Blue Ocean Strategy of PT Cisarua Mountain Dairy Tbk(Cimory) in Facing Premium Food Industry Competition in Indonesia

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ABSTRACT
The premium food and beverage industry in Indonesia is growing rapidly, accompanied by increasingly intense competition. PT Cisarua Mountain Dairy Tbk (Cimory), a market leader in the yogurt segment with a 53.2% market share in 2020, faces significant challenges from local and global players. This study aims to analyze Cimory's competitive strategy during the 2025–2026 period using the Blue Ocean Strategy framework. A qualitative case study approach was employed based on secondary data including audited financial statements 2025, interim reports Q1 2025 and Q1 2026, Sustainability Report 2025, IPO prospectus, and reputable news publications. The results show that Cimory has a strong internal position (IFE score 3.20) and effectively captures external opportunities (EFE opportunity score 3.10), with revenue increasing by 18.8% to IDR 10.72 trillion and net profit rising by 33.8% in 2025. The main challenges remain intense competition and raw material price fluctuations (EFE threat score 2.20). Through the ERRC Grid and Six Paths Framework, Cimory successfully created value innovation in the form of Cimory Dairyland (educational tourism), environmentally friendly squeeze packaging, low-sugar products, and the Miss Cimory empowerment program (10,099 agents). In conclusion, Cimory's Blue Ocean Strategy has effectively created uncontested market space and sustained its competitive advantage through 2026.

Keywords: *Blue Ocean Strategy, Cimory, premium food industry, value innovation, competitive advantage*

1. INTRODUCTION

The food and beverage industry in Indonesia has shown significant growth over the past decade, particularly in high-value-added segments such as premium dairy products and processed meats. This growth is driven by the rising middle class, increasing health awareness, and the digitalization of distribution channels. According to the IPO prospectus of PT Cisarua Mountain Dairy Tbk (Cimory), the per capita free income CAGR is projected to reach 7.4% until 2025, supporting higher consumption of premium food products (Prospektus, 2021, p. 241). However, this growth is accompanied by increasingly intense competition from both local players such as Greenfields, Indomilk, and Ultrajaya, as well as global brands entering through various distribution channels. Cimory, as a leading yogurt producer in Indonesia with an overall market share of 53.2% in 2020 (Prospektus, 2021, p. 198), faces competitive pressures that require sustainable differentiation strategies to maintain its market position.

To effectively address these market pressures, the Blue Ocean Strategy framework introduced by Kim and Mauborgne (2005) provides a robust strategic lens that emphasizes creating new market spaces (blue oceans) where competition becomes irrelevant, rather than fighting in existing crowded markets (red oceans). This framework consists of several key analytical tools, including the Strategy Canvas to map the competitive factors of an industry, the ERRC Grid (Eliminate-Reduce-Raise-Create) to guide four actions for reconstructing value curves, the Six Paths Framework to discover new market opportunities across traditional industry boundaries, and the Value Curve to visualize a company's relative performance. While previous studies have applied Blue Ocean Strategy within the food and beverage sector demonstrating that value innovation through product differentiation and customer experience can significantly improve competitive advantage (Haryanti & Wulandari, 2020; Santoso & Wijaya, 2019), most existing research has focused narrowly on product-level innovation rather than integrating broader business model innovations, such as educational tourism or direct-selling empowerment programs.

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Despite the extensive literature on Blue Ocean Strategy, a prominent research gap remains, as there is a limited number of studies that comprehensively apply all six paths of the framework within the context of Indonesia's premium dairy industry. Moreover, existing research rarely combines Blue Ocean Strategy with comprehensive external and internal strategic analysis tools such as PEST, Five Forces, EFE, IFE, and CPM into a single unified case study. Most academic literature focusing on Cimory has primarily examined financial performance or brand image, leaving a critical gap regarding how the company dynamically creates value innovation across multiple paths simultaneously, including tourism, innovative packaging, low-sugar products, and women's empowerment. Therefore, this research fills this apparent gap by providing a holistic analysis of Cimory's Blue Ocean Strategy implementation during the 2025–2026 period, heavily supported by quantitative strategic matrices.

In line with these identified gaps, this study is directed toward achieving three main research objectives. The first objective is to identify the critical external and internal factors influencing Cimory's competitive strategy during the 2025–2026 period. The second objective is to evaluate Cimory's current competitive position relative to its main competitors, namely Greenfields and Indomilk, based on various strategic analysis matrices. Finally, the third objective is to formulate actionable strategic recommendations grounded in the Blue Ocean Strategy framework (Kim & Mauborgne, 2005) that Cimory can effectively implement to capture uncontested market space.

Ultimately, this research carries significant implications from both a theoretical and practical standpoint. Theoretically, it enriches the literature on the application of Blue Ocean Strategy within the premium food and beverage industry of emerging markets like Indonesia, particularly by integrating external (PEST, Five Forces, EFE) and internal (IFE, Value Chain) analyses into a single, unified framework. Practically, the insights generated from this study are expected to provide strategic inputs for Cimory's management to navigate intense competition, while serving as a valuable benchmark for other companies in similar industries aiming to execute value innovation. Additionally, this research offers relevance for food industry policymakers seeking to understand the changing competitive dynamics and key success factors within the premium food and beverage sector.

2. RESEARCH METHODS

This study employed a qualitative approach with a case study design, chosen because it is appropriate for exploring the phenomenon of competitive strategy in depth within a specific company context, allowing researchers to capture the complexity and uniqueness of Cimory's strategic decisions. The data sources used were secondary data, including Cimory's 2025 audited financial statements, Interim Financial Reports for Q1 2025 and Q1 2026, the 2025 Sustainability Report, the IPO prospectus, and reputable news publications relevant to the 2025–2026 period. Data collection was carried out through documentation studies and systematic literature reviews.

Data analysis was performed using the Blue Ocean Strategy framework from Kim & Mauborgne, (2015), which includes the Strategy Canvas, ERRC Grid, Six Paths Framework, and Value Curve. To strengthen the evaluation of Cimory's competitive position, this study also used PEST analysis to identify macro-environmental factors, Porter's Five Forces Model to assess industry competition intensity, the External Factor Evaluation (EFE) Matrix to quantify opportunities and threats, the Internal Factor Evaluation (IFE) Matrix to quantify strengths and weaknesses, and the Competitive Profile Matrix (CPM) to compare Cimory with Greenfields and Indomilk across 12 key success factors. All data were analyzed descriptively-comparatively to draw comprehensive conclusions regarding Cimory's competitive strategy, with the analysis period covering the 2025–2026 timeframe, which reflects the most recent available data at the time of the study.

3. RESULTS AND DISCUSSION

3.1 Financial and Sustainability Performance

Based on the audited consolidated financial statements as of December 31, 2025, Cimory recorded net revenue of IDR 10,724 billion in 2025, an increase of 18.8% from IDR 9,025 billion in 2024. Gross profit increased from IDR 4,034 billion to IDR 4,792 billion, while profit for the year increased from IDR 1,519 billion to IDR 2,033 billion (a 33.8% increase). The net profit margin remained relatively stable at around 22.28%–22.30%, while ROE jumped from 12.25% to 17.28%. In the first quarter of 2026 (unaudited interim), net revenue reached IDR 3,117 billion, up 27.9% compared to Q1 2025 (IDR 2,437 billion), with earnings per share increasing from IDR 60.48 to IDR 69.94 (+15.6%).

Table 1. Summary of Cimory's Financial Performance (2024–2025)

Component	2024	2025	Change
Net revenue (IDR billion)	9,025	10,724	+18.8%
Gross profit (IDR billion)	4,034	4,792	+18.8%
Profit for the year (IDR billion)	1,519	2,033	+33.8%
Net profit margin	22.28%	22.30%	+0.02 pp
ROE	12.25%	17.28%	+5.03 pp

Source: (*CMRY_lap Tahunan 2025 - Q4_attachment_fq3SnA1772176517*, n.d.)

From the sustainability (ESG) aspect in 2025, Cimory demonstrated strong commitment: 18,458 local partner farmers supplying 26.4 million liters of milk; 10,099 Miss Cimory agents (women) reaching more than 720,000 households; 1,963 solar panels installed generating 5,300 kWh/day, reducing CO_2 emissions by approximately 667 tons/year; and a CSR budget of IDR 2.46 billion for education, health, and the environment (Sustainability Accounting and Accountability, n.d.) (Sustainability Report 2025, pp. 6–9, 77–80).

3.2 External and Internal Analysis

The EFE Matrix produced a total score of 2.91, with an opportunity score of 3.10 (above 2.5) and a threat score of 2.20 (below 2.5). This indicates that Cimory is able to respond well to opportunities but still faces significant threats from intense competition and raw material price fluctuations. The IFE Matrix obtained a total score of 3.20, with main strengths being premium healthy halal brand image (0.40), product innovation (0.40), and Miss Cimory distribution (0.32).

Table 2. Competitive Profile Matrix (Cimory vs Greenfields vs Indomilk)

Succes Factor	Weight	Cimory		Greenfields		Indomilk	
		Rating	Skor	Rating	Skor	Rating	Skor
Product quality	0,12	4	0,48	4	0,48	3	0,36
Product innovation	0,12	4	0,48	3	0,36	2	0,24
Distribution and logistics efficiency	0,10	4	0,40	4	0,40	4	0,40
Brand image (health-oriented, halal-certified)	0,10	4	0,40	3	0,30	3	0,30
Competitive pricing	0,08	2	0,16	3	0,24	4	0,32
Production technology	0,08	4	0,32	4	0,32	3	0,24
Customer loyalty	0,08	4	0,32	3	0,24	3	0,24
Export reach	0,07	3	0,21	3	0,21	2	0,14
Regulatory compliance	0,07	4	0,28	4	0,28	3	0,21
Production capacity	0,06	4	0,24	4	0,24	4	0,24
Digital marketing effectiveness	0,06	4	0,24	3	0,18	3	0,18
CSR and sustainability initiatives	0,06	4	0,24	3	0,18	2	0,12
Total Score	1		3,77		3,43		2,99

Source: (6M 2025 Results Presentation PT Cisarua Mountain Dairy Tbk, 2025)

The CPM results show that Cimory excels in innovation, brand image, digital marketing, and CSR, while Greenfields excels in production technology and product quality, and Indomilk excels in competitive pricing and mass distribution. The Key Success Factors (KSF) identified include: (1) premium product quality, (2) sustainable product innovation, (3) reliable cold chain logistics, (4) healthy halal premium branding, (5) production cost efficiency, (6) customer loyalty, and (7) export expansion.

3.3. Blue Ocean Strategy Implementation

Table 3. Cimory's ERRC Grid

Eliminate	Reduce
Large-scale discounts	Supply chain complexity
Artificial preservatives & dyes	Import dependency on raw materials
Raise	Create
Yogurt flavor variations	Cimory Dairyland educational tourism
Environmentally friendly packaging	Squeeze packaging without a spoon
Quality of functional products	
Availability of low-sugar products	

Source: (6M 2025 Results Presentation PT Cisarua Mountain Dairy Tbk, 2025)

The application of the Six Paths Framework illustrates how Cimory has successfully broadened its strategic approach. By looking across alternative industries, Cimory established Cimory Dairyland as an edutainment destination. By looking across strategic groups, the company created a new category of milk-based edutainment solutions. Through looking across the chain of buyers, Cimory simultaneously targeted children as users and parents as payers. By looking across complementary products and services, Cimory integrated offerings such as the Milk Museum, farm experiences, restaurants, and dairy shops. In looking across functional-emotional orientation, Cimory combined initiatives like Miss Cimory which promotes women's empowerment with low-sugar products that address health-conscious consumer needs. Finally, by looking across time, Cimory aligned its strategy with emerging trends in health, environmental awareness, and family tourism, ensuring sustainable relevance and competitiveness.

Table 4. Strategy Canvas: Before vs After Blue Ocean

Competitive Factor	Before Blue Ocean	After Blue Ocean
Product quality	9	9
Flavor innovation	9	10
Distribution	8	9
Premium healthy branding	9	10
Competitive price	6	7
Production technology	8	9
Customer loyalty	9	9
Eco-friendly packaging	-	9
Dairyland educational tourism	-	10

The findings above indicate that by creating functional products, green packaging, and educational tourism, Cimory has made competition irrelevant. The value innovation is proven to be sustainable through 2026, evidenced by new attractions (*Catch The Fish*) and innovative products (*Eat Milk*). These results support Kim & Mauborgne's (2005) theory that Blue Ocean Strategy can create uncontested market space, and extend previous studies by showing how a dairy company can simultaneously innovate across product, packaging, distribution, and tourism dimensions.

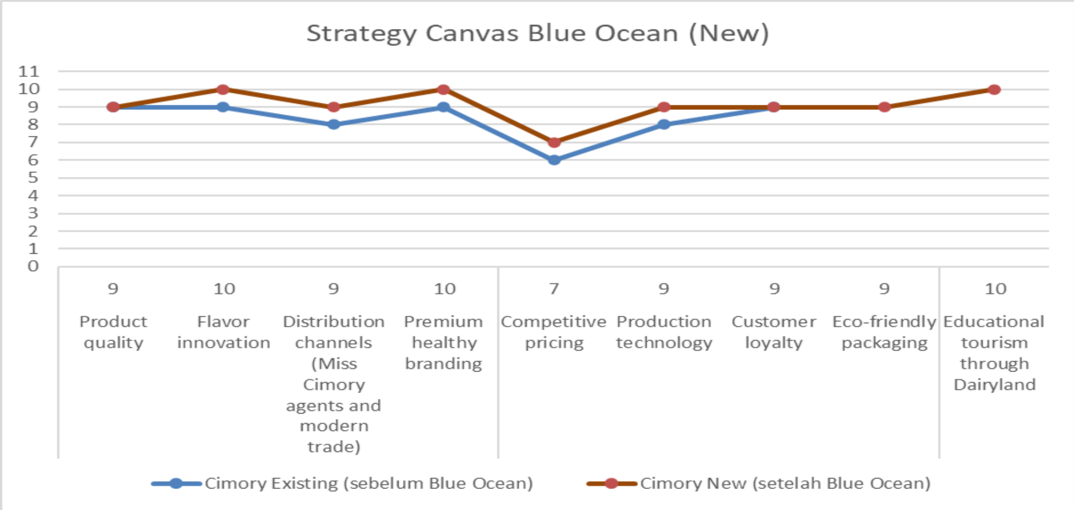

Figure 1. New Blue Ocean Strategy

4. CONCLUSION

Based on the results and discussion, it can be concluded that Cimory has a strong internal position with an IFE score of 3.20, supported by a healthy halal brand image, sustainable product innovation, the unique Miss Cimory distribution network, and halal and HACCP certifications. External opportunities are also substantial with an EFE opportunity score of 3.10, particularly from the trend of healthy lifestyles, digitalization of distribution, and government support for the nutritious food industry. However, threats from intense competition and fluctuations in raw material prices and exchange rates remain significant with a threat score of 2.20. Cimory's financial performance shows a solid positive trend, with 2025 revenue increasing by 18.8% to IDR 10.72 trillion and net profit increasing by 33.8%, while Q1 2026 showed revenue acceleration of 27.9% compared to Q1 2025. The Blue Ocean Strategy implemented has proven successful through the creation of the integrated educational tourism Cimory Dairyland and squeeze packaging without a spoon, raising flavor innovation and low-sugar functional products, and reducing/eliminating large-scale discounts, preservatives, and import dependency. Cimory's value innovation is proven sustainable through 2026.

Managerial implications: Cimory should accelerate product diversification into plant-based and functional food categories, expand export networks to countries with high demand for halal products (Middle East, North Africa), increase digital investment for real-time customer service integration and big data analytics, strengthen environment based CSR programs (reforestation, waste banks), and establish Dairyland as an educational and tourism center to create a unique brand experience.

Limitations and future research: This study is limited to a single company case study using secondary data only. Future research could include primary data through interviews with Cimory's management and customers, as well as a quantitative survey to measure customer perceptions of Cimory's Blue Ocean initiatives. Comparative studies with other dairy companies in Southeast Asia are also recommended.

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