

Business Sustainability During Covid-19 Pandemic: A Case Study from the Indonesian Automotive Industry

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Abstract

Business strategy can be seen from the way an organization manages a sustainable business and puts forward something competitive in certain fields. In a pandemic like this time, many things that can harm can happen, especially for the sustainability of companies. Indonesia as a country that has many islands will certainly be a calculation by most entrepreneurs, especially in their logistics area. This study aims to determine the industrial strategy in overcoming the downward trend in the market with several solutions in various countries and industries, especially the automotive industry in Indonesia, which have an important role. At the time of the Covid-19 pandemic, this kind of tool must be prepared in order to survive for industry and other businesses. In this paper, a case study on the Indonesian government's decision to purchase automobiles without tax in Indonesia is investigated. Data collection was carried out from quantitative data and secondary data from several papers related to wholesales and production. The impact of the Covid-19 outbreak on the Indonesian automotive industry which has shown a drastic pattern of decline in the market since early 2020 and the influence of Indonesian government policies on the automotive manufacturing sector will be described. From previous research, several companies implemented a cost leadership strategy to maintain the market strategy of Kotler, P. (1999). In this paper, the data are analyzed using secondary data and employing three competitive strategies porter leading to a cost leadership strategy to maintain the market and its existence in order to achieve the desired target by reducing costs, increasing virtual-based sales, providing discounts based on market segments and based on resources value. This is possible to help organizations carry out their processes well and create sustainable value in the Covid-19 situation.

Keywords

Automotive industry, Business sustainability, Covid-19, Public policy, Strategy

Biographies

Andy Kresna, Diaddra Pramudito, and Naldo Badriansyah is M.Eng student of Industrial Engineering of the Universitas Indonesia. Their main aim in this research was to highlight the action taken by Indonesia Automotive Industry and the government in coping with the Covid-19 situation.