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Holistic Strategy in Building Competitive Advantage in the Digital Era and Market Disruption

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Abstract

This study aims to analyze the effect of a holistic strategy on a company's success in maintaining competitive advantage in the digital transformation era. The holistic strategy includes technology adoption, human resource development, business model innovation, customer orientation, and risk management. This study uses a quantitative approach with a survey method through a closed questionnaire distributed to managers and executives in 100 companies spread across various industrial sectors, including technology, manufacturing, services, and retail. Respondents were selected based on their company's involvement in digital transformation initiatives for at least two years. The collected data were analyzed using descriptive statistics and linear regression to evaluate the relationship between the independent (holistic strategy) and the dependent (competitive advantage) variables. The study results show that technology adoption, especially AI, big data, and IoT, significantly affects company performance and strengthens its competitive advantage. In addition, employee digital skills development, innovation in business models, and a focus on improving customer satisfaction have also been shown to play an important role in driving business growth. Effective risk management helps companies deal with market disruption and economic uncertainty to maintain their operations' sustainability. These findings emphasize the importance of integrating various elements in a holistic strategy to ensure a company's success in the era of dynamic digital competition. This research provides theoretical and practical contributions for business managers in formulating adaptive and sustainable strategies amidst technological disruption. The implications of these findings suggest that companies need to accelerate their digital transformation by strengthening the synergy between technology, human resources, innovation, and risk management to maintain their competitiveness in the global market.

Keywords:
Holistic Strategy; Competitive Advantage; Digital Transformation; Technology Adoption; Skills Development.

1. INTRODUCTION

A holistic strategy for building competitive advantage in the digital era and market disruption requires a comprehensive approach, integrating various aspects of business management, marketing, and innovation. In this case, it is important to understand how companies can adapt and utilize digital technology to increase competitiveness. The digital era has changed the business landscape significantly, with technological advances leading to market disruption in various sectors. This disruption threatens traditional business models and opens up opportunities for companies that can innovate and adapt quickly. In this context, a holistic approach, which includes various aspects of organizational strategy, such as technology, innovation, human resources, and customer focus, is becoming increasingly relevant to creating sustainable competitive advantage. This study aims to understand the extent to which a holistic approach can be effectively implemented by companies to overcome challenges in the era of disruption. This study uses quantitative methods to collect data from companies that have carried out digital transformation and implemented holistic strategies in their business operations. The data obtained is analyzed to evaluate the impact of holistic strategies on the company's ability to maintain competitiveness. Market orientation is one of the key elements that plays an important role in building a company's competitive advantage. This orientation reflects how much a company understands customer needs and preferences and can adapt to market changes. In this case, companies with a market orientation tend to be more responsive to changes in consumer behaviour, technological innovation, and industry dynamics. This allows them to provide relevant solutions and create significant customer value (Anisah, 2024). Market orientation helps companies to proactively monitor and analyze market trends, identify unmet needs, and respond quickly to changes in consumer preferences. Market-oriented companies focus on developing products or services that meet current consumer needs and strive to predict future needs. Thus, companies can continue to innovate and maintain their position in an increasingly competitive market (Aprilia & Subiyantoro, 2022). In addition, market orientation also plays a role in supporting the decision-making process based on data and market research. With accurate information about consumer preferences, companies can make more targeted strategic decisions, such as new product development, pricing, distribution, and promotion, based on the target market segmentation. This improves the company's operational efficiency, strengthens customer loyalty, and expands its market share. Market orientation is becoming increasingly important in the digital era, marked by the acceleration of technological innovation and industrial disruption. Companies that cannot adapt quickly to changing digital trends risk losing competitiveness. Conversely, companies that can integrate market orientation with digital technologies, such as data analysis, e-commerce, and social media platforms, will have a more sustainable competitive advantage. They can effectively reach consumers, offer a more personalized customer experience, and respond to market needs more efficiently (Sulistyawati & Munawir. 2024). A strong market orientation is a tool for achieving competitive advantage in the short term and a foundation for building business desires in an ever-evolving market environment.

Product innovation and effective marketing strategies are important elements in a company's efforts to achieve sustainable competitive advantage. Innovation is not only limited to creating new products but also includes the development of creative ideas that improve or change how a product is produced, distributed, and marketed (Novita & Zahra, 2024). In a world increasingly dominated by digital technology, innovation in products and marketing plays a significant strategic role in determining a company's success in the global market. One innovation that has a major impact is using an e-commerce-based information marketing system. This technology allows companies, including Micro, Small, and Medium Enterprises (MSMEs), to expand their market reach more efficiently and affordably. E-commerce allows MSMEs to reach consumers worldwide without needing large physical infrastructure to compete with large companies on a global scale. In addition, this system allows companies to interact directly with consumers, collect customer data, and build loyalty more personally (Pribadi et al., 2022; Kosasi, 2017). This makes e-commerce one of the most effective marketing tools in the digital era. In addition to technological innovation, clear and targeted strategic differentiation is important in creating a competitive advantage. Strategic differentiation allows companies to offer products or services with unique characteristics in terms of quality, features, and other added value that competitors do not have. Through differentiation, companies can attract consumers' attention by providing something superior or different compared to other products on the market. If supported by a strong market orientation, this strategy can significantly improve business performance, expand market share, and increase company profitability (Afiyati et al., 2019). Further research shows that the success of a differentiation strategy often depends on the extent to which a company can understand consumer needs and respond to them quickly. When strategic differentiation is combined with product innovation relevant to the target market, companies have a greater chance of maintaining a competitive advantage in the long term (Rachmasari & Suprapti, 2022). In an era of constant change, innovation and marketing strategy are two inseparable elements in building the overall success of a company.

Developing quality human resources is crucial to creating a competitive advantage for a company. Employees with technical abilities and soft skills, such as emotional intelligence and proactivity, significantly contribute to organizational performance and innovation. Research shows that proactive employees tend to be better able to face challenges, find creative solutions, and take initiative in various situations, ultimately increasing organizational productivity and efficiency (Fardanty, 2024). Emotional intelligence, which includes recognizing, managing, and utilizing emotions effectively, is also very important in the modern, dynamic work environment. Employees who have high emotional intelligence can work better on time, maintain positive interpersonal relationships, and cope with stress more constructively. This contributes to creating a harmonious work environment and supports collaboration, which ultimately positively impacts achieving company goals. To maximize the potential of human resources, companies need to create a work ecosystem that supports sustainable employee development (Salam & Imilda, 2024). This can be done through strategically designed training and skills development programs. Training includes the development of technical skills relevant to the employee's field of work and aspects such as leadership, time management, and adaptability to change. Developing these skills allows employees to thrive in their current roles and be ready to face new changes and challenges. Companies must also ensure a clear career path and opportunities for professional advancement. When employees feel appreciated and see opportunities to grow within the company, they will be more motivated to give their best. This motivation will directly impact creativity, innovation, and work efficiency, ultimately strengthening the company's competitive position in the market (Iqbal et al., 2024). By creating an environment that supports personal and professional development, companies are investing in individual employees as well as in the future of the company as a whole. Well-developed employees will be valuable assets who can present new ideas, increase productivity, and face change more adaptively.

Government support and adequate infrastructure play a significant role in facilitating business growth, especially in the era of disruption marked by rapid technological developments and rapidly changing market dynamics. Proactive government policies supporting entrepreneurship, for example, through tax incentives, ease of licensing, and access to financing, have proven to encourage business growth in the small and medium sectors (Perdana, 2023). In addition, strengthening infrastructure, such as better access to transportation networks, telecommunications, and information and communication technology, provides companies with a solid foundation to grow and innovate. The government can also act as a facilitator in creating an ecosystem conducive to cross-sector collaboration between private companies, academics, and research institutions. This collaboration accelerates the transfer of technology and knowledge and encourages the creation of innovative solutions that can answer global challenges. In addition, adequate infrastructure allows companies to be more efficient in their operations, both in terms of product distribution and communication with customers. The combination of strong policy support and solid infrastructure creates an environment that supports sustainable business growth. The use of a data-driven approach in decision-making is now a must amid the complexity of modern business. Companies that can utilize information technology and data analysis effectively will have an advantage in making more accurate and timely decisions. Comprehensive data processing provides deep insights into consumer behaviour, market trends, and the effectiveness of a company's operations, which can be integrated into the business strategy formulation process. Analysis tools such as PEST, SWOT, and BCG Matrix have become common frameworks companies use to analyze external and internal factors that affect business performance. For example, PEST (Political et al., and Technological) analysis provides a comprehensive overview of external factors affecting the business environment. Meanwhile, SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis helps companies identify internal strengths and weaknesses and opportunities and threats in the market. Conversely, the BCG Matrix allows companies to evaluate their product portfolio based on market share and growth to make more strategic decisions regarding resource allocation (Nabilasamba, 2023; Arifanto, 2023). By integrating these analytical tools and data-driven approaches into the decision-making process, companies can be more adaptive in facing market changes and more effective in formulating strategies that support the achievement of competitive advantage. Optimal data utilization increases operational efficiency and opens up opportunities for more targeted and sustainable innovation so that companies can continue to grow in this challenging era.

2. RESEARCH METHOD

This study uses a quantitative method with a questionnaire as the data collection instrument. The respondents were managers and executives of companies from various industrial sectors, especially companies that have implemented digital transformation and business innovation strategies. The questionnaire was designed to measure several important aspects of the implementation of a holistic strategy, including the adoption of technologies such as AI, big data, and IoT, human resource management and digital skills development, business model innovation, customer orientation and focus, and risk management and business resilience. The population of this study consisted of companies based in developed and developing countries undergoing digital transformation. From this population, a random sample of 100 companies was taken from the technology, manufacturing, services, and retail sectors. This sample was selected based on the criteria of companies that had been involved in digital transformation initiatives for at least two years. Data were collected through questionnaires sent via email and online interviews with key respondents. The questionnaire consisted of 25 closed-ended questions using a Likert scale of 1-5, in which respondents were asked to rate how much they agreed or disagreed with statements related to implementing a holistic strategy in their company. These questions are grouped into five main categories: technology adoption, human resource development, business model innovation, customer focus, and risk management. Data analysis was conducted using descriptive statistics and linear regression methods to evaluate the relationship between implementing holistic strategies and the company's success in maintaining competitive advantage. Statistical software such as SPSS was used to process data, calculate frequencies and averages, and analyze correlations between variables. Descriptive statistics were used to understand the characteristics of respondents and the frequency of holistic strategy implementation. In contrast, linear regression was used to test the significant relationship between holistic strategy implementation and business performance and competitive advantage.

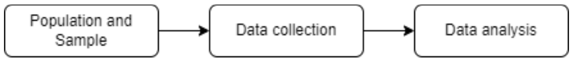

Figure 1. Research design

This figure illustrates the research flow consisting of three main stages: Population and Sample, Data Collection, and Data Analysis. The first stage, Population and Sample, involves identifying the research population and selecting a representative sample from that population. The second stage, Data Collection, is collecting data through various methods such as questionnaires, interviews, or observations, which aims to collect relevant information from the sample. The last stage, Data Analysis, includes analyzing the collected data using statistical or qualitative methods to answer the research questions and reach valid and reliable conclusions.

3. RESULTS AND DISCUSSION

3.1. Technology Adoption

Technology adoption is one of the key elements in increasing competitiveness and operational efficiency, especially in the small and medium industry (SME) sector. In the era of increasingly rapid globalization and digitalization, technology has become a tool that must be addressed and ignored to remain competitive in the market. Therefore, understanding the factors influencing technology adoption is important for stakeholders, including business actors and policymakers. Previous research has shown that using technologies such as the Internet of Things (IoT) can provide significant benefits, especially in improving the organization's capability to respond to dynamic market challenges (Purnomo, 2023). However, the decision to adopt new technology is often influenced by various factors, such as uncertainty about economic benefits and technical challenges that may arise. One of the analytical frameworks often used to understand the factors that influence technology adoption is the Technology-Organization-Environment (TOE) framework. This framework identifies three main dimensions influencing the adoption process: technology, organization, and environment. The technology dimension includes the characteristics of the technology itself, including its compatibility, complexity, and relative advantages. The organizational dimension involves internal aspects such as resources, infrastructure, and management strategy. Meanwhile, the environmental dimension includes external factors such as regulation, competitive pressure, and support from suppliers or customers (Triono, 2019). Research on Micro, Small, and Medium Enterprises (MSMEs) in Bandung revealed that the TOE framework's three dimensions significantly influence the adoption of information and communication technology. The study found that organizations with technological readiness supported by a conducive business environment tend to adopt new technologies more quickly. Conversely, organizations that face limitations regarding resources or need more external support tend to be slower in implementing technology. Technology adoption is not only a matter of strategic decisions taken by management but is also influenced by various internal and external factors. With a more comprehensive understanding of these factors, organizations can formulate more effective and sustainable technology adoption strategies, thereby increasing their competitiveness in an increasingly competitive market.

In the digital era full of market disruption, companies can no longer rely solely on conventional approaches to maintain competitive advantage. The speed of technological innovation, changes in consumer behaviour, and global market dynamics require companies to adopt a more holistic strategy in managing their operations. A holistic strategy includes integrating various aspects of the business, such as technological innovation, human resource development, adoption of data-driven analytics, and collaboration with various stakeholders. This comprehensive and holistic approach allows companies to survive and thrive in a rapidly changing business environment. In the era of market disruption, technology adoption has become the main foundation for creating and maintaining competitive advantage. Companies that successfully integrate digital technologies, such as artificial intelligence (AI), data analytics, and the Internet of Things (IoT), into their business operations are better able to respond to market changes quickly and effectively. As shown in a recent study, as many as 85% of companies have adopted digital technology, of which 60% use AI and data analytics intensively to optimize customer service and improve operational efficiency. This technology allows companies to automate processes that previously required manual intervention, such as supply chain management, consumer behaviour analysis, and product or service personalization. Thus, companies can be more flexible in facing changing market needs and anticipate new trends faster than their competitors. In this case, adopting technology increases efficiency and opens up opportunities for greater innovation. Human resources remain the most valuable asset for companies amidst rapid technological developments. Although technology plays a vital role in business operations, the creativity and innovation that comes from employees often drive a company's growth. Therefore, developing quality human resources is an important element in a company's holistic strategy. Companies need to create a work culture that supports the development of technical and non-technical skills for their employees. Continuous training programs that include the development of soft skills, such as emotional intelligence, leadership, and collaboration, must be integrated with improving technical capabilities, such as mastery of digital technology. This enhances employees' ability to face challenges and encourages the creation of an innovative and collaborative work environment. Data-driven decision-making is another important element in a holistic strategy to achieve competitive advantage. In the digital era, data is a very valuable resource. Companies that can process data well will have an advantage in understanding consumer behaviour, predicting market trends, and optimizing business operations. Data analytics allows companies to see patterns not identified through conventional methods. For example, by using AI and machine learning, companies can predict consumer behaviour, identify new market opportunities, and even prevent potential risks before they occur. Using analysis tools such as PEST, SWOT, and BCG Matrix further strengthen the company's ability to formulate more effective and adaptive business strategies in the face of market disruption. In the era of market disruption, no company can survive alone. Collaboration with various stakeholders, be it the government, technology providers, educational institutions, or other companies, is key to creating an ecosystem that supports innovation and growth. Government support through policies that support entrepreneurship strengthens digital infrastructure and provides tax incentives that can accelerate technology adoption and encourage more inclusive economic growth. Cross-industry collaboration enables synergies to accelerate the development of innovative solutions that address market challenges. Companies that successfully build strong collaboration networks will have access to broader resources, knowledge, and technology, strengthening their competitiveness. Innovation must be an integral part of a company's holistic strategy. Amidst the ever-growing disruption, continuous innovation is key to maintaining a company's relevance in the market. This includes product or service innovation and innovation in business processes, business models, and how companies interact with consumers. Continuous innovation allows companies to continue to evolve and adapt to changes in the market and maintain their competitive advantage in the long term.

3.2. Human Resource Development

Human resource (HR) development is important in improving organizational performance and facing challenges in the digital era. HR development focuses on improving technical skills and includes developing soft skills and adapting to rapid change. Research shows effective HR training and development can improve employee and organizational performance (Amarullah et al., 2023; Hasibuan, 2023). Human resource (HR) development is one of the main focuses of companies in facing the challenges of increasingly complex technological and market disruption. Based on research results, as many as 78% of companies allocate significant resources for training and developing their employees' digital skills. This effort is not only intended to improve employee technical competence but also aims to create a more adaptive and innovative workforce. Investment in digital skills development has been shown to impact increasing productivity and help create a strong and dynamic culture of innovation within the company. The culture of innovation built from HR development programs plays an important role in determining the company's competitiveness in the global market. Companies that continuously encourage employees to develop new skills are more likely to innovate in their products, services, and business processes. This aligns with the finding that companies with ongoing training programs respond better to market changes. Statistics show a fairly strong correlation ($r = 0.67$) between a company's success in dealing with disruption and ongoing HR development programs. Continuous training programs also improve a company's ability to respond to changes in technology and consumer preferences. By continuously updating employee skills, companies are not only able to adapt to rapidly changing market needs but are also able to identify new opportunities that can be explored. In the long run, this can strengthen the company's position in its industry and make it more competitive than companies that do not invest in HR development. Investment in skills development also contributes to increased job satisfaction and employee loyalty. Employees who feel supported in their career development tend to be more committed to the company, reducing employee turnover rates. This is especially important considering that the costs incurred by companies to recruit and train new employees can be much higher than retaining existing employees. HR development is not just a short-term initiative but an integral part of a company's broader strategy to maintain competitiveness and innovation. Continuous and targeted training programs, especially in digital skills, provide a strong foundation for companies to grow and develop in an era of increasingly rapid technological disruption.

Table 1. Human Resource Development

Aspect	Detail
Number of Companies Investing in HR Development	78% of companies
Main Training Areas	Digital skills (programming, data analysis), innovation management, adaptation to new technologies
Main Objectives of Training	Improving technical competence, work efficiency, productivity, and creating a culture of innovation
Types of Training Programs	Internal, external training (through seminars or online courses), mentoring programs, workshops
Impact on Productivity	Significant increase in employee productivity and

	operational efficiency, reduction of errors
Impact on Innovation	Strong culture of innovation, the company's ability to adapt to technological changes
Correlation of Human Resource Development with Success in Facing Market Disruption	r = 0.67 shows a positive correlation between sustainable HR development and the ability to face market disruption.
Supporting Factors for the Success of Training Programs	Management support, adequate budget allocation, monitoring and evaluation of program effectiveness
Obstacles in Human Resources Development	Budget constraints, limited time for training, employee resistance to change
Impact of HR Development on Employee Loyalty	Clear career development increases employee job satisfaction and loyalty, reducing turnover.

The table above explains various aspects of companies' human resource (HR) development. Several important points are outlined, such as the percentage of companies investing in HR development, the main training areas, and training objectives that include improving technical skills and productivity. In addition, the table also explains the types of training programs commonly used, their impact on productivity and innovation, and the factors supporting the success of training programs. A positive correlation between HR development and a company's ability to face market disruption is also shown, along with obstacles often encountered in its implementation.

3.3. Business Model Innovation

Business model innovation has become essential in maintaining and enhancing competitive advantage in the ever-changing digital era. Companies that can adapt quickly to market and technological changes are often at the forefront, leading their industries in business success. Based on data from a study involving a sample of companies, 65% reported significantly changing their business models in the past three years. This shows that business model innovation is no longer an option but a necessity for companies that want to stay relevant and competitive. This business model innovation is mainly seen in two main aspects, namely product and service diversification and collaboration with technology startups. Product and service diversification is a strategic step that allows companies to expand their market share and be more responsive to changes in consumer preferences. By presenting a more varied product portfolio, companies can reduce their dependence on a single market segment, making them more resilient to economic fluctuations and rapidly changing consumer trends. In addition, collaboration with technology startups is one effective way to accelerate innovation. In this collaboration, large companies can benefit from the technological expertise and new ideas of startups, while startups can benefit from the scale and resources of more established companies. This symbiotic relationship creates opportunities for companies to adopt new technologies faster, improve operational efficiency, and deliver more innovative products and services. For example, integrating digital technologies such as artificial intelligence (AI), big data, and the Internet of Things (IoT) into existing business models enables companies to be more effective in decision-making and improve customer experience. The study found a very strong correlation between the level of business model innovation and market success, as indicated by a correlation value of r = 0.71. This means that the higher the level of innovation implemented by companies, the more likely they are to achieve better performance in the market. This underscores the important role of innovation in creating competitive value, where companies that continue to innovate can survive in a competitive market and have the potential to dominate their industry segments. In the face of unpredictable technological and market disruption, companies must proactively innovate their business models. Long-term success is determined by how companies react to change and the extent to which they can leverage innovation to create sustainable strategic advantages.

Business model innovation is important in developing a company's strategy, especially in the rapidly developing digital era. This innovation includes developing new products or services and new ways to create, deliver, and capture value. Chesbrough (2010) stated that business model innovation can open up new opportunities and overcome various challenges companies face in achieving strategic goals. Thus, applying business model innovation is very important for the long-term success of companies amid rapid technological and market changes. Business model innovation is increasingly relevant for micro, small, and medium enterprises (MSMEs), considering the resource limitations often faced. Applying the right business model innovation can help MSMEs increase their competitiveness and expand market access. One effective approach is through collaboration and incubation. Subardjo and Rahmawati (2022) showed that collaboration between MSMEs can improve performance in the era of digitalization 4.0. In this case, the "Superteam" approach is preferred over the "Superman" approach. Collaboration allows MSMEs to share resources, information, and networks, ultimately increasing operational efficiency and accelerating the innovation process. Collaboration is also important in larger industrial sectors beyond MSMEs. The creative industry, for example, has shown how cross-disciplinary collaboration strategies can drive more significant innovation. Suryadharma (2023) emphasizes the importance of cross-disciplinary collaboration to drive new ideas and solutions more relevant to market needs. In this sector, artificial intelligence (AI) and augmented reality (AR) have created new, more engaging consumer experiences, especially in the fashion and retail industries.

Applying this technology enriches the interaction between products and consumers, creating added value for the company. In addition to strengthening competitive positions, business model innovation also contributes to building a more adaptive and sustainable business ecosystem. Technology and collaboration allow companies to create more flexible business models in the face of change, both in terms of technology, regulations, and consumer preferences. Furthermore, companies that innovate, focusing on sustainability, can strengthen their reputation, increase customer loyalty, and create better stakeholder relationships. Business model innovation is important in helping companies face challenges in the digital era and market disruption. Companies adopting a collaborative approach and leveraging technology are better equipped to seize new opportunities, increase efficiency, and create sustainable value. This innovation is essential not only for survival but also for thriving in a competitive business environment.

3.4. Customer Focus

Customer focus is crucial in a business strategy oriented towards long-term success. Companies must understand customer needs, preferences, and expectations to maintain customer loyalty and win the competition in an increasingly competitive market. According to Suhardja (2019), product innovation that aligns with customer desires and needs has been proven to improve business performance significantly. This shows that a deeper understanding of customer preferences is a supporting factor and a major driver in developing products and services that are more innovative and adaptive to market changes. Implementing a Customer Relationship Management (CRM) system is one of the main strategies to increase customer satisfaction and loyalty. CRM helps companies manage customer interactions more effectively in the sales, service, and after-sales processes. Yuniar and Handriani (2020) emphasize that customer satisfaction significantly influences purchasing decisions, so the company's efforts to create more value for customers are important in maintaining loyalty and increasing purchase frequency. In this case, CRM allows companies to monitor and analyze customer behaviour in real-time so that marketing strategies and product development can be more focused. One approach that can be applied in CRM is fishbone analysis, which helps identify factors that cause dissatisfaction or problems in customer service. Through this approach, companies can systematically identify the main problems affecting customer relationships' quality and thus make targeted improvements. This structured identification and improvement process allows companies to improve service quality and strengthen customer relationships continuously. Research by Setiobudi et al. (2021) shows that service quality, customer experience, and customer trust levels play an important role in determining customer willingness to pay. In other words, companies that can provide superior customer experiences succeed in retaining existing customers and have a greater chance of increasing profitability by increasing customer value. A positive customer experience provides a significant competitive advantage, especially regarding service personalization. Personalization based on customer data analysis allows companies to offer products or services that are more relevant and tailored to individual needs. In addition to creating closer relationships with customers, effective CRM implementation also helps companies maximize Customer Lifetime Value (CLV). CLV is an important metric that measures the total financial value generated by a customer over their lifecycle as a company's customer. By leveraging data collected through CRM, companies can better segment customers, provide more targeted offers, and increase loyalty through personalization and reward programs. Ultimately, this improves customer satisfaction and retention and contributes to long-term growth and business sustainability. Focusing on customers and implementing data-driven strategies, such as CRM, are key foundations for companies wanting to succeed in an increasingly fierce and dynamic competition era. Companies leveraging technology and data to understand better and respond to customer needs will have a greater chance of creating a sustainable competitive advantage. A customer-centric strategy increases loyalty, drives product innovation, increases profitability, and strengthens the company's position in the market.

Customer focus has become an essential strategic element in the modern business world. With increasing consumer expectations and competition, customer-centric companies have a significant advantage in maintaining customer loyalty and strengthening their market share. Research shows that an approach that puts the customer at the centre of business strategy is critical in increasing customer retention and creating valuable long-term relationships. In the study, 82% of the companies surveyed have implemented data-driven strategies to understand customer needs in real time and tailor their offerings according to consumer preferences. Data-driven strategies enable companies to personalize customer experiences by analyzing consumer behaviour, preferences, and interactions at every customer journey stage. Technologies such as big data and artificial intelligence (AI) enable companies to collect and analyze large amounts of data, process it efficiently, and generate insights that can be applied immediately. With this approach, companies can predict customer needs and preferences and respond quickly and accurately. The result is an increase in the quality of interactions between the company and customers, leading to increased satisfaction and loyalty. Personalized service also enables companies to offer more relevant and tailored solutions to individual customer needs, increasing engagement. When customers feel that their needs and preferences are considered, they are more likely to remain loyal to the brand. This also allows companies to up-sell and cross-sell by offering additional relevant products or services, thereby increasing revenue per customer. Research also shows a significant correlation between a customer-centric approach and customer retention, with a correlation value of $r = 0.68$.

This means that the higher the attention a company pays to customer needs, the more likely the company is to retain customers. This correlation shows that companies that consistently place customers as a strategic priority tend to be more successful in maintaining their market share. High customer retention is also directly related to increased profitability, as the cost of retaining existing customers is much lower than attracting new ones. In addition to increasing loyalty, focusing on customers gives companies invaluable feedback. This feedback can improve products and services and identify market trends and opportunities competitors may have yet to see. By leveraging customer feedback, companies can adapt their strategies more effectively and sustainably. Responding quickly to customer changes and needs provides a significant competitive advantage in an ever-changing marketplace.

3.5. Risk Management

Risk management is a systematic process designed to help organizations identify, analyze, and respond to risks that may affect the achievement of their objectives. In this case, risk includes any uncertainty that may negatively impact the organization's operations, resources, and desired outcomes. Through the implementation of effective risk management, organizations can mitigate the negative impacts of various threats that may arise and, at the same time, take advantage of existing opportunities. Implementing international standards, such as ISO 31000:2018, is crucial in building solid and efficient risk management. ISO 31000:2018 provides general guidelines that various types of organizations can apply to manage risk in a structured and systematic manner. This standard emphasizes the importance of risk-based decision-making in every aspect of operations, be it in financial management, human resources, technology, or production processes. Setyaningrum (2024) highlighted that implementing ISO 31000:2018 in school information systems helps manage risks associated with technology used in administration and academic activities. This shows that this framework can provide clear guidance for organizations in identifying and responding to risks with appropriate actions. The risk management process typically consists of several key stages, which collectively help organizations deal with uncertainty. The first stage is risk identification, where potential risks affecting the organization's operations are identified. Once risks are identified, risk analysis is performed, assessing the likelihood of the risk occurring and its impact on the organization. This analysis includes quantifying the severity of the risk and prioritizing those risks. The next stage is risk mitigation, which is the development of strategies and actions to reduce or eliminate the negative impact of the identified risks. Mitigation strategies can involve risk avoidance, impact reduction, risk transfer through insurance, or risk acceptance with adequate contingency plans. In addition, risk monitoring is an important stage in ensuring that the implemented mitigation strategies are working as planned and allowing for adjustments if necessary. Setiawan and Bandung (2020) state that the five main processes in a risk management system include target setting, risk identification, risk analysis, risk mitigation, and risk monitoring. Through this approach, organizations can minimize disruption to their operations and increase their ability to face various challenges.

Risk management is vital in maintaining the stability and sustainability of a company's operations, especially amidst increasingly complex market uncertainty. Companies that successfully implement effective risk mitigation strategies tend to have stronger business resilience in the face of various challenges, including economic fluctuations, regulatory changes, and supply chain disruptions. Based on the data, as many as 70% of companies in the sample have implemented risk mitigation strategies, including product and supply chain diversification. These steps help companies reduce the risks associated with dependence on one product or market and provide flexibility in adapting to changing external conditions. Product diversification allows companies to reduce exposure to risks arising from failure or decreased demand for certain products. By expanding the product portfolio, companies can distribute risk more evenly and avoid the significant impact of market uncertainty. In addition, supply chain diversification is also an important component of effective risk management. Disruptions in the supply chain, such as late deliveries or shortages of raw materials, can significantly impact business operations. By having diverse supply sources, companies can more easily adapt if there is a disruption to one of the suppliers and maintain smooth production and distribution. The regression analysis conducted in this study shows a strong positive correlation between effective risk management and long-term business stability, with a correlation value of $r = 0.74$. This correlation confirms that companies with good risk management systems can better survive in volatile markets and maintain their operational continuity in the long term. When risks are identified, evaluated, and addressed proactively, companies can mitigate negative impacts and take advantage of opportunities that arise from changing market conditions. Strong risk management also involves regular risk evaluation and assessment, which allows companies to adapt their strategies to changes in the global market. Companies that regularly review and update their risk management strategies have the advantage of responding to challenges more quickly and effectively, which ultimately strengthens their business resilience. In addition, good risk management serves as a smarter decision-making tool for companies. By understanding potential risks and their impacts, companies can allocate their resources more efficiently, whether in terms of investment, product development, or operational management. For example, when making decisions related to expanding into new markets, companies with a strong understanding of risk can design more mature strategies and reduce the possibility of failure. Effective risk management plays a role in maintaining short-term stability and ensuring long-term business sustainability and success. Companies can increase their resilience to external disruptions and maintain competitiveness in an increasingly dynamic market by implementing comprehensive risk mitigation strategies, such as product and supply chain diversification.

Table 2. Detailed Risk Management Strategies and Effects

Risk Management Strategy	Description	Effect on Business Stability
Diversification of Products	Expanding product lines to reduce dependency on a single market segment, minimizing the impact of declining demand in specific products.	Mitigates market volatility and ensures steady revenue streams by diversifying risk across various product categories.
Diversification of Supply Chains	Establishing multiple suppliers to ensure the availability of key materials, thus reducing the risk of supply chain disruptions caused by delays or shortages.	Increases operational resilience by ensuring alternative supply options, reducing the likelihood of production halts due to supplier issues.
Regular Risk Evaluation and Monitoring	Ongoing assessment of internal and external risks to respond efficiently to changes in market conditions or operational challenges.	Improves the company's adaptability to unexpected market shifts, enabling faster and more effective decision-making.
Efficient Resource Allocation and Investment	Maximizing the efficient use of financial, human, and technological resources to ensure flexibility and operational efficiency during crises.	Enhances overall business efficiency, ensuring that resources are allocated optimally to maintain operations and financial stability during disruptions.
Proactive Risk Identification and Mitigation	Identifying potential risks early and implementing strategies to prevent or mitigate them, enhancing the company's ability to respond swiftly to threats.	Strengthens the company’s readiness to manage potential risks, preventing significant business impacts and ensuring continuity.
Crisis Management Planning	Developing comprehensive crisis management plans that include contingency scenarios, ensuring preparedness for emergencies and market disruptions.	Reduces downtime during crises and minimizes financial and reputational damage through well-prepared contingency measures.
Technology Integration in Risk Management	Leveraging advanced technologies such as data analytics, AI, and automation to improve the detection, analysis, and response to risks in real time.	Enhances the company's ability to identify and manage risks dynamically, improving long-term business continuity and competitiveness.

This table illustrates various effective risk management strategies, from product diversification to technology integration in risk management. Product and supply chain diversification helps reduce dependence on a single source of revenue or supplier, increasing operational resilience. Regular risk assessments allow companies to adapt to market changes, while efficient resource allocation ensures flexibility during crises. Proactive strategies, such as risk identification mitigation and crisis planning, strengthen a company’s readiness to face threats. Technology integration enables real-time risk detection and response, supporting long-term sustainability.

3.6. Discussion

This study comprehensively reveals the importance of implementing a holistic strategy for companies that want to maintain and improve their competitive advantage in the digital transformation era. In a business world that continues to grow and become increasingly competitive, implementing strategies that involve technology, innovation, human resource development, and risk management is very relevant. One of the main findings of this study is the adoption of technology, especially technologies based on artificial intelligence (AI), big data, and the Internet of Things (IoT). These technologies not only help companies to be more efficient in their operational processes but also enable them to optimize decision-making based on accurate data. AI and big data, for example, enable companies to analyze consumer behaviour more precisely to adjust their marketing strategies, product development, and services. On the other hand, IoT enables companies to connect various operational systems so that business processes can run more efficiently and transparently. Thus, adopting this technology plays a major role in increasing the flexibility and adaptability of companies to market changes. In addition to technology, human resource development is equally important in a holistic strategy. Companies that focus on developing employees' digital skills can adapt more quickly to the challenges and opportunities of technological developments. Continuous training and development programs improve employees' ability to use the latest technology and motivate them to innovate and improve the company's overall performance. This is evident from research showing that companies that invest in employee skill development better adapt to technological disruption. Business model innovation is also an important factor in maintaining sustainable competitive advantage. Companies that respond to changing market needs by introducing or adapting new business models are more competitive. This innovation often includes changes in how products or services are developed, distributed, and marketed. Companies that implement business model innovation effectively can be more responsive to dynamic consumer demand while strengthening their position in the market. The study found that companies proactively developing innovative business models can better maintain customer loyalty and expand their market share. Risk management is also a crucial part of a company's holistic strategy. In the face of market disruption and economic uncertainty, identifying, evaluating, and managing risks properly determines the stability and sustainability of a company's operations. Companies that can implement an effective risk management system tend to be more resilient to external pressures, both in terms of the global economy and competition in the market. This shows that companies considering risk management as part of their business strategy are better prepared to face external challenges, such as regulatory changes, supply chain disruptions, or market volatility. Implementing a holistic strategy that includes technology adoption, human resource development, business model innovation, and risk management has proven critical in maintaining competitive advantage in the digital transformation era. This strategy helps companies stay relevant in an ever-changing market and provides a strong foundation for sustainable growth in the future.

4. CONCLUSION

This study emphasizes the importance of implementing a holistic strategy in maintaining and strengthening a company's competitive advantage in the challenging era of digital transformation. The study's findings show that adopting cutting-edge technologies such as artificial intelligence (AI), big data, and the Internet of Things (IoT) is central to improving a company's operational efficiency, accelerating data-driven decision-making, and enabling rapid response to changing market dynamics. With these technologies, companies can access more in-depth information about consumer preferences, market trends, and innovation potential, thereby being able to anticipate changes and maintain competitiveness in an increasingly competitive market. In addition to technology adoption, this study also highlights the importance of human resource development as an integral part of a holistic strategy. Investing in developing employees' digital skills allows companies to remain adaptive to technological developments. With employees skilled in digital technology, companies can innovate quickly and efficiently when facing external challenges and create a dynamic and productive work environment. This has a positive impact not only on individual performance but also on the company's overall growth. Business model innovation has also proven to be an important component of a holistic strategy. The study shows that companies that can adapt or change their business models according to the demands of the digital market are better able to maintain customer loyalty and expand their market share. Business model innovation, including adopting e-commerce and customer-centric strategies, enables companies to respond more effectively to consumer needs, create added value, and strengthen their competitive position in the market. Risk management is another important aspect of this study. Amidst global economic uncertainty and increasingly frequent market disruptions, companies must have a strong risk management strategy to maintain operational stability and business sustainability. This study found that companies that can effectively identify, evaluate, and mitigate risks are better prepared to face external pressures and market changes. This strengthens the company's resilience to potential crises but also enhances the company's ability to remain competitive amid fluctuating market conditions. This study confirms that implementing a holistic strategy that includes technology adoption, human resource development, business model innovation, and risk management significantly improves the company's performance and competitive advantage in the digital era. These findings provide valuable strategic guidance for companies that want to remain relevant, adaptive, and competitive in facing challenges and opportunities in an ever-changing business environment. This study also opens up opportunities for further studies that can explore other aspects of holistic strategies in various industry sectors.

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