

Research Article

Company *Strategy* Parcel Industry Faces Recovery Post Covid-19 : Stability Strategy Implementation in Effort Maintain Superiority Compete in Parcel Industry

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Abstract : The industrial sector plays a crucial role as the primary driver and pillar of the national economy as a whole, contributing to increased production, fixed investment, employment, capacity utilization, and exports, even amid the disruptions and challenges caused by the post-COVID-19 pandemic. The current post-COVID-19 recovery period has had a significant impact on Indonesia's economy, ranging from changes in supply chains to shortages of raw materials. Even if raw materials are available, this leads to higher supply costs. This crisis has had a major impact on consumer purchasing power and social inequality. Consumer purchasing power has declined for the first time in a generation, and income loss has been disproportionate among different social groups, leading to a dramatic increase in inequality. External factors like COVID-19 have influenced consumers' willingness to control themselves by changing their shopping behavior. One of the changes that has occurred post-pandemic is a shift in consumer shopping behavior. Therefore, it is essential for companies to implement strategies. One strategy chosen during this recovery period is a stability strategy to maintain competitive advantage amid an uncertain economic climate. The research method applied is a qualitative method to obtain an initial overview of the stability strategies implemented by companies in their efforts to maintain competitive advantage. This research was conducted using a descriptive analysis method. Descriptive analysis is a research method used to describe an object of study using the object of study as a sample and providing conclusions that apply generally without making comparisons or relationships between the variables being studied.

Keywords: Corporate strategy; stability strategy; competitive advantage

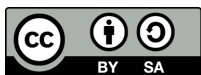
1. Introduction

The Covid-19 pandemic has shaken the Indonesian economy across the board, leaving deep and complex traces. After the first wave of the pandemic, Indonesia has had to face major challenges in recovering its economy. The impacts have been felt far and wide, from rising unemployment to pressure on the business sector, as well as slowing overall economic growth. Although mitigation measures have been taken, including fiscal stimulus and monetary policy, the recovery journey is far from over. Moreover, with the emergence of new variants and ongoing global uncertainty, the condition of the Indonesian economy post-Covid-19 remains a key focus for the government and

stakeholders to navigate this uncertain future wisely and strategically. MSMEs also face various challenges such as difficulties in obtaining raw materials, limited capital, and access to markets (Arianto, 2020, Thaha, 2020).

On this occasion, the government needs to identify companies that are affected in more detail so that they can get wider access to various economic recovery programs, especially tax incentives, loan restructuring, salary subsidies, and access to pre-employment

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cards. Second, the government needs to pay more attention to MSME companies affected by the pandemic, even though the government has currently provided assistance in the form of interest subsidies, loan restructuring and tax reductions. Third, the government needs to expand labor market information that is oriented towards the type of work, and companies also need to be encouraged to determine the specifications of the skills needed so that they are more widely informed about skills demand. Fourth, the education and training needs needed after the pandemic are related to technology, both information technology and industrial technology. Such as related to digital marketing and digital working. Fifth, policies and regulations are needed that form the basis for flexible working arrangements concerning certain positions and types of work. Sixth, a fairly comprehensive policy is needed regarding the unification of several social security for workers, both related to education and health, including programs for a more persistent pandemic period.

Indonesia's economy began to recover in 2021 after experiencing many challenges due to the COVID-19 pandemic. However, there are still several problems that need to be resolved. One of them is the decline that continues to be felt by micro, small, and medium enterprises (MSMEs). Further assistance from the government is considered important to help MSMEs in recovering and improving economic performance.

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Based on the latest data, around 90% of Micro, Small, and Medium Enterprises (MSMEs) in Bandung City have been affected by the COVID-19 pandemic. This impact covers various sectors, including food and beverages and fashion, which have experienced a decline in turnover and difficulty in maintaining operations. However, the Bandung City government has initiated various strategies to restore the economy, such as providing training and facilitating the distribution of assistance to small business actors. The Bandung City Government is also focusing on increasing employment opportunities and empowering the community's economy as part of the economic recovery strategy in 2023. This effort is expected to reduce the unemployment and poverty rates that have increased during the pandemic (Open Data) (Bandung).

Stability Strategy

Companies can choose a strategy for stability rather than growth in running their business activities. This is done in certain situations without much change in the type of business activity. This stability strategy is useful for analyzing market conditions and determining the steps or strategies that must be taken according to market conditions.

Wheelen & Hunger (2010) This strategy consists of three types of strategies:

1. Pause Strategy - A strategy to stop carefully
Companies choose to remain silent or take a break for some time to analyze the market for some time.
2. No Change Strategy – No change strategy
The company does not choose new things in its business activities but continues to run its business with existing methods and means.
3. Profit Strategy – Profit strategy
The company chooses not to undertake new business activities, but instead tries to eliminate or reduce business activities or expenses with the aim of increasing the company's profit value which tends to decline for a certain period of time.

Competitive Advantage

Competitive advantage cannot be separated from the development of the resource-based view (RBV) concept which focuses on the company's ability to maintain a unique combination of natural resources or to build in a different way than its competitors. Differences in the management of natural resources and the company's capabilities compared to its competitors provide a competitive advantage. RBV theory states that a company's competitive advantage will be obtained if the company relies on valuable, rare, inimitable and non-substitutable organizational resources (Barney, JB, & Clark, 2007). While in other studies (Barney, JB and Hesterly, 2008) explains in another perspective related to efforts to achieve success in competition through the VRIO framework (Valuable, Rare, Inimitable, Organization).

Competitive advantage is a set of factors that differentiate a small company from its competitors and provide a unique position in the market so that it is superior to its competitors. Competitive advantage can also be interpreted as an advantage that creates value for customers and is difficult for competitors to imitate. Companies that have competitive advantages will become leaders in their markets and can achieve above-average profits (Zimmerer, 2008). Competitive advantage is a benefit that exists when a company has and produces a product and/or service that is seen by its target market as better than its closest competitors (Saiman, 2015).

Corporate Strategy: Corporate strategy needs to be managed to develop and integrate a series of plans that focus on emphasizing the company's competitive advantages. The best strategic plans are valuable strategic thinking as input and commitment from managers at various levels, departments and work groups (Wheelen, Hunger, Hoffman, & Bamford, 2018).



2. Method

This study uses a descriptive qualitative method through literature study. Qualitative Research Method is a method that emphasizes more on the aspect of in-depth understanding of a problem rather than looking at problems for generalization research. This research method uses more in-depth analysis techniques, namely examining problems on a case-by-case basis because qualitative methodology believes that the nature of one problem will be different from the nature of other problems. In accordance with its objectives, qualitative research moves on the concept of exploring the problems of a social phenomenon. The problem is described through research questions so that the cause of the problem or phenomenon is known.

3. Research result

This study uses a descriptive qualitative method through literature study and descriptive analysis. The aim is to obtain an initial picture of the implementation of stability strategies by parcel industry companies in an effort to maintain competitive advantage during the post-Covid-19 recovery period.

The findings from the literature study indicate several key points:

- **Economic Conditions Post Covid-19:** The post Covid-19 recovery period has had a significant impact on the Indonesian economy, marked by changes in the supply chain, minimal availability of raw materials, and rising supply prices. This crisis has also caused a decline in consumer purchasing power and an increase in social inequality. Consumer behavior in shopping has also changed, tending to be more controlled.
- **Impact on MSMEs:** Micro, Small, and Medium Enterprises (MSMEs) face various challenges such as difficulty in obtaining raw materials, limited capital, and market access. In Bandung City, around 90% of MSMEs were affected by the pandemic, including the

food and beverage and fashion sectors which experienced a decline in turnover. Although the Indonesian economy began to recover in 2021, MSMEs are still experiencing a continuing decline.

- **Stability Strategy:** In uncertain market conditions, companies can choose a stability strategy rather than a growth strategy. This strategy is useful for analyzing market conditions and determining the right steps. According to Wheelen & Hunger (2010), there are three types of stability strategies:
 - **Pause Strategy (Careful Stop Strategy):** The company chooses to pause for a while to analyze the market.
 - **No Change Strategy:** The company continues to run the business with existing methods and means without doing anything new.
 - **Profit Strategy:** Companies try to reduce business activities or expenses to increase profits which tend to decline.
- **Competitive Advantage:** Competitive advantage can be achieved when a company is able to maintain a unique combination of resources or build them differently from competitors (*resources based view* - RBV concept). RBV theory states that competitive advantage is obtained if a company relies on valuable, rare, inimitable, and non-substitutable resources (*Valuable, Rare, Inimitable, Non-substitutable* - VRIN), or through the VRIO framework (*Valuable, Rare, Inimitable, Organization*). Competitive advantage differentiates a company from its competitors, provides a unique position in the market, creates value for customers, and is difficult to imitate.

Research Discussion

The Covid-19 pandemic has caused significant changes in the economic landscape, forcing companies, including those in the parcel industry, to re-evaluate their strategies. The decline in consumer purchasing power and disruptions to the supply chain and availability of raw materials are major challenges. In this context, a stability strategy emerges as a relevant approach for parcel industry companies to maintain competitive advantage amid economic uncertainty.

Implementing stability strategies, such as *Pause Strategy* , *No Change Strategy* , or *Profit Strategy* , allows companies to act cautiously. *Pause Strategy* gives companies time to analyze changing markets and re-evaluate their internal resources in light of changing consumer behavior. *No Change Strategy* can be an option for companies whose business fundamentals are still strong and relevant. Meanwhile, *Profit Strategy* , with its focus on cost efficiency and profit optimization, can help companies survive when revenues decline due to weakening consumer purchasing power.

To maintain competitive advantage, parcel industry companies need to refer to *the Resource-Based View* (RBV) and VRIO frameworks. This means that companies must focus on identifying, developing, and protecting valuable, rare, difficult-to-imitate resources supported by good organizations. These advantages can be efficient distribution networks, sophisticated tracking technology, superior customer service, or a strong brand image.

MSMEs in the parcel sector, which have proven vulnerable during the crisis, need special attention. Stability strategies can help them manage capital constraints and market access difficulties. Government support, such as tax incentives, loan restructuring, and subsidies, are also crucial for MSME recovery. In addition, the use of digital technologies such as *digital marketing* and *digital working* is important for adaptation and competitiveness.

Implementing an integrated corporate strategy that focuses on emphasizing competitive advantage is key. A good strategic plan must involve input from various levels of management to ensure commitment and effectiveness of implementation.

4. Conclusion

1. The post-Covid-19 recovery period presents significant challenges for companies in the parcel industry, including supply chain disruptions, raw material shortages, price increases, as well as decreased purchasing power and changes in consumer behavior.
2. Stability strategies, which include *Pause Strategy* , *No Change Strategy* , and *Profit Strategy* , offer a rational approach for parcel industry companies to deal with economic uncertainty and maintain their operations and competitive advantage.
3. Success in maintaining competitive advantage in this era is highly dependent on the

company's ability to manage and utilize valuable, rare, difficult to imitate, and well-organized (VRIO) resources.

4. MSMEs in the parcel industry show high vulnerability to the impact of the pandemic, thus requiring the implementation of adaptive strategies and adequate external support to survive and recover.

Research Suggestions

Based on the findings and discussions, here are some suggestions to consider:

For Parcel Industry Companies:

- Conduct careful internal and external analysis to select the type of stability strategy (Pause, No Change, or Profit) that best suits the company's conditions and resources.
- Focus on strengthening and developing core resources that meet the VRIO (Valuable, Rare, Inimitable, Organization) criteria to create and maintain sustainable competitive advantage.
- For MSMEs in the parcel industry, it is advisable to be proactive in seeking information and utilizing government support programs, as well as adopting digital technology to increase market reach and operational efficiency.

For Further Research:

- Conducting a more in-depth empirical study to test the effectiveness of implementing various types of stability strategies at different scales and types of parcel companies in Indonesia post-pandemic.
- Further examining the specific contextual factors (e.g., level of digitalization, government support, local market characteristics) that moderate the relationship between stability strategy and parcel firms' competitive advantage.
- Investigating in more detail changes in consumer behavior in the use of parcel services post-pandemic and its implications for the marketing and service strategies of parcel companies.
- Examining the role of innovation, both in services and business processes, as a complement to stability strategies in maintaining competitive advantage in the parcel industry.

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