

Implementation of Customer Relationship Management and Digital Marketing in Bir Pletok Setu Babakan

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Abstract – This thesis research is focusing on the implementation of customer relationship management and digital marketing for Small Medium Enterprise (SME) in beverage industry named Bir Pletok Setu Babakan. The mapping of this SME has proven that it had no activity in maintaining the customer relationship and it did not use digital marketing as the marketing tool. Through the business coaching program, it is expected that Bir Pletok Setu Babakan is able to maintain the customer relationship and gaining new customers. The method that being is qualitative research in order to create a promotion for the most valuable customers and optimizing digital marketing, such as website.

Purpose – This study objective is to generate sales and customer awareness

Design / Methodology / Approach – Business coaching, the study subject was in Bir Pletok Setu Babakan. The primary data is collected through in-depth interview and observation, where as the secondary data is obtained from the owner, internet, and management books. The collected data will be analyze using qualitative methods.

Findings – This study reveal that Bir Pletok Setu Babakan does not know how to maintain customer satisfaction through Customer Relationship Management, and this MSE does not implement any Digital Marketing strategy in order to generate awareness. As a result, some of customer left and many people still not aware of the products from Bir Pletok Setu Babakan.

Research Limitations / Implications – The result of this study can only be implemented by Bir Pletok Setu Babakan and any other similar type of business in Setu Babakan, Srengseng Sawah, South Jakarta.

Original / Value – This study describing a detailed condition of Bir Pletok Setu Babakan and their competitors, or an overview of beverage industry in Indonesia.

Keywords: Customer Relationship Management, Discount, Digital Marketing, Website.

1. Introduction

The growth of food and beverage industry is increasing from year to year. Due to the Industrial Ministry, Airlangga said that the growth was reaching from 8,46% in 2016 to 9,23% in 2017 (Yasmin, 2018).

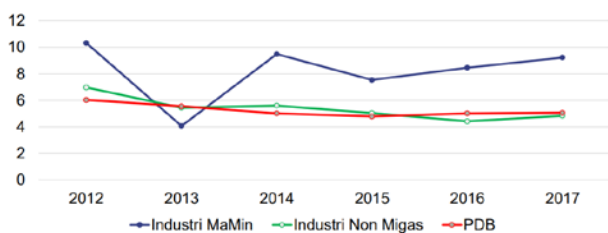


Figure 1 Industry Growth in Food & Beverage

The graph shown that the growth of food and beverage industry already exceeding Growth Domestic Product (GDP). According to The Indonesian Institute (2017), in 2015, the total of MSE in beverage industry is 46.965 unit of enterprise. Based on that number, the beverage industry is very competitive.

The competitiveness in beverage industry make newcomer and current business owner to innovate and differentiate the product from competitors in order to compete with others. This attract interest from Mister Endang to become a producer of Pletok Beer in 2014. Pletok Beer is a traditional

drink from Betawi's culture that have a good benefit for health. The product consists of variation of ingredients such as ginger, cardamom, sappan wood, cinnamon, and sugar.

The product also got support from the Governor of DKI Jakarta, where as it written in Governor Regulation DKI Jakarta regarding Betawi Cultural Icon that stated that Pletok Beer is Betawi Cultural Icon that have to be preserved. This attract newcomer to create a product that already supported by the Governor and will impact to the number of Pletok Beer producer in Setu Babakan. The increase number of competitors will impact to the decrease in sales from Bir Pletok Setu Babakan. The following graph is the sales data from previous two years.

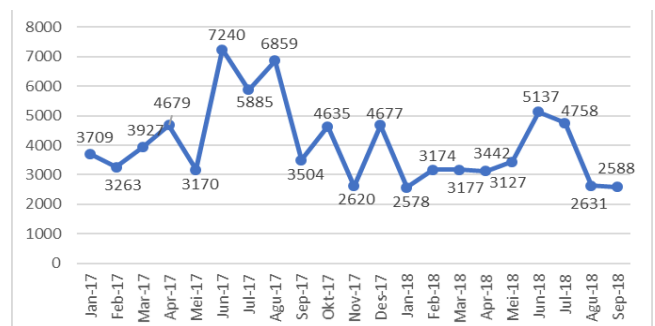


Figure 2 Sales of Bir Pletok Setu Babakan

According to the graph above, the peak season of Pletok

Beer sales was in Ramadhan month. The increase number of competitors also affecting the decrease in sales in 2018. One of the factors is declining number of resellers or distributors in Pletok Beer. Bir Pletok Setu Babakan have two type of customers which is reseller and distributors. Distributors is a person who deliver a product to reseller, and reseller is a person who sell the product to consumer. Some of reseller decide to not buying Mister Endang's product due to the relation to competitors. And they also stated that there is no special offer for customer who buys a product with high quantity.

According to Dibb and Simkin (2001), a business person should be able to satisfy customer needs, able to identify and recognize market opportunities, deliver product's value, and offering competitive advantage, which can be achieved through digital marketing Business person also have to managing relationship with current customer in order to maintain market share, and it can be achieved by implementing a customer relationship management system. CRM is a process to gather information about consumer in order to provide support and service to customer (Gordon, 2002).

Based on the problem of the decrease of sales, Bir Pletok Setu Babakan should have a system to storing database, provide information and service. The implementation of this system can help owner to maintain relationship, giving information, discount, and customer priority. Another solution can be implementing digital marketing, which can generate awareness from people, and deliver the value proposition of product through website.

2. Framework

- SME Internal Analysis

- o SME Profile
- o Organizational Structure of Bir Pletok Setu Babakan
- o Business Process of Bir Pletok Setu Babakan
- o Business Canvas Model Analysis

A business model has a role to describe a mindset of how organization create, deliver, and capture company's value and principle (Osterwalder & Pigneur, 2010).

o Value Chain Analysis

A business consists of several internal activities that can be called as value chain, whereas the main objective of company is creating value to meet customer needs (Thompson et al, 2018).

o Marketing Mix

Consist of set marketing variables that can be controlled such as product, price, place, and promotion that can be used by company to anticipate response from target market.

- SME External analysis

o PESTEL Analysis

An analysis that focus on external condition that consists of six main component such as political factor, economic factor, environment, social condition, technological factor, and legal condition,

o Porter Five Forces Analysis

The framework used to examine competitive pressure in industry from five external factors such as competition from rival, competition from new entrants, competition

from substitute product, bargaining power of supplier, and bargaining power of buyers.

o Strength, Weakness, Opportunity, & Threats (SWOT) Analysis

The purpose is using SWOT analysis is to consider step that company will take to improve company performance based on internal and external condition.

- MSE GAP Analysis

Analytical comparison to see the difference between actual performance with desired performances. If an organization is failed to utilize the current resource effectively and ignoring the needs of investment in terms of capital and technology, it will impact the capabilities of that organization to maximize their production. Furthermore, the purpose of doing gap analysis is to enable the organization to generate solutions based on the identified problems.

3. Methodology

The research subject is SME unit in Setu Babakan, South Jakarta named Bir Pletok Setu Babakan. one of traditional beverage producer who mostly sell the product in tourist attraction Setu Babakan. Bir Pletok Setu Babakan's customers consists of tourists, cultural person, and also health enthusiast. Bir Pletok Setu Babakan are mainly operated by Mr. Endang and Mrs. Ita, as the owners and followed up by two staff. For the implementation in Business Coaching, there are consists of two type of data such as primary data and secondary data. Primary data can be collected from in-depth interview and observation, whereas secondary data can be gathered through internal data from Bir Pletok Setu Babakan and collected external data from multiple sources.

- In-Depth Interview

The total meeting was held in 12 sessions, and the meeting start from August to December 2018 at Setu Babakan, Srengseng Sawah with Mr. Endang as Bir Pletok Setu Babakan's owner. The first meeting in August 2018 was introduction between the coach and Mr. Endang. The second meeting to sixth meeting was held in August to October 2018 and mainly discussed about their goals, the current condition, and problem identification of Bir Pletok Setu Babakan. The seventh to twelfth sessions is conducted from October to December 2018 and will mainly focus on planning and executing the solution. These sessions conclude how Bir Pletok Setu Babakan begin to starting gathering data for the solution, planning the CRM system based on IDIC Model from Peppers and Rogers (2004) and creating website according to 7C's Framework from Rayport and Jaworski (2001), and implementing those solutions in Bir Pletok Setu Babakan.

- Observation

Coach also observe the conditions in the field, the staff who support the business activities, and all of the business process activities that help SME to create value in Bir Pletok Setu Babakan. The observation is limited to naturalistic observation, where the role of the coach is simply watching and recording the day-to-day operations of Bir Pletok Setu Babakan.

- Internal Data

Internal data consist of SME data such as operation data, marketing data, financial data, and consumer data that have been collected by owner in 2018. The consumer

data and marketing data will be used for feasibility study for CRM system and digital marketing strategy (Website).

- External Data

External data that used in the process of business coaching are books of managements, marketing books, digital marketing books, SME books, and also customer relationship books. Coach will use the theory for implementation from the book as framework to analyze current situation in Bir Pletok Setu Babakan, and also to solve problem.

4. Findings

- Business Model Canvas (BMC) Analysis

Bir Pletok Setu Babakan have many different values such as natural ingredients, durability of products, and effective pricing strategy. Despite having many values, Bir Pletok Setu Babakan having few channels such as reseller and distributor store and had not implemented any digital marketing to acquiring new customers. Furthermore, Bir Pletok Setu Babakan is also found to be lacking in activities to maintain customer relationship in order to satisfy current customers.

- Value Chain Analysis

The problem occurs in marketing and sales whereas Bir Pletok Setu Babakan never implemented digital media such as the use of website. The other problem was there is no aftersales services to maintain customer satisfaction, and it could potentially impact to customer retention.

- Marketing Mix Analysis

The product is already meet customer needs, the price also cheaper than other competitors. However, Bir Pletok Setu Babakan need to consider about the pricing because there is no different price for selling to distributors and reseller. There also lack of marketing activities that can generate awareness for potential customers.

- PESTEL Analysis

Bir Pletok Setu Babakan have to consider to registered the product to BPOM, because Mr. Endang are selling the packaging products that have to get approval for BPOM. The behavior of society that wants to consume a healthy drink can be an opportunity for Bir Pletok Setu Babakan.

- Porter's Five Forces Analysis

The industrial attractiveness in pletok beer industry is moderate, whereas the reputation of this brand can be advantage to selling product. Bir Pletok Setu Babakan can implement the strategy broad differentiation, which are improving customer service, improving service features, and increasing the number of marketing activities.

- SWOT Analysis

According to TOWS matrix, an action that should be taken is how to create strategy from exploit the weakness and threats, which is implementing customer relationship management to fulfill customer satisfaction and customer retention, and also applying the use of website as digital marketing in order to acquiring new customers.

5. Conclusion

In order to solve the problem in Bir Pletok Setu Babakan to maintain current customer satisfaction and delivering value to

acquiring new customers, coach encourage the owner to implement CRM system and using website as new marketing channels to delivering value of the products.

The first implementation is CRM systems, which divided into four steps according to Peppers and Rogers theory of IDIC Model. The first step is identifying the customer, that requires to collecting customers database. The data will be collected from all of the customers of Bir Pletok Setu Babakan and then it will continue to steps 2 which is differentiate the customers based on the value. The value was determined as income proportion that Mr. Endang take from selling the products. The following table is showing the classification of income proportion from every Bir Pletok Setu Babakan's customers.

Table 1 Income Proportion from MSE's Customers

No	Store Name	Income Proportion	No	Store Name	Income Proportion
1	Toko Vera	30,44%	9	Betawi Online	3,39%
2	Toko ASNR	20,29%	10	Warung Mpok Leni	2,99%
3	MSC Pangsi Betawi	6,68%	11	Warung Bang Andi Jalu	2,56%
4	Toko Puput	6,09%	12	Warung Pak Nur	2,03%
5	Warung Barokah	4,89%	13	Warung Mpok Sri Mulya	2,03%
6	RM Haji Nasun	4,49%	14	Warung Mpok Sri	2,03%
7	Warung Mpok Marni	4,49%	15	Warung Sinchan	1,50%
8	Warung Teh Neneng	4,49%	16	Warung Jiih	1,07%

Based on the table below, we can conclude that Toko Vera and Toko ASNR have the highest contribution and will be categorized Tier 2. The next step is to interact with the Toko Vera and Toko ASNR through in-depth interview as Tier 2 customer in order find their needs. The result of the interview tell that both of the customer needs a discount because of the high number of quantities that they usually order, then a fix schedule of delivering the items in order to avoid the question from their customers.

The final steps are customizing the service to Tier 2 customers. Coach and owner finally decide to create a treatment for Tier 2 customers by giving a various offer such as quantity-based discount, and customer priority. The quantity-based discount is impacting to the willingness to buy from Toko Vera and Toko ASNR and resulting to the increase income that Mr. Endang take after the discount. The following table is the increase of earning of Bir Pletok Setu Babakan.

Table 2 Earning of Mr. Endang

Store Name	Earning Before Discount	Earning After Discount
Toko Vera	Rp 4.275.000	Rp 4.587.500
Toko ASNR	Rp 2.850.000	Rp 3.187.500

The next treatment is customer priority which is Mr Endang will deliver the products to customer Tier 2 in Wednesday starting from November 19, 2018. In two weeks, Mr. Endang receive a thank you note from Tier 2 customers that they are satisfied with the new CRM program.

The second implementation is digital marketing, which consists of four main steps, such as collecting data, choosing 7C's framework element for designing website, creating a website, and launching the website. The first steps it to collecting data by doing interview to 66 respondents. The result of interview is that majority of people know that pletok beer is traditional drinks (78,8%), however the minority of respondent still believing that pletok beer is alcohol drink.

Pletok beer is a Betawi traditional drink that is made from several natural ingredients that are mixed in a traditional way, therefore there should be appropriate way to deliver value from Bir Pletok Setu Babakan to customer. In interview, the majority of respondent (84,8%) said that the preferable media to find information about drinks is using search engine. According to the result, Bir Pletok Setu Babakan choose to implement digital marketing by using website and it will be supported by the using of Google Ads.

The second step is choosing the element from 7C's framework. According to Rayport and Jaworski (2001), this model usually used by company as a guidance to create customer interface for website which is the part of digital marketing. This framework consists of seven components such as context, content, community, customization, communication, connection, and commerce. The following table is what Bir Pletok Setu Babakan choose in 7C's framework component.

Table 3 The Implementation of 7C's Framework for SME

Context	Aesthetically dominant	Functionally dominant	Integrated
Content	Product-dominant	Information-dominant	Service-dominant
Community	Nonexistent	Limited	Strong
Customization	Generic	Moderately customized	Highly customized
Communication	One-to-many, nonresponding user	One-to-many, responding user	One-to-one, responding user
Connection	Destination	Hub	Portal
Commerce	Low	Medium	High

In the third step, coach and Mr. Endang starting to create website through buying the hosting and domain. The visitor can access Bir Pletok Setu Babakan through website by typing <http://birpletoksetubabakan.com>. The main purpose of creating website is delivering the value of the product, which consists of three main values, such as does not contain alcohol, using natural ingredient, and healthy benefit. The website also consists of five main menus, such as "home", "about us" to tell the visitor about company profile, "product" which mainly focus on the description about product, "become a partner" which will invite potential reseller or distributor to become partner to sell the product, and "gallery" which focusing on the pictures of pletok beer creation process. The following figure is the landing page of Bir Pletok Setu Babakan's official website.

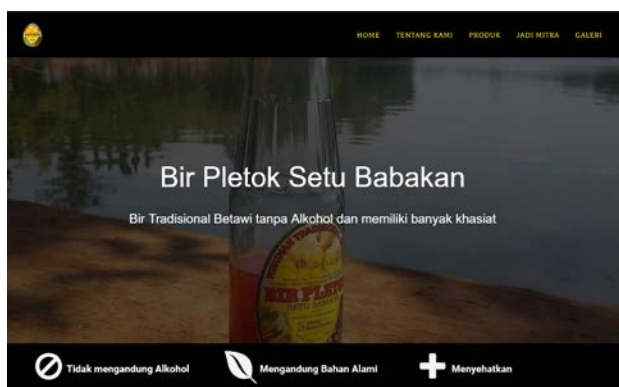


Figure 3 Landing Page of Bir Pletok Setu Babakan

The final step in implementing digital marketing is launching the website. This action is followed up by the using of Google Ads to improve the website traffic through keyword search that match value of Bir Pletok Setu Babakan. After several research, Bir Pletok Setu Babakan decided to use "pletok" and "minuman sehat" as a keyword. The following

figure is the display of headline when people input those keywords.



Figure 4 Headline from Keyword Search "Pletok"



Figure 5 Headline from Keyword Search "Minuman Sehat"

To determine how effective the use of Google Ads, coach using Google Ads feature which is click through rate (CTR). CTR will show the comparison between visitor who see the ads and visitor who click the ads. The use of Google Ads can be stated as effective if the CTR is more than 2%. The result of CTR using "pletok" as keywords is not effective with the rate only 1,45%. However, for the "minuman sehat" keywords, the CTR is 8,05% and can be categorized as effective campaign. In conclusion, the website launching activity has been done and supported by the use of Google Ads in order to generate awareness from society.

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