Strategy of Maintaining Customer Loyalty (PT. Cipta Griya Dewata Case Study)

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ABSTRACT

This study aims to analyze and find out what strategies are carried out at PT Cipta Griya Dewata in maintaining customer loyalty during the Covid-19 pandemic. The research method used is qualitative research methods. The informants in this study were managers and customers from PT Cipta Griya Dewata who were taken by purposive sampling technique. Data analysis in this study used data triangulation by analyzing the results of observations, interviews, and documentation obtained from the study. The results of the study stated that in terms of SWOT, the strengths of PT Cipta Griya Dewata includes enthusiasm, hospitality and good communication. The weaknesses include the lack of responsiveness of staff. The opportunities are the operation of Customer Relationship Management that uses software has not been applied at PT. Cipta Griya Dewata. The threat of customer related data to increase customer value and the company has been well done by PT. Cipta Griya Dewata

1. Introduction

The Covid-19 pandemic has stoked the attention of all people from numerous circles in the world. Even the World Health Organization (WHO) has officially announced that COVID-19 is categorized as a pandemic, which is the scale of the spread of the disease that occurs globally throughout the world. According to (WHO, 2020), COVID-19 is an infectious disease caused by a newly discovered type of coronavirus or also known as the novel coronavirus. The Covid-19 case was first discovered in the Wuhan area, China in December 2019. This virus has spread very quickly. Until January 2020, WHO stated there was a high risk of Covid-19 spreading to other countries in the world (Debora, 2020).

The impact of the COVID-19 pandemic in Indonesia can be seen from the reduction in import and export activities, the weakening rupiah exchange rate, and the decline in tourist visits to Indonesia. Almost all businesses have experienced the impact of COVID-19, some people who work in offices can work from home (work from home) but some still have to go to the office because work cannot be done from home, reduced wages are due to company efficiency, and some even have to go to the office were laid off because the company they worked for went bankrupt or was sent home for an undetermined time limit. Almost all businesses have received the impact of the existence of COVID-19, thus reducing economic stability. This of course greatly affects all activities of business actors in the world and is very likely to be a threat to a crisis that starts with the cessation of production activities in several countries, declining consumer loyalty, declining stock exchanges and high unemployment rates. This is stated in the report on Indonesia’s economic growth in 2020 where Indonesia experienced a severe recession as a result of the Covid pandemic which hit all sectors of the Indonesian economy, as in the graph below.

Table 1.

<table>
<thead>
<tr>
<th>Indonesia’s Economic Growth in 2020</th>
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<td>Triwulan 1</td>
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<td>2.97%</td>
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Source: BPS processed data.

Based on the data above at the start of the Covid-19 pandemic, Indonesia experienced a growth recession, namely -5.32% in the second quarter then improved by -3.49% in the following quarter and grew again to -2.90% in the final quarter in 2020. Based on the data stated all sectors of the business sector are greatly affected by this pandemic. The trade and repair business sector had a high rate of decline, namely -7.57% in the second quarter. Meanwhile, according to the regional...
mapping, the Java area was -6.69% followed by Bali and Nusa Tenggara, namely -6.29%. This is due to the paralysis of the majority sector in Bali, namely the tourism sector. Bali, which is indeed one of the well-known tourist destinations in Indonesia, even in foreign countries, is now experiencing a downturn, in which all services are over supply due to the absence of tourists visiting Bali. Even though the tourism business can be said to be the main economic driving force in Bali. Based on data processed by Bank Indonesia, Bali’s Gross Regional Domestic [PDRB] in the first quarter of 2020 recorded negative growth of -1.14% (year-on-year / yoy), then in the second quarter it grew by -10.98% (yoy). This growth decreased drastically from the fourth quarter of 2019 of 5.51% (yoy). This decline is thought to be the impact of the Covid-19 epidemic, because economic growth continues to decline when the Covid-19 case increases.

Table 2. Bali Province Economic Growth Chart (year-on-year)

Prior to the COVID-19 Virus pandemic, Bali was aggressively conducting construction and renovation, especially commercial buildings and lodging facilities. Of course, the sluggishness of tourism in Bali has also greatly reduced the construction and renovation of commercial buildings and accommodation facilities. This has resulted in an increasingly quiet construction sector, resulting in an increasingly sluggish economy in Bali. This phenomenon shows that it is very important for entrepreneurs working in the construction sector to use the right strategy, so as to be able to maintain or even increase consumer loyalty due to intense competition between other construction entrepreneurs who also offer similar goods or services, both inside and outside Bali. Given the current unstable economic conditions, of course the competition will be more competitive. Coupled with the prediction of the end of the pandemic in Indonesia which was originally predicted by the Singapore of University Technology and Design (SUTD) Data-Driven Innovation Lab, it shows that COVID-19 will only end in Indonesia on October 28, 2020, but this prediction also missed. Because until the beginning of 2021, this case is not over. In the midst of this pandemic, it is very important for companies to develop the right strategy in order to maintain consumer loyalty, so that companies can survive and strategies to increase loyalty after the pandemic ends. Seeing the magnitude of the impact due to this pandemic, raises concerns that it will impact on the decrease in the number of loyal customers which can reduce sales.

Consumer loyalty is one of the things that greatly influences the success and continuity of a company by maintaining and increasing customer value. Customer value must be able to provide satisfaction for consumers. Satisfying consumer needs is the desire of every company. Apart from being an important factor for the survival of the company, satisfying the needs of consumers can increase its advantage in competition. Consumers who are satisfied with products and services tend to buy back products and reuse services when the same need reappear at a later date. This means that decision is a key factor for consumers in making repeat purchases, which is the largest portion of the company’s sales volume. (Jananuraga & Lestari, 2020).

Therefore, it is important for construction companies to formulate the right strategy in order to maintain consumer loyalty in the midst of this pandemic so that the company is able to maintain sustainability and increase its resilience to conditions as it is today. In addition, strategies need to be developed in order to increase loyalty after the pandemic ends in the future. In this study, the aim of this research is to analyze and find out what strategies are carried out at PT Cipta Griya Dewata in maintaining customer loyalty during the Covid-19 pandemic.

2 Literature Review

2.1 Strategy

The word strategic is an adjective that describes the implementation of the strategy. According to (Yunus, 2016) a strategy is an action plan that outlines the allocation of resources and other activities to respond to the environment and help the organization achieve its goal. In essence, strategy is the choice to carry out different activities or to carry out activities differently from its competitors

2.2 Management Strategy

According to (Irham, 2013) Strategic Management is a plan that is prepared and managed by taking into account various sides with the aim that the influence of the plan has a positive impact on the organization in the long term. According
to strategic management is a strategic process designed by management to formulate strategies, implement these strategies, and evaluate. These activities are used to determine the company’s long-term success and achieve its goals (Huda & Martanti, 2018).

With the implementation of strategic management, it is hoped that it will be able to provide the best and sustainable results. A stable profit is influenced by the stability of sales which continues to experience positive growth. Strategic management is the art and science of compiling, implementing, evaluating decisions that will be made in order to achieve goals (Handayani, 2016).

According to (David & David, 2013) strategic management can be defined as the art and science of formulating, implementing, and evaluating cross-functional decisions that enable organizations to achieve their goals. Strategic management is the process of making decisions and actions that lead to the development of effective strategies or those that help the company achieve its goals. Strategic management is a dynamic process because it takes place continuously in a company. Every strategy always requires review and maybe even changes in the future (Yulita et al., 2018).

2.3 Definition of SWOT

SWOT analysis is a strategic planning method used to evaluate the strengths, weaknesses, opportunities and threats in a business / business speculation. (Rangkuti, 2015) states that a SWOT analysis is a systematic identification of various factors to formulate a company strategy. This analysis is based on logic that maximizes strengths (strengths) and opportunities, but at the same time minimizes weaknesses and threats. According to (Jogiyanto, 2010) SWOT is used to assess the strengths and weaknesses of the resources owned by the company and external opportunities and challenges faced.

2.4 SWOT function

According to (Ferrel & Harline, 2005), the function of SWOT analysis is to obtain information from a situation analysis and separate it into internal issues (strengths and weaknesses) and external issues (opportunities and threats). The SWOT analysis will explain whether the information indicates something that will help the company achieve its goals or gives an indication that there are obstacles that must be faced or minimized to meet the desired income. SWOT analysis is useful for identifying the external sector and the internal sector with elements that can be analyzed within a company or organization (Effendi, 2015).

2.5 Consumer Relationship Management (CRM)

According to (Fauzi & Hari, 2017) Consumer Relationship Management is a marketing strategy that is currently being carried out by companies that want their customers or consumers to continue to buy their products or use their services, in a general sense, which is a process of several stages consisting of from identification, acquisition, retention and development of customers who make a big contribution to the company by focusing its strategy, namely by maintaining relationships with customers effectively and efficiently so that the relationship becomes a profitable “lifetime” relationship. Consumer Relationship Management is a business strategy consisting of software and services designed to increase profit, revenue and customer satisfaction. The goal is to help various forms of companies to identify their customers precisely, get more customers faster, and maintain customer loyalty (Simarmata & Hashibuan, 2019).

There are three main forms of Consumer Relationship Management, namely strategic, operational, and analytical (Buttle & Maklan, 2019).

a. Strategic Consumer Relationship Management

Strategic Consumer Relationship Management focuses more on developing a customer-centered business culture that is dedicated to winning and retaining customers by creating and providing better value than competitors. Culture is reflected in leadership behavior, the design of the company’s formal systems and the stories created within the company.

b. Operational Consumer Relationship Management

Operational Consumer Relationship Management (CRM) automates customer-facing business processes. The Consumer Relationship Management software application will enable marketing, sales and service functions to be automated and integrated. One example is by doing online sales that will make customers and companies feel at ease.

c. Analytical Consumer Relationship Management

Analytical Consumer Relationship Management is concerned with capturing, storing, extracting, integrating, processing, interpreting, distributing, and reporting customer-related data to increase customer and company value. Analytical Consumer Relationship Management

2.6 Loyalty

In recent business contexts, the term loyalty has been used to describe a customer’s willingness to continue to subscribe to a company in the long run, by buying and using goods and services repeatedly and better yet exclusively and voluntarily recommending the company’s products to friends and colleagues, Lovelock and Wright (Wahyu & Gorda, 2019).

Loyalty can be said if someone is loyal to use products that are marketed by certain companies continuously. This company is required to bind and continue to interact with consumers so as not to turn away from the goods or services they offer so that the survival of the company can be maintained and does not go out of business. Meanwhile, interaction is used to measure the extent to which emotional relationships have existed so far and the extent to which the level of customer commitment to resume business relationships that have existed in the future, Kartujaya (Wahyu & Gorda, 2019).

3. Research Model & Methodology

This study uses qualitative methods intended to find and understand what is behind the phenomenon to be studied. Qualitative methods can provide details and information that are difficult to disclose in quantitative methods. So this causes the need for methodological breakthroughs that are able to create alternative new concepts from a combination of the perspective being studied and the perspective of the researcher himself (Sugiono, 2018). The qualitative approach is believed to be able to direct the search for new concepts through the interpretation of the process and meaning of a phenomenon which can then be used to build predictions and provide explanations of the phenomena under study.

The location of this research was conducted at PT Cipta Griya Dewata which is located at Jalan Gatot Subroto Timur No. 340X Denpasar, Bali. PT Cipta Griya Dewata is a company engaged in construction, especially the appearance of
buildings and is also one of the official distributors of YKK AP aluminum frames in Bali. The basic consideration for selecting the location is because PT Cipta Griya Dewata is a small company that is often involved in large to small scale projects, such as: hotels, villa areas or private villas, malls, housing, residential houses and offices. Looking at the project history, which are mostly commercial buildings in the tourism sector, of course with the COVID-19 pandemic, it is estimated that the sales volume will decline again and can affect the sustainability of the company.

The technique of taking informants in this qualitative study was used, namely purposive sampling. In this purposive sampling, the researcher has certain criteria to determine research sources (Ferdinand, 2014). Purposive sampling is a sampling technique with certain considerations. The subjects to be interviewed in this study, namely the Manager of PT. Cipta Griya Dewata and 4 customers of PT. Cipta Griya Dewata. Retrieval of data in this study by means of in-depth interviews with informants was conducted with observations of researchers in the field and also analyzing existing documents on the object of research. The data analysis in this study used the Miles and Huberman model, namely data collection, data reduction, data presentation and conclusion (Sugiono, 2018)

4. Research Results and Discussions

4.1 Results of the SWOT Strategy Analysis

To maintain consumer loyalty, companies can use a SWOT strategy. SWOT analysis is generally a strategy planning technique or method that aims to evaluate a company's strengths, weaknesses, opportunities and threats in a project or business. The SWOT analysis method aims to describe the situation and conditions that are being faced in a company.

a. Strength

The strength of PT. The first Cipta Griya Dewata is the enthusiasm and friendliness of its staff. This was conveyed by several consumers through interviews with them. Mr. Alit Wijaya as the Project Manager for Villa Venna and Villa Batu Jimbar said that the enthusiasm and friendliness of the staff of PT. Cipta Griya Dewata is very good. This is also conveyed by Mr. Paul Tendean as the Director of PT. Cipta Kreasi Bangun Pratama who conveyed the enthusiasm and friendliness of the staff of PT. Cipta Griya Dewata is very kind and friendly. Then also in line with Mr. Prayoga Adi as the Architect of the Ayung Terrace Residence Project who also said that the enthusiasm and friendliness of the staff of PT. Cipta Griya Dewata has been very good.

The second strength possessed by PT. Cipta Griya Dewata is quite good communication with consumers. PT. Cipta Griya Dewata is considered by some consumers to have excellent communication patterns with them. This was conveyed by Mr. Alit Wijaya as the Project Manager for Villa Venna and Villa Batu Jimbar, he said that PT. Cipta Griya Dewata has implemented a very good communication system with its customers. This is also conveyed by Mr. Paul Tendean as Director of PT. Cipta Kreasi Bangun Pratama who conveyed that the communication created by PT. Cipta Griya Dewata to consumers has been very good. Then also in line with Mr. Prayoga Adi as the Architect of the Teras Ayung Residence Project who also said that communication between consumers and PT. Cipta Griya Dewata is very good. Strength owned by PT. Cipta Griya Dewata is enthusiasm and friendliness to consumers as well as good communication between PT. Cipta Griya Dewata to consumers.

b. Weakness

Every company must have weaknesses. This can have a negative effect on the company. Therefore, the company needs to know what its weaknesses are so that it can be used as material for improvement. Weaknesses owned by PT. The first Cipta Griya Dewata is the staff's lack of responsiveness when there are complaints from consumers in the field. This was conveyed by Mr. Alit Wijaya as the Project Manager for Villa Venna and Villa Batu Jimbar Projects who conveyed that PT. Cipta Griya Dewata is already responsive but the speed is not enough which can be interpreted that if there are complaints, the staff does not immediately go to the field but have to wait a few days and then the staff will handle the obstacles that exist in the field.

The second weakness that is owned by PT. Cipta Griya Dewata is that product marketing through e-commerce and the use of social media has not been maximized. This has been conveyed by Mr. Marcel Sutrisno as the manager of PT. Cipta Griya Dewata and also conveyed by several consumers of PT. Cipta Griya Dewata. The consumers of PT. Cipta Griya Dewata conveyed that social media is very important, especially in responding to the Covid-19 pandemic like today. So the weakness of PT. Cipta Griya Dewata is located on staff who are less responsive in handling problems in the field and PT. Cipta Griya Dewata in using e-commerce as a marketing platform and social media as an online communication medium.

c. Opportunity

Having several regular customers and feeling satisfied with the work of PT. Cipta Griya Dewata is a great opportunity for PT. Cipta Griya Dewata. Many customers then recommended PT. Cipta Griya Dewata to his colleagues. This was conveyed by Alit Wijaya as the Project Manager for Villa Venna and Villa Batu Jimbar who said: "So far, the owner has always been satisfied with the work and products offered by PT Cipta Griya Dewata. So of course I have recommended this company to several of my clients and architects with whom I have worked on projects."

Opportunities owned by PT. Cipta Griya Dewata is due to customer satisfaction and then they recommend it to other colleagues or other companies. PT. Cipta Griya Dewata needs to seize this opportunity and start planning what to do.

d. Threats

The threat posed by PT. Cipta Griya Dewata is a competition that is getting tougher. Plus the very broad marketing at this time through e-commerce and social media has made PT. Cipta Griya Dewata must move quickly to overcome this threat. Preferably PT. Cipta Griya Dewata began to actively do marketing through e-commerce and promotion through social media. Provide information that consumers can access easily. So that PT. Cipta Griya Dewata is not left behind with other companies that are starting to become tech-savvy.

4.2 Strategy Customer Relationship Management

Customer Relationship Management analysis states in three main forms according to (Buttle & Maklan, 2019), namely strategic, operational, and analytical.
a. Customer Relationship Management Strategy

Strategic Customer Relationship Management focuses more on developing a customer-centered business culture that is dedicated to winning and retaining customers by creating and providing better value than competitors. Referring to this Customer Relationship Management strategy, PT. Cipta Griya Dewata already has a good strategy. PT. Cipta Griya Dewata in service focuses more on its business to consumers. This is evidenced by the communication of PT. Cipta Griya Dewata is kind to consumers. As stated by consumers of PT. Cipta Griya Dewata Mr. Alit Wijaya as the Project Manager for Villa Venna and Villa Batu Jimbarang regarding how important communication is in business and whether PT. Cipta Griya Dewata has done well, he said:

"It is very important, because it can establish a good relationship with consumers and psychologically influence consumers to feel comfortable and close. I think PT. Cipta Griya Dewata has implemented it well."

In line with Mr. Alit, Mr. Prayoga Adi as a consumer of PT. Cipta Griya Dewata, who is the Architect for the Teras Ayung Residence Project, he explained about the communication as follows:

"Communication is very important, because if there is good communication with consumers, the relationship with consumers will be close and consumers tend to recommend it to others. PT. Cipta Griya Dewata has implemented it well."

Then the same thing was conveyed by Mr. Wayan Subrata as the Project Manager for Villa Esperanza and Villa Hijau Hamoni, he said:

"The level of ability and frequency of communication with consumers is very important. It is very important and at PT. Cipta Griya Dewata it has been implemented."

Based on the results of interviews with several sources above, it can be concluded that the Customer Relationship Management strategy to maintain consumer loyalty has been done very well through well-established communication to its customers.

b. Operational Customer Relationship Management

Operational Customer Relationship Management automates the business processes faced by customers. The Customer Relationship Management software application will enable marketing, sales and service functions to be automated and integrated. One example is by doing online sales that will make customers and companies feel at ease. In terms of operational Customer Relationship Management, PT. Cipta Griya Dewata has not done it. This was conveyed through an interview with the manager of PT. Cipta Griya Dewata, Mr. Marcel Sutrisno, he said:

"For social media, I don’t think it has to be very active, because aluminum doors and windows don’t need to be shouted let’s buy this, buy this”. So we better serve existing customers, we provide good service. That’s the best kind of marketing in my opinion, rather than us begging to buy. I think for big projects, social media doesn’t really have a significant impact."

Based on the results of the interview, it can be concluded that social media is not effective for large projects such as PT. Cipta Griya Dewata. However, in the future PT. Cipta Griya Dewata will start selling online through Tokopedia or other e-commerce. As conveyed by the manager of PT. Cipta Griya Dewata, Mr. Marcel Sutrisno as follows:

"There is a discourse that we will expand sales in Tokopedia. So because the young millennial generation is more and more tech savvy, everyone looks for prices on tokopedia / e-commerce. It is possible that in the future we will sell it at the store, but the size is not customizable and with certain classes of our products.”

So for operational Customer Relationship Management, PT. Cipta Griya Dewata has not implemented it well and is still a discourse in the future.

c. Analytical Customer Relationship Management

Analytical Customer Relationship Management is concerned with capturing, storing, extracting, integrating, processing, interpreting, distributing, using and reporting customer-related data to increase customer and company value. In this case, PT. Cipta Griya Dewata has done well where it was conveyed by the manager, Marcel Sutrisno, he said:

"In this construction world, we can provide good service. So don’t make it up. What we say / inform consumers is true. So, we realized that we had to set appropriate expectations. So don’t let us give consumers too high expectations. It turns out that they cannot fulfill it, which will damage relationships with consumers and then affect their loyalty. It’s better if we don’t give too high expectations, but we can provide services / products that are better than that, so consumers will automatically be satisfied and their loyalty will increase."

Based on the results of the interview, it can be concluded that capturing, storing, extracting, then integrating, processing, interpreting, and distributing, using and reporting customer-related data is something that is very important in the business world. Of course, it must also be conveyed in truth or in accordance with expectations.

Based on the SWOT Results and the Customer Relationship Management strategy, it can be understood that if you look at the characteristics of loyal customers according to (Griffith, 2010), namely:

a. Make purchases regularly
b. Buy outside the product / service line
c. Recommend other products
d. Demonstrate immunity from the attractiveness of similar products from competitors

It can be concluded that consumers from PT. Cipta Griya Dewata has become a loyal customer to PT. Cipta Griya Dewata. Where consumers have made purchases regularly, consumers not only order the products provided but also order other products that can be provided by PT. Cipta Griya Dewata, consumers recommend PT. Cipta Griya Dewata to other companies and consumers still stick with PT. Cipta Griya Dewata even though there are many other companies similar to PT. Cipta Griya Dewata.

5. Conclusion

Based on the discussion that has been conveyed and described, it can be concluded that PT. Cipta Griya Dewata’s strategy in maintaining consumer loyalty in the midst of a pandemic based on the SWOT strategy is the strength of PT. Cipta Griya Dewata includes enthusiasm and friendliness to consumers as well as good communication to consumers. Weaknesses owned by PT. Cipta Griya Dewata covers the lack of responsiveness of staff in overcoming problems in the field and also not maximizing marketing through e-commerce and promotion through social media. Opportunities owned by PT. Cipta Griya
Dewata is a broader marketing by word of mouth. This is due to recommendations from consumers who are satisfied with the work of PT. Cipta Griya Dewata then recommended it to friends or other companies. The threat posed by PT. Cipta Griya Dewata is a trade competition that is getting tougher. This is a threat because many other companies are already doing marketing through e-commerce and promotion through social media, but PT. Cipta Griya Dewata hasn’t done that yet.

Meanwhile, in terms of the Customer Relationship Management Strategy, the company is required to be customer-centered. This has been done well by PT. Cipta Griya Dewata through those who have to meet face to face with consumers to explain product descriptions and also PT. Cipta Griya Dewata must understand the profile of consumers to have a deeper understanding of the character of their consumers. Operational Customer Relationship Management that uses software has not been applied at PT. Cipta Griya Dewata. Analytical Customer Relationship Management is concerned with capturing, storing, extracting, integrating, processing, interpreting, distributing, using and reporting customer-related data to increase customer value and the company has been well done by PT. Cipta Griya Dewata.

6. References