INTRODUCTION

Companies, both large and small, will need to expand overseas. Such expansion may be in the form of cost efficiency or market expansion. This market expansion is also carried out by MNCs based on the motivation to secure business from economic turmoil and crisis that may arise domestically. Diplomacy skills are considered appropriate for mapping business strategies and realizing the success of MNC expansion in the host country. Diplomacy in business is needed to make market expansion activities more effective. In addition, this independent step by MNCs, referred to as business diplomacy, also benefits the state because it can simultaneously become a means of diplomacy and achieve state interests.

Business diplomacy is a means for MNCs to secure their business abroad amid international economic uncertainty and an alternative for governments that want to reduce diplomatic budgets and are faced with fragmented international rules (Riordan, 2014, p. 1).

According to an article by Alammar & Pauleen (2016, p. 14), there are several vital factors underlying the birth of business diplomacy activities: (1) because of the need for globalization; (2) is then followed by declining state support for diplomatic activities; (3) increasing criticism from civil society, and (4) increasing power from stakeholders. In business diplomacy, the vital thing to note, according to Ordeix-Rigo & Duarte (2009), is that MNCs must build relationships by adjusting their corporate values to the values

ABSTRACT

Diplomacy in business is needed to make market expansion activities more effective. This step by MNCs is then referred to as business diplomacy and also benefits the state because it can simultaneously become a means of diplomacy and achieve state interests. Mayora Indah Ltd. is a giant MNC from Indonesia that can dominate the global market. The success of Mayora Indah Ltd. in filling the global market can be seen in the popularity of Kopiko as their flagship product. This article aims to determine the strategies of business diplomacy taken by Mayora Indah Ltd to achieve the company's interests successfully. This article will then review the concepts related to business diplomacy proposed by Alammar & Pauleen (2016) as a foundation for analyzing the case study. This research finds that in the core knowledge competencies, Mayora Indah Ltd. applies internal knowledge through exposure to Kdrama producers related to Kopiko, with the aim that they can understand the product that will later be aired. Meanwhile, on multi-perspective consideration, Mayora Indah Ltd. invests in manufacturing in the Philippines and buys coconut commodities for environmental scanning.

KEYWORDS

Business diplomacy; Coffee; Kopiko; Korean Drama; MNCs

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already embedded in the local host country community if they wish to establish symbiotic relationships with stakeholders in the host country.

In the business field, one giant MNC from Indonesia can dominate the global market, namely Mayora Indah Ltd. The success of Mayora Indah Ltd. in filling the global market can be seen in the popularity of Kopiko as their flagship product. According to quantitative research conducted by Apriani et al. (2022), coffee commodities from Indonesia have high competitiveness in the global market, both comparatively and competitively. However, Juned & Saripudin (2018) assessed that Indonesia is experiencing challenges in developing local companies due to regulatory uncertainty, limited infrastructure, and minimal wage adaptation. The research results of Widiastutie et al. (2022) also show that local coffee entrepreneurs still need help accessing information related to international coffee marketing regulations.

Kopiko's ability to utilize the advantages of Indonesian coffee through business diplomacy can be an example of global coffee marketing opportunities. Intentilia (2020, p. 64) stated in her journal that Indonesia's quality excellence gives coffee commodities the potential to be used as a means of cultural and economic diplomacy. The culture of drinking coffee spread worldwide can make it easier for Indonesia to achieve national branding and state revenue. Kopiko's success must be balanced with the marketing strategy implemented by Mayora Indah Ltd. In Suhairi et al. (2022, pp. 3718–3719), the strategy carried out by Kopiko are flexible prices for sellers, sales locations that are easily accessible to consumers, and promotions using social media tools that make it easy to get consumer attention. On the other hand, from the promotional aspect, the latest strategy carried out by Kopiko is to become one of the sponsors of a popular television series from South Korea or Kdrama. This strategy is called product placement and is considered adequate by Iqlima & Saraswati's research (2022, p. 2295) to increase consumer buying interest significantly.

Based on the description of previous research related to business diplomacy, Indonesian coffee products, and the Kopiko brand of Mayora Indah Ltd above, this article will examine coffee diplomacy from another perspective, namely business diplomacy. Mayora Indah Ltd, through its Kopiko candy product, implements the best practices of business diplomacy. It is necessary to analyze the strategies and steps of business diplomacy taken by Mayora Indah Ltd to successfully achieve the company's interests.

RESEARCH METHODS
The research in this article is studied using concepts related to business diplomacy using descriptive qualitative methods. The type of research taken is a case study with the research object of Mayora Indah Ltd. The data used to support the research is secondary data, namely sources that refer to books, scientific journals, reports, news articles, and other non-primary sources. This article will then review the concepts related to business diplomacy proposed by Alammar & Pauleen (2016) as a foundation for analyzing the Mayora Indah Ltd case study. In the discussion section, this article will first describe the condition of coffee commodities in Indonesia, then describe the company profile of Mayora Indah Ltd, and analyze the Kopiko business diplomacy strategy carried out by Mayora Indah Ltd. Lastly, the conclusion will summarize the essence of this article.
RESULTS AND DISCUSSION

Business Diplomacy

There has yet to be a definitive definition of business diplomacy. However, Alammar & Pauleen argue that business diplomacy is a practice that aims to build and maintain established relationships with domestic and foreign businesses and non-business stakeholders. These relationships include employees, businesses, governments, and civil society actors that aim to create and maintain legitimacy and social license to operate, make alliances, and shape and influence the host country's environment (Alammar & Pauleen, 2016, pp. 7-9). Ordeix-Rigo & Duarte (2009, p. 555), who term business diplomacy as corporate diplomacy, define corporate diplomacy as the capability of large transnational corporations to develop and implement their business programs outside of government interference but in pursuit of similar diplomatic objectives. In this case, companies are free to take the initiative and provide the resources they need while continuing to develop these capabilities. By engaging in corporate diplomacy, transnational corporations benefit from a license to operate in the host country.

In business diplomacy, four key aspects become parameters: (1) Business diplomacy is not only about managing business but also building and maintaining good relationships with policymakers; (2) Business diplomacy is not focused on achieving power but instead on gaining legitimacy and social license to operate; (3) Business diplomacy is not only an external tool but also includes employees and managers; and (4) Business diplomacy talks about how to create business alliances and shape and influence the environment, not lobbying or influencing politicians (Alammar & Pauleen, 2016, p. 22). According to Wartick et al. (1998 in Allamar and Pauleen, 2016), MNCs with diplomatic knowledge will be able to forecast, plan, and manage international issues; overcome the effects of crises and work with intergovernmental organizations; and know how to operate appropriately in diverse cultural and societal environments. Business diplomacy lays out how patterns of diplomacy can place geopolitical risk management in the context of a coherent and long-term strategy (Kesteleyn et al., 2014).

Business diplomacy consists of different aspects to achieve effective diplomacy when engaging in business activities. The multidimensional aspects of business diplomacy can be applied by including elements, namely (Alammar & Pauleen, 2022, p. 24):

1. Interaction and engagement: Companies should build and maintain positive and interactive relationships with multiple stakeholders by initiating appropriate communication channels.
2. Core knowledge competencies: Business diplomacy requires comprehensive theoretical and practical knowledge of relevant topics, including politics, culture, and international relations. In addition, essential core knowledge competencies require acquiring new knowledge and information.
3. Multi-perspective consideration: The ability to consider and reconcile multiple and often conflicting viewpoints, including societal views, values, ethics, and stakeholder interests.
4. Power-authority building: the ability to strategically and positively influence and shape the environment, including media, decision-makers, policies, and public opinion, by creating legitimacy, forming alliances, and defining common interests.

This article will limit the analysis to points 2 and 3: core knowledge competencies and multi-perspective considerations. Core knowledge competencies examine internal and external knowledge. Comprehensive theoretical and practical knowledge of the subject, including politics, culture, business, and international relations, is required. Meanwhile, the multi-perspective consideration analysis will discuss ethical considerations related to
empathy and take a scanning perspective on the environment. At this point, various perspectives often conflict in business expansion, including stakeholder opinions, social values, ethics, and interests, which are carefully considered and harmonized (Alammar & Pauleen, 2022, p. 19).

**Condition of Indonesia's Coffee Commodity**

The culture of drinking coffee has become a tradition in the world community. Coffee has functions such as the ability to refresh the body and has become a lifestyle trend for today's urban communities. The trend of drinking coffee as a public consumption needs must be distinct from the expansion of foreign MNCs such as Starbucks and Excelso (Solikatun et al., 2015, p. 68). This habit has a good impact on Indonesia because it opens up market opportunities for local plantation commodities to compete in the global market.

The history of the spread of coffee in the world dates back to the 15th century when coffee plantations and commodity trade began to spread in the Arabian Peninsula. There, coffee was enjoyed in homes and sold in many coffee shops accessible to the general public. This activity makes coffee a dish usually served to accompany daily activities. The public's penchant for consuming coffee and holding meetings in coffee shops made coffee shops a central location for exchanging important information. In the 17th century, coffee began to spread widely in Europe and was brought to various parts of the world by colonizing countries to be planted in their colonies (NCA, n.d.).

The coffee commodity entered Indonesia in the late 16th century, brought by the Dutch company VOC to Batavia (Gumulya & Helmi, 2017, p. 154). The entry of coffee into Indonesia resulted in large-scale coffee-producing plantations. Indonesia is now the fourth-largest coffee-producing country in the world after Brazil, Vietnam, and Colombia (Katadata, 2022). Based on data from the Central Statistics Agency (BPS), Indonesia produced 786.2 tons of coffee in 2021. Of this amount, most of it is marketed abroad, with the Arabica and Robusta types dominating the export share with a value of USD 859 thousand, or as much as 387 thousand tons in 2021. Indonesia's global coffee market has entered all five continents, and the five largest coffee-importing countries from Indonesia in 2021 include the United States, Egypt, Spain, Malaysia, and Japan (BPS, 2022).

The large coffee production in Indonesia has also fertilized local instant coffee companies. Instant coffee products account for the most significant number of Indonesian coffee exports, namely 87.9%, and the rest is coffee in the form of extracts and essences. In 2017, Indonesia was recorded to have 101 large and medium-scale processed coffee companies (Maskur, 2019). One of Indonesia's largest processed coffee companies is Mayora Indah Ltd. Mayora Indah Ltd.’s instant coffee products vary, ranging from packaged liquid instant coffee to candy. The large sales of Mayora Indah Ltd. made it expand into the international market. The latest market expansion of Mayora Indah Ltd. is an effort to increase buyer interest by promoting Kdrama lately.

**Company Profile PT Mayora Indah Tbk**

Mayora Indah Ltd. is a food and soft drink company established in 1977. The initial location that became the first factory of Mayora Indah Ltd. was in Tangerang. At the beginning of its establishment, Mayora Indah Ltd.'s target market was still small, covering Jakarta and surrounding areas. In 1990, Mayora Indah Tbk. It has expanded its target consumers to all over Indonesia. This success made Mayora Indah Ltd. open its shares to the public so that it became a public company and expanded to the Southeast Asian and Asian markets. Now Mayora Indah Ltd.’s products have markets on all continents (Mayora, n.d.).
Among all instant food and beverage products produced by Mayora Indah Ltd., Kopiko is one of the leading brands worldwide. Kopiko has a considerable buyer interest in the Philippines, Vietnam, Malaysia, India, the African region, the Middle East, and the United States (Karunia, 2020). Kopiko has a large market in the Philippines. There, the Kopiko brand has even diversified into a brand of ground instant coffee, not candy-like in Indonesia (Permana, 2020).

**Analysis of Business Diplomacy Strategy of Mayora Indah Ltd. on Kopiko Product**

The success of Mayora Indah Ltd. products in filling the global market must be connected to their business diplomacy skills. Companies are the main actors in business diplomacy; they are tasked with securing company profits and being decisive in the sustainability of the company's business abroad (Alammar & Pauleen, 2016, p. 12). Based on the description in the previous section, it is known that Mayora Indah Ltd. expanded its market gradually, from the city's scope to now having markets spread across all continents in the world. One of the business diplomacy strategies implemented by Mayora Indah Ltd. is the multi-perspective consideration proposed by Alammar & Pauleen (2022).

In 2018, Mayora Indah Ltd.'s exports were disrupted due to protectionism in the form of Special Safeguard (SSG) tariffs of 10-18% applied by the Philippine government. This case occurred because the Philippine government considers coffee products from Indonesia to dominate their local market, thus threatening domestic coffee products. This decision was taken based on the consideration that threatening products are similar products that threaten local farmers and dominate the market to the point of defeating local Philippine coffee products (Anggraini, 2021, pp. 6-7).

To overcome this trade barrier, Mayora Indah Ltd. found a solution by investing in building a factory in the Philippines worth USD 70 million, or around Rp 987 billion (Reily, 2019). This problem-solving effort is a practice of Mayora Indah Ltd.’s observation of its environment or the Philippines as a host country. In addition to investing, Mayora Indah Ltd. utilizes its relationship with the Indonesian Ministry of Trade to lobby the Philippine Ministry of Trade to negotiate for protectionism relief (CNN Indonesia, 2018). The result of these negotiations was the signing a cooperation agreement for the purchase of coconut and its derivative products by Mayora Indah Ltd. with several Philippine companies. In return, the Philippine government agreed to review its trade and investment policies towards Indonesia, including its Special Agricultural Safeguard (SSG) policy (Medcom, 2019).

The strategy implemented by Mayora Indah Ltd. is an effort to understand domestic and international environmental scanning to anticipate risks (Alammar & Pauleen, 2022, p. 22). The risk of losses due to trade barriers that Mayora Indah Ltd. has experienced is sought so that it does not last longer. The way is to offer opportunities owned by Indonesia and adjust them to Philippine demand. This decision was also taken based on Mayora Indah Ltd.’s internal strategy that has been prepared related to the risk management system implemented by the company. The implementation of a risk management system aims to effectively reduce potential risks so that companies can achieve their interests in the long term. The strategy carried out by Mayora Indah Ltd. is to categorize risks in order to avoid or at least minimize their impact. In its annual report, the Philippines' protection is included in the risk category of other countries’ provisions or international regulations (Mayora, 2022). One of the risks in this category is the imposition of high import tariffs by export destination countries. One solution to overcome this risk is to apply the principle of efficiency in all areas of production and distribution in order to produce competitive selling.
prices. Investing by opening a factory in the Philippines manifests Mayora Indah Ltd.’s efforts to increase its efficiency.

Furthermore, regarding ethical considerations related to empathy and perspective-taking, Mayora Indah Ltd.’s decision to build a factory in the Philippines manifests their concern for the aspirations and demands of local processed coffee producers there. There are complaints against Indonesia from MNCs that only export packaged coffee to their country if they invest (Andri, 2019). This consideration of the aspirations of local Filipino coffee producers is a form of empathy from Mayora Indah Ltd. In business diplomacy, diplomats must show compassion and concern and overcome the tendency to consider only personal views (Alammar & Pauleen, 2022, p. 22).

In the derivative concept related to ethical considerations, Mayora Indah Ltd.’s efforts to build trust with Philippine policymakers were implemented through the business alliances they built in the country. This can be seen from the support of the Chairman of the Food and Beverage Entrepreneurs Association at the time, Adhi S. Lukman, who asked the incumbent Indonesian Minister of Trade, Enggartiasto Lukita, to convince the Philippines that packaged coffee products from Indonesia do not violate the rules in the form of fraudulent trade because the exported instant coffee does have efficiency and quality advantages (Andri, 2019). In business diplomacy, moral rules are applied, such as trust, honesty, commitment, transparency, responsibility, truth, and justice (Alammar & Pauleen, 2022, p. 21).

The achievements made by Mayora Indah Ltd. result from applying business diplomacy in the field. Theoretically, four key aspects become business diplomacy parameters, as Alammar and Pauleen proposed (2016, 22). Mayora Indah Ltd. implements aspects of points 1, 2, and part of point 4. The business alliances built by Mayora Indah Ltd. in the home country generate support to gain legitimacy and social license to operate in the host country. On the other hand, these alliances also help Mayora Indah Ltd. bridge their good relations with the Philippine government through the Indonesian Ministry of Trade. The support from Mayora Indah Ltd.’s business alliance in the home country by ensuring trade honesty is a way to maintain good relations with Philippine policymakers. The result of the business diplomacy conducted by Mayora Indah Ltd. in the Philippines is its success in building a manufacturing plant. The factory was built in Calamba City and has been operating (Mayora, 2022).

After successfully opening a branch in the Philippines, Mayora Indah Ltd. and its Kopiko brand have recently attracted consumers’ attention. This is related to the core knowledge competencies applied by Mayora Indah Ltd. Kdrama popularity is utilized to increase Kopiko’s promotion in the global realm. Kdrama itself is part of South Korea’s globalization program to increase the attractiveness of its national tourism (Putri et al., 2021), so this opportunity is an excellent opportunity for Kopiko to help expand its global branding.

To succeed Kopiko as a product to be aired in Kdrama, Mayora Indah Ltd. applied its internal competence (internal knowledge) related to core knowledge. Mayora Indah Ltd. presented Kopiko to the Kdrama producers in order for them to understand the product that will be aired. The Global Marketing Director of Mayora Group, Ricky Afrianto, said that the diplomacy process of Mayora Indah Ltd. with Kdrama producers took a long time because they had to know Kopiko products. The process is also strict because Kdrama producers selectively choose sponsors to be genuinely accepted globally. Kopiko itself has met these standards because its products have been sold in approximately 100 countries, making it easier to accept it as a Kdrama sponsor (Elmira, 2021). This ability is in line with the concept of Alammar & Pauleen (2016, p. 22), where business diplomats need to have a
comprehensive knowledge of the organization and what they represent, as well as a comprehensive knowledge of their internal strengths and weaknesses, attitudes, interests, goals, and values.

In the process, Mayora Indah Ltd. selected the series they chose and the actors and actresses who played in it. At that time, Mayora Indah Ltd. chose a Kdrama, Vincenzo, because of actor Song Joong-ki as the main character and other supporting data (Elmira, 2021). In addition to considerations from the media field, the selection of Kdrama as a means of Kopiko promotion has also involved learning about South Korean politics because Kopiko is not their national brand. South Korea is selective in displaying foreign products because it will affect the national interests of their culture, called Hallyu or Korean Wave (KWave) (Susanti, 2021, p. 10). The Kdrama selection process shows that Mayora Indah Ltd. applies external knowledge and consideration of understanding related to environmental conditions (environmental scanning) internationally. This process sees trends and anticipates risks by monitoring media, politics, NGO activities, and society (Alammar & Pauleen, 2016, p. 22). Kopiko's promotion through Kdrama increased Kopiko's sales in mid-2022 by 9%, or Rp 14.37 trillion, compared to the previous year, and this number increased towards the end of 2022 by 12%. This value is believed to be the impact of Kopiko's promotion through Kdrama (Syahputra, 2022).

CONCLUSION

Among the factors that drive MNCs to expand abroad are cost efficiency and market expansion considerations. To realize its expansion, diplomacy skills are considered appropriate to map the MNC's business strategy in the host country. Diplomacy in business or business diplomacy is needed to make market expansion activities more effective. One of the MNCs from Indonesia that has successfully strengthened its business in the global market is Mayora Indah Ltd. Mayora Indah Ltd. is a producer of instant drinks and snacks and has now entered the market in around 100 countries.

In the core knowledge competencies, Mayora Indah Ltd. applies internal knowledge through exposure to Kdrama producers related to Kopiko, with the aim that they can understand the product that will later be aired. This exposure requires a demonstration of the advantages of Kopiko, which requires the competence of business diplomats to understand their products. In terms of external knowledge, Mayora Indah Ltd. combines it with environmental scanning. In the process of negotiating to become a sponsor, Mayora Indah Ltd. saw the trend of Kdrama, such as the selection of actor Song Joong-ki, which is considered to attract consumers and studied South Korean politics so that Kopiko, which is not a South Korean product, could adapt and not intersect with Hallyu interests.

On multi-perspective consideration, Mayora Indah Ltd. invests in manufacturing in the Philippines and buys coconut commodities for environmental scanning. In empathy and perspective-taking, Mayora Indah Ltd. built a factory in the Philippines to express their concern for the aspirations of local processed coffee producers regarding the export of packaged coffee to their country without investing. In ethical consideration, implementation is done indirectly through the help of an alliance of business people and policymakers in the home country where Mayora Indah Ltd. is considered not to commit trade fraud. This alliance also helps Mayora Indah Ltd. build good relations with the Philippine government through the Indonesian Ministry of Trade.
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