

SCENARIO PLANNING APPROACH FOR PT. VIEWTRON INDONESIA IN DEVELOPING ITS BUSINESS IN INDONESIA

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ABSTRACT

A market report says that the projectors' business is growing promisingly over the next five years, globally. Asia Pacific market is a region that shows an increasing sales trend. In Indonesia, PT. ViewTron (the name is made vague due to confidentiality), an importing projectors company established in 2018, is growing significantly. However, due to the Covid-19 pandemic, the sales volume dropped drastically. The management is concerned about the future business of the company in Indonesia and what best strategies to deal with such future uncertainties. The scenario planning approach is selected to address the management's concerns. A qualitative research methodology is used to analyze the situations that affect the company. A 2x2 matrix of scenario framework is developed reflecting critical uncertainties that might affect future business of PT ViewTron. The scenario shows the plausibility of future situations and offers strategy options for the company to manage the implications of each scenario. Before the occurrence of a scenario, the management should define early warning signals to alert the company on which scenario it is heading toward and what actions to take. By setting thorough scenario planning, the management could develop strategies that may envision future business uncertainties confidently.

Keywords: *early warning signals, future business, implications, options, scenario planning, uncertainties*

I. INTRODUCTION

Business projectors across the globe have shown enormous growth in market shares. Market Reports on Global Interactive Projectors Industry (www.reportlinker.com, 2020) says that global market values for interactive projectors are estimated at US\$ 1.4 Billion in 2020 and it is projected to reach up to US\$4.1 Billion by 2027. CAGR (Compound Annual Growth Rate) is growing at 16.2% for the analysis period 2020-2027. Segment products that were analyzed in the report are: (a) DLP (Digital Light Processing) is projected to record an 18.5% CAGR; (b) LCD (Liquid

Crystal Display) is about 14.2% CAGR; (c) LCoS (Liquid Crystal on Silicon) is estimated to 18.1% CAGR.

Market share in the Asia Pacific and MEA for projectors is estimated at 34.3% where in the Asia Pacific only is forecasted to reach US\$ 580.5 Million by the year 2027. The market opportunity of the three-segment products looks promising in the region.

ViewTron as one of the strong players in this segment would have the opportunity to increase market shares and grow the business in the region. With its global presence, ViewTron is setting strategies and initiatives

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to win the markets. Currently, ViewTron operates in five regional offices that are ViewTron China, ViewTron Europe, ViewTron America, ViewTron Latin America, and ViewTron Asia Pacific.

PT ViewTron Indonesia

PT ViewTron Indonesia (PT View Tron) started in 2001 by selling computer-aided tools, monitor and television (LCD and CRT - Cathode-Ray Tube), digital projectors, and other display systems through a local distributor company. In 2014, it became a representative office with product portfolios are monitor, projector, and professional display using the existing distributor company. In 2018, PT ViewTron established a company, a subsidiary of ViewTron Asia Pacific, with the product brand "ViewTron". PT ViewTron is foreign direct investment, an importer company, that functions as an extended Sales and Marketing Department of ViewTron Asia Pacific (with 97% shares).

In Indonesia, the products have good prospective sales and opportunity to grow. Market leader for the projectors is Epson with a 40% market shares while PT ViewTron is at 15% market share. The rests are from other branded products around 36% and many new entrants (made-in-China unbranded products) with total of 9 % market shares.

Business Issues

PT ViewTron would continuously sell products that are preferred by consumers and consistently aiming to be the segment king of its portfolio. Issues that PT ViewTron is facing today and going forward relate to some aspects below:

- **Traditional Channel and Distribution**

Channel and distribution are the methods on how a manufacturer delivers its product to the consumers. This traditional approach would have the biggest challenge with the rise

of the internet (Newbery, 2010). Since Covid-19 crisis emerged, this approach was hit badly. Business is running slowly due to social distancing policy and sales are decreasing. Consequently, online selling and marketing become critical.

- **Technology Anxiety**

Technology anxiety is a fearful feeling when faced with the possibility of using new technology (Meuter et al., 2003 in Gelbrich and Sattler, 2014). The anxiety of consumers in using online services is particularly high because of the mobile environment where the responsibility for a failure or loss of a transaction may not be clear in this technology-mediated environment (Bahli and Benslimane, 2004 in Yang and Forney, 2013). Anxiety may be increased since consumers are sensitive to services related to monetary transactions where they may lose money with one click of a button on a mobile environment (Hourahine and Howard 2004 in Yang and Forney, 2013).

- **Lack of Key Manpower**

PT ViewTron was established in 2018. Currently, the company employs 14 employees including the Managing Director. Recruiting additional key positions in the organization is critical since the company is growing and has the ambition to increase market shares.

- **Lack of Product Knowledge**

It is another issue for the company. Mastering product knowledge of PT ViewTron's innovative high-end technology and solutions products is essential for partners i.e. distributors and system integrators since they are dealing directly with consumers. Partners should be competent and reliable when transferring knowledge of products and products added



values to the consumers. As an importer company, PT ViewTron is not allowed to sell its products directly to consumers.

- **Environmental Uncertainties**

Environmental uncertainty is defined as an individual's perceived inability to predict an organization's environment accurately because of a lack of certain information or an inability to differentiate between relevant and irrelevant data (Miliken, 1987 in Buchko, 1994). In this context, environmental uncertainties are situations that may happen to PT ViewTron e.g. political, economic, technological, and else that would affect its business performance.

- **Question on what does the future business of PT ViewTron in Indonesia looks like and what best strategies to deal with such future situation?**

Since 2018, PT ViewTron successfully booked sales volume with average increase of 20%. It was a different story when the pandemic Covid-19 arose globally. Total sales volume is dropped drastically, around 30% to 40%. Strategies and initiatives were re-evaluated since buying power of consumers declined. One best option to endure the sales is leveraging a digital marketing platform through e-commerce. However, the question is whether that is the best strategy for the future. What are the best strategies to deal with similar unpredictable situations? The company would be much confident if there are answers to such questions.

Research Objectives

The objectives of this study are to offer business solutions that address its business issues. Scenario planning analysis is chosen to approach the issues. Below are the research objectives: (1) Develop scenario planning for PT ViewTron based on the macro-

environment, industry competition, and internal company environment analysis using 2x2 matrix scenario framework of four different plausible future situations; (2) Identify implications and strategy options of each scenario within a five-year timeframe; (3) Define early warning signals that guide the company in developing best fit strategies toward the respective scenarios; (4) Develop strategic imperatives for the company to perform in all scenarios.

II. LITERATURE REVIEW

This study is developed to depict the future situation of the company by analyzing the macro-environment, industry competition, and its internal environment. Scenario planning approach will analyze all the information, form a construct thinking, and creatively develop various future plausibility to envisage the future situation proactively.

Business Situation Analysis: External Environment

1. PESTEL Analysis

A company's external environment is all factors that affect a company's potential gain and sustain a competitive advantage. To review those factors, PESTEL model analysis will be exercised. Results of the analysis can be used by leaders to mitigate threats and leverage opportunities of the company (Rothaermel, 2017).

PESTEL model is a framework that categorizes and analyzes comprehensive external factors that are Political, Economic, Socio-cultural, Technological, Ecological, and Legal that affect a company. These factors can create both opportunities and threats for the firm (Rothaermel, 2017). Figure 1 is the PESTEL model framework.

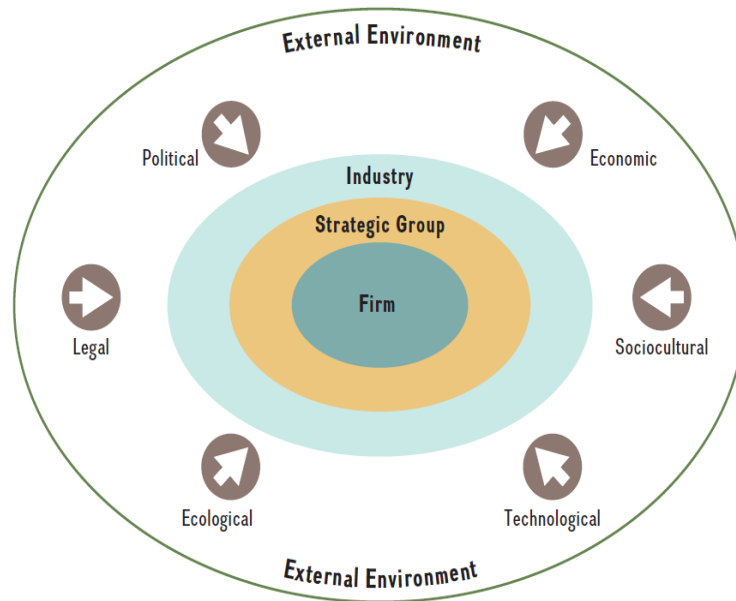


Figure 1. PESTEL Model
(Source: Rothaermel, 2017)

• Political Factor

The political factor is more related to government stability and the prevailing political system in a country. The political factor is somewhat interchanged with legal factor where the effect of political product i.e. government policy is produced through the legislation process. Multinational corporations would see political factors as critical issues for their investment. When there will be any sudden and detrimental legislative changes that might jeopardize their investments, companies would review the transfer of goods and services and their financial assets (Henry, 2018).

• Economic Factor

Discussion of Economic Factor is limited only to GDP and exchange rates.

a. Gross Domestic Product (GDP)

GDP is the total market value of a country's output. It is the market value of all final goods and services produced within a given time, usually one year by factors of

production located within a country (Case, Fair, and Oster, 2012).

GDP growth depends on the health of the economy. During an economic downturn the economy contracts, competition in industry decreases, consumer spending falls, unemployment rates rise, and GDP declines. When the economy is expanding or booming, businesses expand their operations to satisfy rising demands and consumers to make more profits and GDP grows. (Brezina, 2012).

Figure 2 shows Indonesia's GDP annual growth rate from 2015 to 2025 which looks quite stable except in 2020. Due to pandemic Covid-19, GDP growth in the third quarter of 2020 is dropped to -3.49%. That reflects how industry nationals are truly impacted by pandemic Covid-19.

b. Current Exchange Rates

The current exchange rate is a critical variable for any company that buys or

sells products and services across national borders. In general, nominal exchange rates are the home currency price of a unit of foreign exchange (bilateral). An increase in the exchange rate (a rise in the price of foreign currency) represents a depreciation, and a decrease in the exchange rate represents an appreciation (MacDonald, 2007).

• **Sosio-cultural Factor**

Socio-cultural factors are people’s beliefs and values, customs and traditions, preferences, social taboos, or societal expectations of business that influence the business to a great extent. These factors controls whether or not

products and services are acceptable to that society. For example, beef products are not acceptable to Hindu society and pork products are forbidden in Muslim society.

• **Technological Factors**

Technology drives the business in many cases by creating new products, new production techniques, or new ways of managing business. Technology innovation can leverage business performance, disrupt existing business platforms, and break the boundaries of existing industries e.g. Gojek, Airbnb, or Uber. Innovation and breakthroughs in technology can have a sudden and dramatic effect on the company. (Rao, Rao, and Sivaramakrishna, 2008).

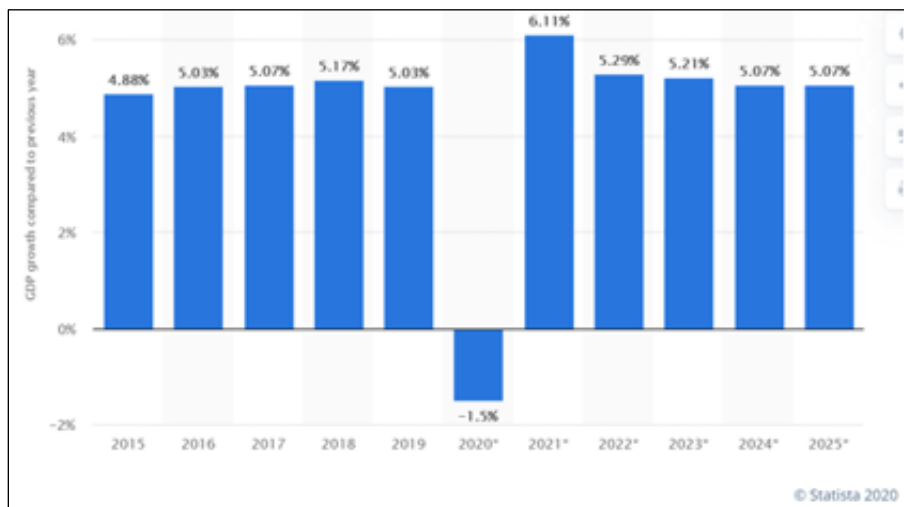


Figure 2. GDP Annual Growth Rate 2015-2025

(Source: Statista)

• **Ecological Factors**

Ecological factors commonly involve broad environmental issues such as natural environments, global warming, and sustainable economic growth. Many business organizations are exploiting natural resources for years and have contributed to the pollution of air, water, and land, as well as depletion of the world’s natural resources (Rothaermel, 2017).

• **Legal Factors**

Legal factors often result from the political will. Governments especially can directly affect company performance by using both political pressure and legal sanctions, including court rulings and industry regulations (Rothaermel, 2017). Legal factors will push the company to comply with all prevailing regulations especially companies that are importing goods from overseas companies.

2. Porter's Five Forces Analysis

The Porters' five forces model helps companies to understand the five competitive forces that control the level of competition and profitability in an industry. In this model, a company must be concerned not only with the strong rivalry amongst direct competitors but also with the strength of the other competitive forces. In essence, the stronger the five forces, the lower the industry's profit potential that means the industry becomes less attractive for competitors.

On the contrary, the weaker the five forces, the greater the industry's profit potential, making the industry more attractive. This gives insight to the company that to achieve a competitive advantage in industry competition, the company should be able to ease the constraints of strong forces and leverage weak forces (Rothaermel, 2017).

Five key competitive forces to consider when analyzing the industry environment and formulating business strategy are shown in the Figure 3.

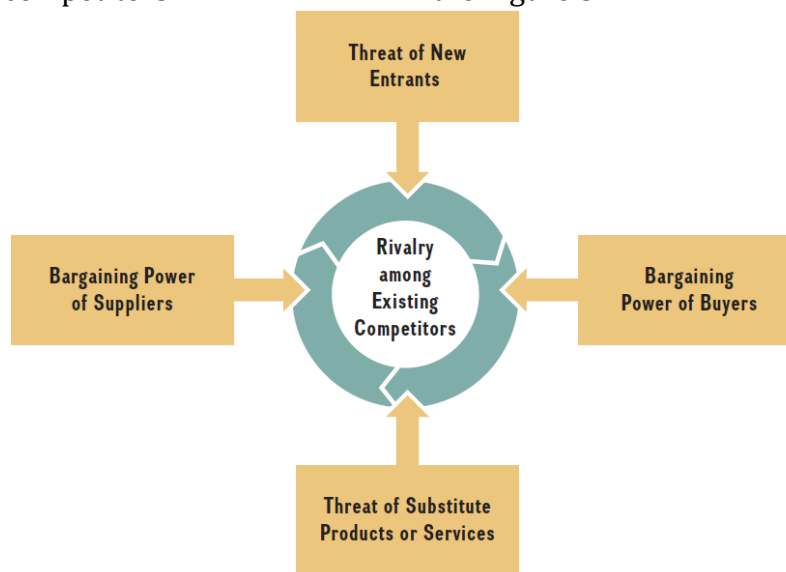


Figure 3. Porter's Five Forces
(Source: Rothaermel, 2017)

• The Threat of New Entrants

It is the risk of potential competitors that will enter the industry. New entrants in the industry bring additional capacity to gain market shares and substantial resources. The more profitable an industry, the more attractive it is for new players to enter the industry. To reduce the threat of new entrants existing players will create barriers or obstacles that make the industry appears unattractive to the potential new competitors. On the opposite, barriers for new entrants will force existing players in the industry to spend more to keep on satisfying existing customers

(market shares) which means the industry's profit potential is reduced, especially if the price could not be raised since there is no additional capacity in the industry. Spending more means that existing players should keep raising the values of their products and services in the eyes of the customers so that potential new competitors would think twice when entering the industry (Rothaermel, 2017).

• Power of Suppliers

Suppliers have the power in the industry since their products and services are components



that are required by a company to produce goods and services. Suppliers that provide very limited products and services such as Rolls Royce and GE for aircrafts engines would have powerful positions in the industry.

Powerful suppliers are considered a threat to companies because they could reduce the industry's profit potential by acquiring components of the economic value created by the industry (Rothaermel, 2017).

• **Power of Buyers**

Buyers are different from suppliers; buyers are customers of an industry. Typical customers' demand for products or services is low price and high quality. Both are impactful to companies' margins in the industry. When buyers get lower prices e.g. through discounted prices; it will reduce companies' top-line revenue. And, when buyers are demanding higher quality and more services, it will increase production cost.

Powerful buyers are considered a threat to the companies because they could reduce industry profit potential as well as companies' profitability (Rothaermel, 2017).

• **Threat of Substitutes**

Substitutes mean other products offer the same basic customer needs as existing products in the industry but in a different way e.g. smartphones as a substitute for the camera. The threat of substitutes is the idea of creating products or services that are completely different from existing products available in the market, yet meeting the needs of customers. The threat of substitutes reduces the industry's profit potential because it limits the product's price. Existing companies would not increase the price of their products and services if the price is higher than the substitutes' price. The threat

of substitutes is increasing the rivalry among existing companies in the industry (Rothaermel, 2017).

• **Rivalry with Competitors**

Rivalry with competitors is the intense race among companies in the same industry for market shares and profitability. The intensity is also influenced by the other four forces discussed above. The stronger the four forces to the industry, the stronger the competition is, which then impacts to decrease of the industry's profit potential.

A company should creatively find solutions of non-price competition products with more value creation products i.e. more product features, quality of components, or excellent after-sales services. Even though it causes cost increase and leads to higher price but consumers have options to buy products that are unique and giving different experiences. If consumers perceived values of products are more important than their price then revenue and profit margins of the industry tend to increase (Rothaermel, 2017).

Business Situation Analysis: Internal Environment

SWOT Analysis

SWOT analysis is a framework used for analyzing the Strengths, Weaknesses, Opportunities, and Threats of a company. The SWOT analysis approach facilitates the management to identify internal and external factors that likely affect the company's future performance, and address the effectiveness of strategies implementation.

The goal of SWOT analysis is to match the company's strengths with the opportunities of the company while eliminating the weaknesses and minimizing the threats.

SWOT matrix is shown Figure 4. From the matrix, two perspectives are differentiated based on the degree of attainable control, 1) internal environment where control is attained from the internal company (of

strengths and weaknesses), and 2) external environment where control is from an external company, it is unattainable (of opportunities and threats) (Karppi, Kokkonen, Lahteenmaki-Smith, 2001).

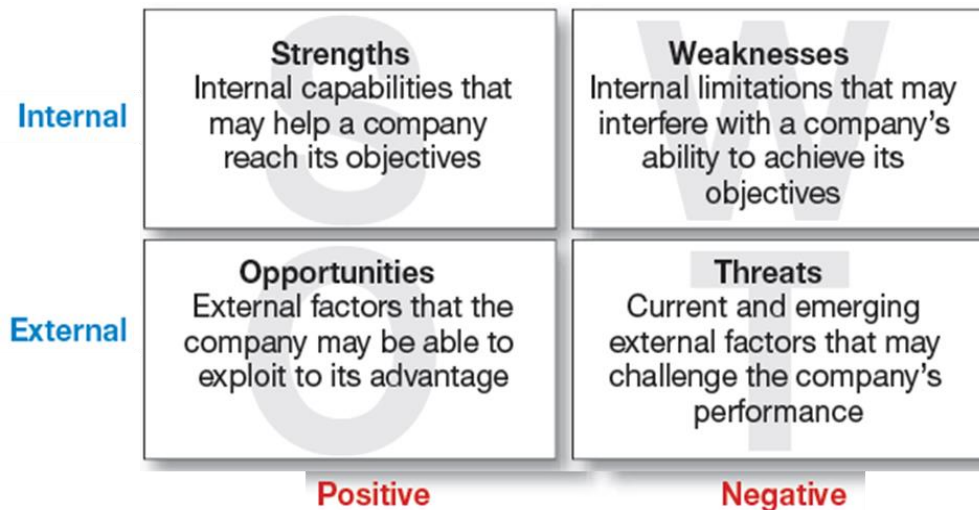


Figure 4. SWOT Matrix
 (Source: Kotler and Armstrong, 2018)

• **Strengths**

Strengths are things that a company does particularly well that distinguish a company from its competitors. Strengths include internal capabilities, resources, or situational factors that may help the company serve its customers and achieve its objectives. Strengths are an integral part of an organization. Any aspects of an organization are considered as strengths if it brings the company a clear advantage (Kotler and Armstrong, 2018).

• **Weakness**

Weaknesses describe internal deficits in a company such as lack of motivation, lack of facilities, problems in distribution of services or products, or low reputation that hinder the organization in meeting its demands. Weaknesses include internal limitations and situational factors that may interfere the

company's performance. (Kotler and Armstrong, 2018).

• **Opportunities**

Opportunities describe any external circumstances or trends that are favorable to an organization's specific competence. The company may want to exploit those favorable circumstances to its advantage (Sabbaghi and Vaidyanathan, 2004).

• **Threats**

Threats are defined as any external circumstances that will unfavorably influence demand for an organization's competence or challenge to a company's performance. For instance, the establishment of strong competitors, government deficit, or regulations that limit free distribution of company's products (Sabbaghi and Vaidyanathan, 2004).

Scenario Planning

Among many tools used to develop strategic planning, scenario planning appears remarkably for its power to capture comprehensive possibilities in many details (Schoemaker, 1995).

1. Scenario Planning Definition

Scenario planning could be described as a part of strategic planning that methodologically views possible future come and manages the uncertainties of the future to the benefit of the organization. Scenarios are not predictions or forecasts. It is not concerned with ensuring the future actual but it is intended to challenging the current mindset or paradigms of thinking and spread narratives that draw attention to aspects that have not been thought before. Scenario planning is built

through a large process of brainstorming, checking for plausibility, identifying underlying driving forces, and ranking driving forces by uncertainties (Schoemaker, 1995).

Scenario planning is intended to prepare better organization future readiness while at the same time explore several uncertainties. Scenario planning is not searching for the best fitting answer for a problem but multiple possibilities (Garvin and Levesque, 2006).

2. Component of Scenario Planning

The scenario planning process is built to produce a complex and comprehensive view of the future through its components and the link among components (Garvin and Levesque, 2006). Figure 5 is process and relationship among components.

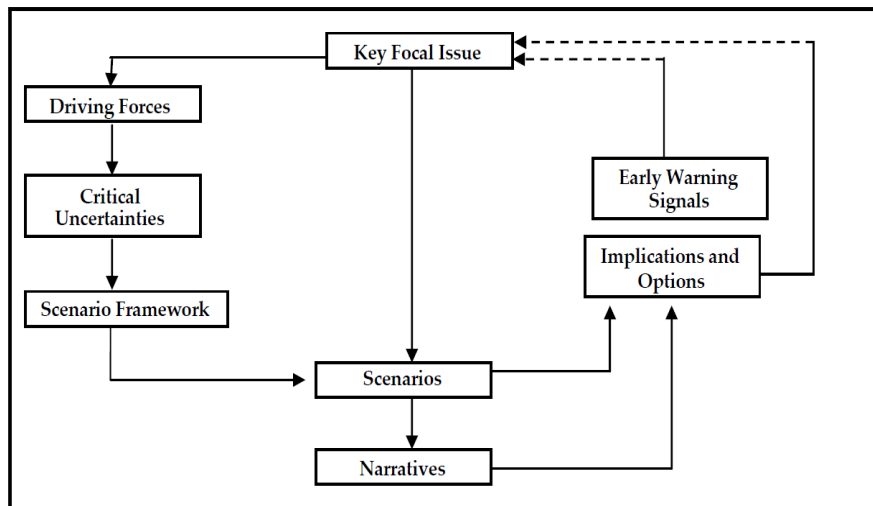


Figure 5. Scenario Planning Components
(Source: Garvin and Levesque, 2006)

In this study, each component of scenario planning will be discussed and analyzed towards the business issues faced by PT ViewTron Indonesia.

Brief explanations of each component are as follows:

1) Key focal issue is a key motive for future decisions or strategic uncertainty that has a

certain timeframe and a long-range impact on the benefits of the organization,

2) Driving forces are things to affect, influence, and shape the key focal issue primarily. Among major categories of driving forces are political affairs, economic conditions, social dynamics, and technology,

- 3) Critical uncertainties are the top two most influential uncertain forces that are most likely to define the way the future is described toward the key focal issues. They are qualified and ranked by level of uncertainty and level of importance to the company,
- 4) A scenario framework is built based on critical uncertainties that create a 2x2 matrix with four different quadrants of futures to be explored,
- 5) Scenarios are results of different futures from the interaction of critical uncertainties. Scenarios are plausible, alternative hypotheses about how the future might display, and specifically designed to underline risks and opportunities faced by the organization. There are no right or wrong scenarios. Effective scenarios challenge one's thinking to understand and appreciate what the future would look like,
- 6) Narratives or stories are used to elaborate each scenario by logically coherent and

consistent. It should be persuasive, excite the imagination, and challenge old stereotypes,

- 7) Implications are effects that may happen in each scenario in the future. Implications are explored to identify strengths and vulnerabilities of the company, alternative strategies, and options to address gaps in capabilities, tactical actions, and critical decisions,
- 8) Early warning signals are leading indicators and an alert system for the company to anticipate which scenario that the company might fall in to and what actions to take in dealing with such scenario.

3. Methodology of Scenario Planning

Scenario planning methodology follows five steps as shown by the Figure 6. This methodology will be used in conducting scenario planning analysis toward company's external and internal situations.

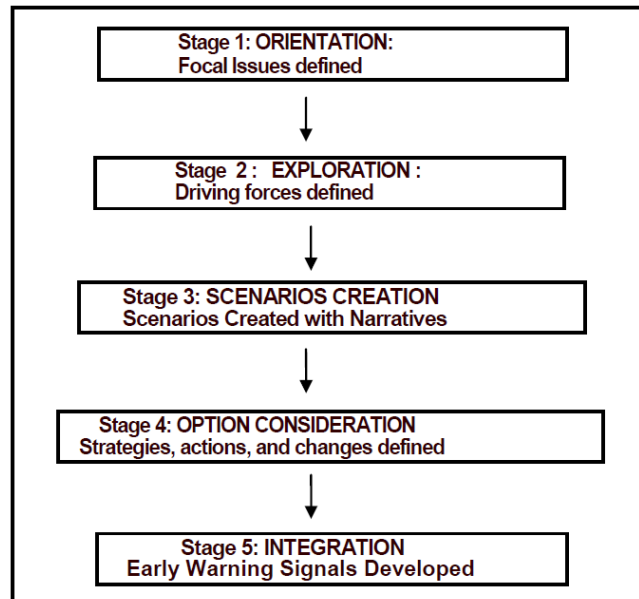


Figure 6. Scenario Planning Stages
(Source: Garvin and Levesque, 2006)

III. METHOD

A research methodology is a way to systematically solve the research problem. It is essentially the procedures -including research design, data gathering, and data analysis- by which researchers do their works to describe, explain, and predict phenomena. It aims to give the work plan of research. Research methodology can be quantitative or qualitative (Goundar, 2012).

Qualitative research is a form of social action that stresses the way people interpret and make the sense of their experiences to understand the social reality of individuals. Qualitative research uses interviews, journals, classroom observations and immersion, and open-ended questionnaires to obtain, analyze, and interpret the data through content analysis of visual and textual materials, and oral history (Zohrabi, 2013 in Mohajan, 2018).

The purpose of qualitative research is to describe and interpret issues or phenomena systematically from the point of view of the individual or population being studied and to generate new concepts and theories (Viswambharan and Priya, 2016 in Mohajan, 2018).

This study applies qualitative research that follows systematic and structured procedures to approach the research problem statement. The study will describe and interpret the company's issues through analysis of company's external and internal environment, perspectives from the key positions in the company, literature reviews, and scenario planning analysis to propose business solutions.

Data Collection

Data collection or data gathering is the process of obtaining data and information systematically through a certain method.

• Interviews

It is a process of selecting essential details of experience, reflecting on them, and thereby making sense of them that makes telling stories a meaning-making experience (Schutz, 1967 in Seidman, 2006). Besides, in-depth, open-ended interviews are most commonly used to understand how people perceive uncertainties (van der Heijden, 1997 in Chermack, Lynham, and Ruona, 2001).

Questions in the interviews are set based on the analysis of the contextual environment of the company that capture experiences, insights, senses, company's strengths and weaknesses, and perspectives of targeted subjects related to factors that affect the business.

Interview questions are presented to targeted subjects to get their perspectives of the situations. Table 1 is a list of interview questions.

• Focus Group Discussion

Another way for collecting data in qualitative research is through focus group discussion (FGD). Key characteristics in FGD are focus on specific issues with a predetermined group of people participating in an interactive discussion led by a facilitator. An FGD aims to gain a broad range of views on the topic over a 60 to 90-minute period and to create an environment where participants feel comfortable to express their views (Hennink, Hutter, and Bailey, 2011 in Hennink, 2014).

In this study, FGD will be conducted to reconfirm and elaborate data obtained from interview results to generate driving forces, critical uncertainties, scenario framework, narratives, implications, and options. The conclusion then will be made based on the results of the whole analysis. During FGD, participants are encouraged to think imaginatively and creatively about the issues.

Table 1. List of Interview Questions

No.	Interview Questions
1.	Menurut Anda, bagaimana kondisi bisnis/penjualan selama 2 tahun terakhir (2019-2020) baik sebelum dan saat pandemi berlangsung?
2.	Jika bisnis/penjualan saat ini menurun, menurut Anda faktor-faktor apa yang menyebabkannya?
3.	Jika bisnis/penjualan saat ini cenderung meningkat, menurut Anda faktor-faktor apa yang menyebabkannya?
4.	Apa yang dilakukan perusahaan untuk meningkatkan performa bisnis/penjualan saat ini?
5.	Menurut Anda, bagaimana kondisi bisnis/penjualan pada 5 tahun mendatang?
6.	Menurut Anda, apa tantangan yang dihadapi perusahaan untuk meningkatkan bisnis/penjualan pada 5 tahun mendatang?
7.	Seperti apa bentuk adaptasi yang perlu dilakukan perusahaan dalam mengantisipasi perubahan pada 5 tahun mendatang?
8.	Dalam bidang politik, hal apa sajakah yang dapat mempengaruhi/menjadi pertimbangan bisnis/penjualan dalam 5 tahun ke depan? (contoh pelaksanaan pilkada/pilpres, pemerintahan yang stabil, atau kebijakan pemerintah terkait teknologi informasi)
9.	Dalam bidang ekonomi, hal apa sajakah yang dapat mempengaruhi/menjadi pertimbangan bisnis/penjualan dalam 5 tahun ke depan? (contoh nilai tukar rupiah, daya beli masyarakat, tingkat inflasi, atau GDP)
10.	Dalam bidang sosiokultural, hal apa sajakah yang dapat mempengaruhi/menjadi pertimbangan bisnis/penjualan dalam 5 tahun ke depan? (contoh kesiapan consumer menerima teknologi baru, perilaku meeting/mengajar tatap muka vs online)
11.	Dalam bidang teknologi, hal apa sajakah yang dapat mempengaruhi/menjadi pertimbangan bisnis/penjualan dalam 5 tahun ke depan? (contoh infrastruktur listrik di pelosok daerah, jaringan koneksi internet/wifi/satelite, baterai yang tahan lama, artificial intelligence)
12.	Dalam bidang lingkungan, hal apa sajakah yang dapat mempengaruhi/menjadi pertimbangan bisnis/penjualan dalam 5 tahun ke depan? (contoh material yang ramah lingkungan, higienis, aman terhadap radiasi)
13.	Dalam bidang hukum, hal apa sajakah yang dapat mempengaruhi/menjadi pertimbangan bisnis/penjualan dalam 5 tahun ke depan? (contoh regulasi/peraturan terkait kandungan lokal dan impor, bea masuk untuk barang impor, pajak penjualan, UU anti monopoli, atau regulasi terkait investasi)
14.	Dari informasi yang sudah Anda sampaikan di atas, hal-hal apa sajakah yang Anda anggap sebagai faktor ketidakpastian yang utama (<i>key uncertainties</i>) yang tidak dapat dikontrol namun mempengaruhi masa depan bisnis/penjualan? Faktor <i>key uncertainties</i> mana saja yang dianggap rendah/sedang/tinggi?
15.	Dari jawaban yang Anda berikan pada nomor 14 di atas, hal-hal apa sajakah yang Anda anggap paling tinggi dampaknya terhadap perusahaan? Hal-hal mana saja yang dampaknya terhadap perusahaan dianggap rendah/sedang/tinggi?
16.	Apa SWOT perusahaan?
17.	Apakah ada masukan atau hal lain yang ingin Anda sampaikan terkait hal-hal yang sudah Anda sampaikan di atas?

IV. RESULT AND DISCUSSION

Scenario planning analysis

Stage 1 – Orientation

The central issue is on how future business of the company in Indonesia looks like given all the future uncertainties. The management needs to envisage the business growth in the next five years – as per the management cycle. After analyzing the interview result and confirmed in FGD, the key focal issue is defined as “How does the future business of PT ViewTron in Indonesia look like over the next five years?”

Stage 2 – Exploration

Data of macro-environment, industry competition, SWOT analysis that affect company’s key focal issue are explored together with data obtained through interviews and FGD. Based on the interview results, all driving forces are listed out for further analysis as shown in the Table 2.

The list of driving forces above is summarized as follows:

- Global pandemic
- Exchange rates
- Political situation (Pilpres, Pilkada)
- Government regulation on local content
- Product substitute (low price)
- Infrastructure readiness (internet/wi-fi connection)
- Economic growth
- Technology innovation
- Market demand
- Buying power of consumers
- Sales coverage across Indonesia
- Policy to encourage IT solutions absorption
- Terrorist threat
- Product development (new vs existing)
- Government stability

- Government commitment to support technology
- Marketing strategy

Critical Uncertainties

Critical uncertainties are the top two most influential uncertain forces that presumably defines the way the future is described toward the key focal issue. The summary of driving forces consists of pre-determined forces and uncertainties. There were six uncertainties identified during FGD from the summary as follows:

- Global pandemic
- Exchange rates
- Policy on technology advancement implementation
- Product substitute (low price)
- Infrastructure readiness (internet/wi-fi connection)
- Government stability

These six uncertainties were then discussed in FGD. Participants were asked to rank them by the most important and the most impactful to the organization. Then, two critical uncertainties that plausibly unfold the future was concluded, which are **Government Stability** and **Infrastructure Readiness** (internet/wi-fi connection).

Government Stability was picked as critical uncertainty as an aggregate of several key driving forces, which are economic growth, exchange rates, buying power of consumers, and government policies that support the business. While Infrastructure Readiness (internet/wi-fi connection) was chosen as critical uncertainty as an aggregate of key driving forces of market demand, sales coverage, and government commitment for technology.



Table 2. Driving Forces

Context	Factor	Driving Forces
Macro-environment	Political	<ul style="list-style-type: none"> Political situation due to presidential, governor, or mayor election (Pilpres and Pilkada) Stability of government and political system i.e. new regulations by a new government Government commitment to support technology advancement Policy to encourage IT solutions absorption Budget policy for education sector using IT solutions Terrorist threat
	Economic	<ul style="list-style-type: none"> Exchange rates Consumers' buying power for exclusive market and premium price GDP as an indicator of government or corporation budget spending Economic growth and market demands
	Socio-cultural	<ul style="list-style-type: none"> Behavior and culture change in end-user by getting used to working or learning online The readiness of consumers in accepting and adapting to products with updated technology Consumers expectations on endless new updated technology Consumers' preference of low price over quality and values (solutions)
	Technological	<ul style="list-style-type: none"> Infrastructure readiness across Indonesia - only available in big cities i.e. internet/wi-fi connection Security software/applications to protect consumers' data from being stolen or hacked Innovative technology solutions to meet market needs for the business and education sector i.e. CO2 indicators in a room, sound command, touch screen The battery that could supply long-duration power for the projector Cloud base data that will be the future key technology The technology of high image resolution and video
	Ecological	<ul style="list-style-type: none"> Hygienic products e.g. dustproof, gem resistant for touch screen Eye-care solutions, products that are safe for eyes e.g. anti-radiation, low blue light feature to reduce UV ray Global pandemic e.g. Covid-19
	Legal	<ul style="list-style-type: none"> Regulation on imported goods tax and customs Regulation on local content, imported goods, SNI certificates
	Industry Competition	New entrants
Power of Customers		<ul style="list-style-type: none"> Price aspects Product quality and values



Context	Factor	Driving Forces
		<ul style="list-style-type: none"> • Innovative technology • Service and after-sales service
	Power of Suppliers	<ul style="list-style-type: none"> • Not applicable in Indonesia since products are fully imported by the principal overseas
	Substitute products	<ul style="list-style-type: none"> • Not applicable since projector and interactive flat panel display are substitutes of monitor and PC
	Existing Competitors	<ul style="list-style-type: none"> • Competition is tight since the industry is growing for virtual meeting and teaching solutions • Create more values (product features, design, quality, marketing spending, after-sales service, and support) over lowering the price
SWOT Analysis (internal company environment)	Strength	<ul style="list-style-type: none"> • Well known international brand • Product-focused in the display (monitor, projector, IFP) • High-end innovative technology i.e. eye-care technology, germ-resistant, CO2 indicator, dustproof • Shifting from traditional distribution to digital marketing approach, advanced compared to competitors • Solid team to take the challenges • New product development with high tech solutions
	Weakness	<ul style="list-style-type: none"> • Perceived as premium price of high-end technology and quality products • Lack of resources to expand the business i.e. one person handles multi jobs • Rely highly on traditional channel and distribution approach • Lack of product knowledge from partners (distributors and dealers)
	Opportunity	<ul style="list-style-type: none"> • Technology shifting and acceptance in Indonesia is high e.g. from whiteboard to projector and IFP • The opportunity growth is high. The business life cycle is not mature yet e.g. projector and display is in the introduction stage • Growth in online business and digital marketing • To offer solutions where virtual meeting and teaching condition are high in demand • Sales coverage across Indonesia • Innovative marketing strategy
	Threat	<ul style="list-style-type: none"> • Product imitations from new-entrant competitors (unbranded products) with low quality, low solutions, and low price • Unstable exchange rates • Technology anxiety where people still doubt in doing transactions online for premium price products • Pandemic crisis as force majeure • Political situation as force majeure • Pricing war • Terrorist threat

Stage 3 – Scenario and Narrative Creations

• Scenario Frameworkz

A scenario framework consists of two critical uncertainties that forms a 2x2 matrix. Each axis shows a contrast condition between its edges and creates four quadrants of future scenarios.

The first axis is Government Stability. It relates to the stability of the government in 2024 when Indonesia will run a presidential and local government election in most provinces and cities at one time. The presidential election will be the stake of the country condition since the presidential terms are in due time.

The spectrum of the Government Stability axis ranges between high and low. High and low Government Stability will impact exchange

rates, buying power of consumers, and conducive policies to do business.

The second axis is Infrastructure Readiness of internet/wi-fi connection. It relates to the availability of information technology and internet infrastructure in the country. In 2018, President of the Republic of Indonesia had launched the industry revolution 4.0 roadmap as commitment of national digital infrastructure development. Currently, IT infrastructures are established mostly in big commercial cities in Indonesia but it has not reached out to all other provinces.

The spectrum of the Infrastructure Readiness axis ranges from established to not established. Infrastructure Readiness will impact market demand, sales coverage, and government commitment for technology. Based on the two axes above, Figure 7 is the scenario framework.

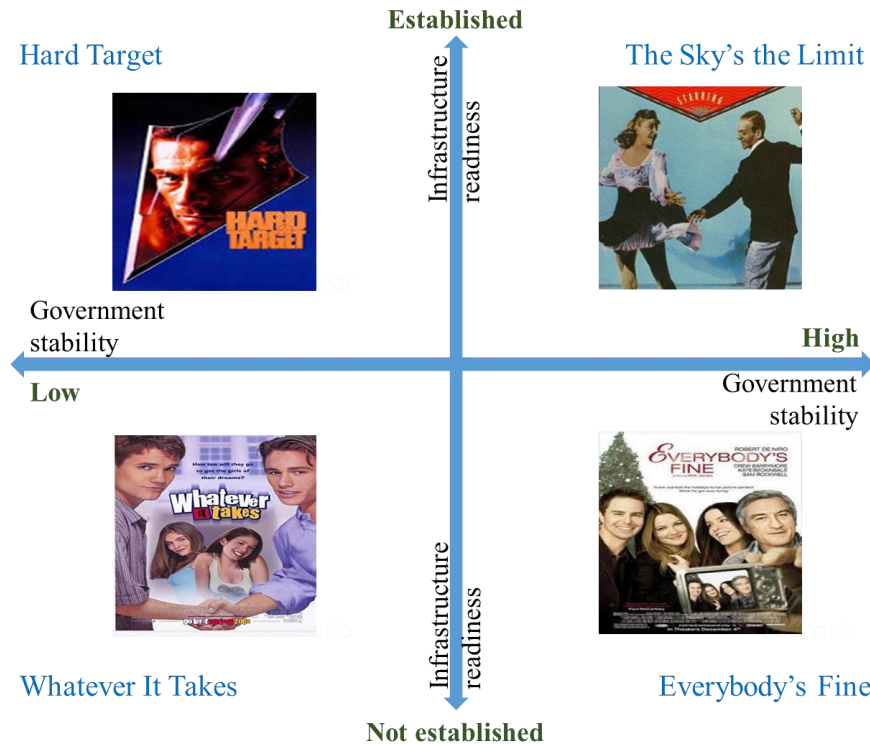


Figure 7. Scenario Framework
 (Source: Analysis)

• Narratives of Scenario

Each scenario would have narratives that explain what might happen in the future. Narratives are like a story that requires imagination and new thinking of situation in the scenario. It should be convincing, logical, consistent, and thoughtful of the four scenarios described.

The Sky's The Limit scenario

In 2024, the political situation in Indonesia is getting heat with the presidential and local government (governor and mayor) election. For the presidential election, people will elect a new president to replace the incumbent that have completed two terms role. The economic and socio-political condition may be impacted by this political tension and by government's policies.

Hastiadi and Fithria, 2014, in their research of Dampak Pemilu Presiden pada Pertumbuhan Ekonomi, Inflasi, Nilai Tukar dan IHSG stated that presidential election gives impact to the volatility of exchange rates and composite stock price index due to psychological factors that are perceived as threats e.g. market expectations toward president and vice president candidates, instead of technical factors such as debt ratio, export-import index, or composite stock price index.

Government Stability is considered high when the financial system is strong and functioning adequately during such heat situation and the government could issue conducive policies and regulations to stabilize the market. This success may bring positive sentiment to the market, stabilize exchange rates, and strengthen buying power of consumers.

Established Infrastructure Readiness would support the performance of high-end technology products and solutions. The

performance thus will create demands and expand sales coverage to make the industry growing. Competition is tight amongst peers even though business opportunities are fruitful. In this scenario, the company needs to spoil consumers' appetite to purchase the products. Sales could be maximized to gain high market shares with the sky as the limit.

The Everybody's Fine scenario

When Government Stability is high that means the government could issue conducive policies and regulations to ensure business conditions are positive, exchange rates tend to be high, and high buying power of consumers. However, when the Infrastructure Readiness is not established, the company needs to feed high buying power consumers with products that do not require established infrastructure. Companies may think to offer secondary products with mid-end technology products and lower prices.

Competition is tighter not only amongst peers but also with new entrants with its low price imitation products that would erode market shares. A company could offer high buying power of consumers with options: 1) buy the premium products without optimum function due to not established infrastructure readiness, 2) buy secondary products of mid-end technology, good quality, and lower prices to meet consumers' needs. Whatever consumer's decisions are it would make everybody's fine.

The Hard Target scenario

In a situation when Government Stability is low e.g. market distrust candidates of president and vice president, it affects political, economic, and socio-cultural conditions. Like domino effects, such conditions may lead to weakened exchange rates, decreased buying power of consumers,



and unfavorable government policies for businesses. On the other hand, Infrastructure Readiness is established to support the operation of high-end technology products and their solution for optimum utilization.

Such unstable government pushes corporations to put their budget spending on hold, especially for big expenses products. Imported products will be pricey because of weakened exchange rates. This means consumers would look for similar products with much lower prices. Competition is tighter toward new entrants with their imitation products and low prices. New entrants may gain a significant increase in market shares.

The company needs to segregate consumers by their profile. Loyal consumers and existing consumers that still have a budget to purchase high-end technology products, should be pampered attentively perhaps by offering special discounts. Low buying power consumers may look for low price secondary products with mid-end technology that do not necessarily require established infrastructure. Such marketing strategy is required to deal with these circumstances. It is a hard target to achieve but a must.

The Whatever It Takes scenario

Government Stability is low when elections of the president and local government cause heat of political situations and affect economic and socio-cultural conditions. Exchange rates

are weakened, the consumers’ buying power is decreased, and the government regulations might be unfavorable for businesses. In addition, Infrastructure Readiness is not established where high-end technology products and solutions are not supported to function at an optimum level.

Business growth is stagnant and price becomes the main challenging factor to purchase the products. Competition is obviously against new entrants with its imitation products, low-end technology, and a very low price. They will take most advantage in such situations.

In this scenario, the company might have to concentrate on low-end technology products that do not require established infrastructure. The market will slow down due to the low buying power of consumers and unfavorable economic, social, and political situation. The scenario described is pushing the company to survive and find the best way to stay in the business. Business performance is likely dropped and sales volumes are at a minimum level, the company should do whatever it takes.

Stage 4 - Option Consideration

This exercise is about exploring the implications of each scenario to identify the strengths and vulnerabilities of the company in dealing with the future. It also identifies options to address company’s capability gaps, critical choices, and necessary actions.

Table 3. Scenario Sky’s The Limit - Implications and Options

Scenario	Implications	Options
	<ul style="list-style-type: none"> Innovative high-end technology products and solutions become hot in the market 	<ul style="list-style-type: none"> Maximize capabilities and capacities to offer premium products with innovative high-end technology and solutions Commit and consistent in launching innovative high-end technology

<p>The Sky's the Limit</p> 	<ul style="list-style-type: none"> • Market demands increased with the high buying power of consumers • Business size is enlarged, needs to develop future organization readiness • Opportunity to lead the market with innovative high-end technology • Competition with peers is tight, new entrants are not a threat 	<ul style="list-style-type: none"> • products and solutions to create consumers' needs • Develop agile and adaptive organization capabilities include talents and partners to manage the enlarged business size • Launching secondary products with mid-end technology to accommodate market under the premium segment • Implement creative sales and marketing by applying both traditional distribution and digital marketing strategies to catch premium consumers in government institutions, corporations, education sectors, and home consumers
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Table 4. Scenario Everybody's Fine - Implications and Options

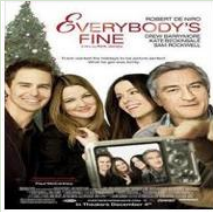
Scenario	Implications	Options
 <p>Everybody's Fine</p>	<ul style="list-style-type: none"> • Customers are not into innovative high-end technology products and solutions since the products are not supported by infrastructure readiness to operating at optimum function. • Opportunity to lead the market with secondary products in area where infrastructure readiness is not established • Competition is tight with new entrants that offer products with lower price 	<ul style="list-style-type: none"> • Emphasize offering secondary products with mid-end technology solutions that do not require infrastructure readiness at lower prices • Premium products are offered to loyal and existing consumers in areas without established infrastructures with attractive discounts • Launching new secondary products to lead the market on this segment • Intensive product knowledge training for partners to strengthen consumers support and after-sales services • Apply breakthrough traditional distribution approach to catch consumers in areas where infrastructure readiness is not supported

Table 5. Scenario Hard Target - Implications and Options

Scenario	Implications	Options
	<ul style="list-style-type: none"> • Consumers are attracted by innovative high-end technology products and solutions 	<ul style="list-style-type: none"> • Focus on offering secondary mid-end technology products and solutions with lower prices

<p>Hard Target</p> 	<ul style="list-style-type: none"> • Market demands decreased due to the low buying power of consumers • Secondary products may be attractive and competitive in the market • Competition is tight amongst peers and tighter with new entrants that sell products with lower price 	<ul style="list-style-type: none"> • Relaunch previous products with high-end technology and solution with low price • Premium products are offered to loyal consumers that are fanatic about the brand with special discounts • Optimize organization and resources capabilities i.e. talents and partners to cater support services for secondary products • Creatively apply both traditional distribution and digital marketing strategies to catch loyal consumers who are in needs for high-end technology products and solutions, and consumers who are looking for lower price products
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Table 6. Scenario Whatever It Takes - Implications and Options

Scenario	Implications	Options
 <p>Whatever It Takes</p>	<ul style="list-style-type: none"> • Market demands are low due to consumers buying power is low • Secondary products may attract consumers with low buying power • Market shares are shrinking • Market shares are eroded by new entrants that offer imitation products with at much lower price • Competition is tight amongst peers and tighter with new entrants that sell products with lower price 	<ul style="list-style-type: none"> • Offering secondary products with mid-end technology solutions low price • Offer products in the inventories with affordable price to appeal the consumers to buy • Apply personalized marketing approach to catch loyal consumers and offer products with special discounts • Apply creative digital marketing to sell low price products • Launch standard technology products and solution with low price to compete with the price of new entrants' products • Invest in consumers' engagement by lending or donating some premium and secondary products for their needs • Invest in developing agile and adaptive organization capabilities include talents and partners to prepare for the next business rebound



Stage 5 - Integration - Early Warning Signals

Integration is a step to combine scenarios, narratives, implications, and options into valuable information to guide strategic choices during the management decision-making process. The integration process

includes monitoring early warning signals that appear in the business environment to alert the likely occurrence of one scenario or another. These signals are best used to activate strategic re-evaluation and alteration. Table 7 is table of early warning signals, their indicators, and the scenarios involved.

Table 7. Summary Early Warning Signals and Measures

Critical Uncertainties	Leading indicators	Source	Sky's The Limit	Everybody's Fine	Hard Target	Whatever It Takes
Government Stability	GDP annual growth rate	Statista.com	>5% (high)	>5% (high)	≤5% (low)	≤5% (low)
	Exchange rates -Rupiah depreciation	Trading Economics.com	≤3.73% (low)	≤3.73% (low)	>3.73% (high)	>3.73% (high)
	New entrant's market shares	Managing Director (intvw)	≤9% (low)	≤9% (low)	>9% (high)	>9% (high)
Infrastructure Readiness	Government R&D budget spending	Reports Ministry of Industry and A.T. Kearney	>0.3% (high)	≤0.3% (low)	>0.3% (high)	≤0.3% (low)
	Sales growth rate	Managing Director (intvw)	>10% (high)	≤10% (low)	>10% (high)	≤10% (low)
	ICT development index	BPS.go.id	>5.13 (high)	≤5.13 (low)	>5.13 (high)	≤5.13 (low)

Strategic Imperatives

After analyzing the scenario of four alternatives future situation, its implications and options considerations, the next step is to develop strategic imperatives for the company to endure the business in all scenarios.

1. Market leader for innovative high-end technology product and solution

Keep offering innovative high-end technology and solutions to market as differentiated values and to drive consumers' needs. This commitment aligns with the company's mission to bring enjoyment and quality to people's life. Typically, consumers are passionate about products that offer

innovative technology even though it goes along with a premium price.

2. Offer secondary products

Offer secondary products for the consumers. Selling products with innovative high-end technology at a premium price is one strategy, however when consumers' concern is the price, secondary products are the alternative solution. Secondary products could also compete with new entrants with their imitation and low price products and gain the market shares.

3. Creative sales and marketing strategy

Implement creative sales and marketing strategy for innovative high-end technology products with a premium price. Big



corporations, government institutions, and the education sector consumers that are willing to spend budget for a premium price would expect personalized sales and marketing strategies. Both traditional and digital marketing strategies may be effective depends on profile of consumers.

4. Develop agile and adaptive organization capabilities

Based on the forecast GDP growth annual rate 2021-2025, the average growth is around 5%. That gives optimism for the business to grow and compete. The company should start developing adaptive organization capabilities that are focused on talents' capabilities, agile ways of working, and forward looking strategies.

V. CONCLUSION AND IMPLICATIONS

Based on reviews and analysis results of external and internal factors that affect the company and scenario planning analysis, the conclusion of this study are as follows:

1. Key focal issue of "What does the future business of PT ViewTron Indonesia look like over the next five years?" results the future uncertainties of four plausible scenarios that are The Sky's The Limit, The Everybody's Fine, The Hard Target, and The Whatever It Takes. The narratives help the company to understand the picture of their business in Indonesia over the next 5 years.
2. The company needs to consider implications and strategic options in each scenario to realize its strengths and vulnerabilities in dealing with future uncertainties.
3. During a 5-year journey, the company will be guided by early warning signals to get direction on which scenario the company

should be heading. The company should monitor early warning signals regularly to anticipate the occurrence of each scenario and then develop the best fit strategies for the scenario.

4. Strategic imperatives as should be implemented in all plausible scenarios for company to persist in current situation and to succeed in the future.
5. The company should develop a five-year implementation plan referring to annual monitoring early warning signals and incorporate the strategic imperatives into the plan.

Limitations of Research

This study is designed specifically for PT ViewTron's business in Indonesia. Considering the limited time of study and resources availability, below are limitations of this study:

1. Primary data will be obtained through interviews of the key positions in the company that sits in Indonesia.
2. The interview will not engage industry or subject matter experts due to the scarcity of experts.
3. Focus group discussion (FGD) will involve only key positions in the company. To overcome potentially biased, the researcher will facilitate the session, challenge homogenous ideas, bring a wider horizon to participants, and encourage imagination and creative thinking of participants to envisage future situations.
4. Secondary data will be obtained from public market reports or journals related to the business.
5. Scenario planning analysis will be developed through integration analysis of primary and secondary data, and FGD session.



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