

Customer Relationship Management of UD Mapan Kediri During COVID-19

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Abstract— Indonesia is one of the countries in Southeast Asia that produces rice and consuming rice for staple food. The most region that produce rice in Indonesia is East Java. Kediri City included in the 15th highest region that produces rice in East Java. High production of rice and needs of rice makes UD Mapan become a company that produce rice named "Beras Mapan" which build in 2008 and is located Desa Ngino in Kediri District. In 2019 UD Mapan was chosen to become a supplier of BPNTD (Bantuan Pemerintah Non Tunai Daerah) for on the recommendation of their agents because of the trust of e-warung agents as UD Mapan consumer. The purpose of this study is to find out how consumer relations in UD Mapan. This research uses descriptive research method with data collection techniques conducting interviews with company owners, consumer of UD Mapan who repeat purchased over past year, and experts of consumer relationship management who worked in industry rice production for a minimum three years. Reliability in this research uses triangulation of sources that is done to improve the accuracy of a study and the reliability of this study uses an audit technique in which researchers describe the process and results to the supervisor of research as an auditor. The result of this study was the formation of Customer Relationship Management (CRM) through the creation of values with effective aspects including awareness, association, attitudes, attachment, and experience. Furthermore, UD Mapan did six aspects of creating familiarity among other things access, competency, reliability, responsiveness, security and safety, and speed to its customers and last is to run a strategic CRM process order and operational CRM.

Keywords— *Customer Relationship Management, Creating Value, Creating Intimacy, Rice Distributor*

I. INTRODUCTION

Based on data from Indonesia Investments [1], majority of people in Asia make rice as their staple food. Rice needs as a staple in Asia are high, and 90% of rice production in the world comes from Asian countries. It makes Asia as the largest producer of rice in the world, also the largest consumer of rice as a staple food.

Indonesia as one of the Asian country also produce rice, and its become one of the industry that have a big impact on Indonesian economy. Indonesia entered third place after China and India with the volume of production of about 10% of the total volume of rice production in the world.

According to Detik Finance, Indonesia's CBP recorded the final stock of rice in 2018 it reached 2.15 million tons so it was safe for supply by early 2019 [2]. The rice stock is experiencing a significant improvement each year, even though some areas are affected occasionally, other areas still can help.

The largest contributor of rice in Indonesia is in East Java, and could provide for rice consumption in their own area with rice production reaching 1,1 million tons each year [3]. One of the region that contribute for East Java rice production is Kediri Regency. Kediri is a region that consumes rice produces by its own region with the consumption reach up to 170,772 tons in 2018. The high production value and consumption needs of rice in Kediri regency, made Wulandari (owner of UD Mapan) open rice factories there.

Factory rice owned by Wulandari named UD Mapan, established in 2008 located in Plemahan subdistrict, Kediri. Since 2019, customers recommend UD Mapan to be a supplier of BPNTD (Bantuan Pangan Non Tunai Daerah). BPNTD program is a program from the central government in distributing assistance on the form of rice. BPNTD provided to families receiving assistance from the government through e-stalls (e-warung) for the City and Regency of Kediri. Not every rice producers can be suppliers at BPNTD program, they need to have a recommendations for their quality from e-warung agents. Since e-warung agents are their customers, Bulog as the organizer of BPNTD program, trust their recommendation.

Data about rice industry in the world and Indonesia, shown that UD Mapan's business survived pandemic era because they have a constant income, and one of the income is from BPNTD program. Since pandemic era, many businesses go bankrupt, including restaurants, food stalls, hotels [4]. When they are out of business, consumption of rice dominated only by household. Therefore, its important to have contract with client that give constant order like BPNTD, since their program also targeted household only.

This phenomena become the basis of this research, which is to know how customer relationship management is intertwined between customers with UD Mapan, mainly to makes business survived during Covid-19 pandemic era.

II. LITERATURE REVIEW

Therefore this research using theory about customer relationship management (CRM) that explains 3 step to create, maintain, and use it.

A. *Creating Value*

According to Budihardjo et al [5], there are five indicators of customer value creation:

- Awareness: Customers recognize and remember a brand, including the logo and the name and products sold by the company.
- Association: Customers have the perception that the product offered is unique and attractive so that customers are interested and buy the product.
- Attitudes: The results of the evaluation of the product offered are in accordance with what the customer wants. The product must satisfy customers with customer satisfaction, the product being sold will have value.
- Affection: The state when the customer continues to use the product to the stage of being loyal to the product offered by the company.
- Experience: Circumstances when customers have a positive experience when using the product to recommend it to their friends.

B. *Creating Familiarity*

Creating familiarity according to Sutari [6] is to build familiarity making foreign things between a company with fewer customers. The thing that must be considered when creating familiarity with customers is to identify who are the customers who buy the products of a company. After knowing customer segmentation, the company must know the needs of its customers. The last stage is communication that makes customers comfortable by frequently interacting or dealing with customers. Communication can be started with friendly direct interaction and a convincing gaze to indirect contact. According to Irawan [7], there are eight aspects to creating familiarity with customers:

- Access: Speed and ease of customers to contact the company if there is any information needed by customers or complaints aimed at the company. Speed and convenience make customers more comfortable contacting the company. In addition, the speed of business opening hours can be a distinct advantage in the eyes of customers because customers find it easy.
- Competency: Knowledge, ability, and expertise of the company to answer customer curiosity or confusion. The company can provide information or product knowledge to its customers.
- Courtesy: The friendliness of smiles, greetings, courtesy and thanks will make customers feel like they are being treated properly. This creates more familiarity for customers if the company treats them well.

- Reliability: When companies make promises to customers, they must be kept. Like the promise made for the benefits and quality of a product, by keeping promises given, the customer will trust the company.
- Responsiveness: The company must be responsive (responsive) to customers. Responsive in everything from service before the customer buys the product to handling complaints that arise at a later time.
- Security and safety: The company is able to guarantee customer security such as customer personal data and security when carrying out transaction processes because good security can make customers feel comfortable.
- Speed: Ensuring customer comfort so as not to wait long in every company service. Customers who feel a company has fast service will benefit so that customers will feel comfortable when buying products.
- Tangible: Companies need to maintain their appearance so that customers remain captivated and feel comfortable interacting with the company in face-to-face or indirectly.

C. *Level of Customer Relations Management*

The following are three levels of Customer Relationship Management or CRM according to Buttle and Maklan [8]:

1) *Strategic CRM*

Strategic CRM focuses on developing a customer-centric business culture, with the aim of preserving value and creating better value than competitors. This includes the activities of a company to increase company value for its customers.

2) *Operational CRM*

Operational CRM is the way companies relate to customers through technology - existing technology by focusing on automating the way companies deal with customers.

3) *Analytical CRM*

Analytical CRM focuses on capturing, storing, extracting, integrating, interpreting and reporting customer-related data that is useful for increasing customer and company value. Analytical CRM is built on the basis of customer-related information.

So, it can be concluded that CRM is a core business strategy that aims to create and deliver value to targeted customers with the advantage of building stronger bonds with customers. This shows that CRM is not only about technology but CRM integrates internal and external processes and functions to create good value through a series of activities to manage information about customers with the aim of maximizing customer loyalty.

III. METHOD

This research using a descriptive research method, that uses an approach based on philosophical assumptions and comes from the narrative information. Data analysis was carried out as close as possible to the results of the transcripts

and documentation obtained [9]. The purpose of descriptive research according to Nazir [10] is to show a systematic and up-to-date description of the factual phenomena under study. In this study wanted to get an overview of customer relationship management at UD Mapan.

IV. RESULT AND DISCUSSION

Based on the results of data analysis, it can be seen that customer relationship management can be initiated by creating customer value. Five aspects of customer creation, namely awareness, association, attitudes, attachments, experience are felt directly by two UD customer informants.

Established. UD Mapan has made awareness by creating logos and brand names with abbreviated names and choosing a bright display color, this can be felt directly by its customers who claim that they remember the logo and name of Mapan Rice which is the brand of UD Mapan. Apart from having a memorable name and logo, UD Mapan's products also have a unique mix of rice varieties that are also felt by direct customers. In terms of attitudes and attachments, it can be concluded that UD Mapan customers are satisfied and become regular customers of Mapan Rice products because they are satisfied with the quality of the product in terms of taste and product price. From this satisfaction, they recommend Mapan Rice products to others or it can be called the experience aspect where customers experience a positive experience when using a product and recommend it to others.

After creating customer value, forming good relationships with customers must maintain familiarity with customers. From the results of data analysis, it was found that there are several aspects of how to maintain effective intimacy at UD Mapan. The aspects are access, competency, reliability, responsiveness, security and safety, and speed. Two other aspects that are less effective at UD Mapan are courtesy in this study UD Mapan as a rice producer company cannot always meet directly to provide hospitality to its customers because the sales transaction of rice products is through third party delivery distribution so that UD Mapan maximizes service in terms of product returns to keep maintain familiarity with its customers. Another aspect is tangible, where UD Mapan tries to present rice packaging that attracts its customers, but according to its customers there are still some deficiencies in packaging, such as packaging design and durability.

Customer relationship management has three levels. The first is strategic CRM which focuses on a customer-centered business culture. In this study, UD Mapan customer relationship management, there are two levels of effective implementation, namely strategic CRM where in this study UD Mapan has attracted and retains its customers by accepting customer criticism, providing its own advantages compared to other rice competitors, and providing added value to the company by maintaining product quality, improving service, providing discounted prices, and strengthening relationships with customers. In the pandemic era, UD Mapan main concern is to improving their service with safe and healthy delivery methods. They make sure that all the staff wearing mask and deliver the product within safe distance from the customers.

In Operational CRM, UD Mapan directly asks for personal data such as a telephone number and then

communicates with its customers via cell phone technology. With this technology, it makes it easier for companies to communicate with their customers. After obtaining personal data, the company should be able to focus on analytical CRM where UD Mapan manages its customer data by archiving, storing, and reporting on customer data. However, in this study, UD Mapan still has not processed the customer's personal data to increase customer and company value. That's why analytical CRM stage has not been done maximally by UD Mapan.

V. CONCLUSION

Based on the results of research conducted with the interview method, it can be concluded that customer relationship management at UD Mapan is formed from:

- Creating effective customer value including awareness, association, attitudes, attachments, and experience. These five aspects were carried out by UD Mapan to establish good relationships with its customers.
- Creating familiarity by carrying out six aspects, namely access, competency, reliability, responsiveness, security and safety, and speed to its customers.
- The level of customer relationship management that has been carried out includes strategic CRM. UD Mapan maintains its customers by asks for customer's personal data, and then contacts them through messenger applications.

There are aspects that have not been effective, including:

- Courtesy on creating value for rice company, because as a producer the company cannot maximally provide direct hospitality to all its customers.
- Tangible on creating value because rice packaging generally shows the product and does not use a simple design.
- Analytical CRM at UD Mapan because UD Mapan is still at the stage of storing customer data and has not processed the data. While this data could give more opportunity for UD Mapan if they want to optimized it for make a better digital marketing, mostly in pandemic era.

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