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## Matching stage strategy development of PT Alam Sutera Realty Tbk: Diversification as key strategy for business sustainability

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### ABSTRACT

This study investigated the strategic development of PT Alam Sutera Realty Tbk (ASRI), focusing on diversification as a key strategy for business sustainability amidst issues of undervalued stock and unstable financial performance. A comprehensive analysis of external and internal factors was conducted using frameworks such as PESTLE, Porter's 5 Forces, Internal-External Matrix, TOWS Matrix, SPACE Matrix, Grand Strategy Matrix, Quantitative Strategic Planning Matrix (QSPM), Blue Ocean Recommendation, and Balanced Scorecard. The findings indicated that ASRI scored 3.21 on the Internal Factor Evaluation (IFE) and 3.29 on the External Factor Evaluation (EFE), placing it in the "Grow and Build" quadrant of the SPACE Matrix. This suggested strategies such as forward, backward, and horizontal integration, market penetration, market development, and product development. The Grand Strategy Matrix, supported by Competitive Profile Matrix (CPM) scores and industry growth data, advocated for diversification or new venture formation through joint ventures. QSPM analysis identified Product Development in Vertical Buildings and Sustainable Housing as ASRI's most attractive and promising strategies. Vertical building development optimized land use and met rising urban market demands, while sustainable housing appealed to the environmentally conscious segment. Future recommendations for ASRI included increased investment in research and development, partnerships with green technology firms, and continuous market trend monitoring to ensure strategic relevance and effectiveness in the evolving real estate industry. This diversified approach aimed to leverage new market opportunities and strengthen ASRI's market position through strategic expansion and collaboration.

**Keywords:** Strategic management, matching stage, strategy development, diversification, sustainability

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### INTRODUCTION

In the dynamic landscape of the real estate industry, companies face numerous challenges that can significantly impact their financial performance and market valuation (Lee et al., 2024). PT Alam Sutera Realty Tbk (ASRI), a prominent player in Indonesia's property sector, has recently grappled with issues of undervalued stock (around 0.3 to 0.5 times Price-to-Book Value in 9M 2024) and fluctuating financial results. ASRI's main business activities are in the field of integrated property development to increase quality of life. The Company's business activities include the construction and management of residential, commercial, and industrial areas, as well as integrated management of shopping centers, recreation areas, and hotels. Property sales are known to be sensitive to macroeconomic factors such as inflation, interest rate, and consumer purchasing power, therefore demands fluctuate, which translates into financial performance. On the other hand, ASRI has some debt with USD denomination, therefore when IDR weakens, ASRI's financial results will decrease. These conditions prompted a

reassessment of its strategic approach. This research paper explores the critical role of diversification as a strategic development tool for ASRI, emphasizing its importance for business sustainability in an increasingly competitive environment.

The necessity for diversification arises from both internal and external pressures that companies like ASRI encounter. External factors, such as economic fluctuations, regulatory changes, and shifting consumer preferences, necessitate adaptive strategies that can enhance resilience and foster growth (Iriani et al., 2024). Internally, ASRI's operational capabilities and resources must align with these external demands to capitalize on emerging opportunities effectively (Kurniawan et al., 2021; Li et al., 2023). As ASRI's main property products are marketed to middle-class customers, diversifying the price points and type of houses becomes mandatory. By employing strategic frameworks, this study provides a comprehensive analysis of ASRI's current position and identifies pathways for sustainable growth through diversification.

This paper aims to articulate a strategic roadmap for ASRI to answer the challenges regarding business sustainability, performance, and market expectations. By adopting a diversified strategy and portfolio, ASRI can strengthen its market position, leverage new opportunities, and ensure long-term sustainability in the evolving real estate sector. Amidst the tough economic situation, the value of making appropriate decisions will benefit the company via value enhancement and stability of financial performance and liquidity. This research not only contributes to the academic discourse on strategic management but also offers practical insights for practitioners navigating the complexities of the property industry. Utilizing an array of strategic analysis tools—including PESTLE analysis, Porter's Five Forces, and the Balanced Scorecard—this research evaluates ASRI's competitive landscape and internal strengths. The findings indicate that ASRI occupies a promising position within the 'Grow and Build' quadrant of the Space Matrix, suggesting the potential for various growth strategies such as market penetration, product development, and horizontal integration. Furthermore, the QSPM analysis highlights vertical building and sustainable housing as key areas for development, aligning with contemporary market trends and consumer demands for environmentally responsible solutions.

## LITERATURE REVIEWS

### Strategic Management

Strategic management is a comprehensive field that encompasses the formulation and implementation of major goals and initiatives undertaken by an organization's top management (Alharbi, 2024; Candra Susanto et al., 2023). According to foundational theories such as Michael Porter's Five Forces and Barney's Resource-Based View (RBV), strategic management emphasizes understanding both external market dynamics and internal capabilities to achieve a competitive advantage (Hunt & Madhavaram, 2020). This requires organizations to align resources, capabilities, and core competencies with market opportunities. Contemporary strategic management theories extend to the integration of agile practices and digital transformation, emphasizing the role of adaptability in rapidly evolving environments (Cosa, 2024).

The field has also evolved to consider global and industry-specific challenges that affect strategic decisions, such as digital disruptions, regulatory changes, and socioeconomic shifts. Key strategic management frameworks, like SWOT analysis and the Balanced Scorecard, have been instrumental in guiding managers in crafting strategic initiatives that ensure both competitive positioning and long-term value creation (Theriou et al., 2004). Strategic management is also increasingly focusing on sustainability and corporate social responsibility, underscoring the necessity of creating shared value to sustain long-term business success (Kang & Na, 2020; Rubio-Andrés et al., 2022).

### Strategy Development

Strategy development involves a structured process that enables organizations to set long-term goals and define actionable plans to achieve them (Fuertes et al., 2020). Theories in this domain have evolved from classical approaches, which advocate for deliberate, linear planning, to more dynamic and emergent strategies. Mintzberg's concept of strategy as a pattern of decisions highlights the importance of both planned and adaptive approaches, emphasizing that successful strategy development often requires balancing systematic planning with flexibility to adjust to unforeseen changes (Foss et al., 2022).

A growing emphasis in strategy development is the use of data-driven decision-making and scenario planning to account for uncertainties in complex business environments (Cordova-Pozo & Rouwette, 2023; Sylvestre, 2024). Techniques like Blue Ocean Strategy and design thinking have been influential in promoting innovation and the creation of uncontested market spaces. In the digital age, strategy development increasingly includes leveraging technological advancements and incorporating stakeholder perspectives to ensure strategies remain relevant and responsive to evolving societal demands (Martínez-Peláez et al., 2023).

### Business Sustainability

Business sustainability refers to the ability of companies to operate in a manner that ensures long-term economic

performance while minimizing negative impacts on society and the environment (Bansal & DesJardine, 2014; Hamdani & Amalia, 2022). The concept is rooted in the Triple Bottom Line (TBL) framework, which emphasizes economic, social, and environmental dimensions of performance (Wadood et al., 2023). Sustainability initiatives are essential for creating long-term shareholder value, and companies must embed these principles into their core strategies (Hermundsdottir & Aspelund, 2022). Additionally, concepts like the Circular Economy and Shared Value propose that sustainable business practices can drive innovation and efficiency while addressing pressing environmental and social challenges (Awan & Sroufe, 2022; Rodríguez-Espíndola et al., 2022).

Recent studies emphasize the strategic integration of sustainability, suggesting that it is not merely a regulatory compliance issue but a source of competitive advantage. Companies that actively engage in environmental, social, and governance (ESG) initiatives often experience improved brand loyalty and risk mitigation (Bhandari et al., 2022; Mohammad & Wasiuzzaman, 2021). However, achieving business sustainability requires overcoming obstacles such as short-term financial pressures and the complexity of measuring non-financial impacts. Therefore, continuous innovation, stakeholder engagement, and transparent reporting practices are crucial components of a successful sustainability strategy.

### **Business Diversification**

Business diversification is a strategic approach wherein companies expand their product lines, markets, or services to reduce risk and leverage growth opportunities. Ansoff's Matrix remains a fundamental model for understanding diversification strategies, which can be categorized as related (concentric) or unrelated (conglomerate) diversification. Related diversification enables firms to use existing resources and capabilities to enter new but similar markets, often leading to synergies and cost efficiencies (H. E. Lin et al., 2020). On the other hand, unrelated diversification allows firms to spread risk across industries, though it can pose integration challenges and require new managerial expertise (Mammen et al., 2021).

The impact of diversification on firm performance has been widely debated, with studies suggesting that the success of diversification strategies is contingent upon the firm's strategic intent, industry dynamics, and organizational structure (Oliveira et al., 2024). Porter's critique of unrelated diversification emphasizes the importance of strategic fit and the potential pitfalls of spreading resources too thin. Meanwhile, recent research has explored diversification in the context of globalization and digital transformation, suggesting that strategic partnerships and data analytics can enhance the effectiveness of diversification efforts by enabling better market insights and operational efficiencies (Xie et al., 2021).

## **METHODS**

### **Research Design**

This study employs a qualitative research design, integrating both descriptive and analytical approaches to explore the strategic development of PT Alam Sutera Realty Tbk (ASRI). The research focuses on the role of diversification as a key strategy for business sustainability. By utilizing various strategic analysis frameworks, the study aims to provide a comprehensive understanding of ASRI's internal capabilities and external market conditions. Data for this research were collected through a combination of secondary sources. Secondary data were gathered through a literature review, which involved examining academic journals, industry reports, and market analyses to understand the broader context of the real estate industry in Indonesia and the strategic frameworks employed by similar companies. Company reports, including annual reports, financial statements, and strategic plans from ASRI (where 2023 reports were prioritized), provided critical information on the company's performance, market positioning, and historical strategies.

### **Strategic Analysis Tools**

To assess ASRI's situation and inform the research findings, several strategic analysis tools were utilized. The PESTLE analysis framework was employed to evaluate external factors affecting ASRI, including political, economic, social, technological, legal, and environmental influences. This analysis aimed to identify macro-level trends that could impact business operations and strategic choices. Porter's Five Forces was used to assess the competitive environment of the industry by analyzing the bargaining power of suppliers and buyers, the threat of new entrants, the threat of substitute products, and the intensity of competitive rivalry. The insights gained from this analysis helped in understanding the competitive pressures ASRI faces and its strategic positioning.

The Internal-External Matrix (IE Matrix) was used to integrate internal and external assessments to identify strategic implications for ASRI. This matrix aids in determining the company's current position in the market and suggests appropriate strategies based on that position. The TOWS Matrix combines internal strengths and weaknesses with external opportunities and threats to develop strategic options, helping to identify potential areas for diversification and strategic growth.

The Space Matrix assesses ASRI's strategic position by evaluating its internal and external factors, guiding the company toward appropriate growth strategies. This matrix provides a visual representation of ASRI's

positioning and strategic direction. The Grand Strategy Matrix categorizes the strategies that ASRI should pursue based on its competitive position and market growth, emphasizing diversification and new ventures. The Quantitative Strategic Planning Matrix (QSPM) evaluates the attractiveness of various strategic options, allowing for objective decision-making regarding strategic priorities. This analysis identifies product development in vertical buildings and sustainable housing as the most promising strategies for ASRI.

Lastly, the Balanced Scorecard framework was employed to assess ASRI's strategic performance across multiple perspectives, including financial, customer, internal processes, and learning and growth. This ensures that the company's strategic objectives are balanced and aligned with overall business goals. By systematically applying these tools, this study aims to provide actionable recommendations for ASRI's diversification strategy, ensuring its alignment with market demands and internal capabilities.

## RESULTS AND DISCUSSION

### PESTEL Analysis

The external analysis of the PESTEL framework highlights significant factors influencing the property sector in Indonesia, especially ASRI (Figure 1). Government support for developing the housing sector reflects a commitment to providing adequate living conditions for the population. The upcoming 2024 elections are poised to shape policies affecting the property market, impacting stability and operational costs through property tax regulations. Economic forecasts indicate a GDP growth of 5.2%, with monetary policy adjustments, such as the recent increase in the BI rate to 6.25%, aimed at controlling inflation while boosting credit access, particularly in construction and property. Additionally, a rapidly growing population, predominantly consisting of productive-age individuals, underscores the demand for housing that caters to the preferences of younger generations concerned with sustainability.

Technological advancements play a crucial role in enhancing operational efficiencies within the property sector. The effective management of construction waste through innovative software and the adoption of IoT, AI, and big data analytics signal a shift towards smarter property management. Social media emerges as a key marketing channel, aligning with the trends of the Gen Z and Gen Y demographics that favor simple, sustainable living environments. Furthermore, regulatory requirements such as building permits (IMB) ensure compliance with safety standards and zoning laws, while the emphasis on green building certifications and sustainable materials reflects a growing awareness of environmental impact. As climate change poses increasing risks, investors are likely to prioritize safe locations and sustainable practices, shaping the future of property development in Indonesia. In line with previous research, PESTLE analysis can produce key insights regarding the current conditions, challenges, and proposed solutions, especially in the property and construction industries (Dalirazar & Sabzi, 2023).

P Political	E Economic	S Sociological	T Technological	L Legal	E Environmental
<ol style="list-style-type: none"> <li>The government supports the development of the property sector to provide adequate housing for the community.</li> <li>The upcoming 2024 elections represent a crucial moment that will shape policy directions and political stability in Indonesia, particularly regarding property-related policies.</li> <li>Property tax regulations can significantly impact operational costs and property selling prices, influencing the overall market environment.</li> </ol>	<ol style="list-style-type: none"> <li>The government is optimistic that Indonesia's GDP growth will reach 5.2% in 2024, with institutions such as the World Bank, ADB, and IMF predicting growth rates of 4.9%, 5.0%, and 5.2%, respectively.</li> <li>In April 2024, Bank Indonesia decided to raise the benchmark interest rate (BI Rate) to 6.25% to control inflation, which remains at a manageable level of 3.05%. This increase is expected to boost bank lending, particularly in the construction and property sectors.</li> </ol>	<ol style="list-style-type: none"> <li>Indonesia is experiencing rapid population growth, with projections estimating the population will reach 305.6 million by 2035.</li> <li>The demographic structure is also changing, with the productive-age population (15-64 years) making up 70.72% in 2020, indicating that a significant portion of Indonesia's population is still of working age.</li> <li>The country is dominated by Generation Z and Generation Y, who are notably concerned about environmental sustainability and favor simple housing concepts.</li> </ol>	<ol style="list-style-type: none"> <li>Construction waste management is becoming more effective through waste management software and monitoring systems.</li> <li>Technologies such as IoT, AI, big data, and cloud computing are being utilized to enhance property efficiency and management, exemplified by smart home solutions.</li> <li>Cloud-based property management systems allow for real-time monitoring of various property aspects, including energy usage, maintenance, and security.</li> <li>Social media is also being used as an effective channel for property marketing.</li> </ol>	<ol style="list-style-type: none"> <li>The requirement for building permits (IMB) ensures that constructions meet safety standards, zoning regulations, and spatial planning.</li> <li>Certificates of Ownership (SHM) and Building Use Rights (HGB) are commonly used, especially for residential and commercial buildings.</li> <li>Property sale contracts must specify the rights and obligations of both parties, including property details, pricing, payment schedules, and dispute resolution provisions.</li> </ol>	<ol style="list-style-type: none"> <li>Areas prone to disasters are avoided by investors, who choose locations that are safe from extreme climate risks. Zoning regulations may adapt to climate change by transforming commercial zones into green spaces.</li> <li>The use of sustainable materials is increasingly popular.</li> <li>The application of green certification standards, such as LEED or GBCI, is becoming standard for sustainable construction. Additionally, regulations aimed at reducing carbon emissions are becoming stricter, alongside the implementation of renewable energy technologies.</li> </ol>

FIGURE 1. PESTEL Analysis of ASRI

### Porter's 5 Forces

The analysis of the external conditions using Porter's Five Forces reveals a highly competitive landscape in the real estate industry, particularly in Alam Sutera. Rivalry among existing competitors is intense, driven by factors such as product differentiation and fierce price competition, especially for the middle to lower market segments. This high level of competition is compounded by the presence of numerous companies involved in development, making it challenging for individual firms to maintain market share. While the threat of new entrants is relatively low due to substantial initial capital requirements and stringent regulatory processes, the real estate market remains attractive, with ongoing competition for consumer attention and loyalty.

The threat of substitutes in this market is moderate, with alternative property developments in Tangerang, Jakarta, and other surrounding areas providing potential competition. Additionally, buyers have significant bargaining power due to the abundance of options and their increasing access to information regarding prices and property quality. This dynamic empowers customers to negotiate better terms. Conversely, suppliers' bargaining power is relatively low, as there are many suppliers for building materials; however, those providing specialized or high-quality materials can exert greater influence. Overall, the interplay of these forces highlights the challenges and opportunities faced by firms in the Alam Sutera real estate market.

**TABLE 1. Porter's 5 Forces Analysis of ASRI**

Rivalry of Competitors	Threat of New Entrants	Threat of Substitutes	Customer Bargaining Power	Supplier Bargaining Power
<b>Product Differentiation:</b> There is competition in terms of product differentiation and the facilities offered.	<b>Initial Capital:</b> The real estate industry requires a very large initial investment (land purchase, infrastructure development, and property construction).	<b>Substitute Products in Other Locations:</b> Many other property development areas in Tangerang, Jakarta, and surrounding areas.	<b>Bargaining Power with Alternative Options:</b> The large number of property options around Tangerang and Jakarta increases buyers' bargaining power.	<b>Bargaining Power:</b> The large number of building material suppliers makes their bargaining power relatively low.
<b>Price:</b> Fierce price competition, especially for the middle to lower segment. Competition in the real estate industry in Alam Sutera is relatively high.	<b>Regulation and Licensing:</b> The strict licensing and regulatory process from the government is an obstacle for newcomers.	<b>Alternative Investments:</b> Investments in other sectors such as stocks, bonds, or gold.	<b>Information:</b> Buyers are getting smarter and better informed about the price and quality of the property.	<b>Dependence on Quality:</b> However, suppliers with high-quality or specific building materials can have higher bargaining power.
		<b>Substitute Attraction:</b> A location with better access or more complete facilities can be a substitute.		
<b>Conclusion:</b> Competition is high, many companies are engaged in development.	<b>Conclusion:</b> The threat of newcomers in the real estate industry is relatively low.	<b>Conclusion:</b> The threat of substitute products is categorized as moderate.	<b>Conclusion:</b> The bargaining power of buyers in the real estate industry in Alam Sutera is relatively high.	<b>Conclusion:</b> The bargaining power of suppliers in the real estate industry in Alam Sutera is relatively low.

### Internal-External (IE) Matrix

The Internal Factor Evaluation (IFE) Matrix is a strategic formulation tool used to summarize and evaluate the key strengths and weaknesses within a business's functional areas, providing a foundation for identifying and assessing relationships between these areas. To determine competitive advantages, we utilized the VRIO Analysis (Valuable, Rareness, Inimitable, and Organized) to assess strengths and weaknesses (Chatzoglou et al., 2018). While the IFE Matrix focuses on internal strategy formulation, the External Factor Evaluation (EFE) Matrix is a tool used to summarize and evaluate external information, including economic, social, cultural, demographic,

environmental, political, governmental, legal, technological, and competitive factors. For this purpose, we applied the previously discussed PESTEL analysis.

Based on the analysis, the IFE and EFE Matrices scored 3.21 and 3.29, respectively. These scores will be used to determine the most suitable strategies for ASRI to remain competitive using the IE Matrix. The IE Matrix is a strategic management tool used to analyze a business's operational environment and strategic position. It consists of two main dimensions: (1) the total weighted score of the IFE on the X-axis and (2) the total weighted score of the EFE on the Y-axis. The analyzed IE Matrix results are as follows. With IFE and EFE scores of 3.21 and 3.29, respectively, ASRI falls into the Grow and Build quadrant (Cell I). The recommended strategies for this position include forward, backward, and horizontal integration, market penetration, market development, and product development. Previous study also highlighted how IE Matrix may produce the best strategy for property firm in Jakarta, such as Hold and Maintain by maximizing current product and service quality, improving operational efficiency, and retaining market share (Setiaji et al., 2024).

**TABLE 2. Internal-External Matrix Analysis**

		IFE Total Weighted Score		
		Strong 4,00 to 3,00	Average 2,99 to 2,00	Weak 1,99 to 1,00
EFE Total Weighted Score	High 4,00 to 3,00	I	II	III
	Medium 2,99 to 2,00	IV	V	VI
	Low 1,99 to 1,00	VII	VII	IX

#### TOWS Matrix

The TOWS analysis (Threats, Opportunities, Weaknesses, and Strengths) is a strategic method used to identify and assess both external and internal factors influencing a business. The TOWS matrix expands upon the SWOT analysis (Strengths, Weaknesses, Opportunities, Threats), with a focus on the implementation of strategies based on the identified elements. TOWS analysis is applied for strategic planning and decision-making. Building upon the Internal Factor Evaluation (IFE) and External Factor Evaluation (EFE) previously outlined, the following table presents a summary of the SWOT analysis for ASRI, followed by the TOWS analysis aimed at generating strategies that integrate the various components of SWOT. This analysis results in nine distinct strategies, which will be further evaluated during the matching decision stage.

**TABLE 3. TOWS Analysis**

	STRENGTH	WEAKNESS
	Trusted reputation and experienced management team (S1) Diversified market segments and product offerings (S2) Consistent launch of sustainable new projects (S3) Safe, healthy areas with non-motorized vehicle access (S4) Diverse religious facilities in residential areas (S5) Development of self-sustained cities (S6) Possession of its own central business district (S7) Good corporate governance (S8)	Limited land reserves compared to competitors to support business expansion (W1) The township location is less scenic compared to competitors (W2) Township location has less strategic access (W3) Alam Sutera is not the only development with its own mall (W4)
OPPORTUNITY	S-O	W-O
Government support for housing development (O1)	Increase development density by focusing on vertical growth, such as high-rise buildings, to maximize the	Enhance development density by focusing on vertical expansion, such as high-rise buildings, to optimize the

<p>Elections (2024) shaping policy direction (O2)                  Expected 5.2% GDP growth in 2024 (O3)                  Rapid population growth in Indonesia (O4)                  Demographic shifts (O5)                  Improved construction waste management through software and monitoring systems (O6)                  IoT, AI, big data, and cloud computing enhance property efficiency and management (O7)                  Cloud-based property management systems enable real-time monitoring (O8)                  Social media is an effective marketing channel for properties (O9)                  Building permits are required for construction (O10)                  Proof of ownership right is the highest and most secure legal ownership (O11)                  Property contracts must outline the rights and obligations of both parties (O12)                  Disaster-prone areas are avoided (O13)                  Sustainable materials are increasingly popular (O14)                  Adoption of green certification standards (O15)</p>	<p>use of limited land (O1, O2, O4, O5, W1, W3)                  Collaborate with landscape and urban planning experts to design greener and more attractive areas (O1, O4, O5, O13, O14, O15, W1, W2, W4)</p>	<p>use of limited land (O1, O2, O4, O5, W1, W3)                  Collaborate with landscape and urban planning experts to create greener and more appealing areas (O1, O4, O5, O13, O14, O15, W1, W2, W4)</p>
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THREAT	S-T	W-T
<p>Property tax policies impact operational costs and property prices (T1)                  Rising benchmark interest rate (T2)                  Environmentally conscious Gen Z &amp; Gen Y prefer simple living (T3)</p>	<p>Develop residential products focused on environmental sustainability and simple living concepts to appeal to Gen Z and Gen Y, such as using sustainable materials and energy-efficient designs (T3, S1, S2, S3, S4, S8)                  Utilize modern technology to enhance efficiency in construction and operational processes, thereby mitigating the impact of rising operational costs due to tax policies and high interest rates (T1, T2, T3, S1, S2, S4, S7, S8)</p>	<p>Organize community programs and educational initiatives on the importance of a green and healthy environment to increase resident engagement and awareness (T3, W2, W3)                  Collaborate with local governments to enhance transportation infrastructure in the township, including road improvements, public transportation facilities, and non-motorized vehicle paths (T1, T2, T3, W2, W3)                  Develop a shopping center or mall with a unique concept that emphasizes sustainability and comfort, such as</p>

Market the diversity of religious facilities as an added value in creating an inclusive and harmonious community, which can attract various market segments, including Gen Z and Gen Y (T3, S1, S2, S3, S5, S6)

incorporating indoor gardens, green open spaces, and eco-friendly tenants (T3, W1, W2, W4)

### SPACE Matrix

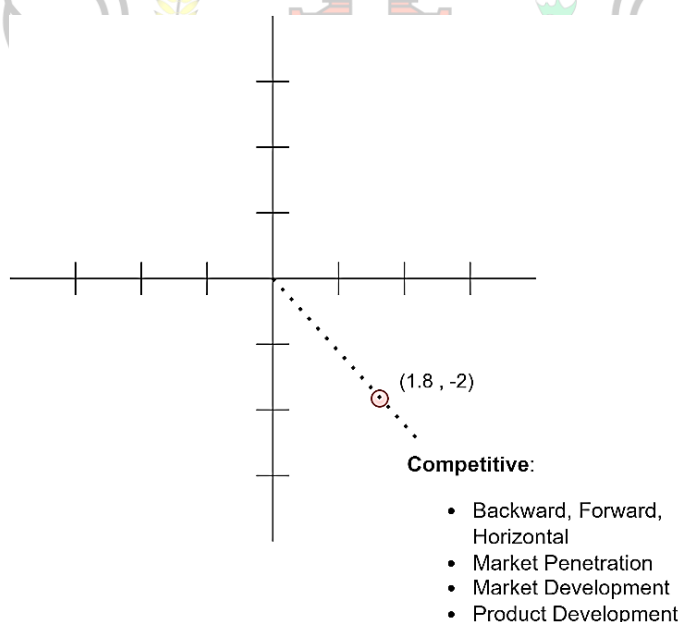
The Space Matrix (Strategic Position and Action Evaluation) is an analytical tool that helps companies assess their strategic positioning and identify the most appropriate strategies based on four key dimensions: Industry Stability (IS), Industry Strength (IS), Competitive Advantage (CA), and Financial Strength (FS). This matrix illustrates a company's position within one of four quadrants: Aggressive, Conservative, Defensive, and Competitive. The quadrant in which a company is positioned subsequently indicates the type of strategy it should pursue. In conducting the Space Matrix analysis, two indicators from each of the dimensions are employed:

**TABLE 4. Space Matrix Analysis. (A) Indicators and Dimensions' Score. (B) Overview of Company's Position and Alternative Strategies**

Financial Position	Rate	Stability Position	Rate
Leverage	5	Rate of Interest	-6
Liquidity	3	Price Range of Competing Products	-6
<b>Average</b>	<b>4</b>	<b>Average</b>	<b>-6</b>

Competitive Position	Rate	Industry Position	Rate
Technological Know-How	-2	Growth Potential	6
Control Over Suppliers & Distributors	-3	Ease of Entry to Market	5
		Ease of Exit from Market	2
<b>Average</b>	<b>-2.5</b>	<b>Average</b>	<b>4.3</b>



**FIGURE 2. Space Matrix Analysis. (A) Indicators and Dimensions' Score. (B) Overview of Company's Position and Alternative Strategies.**

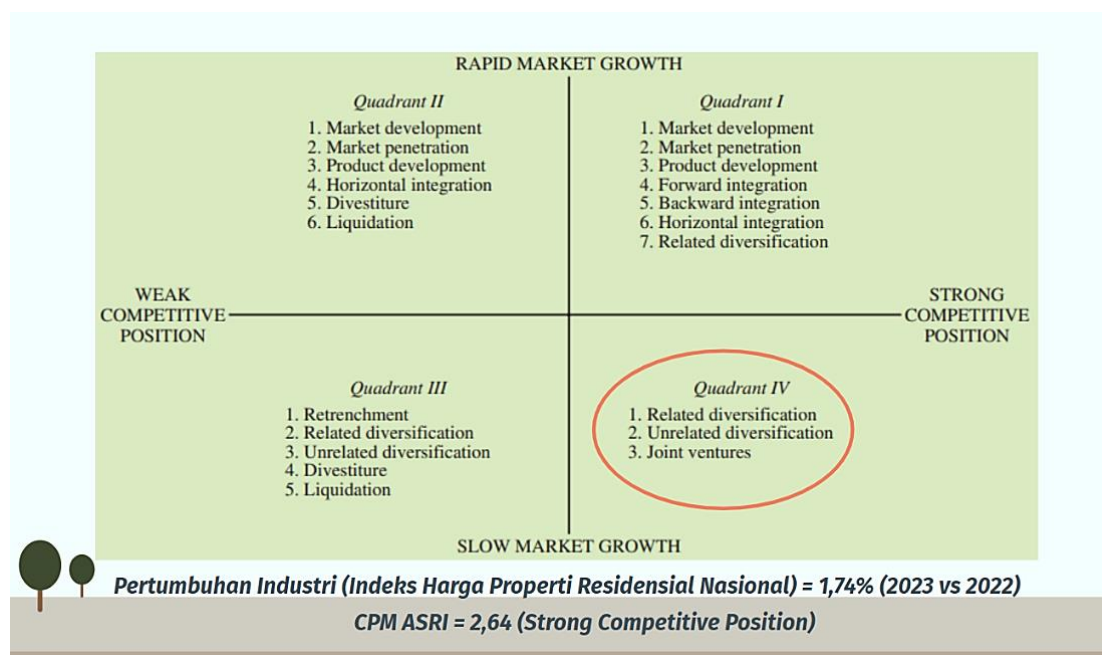
### Grand Strategy Matrix

The Grand Strategy Matrix is a strategic analysis tool designed to assist companies in identifying the most effective strategies based on their competitive position and market growth. This matrix is divided into four quadrants, determined by two key dimensions: competitive position (strong or weak) and market growth (rapid or slow). Firms positioned in the first quadrant, characterized by strong competitive standing and rapid market growth, are advised to pursue expansion and product development strategies. Conversely, companies in the fourth quadrant, with weak competitive positions and operating in slow-growth markets, should consider strategies such as



divestment or liquidation. The Grand Strategy Matrix enables firms to understand their position within the market and competitive landscape, facilitating the determination of the most appropriate strategic actions to enhance performance and competitiveness (T. Y. Lin, 2023).

In applying the Grand Strategy Matrix, ASRI's competitive score was derived from a Competitive Profile Matrix (CPM) analysis, while industry growth data were benchmarked against a 5% growth rate threshold. Based on these assumptions, the analysis of the Grand Strategy Matrix yields specific strategic recommendations for ASRI. These include pursuing diversification or establishing new ventures through joint ventures.



**FIGURE 3. Grand Strategy Matrix of PT Alam Sutera Tbk.**

#### Quantitative Strategic Planning Matrix (QSPM)

Previous analysis revealed some available strategies for ASRI, such as Backward/Forward/Horizontal Integration, Market Penetration, Market Development, and Product Development based on the SPACE Matrix; and Related Diversification, Unrelated Diversification, and Joint Ventures based on the Grand Strategy Matrix. Then, strategies from the TOWS Matrix that align with these strategies of the SPACE Matrix and Grand Strategy Matrix were selected, resulting in 4 main strategies. These strategies are:

- a. Launching the Green & Sustainable Certification-Based Project
- b. Vertical Building Product Development
- c. Sustainability Housing Products That Attract Millennials
- d. Using Modern Technology for Construction & Operational Efficiency

Then, QSPM was utilized to identify the most favorable strategy. From the results of the QSPM analysis, it can be concluded that Strategy 2 (Vertical Building Product Development) and Strategy 3 (Sustainable Residential Product Development) are more attractive and have more potential than the other two strategies. In line with previous research on Vietnamese real estate developers, QSPM produced the best recommendations that can be proposed to the firm, based on impacts and urgency (Banka et al., 2022).

**TABLE 5. Quantitative Strategic Planning Matrix of ASRI**

	Alternative Strategy			
	Strategy 1	Strategy 2	Strategy 3	Strategy 4
Opportunity & Threat	3,43	3,92	3,90	2,54
Strength & Weakness	2,62	3,53	3,57	2,88
Final Attractiveness Score	3,02	3,72	3,74	2,71

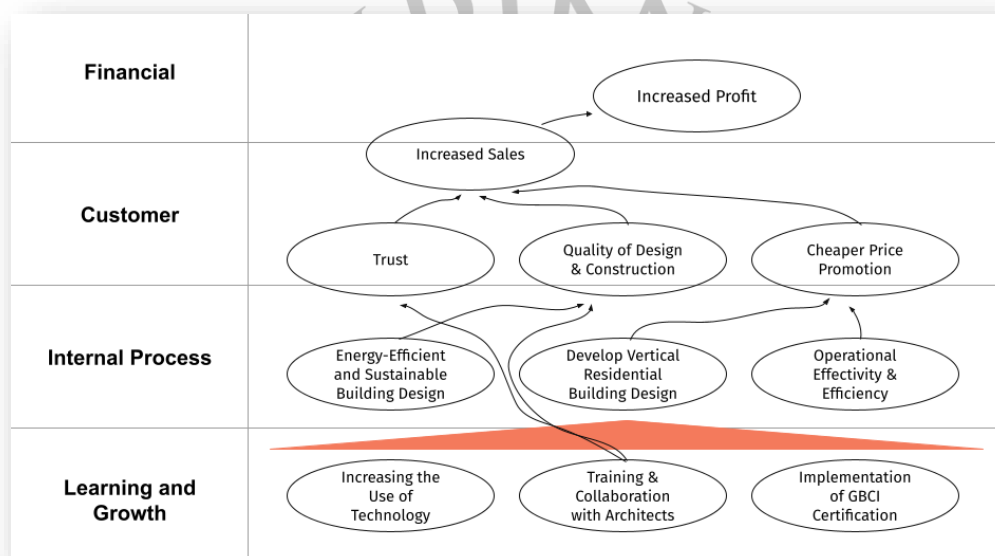
#### Balanced Scorecard

To enhance performance and competitiveness in the market, ASRI needs to establish several key strategic priorities. First, the company can focus on increasing customer trust and satisfaction through reliable and high-quality services, while promoting green and energy-efficient building practices, implemented with effective and

efficient operations. Second, another priority is to boost sales and market penetration through competitive pricing strategies, expanding reach to new markets and vertical building designs, and attracting a broader customer base including middle-to-lower income families. Third, the company must commit to optimizing operational efficiency by adopting new technologies that can streamline construction and operational processes, enhancing staff training and development, and reducing operational costs while maintaining high-quality standards.

In the strategy map graphic outlined above, there are four objectives ASRI can undertake to compete with its competitors. From the Learning and Growth perspective, we propose enhancing technology usage, collaborating with architects and urban planners, and implementing green building certification standards by GBCI (Green Building Council Indonesia). This will impact their internal business operations, resulting in energy-efficient and sustainable building designs, the development of vertical housing (high-rise buildings), and more effective and efficient operational sectors. This will influence ASRI's customers, making the company more trustworthy, improving the quality of design and construction in the Alam Sutera area, and offering more affordable prices. Ultimately, ASRI's financial performance will improve due to increased sales, leading to higher profits.

The Balanced Scorecard has traditionally been associated with measuring a company's overall performance, with a strong emphasis on financial outcomes as a central aspect. Recently, a new concept known as the Sustainability Balanced Scorecard has emerged, serving as a tool to assess not only financial performance but also a company's sustainability initiatives (Mio et al., 2022). Integrating this framework could align seamlessly with ASRI's focus on sustainability, delivering clear insights on how to significantly improve financial performance and environmental impact.



**FIGURE 4. Proposed Strategy Map of ASRI**

### Blue Ocean Recommendation

The Blue Ocean strategy focuses on avoiding fierce competition in existing markets and creating untapped market spaces. This approach can help property companies create value for customers and differentiate themselves from competitors (Kim, 2005). ASRI is one of the leading property developers in Indonesia, known for constructing integrated communities that include residential, commercial, and public facilities. However, like many other developers, ASRI faces intense competition in a mature property market. Therefore, several Blue Ocean strategy recommendations for ASRI include:

a. Innovation in the Concept of Eco-Living

By combining contemporary residential concepts with sustainable environmental components, ASRI can build residential areas with environmentally friendly designs. This includes the sustainable use of building materials, renewable energy installations, such as solar panels, efficient water management systems, and plenty of green spaces. The added value of this proposition is to attract customers who care about the environment and adopt an eco-friendly lifestyle while also reducing the utility costs of residents over a long period of time.

b. Smart Community Development

ASRI has the potential to create a community connected to modern technology by promoting smart home and smart city technology in the region. Integrated security systems, high-speed internet networks,

mobile apps for property management, and connected public facilities, such as smart parking and smart lighting, are all examples of these things. The added value of this proposition is to increase the comfort and safety of residents while also attracting professionals and millennials who prioritize the convenience of technology.

c. Innovative Property Ownership and Investment Programs

By offering more attractive and flexible property investment and ownership schemes, ASRI can provide co-ownership or fractional ownership programs that allow multiple individuals to own a portion of a property. This approach offers various property investment options that present appealing returns on investment. By enabling property ownership for a broader demographic, including small investors and millennials, it creates profitable investment opportunities that come with measured risks, proposing value-addition for ASRI's customers and stakeholders.

## CONCLUSIONS AND SUGGESTION

### Conclusions

Based on the analysis using the IFE and EFE, which received scores of 3.21 and 3.29 respectively, ASRI is positioned in quadrant one of the Space Matrix, indicating that the appropriate strategy is "Grow and Build". This includes forward, backward, and horizontal integration, as well as strategies for market penetration, market development, and product development. The Grand Strategy Matrix analysis, which utilizes competitive scores from the CPM and industry growth data, indicates that ASRI is well-positioned to pursue diversification or establish new ventures through joint ventures. The combination of these analyses highlights the significant potential for ASRI to capitalize on new market opportunities and strengthen its position through various forms of strategic expansion and collaboration. The findings from the QSPM reveal that the most attractive and promising strategies for ASRI are Product Development in Vertical Buildings and Sustainable Housing. The development of vertical buildings can help ASRI maximize land use and meet the increasing demands of urban markets. Meanwhile, focusing on sustainable housing products can attract an environmentally conscious market segment.

This study encountered several notable limitations that impacted the scope and findings. Firstly, the formulation of a robust strategy hinges on the availability of comprehensive and accurate data to evaluate market conditions, identify gaps, and assess competitive landscapes. The lack of detailed data may have constrained the depth of the analysis and the precision of strategic insights. Secondly, comparing ASRI with other publicly listed property companies presented challenges due to the varying focus of each company's property portfolio. These differences in specialization and market segments were not fully controllable, potentially introducing bias during the comparative analysis. Lastly, this study was based solely on secondary data sourced from media and online platforms. The absence of primary data from key informants limited the study's ability to capture insider perspectives and in-depth insights that could have enriched the findings.

### Suggestion

For future plans, ASRI is advised to increase investment in research and development, forge partnerships with green technology firms, and continuously monitor market trends to ensure that the chosen strategies remain relevant and effective in the ever-evolving real estate industry. The analysis of ASRI reveals several avenues for future research and analysis that can enhance strategic decision-making and business performance. Longitudinal studies assessing the effectiveness of the recommended strategies over time would provide insights into their long-term viability. Additionally, ongoing analysis of emerging market trends using predictive analytics is crucial to understanding how socio-economic changes and consumer preferences affect demand for vertical and sustainable housing. Developing specific sustainability metrics to evaluate the environmental impact of ASRI's initiatives, as well as a deeper exploration of the competitive landscape, would yield valuable insights into market positioning. Investigating the dynamics of potential joint ventures can clarify strategic partnerships while exploring technological innovations in construction could align ASRI with consumer preferences for smart features. Furthermore, examining the regulatory landscape surrounding sustainable housing will help identify challenges and opportunities. By pursuing these research avenues, ASRI can ensure its strategies are responsive to current market conditions and positioned for sustained growth in the evolving real estate landscape.

Future research should consider the inclusion of primary data collection methods, such as interviews with industry experts, stakeholders, and company representatives. This approach would provide deeper insights into the strategic decisions and challenges faced by property companies, enabling a more nuanced analysis. Additionally, conducting a longitudinal study that tracks market trends and company performance over a longer period would enhance the understanding of strategic shifts and their impact. Researchers should also explore a more standardized method for comparing companies with different property portfolio focuses to minimize bias and improve the reliability of comparative analyses.

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