



## BUSINESS STRATEGY IN THE ERA OF DISRUPTIVE INNOVATION (DIGITAL ECONOMY)

**Nalom Siagian<sup>1</sup>**

Business Administration Study Program, Faculty of Social and Political Sciences,  
Universitas HKBP Nommensen<sup>1</sup>

\*Correspondence: [nalom.siagian@uhn.ac.id](mailto:nalom.siagian@uhn.ac.id)

---

### **Abstract**

The purpose of this article is to explore several original strategic initiatives related to developments in digital business strategies that are currently competing. The focus is on achieving specific strategic goals in business innovation from traditional to digital, or disruptive innovation. The method used in this analysis is a descriptive method with qualitative research techniques. The data analyzed in this paper comes from documents and field facts that occur in the development of the business world in the current digital era, which are then compiled into more detailed data based on several research perspectives. Based on the results of the discussion previously presented, the Era of Disruptive Innovation or the transition from traditional business to digital business is greatly influenced by technological developments and most solutions in business strategies are based on information technology and internet networks. Digital business strategy in the disruption process is defined as activities that aim to find out how business can continue to improve amidst an increasingly rapid digital economy. Strategic priorities in business today can support a business in a strong industry by considering advanced technology and platforms that can be learned and are able to support the business in accordance with its business development goals. Aspects that cannot be separated from business people in carrying out strategies in the current era of disruptive innovation are first, increasing business scope, implementing the latest technological solutions to continue implementing sustainable strategies so that businesses can always compete even in very rapid changes.

**Keywords:** Business Strategy, Era of Disruptive Innovation and Digital Economy

---

### **INTRODUCTION**

The business market in Indonesia is currently in a disruptive process. The disruptive innovation that is currently occurring in Indonesia can be seen from the transformation of traditional business models to technology-based business models. This is very visible with the emergence of online platforms as technology markets that offer convenience in transactions. Disruptive innovation is a natural consequence of technological evolution, where when technology becomes the Company's new innovation, the way the Company operates and provides services to customers will automatically become an example and disrupt the market environment. So, this progress causes the traditional business market to become less attractive, so you must have a strong strategy to dare to compete with other businesses that have experienced disruptive innovation. Digital technology has truly disrupted and changed traditional markets and business models so that industries have blurred and competition has changed. Business competition is no longer about businesses next door or shops in the same neighborhood but nationally, even to a small extent internationally. In emerging digital businesses, governments, competing authorities must address the challenges of protecting and empowering consumers in a complex and rapidly evolving online environment. So to be able to maximize business in this case, traditional business people must have new strategies in improving their business, so that they can

compete with many competitors who are already aware of changes in the business market in this technology. So in this case, the question arises, what is the Business Market strategy in the Era of Disruptive Innovation in Indonesia?

### **METHOD**

The method used in this analysis is a descriptive method with qualitative research techniques. The Qualitative Method is non-numerical text-based data analysis to produce a conclusion from the research that has been carried out. (Sugiyono, 2016). The data analyzed in this paper comes from documents and field facts that occur in the development of the business world in the current digital era, which are then compiled into more detailed data based on several research perspectives. The purpose of this article is to explore several original strategic initiatives related to developments in digital business strategies that are currently competing. The focus is on achieving specific strategic goals in business innovation from traditional to digital, or disruptive innovation. As a literature objective, this article includes relevant theoretical sources related to strategy in business in the current digital era, so that it can analyze and describe innovation and help traditional business people to be able to compete with developments in the digital era.

### **RESULTS AND DISCUSSION**

#### **Business Transformation in Disruptive Innovation: Digital Transformation of business**

Business Digital Transformation is the application of technology to build new business models, processes, software and systems that can generate profits and compete more widely. Business transformation in the digital era brings various changes that occur in business processes, organizational structures, customer interactions and operational models in the entire business. The Disruption Concept by Clayton Christensen explains that entrepreneurship in the digital era brings paradigm changes in various industries. According to Clayton, the book "The Innovator's Dilemma" provides insight into why companies must innovate to avoid security traps. The growth of technology in business today plays a major role in changing the business landscape. Based on a theory from Sean Ellis and Ryan Holiday called "Growth Hacking Theory", according to him, growth strategies can be optimized through the use of digital tools and data analysis.

Digital transformation is a transformation of business relationships as well as interactions between organizations, consumers, suppliers and employees. Digital transformation is expected to avoid gaps between customer expectations and what exists from traditional business models. This also relates to customer behavior and expectations as well as technological and social changes. Today's business digitalization can be understood as the combination of technology and the internet which are the driving wheels of business digital transformation. The drivers of disruptive innovation in business are as follows:

1. Internet of Things/IoT is the connection of a set of devices into a complex system.
2. Artificial intelligence is the use of systems that imitate human intelligence as well as cognitive computing or a combination of artificial intelligence and signal processing.
3. Advanced Robotics is the use of semi-autonomous robots
4. Cloud technology is the renovation of applications and platforms as a service.
5. Blockchain is a technology that converts data between users
6. Big Data is a technology that changes decision-making information.

Digital transformation in the business environment speaks not only about changing the way of doing business from traditional systems to using technology alone, but is also related to timely use of current business challenges. Current business challenges have talked about building digital capabilities that are able to compete, and are able to adopt processes that are business leadership in the industry. So it can be seen clearly that digital business innovation is a solution based on knowledge and technology so that today it can develop new economic systems such as; The creative economy or the development of creative industries, then the network economy which changes the seller-buyer relationship into a supplier-user relationship using a network. Then there is the social economy which is based on the chosen social business model and the last and most popular recently is the Platform Economy, which utilizes collaboration platforms. to provide various business collaborations.

Currently the most widely used is the Platform Economy where there are three things that are important to strengthen in this regard; first, the Reputation Economy which is based on trust because it is very important to build trust capital in the business network on the platform; Second, Sharing access in the economy means using a collaboration platform to create a market that is available to the public; The third is the Experience Economy, namely the improvement and stability of the business based on building positive customer experiences or testimonials. Based on what has been explained above, digital business transformation refers to innovative approaches in transforming traditional businesses into simpler digital businesses, namely; first, there is the application of a more cost-effective business model; second, in developing more effective operating practices; third, gain wider market access; fourth, increasing the choice of offers to consumers. This must be able to provide continuous improvement so that it can be aligned with the goals and agenda of the SDGs (Sustainable Development Goals) and can increase income, increase competitive advantage, increase efficiency and coordination.

### **Innovation and Business Ideas in the Digital Business Era**

There are several theories that underlie innovation and business ideas in the digital business era. First, the theory by Erick Ries and the concept of "Disruption" by Clayton Christensen which illustrates the importance of adopting an approach that focuses on rapid testing and adaptation to market changes. Drucker, 1993 stated that innovation is the main instrument in business growth. This applies the principles of innovation in business

strategy, so that business people can create added value and face environmental changes more responsively. *The Lean Strategy* by Eric Ries is very useful for innovation and business ideas, where this theory provides guidance for business people to test business ideas quickly using repeated literacy so that business people can identify customer needs and respond quickly to market changes more effectively. Open Innovation Theory by Chesbrough reveals that companies can utilize resources and knowledge that come from external to the company to encourage innovation so that they can open access to external networks which can have a positive effect in speeding up the product development process, reducing research and development costs and increasing added value for customers. . Then, there is the concept of Platformization, digital platforms are the easiest choice today by providing infrastructure and ecosystems for third-party application developers which has opened up new opportunities for faster business innovation.

### **Identify Technology-Based Business Opportunities**

Identifying business opportunities is a critical step in creating competitive market success. This concept is very important because it relates to the process of identifying technology-based business opportunities, involving the recognition of unmet market needs and the implementation of innovative solutions through technology. Monitoring regulatory developments in technology ecosystem studies is an important step in identifying business opportunities. So in identifying potentially profitable business opportunities in the current era of developing technology, five principles are found in finding the right business idea, including:

- a. **Distribution Supply Chain Analysis**  
Analysis of supply and distribution chains in various industries is very important, so that the use of technology can really help optimize logistics processes, inventory management and product delivery to customers. In this case costs are reduced and efficiency is increased.
- b. **Develop solutions to existing problems**  
Deep insight and understanding of a problem faced by customers or a particular technology industry can be used to develop solutions that are innovative and provide added value. Because often, business opportunities arise as a result of problems that require solutions or problem solving.
- c. **Seek Inspiration from Outside the Business Industry**  
Ideas about business opportunities can be found by looking outside your own business industry. This is a process of adaptation and application in the context of creating unique business opportunities.
- d. **Participate in Technology Community and Industry Events**  
Discussion and collaboration in a business environment can help identify new trends and interesting business opportunities, so joining a technology community and attending industry events can open the door to opportunities to interact with professionals and experts in various fields of the business industry.
- e. **Leveraging New Emerging Technologies**

The introduction of new technology becomes a business opportunity that was often never even thought of before. For example, familiarity with artificial intelligence, virtual reality or wearable technology can open up opportunities to develop revolutionary products or services.

So based on various theories and references it can be concluded that; First, it requires understanding the market and consumers. This can be said to be key because in-depth analysis of market trends, consumer needs and unsolved problems helps identify business opportunities that have the potential to be successful; Second, creativity in problem solving is very important because identifying business opportunities begins with a deep understanding of existing problems and how technology can help solve problems in new ways; third, monitoring Technological Changes, this relates to the ability to identify technological changes that implement relevant solutions which are very important in identifying new business opportunities; fourth, Collaboration and Technological Integration, combining existing technology with expert theory can help develop stronger and more innovative solutions; fifth, focus on consumer preferences, that is, adapting solutions to changes in consumer lifestyles and preferences can open the door to promising business opportunities. And finally, sixth, Following Regulations and Industry, where regulatory developments and understanding changes in the industry can lead to business opportunities that arise as a result of environmental changes.

### **Innovative Idea Generation in a Digital Context**

The process of generating innovative ideas in a digital context is crucial in creating solutions that are relevant and useful in an era of continuously developing technology. This is very important because:

- a. Creativity and collaboration play a central role, where approaches such as brainstorming, design thinking and crowd-sourcing emphasize the importance of collaboration and creativity in generating innovative ideas.
- b. Focus on Users and Market Needs, where user behavior analysis guides the idea generation process by focusing on a deep understanding of market and user needs.
- c. New Technology Integration: Identifying and integrating new technology in solutions is key in generating ideas that suit digital developments.
- d. Implementing a Practical Approach: Adopting principles such as Lean Startup, rapid prototyping, and data analysis helps test ideas practically and guide the development of solutions.
- e. Future Outlook and Trends: Looking into the future through trend forecasting helps generate ideas that are relevant in the long term.
- f. Multi-Disciplinary Collaboration and Technologists: Collaboration with various experts, such as data scientists and UX designers, provides a valuable technical and innovative dimension in the ideas generated.

- g. Competitive Analysis and Market Gaps: Through competitive analysis and looking for gaps in the market, potentially revolutionary new ideas can be identified.
- h. Structured Process with an End Goal: Structured approaches, such as sprints and prototyping, help in directing the idea generation process towards a responsive and innovative end goal

Life is increasingly connected to one another and rapidly changing and the ability to produce innovative ideas that are relevant to the market and technology is a key factor in creating added value and business success.

### **Digital Business Strategy That Can Compete**

Business digitalization is a concept of operations that are more automatic or easier and digital. This happens because everything that has been transferred into a computer system becomes more easily accessible. Thus, automatic development occurs which can be carried out by artificial intelligence which promises a much higher level of productivity compared to traditional markets. Artificial intelligence and robotics have promised much higher levels of productivity and efficiency in terms of production, safety and comfort and have also changed the world of work, creating convenience in virtual work. Digital Disruption creates business opportunities for small and medium enterprises (SMEs) to grow into a bigger and stronger business world. So if business people cannot follow the digitalization trend, the business that has been built could be left behind by other competitors and could potentially go bankrupt.

Strategy in digital disruption is a key issue in achieving a business that is able to compete. In this case there is no standardized paradigm but there are several approaches used to plan strategies. Digital business strategy includes the following; Firstly, Trading strategies that use mobile trading; Second, Management Strategy between customer and producer relationships; Third, e-procurement strategy; Fourth, supply chain strategy; Fifth, strategies for using social media in business; Sixth, multichannel strategy. Digital channel strategy is closely related to the digital business strategy process model implemented. So in this case it can be characterized by the following features, including:

- a. Sorting the external and internal environment regularly, this is done by separating external and internal business matters that can affect the business.
- b. There is unity between the business vision and the goals of the business being managed or to be managed. This is also related to the Company's values and principles.
- c. Evaluation of the business is very important.
- d. Selecting channels or business collaborations that are most suitable for various business activities and business partners, for example choosing to focus on personal platforms or social media.
- e. Routine control of business operations as a form of problem identification and adapting digital strategies to rapid market changes.



According to Kwilinski, 2019 business strategies must include the basic components of digital business priorities. It is explained in more detail, such as the business model and income used in the business, then there is the type of restructuring needed, such as the sub-strategies used for market, product development and market reorganization; then the differentiation and positioning strategies applied in the business.

## CLOSING

### Conclusion

Based on the results of the discussion previously presented, it can be concluded that the Era of Disruptive Innovation or the transition from traditional business to digital business is greatly influenced by technological developments and most solutions in business strategies are based on information technology and internet networks. Digital business strategy in the disruption process is defined as activities that aim to find out how business can continue to improve amidst an increasingly rapid digital economy. Strategic priorities in business today can support a business in a strong industry by considering advanced technology and platforms that can be learned and are able to support the business in accordance with its business development goals. Aspects that cannot be separated from business people in carrying out strategies in the current era of disruptive innovation are first, increasing business scope, implementing the latest technological solutions to continue implementing sustainable strategies so that business can always compete even in very rapid changes.

## REFERENCES

- Aagaard, Annabeth,. Digital Business Models: Driving Transformation and Innovation. Center Director, Associate Professor, PhD Aarhus University, Denmark.
- Australia Indonesia Partnership for Economic Governance. (2017) The Digital Economy in Indonesia.
- Kwilinski, A., Dalevska, N., Kravchenko, S., Hroznyi, I., & Kovalenko, O. (2019). Formation of the entrepreneurship model of e-business in the context of the introduction of information and communication technologies. *Journal of Entrepreneurship Education*, 22, 1-7.
- Nyagadza, B. (2022). Search engine marketing and social media marketing predictive trends. *Journal of Digital Media and Policy*, 13(3), 407– 425. [https://doi.org/10.1386/jdmp\\_00036\\_1](https://doi.org/10.1386/jdmp_00036_1)
- Sammot-Bonnici, T., & McGee, J. (2010). Network Strategy in the Digital Economy. In J. McGee, H. Thomas & D. Wilson (Eds.), *Strategy: Analysis and Practice* (2nd ed., ). UK: Maidenhead: McGraw-Hill.
- Saravanakumar, M., & SuganthaLakshmi, T. (2012). Social media marketing. *Life Science Journal*, 9(4), 4444–4451. <https://doi.org/10.5937/markt1704254k>
- Sugiyono. 2016. *Educational Research Methods, Quantitative Approach. Qualitative, and R&D*. Bandung: Alfabeta.

- Sturgeon, Timothy J. 2019. "Upgrading strategies for the digital economy." *Global Strategy Journal*, 11(1).
- Tapscott, D., & Tapscott, A. (2016). *Blockchain revolution : How the technology bitcoin is changing money, business, and the world*. In Penguin Random House.
- Whiteing, T. (2003). Logistics management and strategy. In *International Journal of Logistics Research and Applications* (Vol. 6, Issue 3). <https://doi.org/10.1080/1367556031000123052>
- Wiley, D. L. (2015). *The Internet of Things: How Smart TVs, Smart Cars, Smart Homes, and Smart Cities Are Changing the World*. In *Online Searcher* (Vol. 39, Issue 4). ). [http://search.proquest.com/docview/1702929535?accountid=13031%5Cnhttp://sfx.nelliportaali.fi/nelli28b?url\\_ver=Z39.88-2004&rft\\_val\\_fmt=info:ofi/fmt:kev:mtx:journal&genre=unknown&sid=ProQ:ProQ:abiglobal&atitle=The+Internet+of+Things:+How+Smart+TVs,+Smart](http://search.proquest.com/docview/1702929535?accountid=13031%5Cnhttp://sfx.nelliportaali.fi/nelli28b?url_ver=Z39.88-2004&rft_val_fmt=info:ofi/fmt:kev:mtx:journal&genre=unknown&sid=ProQ:ProQ:abiglobal&atitle=The+Internet+of+Things:+How+Smart+TVs,+Smart)