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Peer Review

Review of: "The Duality of Strategy: A Longitudinal Financial Ratio Analysis of Indonesia's Tobacco Leaders"

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The Duality of Strategy: A Longitudinal Financial Ratio Analysis of Indonesia's Tobacco Leaders

This study presents a comparative longitudinal analysis of the financial performance and strategic orientation of two leading Indonesian tobacco firms, PT Gudang Garam Tbk (GGRP) and PT HM Sampoerna Tbk (HMSP), from 1990 onward. It comprehensively evaluates three key financial indicators: Return on Assets (ROA), Debt-to-Equity Ratio (DER), and Total Asset Turnover (TATO). The findings reveal a persistent strategic divergence between the firms. However, the authors need to incorporate the following comments to upgrade the articles:

1. Clearly define the concept of *duality of strategy* (e.g., cost leadership vs differentiation, exploitation vs exploration, regulatory adaptation vs market expansion?) at the beginning of the introduction.

2. Although the authors have enriched the introduction with the following theories such as Porter's competitive strategy, Resource-Based View (RBV), Dynamic capabilities, and Institutional theory, the authors need to improve

- What theoretical gap does this paper fill?
- How does Indonesia's tobacco sector provide new theoretical insights?
- Include a conceptual framework diagram linking strategy → financial ratios → performance outcomes.

3. Justify the time horizon employed in this research.

4. Authors need to test for:

- Structural breaks (e.g., tobacco tax reforms, COVID period)

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- Pre- and post-policy comparison

5. Authors need to improve their research work with Panel regression instead of pure descriptive ratio trend analysis. Further, estimate fixed effects to control for firm-specific heterogeneity.

6. Strategy and financial performance are endogenous. Discuss reverse causality: Do strong firms adopt certain strategies? Further, use lagged strategy indicators, instrumental variables (if feasible), and difference-in-differences (if a policy shock exists). Even if full causal identification is not possible, authors should **acknowledge limitations.**

7. The authors need to clarify the academic Policy Contribution in the suggestion part of the paper.

Declarations

Potential competing interests: No potential competing interests to declare.