

## **Proposed Strategies for Home & Living Online Business to Improve Business Performance (Case Study: Fluffy Fellas Studio)**

**Ayu Oktoira Diyanti<sup>1</sup>, Ayudo Anggoro<sup>2</sup>**

<sup>1,2</sup> School of Business and Management, Institut Teknologi Bandung, Indonesia

### **Abstract**

Covid-19 pandemics are giving a huge impact and uncertainties. Both business owners and customers have to adapt in doing business activity, to face the challenge of shifting purchasing behavior to necessary spending through online shopping. Home and living products become one of the priorities that can be seen through the increasing supply and demand, because of the restriction of mobility, that makes people more aware about their home. Fluffy Fellas Studio is one of the home and living businesses which started in a pandemic and within a year, experienced growth during Covid-19 pandemics. From month to month, it has an increasing number of visitors and sales, but the retention and conversion rate are decreasing every month. Since the future challenges are still unpredictable, scenario planning framework is used to define four alternative solutions. The key focal issue of the research is what plausible scenarios and future strategies are suitable for Fluffy Fellas in 2 years. The critical uncertainties of Fluffy Fellas are Covid-19 pandemics and industry dynamics, which resulted in four scenarios assigned with their own narratives, implications, options, and early warning signals which should be analyzed carefully to determine which scenario to be implemented. To better prepare for all the scenarios, Fluffy Fellas should prioritize the improvement in supply chain, research and development, and social media planning.

**Keywords:** *Covid-19; Business Strategies; Scenario Planning; Home & Living*



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### **INTRODUCTION**

The decreasing expenditure per capita due to Covid-19 pandemics, and restriction of mobility makes the business owner shifting necessary product categories, adapting to a customer demand. Most of the transactions are also done online, that's why the home and living categories on digital platforms are filled by fierce competition, but also open up greater opportunities for the brands to expose themselves to be easily reached by customers. According to Tokopedia and Shopee's data in 2020-2021, one of the categories in eCommerce that has experienced significant growth during the pandemic is Home & Living. According to Tokopedia's sales record in the first quarter (Q1) 2021, the Home and Living category at Tokopedia increased more than 2x compared to Q1 2020 (Widyastuti, 2021). Home & living, home appliances, mom & baby categories are recorded to have a demand spike during the pandemic. Fluffy Fellas is one of the home & living online businesses which have been established since pandemics (December 2020). Within a year, Fluffy Fellas experienced growth in sales. At the same time, they are also experiencing a decrease in retention and conversion rate. In fact, Fluffy Fellas' business issue is it has an increased number of visitors which should be an opportunity to increase the company's revenue.

*Table 1. Fluffy Fellas Data*

No.	Period of Time	Sales	Retention Rate	Visitors	Conversion Rate
	December	-	33,33%	-	7,23%

	2020				
	January 2021	+111,5%	5,26% (-28,07%)	+2339%	0,94% (-6,29%)
	February 2021	-53,33%	9,09% (+3,83%)	-45,33%	0,99% (+0,06%)
	March 2021	-30,71%	0% (-9,09%)	-38,12%	0,88% (-0,12%)
	April 2021	-91,58%	0%	-60,29%	0,37% (-0,51%)
	May 2021	+3245,28%	7,14% (+7,14%)	+544,85%	0,80% (+0,43%)
	June 2021	-82,96%	0% (-7,14%)	-48%	0,44% (-0,36%)
	July 2021	+653,80%	3,33% (+3,33%)	+119,30%	1,50% (+1,06%)
	August 2021	+333,68%	9,78% (+6,45%)	+284,20%	1,20% (-0,30%)
	September 2021	+27,54%	3,91% (-5,88%)	+22,62%	2,18% (+0,98%)
	October 2021	+13,01%	1,37% (-2,53%)	+3,08%	2,25% (-0,08%)
	November 2021	+52,04%	4,29% (-2,92%)	+29,21%	2,23% (-0,02%)
	December 2021	+8,04%	3,95% (-0,33%)	+54,81%	1,69% (-0,54%)
	January 2022	+13,27%	9,31% (5,36%)	+66,60%	1,16% (-0,53%)
	February 2022	+21,14%	5,96% (-3,34%)	+18,74%	1,31% (+0,15%)
	March 2022	+41,82%	4,56% (-1,41%)	+183,18%	0,71% (-0,60%)

Another business issue is Fluffy Fellas also experienced the loss of the Star Seller title due to the high rate of late delivery. The research objectives are understanding business conditions of Fluffy Fellas to do performance improvement, and implement it. To solve the business issue, the qualitative interview with home and living business owners and enthusiasts is conducted to understand the business landscape of home and living. The research is using random sampling as a respondent for the quantitative method questionnaire, to see the change of society's purchasing habit before, during, and after covid-19 to reassure about strategy formulation. After being collected, the internal data is being analyzed with a resource, core competencies, capabilities, VRIO Framework, and value proposition analysis.. The external data is being conducted through the assessment of Porter's five forces model and competitor analysis. The data analysis resulted in SWOT being further analyzed through the TOWS Matrix that concluded that the root cause of Fluffy Fella's business issues are the supply chain, product development, and marketing strategy while considering the condition of Covid-19 pandemic through preparing several plausible scenario plans.

## LITERATURE REVIEW

The research conducted by questionnaire of the random sampling study aims to know the expectation of customers to Fluffy Fellas product in a short and long period of time. The independent variable is purchasing time of society. The dependent variable is the characteristics of product and services that are being and expected to be purchased. The moderator variables are Covid-19 pandemic. The qualitative research consists of open questions to gather the general information about the business landscape of home and living to generate the key takeaways to be implemented for the performance improvement of Fluffy Fellas. To validate the data collection, these literature review is being collected:

### Covid-19 Pandemics Purchasing Behavior

To deeply understand the shifting behavior and the expectation of customers in a pandemic, some literature is being studied. According to McKinsey (2020), post-covid life is opening up new opportunities in doing online business. There is 165% growth recorded in online home & living consumers. 60% of them are willing to try the new experience of shopping online. 75% of them are willing to try a new brand with a better value and price.

### Home & Living Business Situation in Global and National Market

To understand the business landscape, home and living business situations need to be addressed. In the global market, home & living categories recorded an increased traction in rising economies along with the increased number of well being prosper societies, registering a 3.9% CAGR from 2020 - 2027 (Allied Market Research, 2021). In Indonesia, due to the increasing urbanization and middle income class, the home & living industry's revenue has reached USD 3,613 M in 2020 and is expected to have 14,1% growth (CAGR) from 2020 - 2025. The market volume is expected to reach USD 6,896 M by 2025.

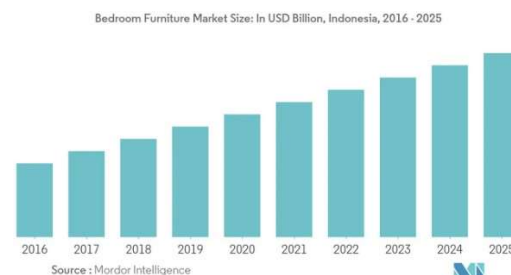


Figure 1. Bedroom Furniture Market Size in USD Billion, in Indonesia, 2016 - 2025

Source: Mordor Intelligence, 2019.

### Supply Chain Theory in SMEs

Based on the interviews with some home & living business owners, supply chain is becoming one of the main issues for SME to grow. of the decision about the supply chain management on the business strategy is identified in the table below:

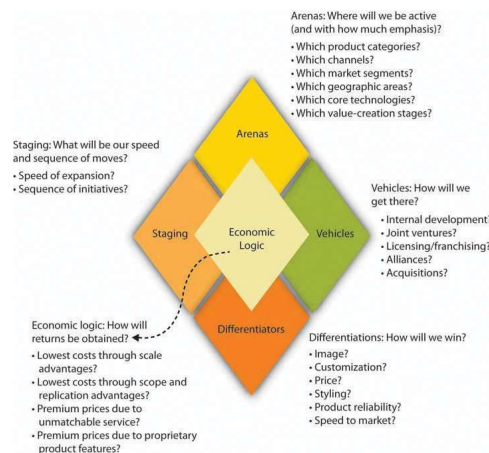
*Table 1. Impact of Supply Chain on Business Strategy*  
 Source: Heizer and Render (2000)

	Differentiation Strategy	Low Cost Strategy	Response Strategy
Supplier Objectives	Market, product, and options research and development	Offer product at the lowest cost	Fast response about the change of requirements and request for minimum stock out
Main Criteria in Choosing	Prioritize product by develop skills	Prioritize cost selection	Prioritize capacity, speed, and flexibility
Process	Modular process that leads to a big	Invest in average high	Invest in flexibility

Characteristics	scale of customization	usage	
Stock Characteristics	Lower the inventory to avoid obsolescence	Lower the inventory through economical chains	Responsive system with buffer stock position to keep the supply
Design Product Characteristics	Aggressive investment to reduce lead time development.	Short lead time as long as not increasing cost.	Aggressive investment to reduce production lead time

**Product Developing Strategy**

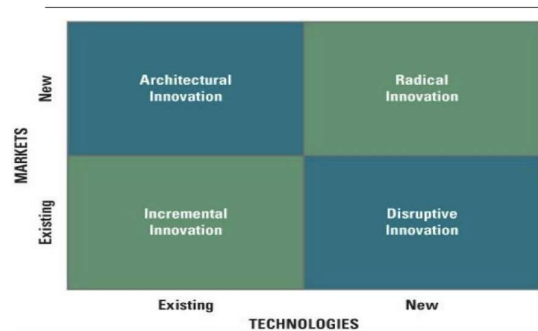
From the interviews and questionnaire, the finding is the root cause of decreasing retention rate is the product development still needs to be optimized. To better explore the possible strategy to develop the product, the framework used is Strategy Diamond Framework that is concerned in five elements –arenas, differentiators, vehicles, staging, and economic logic.



*Figure 2. Strategy Diamond Framework*  
 Source: Adapted from Donald C. Hambrick and James W. Fredrickson, "Are You Sure You Have a Strategy?," *Academy of Management Executive* 19, no. 4 (2005): 51–62.

According to Rothaermel (2020), to develop products better, types of innovation matrix are being used. invention turns into innovation only when it is commercialized in the right way. Speaking about market and technology framework to create new innovation for Fluffy Fellas, types of innovation matrix used to discover possible products and services in the short and long term. .

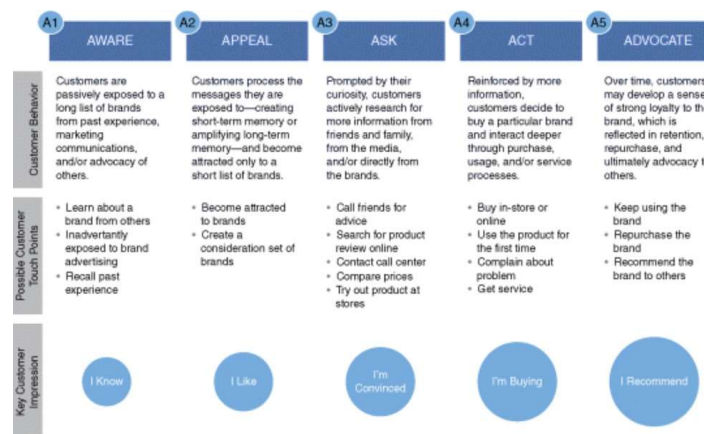
### TYPES OF INNOVATION



*Figure 3. Types of Innovation: Combining Markets and Technology Source: Rothaermel, 2020*

### Marketing Strategy

Based on the comparison to its competitors, Fluffy Fellas got least advocacy and engagement in social media. According to Kotler (2017), in the digital economy, the customer journey is identified as the Five A’s –aware, appeal, ask, act, and advocate. As the business with funnel archetype industries, the customers will never skip any stage of the customer journey. The meaningful experience of each stage should be optimized. The intervention of Fluffy Fellas to optimize all stages of customer journey is by increasing attraction through human centric communication, optimizing curiosity with content marketing strategy, increasing commitment through omnichannel strategy including marketplace and social media, and also increasing affinity through after-sales service as referral code. To improve the advocacy, Fluffy Fellas need to make sure the previous stage is also being optimized through those interventions.



*Figure 4. Five A's Customer Journey Source: Kotler, 2017*

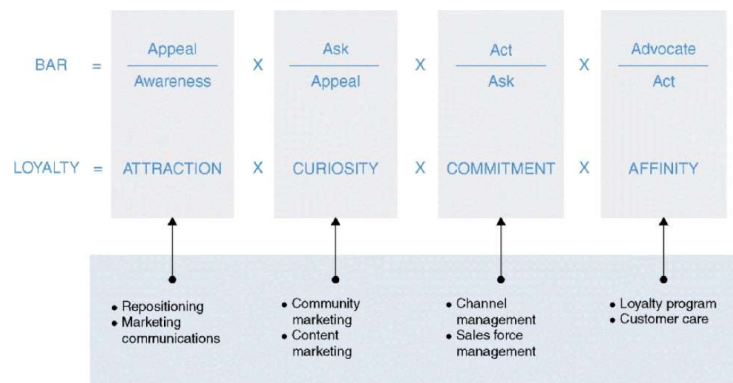


Figure 5. Company's Intervention to Each Stage of Customer Journey.  
 Source: Kotler, 2017

**SCENARIO PLANNING URGENCY FOR SMEs**

According to Law about Small and Medium Enterprises (SMEs) no. 20/2008, Fluffy Fellas is categorized as a small business (amount of assets in between IDR 50.000.000 - IDR 300.000.000, amount of revenue in between IDR 300.000.000 - IDR 2.500.000.000) . In the Covid-19 pandemic, SMEs contribution reaches 60.5 percent of GDP and is able to absorb labor up to 96.92 percent (Hartarto, 2021). But in fact, the majority of SMEs fail in their early stage due to the lack of planning (Tepstra ad Olson, 1993). The high rate of failure of SMEs is becoming the issue of how SMEs should prepare several plausible scenarios to overcome future challenges. According to Garvin and Levesque (2006), scenario planning is a process that encourages imaginative, creative thinking, to develop the future of the organization. Scenario planning concerns multiple possibilities, and analyzes several uncertainties simultaneously. Scenario planning involves several elements that forms an integrated framework of future as shown in the figure:

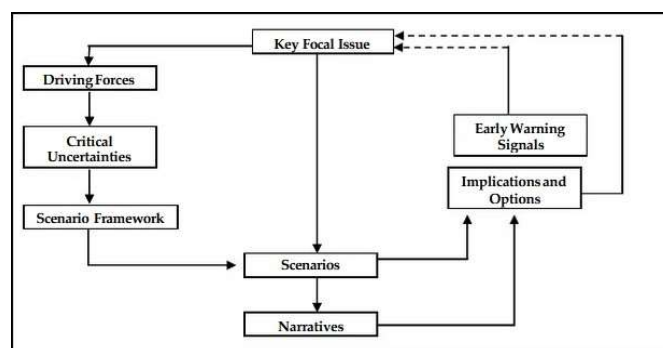


Figure 6. Scenario Planning Components Source: Garvin and Levesque (2006)

**RESEARCH METHOD**

The primary data will use qualitative research- methodology for evaluating a social research without converting the result into a numerical format. These interviews are unstructured and consist of open ended questions to have a general view and opinion from the participant. The primary data also will be generated through the sales data of Fluffy Fellas and its competitor in the marketplace seller center. There will also be questionnaires to identify the people’s life before, during, and after Covid-19 Pandemics. The secondary data will be collected from literature studies, including journals, books, and articles.

After both primary and secondary data is being collected, the data is formulated to have a deeper understanding about internal and external conditions of Fluffy Fellas’ business landscape, Fluffy Fellas’ company condition will be further explored using a certain method of analysis. The internal analysis will be explored by determining the resources, core competencies, and capabilities. The competitive advantage of the resources, core competencies, and capabilities will be predicted using the VRIO framework to explain which are valuable (V), rare (R), costly to imitate (I), and well organized (O) by the company to capture the value. Those analyses will be conducted to find the strength and weakness of Fluffy Fellas itself. The external analysis will be explored by Porter’s Five Forces Model method. Those analysis will be conducted to find the opportunities and threat that may come from the outside of Fluffy Fellas itself. The SWOT analysis will be integrated through TOWS matrix to correlate each element. And to explore the business issue, scenario planning is used for preparing future uncertainties that may happen to Fluffy Fellas. First thing to identify is the key focal issue of the business.

The data triangulation of the research shows that 98% of the respondents are shifting their priority regarding a pandemic to an activity that can be done at home, one of the most mentioned words are “decorating house”. The home & living business owners stated that Covid-19 pandemics are giving them a different impact to their business. Some of them are growing, while the others are suffering. The respondents of the interview are also mentioning the driving forces that impacted their decision in doing business activity.

**FINDINGS AND DISCUSSION**

**The TOWS Matrix**

To determine the interactions of four variables (strength, weakness, opportunity, and threats), TOWS Matrix of Fluffy Fellas is being used as the following table:

*Table 2. TOWS Matrix of Fluffy Fellas*

	<b>Internal Strength</b> - Brand reputation - Brand recognition - Employee’s Loyalty - Timing	<b>Internal Weakness</b> - Supply chain - Easily-imitate product development - Low investment on social media.
<b>External Opportunities</b> - Customers are having brand loyalty.	<b>The SO Strategy:</b> - Compete to be at the top	<b>The WO Strategy:</b> - Developing unique products

<ul style="list-style-type: none"> <li>- The industry dynamics are growing.</li> <li>- Having enough customers so losing one isn't critical.</li> <li>- The product purchase is only a small expense to the customer.</li> <li>- There's still no top of mind brand with a similar value.</li> <li>- Low fixed cost.</li> </ul>	<p style="text-align: center;">of mind of aesthetic brands.</p> <ul style="list-style-type: none"> <li>- Keep on offering products for the low end segment.</li> <li>- Emphasize the bucket size through certain promotion</li> <li>- Utilizing the loyal customer database to market another product development that relates to the brand reputation</li> </ul>	<p style="text-align: center;">/ service for loyal customers that is hard to imitate.</p> <ul style="list-style-type: none"> <li>- Plan a more effective supply chain according to the industry dynamics.</li> </ul>
<p>External Threat</p> <ul style="list-style-type: none"> <li>- Low Bargaining Power of Suppliers</li> <li>- Pandemic is better</li> <li>- Low advocacy rate</li> </ul>	<p>The ST Strategy:</p> <ul style="list-style-type: none"> <li>- Develop unique products that represent the brand with a high bargain of suppliers, but still utilizing the employee capabilities.</li> <li>- Develop non home and living products to anticipate the declining industry.</li> <li>- Make a promotion through a referral code.</li> </ul>	<p>The WT Strategy:</p> <ul style="list-style-type: none"> <li>- Adopting new technologies to provide materials / having a different flow in business activity.</li> <li>- Create partnerships with suppliers that give benefits to both the supply chain of suppliers and Fluffy Fellas.</li> <li>- Plan social media strategy and branding that engage people to have more engagement and advocacy.</li> </ul>

Based on the TOWS matrix, it can be concluded that the root cause of Fluffy Fellas' business issue are supply chain management, product development, and marketing strategy. In each of the scenarios, each of the root causes will have its own implementation, and there will be general preparation through improvement of each root cause before choosing which scenario to be implemented.

### The Key Focal Issue

Based on the background research, literature review, questionnaire, and in depth interview, it can be concluded that the focal issues of this research is: What are the plausible scenario planning and future implementation for Fluffy Fellas Studio in the next 2 years?



### Critical Uncertainties

Based on the data collected, these are the driving forces of Fluffy Fellas Studio business activity

*Table 3. Driving Forces of Fluffy Fellas Scenario Planning*

Degree of impact	Driving Forces
High Influence: Organizational Environment	Business development Supply chain efficiency Employee capabilities Value Brand
Some Influence: Transactional Environment	Industry dynamics Platform (campaign, price competitiveness, Mechanics (gratis ongkir, voucher, testimoni, top purchase) Time of purchasing (pay day, tanggal kembar), Vendors and suppliers intimacy
Less Influence: Contextual Environment	Covid-19 Pandemics Government policy on marketplace Economic shift Environmental issue.

Each of the driving forces will be ranked based on the level of uncertainty and impact. The highest rated are the most influential that are defined as critical uncertainty.

*Table 4. Rank of Impact and Uncertainties of Driving Forces*

No.	Forces	Degree of Impact	Degree of Uncertainty
1.	Business Development	Mid	Low
2.	Supply Chain	Mid	Mid
3.	Employee Capabilities	Mid	Low
4.	Value	Low	Low
7.	Brand	Low	Low
8.	Cost Efficiency	Low	Low
9.	Industry Dynamics	High	High
10.	Platform and Mechanics	Mid	Low
11.	Time of Purchasing	Mid	Low

12.	Vendors and Suppliers Intimacy	Mid	Mid
13.	Covid-19 Pandemics	High	High
14.	Govt Policy on Marketplace	Low	Low
15.	Economic Shift	Mid	Low
16.	Environmental Issue	Mid	Mid

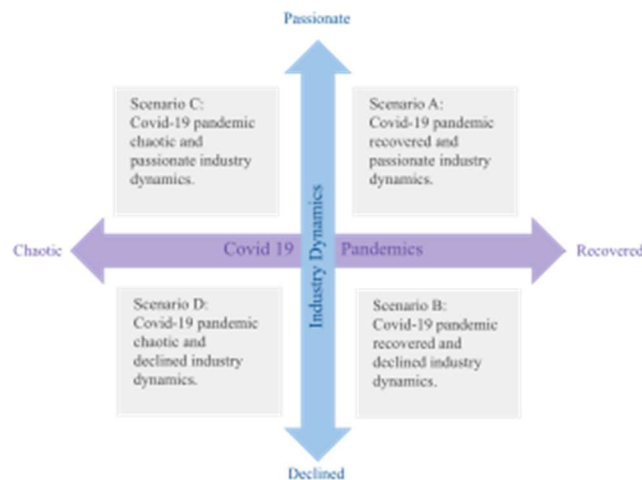
*Level of uncertainties:*

*0 - 1 : Low; 2 - 4 : Mid; > 4 : High*

Based on the rank, the critical uncertainties are the industry dynamics and Covid-19 Pandemics.

### Scenario and Narrative Creation

Each critical uncertainty will become the axis of the scenario planning matrix, with the polar at the most extreme conditions. These two axes are creating 2x2 matrix with four quadrant to be analyzed, to create a clear contrast environment that represents difference to a decision makers, as shown below:



*Figure 7. Scenario Planning Components*  
*Source. Garvin and Levesque (2006)*

After the matrix has been created, the next step is describing the proper narratives to give a visual representation about each scenario that encourages imagination to visualize the condition.

*Table 5. Narratives for Scenario Planning*

Name of Scenario	Narratives
Take The Cake (Covid-19 Pandemics Recovered and Passionate Industry Dynamics)	Kompas, 16th of October 2024 The WHO officially announced that the Covid-19 Pandemic has ended. The Indonesian government decided to revoke all the restrictions related to Covid-19. However, due to prolonged and continual pandemic habits, the citizens of Indonesia are reportedly will still maintain and continue their habits and buying activities through online platforms.
Avant Garde (Covid-19 Pandemics Recovered and Declined Industry Dynamics)	Kompas, 16th of October 2024 The WHO officially announced that the Covid-19 Pandemic has ended. The Indonesian government decided to revoke all the restrictions related to Covid-19. The citizens of Indonesia are reportedly eager to go back to pre-covid habits and swiftly bring the economy back to a pleasant state.
Tip Toe (Covid-19 Pandemics Chaotic and Passionate Industry Dynamics)	Kompas, 16th of October 2024 The WHO latest announcement about Covid-19 Pandemics is still in a condition to watch out for. The infection rate increased by 50% and the government would continue the PPKM once again. The government urges people to limit activities outside the home, and begin to adapt to coexist with the COVID-19 virus. Prolonged PPKM in Indonesia increases the online buying behavior of people.
Mayday Mayday (Covid-19 Pandemics Chaotic and Declined Industry Dynamics)	Kompas, 16th of October 2024 The WHO latest announcement about Covid-19 Pandemics is still in a condition to watch out for. The infection rate increased by 100% and the government would continue the PPKM once again. People are suffering enough and poverty rates keep spiking up. However, due to a decrease in income, they were only spending their money to buy the essentials. Many of the SMEs on non-essential business are suffering from this.

### Options Consideration

After creating narratives, the key focal issues are being implemented in each four scenarios to be explored in the implications of each alternative future.

*Table 6. Options Consideration for Each Scenario*

Scenario	Implication	Options
Scenario A Take The Cake (Covid-19 Pandemics Recovered and Passionate Industry Dynamics)	<ul style="list-style-type: none"> <li>• Pandemic is over.</li> <li>• Economic recovery in a new way of purchasing habits through online transactions.</li> <li>• Expenditure per capita is recovering, so does the purchasing power.</li> <li>• Adaptation of the new normal (hybrid system of school and work from home so to accomplish the better atmosphere, there is still a high demand for home and living.</li> <li>• Increasing number of competitors selling online.</li> <li>• High demand for products through online transactions.</li> </ul>	<ul style="list-style-type: none"> <li>• Create more marketing and promotion strategy.</li> <li>• Improving the digital platforms utilization.</li> <li>• Use reliable suppliers to ensure the supply chain.</li> <li>• Ensure processes of making products are suitably agile to fulfill demand.</li> </ul> <p>Begin to research and develop new products to anticipate declined industries.</p>
Scenario B Avant Garde (Covid-19 Pandemics Recovered and Declined Industry Dynamics)	<ul style="list-style-type: none"> <li>• Pandemic is over.</li> <li>• Economic recovery in the offline sector.</li> <li>• Activities are back to normal, no restriction, so that people are going out more often.</li> <li>• Compete with the established offline store</li> <li>• Home decor trends will be less popular.</li> <li>• More effort to gain a stable performance for home and living products.</li> </ul> <p>Other industries related to outdoor activities and travel are growing.</p>	<ul style="list-style-type: none"> <li>• Applying a new B2B business model to generate more revenue sources.</li> </ul> <p>Applying new product innovation that solved the needs of the market which tend to be more actively outside, which relates to the strength of Fluffy Fellas, which is its brand reputation in home and living.</p>
Scenario C Tip Toe (Covid-19 Pandemics Chaotic and Passionate Industry Dynamics)	<ul style="list-style-type: none"> <li>• Pandemic is still around.</li> <li>• Low infectious and fatality rate would lead to moderate restriction in some areas.</li> <li>• People are already adapting to recover their economy.</li> <li>• Purchasing online is significantly increasing.</li> <li>• People are being productive at home, so home and living industries are promising.</li> </ul>	<ul style="list-style-type: none"> <li>• Adjust operational activities by priority (cost efficiency)</li> <li>• Launch a new home and living product related to health and wellness.</li> </ul> <p>Creating campaigns to stay at home, and keeping the hygiene of the home by changing bed linen regularly.</p>

Scenario	Implication	Options
	Business owners (online and offline) are adapting their products to a necessity including home and living.	
Scenario D	Pandemic is getting chaotic.	Focusing on B2B for hospital procurement.
Mayday Mayday (Covid-19 Pandemics Chaotic and Declined Industry Dynamics)	<ul style="list-style-type: none"> <li>● High infectious and fatality rate would lead to another prolonged restriction.</li> <li>● Decreasing productivity rate.</li> <li>● Decreasing purchasing power.</li> <li>● Health is the main priority of people, impacted by decreasing revenue. People are panic buying regarding healthcare equipment.</li> <li>● All industries which are not related to healthcare are declining.</li> </ul> <p>Declining expenditure per capita.</p>	<ul style="list-style-type: none"> <li>● Launch a new product not only related to health and wellness, but also the part of healthcare.</li> </ul> <p>Creating campaigns about how to reduce the risk of unhygienic houses and how the product can help.</p>

### Early Warning Signals

After all the strategies in each scenario are formulated, which scenario to implement should be considered by identifying early warning signals that could direct to a possible future direction and which scenario is possibly to be applied than the others.

*Table 7. Early Warning Signals for Each Scenario*

Indicators	Measurement	Signals
Scenario A: Take The Cake (Covid-19 Pandemics Recovered and Passionate Industry Dynamics)		
Covid 19 Pandemic Situation	Number of daily active cases	Decreasing / no active cases of Covid-19
Regulation	Government Support	Hybrid new normal (WFH / SFH mixed with WFO / SFO) but people are more convenient with WFH / SFH.
Economic Shift	Business Owner	The workers are fully paid.
	Purchasing Power	The purchasing power of people and expenditure per capita are increasing.
Business Landscape	Home & Living Business Owner	The increasing number of online home & living business owners are

Indicators	Measurement	Signals
		registered.
	Number of transaction	There is an increasing / stable number of transactions in home & living online business.
	Purchasing Power	People are allocating their budget to be more effective and efficient for necessary spending.
Business Landscape	Home & Living Business Owner	A significantly increasing number of online home & living business owners are registered.
	Number of transaction	A significantly increasing / number of transactions in home & living online business.
Fluffy Fellas Business Activity	Sales Data	Increasing sales and visitors
<b>Scenario D: Mayday Mayday (Covid-19 Pandemics Chaotic and Passionate Industry Dynamics)</b>		
Covid-19 Pandemic Situation	Number of daily active cases	Significant increasing active cases of Covid-19. Full occupancy of hospital bed.
Regulation	Government Support	Restriction of mobility is everywhere. People are doing their activity at home.
Economic Shift	Business Owner	Work termination is everywhere.
	Purchasing Power	People are not interested in buying anything except healthcare and medicine.
Business Landscape	Home & Living Business Owner	No increasing number of online home & living business owners are registered.
	Number of transaction	Declining number of transactions in home & living online business.

Indicators	Measurement	Signals
	Another industries	Traveling (hotel, accommodation) and outdoor activities like sports and movies are suffering.
Fluffy Fellas Business Activity	Sales Data	Decreasing sales and visitors

## CONCLUSION

After a little consideration and analysis, it can be concluded that the plausible scenario planning of Fluffy Fellas Studio is determined by Covid-19 pandemics and industry dynamics as the critical uncertainties. The scenarios created are: Take the Cake, Avant Garde, Tip Toe, and Mayday Mayday. In Take the Cake scenario (Covid-19 Pandemics Recovered and Passionate Industry Dynamics), the strategies will be focused on the marketing and promotion strategy through digital platform, and ensuring supply chain to fulfill the demands. In the Avant Garde scenario (Covid-19 Pandemics Recovered and Declined Industry Dynamics), the strategies will be focused on new technology for existing markets, through applying a new B2B business model to generate another revenue sources such as supplying hotel and apartment equipment, offering innovation that solved the needs of the market which tend to be more actively outside, which relates to the strength of Fluffy Fellas, which is its brand reputation in home and living, such as rented aesthetic apartment / studio for photoshoot and gallery. In the Tip Toe scenario (Covid-19 Pandemics Chaotic and Passionate Industry Dynamics), the strategies will be focused on adjust the supply chain by priority (cost efficiency), creating innovation of home and living product related to health and wellness such as essential oil, and amenities, also creating campaign to stay at home, and remind the customer to keep the hygiene of their houses by changing bed linen regularly. In the Mayday Mayday scenario (Covid-19 Pandemics Chaotic and Declined Industry Dynamics), the strategy will be focused on B2B hospital bed linen procurement, launching a healthcare product such as disinfectant spray, and creating campaigns about how to keep the house hygiene and how the product can help. To start preparing for all scenarios, there are a few things that Fluffy Fellas must prepare in general. Those are:

### **Improving supply chain.**

According to Heizer and Render (2000) in Ellitan, Lena (2018), as an SME, Fluffy Fellas had to be agile in terms of strategy since it will impact the supply chain decision. Fluffy Fellas need to elaborate differentiation, low cost, and response strategy to improve the supply chain. Since Fluffy Fellas also come within the differentiation strategy, in supplier objectives, Fluffy Fellas should do a market research to develop far behind to prepare the materials. It also required quick response to change requirements and requests for stock out for the response strategy. Since each scenario requires agile product development, the main criteria in choosing vendors will be according to the response strategy, that prioritizes capacity, speed, and flexibility, as does in process. In terms of stock characteristics, Fluffy Fellas should minimize inventory to avoid dead stock, with the consequences of developing a responsive system to ensure supply. In terms of designing products, Fluffy Fellas need to invest more to reduce production lead time, if possible, also reduce the lead time development.

### Research and Development

By using the strategy diamond framework and type of innovation matrix, Fluffy Fellas need to develop products and services with a consideration of customers in every scenario based on their answers to the questionnaire as a benchmark.

### Brand Awareness Preparation

Fluffy Fellas need to keep in mind to have brand awareness is a long time investment. To have the product fit with a good price in the marketplace is not enough to grow the business in the long term. Fluffy Fellas need to embrace a brand strategy that is more horizontal and inclusive. The customer journey should be noticed regularly to make sure the seamless path among the story line, product knowledge until decision making (Five A's). According to industry archetypes, Fluffy Fella's business landscape is classified into the Funnel pattern, in which purchases are planned and customers are highly involved in the overall experience and doesn't skip any stage of the customer journey. They can advocate if they have experienced the product by themselves. So the strategy that should be embraced is a commitment and affinity levels of the customers. Fluffy Fellas are considered with a high BAR median and narrow BAR range. The customers are recommended the brand even though there is not yet a brand that dominates the market. The signal is there are a few niche brands and large players in a fragmented market. So the key success factors are channel management, which is optimizing omnichannel presence and driving customers to purchase.

The following gantt chart is the proposed time frame of Fluffy Fellas scenario planning

*Table 8. Gantt Chart of Fluffy Fellas Scenario Planning*

Activity	Y1				Y2			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
General Preparation								
Supply Chain								
R&D								
Social media								
Chosen scenario execution								
Take The Cake								
Avant Garde								
Tip Toe								
Mayday Mayday								

### LIMITATION

This research is limited to Fluffy Fellas Studio case only, with an internal and external condition that has been experienced a year backward, the proposed business strategy may not be valid for another home



and living business but in general, the literature and strategy still can become a benchmark. This research is having limitations based on variables, sampling method, characteristics, time and it is limited to 57 respondents of questionnaire and 5 expert interviews. Most of the respondents are living in Jabodetabek. Other locations could have different responses to the questionnaire. The home and living business owner is already on a growth stage. Other home and living online businesses can be experiencing the different traction on Pandemics, and having different driving forces.

### **FURTHER RESEARCH**

For further research, the broader respondent will be more accurate to determine the driving forces. The various stages of home and living business will have a broader view of the business landscape. To further analyze the performance of the studied object, the purchase action ratio (PAR) and brand advocacy ratio (BAR) should be counted.

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