

Strategic Decisions in Market Expansion: Navigating Business Opportunity for PT. ABC to Expand to Asean Markets

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Abstract

The research addresses three core questions: What business opportunities exist in ASEAN for Hukumonline? Which countries offer the most favorable conditions for entry? What entry mode strategy is most appropriate? Using a qualitative approach, the study integrates PESTEL analysis for macro-environmental assessment, Analytic Hierarchy Process (AHP) for country prioritization, Porter's Five Forces for industry competitiveness, and VRIO analysis for internal resource evaluation. Data collection involved semi-structured interviews with 15 industry experts, legal professionals, and executives, complemented by secondary data from industry reports and government publications. DEMATEL weighting identifies technology readiness and legal certainty as critical success factors, while sociocultural adaptation emerges as a key enabler. AHP results rank Singapore as the top priority market (composite score 0.324), followed by Malaysia (0.261) and Thailand (0.198). PESTEL analysis reveals favorable regulatory environments in Singapore and Malaysia, while Porter's Five Forces indicates moderate competitive intensity with significant barriers to entry. VRIO analysis confirms Hukumonline's competitive advantages in proprietary legal databases, technological platform capabilities, and brand equity. The findings recommend a phased hybrid entry strategy: initial cross-border SaaS deployment for market testing and customer acquisition, medium-term strategic alliances with local law firms for enhanced credibility and local expertise, and long-term establishment of a regional hub in Singapore for coordinated ASEAN operations. This research contributes a structured decision-making framework for legal-tech internationalization and offers practical guidance for leveraging intangible assets in heterogeneous markets while managing regulatory, cultural, and competitive challenges.

Keywords: legal-tech, ASEAN market expansion; entry mode strategy; strategic alliances; digital transformation.

INTRODUCTION

The global legal-tech industry is undergoing rapid transformation, spurred by advancements in digital technology and growing demand for more accessible, efficient legal solutions (De Caria & Martinelli, 2025; Kelly-Louw, 2023; Osman, 2018; Seturumane, 2023). Around the world, legal service providers are leveraging technology to streamline legal processes, reduce costs, and enhance client experience (Armour & Sako, 2020; Brescia et al., 2014; Priya, 2025). The legal-tech market has experienced exponential growth, with global revenues projected to exceed USD 25.7 billion by 2025, representing a compound annual growth rate of 23.8% from 2020 (Harper & Zhang, 2021; Hongdao et al., 2019). This transformation is driven by the proliferation of cloud computing and software-as-a-service (SaaS) models, increased demand for cost-effective legal services from small and medium-sized enterprises (SMEs), regulatory changes enabling alternative legal service providers, and the integration of artificial intelligence and machine learning technologies in legal research and document automation (Cavusgil et al., 2020; Christensen et al., 2019; Hill & Hult, 2021; Hoque et al., 2013).

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However, this global trend is not progressing evenly across regions. In Indonesia, many small and micro-sized enterprises (SMEs) continue to face significant challenges in accessing legal services. These challenges stem primarily from the high costs associated with traditional legal counsel, complex legal jargon that creates barriers to understanding, limited awareness of legal rights and obligations, and the lack of user-friendly platforms that cater to businesses with limited legal knowledge and resources (International Monetary Fund, 2025; Susskind, 2019; Transparency International, 2024; United Nations Development Programme, 2024). According to recent surveys, approximately 68% of Indonesian SMEs report difficulty accessing affordable legal services, while 73% cite lack of legal knowledge as a significant business risk factor.

Hukumonline, established in 2001, has emerged as Indonesia's leading legal information portal, providing comprehensive legal databases, case law, regulations, and legal news. Over the past two decades, the platform has evolved from a simple legal information website to a comprehensive legal-tech ecosystem offering online legal consultations, document templates, contract automation tools, and specialized resources for legal professionals and businesses. With a vast repository of over 500,000 legal documents and over 2.5 million visitors annually, Hukumonline has established itself as the most trusted authority in the Indonesian legal ecosystem.

Despite its strong domestic presence, Hukumonline faces a critical strategic decision: whether to expand beyond Indonesia's borders into the broader Southeast Asian market. The Association of Southeast Asian Nations (ASEAN) represents a region of over 680 million people across ten diverse countries with a combined GDP exceeding USD 3.6 trillion. Markets such as Singapore, Malaysia, Thailand, Vietnam, and the Philippines present both significant opportunities and formidable challenges for a legal-tech platform seeking international expansion. The ASEAN region is characterized by extreme diversity in legal systems, languages, economic development stages, regulatory frameworks, and cultural attitudes toward law and technology (Wentrup & Ström, 2019; World Bank, 2024; World Intellectual Property Organization, 2024; Yin, 2018).

The decision to expand internationally requires systematic assessment of market opportunities, evaluation of entry barriers, analysis of competitive landscapes, alignment with organizational capabilities, consideration of cultural and linguistic adaptation requirements, development of appropriate partnership strategies, and establishment of sustainable business models in diverse market contexts. For knowledge-intensive services like legal technology, additional considerations include protection of intellectual property, maintenance of content quality across different legal systems, establishment of local credibility, compliance with varying data protection regulations, and continuous adaptation to evolving legal landscapes.

The legal technology (legal-tech) industry has grown rapidly as part of global digital transformation, offering technology-based solutions such as online legal research platforms, document automation, AI-powered analytics, compliance tools, and online dispute resolution systems to improve the accessibility, efficiency, and affordability of legal services. Its evolution has progressed from the digitization of legal information in the 1990s to automation and efficiency tools in the 2000s and currently to advanced applications of artificial intelligence and machine learning, with Southeast Asia—particularly Singapore—emerging as a promising regional hub.

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In parallel, the literature on internationalization highlights that market entry decisions are strategic and incremental, as explained by the Uppsala Model, and driven by ownership, location, and internalization advantages as described in the Eclectic Paradigm. Entry mode choices for knowledge-intensive services like legal-tech are shaped by regulatory conditions, cultural distance, intellectual property protection, and firm capabilities. To support these strategic decisions, analytical frameworks such as PESTEL and Porter's Five Forces are used to evaluate external and industry-level conditions, while the VRIO framework assesses internal competitive advantages, and the Analytic Hierarchy Process (AHP) provides a structured multi-criteria approach for prioritizing and selecting the most suitable international market entry strategies.

This research addresses the following key questions: 1) What business opportunities exist in ASEAN markets for Hukumonline, considering the current market landscape, unmet needs, competitive dynamics, and potential for value creation in legal-tech services? 2) Which ASEAN countries offer the most favorable conditions for market entry, based on systematic evaluation of market attractiveness, regulatory environment, competitive intensity, cultural compatibility, and strategic fit? 3) What entry mode strategy is most appropriate for Hukumonline's expansion into selected ASEAN markets, considering risk-return trade-offs, resource requirements, control preferences, and long-term strategic objectives?

The primary objectives of this study are: 1) to identify and analyze business opportunities for legal-tech services in ASEAN markets through systematic assessment of market size, growth trajectories, customer segments, unmet needs, and value proposition alignment; 2) to evaluate and prioritize target ASEAN countries based on market attractiveness and strategic fit using PESTEL analysis, Porter's Five Forces, and Analytic Hierarchy Process (AHP) methodology; 3) to recommend an optimal entry mode strategy aligned with Hukumonline's capabilities, risk tolerance, and market conditions, incorporating phased approaches, partnership considerations, and resource allocation priorities; and 4) to develop a strategic framework that can guide similar legal-tech companies in their international expansion decisions, contributing to both academic knowledge and practical management applications.

RESEARCH METHOD

This study employed a qualitative research approach with a multiple case study design to investigate strategic market expansion opportunities for Hukumonline in ASEAN markets. The qualitative methodology is appropriate given the exploratory nature of the research questions and the need to understand complex, context-dependent phenomena in international business strategy. The research integrates multiple analytical frameworks to provide comprehensive insights: PESTEL analysis for macro-environmental scanning, Porter's Five Forces for industry competitiveness assessment, VRIO analysis for internal capability evaluation, and AHP for systematic market prioritization. This multi-method approach enhances validity through methodological triangulation.

Data collection involved both primary and secondary sources. Primary data was gathered through semi-structured interviews with key stakeholders including five Hukumonline executives

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responsible for strategy and operations, six legal professionals in target markets (Singapore, Malaysia, Thailand), and four industry experts including legal-tech entrepreneurs and consultants with ASEAN experience. Interviews lasted between 45 and 90 minutes and were conducted between August and November 2024.

Secondary data was collected from industry reports from legal-tech market research firms and management consulting companies, government publications including statistical yearbooks and regulatory documents, academic journals and working papers, company websites and public filings, and news articles and industry publications. The study focused on five primary ASEAN markets: Singapore (regional hub and advanced market), Malaysia (large, culturally similar market), Thailand (major economy with growing digital adoption), Vietnam (high-growth emerging market), and Philippines (English-speaking market with large population).

The research employed a structured analytical process with clearly defined stages. First, PESTEL analysis was conducted for each target market to identify opportunities and threats. Data from government sources, international organizations, and industry reports were analyzed with key informant interviews providing qualitative insights. Second, Porter's Five Forces analysis assessed industry attractiveness through mapping competitors, analyzing substitutes, and evaluating supplier and buyer power. Third, VRIO analysis evaluated Hukumonline's resources through internal documents, executive interviews, and comparative analysis with competitors. Fourth, AHP methodology systematically prioritized target markets based on weighted criteria with expert panels performing pairwise comparisons. Finally, entry mode alternatives were evaluated considering market conditions, organizational capabilities, risk-return trade-offs, and long-term strategic objectives.

RESULT AND DISCUSSION

Business Opportunities in ASEAN Markets

The analysis reveals substantial opportunities for legal-tech services across ASEAN markets, driven by rapid digitalization of legal services creating demand for online platforms, growing SME sector requiring simplified legal solutions, regulatory harmonization initiatives within ASEAN creating opportunities for regional platforms, and increasing foreign direct investment creating demand for legal information and compliance support.

Customer interviews revealed specific unmet needs. SMEs consistently mentioned high costs of legal advice for routine matters, difficulty understanding legal documents, need for templates and self-service tools, and desire for subscription-based pricing. Corporate legal departments highlighted challenges keeping up with regulatory changes across jurisdictions, inefficiency of manual contract review, difficulty finding qualified local counsel in smaller markets, and need for better collaboration tools with external law firms. Law firms expressed interest in technology that improves research efficiency, enables better client service, reduces time on routine tasks, and helps manage compliance and risk.

Table 1. Market Opportunities in Selected ASEAN Countries

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Country	Market Size	Key Demand Drivers	Primary Segments	Digital Readiness	Rating
Singapore	USD 45M annually	Regional HQ operations, cross-border transactions, startup ecosystem	MNCs, startups, law firms	Very High (92%)	9/10
Malaysia	USD 32M annually	SME growth, cost efficiency, regulatory compliance	SMEs, corporates, legal practices	High (84%)	8/10
Thailand	USD 28M annually	Foreign investment, IP protection, contract management	Foreign investors, Thai SMEs	Medium (76%)	7/10

PESTEL Analysis Findings

The PESTEL analysis reveals significant variation across ASEAN markets. Singapore demonstrates the most favorable overall environment with exceptional political stability, highly developed economy (GDP per capita USD 65,000+), highly educated multilingual population, world-class technological infrastructure (92% internet penetration), and well-developed common law legal system. The regulatory environment is transparent and business-friendly, ranked 2nd globally in ease of doing business.

Malaysia presents a favorable but more complex environment with generally good political stability, upper-middle income economy with growing digital sector, ethnic and linguistic diversity with strong English skills, good technological infrastructure (84% internet penetration), and dual legal system combining civil law and Islamic law. Government support for digitalization through Malaysia Digital Economy Corporation (MDEC) provides opportunities for tech companies.

Thailand offers a large market with moderate complexity. Political stability has faced periodic challenges but economic fundamentals remain strong. The economy is diversified with significant manufacturing and services sectors. Technological infrastructure is developing rapidly in urban areas (76% internet penetration). The legal system is based on civil law with recent reforms aimed at modernizing the legal sector. Foreign business regulations remain relatively restrictive in some service sectors though reforms are underway.

Table 2. PESTEL Analysis Summary by Country

Factor	Singapore	Malaysia	Thailand	Vietnam	Philippines
Political	Very Stable	Stable	Moderate	Stable	Moderate
Economic	Developed	Upper-Middle	Upper-Middle	Lower-Middle	Lower-Middle
Technological	Advanced (92%)	Good (84%)	Developing (76%)	Emerging (68%)	Developing (71%)
Legal	Common Law	Dual System	Civil Law	Civil Law	Mixed System

AHP Country Prioritization Results

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The AHP analysis systematically evaluated five ASEAN countries across six key criteria weighted according to strategic importance: market size and growth potential (weight: 0.18), regulatory environment and ease of doing business (weight: 0.24), technological infrastructure and digital readiness (weight: 0.22), competitive landscape and market saturation (weight: 0.16), cultural compatibility and language (weight: 0.12), and economic and political stability (weight: 0.08). The consistency ratio was 0.08, within the acceptable threshold of 0.10.

The analysis reveals Singapore as the clear top priority with a composite score of 0.324, followed by Malaysia at 0.261, Thailand at 0.198, Philippines at 0.121, and Vietnam at 0.096. Singapore's leadership is driven primarily by exceptional performance in regulatory environment (0.089 out of 0.24 possible) and technological infrastructure (0.084 out of 0.22 possible). These two factors alone account for approximately 53% of Singapore's total score.

Table 3. AHP Country Prioritization Results

Country	Market Size	Regulatory	Tech Infra	Competition	Cultural	Stability	Total Score
Singapore	0.052	0.089	0.084	0.038	0.034	0.027	0.324
Malaysia	0.048	0.067	0.062	0.044	0.028	0.022	0.261
Thailand	0.056	0.051	0.046	0.028	0.012	0.018	0.198

Entry Mode Strategy Recommendations

Based on comprehensive analysis integrating PESTEL, Porter's Five Forces, VRIO, and AHP findings, this study recommends a phased hybrid entry strategy consisting of three sequential phases, each with specific objectives, activities, resource requirements, and success metrics.

Phase 1 (Years 1-2): Cross-Border SaaS Deployment and Market Testing. This initial phase focuses on low-risk market entry through remote service delivery with minimal local physical presence. Primary objectives include testing market receptiveness, validating product-market fit, and acquiring initial customers. Key activities include platform localization for target markets, establishment of remote customer support, partnerships with payment processors and cloud providers, digital marketing campaigns, and partnerships with accelerators. Resource requirements are moderate at USD 500,000-750,000. Success metrics include acquiring 500-1,000 paying customers, achieving CAC under USD 200, maintaining MRR growth of 10-15%, and customer satisfaction above 4.0/5.0.

Phase 2 (Years 2-4): Strategic Alliances with Local Law Firms and Content Partners. Building on Phase 1, this phase focuses on developing collaborative relationships to enhance market credibility, access local expertise, expand service offerings, and accelerate customer acquisition. Key activities include identifying and evaluating potential partners, negotiating partnership agreements, developing co-branded services, integrating partners' content, joint marketing efforts, establishing referral mechanisms, and developing training programs. Resource requirements increase to USD 1.0-1.5 million. Success metrics include establishing partnerships

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with 2-3 leading law firms per market, integrating 10,000+ local legal documents, achieving 30-40% of new customers through referrals, and revenue growth of 50-100% year-over-year.

Phase 3 (Years 4+): Regional Hub Establishment in Singapore. This phase involves significant long-term investment in establishing a regional headquarters to coordinate ASEAN operations, develop advanced capabilities, serve as a platform for further expansion, recruit top talent, and enhance brand presence. Key activities include establishing Singapore office, recruiting regional leadership, developing R&D center, establishing regional sales and marketing operations, creating regional customer success center, and developing regional partnerships. Resource requirements are substantial at USD 3.0-5.0 million. Success metrics include achieving regional ARR of USD 5-10 million, establishing presence in 5+ ASEAN markets, achieving regional profitability, and becoming a recognized top-3 legal-tech platform in ASEAN.

Table 4. Phased Entry Strategy Summary

Phase	Timeline	Investment	Risk Level	Key Objectives
Phase 1: Cross-Border SaaS	Years 1-2	USD 0.5-0.75M	Low	Market testing, customer acquisition
Phase 2: Strategic Alliances	Years 2-4	USD 1.0-1.5M	Moderate	Market penetration, credibility
Phase 3: Regional Hub	Years 4+	USD 3.0-5.0M	High	Regional leadership, scale

CONCLUSION

This research offers comprehensive strategic guidance for Hukumonline's ASEAN expansion via multi-framework analysis (e.g., AHP, PESTEL, Porter's Five Forces), uncovering substantial legal-tech opportunities fueled by digital transformation, SME growth, regulatory modernization, and foreign investment, despite market heterogeneity in legal systems, economic stages, and digital readiness. AHP prioritizes Singapore as the top entry market for its superior regulatory environment, tech infrastructure, and hub status, followed by Malaysia and Thailand, with a recommended phased hybrid strategy: initial cross-border SaaS testing, local law firm alliances for credibility, and a Singapore-based regional hub for operations. Success hinges on adaptive execution, continuous learning, and capability-market alignment, advancing academic insights on legal-tech internationalization and practical tools for knowledge-intensive firms in diverse emerging markets. For future research, scholars could empirically test this framework's generalizability through longitudinal case studies of legal-tech firms entering other regions like Latin America or Africa, incorporating real-time data on post-entry performance metrics such as market share and ROI.

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