

Business Resilience Through Adaptive Marketing Strategy: A Case Study Of Pt Kereta Api Indonesia (Persero) In Responding To Market Segmentation Shifts Using The Dynamic Capabilities Approach

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ABSTRACT

This study investigates how PT Kereta Api Indonesia (Persero) enhances its business resilience in response to shifting market segmentation through the lens of dynamic capabilities and adaptive marketing strategy. The research emphasizes the importance of organizational agility and digital transformation in the public transportation sector within a volatile business environment. The study employs a qualitative case study approach using semi-structured interviews with eight key informants from PT KAI, selected through purposive sampling. Informants include managers and operational staff from the divisions of facility, cleanliness, customer service, and centralized service control (PUSDALYAN). Data were analyzed using thematic analysis following Braun and Clarke's six-step approach. Themes were developed based on the dynamic capabilities framework—sensing, seizing, and reconfiguring—and enriched through document analysis and service report triangulation. The findings reveal that PT KAI's ability to sense customer behavior shifts, seize opportunities through adaptive marketing efforts, and reconfigure service systems using digital tools (e.g., CRM, service escalation) significantly contributes to organizational resilience. Customer-centric innovations and cross-functional collaboration were found to be key enablers in adapting to evolving passenger expectations. The study proposes a conceptual model illustrating how dynamic capabilities drive adaptive marketing strategies that enhance business resilience in the public transportation context. The insights offer both theoretical and managerial implications, particularly for public-sector organizations undergoing market transformation.



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1. INTRODUCTION

In the contemporary, multifaceted, and often volatile business milieu, organizations spanning various sectors are increasingly compelled to exhibit resilience in response to swift technological evolutions, fluctuating consumer preferences, and economic instabilities. The transportation industry, with particular emphasis on public railway services, encounters distinctive challenges attributable to its dual identity as both a public utility and a commercially managed entity. Business resilience—conceptualized as an organization's ability to withstand shocks, adapt to alterations, and maintain operational effectiveness—has emerged as a strategic necessity for enduring sustainability.

PT Kereta Api Indonesia (Persero), the state-owned railway enterprise of Indonesia, functions within a marketplace that has experienced considerable transformation over the preceding decade. Demographic transitions, digital disruptions, and intensified competition from alternative modes of transport have redefined the landscape of passenger expectations and conduct. A salient trend encompasses the emergence of digital-native consumers, younger cohorts desiring flexibility, and first-time rail users unfamiliar with traditional procedures. These developments require not only enhancements in operational practices but also strategic marketing initiatives to retain competitiveness and relevance.

Adaptive marketing methodologies present firms with a mechanism to remain nimble and oriented toward customer needs amidst such evolving market dynamics. However, the efficacy of adaptation is contingent upon a firm's intrinsic capabilities to detect changes, capitalize on opportunities, and realign resources—what (Teece, 2020) characterize as dynamic capabilities. For PT KAI, this necessitates a transition from a conventional transportation provider to a customer-oriented service entity, facilitated by innovations such as integrated ticketing systems, service recovery frameworks, and data-informed customer engagement via CRM platforms.

Not with standing the significance of dynamic capabilities in elucidating strategic adaptation, scant empirical research has investigated how state-owned enterprises (SOEs) in emerging markets such as Indonesia implement adaptive marketing strategies to cultivate resilience. This study seeks to fill that void by examining how PT KAI employs the dynamic capabilities framework—through the processes of sensing, seizing, and reconfiguring—to formulate marketing strategies that address transformations in market segmentation and enhance business resilience.

This paper aspires to make a valuable contribution to the strategic management and marketing discourse by providing insights into the pragmatic application of adaptive marketing strategies within the public transportation

domain, elucidating lessons derived from PT KAI's metamorphosis in traversing a shifting consumer landscape.

2. LITERATURE REVIEW

In an increasingly intricate and volatile business environment, organizations are compelled not merely to withstand disruption, but to adapt, respond, and flourish through strategic agility and innovation. This study builds upon a comprehensive theoretical foundation that integrates the Dynamic Capabilities View (DCV), the principles of Adaptive Marketing Strategy, and the contemporary understanding of Business Resilience in the digital era.

The development of this theoretical framework is also informed by recent scholarly contributions that examine the relationship between dynamic capabilities, adaptive marketing, and resilience. Tabel 1 summarizes key studies that provide empirical and conceptual foundations for this research

Tabel 1. Summary of Previous Related Studies

No	Author(s)	Title	Key Conclusion	Year
1	Duchek, S.	Organizational Resilience: A Capability-Based Conceptualization	Organizations with strong dynamic capabilities are more resilient through anticipation and adaptation processes.	2020
2	Mikalef et al.	Big Data Analytics Capabilities and Firm Performance: The Mediating Role of Dynamic Capabilities	Dynamic capabilities mediate the impact of digital analytics on firm performance and agile decision-making.	2020
3	Shah, Kumar & Kim	Managing Customer Relationships in the Era of Big Data: Marketing as a Strategic Function	Adaptive marketing based on customer data is key to building loyalty and business resilience.	2020
4	Al-Abrow et al.	Dynamic Capabilities and Organizational Resilience in the Public Sector: A Moderated Mediation Model	Dynamic capabilities significantly enhance resilience in public sector organizations under external pressure.	2021
5	Asamoah et al.	Customer Experience Strat (Asamoah, Agyei-Owusu, & Ashun, 2022)egy and Business Performance: The Role of Dynamic Capabilities	Customer experience strategies are more effective when supported by strong sensing and seizing capabilities.	2022

Source : Compiled and adapted from various previous studies

Dynamic Capabilities View (DCV)

The Dynamic Capabilities framework—refined in recent years (Teece, 2020)—posits that sustainable competitive advantage in rapidly changing environments depends on a firm's ability to sense opportunities and threats, seize them effectively, and reconfigure internal resources accordingly. These capabilities are particularly salient for organizations operating in public service sectors that face both competitive pressures and regulatory oversight.

- **Sensing** involves identifying shifts in consumer preferences, technological trends, and market structures.
- **Seizing** entails mobilizing organizational resources to capture value from emerging opportunities through strategic actions—such as marketing innovation and service enhancement.
- **Reconfiguring** refers to the transformation of internal processes, structures, and assets to align with evolving market demands.

In the context of PT Kereta Api Indonesia (Persero), these dynamic capabilities manifest in digital initiatives (e.g., CRM systems), service escalation mechanisms (e.g., PUSDALYAN), and marketing adjustments tailored to segmented customer groups, including digital natives and first-time rail users.

Adaptive Marketing Strategy

Adaptive marketing strategy emphasizes flexibility and responsiveness in marketing planning and execution, enabling firms to stay aligned with real-time changes in the market (Shah, Kumar, & Kim, 2020). Unlike traditional static planning, adaptive marketing leverages real-time data, customer feedback, and cross-functional integration to adjust messaging, offerings, and customer engagement strategies.

In service industries—particularly public transportation—adaptive marketing is a critical enabler of customer retention and experience optimization. PT KAI's use of personalized communication, service recovery initiatives, and digital ticketing platforms reflects this strategic orientation.

Business Resilience in the Digital Era

Business resilience today extends beyond continuity and recovery. It encompasses an organization's ability to anticipate change, absorb shocks, and transform operations to sustain long-term performance (Duchek, 2020). This redefinition is crucial for state-owned enterprises like PT KAI, which must maintain public trust and service consistency while undergoing digital and operational transformation.

Research Preposition

Grounded in the above theoretical constructs, this study proposes the following propositions:

- P1:** PT KAI's dynamic capabilities—specifically sensing, seizing, and reconfiguring—enable the implementation of adaptive marketing strategies in response to shifting market segmentation.
- P2:** Adaptive marketing strategies serve as a mechanism through which dynamic capabilities enhance business resilience in the public transportation sector.
- P3:** Customer-centric innovations supported by digital tools (e.g., CRM and service recovery systems) positively influence the perception and sustainability of business resilience.

3. METHODOLOGY

This research adopts a qualitative case study approach, which is inherently exploratory and interpretive in nature. As such, the study does not aim to test hypotheses statistically, but rather to explore and interpret strategic phenomena within their real-world context. Consequently, research propositions—not hypotheses—are employed to guide data collection and thematic analysis (Yin, 2018) recommendation for guided by research propositions aligned with dynamic capabilities theory.

Population and Sample

The population of this study comprises internal stakeholders within PT KAI who are directly involved in strategic marketing, customer service management, and digital transformation initiatives. The sample was selected through purposive sampling, focusing on individuals with decision-making authority and operational insights into adaptive marketing and resilience efforts. Participants include:

- Senior managers from the Division of Passenger Transport Marketing and Sales,
- Operational staff from the Pusat Kendali Pelayanan (PUSDALYAN),
- Customer experience personnel responsible for CRM implementation and service recovery.

In total, 8 informants were interviewed, including 3 senior managers and 5 operational-level staff, to capture a balanced view of strategic planning and execution. Informants were selected purposively based on their positions and responsibilities as mapped in the organizational structure of the Passenger Facility

division under PT Kereta Api Indonesia. This includes roles responsible for service operations (CPFC), quality assurance (CPFQ), cleanliness and facility management (CPFS, CPFB), and centralized service control (Operator PUSDALYAN). These functions are directly linked to the execution of customer-facing strategies and operational adjustments—core domains for exploring dynamic capabilities and adaptive marketing practices.

Research Method

Data were collected through the following methods:

- Semi-structured interviews, conducted via direct sessions and online platforms, guided by a flexible interview protocol aligned with the themes of sensing, seizing, and reconfiguring.
- Document analysis, including PT KAI's internal reports, annual reports, strategic memos, and public data from the Ministry of Transportation and PUSDALYAN presentations.
- Customer-related data from PT KAI's CRM and service incident systems (e.g., Trouble Tickets, rail passenger redirection reports) were used to triangulate findings.

This method combination enhances data richness and credibility by incorporating multiple perspectives and data types.

Data Analysis Technique

Data were analyzed using thematic analysis, with six-step model (Braun & Clarke, 2019):

1. Familiarization with data,
2. Generating initial codes,
3. Searching for themes,
4. Reviewing themes,
5. Defining and naming themes,
6. Producing the report.

Themes were developed deductively based on the Dynamic Capabilities framework (sensing, seizing, reconfiguring) and inductively through open coding of participant responses.

Triangulation of data sources and respondent validation were employed to enhance the validity and reliability of findings.

4. RESULT AND DISCUSSION

Demography

This section presents the demographic profile of the informants involved in the study. A total of 8 key informants from PT Kereta Api Indonesia (Persero) participated in semi-structured interviews. The informants were selected based on their direct involvement in strategic marketing, customer service, and digital transformation.

Tabel 2. Demographic Characteristic of Interview Participants

No	Position	Departemen/Unit	Years of Experience
1	Manager Facility and Cleanliness on Board	CPFB - Facility & Cleanliness On Board	29 years
2	Junior Manager Operation Evaluation & Reporting	CPFC.1 - Operation & Service Reporting	20 Years
3	Operator Pusat Pengendali Pelayanan	CPFC - Service Operation	15 Years
4	Junior Manager Standard On Station	CPFQ.2 - Facility & Cleanliness Quality Assurance (QC - Station)	15 Years
5	Junior Manager Facility On Station	CPFS.2 - Facility On Station	12 Years
6	Junior Manager Cleanliness On Station	CPFS.1 - Cleanliness On Station	12 Years
7	Junior Manager Cleanliness On Board	CPFB.1 - Cleanliness On Board	10 Years
8	Quality Controller of Facility & Cleanliness	CPFQ - Group QC (Station & On Board)	10 Years

Source: Primary data processed by the author (2025)

The selection of key informants in this study was deliberately concentrated within the Facility and Cleanliness divisions under the Vice President of Passenger Facility at PT Kereta Api Indonesia. This decision reflects the strategic role these units play in shaping customer experience, particularly in a service-driven industry like public transportation. In the context of shifting market segmentation—marked by an increase in digital-native users and heightened hygiene awareness post-pandemic—cleanliness and facility-related functions have become central to service perception and brand trust.

These divisions are responsible not only for maintaining operational cleanliness standards, but also for responding to customer feedback, executing service recovery protocols, and adapting to changing passenger expectations in real time. Their close involvement with PT KAI's CRM system and centralized service monitoring (PUSDALYAN) positions them as critical actors in the sensing, seizing, and reconfiguring dimensions of dynamic capabilities. Therefore, their inclusion in this research ensures that insights are captured from frontline and managerial

perspectives most directly involved in implementing adaptive marketing strategies and business resilience efforts.

Result Analysis and Modelling

Thematic analysis revealed three core themes aligned with the Dynamic Capabilities framework: Sensing, Seizing, and Reconfiguring, each of which links directly to the implementation of adaptive marketing strategies and business resilience outcomes.

Theme 1: Sensing Market Shifts through Digital Listening and Field Observations

PT KAI has established multiple feedback channels (e.g., CRM reports, mobile app ratings, and incident logs via PUSDALYAN) to identify emerging market behaviors, including:

- Increased travel by first-time users,
- Preference for mobile booking and digital interaction,
- Shift in demand patterns after pandemic (e.g., family & tourism over business travel).

Quote no 2:

“We saw a surge in new user behavior from our app analytics—many users booked for the first time and expected flight-like service.”

This reflects the firm’s ability to **sense** changing customer segments and expectations, forming the basis for adaptive responses.

Theme 2: Seizing Opportunities via Adaptive Marketing Initiatives

In response, PT KAI undertook several marketing and service innovations, including:

- Promotion bundles for family/group travelers,
- Integration of loyalty systems (Railpoint) into the KAI Access app,
- Communication realignment targeting digital-native audiences.

Quote no 5:

“Our messaging changed—we no longer only emphasize punctuality, but now also safety, cleanliness, and convenience.”

This seizing capability allows PT KAI to align its offerings with segmented market expectations and increase engagement.

Theme 3: Reconfiguring Organizational Systems for Resilience

The company also undertook internal adjustments to enhance resilience:

- Service escalation system via PUSDALYAN to manage disruptions,
- Cross-functional integration of CRM with frontline staff operations,
- Training programs to embed a customer-first mindset in station and service personnel.

Quote no 2:

“Before, service recovery was slow and rigid. Now, with our system, we can reassign passengers or process refunds in minutes.”

These reflect reconfiguring capabilities, turning structural rigidity into responsive capacity.

Customer-Centric Innovations as a Strategic Enabler

Across all three themes, the role of digital tools (CRM, service recovery, customer experience dashboards) is central to connecting dynamic capabilities to adaptive marketing and ultimately to business resilience.

Quote no 2:

“Our investment in digital systems helped us survive post-COVID. More importantly, it gave us visibility and speed to act.”

Model Alignment with Propositions

Tabel 3 Summary of Research Propositions and Supporting Findings

Proposition	Supported Findings
P1: PT KAI's dynamic capabilities—specifically sensing, seizing, and reconfiguring—enable the implementation of adaptive marketing strategies in response to shifting market segmentation.	Evidence of market sensing through CRM analytics, route-based feedback, and operational issue logs; adaptive actions taken such as realignment of promotions and communication strategies.
P2: Adaptive marketing strategies serve as a mechanism through which dynamic capabilities enhance business resilience in the public transportation sector.	Marketing flexibility enabled customer retention post-pandemic; agility in communication and service design supported recovery and continuity.
P3: Customer-centric innovations supported by digital tools (e.g., CRM and service recovery	Implementation of CRM platforms and service escalation protocols (e.g., PUSDALYAN) allowed

Proposition	Supported Findings
systems) positively influence the perception and sustainability of business resilience	faster handling of complaints and built customer trust.

Source: Author's elaboration based on primary data (2025)

Note: This table presents the alignment between the research propositions derived from the theoretical framework and the empirical findings gathered through semi-structured interviews and document analysis at PT Kereta Api Indonesia. The findings confirm the relevance of dynamic capabilities and adaptive marketing in enhancing business resilience within the context of shifting market segmentation.

5. CONCLUSION

This research examined how PT Kereta Api Indonesia (Persero), a state-owned enterprise within the public transportation sector, bolsters its business resilience by implementing adaptive marketing strategies in response to changing market segmentation. Rooted in the Dynamic Capabilities framework, the results reveal that the organization's ability to sense, seize, and reconfigure is essential for fostering strategic responsiveness and service innovation.

Three main themes emerged from the analysis: (1) Market sensing, facilitated by digital feedback systems and operational insights, enabled PT KAI to recognize emerging customer preferences—particularly among digitally savvy users and first-time travelers. (2) Adaptive marketing responses—such as tailored promotions, loyalty programs, and messaging adjustments—functioned as strategic tools to capitalize on opportunities and address shifting customer expectations. (3) Organizational reconfiguration, evident in the integration of CRM systems, service escalation procedures (e.g., PUSDALYAN), and interdepartmental collaboration, enhanced PT KAI's ability to provide resilient and customer-centric services.

The study's findings support the research propositions that dynamic capabilities are fundamental in shaping adaptive marketing strategies, which in turn bolster business resilience. Additionally, customer-focused innovations—especially digital tools—act as crucial enablers in translating strategy into operational agility.

These insights contribute to the theoretical discussion on dynamic capabilities and marketing adaptability, particularly in the context of public sector organizations within emerging markets. From a practical perspective, the study underscores the necessity of incorporating flexibility, digital infrastructure, and frontline responsiveness into organizational practices to maintain competitiveness in an increasingly segmented and demanding market landscape.

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