

# IMC of Logistics and Package Delivery Company in Maintaining its Customer Loyalty during the Covid-19 Pandemic

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## ABSTRACT

The Coronavirus Disease (Covid-19) pandemic began in 2020, has been forcing companies to survive in the midst of financial crisis. J&T Express, one of the logistics courier services company in Indonesia, has created innovations that can ensure the security and cleanliness of packages/documents sent to its customers. This study raises the issue of integrated marketing communications (IMC) done by J&T Express and its customer loyalty during the pandemic. This study uses a qualitative approach with a case study method at the J&T Express company, located in Padang City, West Sumatra, Indonesia. Data collection was carried out using interview techniques and direct observation in the company. This research shows that J&T Express is one of the companies that is able to maintain its stability during the pandemic thanks to collaboration with marketplaces and innovations as well as attractive services and promos. J&T Express Padang aggressively advertises - both through promos and education - on the receipt and delivery of safe and hygienic packages. Sales promotions are carried out by giving discounts to all customers. J&T Express Padang establishes and maintains relationships with external parties by holding various activities such as badminton tournaments in collaboration and sponsored by several companies, corporate social responsibilities' activities on World Environment and Marine Day, and distribution of medical equipment. J&T Express Padang hasn't held events and publicities to its partners due to difficulties in meeting face-to-face. Meanwhile, the company continues to provide the best service by complying with and using health protocols directed by the central and local governments, so that the new consumers or its customers feel safe when receiving the packages.

**Keywords:** *integrated marketing communications and customer loyalty, J&T Express Padang. shipping companies*

## 1. INTRODUCTION

In early 2020, the world was shocked by an outbreak of a new pneumonia that started in Wuhan, Hubei Province, which then spread rapidly to more than 190 countries and territories. This outbreak was named coronavirus disease 2019 (COVID-19) caused by Severe Acute Respiratory Syndrome Coronavirus-2 (SARS-CoV-2). The spread of this disease has had a wide social and economic impact. There is still a lot of controversy surrounding this disease, including in the aspects of diagnosis, treatment, and prevention [1].

The economic sector is automatically affected by the effects of this coronavirus, one of which is the fields that work in logistics and package delivery services. This certainly has a significant impact both in terms of turnover and declining performance for employees and the company. J&T Express West Sumatra is one of the shipping company in Indonesia under the J&T Express Indonesia. Since the pandemic began in March 2020, J&T Express West Sumatra had used marketing tactics which provided quite significant achievements both in the calculation of turnover and the number of receipts. The strategy used must certainly provide comfort and maintain high trust of its customers. Marketing carried out by J&T Express West Sumatra staff

focuses on communication which is how to convince customers to remain confident and trust using J&T Express during the coronavirus period. Based on Hafied Cangara, "communication" derived from the Latin word "communis" which means "to make togetherness" or "build togetherness" between two or more people [2]. J&T Express has implemented good communication in dealing with the crisis, so that it is able to survive and maintain the stability of the turnover and receipt targets to be achieved during the crisis. The decisions made are also to build and maintain commitment and trust aimed at the J&T Express company and consumers.

Marketing communication is a form of communication that aims to strengthen marketing strategies and communication applications that aim to assist a company's marketing activities. In addition, marketing communication activities aim to introduce, establish, or create interactions between companies and business partners, and consumers and is an effort to communicate companies, products, and services to outside parties, both business partners, suppliers, and consumers [3]. J&T Express uses advertising through mass media and sales promotion, websites, and direct mail, such as letters, catalogs, brochures, videos, or sponsorship activities at certain events as a form of Integrated Marketing Communications (IMC) activities. IMC is a marketing communication planning process that introduces the

concept of comprehensive planning to evaluate the strategic role of various elements of marketing communications, such as public relations, advertising, direct selling, sales promotion, and interactive marketing, to provide clarity, consistency, and the impact of effective communication [4].

J&T Express collaborates with Shopee, one of the largest shopping platforms, and is able to attract consumer interest during crisis with various programme to attract consumers. J&T Express also offers various kinds of prizes (giveaways) and interesting information about promos. In addition, J&T Express West Sumatra also carries out promotions on the YouTube channel through its educational programs. They also give information about J&T Express and programs that elicit laughter related to complaints from J&T Express employees. Offers made face-to-face or in person usually have a fairly good impact, because they are usually accompanied by individual or shop or group data. The collected data will be data back and analyzed, usually related to the reason "have you ever used J&T Express services or were there any problems while using J&T Express services". This study is intended to find out more about how IMC during the Covid-19 pandemic can be carried out well in the West Sumatra J&T Express company. In addition, this research is also to find out the problems and obstacles faced by companies engaged in shipping services such as J&T Express. The main framework used is the concept of IMC.

### **1.1 Integrated Marketing Communications (IMC)**

Communication is the process of delivering a message by one person to others in order to inform or to change attitudes, opinions, and behavior, either directly (face-to-face communication) or indirectly (communication through the media) [5]. Marketing communication is one of the marketing activities that seeks to disseminate information, influence, and or increase the target market for companies and products so that they are willing to accept, buy, and be loyal to the products offered by producers [4].

IMC is a marketing communication planning process that introduces the concept of comprehensive planning to evaluate the strategic role of various elements of marketing communications, such as public relations, advertising, direct selling, sales promotion, and interactive marketing, to provide clarity, consistency, and the impact of effective communication. While integrating and implementing IMC strategies, marketers use a combination of marketing mix strategies, create advertisements, buy media time and space, and make designs that have been determined according to the program. Marketer will analyzes the performance results whether IMC or one of the IMC strategies is effective or not, and sees the tactics taken in accordance with the strategy adopted.

Types of marketing communications: *First*, advertising. Advertising is paid form of non-personal presentation and promotion of ideas, goods or services through an identified sponsor. One example of an advertisement could be a poster. Poster is one of the media used to attract the attention of the audience so that the audience can understand and also represent the character of the company [6]. Nowadays online advertising is widely found on Instagram, Twitter, Youtube, website, and others. Online advertising usually offers products such as electronic devices, beauty products, food and beverages, clothing, properties, hotels, tour packages, and others [7].

*Second*, sales promotion. It is various short-term incentives to encourage trial or purchase of a product or service. Promotions are short-term incentives to encourage trial or purchase of a product or service including consumer promotions (samples, coupons, and premiums), merchandise promotions (advertising and perks), sales force promotions (contests for sales reputation). Company-sponsored events and experiences, activities and programs designed to create daily or brand-related interactions. *Third*, events and experiences. These are company-funded activities designed to create interaction with consumers, such as arts, sports, entertainment, and less formal events or activities [8].

*Fourth*, public relations and publicity. These programs designed to market or maintain a company's image. Publicity is a program that is focused internally on all employees/members from companies, other industries, the government, and the media to market, establish relationships between companies and audiences, maintain and create a good image of the consortium or personal communication products. *Fifth*, direct marketing. Direct marketing particularly using mail, telephone, fax, e-mail, or the internet to communicate directly by soliciting feedback and conducting discussions from certain customers and prospects. *Sixth*, interactive marketing. Interactive marketing is an online program launched by involving customers directly and indirectly which aims to raise awareness, improve image, and generate product/service sales [8].

*Seventh*, word of mouth marketing (WoM). This is an oral, written, and electronic communication between people related to the advantages or experiences of buying or using products or services. *Lastly*, personal selling. This is a face-to-face interaction that a company's sales force has with one or more prospective buyers for the purposes of conducting sales meetings, personal presentations, answering questions, placing orders, making sales, and customer relations [8].

### **1.2 Customer Loyalty**

Loyalty refers to the attitude of the decision-making parties with the aim of achieving a level of regular purchases of the selected company's products/services. Things that give

influence/impact of loyalty such as the amount of cost, quality of service, quality of product/service, and marketing. Promotion is a marketing activity that seeks in spreading knowledge, inviting, and embedding memory in the target market for the company and its products so that they are willing to accept, buy, and be loyal to the products/services offered by the company concerned. The other things that affect customer loyalty: customer satisfaction, the advantages of the services offered, and company image.

Customer happiness is a sign of being interested or not in a product/service after comparing the performance of the product with its expectations. Company image as one of the beliefs, ideas, and views that are visualized by individuals for an object. A person's attitudes and actions towards objects are strongly influenced by the description of the object. People who have the impression and excessive belief in an item/object do not think twice about shopping and using a product/service and are likely to become loyal customers. Advertising can also foster brand understanding, direct desire for related brands and prioritize regular purchases. Offering synergies based on experience in using a brand to drive the inclination to shop continuously. Prices are linked to customer loyalty reasons. Tariff is the amount of money (added by several products if any) required to obtain a combination of products and services. Product design also affects customer loyalty. Today's targeted consumers are not the least bit concerned about the design of a product that can meet the wishes and desires and tastes of customers. The design aspect is one of the allures of a product. This is expected to capture the expectations, desires, and tastes of customers from time to time which are always changing according to the times [9].

## 2. RESEARCH METHOD

The research method in this study is a case study. The researcher wants to know the integrated marketing communication done by one of the logistics courier services company in Indonesia. The J&T Express company, Padang, West Sumatra, Indonesia is used as a case. The researcher used qualitative method by doing observations, interviews, and datas in J&T Express Padang during the Covid-19 pandemic. The subject of this research is integrated marketing communication and how to maintain customer loyalty during the pandemic. The object of this research is J&T Express Padang, West Sumatera, Indonesia.

Interviewed has been conducted with two informants, the marketing division of Nia Audina as a marketer, and Agnes Gunawan as a branding personnel. Researcher using company's customer data during the Covid-19 pandemic from January 2020 to December 2020 to analyze customer's loyalty. The processing technique is also through interviews with the marketing, PR, and advertising divisions.

## 3. RESULTS

J&T Express Padang was established on August 20, 2015 and started operating from September 1, 2015. J&T Express Padang is an agent 06. J&T Express was founded by Mr. Jet Lee and Mr. Tony Chen, while the CEO of the company is Mr. Robin Lou. The Director of J&T Express Padang is Mrs. Oktaviyani, while the General Manager of J&T Express Padang is Mr. Tanto Anggara. J&T Express is engaged in the delivery of goods, whether shipping by land, sea or air. This company also offer a free package pick-up service on the spot.

J&T Express has one form of delivery service, different from competitors who are engaged in the same field. Package delivery via J&T Express also has a system/procedure order. Packages that will be picked up are given a pick-up time range of 100 minutes from the time of the pick-up order to the droppoint (nearest J&T office). Packages that have arrived at the droppoint will be inputted and immediately taken to the warehouse to be sorted by city, sub-district, and continued by distribution per village. After that, the package is sent to the destination droppoint and will be delivered by the courier to the destination address. For packages that are not received by the recipient or difficulty in contacting the recipient for a span of three days, the package will be returned to the original droppoint.

### 3.1 Advertising

J&T Express advertises on several social media such as Instagram, Whatsapp, YouTube, and also in several marketplaces such as Tokopedia and Shopee. In addition, social media such as YouTube not only provides advertisements about promos, but also provides education about the procedures for receiving and sending goods using courier services, how the cash on delivery (COD) procedure is going viral, and how to track packages that are being sent.

According to informant 1, Gunawan, in addition to providing promos and discounts, exposure to consumers or customers through advertisements is also a benchmark and the key to how companies are able to compete and survive during the pandemic. Advertisements can be in the form of refreshing content or educational content regarding the shipping process using expedition services.

"We do have a lot of content - the actual content for Youtube, it's just more emphasized maybe it introduces J&T Express West Sumatra what it's like, who's director, who's the GM, and continues to be there to educate customers who may not know what COD is, what is it? how to apply the J&T Express application." – Gunawan

### 3.2 Sales Promotion

J&T Express using sales promotion as incentives to encourage trial or purchase of service.

"If we at J&T Express prioritize service, we also provide promos that make customers more interested in sending packages with J&T Express. We have a discounted promo and we also have it now, it's called a West Sumatra discount, which is only Rp. 9,999 or Rp. 10,000 for delivery to the West Sumatra area. When I meet the customer in a store, I will introduce myself first and then I will offer promos and package pick-up services." –Audina

Based on the results of interviews, J&T Express conducted sales promotions by using brochures as a means of promotion. These brochures have a unique style and bright colors, so people will immediately notice that the brochure is J&T Express. Distribution of brochures is usually done in markets, shops, and companies.

### 3.3 Events and Experiences

Company-sponsored events and experiences, activities and programs designed to create daily or brand-related interactions. Events and experiences are company-sponsored activities and programs designed to create daily or brand-specific interactions with consumers, including the arts, sports, entertainment, and make the event or activity less formal. J&T Express Padang carried out several activities internally and externally. External activities carried out during the pandemic are distributing masks and hand sanitizer to the public on the highway, CSR for cleaning the beach and sea environment, and badminton tournaments. In addition, J&T Express also carries out internal activities such as family gatherings and breaking fast together during holy month, Ramadhan. J&T Express also has a program to deal directly with customers or companies that cooperate in shipping with J&T Express, namely the story program.

In this program, customers will be interviewed about the business and things that have been passed so that the establishment of a company and how they can be interested and interested in using the services of J&T Express Padang. In addition, through this program, J&T Express also promotes businesses initiated by customers through the YouTube channel of J&T Express West Sumatra. According to informant 2, Audina, J&T Express in addition to providing promos and discounts, also holds events or activities both internally and externally. These events also aim to make the public know and know that J&T Express is also in Padang City, besides that it also helps improve the company's image and turnover.

"If we have a name at J&T Express, we also have an event. Events such as customer gatherings and Corporate Social Responsibilities are aimed at reintroducing J&T Express in the hearts of the people. The activities of the customer gathering are introducing J&T Express services, promos, and delivery systems at J&T Express itself." – Audina

### 3.4 Public Relations

Public relations and publicity, a variety of programs designed to promote or protect a company's image. Public relations is an internally focused program for workers from companies or customers, industry, government, and media to market, establish relationships between companies and audiences, maintain and shape a company image or good personal communication examples. J&T Express Padang held a badminton tournament during the pandemic. This tournament was carried out in accordance with health protocols and through this tournament J&T Express built an image that the shipping company was not only focused on delivering shipments but also as a means of empowering and developing the talents of employees and customers.

According to informant 2, Audina, during the pandemic, customer interest in shopping online through the marketplace became great. J&T Express also collaborates with several marketplaces. In addition, on the other hand, many customers are afraid to receive the packages they ordered, therefore J&T Express requires all employees including couriers/sprinters who send packages to follow the health protocol rules required by the regional and central governments.

"Yes, we are J&T Express in collaboration with Shopee and Tokopedia e-commerce as well. For this pandemic, we recommend our couriers to use complete health protocols such as masks, use hand sanitizer, and we also assure customers that our couriers have used health protocols that can be trusted." –Audina

### 3.5 Direct Marketing

Direct marketing is the use of mail, telephone, facsimile, e-mail, or the internet to communicate or deal directly with asking for responses or responses and conducting dialogue from certain customers and prospects. Direct marketing by J&T Express is usually done by the marketing division. Direct marketing is done by delivering cooperation proposals or keeping brochures and business cards at shops or companies. J&T Express also conducts direct marketing to shops, markets, offices, schools, and government agencies.

"I go to the customer to an address such as a store or corporate, I will introduce myself first and then I will offer promos and package pick-up services or package pick-up services to the address." – Audina

### 3.6 Interactive Marketing

Interactive marketing, online activities and programs designed to engage or prospects customers directly and indirectly with the aim of raising awareness, improving image, and creating sales of products/services. J&T Express uses Instagram as one of the social media tools that are more

often used for promotions or interactive marketing. Marketing targets various online shops selling shoes, clothes, clothes, cosmetics, etc. In addition, in marketing there is usually a contact who can be contacted if at any time there is a delivery.

"Apart from direct use of social media such as Instagram, TikTok, WhatsApp, and other social media." – Audina.

Express uses various media platforms to offer and promote goods/package delivery services.

### 3.7 Word of Mouth (WoM) Marketing

Word of mouth marketing is an oral, written, and electronic communication between people related to the advantages or experiences of buying or using products or services. Word of mouth marketing usually J&T Express uses partners or services from loyal customers. This is because they have already used and know the strengths and weaknesses of J&T Express, so that marketing from past experiences gives more impact to new consumers.

### 3.8 Personal Selling

Personal selling is a face-to-face interaction that a company's sales force has with one or more prospective buyers for the purposes of conducting sales meetings, personal presentations, answering questions, placing orders, making sales, and customer relations. Based on the results of interviews, personal sales are carried out by the marketing division by visiting each store or company to offer package pick-up services on the spot. Personal sales are considered quite effective because customers are more helped because they don't have to go to J&T to deliver packages to be sent and receipts are printed directly at the sender's place. For personal sales, usually J&T Express requires offering to customers or acquaintances, but there is a marketing division that focuses on offering personally to existing or new customers.

"We have a special division for this, not from the branding division, we have a marketing division or a sprinter in the field, maybe we can offer it if there are many packages. Can be offered as a VIP customer or not." – Gunawan

Based on the interviews, customer loyalty at J&T Express Padang, West Sumatera, is quite high because during the pandemic there was so much interest in sending customers using J&T Express services. J&T Express Padang provides extra services by making regular or regular customers become VIP customers, partners, or collection points. These three methods give priority to all customers in the process of sending and picking up packages. In addition, during the pandemic, all employees are required to be sterile by always wearing gloves, using hand sanitizer, and using masks, this is to make consumers feel safe and trust J&T Express Padang. Providing promos and discounts is also one of the

strategies in marketing shipping services, especially since there are many competitors with almost the same marketing strategy.

The researcher found that the previous research about how freshmen decided their university using IMC [10] and some factors that influence consumer loyalty of "Tupperware" products [9], showed that IMC was significant strategy to maintain consumer loyalty. J&T Express has also carried out an integrated marketing strategy with promotions, ideas, and innovations that are able to attract the attention and interest of expedition service users in the city of Padang. In addition to the number of competitors, internal problems, namely service, are also addressed so that what is conveyed by management can be conveyed properly by employees to customers. Decision-making by J&T Express in maintaining customer loyalty when there are problems or complaints is also a reflection that the communication strategy has been implemented properly at J&T Express, so that customers still cooperate in shipping with J&T Express.

## 4. CONCLUSIONS

In the logistics and package delivery company, it is important to be able to survive in providing the best service to the community, particularly during COVID-19 pandemic. Therefore, companies are required to have innovation and change in the face of a global crisis if they want to survive and remain in a stable condition. In addition, companies must also continue to follow the rules followed by the audience so that the image of the company remains awake during times of crisis. The company also needs a good communication strategy between leaders and employees, employees and employees, employees and externals.

Marketing communication strategies are needed during times of crisis. Advertisements during a pandemic or crisis must be able to display things that are more attractive than before so that consumers or customers continue to use the services/products offered by the company and accompanied by sales promotions that match the expectations of customers. J&T Express is one of the companies engaged in the field of package and document delivery expedition services.

Therefore, innovation and changes are needed to be given to customers in order to continue to use the services of the company. Collaborating with third parties such as marketplaces is a suitable and appropriate innovation during the pandemic, because people are flocking to shop online due to fear of meeting people and choosing to shop from home. In addition, the cleanliness and security provided for protection from the COVID-19 pandemic are benchmarks for using goods delivery services.

As a researcher, I hope that this research can be a reference for academic practitioners or other researchers in conducting more in-depth research on integrated marketing

communications and customer loyalty by conducting surveys to customers and collecting data through questionnaires to shipping companies during a pandemic or other crisis. This research also can be a means of information to the public about the system and the performance of the shipping company during pandemic.

For practitioners who work together in the field of expeditions are able to take the positives and find solutions and changes that are more effective and efficient in providing solutions to shipping service users in Indonesia, especially during a crisis.

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