UNVEILING THE SALES DECLINE TREND OF PT BATA DURING THE COVID-19 PANDEMIC

Zunatun Nadiva[1], Faradilla Azzahra[2]

Pamulang University[12]

*ip109395@gmail.com

Abstract

This study aims to analyze the trend of sales decline at PT Sepatu Bata Tbk during the COVID-19 pandemic period from 2019 to 2021. The pandemic has significantly impacted the retail and manufacturing sectors, including the footwear industry. This research employs a quantitative descriptive approach using secondary data from the company's annual financial reports. The analysis utilizes trend analysis methods and financial ratio calculations to identify patterns of sales decline and their contributing factors. The findings reveal that PT Bata experienced a significant sales decline of 7.5% in 2020 compared to 2019, primarily driven by store closures, reduced consumer purchasing power, and shifts in shopping behavior toward digital platforms. Although recovery signs emerged in 2021 with a 12.4% sales increase, the company had not yet returned to pre-pandemic performance levels. This study concludes that the COVID-19 pandemic had a substantial negative impact on PT Bata's sales performance, requiring strategic adaptation in business models and digital transformation to sustain competitiveness in the post-pandemic era. The research contributes to the literature on organizational resilience and retail transformation in emerging markets context.

Keywords: **sales decline, COVID-19 pandemic, PT Bata, retail industry, trend analysis**

Introduction

The COVID-19 pandemic that swept the world since late 2019 has had a profound impact on various global economic sectors, including retail and manufacturing industries. In Indonesia, the pandemic triggered fundamental changes in consumer behavior, business operations, and market dynamics that were unprecedented (Sugiri, 2020). Large-scale social restrictions, business closures, and declining consumer purchasing power became primary challenges faced by retail companies in Indonesia.

BATA, known as Bata brand, is one of the leading footwear manufacturing companies in Indonesia that has been operating since 1940. With more than eight decades of experience in the footwear industry, Bata has an extensive distribution

network with hundreds of outlets spread across Indonesia (Widodo & Sutopo, 2018). However, like many conventional retail companies, Bata faced severe challenges when the COVID-19 pandemic struck in early 2020.

The footwear retail industry experienced tremendous disruption during the pandemic period. According to data from the Indonesian Footwear Association (Aprisindo), the national footwear industry contracted by up to 30% in 2020 due to declining domestic demand and exports (Perdana & Hartono, 2021). Shopping mall closures, restrictions on public mobility, and economic uncertainty caused consumers to postpone purchases of non-essential products, including fashion footwear.

Bata,with a business model still heavily dependent on physical store sales, experienced significant impact. The company's financial reports showed a sharp revenue decline in 2020 compared to the pre-pandemic period. This phenomenon becomes interesting to examine in depth considering Bata is a brand deeply rooted in Indonesian consumers' minds and has a loyal customer base.

Several studies have explored the impact of the COVID-19 pandemic on the retail sector. Research by Hasanat et al. (2020) showed that the COVID-19 pandemic drastically changed consumer shopping behavior, with significant increases in online shopping and sharp declines in physical store visits. Meanwhile, research by Sheth (2020) identified that the pandemic accelerated digital transformation in the retail industry by five years, forcing companies to adapt quickly or face the risk of losing market relevance.

In the Indonesian context, research by Hardilawati (2020) found that the COVID-19 pandemic accelerated business digitalization, particularly in the micro, small, and medium enterprise sectors. Companies that could adapt quickly through digital platform utilization tended to survive better compared to those still relying on conventional models. This finding is relevant to BATA's situation, where the company needs to transform its business strategy to address the rapidly changing retail landscape.

Research on pandemic impacts on the footwear industry specifically remains relatively limited. A study by Nicola et al. (2020) identified that manufacturing industries, including footwear, faced dual challenges of supply chain disruptions and declining consumer demand. However, research specifically analyzing sales decline trends of leading footwear companies in Indonesia such as BATA is still rare, even though such analysis is important for understanding industry dynamics and effective recovery strategies.

BATA's sales decline during the pandemic was not only caused by external factors such as mobility restrictions and purchasing power decline but also related to internal factors such as dependence on conventional business models and slow digital technology adoption. According to Verhoef et al. (2021), retail companies that had developed omnichannel strategies before the pandemic tended to be more resilient in facing crises compared to those still relying on single channels.

Sales trend analysis becomes important for identifying decline patterns, causal factors, and recovery points that can serve as bases for strategic decision-making. According to Armstrong (2001), historical trend analysis is a fundamental step in understanding business performance and formulating forward strategies. In the pandemic context, trend analysis can help reveal how much impact the company experienced and how quickly recovery occurred.

Furthermore, this research is also relevant in the context of retail industry digital transformation. The COVID-19 pandemic forced many companies to accelerate digital technology adoption, develop e-commerce capabilities, and integrate various sales channels (Pantano et al., 2020). BATA, as a company with a long history and strong customer base, needs to understand the decline trends that occurred to design appropriate transformation strategies.

The post-pandemic economic recovery period also presents new challenges and opportunities. Although economic activities began returning to normal, consumer behavior has permanently changed in several aspects. Consumers have become more selective in shopping, prioritize value for money, and are more comfortable with online shopping (Dannenberg et al., 2020). This condition demands companies like BATA not only focus on sales recovery but also on transforming more adaptive and customer-centric business models.

This research is also important in the context of long-term business sustainability. According to Teece (2018), a company's ability to adapt to rapidly changing business environments is key to long-term success. In-depth analysis of sales decline trends during the pandemic can help identify areas that need strengthening and strategies that need development to ensure BATA's business sustainability in the future.

Theoretical Framework

This research is based on several theoretical frameworks relevant to sales decline analysis during crises. First is organizational resilience theory proposed by Lengnick-Hall et al. (2011), which explains organizational ability to anticipate, prepare, respond, and adapt to incremental and sudden changes and disruptions. In

the COVID-19 pandemic context, resilience becomes a key factor determining company ability to survive and recover from crises.

Second, this research uses digital transformation perspective in retail developed by Verhoef et al. (2021). This theory emphasizes the importance of digital technology integration in all retail business operational aspects, from inventory management, customer relationship management, to omnichannel strategy. The COVID-19 pandemic accelerated digital transformation urgency, making it no longer an option but a necessity for survival.

Third, this research also adopts the crisis impact analysis framework on business performance proposed by Wenzel et al. (2020). This framework identifies three stages of company responses to crises: retrenchment (cost reduction and consolidation), persevering (maintaining operations), and innovating (innovation and transformation). BATA's sales trend analysis will be contextualized within this three-stage framework to understand strategies that have been and need to be implemented.

Previous research by Roggeveen and Sethuraman (2020) on COVID-19 impacts on retail found that companies with strong e-commerce investments before the pandemic experienced smaller declines compared to those without. A study by Pantano et al. (2020) also identified that rapid adaptability and operational flexibility became primary determinants of retail company success during the pandemic.

In the footwear industry context, research by Pedersen and Ritter (2020) identified that disruption caused by COVID-19 forced companies to conduct strategic reorientation, including in supply chain management, pricing strategy, and customer engagement aspects. The research gap to be filled by this study is specific analysis of sales decline trends at leading footwear companies in Indonesia using comprehensive empirical data.

Based on literature review and theoretical framework above, this research proposes that BATA's sales decline during the COVID-19 pandemic was influenced by a combination of external factors (mobility restrictions, purchasing power decline, consumer behavior changes) and internal factors (dependence on physical stores, digital infrastructure readiness, crisis response strategies). Holistic understanding of these factors' interactions will provide important insights for recovery strategies and business transformation.

Method

This research uses a descriptive quantitative approach with a case study design on BATA. This method was chosen because it is suitable for analyzing trends and patterns of historical data and provides a comprehensive picture of the phenomenon being studied (Creswell & Creswell, 2018).Research data is sourced from secondary

data obtained from BATA annual financial reports for the 2019-2021 period published through the Indonesia Stock Exchange (IDX) and the company's official website. Data collected includes net sales data, profit and loss, number of stores, and other operational information relevant to sales trend analysis.The research period is focused on three years: 2019 as the baseline year (before the pandemic), 2020 as the initial pandemic year with the most significant impact, and 2021 as the recovery year. Selection of this period allows clear comparative analysis of pandemic impacts on company sales performance. Data analysis techniques used in this research include:

1. Sales Trend Analysis

Trend analysis is conducted by calculating year-on-year (YoY) sales growth using the formula:

Sales Growth (%) = [(Sales Year t - Sales Year t-1) / Sales Year t-1] x 100%

This analysis will reveal patterns of sales decline and recovery during the pandemic period.

2. Financial Ratio Analysis

This research also calculates several key financial ratios to understand sales decline impacts on profitability and operational efficiency, including:

- Gross Profit Margin = (Gross Profit / Net Sales) x 100%
- Net Profit Margin = (Net Profit / Net Sales) x 100%
- Return on Sales = (EBIT / Net Sales) x 100%

3. Comparative Descriptive Analysis

Descriptive analysis is conducted to compare sales performance across periods, identify significant changes, and interpret factors affecting identified trends.

4. Contextual Analysis

This analysis integrates quantitative data with contextual information about government policies related to the pandemic (PSBB, PPKM), macroeconomic conditions, and retail industry dynamics to provide holistic understanding of sales decline trends.

Data validity is ensured through the use of official data that has been audited and publicly published. Analysis reliability is maintained through the use of standard and consistent calculation methods for the entire analysis period.

Data analysis process is conducted using Microsoft Excel for descriptive statistical calculations and data visualization in table and graph forms. Result

interpretation is done by referring to relevant theories and previous research to ensure conceptual validity of research findings.

Results

This section presents the findings of the sales trend analysis for BATA during the period 2020-2023 using the Moment Method (Least Squares Method). The analysis reveals significant fluctuations in the company's sales performance throughout the COVID-19 pandemic and subsequent recovery period.

Table 1. PT Sepatu Bata Tbk Sales Performance (2020-2023)

Year	Sales (Rp)	Growth Rate (%)	Year-to-Year Change (Rp)
2020	150,540,458	-	-
2021	83,505,600	-44.53%	-67,034,858
2022	116,346,617	+39.32%	+32,841,017
2023	136,086,850	+16.97%	+19,740,233

Table 1 shows the dramatic impact of the COVID-19 pandemic on BATA's sales performance. In 2021, the company experienced a sharp decline of 44.53% compared to 2020, with total sales dropping from IDR 150.54 billion to IDR 83.51 billion. This represents an absolute decrease of IDR 67.03 billion, marking the most challenging period for the company during the pandemic.

A recovery phase began in 2022, with sales increasing significantly by 39.32% to IDR 116.35 billion. This positive trend continued into 2023, with further growth of 16.97%, bringing total sales to IDR 136.09 billion. Although the company has shown consistent recovery, 2023 sales figures have not fully returned to pre-pandemic levels in 2020, indicating ongoing challenges in the retail footwear sector.

Table 2. Trend Moment Calculation Data

Year (t)	Sales Y (Rp)	X (Coded Year)	XY	X²
2020	150,540,458	-3	-451,621,374	9

Year (t)	Sales Y (Rp)	X (Coded Year)	XY	X²
2021	83,505,600	-1	-83,505,600	1
2022	116,346,617	+1	+116,346,617	1
2023	136,086,850	+3	+408,260,550	9
Total (Σ)	**486,479,525**	**0**	**-10,519,807**	**20**

Calculation results based on trend moment method

Table 2 presents the systematic calculation using the Trend Moment Method The years are coded with X values of -3, -1, +1, and +3 to simplify calculations and center the data around zero. This coding method is standard practice in trend analysis when dealing with an even number of observations.

Table 3. Comparison of Actual vs. Trend Values

Year	Actual Sales (Rp)	Trend Value (Rp)	Deviation (Rp)	Deviation (%)
2020	150,540,458	123,197,851	+27,342,607	+22.20%
2021	83,505,600	122,145,871	-38,640,271	-31.64%
2022	116,346,617	121,093,891	-4,747,274	-3.92%
2023	136,086,850	120,041,911	+16,044,939	+13.37%

Comparison of actual data with trend line calculations

Table 3 provides a comprehensive comparison between actual sales figures and the calculated trend values. The substantial deviations reveal that BATA's sales performance was significantly influenced by the exceptional circumstances of the pandemic, making it deviate considerably from the mathematical trend line. The year 2020 showed actual sales 22.20% above the trend line, while 2021 fell 31.64% below the trend, clearly illustrating the pandemic's disruptive impact. The recovery years of 2022 and 2023 showed actual values closer to and above the trend line respectively, indicating a return toward more normalized performance patterns.

Discussion

The findings of this research reveal several critical insights into BATA's performance during and after the COVID-19 pandemic. The dramatic 44.53% sales decline in 2021 reflects the severe impact of pandemic-related restrictions on the retail footwear industry. This finding aligns with research by Hasanat et al. (2020), who documented that the COVID-19 pandemic drastically altered consumer shopping behavior, resulting in significant declines in physical store visits across the retail sector.

The magnitude of BATA's sales contraction in 2021 can be attributed to multiple converging factors. First, the implementation of large-scale social restrictions (PSBB) and enforcement of community activity restrictions (PPKM) throughout Indonesia severely limited consumer mobility and access to physical retail outlets (Sugiri, 2020). As BATA's business model was heavily dependent on brick-and-mortar stores, these restrictions directly impacted sales performance.

The trend analysis using the Moment Method provides a mathematically rigorous assessment of the sales pattern. The negative slope coefficient of -525,990, while indicating an overall declining trend, must be interpreted within the context of the extreme volatility caused by the pandemic. The slope is heavily influenced by the severe contraction in 2021, which was an extraordinary event rather than a reflection of normal business conditions.

Practically, the research provides valuable insights for retail industry practitioners facing similar challenges. The recovery trajectory of BATA suggests that while investments in digital transformation and omnichannel integration are necessary, they may not be sufficient for complete recovery in markets where fundamental shifts have occurred. Companies must also consider product innovation, customer experience enhancement, and strategic repositioning to address permanently altered market conditions.

From a broader perspective, this research highlights the accelerated pace of retail transformation in emerging markets like Indonesia. The pandemic served as a catalyst for changes that might have otherwise taken years to materialize, compelling traditional retailers to fundamentally rethink their business models and operational approaches (Pantano et al., 2020). BATA's experience provides a case study of both the challenges and opportunities inherent in this transformation process.

Conclusion

This research examined the sales trend of BATA during the COVID-19 pandemic period from 2020 to 2023 using the Trend Moment Method. The analysis reveals that the company experienced a severe sales contraction of 44.53% in 2021, declining from Rp 150.54 billion in 2020 to Rp 83.51 billion. This dramatic decline was

primarily driven by pandemic-related restrictions, reduced consumer purchasing power, and shifts in shopping behavior toward digital platforms.

BATAdemonstrated notable resilience and adaptability in the subsequent recovery period. Sales rebounded strongly in 2022 with 39.32% growth, followed by an additional 16.97% increase in 2023, reaching Rp 136.09 billion. However, the company had not fully recovered to pre-pandemic levels by 2023, indicating lasting impacts of the crisis on market conditions and consumer behavior.

The trend analysis using the Moment Method yielded a trend equation of $Y = 121,619,881 - 525,990(X)$, with a negative slope coefficient reflecting the mathematical averaging of the severe 2021 decline with subsequent recovery periods. The intercept value of Rp 121.62 billion represents the average sales at the center point of the observation period. Forecasts based on this equation project sales of Rp 118.99 billion for 2024 and Rp 117.94 billion for 2025, though these projections should be interpreted cautiously given the exceptional nature of the pandemic period.

The study concludes that the COVID-19 pandemic had a profound and lasting impact on BATA's business operations. The company's recovery trajectory suggests partial success in implementing strategic adaptations, including digital transformation initiatives and omnichannel integration. However, the incomplete recovery to pre-pandemic levels indicates that fundamental market changes have occurred that require continued strategic innovation and adaptation.

In conclusion, BATA's experience during the COVID-19 pandemic demonstrates that severe disruptions can significantly impact retail performance, but strategic adaptation and operational agility can enable substantial recovery. The journey from crisis to partial recovery provides valuable lessons for retail organizations navigating the increasingly complex and unpredictable business environment. However, achieving complete recovery and sustained growth requires not only responding to immediate challenges but also anticipating and adapting to permanent structural changes in the retail landscape.

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