

Exploiting Similarities as Internationalization Strategy: A Case of MR.DIY Successful Expansion into the Indonesian Market

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Abstract

It has been widely known that multinational national enterprises (MNEs) have been part of important agencies playing a critical role in determining global governance. Increasing globalization which comes out in various forms has crucially facilitated the operation of MNEs globally as well as increased MNEs' influence on global politics. However, similarities and differences that could come in the forms of culture, politics, geography, and economy, are still critical hindrances for MNEs competing internationally. Building and employing a spot-on internationalization strategy, therefore, becomes a crucial issue. Using MR. DIY's successful expansion into the Indonesian market as a case, this article highlights how cultural adaptation could become a key success for an MNEs' global expansion. Equally, it reveals how far culture is needed by MR. DIY's when doing its international expansion into the Indonesian market. The case informed that some similarities in cultural elements can be instrumental requisites supporting the success of exploiting cultural similarities as an internationalization strategy. These cultural elements are potential sources for adjustment steps with local culture through the adaptation process.

Keywords: COVID-19; Diplomasi vaksin; Belt and Road Initiative (BRI); Mask Diplomacy; MENA

Abstrak

Telah diketahui secara luas bahwa perusahaan multinasional nasional (MNEs) telah menjadi bagian dari lembaga penting yang memainkan peran penting dalam menentukan tata kelola global. Meningkatnya globalisasi yang muncul dalam berbagai bentuk telah secara krusial memfasilitasi operasi MNE secara global serta meningkatkan pengaruh MNE dalam politik global. Namun, kesamaan dan perbedaan yang bisa muncul dalam bentuk budaya, politik, geografi, dan ekonomi, masih menjadi kendala kritis bagi MNE untuk bersaing secara internasional. Oleh karena itu, membangun dan menerapkan strategi internasionalisasi langsung menjadi isu krusial. Menggunakan ekspansi sukses MR. DIY ke pasar Indonesia sebagai kasus, artikel ini menyoroti bagaimana adaptasi budaya dapat menjadi kunci sukses untuk ekspansi global MNE. Selain itu, juga mengungkapkan seberapa jauh budaya dibutuhkan oleh MR. DIY saat melakukan ekspansi internasionalnya ke pasar Indonesia. Kasus tersebut menginformasikan bahwa beberapa kesamaan dalam unsur budaya dapat menjadi syarat instrumental yang mendukung keberhasilan pemanfaatan kesamaan budaya sebagai strategi internasionalisasi. Unsur-unsur budaya tersebut merupakan sumber potensial bagi langkah-langkah penyesuaian dengan budaya lokal melalui proses adaptasi.

Kata Kunci: Adaptasi; Ekspansi; Strategi Global; Indonesia; Malaysia; MR. DIY, Kemiripan.

Introduction

MR. DIY is a Multinational Enterprise (MNEs) that originated in Malaysia. The sector of the business is consumer products and services. The main Headquarter is in Seri Kembangan, Selangor Darul Ikhsan, Malaysia (DIY M 2023a). Recently, as of 3rd January 2023, MR. DIY has a total of 955 stores in Malaysia (DIY M 2023b). MR. DIY offered an average of 18,000 product varieties which includes hardware, household, electrical, car accessories, furnishing, stationery and sports, toys, gifts, computer and mobile accessories, and jewellery & cosmetics (DIY M 2023c). The vision of MR. DIY is to be the largest home improvement store in Malaysia. The missions of the MNEs are to (1) create an internationally recognized ASEAN retail brand, (2) to maintain product type, quality, and value, and (3) to hold true towards the company motto "Always Low Prices" (Glints 2023). It has proven so with the expansion globally and the growing number of MR. DIY stores across the globe, which also means the sales accumulating which is proven so.

Looking back at MR. DIY's history, it began in July 2005 with just one hardware MR.D.I.Y. (Kedai Logam dan Perkakas Rumah) shop on Jalan Tuanku Abdul Rahman. By the end of the first year, it had expanded and was running three shops, and it is now what is known today (Dayangku 2020). The owner and founder of MR. DIY is known as the duo of Tan Yu Weh and Yu Wei from Malaysia (Ulya 2021). In addition, MR. DIY has achieved many awards in Malaysia. The Malaysian MNCs already received an award in the National tier of the Retailer-Home Improvement Category which is the "Brand of the Year" award. It comes from the World Branding Awards of 2018, which were held in London's Kensington Palace. The World Branding Forum, a global non-profit organization devoted to developing branding standards, organized the award. It is regarded as the highest honour a brand can receive for worldwide brand recognition (manilabulletin_admin 2019). According to (World Branding Awards 2023b) website, it is stated that MR. DIY has achieved an award in Malaysia which is a Gold Award from the Putra Brand Awards 2021 under the category of Retail. What is special about Putra Brand Awards is that it is the only award that is endorsed by Malaysia External Trade Development Corporation (MATRADE) and also voted by the consumers (Awards P. B 2023a). From the website of MR. DIY (2022d), which entitles "MR.DIY dinobatkan sebagai Toko DIY favorit di Asia Tenggara", the recent achievement by MR. DIY is winning Southeast Asia's Favourite DIY Store for being positioned as National Brand of The Year 2018-2020 and Regional Brand of The Year 2021-2023 approximately 5 years in a row, from the World Branding Awards.

Central inventory and distribution systems serve to support MR. DIY's operations, and guarantee that stores have enough products to fulfil client demand. The group runs a distribution centre in Balakong, Seri Kembangan, and Port Klang that consists of a cluster of 13 closely spaced buildings with a combined area of over 700,000 square feet. From this centre, all products are delivered to stores throughout Peninsular Malaysia via a fleet of 113 trucks, and to stores in East Malaysia and Brunei via third-party freight service providers. Products are also delivered to some Peninsular stores that are inaccessible to the Group's trucks through third-party freight providers (Kenanga 2021). MR. DIY Plus at the Mid Valley Megamall is an updated store. It serves various types of products and is the first and largest MR. DIY store with that type (Mid Valley Megamall 2023). Selan (2020) stated that when a small-town hardware store from the past is mentioned, one can picture that familiar sight of the store because it might be the same due to how it was portrayed on television, how others portrayed the store, and how one would perceive the situation of the store if they were experiencing it alone. Ladders and gardening tools are typically neatly stacked by the side of the entrance or in front of the store, along with stacks of paint cans and rolls of wire screen. While their appearance hasn't changed for years, the rise of hardware chain stores is forcing them out of their familiar surroundings and onto the huge internet. These traditional hardware stores, which for decades have catered to customers in need of hammers and nails, a replacement pipe for the kitchen sink, or a new broom, could face stiff competition from this.

Nowadays MR. DIY as the representative of a successful hardware shop from Malaysia has proved that they can appear exclusive too (World Branding Awards 2023b). In Malaysia, MR. DIY can be found in Tesco, Giant, and Aeon (Dayangku 2020). A new approach to how a contemporary retail store format from the city will transform or adapt with a new concept in the rural area and small towns will be marked by the opening of MR. DIY Express. It will increase everyone's access to MR. DIY. It won't be difficult for MR. DIY to build and grow the store, though, because it will be smaller (Yu 2021).

Globally, there are about 2000 MR. DIY stores all around the world, with the size of each store roughly 1,000 square metres (DIY M 2023e). Rasid (2021) stated that with Turkey as the latest addition of MR. DIY overseas, it has stepped into the 9th country of business expansion. The location of store will be at a shopping centre in Ümraniye, Istanbul at the Meydan Istanbul AVM. Another store is located in Bursa. Meanwhile, in Spain, the stores are located in Madrid and Guadalajara (DIY International 2022). With that, it can be seen that MR. DIY has achieved a new milestone by stepping into European Countries. By the end of 2020, the goal of MR. DIY is to open up to 40th and 50th stores in Turkey. However, it only managed

to open only 31 stores by the date of 3 January 2023. Other countries that locate MR. DIY include Thailand (555 stores), Brunei (7 stores), Indonesia (463 stores), Singapore (12 stores), Philippines (311 stores), India (94 stores), Cambodia (2 stores), and Spain (15 stores) (DIY M 2023e). MR. DIY first opens its branch overseas in Thailand with a few branches (News Directory 3 2022).

Nowadays Thailand has the second-largest number of MR. DIY stores in the world after Malaysia. From the website "Toko Ke-463 di FS Ruko Sutami Bukit Bestari Tanjungpinang!", (DIY M 2023f) mentioned that MR. DIY is not only successful in Malaysia but MR. DIY performance in Indonesia also has been going smoothly as it now has 463 stores in Indonesia, as of 23 November 2022. In the writer's opinion, the significance of MR. DIY opening its store in Indonesia is remarkable to present a wider selection of home products that everyone can get easily just by stepping into MR. DIY's store. Besides, as Indonesia is known as Malaysia's closest neighbour geographically, it would not be weird for Malaysia's SMEs to open its branch in Indonesia. In terms of the Indonesian consumer perspective, the existence of MR. DIY would be significant because if there are many stores that have the concept of MR. DIY, it would be beneficial for them as there will be competition between the corporation, and consumers will have a wider selection in purchasing the products. MR. DIY's successful entry into the Indonesian market is remarkable since it is not easy for MNCs to get into the foreign market without a proper global strategy. It is interesting to analyse MR. DIY's strategy in Indonesia since Malaysia and Indonesia are quite similar in terms of language, religion, ethnicity, and skin tone. Thus, this paper aims to analyse "*What is the strategy that MR. DIY used in making them successful in the Indonesian market?*". In response to the research question, the writer would like to argue that the success of MR. DIY in Indonesia is due to MR. DIY ability to employ the adaptation strategy, which exploits similarities when entering the Malaysian market

Ghemawat's Adaptation Strategy as Key Reference for Global Business

The rapid pace of globalization during the 1990s has created a new wave of Multinational enterprises (MNEs) in the world. MNEs means a private company which operates or opens a branch in more than one country. It usually has a headquarter in its origin country and operates globally in other countries. There are many successful stories of MNEs that achieved success globally. For instance, Starbucks manages to open many branches in most countries, Apple manage to open its official stores globally, and Coca-Cola is now known as a familiar carbonated drink in the world. The success of these MNEs can be analysed from their global strategies. It is important to note that, it is not easy for MNEs to expand or do their business

globally. A global strategy needed to be considered and analysed before an MNEs enters and ensures the existence of the corporation in the global market. However, a global strategy cannot be done based on assumptions only or operates just like in the country of origin. It is due to the reason that there are still many elements and factors that needed to be considered. For instance, culture, administrative, geographic, and economy.

Ghemawat (2003) argued that globalisation in fact has exposed more differences rather than similarities. It is due to the reason of cultural, administrative, geographic, and economic differences and similarities that the country has. He then proposed semi-globalization which is the world we are all living in now, rather than globalization since globalization only looks for similarities. He further found that although globalization always promotes similarities, a world without borders, and free trade, unfortunately, it is not likely to happen since there is a border for each country. It is due to the reason that if there is no border, there will be no security. In addition, trade also must be done through mutual agreements, as tariffs and taxes still exist between countries. Thus, he would propose for the world that we are living in now is semi-globalization instead of globalization. He later suggested a strategy for the MNEs to follow or become guidelines so that it would profit the MNEs more. For MNEs to expand business globally he comes up with Triple A strategy which is aggregation (exploit similarities), adaptation (adjust to differences), and arbitration (exploit differences). It can help the MNEs to actually recognize the strength of the market.

Aggregation seeks standardization and concentrates on any similarities that may be found in order to expand its economic and geographic reach while no longer taking into account culture, ethnicity, and religion (Ghemawat 2001). Literature has considered adaptation as the middle ground that will balance out the global and local in order for the thing to be accepted (Ghemawat 2001). It means that the strategy of adaptation will consider local responsiveness. For instance, it can be accomplished by localizing items. For instance, altering the product to increase consumer interest in purchasing it. Arbitrage is the strategy to exploit the differences in terms of cultural, administrative, geographic, and economic differences so that the MNEs can construct a strategy which suits the targeted place (Ghemawat 2001). The Triple A strategy would become a good resource or framework for any MNEs to follow since it already includes the overall aspect of an MNCs entering one country.

The MNEs can either adopt aggregation, adaptation, or arbitration in expanding business globally. Interestingly, adopting all the Triple A strategies also would become possible for the MNEs referring on the condition of the country that it would like to expand the business. In the

case of MR. DIY in Indonesia, the explanation of MR. DIY's successful expansion to the Indonesian Market can be further explained based on the adaptation strategy which includes decentralization, decomposition, modularisation, recombination, innovation, transformation, and scope selection. But it's important to keep in mind that not all local plans can fit into global strategies and vice versa. Hence, what it can do is by finding similarities as much as it can and try to adapt to the current situation, which means doing a few changes to the strategy.

The role of the government of Malaysia and Indonesia in The Expansion of MR. DIY in Indonesia (MNE)

Before going deeply into the strategy, it is also important to know the medium for Malaysia's MNC to do business in Indonesia. Malaysia and Indonesia are both the members of Association of Southeast Asian Nations (ASEAN). The Association of Southeast Asian Nations (ASEAN) is an intergovernmental organization which was founded in 1967 with only five members of Southeast Asian Nations including Malaysia, Indonesia, Philippines, Singapore and Thailand. Currently, it has added five members which are Brunei, Laos, Myanmar, Cambodia, and Vietnam. The aim of ASEAN is to promote economic growth and regional stability of the region since it opinionated that with a stronger economy, there will be no war in the region and the influence of communism can be avoided during that time (Wood 2017). Referring to the ASEAN Declaration point number one, which is *"to accelerate the economic growth, social progress and cultural development in the region through joint endeavours in the spirit of equality and partnership to strengthen the foundation for a prosperous and peaceful community of Southeast Asian nations"* it has influenced the member countries to do business either bilateral or multilateral among themselves (NTI 2021).

Wood (2017) argued that the situation has become more beneficial for the countries as ASEAN established the ASEAN Economic Community (AEC) in 2015. The AEC envision ASEAN as a bloc with a single market where the freer movement of capital across the region, free flow of goods, services, investments and skilled labour across the region. Interestingly to say, if ASEAN were a country, it would be the seventh-largest economy in the world. The combined GDP of ASEAN members in 2014 is \$2.6 trillion. The combined population would be 622 million people which is larger than European Union or North American population. In addition, ASEAN is the third-largest labour force in the world, where the largest and second-largest are China and India. By 2050 ASEAN is expected to be the fourth-largest economy in the world. Hence, to support economic growth, ASEAN has created the ASEAN Free Trade (AFTA). From that on, the ASEAN members such as Malaysia and Indonesia will have a more flexible policy

in order for bilateral, multilateral, or international business to happen smoothly and both parties will get benefit from it.

In this case, Indonesia has always had an impressive economic prospect and is Southeast Asia's largest economy (Indonesia Investments 2022). As stated by Bakar (2020), Malaysia has bilateral commercial links with Indonesia and is recognized as one of its close neighbours. Currently, Indonesia ranks third among ASEAN nations and is Malaysia's ninth-largest trading partner. With investments totalling more than \$15 billion in industries like banking, plantations, construction, toll roads, transportation, the food sector, chemicals, oil and gas, energy, and telecommunications, Malaysia ranks fifth among foreign investors in Indonesia. This evidence shows Malaysia's keen interest in placing its MNCs in Indonesia due to the economic integration and policies of both countries that ease the business. Most private institutions in Malaysia can grow their business globally, especially in Indonesia and vice versa. However, in order to keep up with the fast pace world, MNCs need to always change their business models. It can be done through changes in ideas, methods of business, and the innovation of products.

The role of the Malaysian government in helping Malaysia to build the business globally can be seen since 2 May 1996 when the creation of Small and Medium Enterprise Corporation (SME Corp. Malaysia) was handled by the Ministry of International Trade and Industry. The function of SME Corp. Malaysia is to drive the development of small and medium enterprises (SMEs) by providing infrastructure support, financial assistance, advisory services, market access, and various support program. Known as the Small and Medium Industry Development Corporation (SMIDEC), the goal is to develop capable and resilient Malaysian SMEs to be able to compete in the global market (SME Corp 2022). Therefore, by utilising the platform provided by the government, MR. DIY has been able to expand its business to Indonesia. However, MR. DIY still needed to follow the regulations set up by AFTA in entering the Indonesian market which will be easier for MR. DIY due to the bilateral economic relations between both countries (Yusof 2021). Hence, all of these processes will make it easier for MR. DIY to set up the business in Indonesia, and the thing left for MR. DIY is to set up or create its global strategy in Indonesia which is the adaptation strategy.

The decision to explain MR. DIY's strategy based on the adaptation strategy by Ghemawat is solely due to the reason of similarities that both Malaysia and Indonesia have. Just like in Malaysia, the same situation is happening in Indonesia where for any MNCs to do business in Indonesia, they need to connect with the authority, in this case, the Ministry of Trade Republic Indonesia. Nowadays, the protectionist barrier in every part of the world

is slowly crumbling hence the MNCs are rushing to find new growth opportunities. The arrival of MNCs in every part of the world is said to benefit consumers as they now have a wider and more diverse choice of buying goods, products, and services (Dawar and Frost 1999). However, highlighting the Ghemawat proposition on semi-globalization in which the world is still not fully accessible to each other especially in business due to the reason that there are still policies, tariff barriers, and tax regulations that still needed to follow. Not to mention the cultural, economic, geographic, and economic part (Ghemawat 2003). Hence through the adaptation strategy, MR. DIY can still do business in Indonesia without needing to change its overall stage but only needed to meddle a little bit of its strategy to fit the local market.

In Indonesia, the reaction to the entry of MNCs is positive. It can be seen as good since there are a total of 463 stores in Indonesia proving its stable and growing position in the local market. MR. DIY first come to Indonesia in 2017, in which the first store is located in Bekasi, Jawa Barat. MR. DIY opening in Indonesia is said to be able to fulfil the demand of the consumer in terms of home appliances at a reasonable price (Andi 2022). After opening its 400th branch on 11 August 2022, automatically it breaks the Indonesian World Record Museum (MURI) as the store of home appliances with the most branches. Indonesia is actually an archipelago country (Bambani 2022). Geographically, Indonesia is the closest neighbour of Malaysia's border with Sumatra at the Peninsular of Malaysia, and the border with Sabah and Sarawak on Borneo Island. Specifically, located off the coast of the Indian Ocean which it locates Sumatra Island, Pacific Island which it locates Java Island and the South China Sea which it locates Kalimantan from Borneo Island (Leinbach 2022). All of these are one of the factors that create similarities and differences between both Malaysia and Indonesia in terms of populations in terms of buying power, preference in buying products, store location, and way of doing business. Hence the strategies of MR. DIY in Indonesia might be to try to standardize with the local economy and balance out the strategy of MR. DIY in Malaysia and Indonesia.

MR. DIY's Adaptation Strategy in Indonesia

As it has been mentioned before, adaptation in the academic form of international relations has been regarded as the middle of globalisation and localisation, which also means it balances out between the global and local strategy so that the strategy does not fully need to be localised according to the local market. For instance, an example of a TV Program from abroad when televised into this case Southeast Asian countries. It must be understood that not all foreign TV Programs can fit into the local television networking in which this case Southeast Asian TV Programs.

It is due to the reason of there will be competition from the local TV networking that its program will fit the local audience in terms of attachment to culture, administrative, geographic, and economic (Ghemawat 2001).

Adaptation can be done through decentralisation. Although the aim of MNCs is to become global, there is still something it needed to prioritize first which is the cost. Hence, the global strategy of MNCs needs to make sure or analyse what is important first. What it needed to do is to centralise its focus, which is the main strategy. Since doing interviews might be too costly, and later needed to transfer the information to the headquarters might be costly and time-consuming to do, what MR. DIY needed to do first is to select the main promotion strategy which is the right thing to do for any marketing strategy (Ghemawat 2001). In the case of MR. DIY in Indonesia, the main strategy is to expand as many stores as it can in Indonesia to ensure the commitment of MR. DIY to grow close to the Indonesian consumer (VOI 2022). It is because, in Indonesia, there are many shops with the same concept as MR. DIY which sells the same product. For instance, there is ACE Hardware (ACES) that is seen as MR. DIY competitor in Indonesia. What is different between the two is that the product reach or accessibility of both MR. DIY and ACES. MR. DIY can be found in both primary and secondary cities, such as Jakarta, Kuningan, Surabaya, and Timor. Meanwhile, ACES can be found mostly in primary cities such as Bali, Banda Aceh, Balikpapan, and Sukabumi (Nurdiana 2022).

Hence it shows the central strategy of MR. DIY is first to make sure the existence of MR. DIY in Indonesia is aware by the local people there. The same thing is happening in the Philippines where it targeted MR. DIY would open as many as 100 stores per year (CEO Magazine 2022). With the target that MR. DIY has made shown its seriousness in making sure of its existence among the consumer. In a situation where people in the street or in the mall strolling around for finding things or shops will see MR. DIY store in every place that they go hence making it easier for people to remember and will be interested to go into the shop. In this case, the openings of many branches of MR. DIY in Indonesia has made it easier for people either in the city or in rural areas. It can be said that there is no bias in opening stores since the store is spreading all around Indonesia. For instance, in Sumatra Island, Java Island, Kalimantan, Sulawesi, Bali, and West Papua.

Decomposition is the process of dividing a few intransient components, such as culture, sensitivity, and religion. For example, McDonald's offers a range of menu items that can fit into the components, such as McSpaghetti in the Philippines, Teriyaki McBurger in Japan, and burgers called "lamburgers" in India that use lamb patties rather than cattle ones in order

to respect Hindu sensibilities and religion (Ghemawat 2001). Another example is McDonald in Indonesia. Since the culture of Indonesia eats rice as the main menu with a side dish which is also the staple food there, the variation of the menus will try to adapt to the local taste such as there will rice with chicken on the menu. The menus that have become localized are Nasi Uduk and Bubur Ayam. In terms of the decomposition strategy, MR. DIY does not need to do much since the similarities between Malaysia and Indonesia are quite similar. It is especially in terms of product purchasing for daily life needs. It is quite similar. MR. DIY does not need to think on what are the brands that they need to purchase such as shampoo from Pantene or hand sanitiser from Dettol. It is due to the reason that MR. DIY produces its own product with the label of MR. DIY.

The only thing MR. DIY needed to be concerned with its strategy in Indonesia is to be careful with the cultural issues that both Malaysia and Indonesia have been debating on such as the issue of traditional foods, songs, musical instruments, dance, batik, keris (traditional weapon originated from Nusantara), and shadowgraph (wayang kulit) (Meng and Karulus 2019). As for now, there is no MR. DIY products that touch the components of culture, sensitivity, and culture. If not, there might be a backlash of products from the shop. It is just like in the case of cultural appropriation just like in Victoria's Secret Fashion Show 2016, Loewe's Spring/Summer 2018, and Burberry Autumn/Winter 2019 show (Kong 2022). The result might not be good for the MNCs since it will tarnish the good image that the corporation has.

Modularization is a method or tool for conceptually subdividing a product so that it can benefit from both profit and customer value generation. Yahoo! is the best illustration. Yahoo! is currently widely used, which generates significant revenue for the business while also providing advantages to users. Yahoo! is initially a single complicated software, but the business may ensure that what it delivers to the consumer is in a single simpler form, making it easier for them to use (Ghemawat 2001). Regarding MR. D.I.Y. strategy, everything they do is supported by science. Moh (2021) stated that when choosing a location for a new store, they pay close attention to the (gathered and analysed) data, including population and residential statistics. MR. DIY analyses the information to choose the best location for a store and tailors the selection to the needs of the locals. Neliti (2022) supported the idea by saying that in terms of the existence of MR. DIY in Indonesia, it will communicate with the Ministry of Communication and Informatics Republic of Indonesia. The ministry is responsible for communication and information affairs. It shows the cooperation between the private sector and the government in terms of data collection. From the data collected by both the government and business enterprises or the MNCs, it will create the people demographic of that current place so that

MR. DIY can make calculations on opening MR. DIY branch. The revolution of artificial intelligence has made it possible for data to be collected and calculated that way (Altshuler 2019).

According to Jaikishaan Sharma, who is the CEO of Sharmaatricks, *"Digital shifts are opening new opportunities for businesses. I believe that both 5G and artificial intelligence are going to change the way business owners will run their businesses. With each passing day, automation is reshaping business and contributing to increased productivity – it's very hard to ignore the impact of technology regardless of whether you're operating a multinational or a start-up,"* (Da Costa 2021). Furthermore, the MNCs need to adapt to local preferences. Upon learning the local preferences, MNCs can learn about the strengths and weaknesses of local competitors. That is why MNCs need to have a relationship with government officials (Dawar and Frost 1999). From here it can be understood that MR. DIY will benefit in terms of profit it gains if it targets the customers correctly in terms of the location of the store opening. The Indonesian government also will get benefits in terms of Foreign Direct Investment (FDI) from MR. DIY. Not to forget the consumers that will benefit the most since they can shop all the home appliances in one shop without needing to go into many stores to get the products.

All the examples above show MR. DIY strategy in terms of artificial intelligence. Artificial intelligence helps MNEs run their business by getting data from the government. In addition, similar to artificial intelligence, social media also be used by MR. DIY to get or to know the response from the consumer in terms of product preferences. Just like killing two birds with one stone, MR. DIY also has a promotion strategy in media social. The use of data can be used as leads to run a marketing campaign. In June 2018, MR. DIY has launched its e-commerce website with the link address www.mrdiy.com.my. It comes in handy when the pandemic strikes the world in 2020 (Insightdiy 2018). During the pandemic, all the shops or businesses needed to stop its operation including in Indonesia. Thus, what MR. DIY did is having a digital campaign through Instagram and YouTube. The consumer can shop from MR. DIY through the websites by clicking on the product that they want. This can benefit both MR. DIY and consumers in terms of cost-saving and time-consuming.

Recombination entails combining components of the parent company's business strategy with a fresh potential strategy. That is done in order to ensure that innovation may be developed to meet present needs as well as forthcoming difficulties. "Who Wants to Be a Millionaire?", a popular British TV program, was taken by Star TV, an Indian TV program, from the House of Celador. India takes this program's presenter and adds Indian music to the background, along with a few regulations that are tailored

to the region's interests (Ghemawat 2001). The promotion of MR. DIY in Indonesia will add Indonesian value such as customer service which entails the soft and polite culture of the Southeast Asian nation. In addition, the recombination of the websites in which the Indonesian consumer also can view the MR. DIY Malaysia website can make the Indonesian consumer also order the product from there. In addition, the existence of an e-commerce platform like Shopee which can also be accessed by both countries will make it easier for the MNCs to view the data on which data has the highest demand, least demand, and also the trend of buying. Shopee has a larger audience with 33,27 visitors daily (Darmawan 2022). Due to that reason, MR. DIY can produce or innovate new products that will reach the heart of the consumer.

The aim of innovation is to settle the problem of the locals. It is done through a deliberate effort which is by engaging more in the local problems to create the products. For instance, Hindustan Lever and the Indian division of Unilever work together to develop novel goods in response to consumer demand in the region, such as toothpaste that can be applied to the fingers and detergents for hand-washing textiles. The partnership innovates for goods like sachet shampoo, aiming to reach a larger audience, in an effort to address the problem of price sensitivity among Indians. The profit gain consequently rises considerably. The target market of MR. DIY is a non-branded segment for the underserved (Kenanga 2021). Thus, MR. DIY creates or does innovation on products that is reasonable and has the quality for a range of people to use whether they are stable in the economy or not (Aryanto 2019). Suriya (2020) stated that one innovation of MR. DIY in Indonesia is it offered easy-to-use retail shop products.

According to Andrew Kang, an FMCG (fast-moving consumer goods) industry management consultant, he said that "I think the strategy for the sold in this store is to focus on disposable items,". It shows how a corporation manages to produce goods that can meet the demand of the buyer. Rather than buying expensive products, it is better to buy things at a cheaper price but also has quality so that customers can buy the products with the expectancy of knowing the quality of the products with the reasonable price offered and will make the customer buy the product again. Having the concept of 'Always Low Price', MR. DIY tries to innovate for a product which is accessible to everyone. Also, when buying the product, the customer will feel it is value for money, not feeling regret since the quality also will be assured. It means the consumer will get the quality of the product according to what they pay. In the case of MR. DIY, quality is still assured and it has a wide range of products for consumer selection. MR. DIY try to create an ecosystem where both the company and society would get benefit from the business operation. For instance, MR. DIY would buy products from local suppliers in the markets that MR. DIY

would operate globally. It is especially in small towns where MR. DIY operates, and it would be helpful to boost the economy of the place (Kong 2020). For instance, there would be local snacks, handmade car perfume, and handcraft that will be sold in MR. DIY including MR. DIY in Indonesia.

A corporation may choose to transform in order to lessen the requirement for adaption. Starbucks is not excluded from the successful transformation instance of McDonald's, which allowed it to expand numerous locations across the globe. In the instance of Starbucks, it continues to grow and the founder's vision and objective are now realized, despite the company being criticized as a culture destroyer since it alters the way people consume coffee in one country or puts other coffee shops in competition with it (Ghemawat 2001). MR. DIY's entry into the mall scene has marked a new trend for the company. In Malaysia for instance, it has forged a partnership with large retailers such as Tesco, Giant, Aeon, and Mydin Mall (Dayangku 2020). It would be hard for someone not to find MR. DIY in these large retailers, which now has become a familiar scene there. The same case is happening in Indonesia in which MR. DIY now can be found in Tunjungan Plaza Mall, Galaxy Mall, and Grand City Mall. The transformation has made it easier for people to go to MR. DIY whenever they are going to shop in the mall. MR D.I.Y. stores are typically situated in easily accessible areas for customers, such as by highways, in malls, at enterprises, and in commercial areas. In order to provide clients with the most convenience, stores typically open seven days per week (Kenanga 2021).

In addition, there is not much need for MR. DIY adapts to the local since the product is selling is the daily need of households such as hardware, home appliances, electrical, furniture, car accessories, stationery & sports, toys, gifts, computer & mobile accessories, and jewellery & cosmetics. Since nowadays people prefer to go to the mall to buy things since everything is there, they will enter MR. DIY too since most of the things they wanted are there already without needing to go to many shops. This can further be supported by a statement from Lee Hwok Aun, an author of several books on Malaysian economics who has a different view. Lee said to MalaysiaNow, *"When consumers are increasingly shopping at supermarkets, they will also go to MR.DIY instead of the jurist-based home hardware store. Malaysian customer is now digital,"* (Suriya 2020). It is important to note that not only Malaysia has become digitalized in terms of economy, but the same thing is also happening to the world, including Indonesia. In Indonesia, the method of payment at any shop is becoming digitalized in which there many options for cashless payment such as Visa, Master Card, ATM Transfer, GoPay, Dana, QRIS, and ShopeePay which is also available in MR. DIY (Indonesia: Indonesia (Paymentwall 2023).

Scope selection is known as the choice of the company's "scope" which is the nation on which it wants to concentrate its efforts in order to minimize product adaptation. MNCs, on the other hand, is said to be unable to adhere to scope selection because they focus on a bigger business world. Thus, market segmentation is what might be advised. For instance, Indian food is now well-known and can be accepted in the United States, which can lead to the creation of a diaspora (Ghemawat 2001). In the case of MR. DIY, it wanted to choose Indonesia as a country to expand its branch since Indonesia is a Malaysian neighbour. Thus, the market segmentation of Indonesia might be less hard to study as compared to other countries. However, according to Bank (2022), Indonesia is a country with a large population. Indonesia is the world's most populous nation and the 10th largest economy in the world in terms of purchasing power. From what can be seen here MR. DIY wanted to focus its business in Indonesia since the product adaptation can be minimized especially in terms of cultural similarities, an administrative policy that has been made easier with the establishment of ASEAN, geographically cost-reducing in terms of opening branch, and economic power of the Indonesian which is much larger than Malaysia.

Conclusion

In conclusion, MR. DIY successful expansion to the Indonesian market is due to its ability to adopt Ghemawat Triple A Strategy which is Adaptation. Adaptation comes in handy as it exploits similarity in the targeted nation and will try as much to reduce the cost since the adaptation is being through many processes as it still considers taking either global strategy or local strategy. The topography and demography of Indonesia are something that MR. DIY consider before adapting the strategy. Decentralisation helps MR. DIY to focus on its primary strategy in Indonesia by opening a lot of branches to ensure its existence is close towards the targeted consumer. Decomposition taught MR. DIY an awareness of the culture, religion, and sensitivity of the people before engaging in the business or marketing the products that would create such issues. Modularization helps MR. DIY to find or create tools that would give profit towards MR. DIY, and also give benefits towards the consumer which is the use of artificial intelligence in getting the data.

Recombination ensures the strategy of e-commerce adopted by MR. DIY in Malaysia is also adopted in Indonesia which is Shopee which in Indonesia has quite a large number of visitors daily, aside from practising Southeast Asia cultural values which might be different based on each country but is being practised since it adopts the same corporate value just in the headquarters. Innovation helps MR. DIY sells products at a fixed and reasonable price but still, it benefits the consumer. Transformation

also helps MR. DIY to start entering a wider scene of retail shops such as in malls. Besides, the transformation also has been done in terms of its various cashless payment such as GoPay, Dana, and QRIS. Scope selection also helps MR. DIY to distinguish the possible market that it thinks would work well for the profit of the company. However, what can be analysed from this is that only a few adaptation strategies seem to work for MR. DIY expansion in Indonesia. The strategies are decentralization, modularisation, innovation, transformation, and scope selection. The decomposition strategy does not seem to work well in the case of MR. DIY in Indonesia due to the reason of similarities in terms of culture, although it is not the same, it is quite similar, and also the religious factor is not quite different to the religion in Malaysia. Recombination is not quite working also since it does not give quite a big impact towards the expansion of MR. DIY in Indonesia.

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