a retail store, and the Prima Freshmart application (PFM App.). PFM can be packaged attractively to sell products, provide product information, contain recipe recommendations, and hold special offers to increase consumer engagement. In addition, integrating consumer loyalty programs can also be done by providing reward points or discounts for repeated purchases, both through retail stores and applications, and is expected to increase branding and sales of company products.

Customer Relationship

CP FOOD's customer relationship was formed because CP FOOD always tries to maintain quality and continue to develop innovations in its products. In maintaining consumer trust and satisfaction, the public can conduct a factory group visit to the processed chicken processing plant to find out how the safe process in making CP FOOD processed chicken products. CP FOOD also has an active call center service to make reports or complaints on processed chicken products that have been purchased, as well as regularly gather with consumers, and hold free Umrah for lucky consumers every year. CP FOOD can improve the marketing of its products through Prima Freshmart as a retail store and the Prima Freshmart application (PFM App.) by

providing special promos for consumers such as flash sales, membership discounts, or referral programs and so on to increase sales of company products.

Revenue Streams

CP FOOD has revenue streams or revenue streams that come from various sources, such as new product development/launch, product sales, retail store procurement, events, and so on. Along with the improvement of the strategy carried out on other elements in CP FOOD's new business model canvas, it is expected to help increase sales of the company's products.

Key Resources

The main resource element or new key resources in CP FOOD's business canvas business model is the improvement of marketing facilities and infrastructure through Prima Freshmart. Currently CP FOOD already has excellent main resources including physical resources, namely head offices, several representative offices and factories in several regions, Prima Freshmart and other physical resources in the form of factory facilities such as production machines, freezers, and so on, as well as vehicles (trucks) to distribute products. In addition, increased employee training and development is needed, as well as investment in technology and R&D that can support the development of CP FOOD's new products.

Key Activities

The main element of CP FOOD's business model canvas is the improvement of production processes in the form of research and development (R&D) to improve and create new and healthy product innovations that are in accordance with people's current lifestyles. In addition, the marketing carried out by the company can be improved through Prima Freshmart as a retail store, as well as the Prima Freshmart application (PFM App.). These main activities are expected to improve product quality and quality, branding, product sales, and revenue streams for CP FOOD.

Key Partnerships

Key partnerships elements or main partnerships in CP FOOD's business model canvas are partner farms as suppliers of the main raw materials for the manufacture of processed chicken products, traditional markets (key outlets and retailers), modern markets (hypermarkets, supermarkets, and minimarkets), as well as restaurants and cafes where CP FOOD distributes its products. The main partnership that can be improved and/or created by CP FOOD is collaboration with local partners to be able to understand the market and preferences of local consumers (in each marketing region) more deeply. In addition, companies can also make e-commerce such as Tokopedia, Shopee, Lazada, and Blibli as partners to offer promos so as to increase sales of CP FOOD products.

Cost Structure

Cost structure is the cost structure incurred by CP FOOD in carrying out business activities, covering the overall costs planned by the company in carrying out its business model. With the improvement of strategy in the elements of CP FOOD's new business model canvas, there will be an improvement in the company's cost structure.

CONCLUSION

The research reveals that PT Charoen Pokphand Indonesia's business model, CP FOOD, has several shortcomings. To develop a new strategy, an internal and external analysis and SWOT analysis were conducted. The IE matrix showed CP FOOD is in the cell II position, with an IFE matrix score of 2.83 and an EFE matrix of 3.64. The SWOT analysis revealed that CP FOOD's strengths lie in its value proposition, while weaknesses are in its marketing activities. External opportunities include the development of digital technology and practical lifestyles, while threats include fierce competition in the processed industry. A blue ocean strategy was suggested, which includes expanding the consumer segment, investing in product research and development, improving marketing channels through digital technology, maintaining good consumer relations, increasing cooperation, and increasing product promotion budgets. The advice given is to implement a new business model canvas, with future research adding a priority analysis and more complete quantitative data.

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