

ABSTRACT

This research employs the Structure-Conduct-Performance (SCP) paradigm to analyze the structure, conduct and performance of soft drink industry in Indonesia during 2010-2014 period. Concentration ratio of the four largest companies (CR₄) and minimum efficiency of scale (MES) is used as an indicator of market structure of the soft drink industry. The conduct of soft drink industry is explained by pricing strategies, product strategies, and promotional strategies. While the performance of soft drink industry is seen from price cost margin (PCM), internal efficiency (XEFF) and output growth (Growth). This research uses panel data to see the effect of market share (MS), internal efficiency, output growth, and labor productivity (Prod) on price cost margin.

Using random effect model (REM), the results of this research shows that market share and internal efficiency have a positive significant effect on the price cost margin in the soft drink industry. While output growth and labor productivity do not have a significant effect on the price cost margin of the soft drink industry.

Keywords: structure-conduct-performance, panel data REM, soft drink industry