

TABLE OF CONTENTS

PREFACE	i
TABLE OF CONTENTS	ii
LIST OF TABLES	vi
LIST OF FIGURES	vii
ABSTRACT	viii
CHAPTER 1 INTRODUCTION	1
1.1 Background.....	1
1.2 Problem Statement.....	5
1.3 Research Question	5
1.4 Research Purpose.....	6
1.5 Research Benefit.....	6
1.6 Research Scope.....	6
CHAPTER 2 LITERATURE REVIEW	8
2.1 PESTEL Analysis	8
2.1.1 Political Factor.....	8
2.1.2 Economic Factor.....	9
2.1.3 Social Factor	9
2.1.4 Technological Factor	9
2.1.5 Environmental Factor	10
2.1.6 Legal Factor	10
2.2 Value Drivers.....	11
2.2.1 Product Features and Performance	11
2.2.2 Customer Services	12
2.2.3 Production Research and Development.....	12
2.2.4 Technology and Innovation	13
2.2.5 Quality Control Processes	13
2.2.6 Sales and Marketing	13
2.2.7 Input Quality.....	14
2.2.8 Employee Skill, Training, and Experience.....	14

2.3 Resources and Capabilities	14
2.4 VRIO Analysis	15
2.5 Company Profile	17
2.5.1 Organization Structure	18
2.6 Research Framework	18
CHAPTER 3 RESEARCH METHODOLOGY	20
3.1 Research Design	20
3.2 Data Collection Method	21
3.2.1 Primary Data	21
3.2.2 Secondary Data	22
3.3 Research Instrument	23
3.3.1 Interview Guide	23
3.3.2 VRIO Framework	24
3.4 Data Analysis Method	25
CHAPTER 4 RESULT AND DISCUSSION	28
4.1 External Environment	28
4.1.1 PESTEL Analysis	28
4.1.1.1 Politics	28
4.1.1.2 Economy	31
4.1.1.3 Social	33
4.1.1.4 Technology	37
4.1.1.5 Environment	40
4.1.1.6 Legal	41
4.1.1.7 PESTEL Analysis Summary	44
4.2 Internal Environment	45
4.2.1 Value Drivers	46
4.2.1.1 Research and Development	46
4.2.1.1.1 Digital Product Development Framework	47
4.2.1.1.2 Cycle Innovation	48
4.2.1.2 Customer Service	49
4.2.1.2.1 Centralized customer services	50

4.2.1.3 Employee Skill Training and Experience	51
4.2.1.3.1 Training and Certification	52
4.2.1.4 Technology and Innovation	52
4.2.1.4.1 Latest Technology	53
4.2.1.4.2 Startup Incubations	54
4.2.1.5 Quality Control Process	54
4.2.1.5.1 Standard Development Guideline	55
4.2.1.6 Product Features and Performance	57
4.2.1.6.1 Product Bundling	58
4.2.1.7 Input Quality	59
4.2.1.7.1 Local Channels Spread Around Indonesia	60
4.2.1.7.2 Sufficient Network Infrastructure	61
4.2.1.7.3 Recruitment Program	61
4.2.1.8 Sales and Marketing	62
4.2.1.8.1 Nationwide Channel	63
4.2.2 VRIO Analysis	65
4.2.2.1 Physical Capital	67
4.2.2.1.1 Number and Location of Offices	67
4.2.2.1.2 Nation-Wide Network Infrastructure	68
4.2.2.2 Human Capital	69
4.2.2.2.1 Digital Talent Readiness	69
4.2.2.2.1 Regular Training and Certification	71
4.2.2.3 Organizational Capital	72
4.2.2.3.1 State-Owned Enterprises Status	72
4.2.2.3.2 Startup Incubation	73
4.3. Discussion	75
4.3.1 Value Drivers Discussion	76
4.3.1.1 Employee Skill Training and Experience	76
4.3.1.2 Technology and Innovation	77
4.3.1.3 Quality Control Process	77
4.3.1.4 Input Quality	78

4.3.2 VRIO Discussion.....	80
CHAPTER 5 CONCLUSIONS	82
5.1 Conclusions	82
5.2 Implications	84
5.2.1 Theoretical Implications	84
5.2.2 Practical Implications	84
5.3 Limitations.....	85
5.4 Recommendations	85
REFERENCES	86
VERBATIM INTERVIEW	90

LIST OF TABLES

Table 1.1 Indonesia Internet User	3
Table 2.1 VRIO Framework	17
Table 3.1 List of Internal Respondents	22
Table 3.2 Interview Guide	23
Table 4.1 Indonesia Data Center	38
Table 4.2 PESTEL Analysis Summary	44
Table 4.3 Theme Identified in Research and Development	46
Table 4.4 Theme Identified in Customer Service	49
Table 4.5 Digital Touch Point's Traction	51
Table 4.6 Theme Identified in Employee Skill, Training, and Experience	51
Table 4.7 Theme Identified in Technology and Innovation	52
Table 4.8 Theme Identified in Quality Control Process	55
Table 4.9 Theme Identified in Product features and Performance	57
Table 4.10 Theme Identified in Input Quality	59
Table 4.11 Theme Identified in Sales and Marketing	63
Table 4.12 Value Driver Identification	64
Table 4.13 Resources and Capabilities	66
Table 4.14 Theme identified in Number and Location of Offices	67
Table 4.15 Theme identified in Nation-wide Network Infrastructure	68
Table 4.16 Theme Identified in Digital Talent Readiness	70
Table 4.17 Theme Identified in Regular Training and Certification	71
Table 4.18 Theme Identified in State-Owned Enterprises Status	72
Table 4.19 Theme Identified in Startup Incubation	74
Table 4.20 VRIO Analysis Result	80

LIST OF FIGURES

Figure 1.1 South East Asia Country Digital Economy	1
Figure 1.2 UMKM in Indonesia	4
Figure 1.3 PT. Telkom Indonesia Digital Business Revenue and Cost.....	5
Figure 2.1 Value Drivers: The Keys to Creating a Differentiation Advantage	11
Figure 2.2 PT. Telkom Indonesia Organization Structure.....	18
Figure 2.3 Research Framework.....	19
Figure 3.1 Data Analysis Framework	27
Figure 4.1 Indonesia Digital Customer Projection and Penetration (2016-2022)	29
Figure 4.2 Indonesia Digital Economy Growth.....	32
Figure 4.3 Indonesia Economic Growth by Industry.....	33
Figure 4.4 Indonesia Internet Usage 2021	35
Figure 4.5 Internet Facilitated Purchases in Indonesia	36
Figure 4.6 Indonesia Natural Disaster 2020 Statistics.....	40
Figure 4.7 PSE Proof of Registration	43
Figure 4.8 Cycle Innovation	48
Figure 4.9 Systems Development Life Cycle (SDLC)	56
Figure 4.10 PT. Telkom Indonesia Product Bundling.....	58
Figure 4.11 PT. Telkom Indonesia Digital Channel.....	64
Figure 4.12 Digital Amoeba Startups	75
Figure 4.13 PT. Telkom Indonesia Training and Certification Statistics	77
Figure 4.14 PT. Telkom Indonesia Recruitment Statistics	79