

Marketing Strategy Based on CRM (Customer Relationship Management) at PT. Berjaya Pangan Makmur in Tangerang City

Rodhiah¹; Toto Mujio Mukmin²; Wasino³; Septihani Michella Wijaya⁴; Patrice Febiyani Metty⁴;
Carlene Lim⁵; Rahma Della Safitri⁵

¹ Economic and Business Faculty, Universitas Tarumanagara, Jakarta, Indonesia

² Art and Design Faculty, Universitas Tarumanagara, Jakarta, Indonesia

³ Information Technology Faculty, Universitas Tarumanagara, Jakarta, Indonesia

⁴ Economic and Business Faculty, Universitas TarumanagaraTarumanagara, Jakarta, Indonesia

⁵ Information Technology Faculty, Universitas Tarumanagara, Jakarta, Indonesia

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Abstract

This study aims to produce a marketing model design based on CRM (Customer Relationship Management), in establishing long-term relationships with retailers and in increasing customer loyalty. The case study was conducted at PT Berjaya Pangan Makmur which is engaged in the coffee business with the Harum Sweet brand. The implementation method with literature study, secondary and primary data was carried out to produce a model. The results of the activity show the marketing strategy design model based on CRM (Customer Relationship Management), in establishing long-term relationships with retailers, in introducing the existence of sweet fragrant coffee to the community. It is necessary to use information and communication technology to develop the functions of CRM which include strategic, operational and analytical functions. Customer-centered strategy that aims to win and retain customers, plays a strategic role in attracting and retaining its customers. Operations focuses on automating customer-facing processes such as sales, marketing, and customer service. Analytical CRM transforms customer-related data into customer-based data that is decrypted in the customer database program. It is important for companies to have customer data based, in order to maintain continuity of customers and ultimately reduce costs. The implementation of the Customer Relationship Management (CRM) program will help companies strengthen relationships with customers which can reduce costs and increase productivity and profitability in the business.

Keywords: *Strategy; Marketing; CRM; Information Technology*

Background

Packaged coffee as a beverages product, has great potential in terms of acceptance and level of sales in Indonesian society. The habit of consuming coffee has been very embedded in people's daily

activities. Packaged coffee is often popular because it is a cheap solution for consuming coffee. Considering that packaged coffee is included in the realm of FMCG (fast moving consumer goods) products, it is certain that it cannot be separated from intense competition from similar products from large local and foreign companies. The main competition is the problem of marketing competition. The marketing carried out by competitors for packaged coffee products is considered totality, massive, and very brave in terms of issuing promotional resources, so that partner companies really need to adjust the marketing competition so that the product is not left behind and continues to exist. Tapia, et al (2010) found that one form of business strategy is marketing strategy (Sara, 2010). The marketing management concept states that the main goal is to achieve a broad target and market share. Ti Bei, Lien and Fong Shang, Cian (2006), through this strategy is the company's ability to increase its market share. Nandakumar et al., (2010). Revealing the marketing strategy will help find the right target market. Thompson (2012) also states that the challenge in marketing is to identify potential profitable markets to serve.

Determining the right marketing strategy can be a solution to the competitive problem of marketing the sachet coffee product. Starting from determining marketing targets, selecting marketing areas, sorting promotional media, forms of promotion, advertising management & creating creative and targeted marketing content. According to Wahab et al. (2016), said that: "promotions can cover the information gap between potential buyers and potential sellers." For this reason, product promotion strategies need to be carried out optimally, which is balanced with massive and optimal distribution of products. In line with this, in expanding distribution, it is necessary to build a marketing strategy in the form of long-term relationship partnerships, for that cannot be separated from good CRM (Customer Relationship Management). According to Hair (2013) CRM is the management of all aspects of the relationship between a company and its potential customers and customers, which integrates human resources, business processes and technology in its management process. The human resources referred to in CRM are employees in the company's sales and marketing department, as well as potential customers and customers. The business process in question is the process and administration that occurs starting from the time the prospective customer gets acquainted with the company, until he becomes a customer and then becomes loyal to the related brand. Meanwhile, what is meant by technology is computer software and hardware that plays a role in supporting the implementation of CRM in the company.

Based on observations and discussions with the company, namely PT. Berjaya Pangan Makmur, the marketing problems of sachet coffee are specifically related to: How to design a marketing strategy based on customer relationship management in order to increase customer loyalty for sweet fragrant coffee located in the city of Tangerang. Based on these problems, this activity aims to design a CRM-based marketing strategy model for marketing black coffee sachets owned by PT. Berjaya Pangan Makmur.

Literature Study

Marketing Strategy

The marketing idea is a marketing management philosophy that emphasizes customer happiness as the key to an organization's success in achieving its goals. As a result, the marketing idea stresses that the company's major responsibility is to identify market requirements and desires, then meet these needs and desires to exceed rivals' levels of customer satisfaction. Marketers create, offer, and freely trade valued items and services with others, according to Kotler and Keller (2016). Top management makes essential choices and actions that are implemented by all levels of a company to attain a goal. In this sense strategy is defined as a decision or policy made by high-ranking organizations to achieve organizational goals and the policy must be implemented by all parties in an organization. It is clear here that strategy is indeed made to achieve goals and objectives. In the creation, communication, and/or delivery of products

that offer value to customers in exchange with the organization and by enabling the organization to achieve certain objectives, marketing strategy is an integrated organizational decision pattern that makes crucial choices about products, markets, marketing activities, and marketing resources (Morgan et al., 2018)

Customer Relationship Management (CRM)

Customer relationship management (CRM) is a critical component of corporate strategy and is more than simply a marketing tool. CRM is a method that aids management decision making by utilizing information stored within the business. More crucially, CRM use information technology to enhance the organization's marketing effort (Badwan, et al., 2017). CRM integrates an organization's three core dimensions: strategy, philosophy, and technology. Furthermore, the success of a CRM strategy is dependent on the proper balance of three critical organizational resources: people, technology, and procedures. Only by collaborating effectively with these three resources can organizations use CRM to achieve high levels of customer satisfaction, retention, and loyalty (Rigo et al., 2016, Manzuma-Ndaaba, et al., 2016) as a result of technological advancements that have altered the way customer relationships are managed.

CRM is a methodical technique to building and sustaining profitable customer relationships, in which technology may or may not play a part. As a result, it is impossible to envisage a major corporation dealing with millions of consumers across various channels implementing customer strategy in a cost-effective manner without the use of Information Systems technology and well established business procedures. We may end the discussion between management and technology schools by recognizing that CRM has three major components: strategic, operational, and analytical (Buttle & Maklan, 2019). The goal of operational CRM is to automate customer-facing functions including sales, marketing, and customer care. Analytical CRM is the process through which businesses convert customer-related data into actionable insights for strategic or tactical purposes (Buttle & Maklan, 2019). As a result, one of the top goals for businesses should be to adopt a Customer Relationship Management (CRM) strategy. Customer Relationship Management (CRM) is a simple idea or approach for strengthening customer interactions while reducing costs and increasing productivity and profitability in company. CRM solutions assist businesses in staying in touch with customers, streamlining procedures, and increasing profitability. CRM systems are wide and significant, yet they can be applied to both small and large enterprises because the main goal is to support customers effectively.

Four Dimensions of CRM Implementation:

According to Body and Limayem, here are the dimensions that need to be considered in CRM implementation (Body & Limayem, 2017):

1. Focus on key customers

Every firm that wants to deploy CRM successfully should have customer-focused structures, cultures, rules, and reward systems. This enterprise-wide CRM focus should be reflected in all contacts with major clients, which are commonly recognized using "lifetime value calculations." The major objective is to develop long-term customer connections in which the seller's company becomes necessary to its most profitable clients. Sales people are more active and driven to establish long-term client connections by delivering more specialized products and services when they have a company-wide awareness and internal support for crucial customer relationships.

2. Organizing Around CRM

The entire organization must be set up to establish these important connections, with a strong focus on key customers firmly integrated across its CRM system. To develop customer-centered value and promote customer-focused cross-functional team cooperation, the organizational structure must be flexible and, if required, redesigned. CRM success requires a commitment of resources from all levels of the firm. The firm and its salespeople are optimistic that they can fulfill customer demands and strengthen customer relationships with coordinated efforts by all organizational departments to continue to produce a rich stream of customer value and outcomes.

3. Managing Knowledge

CRM success is strongly linked to knowledge management since it is built on the effective transformation of customer information into customer knowledge. To boost customer profitability, information on customers should be collected through interactions or touch points across all departments or areas of the firm, allowing a 360-degree perspective of the customer to be enforced, maintained, and continuously updated. As a result, customer information must be shared and disseminated throughout the business in order to address present and expected customer demands. Salespeople are therefore armed with a plethora of important customer knowledge in order to precisely personalize marketing products to each client's unique requirements.

4. Combining CRM Based Technology

Many CRM-oriented activities, such as knowledge management, cannot be optimized without leveraging the latest technology. Indeed, most CRM applications take great advantage of technological innovations with their ability to collect and analyze data about customer patterns, develop predictive models, respond with timely and effective customized communications, and efficiently deliver personalized value offerings to individual customers. With the development of advanced information management tools, such as database marketing, data warehousing, data mining, and technology push, companies are trying hard to incorporate the latest technology into their CRM systems. In particular, Salespeople often rely on constantly updated software programs to better respond to their customers and build lasting customer relationships. CRM technology assists businesses and their marketers in collecting, analyzing, and disseminating information for improved prospective customer search, communication and sales presentations, and customized product configurations. It also makes it possible to cross-reference clients inside the company's division for increased sales prospects. Increased customer satisfaction, improved client retention, and more profitable long-term customer connections are among the major outcomes targeted by merging CRM-based technology.

“Any business needs Customer Relationship Management (CRM) to sustain and survive in the long term” (Hargreaves & Roth, 2018). CRM (customer relationship management) is a tool and strategy for managing customer contacts via the use of technology to automate business activities. CRM include tasks such as sales, marketing, and customer service (Figure 1). The goal is to identify, attract, and maintain new consumers for future business while also increasing customer loyalty. CRM is used by businesses to satisfy customer expectations and match it with the organization's mission and goals in order to achieve long-term performance and successful customer relationships.



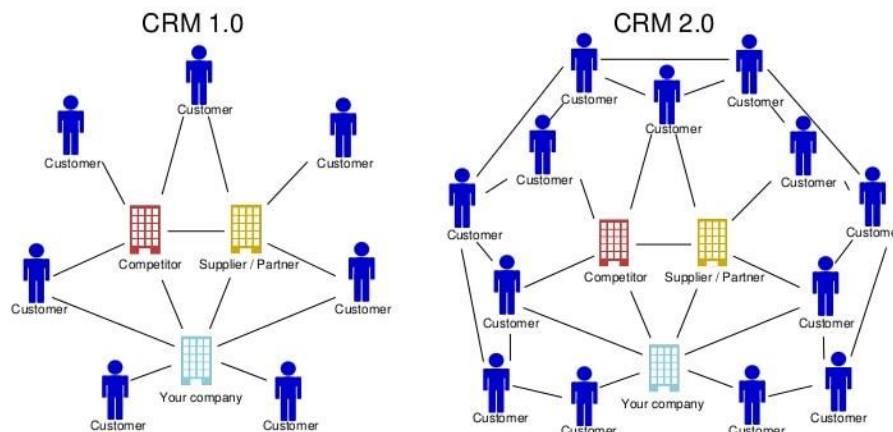
Picture 1 The scope of CRM.

CRM and Social Media

There has been an increase in the usage of collaboration platforms like as wikis and blogs, as well as social media, to promote the exchange of ideas and information between users for purposes beyond than merely sending emails and retrieving information. According to social network concept, an organization may be thought of as a system made up of a variety of interconnected entities including individuals, groups, and other organizations. Organizations unable to build customer connections using traditional CRM methods have been hit hard by Web 2.0's fast expansion.

Customer management, behavior, or anything else linked to multi-channel customer interactions may now be revealed using the newest technique and strategy known as "social CRM," as seen in Figure 2. For example, social CRM allows for more detailed analysis of people's social media chats in order to give more accurate programs or activities that address customers' interests and preferences.

Where firms utilize social media as a tool to create as many sales as possible, marketing should focus on developing connections and meaning for sales and customer service. Organizations should use social media as a tool to resolve consumer complaints on social media.



Picture 2 CRM 1.0 vs CRM 2.0.

Method

Subject selection was carried out at PT. Berjaya Pangan Makmur which is engaged in the coffee business with the sweet fragrant coffee brand, which located in Tangerang City. The formation of the model is based on data collection obtained through observation, secondary and primary data to the coffee business owner. This study is mostly a literature review, on marketing strategies and programs for sweet fragrant coffee businesses in carrying out CRM functions. Qualitative analysis that serves to produce a model of marketing strategy activities based on CRM.

Results and Discussion

Business Profile

PT. Berjaya Pangan Makmur Group is a limited liability company created since 2007 which originated from the manufacturing of roasting beans and coffee grounds typical of Tangerang city. After that the company expanded into the market of coffee shop outlets called as Sweet Fragrant Coffee Shop. Fragrant Sweet Coffee Shop becomes a typical culinary tangerang city that is never absent from the seek of coffee connoisseurs. Currently has roughly 8 outlets of coffee shop branches. Then in the end the company also released a black coffee product sachet packing 25 grams. However, since 2019 until now sweet fragrant coffee shops have declined to 4 outlets. In addition, the invention of innovations carried out in sachet goods is not yet known to the larger society. Below is a photo of coffee shop coffee and sachet coffee of PT Berjaya pangan Makmur.



Figure 3. Products and Outlets of PT. Berjaya Pangan Makmur

From initial observations, there are priority problems of PT. Berjaya Pangan Makmur in the marketing aspect. As is known, marketing plays an important role in the success of selling a product to the company, especially in the competition for marketing consumer goods such as coffee sachets. Companies must understand the right marketing strategy for a consumer goods. The marketing of this sachet coffee really needs good relationships with various customers, especially resellers, both agents and retailers, so that sachet coffee can be known to the public. Their creative activities are focused on developing the coffee sachet marketing area by establishing partnership relationships through a CRM (Customer Relationship Management) program with various parties, especially resellers and retail stores.

Marketing and CRM Programs

Marketing is one of the CRM activities or processes involved in marketing and selling products or services, and it includes activities such as market research and public relations. It is possible to engage in social marketing through social networks, which is a significant undertaking for the marketing team in the hopes of becoming viral and gaining customer attention. “Marketing, is defined as the activity, set of institutions and processes for creating, communicating, delivering and exchanging offerings that have value for customers, clients, partners and society at large.” (Gundlach, 2019).

CRM is used as a guide for marketing activities for sweet fragrant coffee in sachet packaging which is directly related to the aspect of relationships with customers, especially retail store customers. With the CRM marketing method, it is hoped that the company can carry out marketing activities on a massive, targeted and measurable basis so that it does not lag far behind the marketing carried out by competing companies that have abundant marketing resources. CRM, according to Levy (2014), is defined as the systematic integration of information technology and human resources in order to obtain the best possible outcomes from customers. CRM also assists salespeople in providing customers with the finest items possible, hence increasing corporate sales (Hair, 2013).

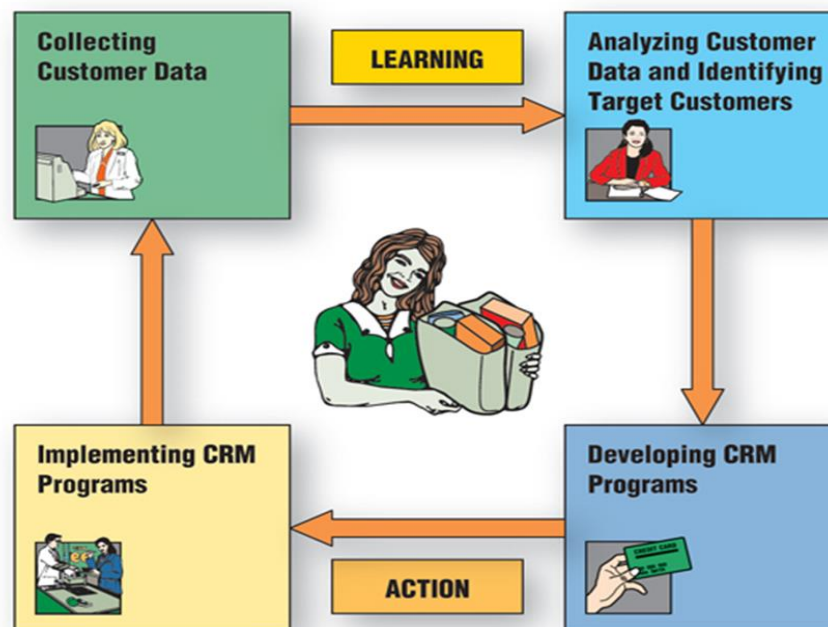


Figure 4 Source: Levy (2014)

Establish a strong marketing network with retailers, agents, and end users. The specifications offered are: Looking for new retailers or agents to market coffee sachets. Comparing the growth of

retailer and agent networks over the two periods, Summarizing consumer databases. Comparing the performance of conventional retailers or agents with online. Support the sales performance of retailers or agents that are still not good and maintain performance that is considered good. Optimizing the utilization of a sorted network of retailers and agents for product distribution. Maintain good relations between the company and retailers or agents that have been sorted and recorded in the database.

CRM Based Marketing Strategy Design

Through "the results of observations and various literature studies, it is necessary to pay attention to partnership systems in increasing sales of fragrant coffee. They may assist spread new PT Berjaya Pangan Makmur coffee sachet items through CRM with clients, particularly retail merchants. Developing a CRM system that helps businesses remain in touch with consumers, streamline procedures, and boost profits is critical when forging partnerships. CRM systems may be used by both small and large enterprises because its primary purpose is to assist customers in a timely manner. Companies must reconsider their business model and shift their customer service paradigms. Rather of reacting to changes in the global market or the intense level of competition, businesses must adopt a proactive rather than reactive strategy in order to stay competitive. It is a customer-centric approach to management that extends beyond the business. Therefore, companies need to implement a Customer Relationship Management (CRM) strategy as one of the main priorities. The existence of Customer relationship management, will accelerate business acceleration and entrepreneurs will easily learn about consumer desires. The makers of micro, small and medium enterprises are also easier to find the advantages of products and choose what social media is suitable to promote their business. For this reason, the design of a CRM-based marketing strategy model needs to be developed and implemented in the sweet fragrant coffee business, in order to increase retail store customers."

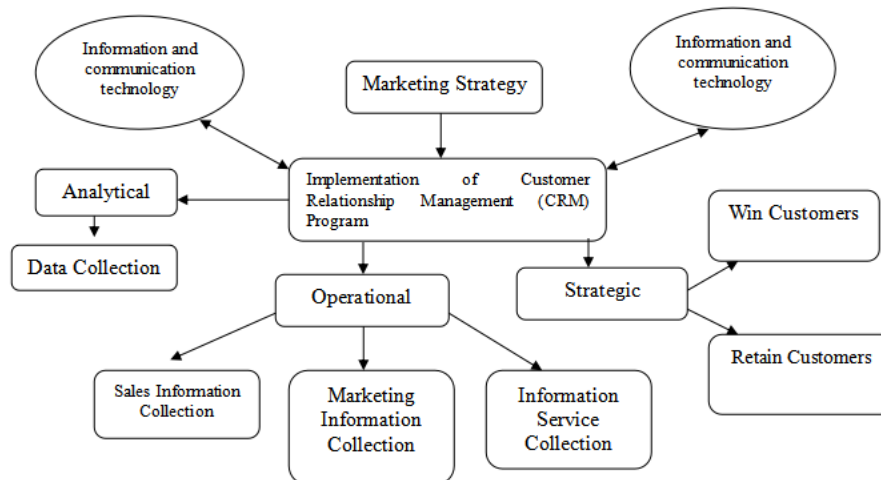


Figure 5. Development of a CRM-Based Marketing Strategy Model

In implementing the marketing strategy of sweet fragrant coffee, it is necessary to build customer relationships, especially retail store customers. Through CRM, which is based on information and communication technology with various media, it performs several main functions, namely strategic, operational and analytical functions. Where each has a role. A customer-centered strategy that aims to win and retain profitable customers, sweet fragrant coffee owners must be able to play a strategic role in attracting and retaining their customers. Operations focuses on automating customer-facing processes such as sales, marketing, and customer service. To run the sweet fragrant coffee business operations, carry out sales, marketing and provide optimal service to customers, continue to strive to improve its operational role. Meanwhile, in analytical CRM, it converts customer-related data into customer-based data that is described in the customer data base program. It is important for companies to have customer

data based, in order to maintain continuity of customers and ultimately reduce costs. The implementation of the Customer Relationship Management (CRM) program will help companies strengthen relationships with customers which can reduce costs and increase productivity and profitability in the business. in order to maintain continuity of customers and ultimately reduce costs. The implementation of the Customer Relationship Management (CRM) program will help companies strengthen relationships with customers which can reduce costs and increase productivity and profitability in the business. in order to maintain continuity of customers and ultimately reduce costs. The implementation of the Customer Relationship Management (CRM) program will help companies strengthen relationships with customers which can reduce costs and increase productivity and profitability in the business.

Closing

Building stronger relationships with consumers, as well as increasing and earning trust and confidence, need a CRM-based marketing approach. The capacity of CRM to absorb information technology in carrying out its three tasks, namely strategic, operational, and tactical activities, is the foundation of a CRM-based marketing strategy model. Customers communicate ideas through social media, and businesses should leverage information technology to develop goods and services that better meet customer requirements while also increasing revenues. Companies must move faster and exchange knowledge more than ever before in the 4.0 century environment, which blends information and communication technologies with diverse social media. Customers must also be connected to organizations, since more and more firms are linking to social networks. Clients want high-quality service that is tailored to their specific needs. This is a compelling incentive for businesses to use new social CRM in their present and future strategy. Without a question, social media's huge effect on customer behavior is transforming the face of current marketing strategy and making it one of the most potent marketing tools. Given the excellent outcomes it has had in developing customer interactions and retaining consumers for a long time, more and more businesses will incorporate social media as part of their marketing plan in the future.

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