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Antecedent and Consequence Market Share Kapal Api Coffee Flores Area

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Abstract. *This study examines the effects of value co-creation on market share and sales performance for Kapal Api coffee in the Flores region. It also investigates whether market share mediates the relationship between value co-creation and sales performance. A quantitative approach was employed using questionnaire data collected from 100 marketing partners. The data were analyzed through instrument testing, regression assumption tests, regression analysis, and mediation testing with 10,000 bootstrap resamples. The results indicate that value co-creation has a positive and statistically significant association with market share (coefficient = 0.523; p = 0.003). Value co-creation also has a positive and significant association with sales performance (coefficient = 0.562; p < 0.001). Market share is positively associated with sales performance (coefficient = 0.243; p < 0.001). The estimated indirect effect is 0.127, with a 95% bootstrap confidence interval of [0.046, 0.221], indicating partial mediation. Together, value co-creation and market share explain 54.2% of the variation in sales performance in the estimated model. These findings suggest that collaboration between the company and its marketing partners is associated with stronger perceived market positioning and sales performance. The results should be interpreted with caution because the sales performance regression model showed evidence of heteroskedasticity.*

Keywords: *Co-Creation; Coffee; Market; Performance; Sales.*

1. Introduction

Indonesia is the world's fourth-largest coffee producer after Brazil, Vietnam, and Colombia. Approximately 67% of its production is exported, while the remaining 33% is used to meet domestic demand. According to a 1989 survey by the Indonesian Institute of Sciences (LPEM UI), domestic coffee consumption was 500 grams per capita per year. Today, coffee entrepreneurs estimate that Indonesian coffee consumption has reached 800 grams per capita per year. Thus, over the past 20 years, coffee consumption has increased by 300 grams per capita per year.

The domestic coffee industry is highly diverse, ranging from home-based businesses to multinational corporations. Products produced not only meet domestic coffee consumption needs but also cater to international markets. This demonstrates that domestic coffee

consumption is an attractive market for entrepreneurs, offering prospects and opportunities, while also demonstrating the conducive environment for investment in the coffee industry.

In any line of business, customer trust is crucial. One way to maintain that trust is by providing quality service. Customer satisfaction with the services or products provided can provide management with suggestions for improving and enhancing the quality of service. Quality is also a factor in a company's success, as good service quality positively impacts customers.

A company's success depends on how it markets and distributes its products to consumers. Increasingly fierce competition in the business world has forced companies to compete to attract customers through various strategies, including innovation. Innovation is crucial for the industrial world, as competition and consumer demands increase. A company's excellence in new product development can be seen through its innovativeness. Innovation is used to develop products that differentiate themselves from competitors. However, launching new products is challenging, as development requires costs and the product must have value compared to other similar products. All innovation begins with a creative idea.

The successful implementation of a marketing program, introducing a new product or service, depends on an individual or team having a brilliant idea and being able to develop it into a clear strategic plan (Mardiyanto, 2022). One of the marketing programs implemented by the Kapal Api Group is a campaign aimed at introducing Kapan Api Group products to the wider public, who will eventually become loyal customers.

*Value Co-Creation*needed to increase market share. Value co-creation is a process where companies and outlets collaborate to create value. This involves active interaction between the company and outlets, where feedback and contributions from outlets are integrated into product and service development. In this case, outlets bring their interactions with customers so that input from outlets represents Kapal Api's product customers.

Kapal Api Global is a holding company with a strategic and investment role that acts as a policy maker & consolidator of the Kapal Api Group's strategic business units. In 2009, PT Kapal Api Global was founded, which is a holding company with a strategic role and acts as a policy maker for its subsidiaries. Since the Dutch colonial era, Kapal Api coffee has appeared in Indonesia. In 1927, Kapal Api Coffee was founded, its founders included Go Soe Loet, Go Bi Tjong and Go Soe Bin, who initially established a coffee roasting factory in the Pabean area, Surabaya and produced a superior product named Hap Hoo Tjan Ground Coffee. Then, the coffee product was sold around Tanjung Perak Port with the help of Go Soe Lot's three children, namely; Soedomo (leader of PT. Santos Jaya Abadi), Indra, and Soetikmo.

Most of Hap Hoo Tjan's customers were sailors and people passing through the harbor. This inspired Soedomo to create a small coffee company with the symbol of a ship, a symbol of new hope, fighting spirit, and technological advancement. At the time, a ship was a testament to technological advancement, with all its sophistication, and was considered a luxury item.

The ship was considered a symbol of modern technological supremacy, quality, fame, and pride (Bastaman, 2020).

The business began to grow significantly. The Indonesian market share was dominated by Kapal Api coffee, which was also increasingly popular abroad. Even in 1985, Kapal Api Coffee expanded to various countries and entered the international market. Starting with the invasion of products in Saudi Arabia, then began to enter the Hong Kong market in 1987, continuing to Malaysia and Taiwan. In 2009, Kapal Api Global was established as a holding company consisting of seven (7) business units, which had the motivation to be more aggressive and professional in developing the Kapal Api Group business in the future. Each of these subsidiaries is interconnected with each other with a wide scope to other food and beverage businesses. The functions of Kapal Api Global subsidiaries include the following:

1) PT. Santos Jaya Abadi: Produces coffee products (Kapal Api Coffee, ABC Coffee, Good Day Coffee, etc.)

2) PT. Excelso Multi Rasa: A cafe business from Kapal Api Global

3) PT. Agel Langgeng: Sells candy and biscuits (Relaxa Candy, Kapal Api Coffee Candy, Oatbits Biscuits, etc.)

4) PT. Fastrata Buana: distributes coffee and candy products throughout Indonesia.

5) PT. Santos Premium Creamer: which produces creamer

6) PT. Sulotco Jaya Abadi: Operates a coffee plantation in Toraja

7) PT. Weiss Tech: manufactures food processing machines and espresso machines.

As a classic coffee, Kapal Api also has other variants such as Kopi Kapal Api Susu. The taste and strength of the coffee aroma of this Kapal Api product competes and even surpasses other coffee products. and Kapal Api products are supported by well-known brands, attractive packaging shapes and designs, practical in serving, intensive and good promotions, ease of obtaining their products and also having obtained halal certification (MUI), of course these factors are the main choice for coffee lovers who crave practicality in enjoying coffee today. Kapal Api is the Top Brand and the top Brand in the category of ground coffee with pulp, and continues to maintain the top position until 2024, even from 2020 to 2024 there was the highest percentage increase and of course this raises important questions to be answered through research on brand image, brand trust that causes brand loyalty to this Kapal Api ground coffee.

Table Top Brand Index of Coffee Berampas in 2025

NO	BRAND	TBI
1	Steamer	**49.7%**
2	A B C	**17.9%**

3	Mongoose	**14.5%**
4	**Excelso**	**5.5%**

Source: Frontier, 2025

Based on Table, Kapal Api Coffee became the most recognized brand in 2025, with a Top Brand index of 49.7%. A high brand index will undoubtedly impact sales, including in Flores. To determine the level of Kapal Api Coffee sales in the Flores region, the research location, data was collected from Kapal Api Coffee sales at one of the outlets used in this research, the CV Mujur Jaya store, as follows:

Table Kapal Api Group Coffee Sales for CV Mujur Jaya Ende Store Throughout 2024

NO	MONTH	AMOUNT
1	JANUARY	**239**
2	FEBRUARY	**215**
3	MARCH	**82**
4	APRIL	**310**
5	MAY	**281**
6	JUNE	**132**
7	JULY	**195**
8	AUGUST	**308**
9	SEPTEMBER	**40**
10	OCTOBER	**167**
11	NOVEMBER	**151**
12	**DECEMBER**	**98**

Source: Researcher Data at CV. Mujur Jaya Ende in 2024

Based on Table in 2024, Kapal Api coffee was the most popular ground coffee brand compared to other coffee products, this proves that the image and approval rating of Kapal Api coffee itself among the people of Flores is very high. Flores Island is included in the Sunda Islands in the southern part of Indonesia. This island was originally named Nusa Nipa, where nusa; island and nipa; snake besides according to the Manggarai people they call it nutca lale. Flores is one of the 3 large islands in the Province of East Nusa Tenggara (NTT) and is divided into 8 regencies, from the west of West Manggarai Regency; Manggarai; East Manggarai; Ngada; Nagekeo; Ende; Sikka and East Flores. This snake-shaped island stretches approximately 354km from west to east and has a width of approximately 63km from north to south.

The northern part is the Flores Sea and the eastern part is bordered by the Sawu Sea. On Flores Island there are approximately 9 ethnicities with different cultural structures. The population based on the 2017 population census, Flores Island is inhabited by 2,015,395 people. Here there are 2 seasons, namely the rainy season (December - February) and the summer (April - October). In summer, the days are very hot and the night air temperature can reach 14 degrees Celsius. 15 million years ago the Lesser Sunda Islands including Flores began to emerge due to the collision between the Australian tectonic plate and the Eurasian Plate. The chain of volcanoes was lifted and created a volcanic arc, thus forming the Lesser Sunda Islands. In 1992 a major natural disaster occurred, a 7.8 magnitude earthquake shook all the islands causing a tsunami in Maumere City which claimed the lives of 2,500 people.

The development and economic growth of Flores Island is marked by changes or shifts in the contribution of economic sectors to regional output as a result of the shift of labor from the agricultural sector (primary) to the industrial sector (secondary), then towards the services sector (tertiary). This is something that is very natural and common in developing and developing regions such as Flores Island. The large shift of labor to the industrial sector has led some residents to open shops such as grocery stores or fairly large wholesale stores. One of the products sold is Kapal Api. The following data on the distribution of Kapal Api products on Flores Island:

No.	Product	Ende	Product	Maumere	Product	Ruteng	Product	Flores Flores
1	Tugu Buaya 60 GR	20,27%	Uang Emas 135 GR	15,48%	Kopi Mayor 135 GR	32,93%	Kopi Mayor 135 GR	19,55%
2	Kopi Mayor 135 GR	13,43%	Tugu Buaya 60 GR	12,35%	Top Murni 158 GR	8,73%	Tugu Buaya 60 GR	9,26%
3	ABC Mocca	8,91%	Tugu Buaya 185 GR	10,17%	Pikopi Gula Aren	8,32%	Top Gula Aren	6,27%
4	Top Murni 158 GR	6,29%	ABC Mocca	9,64%	Top Gula Aren	7,24%	ABC Mocca	6,22%
5	Tugu Buaya 185 GR	5,15%	Top Gula Aren	7,56%	Top Murni 380 GR	5,51%	Top Murni 158 GR	6,12%
6	KA Pure 380 GR Silver	4,88%	Uang Emas 60 GR	6,19%	Fresco Gula	4,70%	Pikopi Gula Aren	5,87%
7	Top White Coffee	3,90%	Pikopi Gula Aren	6,08%	Top Gula	3,75%	Uang Emas 135 GR	4,29%
8	Top Gula Aren	3,74%	KA Pure 380 GR Silver	5,62%	ABC Susu Gula Aren	3,52%	Tugu Buaya 185 GR	3,93%
9	Top Gula	3,65%	Top White Coffee	4,15%	ABC Mocca	2,86%	KA Pure 380 GR Silver	3,49%
10	Top Mocca	2,81%	Uang Emas 380 GR	4,03%	Top White Coffee	2,61%	Top White Coffee	3,35%
SJA		23,88%	SJA	27,74%	SJA	25,66%	SJA	25,61%
Competitors		76,12%	Competitors	72,26%	Competitors	74,35%	Competitors	74,39%

Based on the data above, Kapal Api products only account for 20% - 25%. This is due to the intense competition in the coffee industry in the NTT region, especially Flores Island. In a study conducted by Hasbiadi et al. (2021) entitled "Marketing Performance Analysis in the Food Processing Industry in Kolaka Regency," the results showed that product innovation and marketing strategy creativity variables had a positive and significant impact on marketing performance. Furthermore, Anjaningrum (2020) conducted a study on "The Effectiveness of Digital Marketing and Networks in Boosting SME Marketing Performance During the COVID-19 Pandemic." The results showed that both Digital Marketing and Networks had a positive and significant impact on Marketing Performance.

2. Research Methods

The research method used is descriptive with a quantitative approach. This descriptive method involves collecting data to test hypotheses or answer questions about people's opinions on an issue or topic. Quantitative research is based on the collection and analysis of numerical data to explain, predict, and control the phenomenon of interest. Quantitative research emphasizes its analysis on numerical data processed using statistical methods. Quantitative methods will determine the significance of the relationship between variables.

3. Results and Discussion

3.1. Company Profile and Research Scope

This research was conducted with outlet partners marketing Kapal Api Coffee products in the Flores region of East Nusa Tenggara. Through distribution and sales activities, these partners

interact directly with consumers and understand product demand in their respective regions. Interaction between the company and these partners is crucial to building sustainable marketing collaborations.

The research results are presented through three variables: value co-creation (VCC), market share (MS), and sales performance (SP). The analysis aims to examine how the shared value creation process relates to market position and sales performance within Kopi Kapal Api's partner network.

1) Respondent Characteristics

The study involved 100 respondents from a network of outlets that are marketing partners of Kopi Kapal Api in the Flores region. This number was obtained from a population of 133 outlets through sampling using the Slovin formula with a 5% margin of error. Respondents are presented based on the number of questionnaires, gender, and age group.

Table Recapitulation of research questionnaires

Description	Amount	Percentage
The questionnaire was distributed	100	100%
The questionnaire cannot be processed	0	0%
Questionnaires were used in the analysis	100	100%

Source: Processed primary data, 2026.

A total of 100 distributed questionnaires were used for data processing. This number indicates that all respondents in the sample provided answers that could be analyzed. The composition of respondents by gender and age provides an overview of the characteristics of the partners involved in this study.

Table Distribution of respondents by gender

Gender	Frequency	Percentage
Man	62	62%
Woman	38	38%
Amount	100	100%

Source: Processed primary data, 2026.

Table Distribution of respondents by age group

Age (years)	Frequency	Percentage
25–30	7	7%
31–35	47	47%
36–40	24	24%
41–50	15	15%
>50	7	7%
Amount	100	100%

Source: Processed primary data, 2026.

Based on Table, there were 62 male respondents (62%), while there were 38 female respondents (38%). Table 4.3 shows that the 31–35 age group comprised the largest group,

with 47 respondents (47%), followed by the 36–40 age group with 24 respondents (24%). This composition indicates that the majority of respondents were in the productive age range, which generally involves active involvement in business and marketing activities.

2) Description of Research Variables

Respondents' responses were compiled based on four indicators for each research variable. The rating scale consisted of five categories, ranging from strongly disagree to strongly agree. The distribution of responses revealed respondents' tendencies in assessing Kopi Kapal Api's shared value creation activities, market position, and sales performance.

Table Distribution of answers to the value co-creation indicator

Indicator	STS (1)	TS (2)	N (3)	S (4)	SS (5)	Average
VCC1 (Dialogue)	0	0	3	20	77	4.74
VCC2 (Access)	0	1	13	30	56	4.41
VCC3 (Risk assessment)	0	0	8	27	65	4.57
VCC4 (Transparency)	0	0	9	28	63	4.54

Source: Processed primary data, 2026.

The results in Table show that respondents gave a relatively high rating to value co-creation. The dialogue indicator received an average score of 4.74, the highest-scoring aspect, while access received an average score of 4.41. This indicates that communication between the company and its partners has received a positive response, while ease of access to information and involvement in the decision-making process remain key areas of focus in managing marketing relationships.

Table Distribution of answers to market share indicators

Indicator	STS (1)	TS (2)	N (3)	S (4)	SS (5)	Average
MS1 (Single-segment concentration)	0	2	22	29	47	4.21
MS2 (Selective specialization)	0	5	19	24	52	4.23
MS3 (Market specialization)	0	11	11	28	50	4.17
MS4 (Product specialization)	1	8	17	21	53	4.17

Source: Processed primary data, 2026.

In Table, the average market share assessment ranged from 4.17 to 4.23. The highest score was found for selective specialization, while market specialization and product specialization had the same average of 4.17. These responses indicate that respondents considered Kopi Kapal Api's market position to be quite good, although segment development and product variety adjustments in each region remain crucial for market competition.

Table. Distribution of answers to sales performance indicators

Indicator	STS (1)	TS (2)	N (3)	S (4)	SS (5)	Average
SP1 (Sales volume)	0	0	15	39	46	4.31
SP2 (Sales target achievement)	0	0	8	37	55	4.47
SP3 (High margin sales)	0	4	20	30	46	4.18
SP4 (High market share)	0	0	10	36	54	4.44

Source: Processed primary data, 2026.

Table shows that all sales performance indicators achieved an average score above 4.00. Sales target achievement was the indicator with the highest score, at 4.47, while sales of high-

margin products received a score of 4.18. These results illustrate a positive assessment of sales performance and demonstrate the importance of considering product contribution to profits in addition to achieving sales targets.

3.2. Discussion

1) The influence of value co-creation on market share

The regression coefficient of value co-creation on market share was positive at 0.523 with a significance level of 0.003. These results indicate that the better the shared value creation between the company and outlets, the better respondents' assessment of Kapal Api's product market position. In marketing relationships, open communication, the exchange of information regarding consumer needs, and partner involvement in providing input can support strategies that are more appropriate to market conditions.

Despite the significant relationship, the R-square value in the first model was still 0.087. This indicates that market share is not only related to value co-creation but is also influenced by various other marketing conditions. Thus, shared value creation can be understood as one aspect that supports market position, particularly through the quality of collaboration between the company and its outlets.

2) The influence of value co-creation on sales performance

In the second model, value co-creation had a positive and significant effect on sales performance, with a coefficient of 0.562 and a significance level below 0.001. These results indicate that partner involvement in communication and value exchange with the company is associated with better sales performance ratings. A well-established relationship helps partners understand product information, identify buyer needs, and communicate market conditions to the company.

When compared to the variable descriptions, the dialogue indicator in value co-creation received the highest score, while the high-margin product sales indicator in sales performance had the lowest average. This figure suggests that good communication can continue to be directed to support more informed marketing decisions, including product assortment determination and sales management that is not solely focused on volume.

3) The influence of market share on sales performance

Market share has a positive regression coefficient of 0.243 on sales performance, with a significance level below 0.001. These results indicate that respondents' assessments of market position are related to sales performance after value co-creation is taken into account. A strong product position at the outlet level can help maintain sales sustainability, especially when product availability and the alignment of offerings with consumer needs are maintained.

Market specialization and product specialization scores were relatively lower than other market share indicators. This suggests that expanding segment reach and adjusting the product portfolio remain key areas of focus for Kapal Api's market development in Flores. Strengthening these two aspects could support efforts to improve sales performance in each marketing region.

4) The Role of Market Share Mediation

Testing for indirect effects indicates that market share mediates the relationship between value co-creation and sales performance. The mediation coefficient of 0.127 with a 95% bootstrap confidence interval [0.046; 0.221] illustrates that partner involvement in value co-creation is related to sales performance through improved market positioning. When companies and outlets can build communication, exchange information, and adapt marketing activities to consumer needs, the relationship has the potential to support strengthening product positioning in the market and sales activities.

The mediating role found was partial because value co-creation still had a significant direct influence on sales performance. This demonstrates that shared value creation efforts are not only relevant for strengthening product positioning in the market but also have a specific link to sales management at the outlet level. Therefore, enhancing marketing collaboration can be directed at two complementary aspects: strengthening company-partner relationships and developing a market position that aligns with the needs of the Flores region.

4. Conclusion

This study analyzes the relationship between value co-creation, market share, and sales performance among Kapal Api Coffee's marketing partners in the Flores region. Based on data processing from 100 respondents, several conclusions were obtained that address the direction of the relationships between variables in the research model. First, value co-creation has a positive and significant effect on market share, with a regression coefficient of 0.523 and a significance value of 0.003. This indicates that the better the shared value creation, the more positive the partners' assessment of Kapal Api Coffee's market position. Second, value co-creation has a positive and significant effect on sales performance, with a regression coefficient of 0.562 and a significance value below 0.001. Partner involvement in the value co-creation process is associated with improved sales performance assessments. Third, market share has a positive and significant effect on sales performance, with a regression coefficient of 0.243 and a significance value below 0.001. Together with value co-creation, market share explains 54.2% of the variation in sales performance in the analyzed model. Fourth, market share was shown to partially mediate the relationship between value co-creation and sales performance. The indirect effect of 0.127 had a 95% bootstrap confidence interval [0.046; 0.221], while the direct effect of value co-creation on sales performance remained significant. These results indicate that shared value creation is related to sales performance both directly and through strengthening market position. Overall, this study demonstrates a positive relationship between shared value creation, market position, and sales performance at Kapal

Api Coffee outlet partners in the Flores region. Glejser's test also indicates heteroscedasticity in the sales performance equation, so the statistical relationship results should be interpreted in light of the residual characteristics of the model.

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