

ABSTRACT

The Industrial Revolution 4.0 has brought rapid changes in various sectors, especially in digital technology. The COVID-19 pandemic has further accelerated digital transformation, prompting widespread adoption of online platforms. The publishing industry, a subset of the creative and knowledge economy, must innovate to maintain competitiveness in the face of shifting consumer preferences from print to digital media. On the other hand, the publishing industry also experienced business vulnerability due to the COVID-19 pandemic.

The present study aims to explore the vulnerability of the school book publishing industry in formulating business sustainability strategies during the era of disruption, as evidenced by PT Tiga Serangkai. Therefore, there are several stages (activities) to address the study objective, including 1) analyzing through the event study of policy changes; 2) and estimating the impact of policy changes on PT Tiga Serangkai; 3) analyzing vulnerabilities in PT Tiga Serangkai, and 4) formulating a sustainability strategy for PT Tiga Serangkai. Furthermore, the present study utilizes the fast and slow theory from Kaur Simar (2020) to examine the impact of policy changes and their interaction with business dynamics at PT Tiga Serangkai. The present study also utilizes the theory of socio-ecological vulnerability, as proposed by Thompson (2016), to analyze the vulnerability of PT Tiga Serangkai in order to formulate a school book publishing business ecosystem.

This study employs a qualitative and quantitative descriptive approach to qualify the study objective. Data collection was conducted by semi-structured interviews, focus group discussions (FGDs), surveys, and document studies. The FGD activity involved 30 stakeholders representing government entities (Central Java Provincial Education Office, City/District Education Office), publishers (PT Tiga Serangkai and non-PT Tiga Serangkai), elementary schools, junior high schools, senior high schools (teachers, students), parents of students, and academics. Primary data were collected during the research period using a snowball sampling method. The survey was conducted through a

questionnaire involving 95 respondents, comprising managers and employees at PT Tiga Serangkai. It was collected using stratified sampling. The NVivo software was used to analyze primary data. In particular, the questionnaire sets numerical scales of Likert, considering several criteria, ranging from 0 (least vulnerable) to level 4 (most vulnerable), with the calculation limit categorized as vulnerable starting at level 2.

The findings reveal several evidence. First, curriculum changes, BOS funding, and regulations during the COVID-19 pandemic are directly linked to the school book publishing business. Second, the impact of policy changes that are quickly responded to is the adaptation and innovation in learning. Adaptation and innovation learning involves the issuance of digital products to support the learning process during the COVID-19 pandemic. A significant increase in regular book sales revenue occurred in response to the implementation of allocating 20% of BOS funds for the purchase of school books in 2018. Curriculum changes are slowly responded to due to their periodic nature, allowing both publishers and schools to adapt, anticipate, and mitigate each condition. Third, the vulnerability of the school book publishing industry is to technological developments. The digital competency gap experienced by publishers and schools is a matter of concern that must be addressed and overcome. Particularly, the vulnerability of PT Tiga Serangkai lies in the sale of schoolbooks. There are two variants of school book products. Premium products have a significant revenue value and a stable trend, but their market reach is still relatively small compared to existing market opportunities. Meanwhile, regular book products have a significantly larger market reach, albeit with a smaller revenue value, compared to premium products. The regular book products are also very vulnerable to BOS policy changes. Fourth, the formulation of a sustainability strategy at PT Tiga Serangkai focuses not only on market expansion and product innovation but also on reducing dependence on government policies and increasing organizational resilience, both structurally and culturally.

Keywords: business vulnerability, digital transformation, publishing industry, company sustainability