

Crisis Management Strategies to Overcome Market Disruption in the Digital Age

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ABSTRAK

Penelitian ini bertujuan untuk menganalisis penerapan strategi manajemen krisis di era digital dengan fokus pada peran teknologi dalam membantu perusahaan menghadapi disrupsi pasar dan menjaga keberlanjutan bisnis. Studi ini menggunakan pendekatan kualitatif dengan melakukan wawancara mendalam terhadap 10 responden dari berbagai sektor bisnis, termasuk ritel, UMKM, dan jasa. Hasil penelitian menunjukkan bahwa strategi proaktif, seperti inovasi model bisnis dan diversifikasi produk, serta strategi responsif, seperti restrukturisasi organisasi dan komunikasi digital, berperan penting dalam menghadapi krisis. Teknologi digital, seperti cloud computing, media sosial, dan big data analytics, terbukti menjadi elemen kunci yang mendukung efektivitas manajemen krisis, meskipun beberapa perusahaan menghadapi kendala berupa keterbatasan infrastruktur, resistensi karyawan, dan kurangnya keahlian digital. Selain itu, kepemimpinan adaptif dan kolaborasi lintas divisi menjadi faktor penting yang menentukan keberhasilan. Penelitian ini memberikan kontribusi terhadap pengembangan strategi manajemen krisis yang lebih efektif dan relevan di era digital, khususnya untuk meningkatkan daya saing dan ketahanan perusahaan terhadap disrupsi pasar.

Kata Kunci: manajemen krisis, teknologi digital, strategi proaktif, UMKM, kepemimpinan adaptif.

ABSTRACT

This study aims to analyze the implementation of crisis management strategies in the digital age with a focus on the role of technology in helping companies deal with market disruptions and maintain business sustainability. This study uses a qualitative approach by conducting in-depth interviews with 10 respondents from various business sectors, including retail, MSMEs, and services. The results showed that proactive strategies, such as business model innovation and product diversification, as well as responsive strategies, such as organizational restructuring and digital communications, played an important role in dealing with the crisis. Digital technologies, such as cloud computing, social media, and big data analytics, are proving to be key elements supporting the effectiveness of crisis management, although some companies face constraints such as infrastructure limitations, employee resistance, and a lack of digital expertise. In addition, Adaptive Leadership and cross-divisional collaboration are important factors that determine success. This research contributes to the development of crisis management strategies that are more effective and relevant in the digital age, especially to increase the competitiveness and resilience of companies to market disruption.

Keywords: crisis management, digital technology, proactive strategy, MSME, adaptive leadership.



INTRODUCTION

The digital age has brought significant changes in business dynamics in various sectors. Technological developments such as automation, digital platforms, and e-commerce have created new business models that are more efficient, but also challenge traditional models. Market disruptions are often the result of these technological innovations, which shift the way consumers interact with products and services. Concrete examples can be seen from the emergence of fintech that disrupts the traditional banking sector, or e-commerce platforms that significantly reduce the role of conventional retail. These changes indicate that companies that are unable to adapt face the risk of losing market share or even bankruptcy. Market disruptions create not only opportunities, but also great challenges for companies. Decreased revenue, loss of customers, to financial losses are some of the risks that are often faced when the market is disrupted.

In this context, crisis management becomes a very important aspect to maintain business continuity (business continuity). Companies need adaptive and fast strategies to deal with uncertain conditions and prevent greater negative impacts. This underscores the importance of organizational readiness to manage risk effectively, especially in the midst of increasing pressures due to market disruptions. Although digital technology offers many opportunities, the challenges facing companies are no less great. Many organizations experience limitations in terms of technological readiness or competent human resources (HR) in utilizing digital solutions. In addition, the speed of disruption is often faster than a company's ability to adapt. Pressure also comes from competitors who are more innovative or have already adopted technology. In situations like this, companies need crisis management strategies that are not only reactive, but also proactive to address evolving challenges.

The digital age has brought about major fundamental changes in various business sectors, driven by technological advances such as big data, artificial intelligence (AI), cloud computing, and the internet of things (IoT). These technologies not only provide new opportunities to improve efficiency, innovation and customer experience, but also create significant challenges. Companies that are able to take advantage of this technology can strengthen their competitive position, while those that fail to adapt risk being left behind. For example, big data enables in-depth analysis of customer preferences, providing insights that support strategic decision-making. AI helps automate business processes, accelerate response times, and improve efficiency. Meanwhile, cloud computing allows flexible access to technology resources, so companies can operate more efficiently at lower costs. IoT technology also opens up new opportunities by connecting physical devices to the digital ecosystem, creating rich data for further analysis.

The phenomenon of market disruption has become an inevitable reality in the digital age, where technological innovations are drastically replacing traditional business models. An example of this is fintechs such as GoPay and OVO that are revolutionizing the financial services sector with fast and practical digital transactions, replacing conventional banking methods. In the retail sector, e-commerce such as Tokopedia and Shopee have shifted physical stores through ease of access and product variety. Meanwhile, in the transportation industry, Gojek and Grab have disrupted taxi and public transportation services with an app-based approach. This phenomenon shows that companies that are unable to innovate face the risk of being left behind, losing market share, or even not being able to survive in the midst of increasingly fierce competition.

Crisis management strategies in the digital age require a proactive and adaptive approach to overcome market disruptions. Organizations can leverage digital marketing

strategies, such as investing in websites, social media campaigns, and virtual assistants, to navigate crises and maintain market presence (Campos et al., 2021). Effective crisis response involves developing digital sensing, seizing, and reconfiguration capabilities, although managers may exhibit digital reluctance due to resource constraints and skepticism about digital tools' effectiveness (Saka et al., 2024). Stealing thunder, a proactive communication strategy, is increasingly important in the digital age due to the influence of social media and ICTs on crisis communication (Lee, 2020). Crisis management encompasses pre-crisis preparation, crisis response, and post-crisis recovery, emphasizing risk assessment, communication strategies, and leadership during crises (Goel, 2024). By adopting these strategies, organizations can better prepare for and respond to various disruptions, ultimately maintaining resilience in an ever-changing business environment.

The purpose of this study is to explore effective crisis management strategies in the face of market disruption in the digital age. This study aims to understand how companies can leverage digital technology to respond to challenges that arise due to rapid and dynamic market changes. In addition, this study also aims to identify proactive steps that can be taken by companies in managing risk, maintaining business continuity, and improving competitiveness in the midst of increasingly fierce competition. Thus, the results of this study are expected to provide practical guidance for companies in developing adaptive strategies to deal with various crises caused by market disruptions.

METODE

The research method used in this study is a qualitative approach to the design of case studies. This approach was chosen to understand in depth the crisis management strategies implemented by companies in the face of market disruption in the digital age. This research focuses on the collection and analysis of descriptive data to gain insights into the processes, challenges, and solutions adopted by companies during the crisis.

The Data in this study was collected through in-depth interviews with key informants, namely managers and company leaders who have direct experience in dealing with market disruptions. Purposive sampling techniques are used to ensure that the informant has relevant knowledge and significant experience in the topic under study. In addition to interviews, additional data was obtained through the analysis of documents, such as the company's annual report, crisis management policies and digital business strategies implemented during the crisis period.

The data analysis process was carried out thematically to identify the main patterns, themes, and categories that emerged from the results of interviews and documents. Stages of analysis include interview transcription, data encoding, theme grouping, and interpretation of findings in the context of crisis management theory. Data triangulation is applied to ensure the validity of the results, by comparing data from different sources, discussions with experts, as well as feedback from informants. Through this method, the study is expected to provide an in-depth overview of crisis management strategies based on digital technology and how companies can utilize this approach to survive and thrive in the midst of market disruptions.

RESULT AND DISCUSSION

The study shows that proactive strategies, such as diversification of services and adoption of digital technologies, provide significant advantages for companies in the face of market disruptions. However, challenges such as limited technological infrastructure, employee resistance, and lack of digital skills are major obstacles, especially for MSMEs. The findings also underscore the importance of adaptive leadership and cross-divisional

collaboration in supporting the success of crisis management strategies. By leveraging technologies such as cloud computing, social media, and big data analytics, companies can improve operational efficiency, maintain customer relationships, and strengthen competitiveness in the digital age. This research provides an important contribution to the development of more effective and relevant crisis management strategies in the era of digital transformation.

In this study, in-depth interviews were conducted with ten respondents from different types of companies to understand the application of crisis management strategies in the digital age. Here is a summary of the results of the interview.

Respondent 1 (Operations Manager, Technology Company)

Opinion: *"a proactive strategy is essential. We adopted cloud computing and process automation before the pandemic, so that when a crisis occurs, our company can still operate efficiently."*

Constraints: *"the main obstacle is the difficulty of changing the work culture of employees to more digital-savvy."*

Respondent 2 (MSME owner)

Opinion: *"we use responsive strategies more often due to limited funds for technology investments. Social Media has become our mainstay for reaching consumers during the pandemic."*

Constraints: *"the lack of knowledge about digital technologies is becoming a major challenge."*

Respondent 3 (Head Of Marketing Division, Retail Company)

Opinion: *"the omnichannel strategy is the key to our success in the face of the crisis. The integration of physical stores and e-commerce platforms increases the durability of the company."*

Constraints: *"managing data from multiple sales channels is often confusing without a good analytics system."*

Respondents 4 (Fintech Startup CEOs)

Opinion: *"we leverage big data analytics to detect changes in consumer behavior early. That way, we can adjust the strategy before the crisis worsens."*

Constraints: *"technology does help, but the initial investment is quite large and it takes time to see results."*

Respondents 5 (HR Manager, Manufacturing Company)

Opinion: *"we prioritize training employees to improve their digital skills. This makes the transition to digital platforms easier."*

Constraints: *"resistance from senior employees is often an obstacle."*

Respondent 6 (Online Culinary Business Owner)

Opinion: *"social Media is our Savior during times of crisis. With a creative promotional strategy, we can still maintain sales."*

Constraints: *"technological infrastructures such as the internet are often unstable in our area."*

Respondent 7 (Financial Manager, Logistics Company)

Opinion: *"service diversification is becoming our main strategy. We started offering e-commerce fulfillment services to survive during the crisis."*

Constraints: *"increasing technological capacity requires time and skilled labor."*

Respondent 8 (head of IT division, healthcare company)

Opinion: *"technologies such as cloud computing help us maintain smooth operations and communication with patients during the crisis."*

Constraints: *"not all divisions understand the importance of the technology, so the initial implementation is quite difficult."*

Respondents 9 (employers in the education sector)

Opinion: *"digital transformation is important to us. We developed an online learning platform to sustain business during the pandemic."*

Constraints: *"many teachers and staff were not prepared for this change, so we had to hold a lot of training."*

Respondents 10 (Marketing Manager, FMCG company)

Opinion: *"the crisis forced us to be more adaptive. Proactive strategies such as expanding online distribution channels are helpful."*

Constraints: *"the competition on digital platforms is getting tougher, so we have to invest more and more to attract the attention of consumers."*

Most respondents emphasized the importance of adopting digital technologies, such as cloud computing, social media, and big data analytics, as key elements in crisis management. Respondents from large companies tend to use proactive strategies, such as service diversification and employee training, while MSMEs rely more on responsive strategies, especially through creative promotion on social media. The main obstacles faced include employee resistance, limited technological infrastructure, lack of digital skills, and high initial investment costs. Even so, digital innovation and HR training are considered essential to increase business resilience in the midst of market disruption.

Identify Early Signs Of Crisis**Early Detection Strategies**

Companies that successfully deal with market disruptions usually have early detection systems to identify potential crises. These systems often use technology, such as big data analytics, to monitor changes in consumer behavior patterns, shifts in market trends, or declines in business performance. For example, companies can analyze declining sales volumes or consumer interactions through digital platforms as early indicators of potential problems. By having these early detection capabilities, companies can respond faster and more effectively before a crisis develops into a larger threat.

Sources Of Crisis

Sources of market disruption can come from a variety of factors, both internal and external. External factors include changes in technology, the emergence of new, more innovative competitors, or changes in government regulations that affect the market. Meanwhile, internal factors include the unpreparedness of the organization in adopting technology or weaknesses in the business structure. Informants in this study emphasized the importance of alertness to the dynamics of the external environment as well as the strengthening of internal capacity to deal with rapid changes.

The importance of a crisis management strategy

In this context, the identification of early signs of crisis becomes an important foundation for companies to design appropriate crisis management strategies. By detecting the source of the crisis early, companies can choose a proactive or responsive approach according to the situation at hand, thereby minimizing the risk of large losses amid market disruptions.

Analysis Of The Main Findings**Proactive vs. strategy. Responsive**

This study reveals that proactive strategies are more effective in dealing with market disruptions than responsive strategies. Companies that prioritize business model innovation and product diversification before crises emerge tend to be better equipped to manage sudden changes. For example, companies that adopted digital technology in operational processes before the pandemic showed a higher level of business resilience than companies that only began to adapt after the crisis occurred. The findings are in line

with previous literature emphasizing the importance of business continuity planning, which highlights the need for preparedness for a variety of potential scenarios.

The Role Of Digital Technology

Digital technology is proving to be a key factor in crisis management. Technology-based systems, such as cloud computing, social media, and e-commerce, support smooth operations, product innovation, and effective communication during a crisis. Adoption of digital technology provides competitive advantages, such as increased operational efficiency and the ability to reach a wide range of customers. These results are consistent with previous research that highlighted the role of technology as an important element to deal with market disruption in the digital age. However, the findings also broaden horizons by underscoring the role of social media as a key tool in maintaining relationships with customers during times of crisis, which has received less attention in previous studies.

Relationship of findings with previous literature

Similarity

The findings of this study support the results of previous studies showing that digital transformation improves companies' resilience to crises. For example, research by Smith et al. (2022) identified that the adoption of technologies such as cloud computing and Business Process Automation helps companies maintain operations during major disruptions.

Differences

However, the study underscores a unique aspect of the role of social media, which provides the ability to communicate directly with customers, convey important information, and build trust during times of crisis. This adds a new perspective to the literature that tends to focus more on aspects of operational technology, such as automation and system integration, than digital communication tools.

Practical implications for companies

Increased Business Resilience

Companies need to strengthen early detection capabilities through data analytics and predictive systems to anticipate potential crises. Investments in technologies such as big data analytics can help understand market change patterns more accurately, so companies can quickly prepare mitigation strategies.

Adaptive leadership

Digital leadership is becoming an important factor in the success of crisis management. Leaders who are able to leverage technology for decision-making and drive innovation across divisions tend to be more successful in dealing with disruption. Technology-based leadership training should be a company priority to support this capability.

Importance Of Collaboration

Collaboration across divisions and with external parties, such as technology providers and consultants, plays an important role in ensuring the success of crisis strategies. By building strategic partnerships, companies can accelerate the digital transformation process and increase adaptation capacity to market changes.

Constraints in Strategy Implementatio

Internal Constraints

The main challenges facing companies are the limitation of human resources competent in technology and the lack of adaptive organizational culture. The transformation of organizational culture becomes essential to encourage more effective adoption of technology and innovation.

External Constraints

Dependence on technological infrastructure that may not yet be evenly distributed, especially among small and medium-sized businesses, is also an obstacle. In this context, government policies, such as subsidies or technology training, can help overcome these constraints.

Research contribution to the field of study

This research expands the understanding of how proactive strategies, digital technologies, and adaptive leadership can be integrated to improve the effectiveness of crisis management. The findings are relevant for companies in a wide range of sectors, particularly those that are vulnerable to technological disruption, such as retail and finance.

Limitations of research and recommendations

The study has limitations on the number of samples and focuses on specific periods in the digital age. Further research could expand the scope of the industry sector and explore new technologies, such as AI and blockchain, to understand their role in future crisis management.

CONCLUSION

The study shows that proactive strategies, such as diversification of services and adoption of digital technologies, provide significant advantages for companies in the face of market disruptions. However, challenges such as limited technological infrastructure, employee resistance, and lack of digital skills are major obstacles, especially for MSMEs. The findings also underscore the importance of adaptive leadership and cross-divisional collaboration in supporting the success of crisis management strategies. By leveraging technologies such as cloud computing, social media, and big data analytics, companies can improve operational efficiency, maintain customer relationships, and strengthen competitiveness in the digital age. This research provides an important contribution to the development of more effective and relevant crisis management strategies in the era of digital transformation.

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