Implementation of Supply Chain Integration To Improve Competitive Advantage of Cocoa Commodity: A Case of Cocoa Supply Chain In Mamuju Regency, Indonesia

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ABSTRACT

One of the problems of cacao commodity industry in Indonesia, including Mamuju Regency, is the partially integrated supply chain from upstream to downstream, which demonstrates a noticeable difficulty in terms of competitiveness. Therefore, the objective of this research is to improve the competitive advantage of cocoa in Mamuju through the implementation of supply chain integration (SCI). In order to reach the objective, an adductive research approach was used by using a survey method. Primary data was collected from 80 cocoa farmers, 20 cacao traders, and 20 input suppliers. This data was then analyzed using Relative Importance Index (RII), correlation analysis, and ANOVA analysis. The result of this research shows that to implement SCI on the cacao supply chain, sharing of information between cocoa farmers, cacao traders, and input suppliers is the most important factors of internal integration (II), customer integration (CI), and supplier integration (SI) elements respectively. For the three elements of SCI, just CI has strong and positive relationships with CA and also has a significant effect on CA. The research concludes that important factors for implementing SCI element in the cacao supply chain is sharing information between cocoa farmers, cacao traders, and input suppliers. Even though all of the three elements of SCI can lead to improve competitive advantage of cacao commodity, CI element is a foundation of the SCI to improve the competitive advantage.

Key Words: Competitive advantage, cacao supply chain, supply chain integration, internal integration, customer integration, and supplier integration