

The Impact of Digital Transformation on the Strategic Management of PT. Matahari Department Store Tbk. Jakarta Period 2016–2025

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Abstract. The rapid development of digital technology has forced companies in the retail sector to transform their business models and strategic management practices. PT. Matahari Department Store Tbk., as one of Indonesia's largest retail companies, has implemented various digital transformation initiatives to remain competitive in an increasingly dynamic market (Todorescu et al., 2014). This study aims to analyze the impact of digital transformation on the strategic management of PT. Matahari Department Store Tbk. during the period 2016–2025. The research uses a qualitative descriptive approach by examining company reports, strategic policies, and secondary data related to digital innovation. The results indicate that digital transformation has significantly influenced strategic decision-making, operational efficiency, customer engagement, and long-term competitiveness. The study concludes that digital transformation is a critical factor in strengthening strategic management and sustaining business growth in the retail industry.

Keyword: *Digital Transformation, Strategic Management, Retail Industry, PT. Matahari Department Store Tbk.*

I. Introduction

The retail industry has experienced significant changes due to advancements in digital technology, including e-commerce platforms, big data analytics, and omnichannel retailing. Traditional retail companies are required to adapt their strategies to meet changing consumer behavior and increased competition from digital-native businesses. PT. Matahari Department Store Tbk. (hereafter referred to as PT. Matahari) has long been recognized as a leading department store in Indonesia. However, the rise of online shopping and digital retail ecosystems since 2016 has challenged the company to reformulate its strategic management. Digital transformation has become a key agenda to enhance efficiency, customer experience, and sustainability (Bozintan et al., 2023). This study focuses on analyzing how digital transformation has influenced the strategic management of PT. Matahari during the period 2016–2025, covering strategic planning, organizational change, and competitive positioning.

II. Literature Review

Digital Transformation

Digital transformation refers to the integration of digital technologies into all areas of business, fundamentally changing how organizations operate and deliver value to customers (Kambara et al., 2023; Lantara, 2019; Mawardi et al., 2024; Sadia et al., 2016). It involves not only technology adoption but also cultural and organizational change.

Strategic Management

Strategic management is the process of formulating, implementing, and evaluating cross-functional decisions that enable an organization to achieve its objectives. In a digital era, strategic management must be adaptive, data-driven, and customer-oriented (Shaiful Bahari et al., 2021).

Digital Transformation in Retail Industry

In the retail sector, digital transformation includes the adoption of e-commerce, omnichannel strategies, digital payment systems, and customer data analytics. These innovations significantly affect competitive advantage and operational strategies.

III. Methodology Penelitian

This research employs a “**qualitative descriptive method**”. Data were collected from secondary sources such as annual reports of PT. Matahari Department Store Tbk., company press releases, industry reports, and relevant academic literature. The analysis focuses on identifying patterns and strategic changes related to digital transformation between 2016 and 2025.

IV. Research Results

Digital Transformation Initiatives at PT. Matahari

Since 2016, PT. Matahari has implemented several digital initiatives, including:

Development of online sales channels and mobile applications

Integration of omnichannel retail strategies

Utilization of data analytics for inventory and customer management

Digitalization of internal operational processes

These initiatives reflect a shift from traditional retail operations to a more technology-driven business model.

Impact on Strategic Management

Digital transformation has influenced PT. Matahari’s strategic management in several ways: Strategic Planning: Management increasingly relies on data-driven insights for decision-making. (Idayanti et al., 2020)

Organizational Structure: The company has adapted by enhancing digital competencies and cross-functional collaboration.

Customer-Centric Strategy: Digital platforms enable personalized marketing and improved customer experience.

Competitive Advantage: The adoption of digital technologies helps the company compete with online retailers and maintain market relevance.

Challenges and Future Outlook (2021–2025)

Despite the benefits, PT. Matahari faces challenges such as high investment costs, technological adaptation, and changes in consumer expectations. However, continuous innovation and strategic alignment with digital trends are expected to strengthen the company’s sustainability

through 2025.

V. Conclusions

The study concludes that digital transformation has a significant impact on the strategic management of PT. Matahari Department Store Tbk. during the period 2016–2025. Digital initiatives have enhanced strategic decision-making, operational efficiency, and customer engagement. To remain competitive, PT. Matahari must continue to integrate digital technologies into its strategic management while fostering organizational adaptability and

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